ABSTRACT

Return is one of the investor's motive in investment decision making. Investment decision associate with whether to sell or buy stocks. Trading activity is reflected by stock trading volume with indicator of trading volume activity (TVA). In other words trading volume represent investor's supply and demand in the stock market which is a manifestation of invetor behavior. The objective of this research is to analyze the influence of market risk, size, book to market, and momentum to investor's decision.

The sample which is used in this research are 34 non-banking issuers in index LQ45 during 2007-2010 periods. This research used cross sectional data with 14 observation periods. The data analysis technique used in this study is multiple regression analysis and the classical assumptions test which includes autocorrelation, normality, multicollinearity, and heteroscedasticity test.

*The result of this research shows that market risk has a positive and significant influence on investor's decision. The size which is a proxy from market capitalization shows a negative and significant influence to investor's decision. The book to market, the return t-3 and t-12 show a positive influence, but they don't significantly influence the investor's decision, in the other hand the return t-*6 *shows a negative influence on investor's decision. Predictive ability of the sixth variables on the investor's decision of 18,4%, and the rest is affected by other factors outside of the research model.*

Keywords: Market Risk, Size, Book To Market, Momentum, Investor Decision