ABSTRACT

Every company wants a high profit. This will increase sales growth. However, growth is not always profitable. If too fast the growth can put enormous pressure on the resources of the company. Whereas if the growth is too slow, the company considered less take the financial potential of existing firms. Therefore, the concept of sustainable growth rate can be sized for a maximum level of sales could rise without the company running out of financial resources.

This study aims to empirically examine the effect of performance (ROA and price-to-book ratio), liquidity (current ratio and acid ratio) and stock returns to the deviation of actual growth rate of sustainable growth rate. This study uses multiple regression analysis with a sample of 49 companies listed on the Indonesia Stock Exchange (IDX) of the years 2009-2011. Statistical analysis tool used was SPSS version 16.0.

These results indicate that acid ratio variable have positive and significant influence to the deviation of actual growth rate of sustainable growth rate. ROA and current ratio have significant and negative influence to the deviation of actual growth rate of sustainable growth rate. But the price to book ratio and stock returns doesn't have significant influence the deviation of actual growth rate of sustainable growth rate. No significant result means the deviation of actual growth rate of sustainable growth rate that occurred less related to the market price of the company because it represents fluctuations in the demand-supply company's stock price rather than the performance.

Keywords: Return on assets, Price to book ratio, Current ratio, Acid ratio, Stock returns, Deviation of actual growth rate of sustainable growth rate.