

ABSTRACT

Capital Market is a place which is used to perform transactions and / or purchasing securities as well as an effective means to accelerate economic growth. Capital markets as well as the means by which people to make long term investments so that funds can be channeled into public investment productive sectors. The investors in making investment will consider two main things, namely the expected results (expected return) and investment risk. Rational investors will always seek to obtain information and perform various analyzes to reduce the uncertainty in the investment or to reduce existing risks.

This study was conducted to determine the effect of size, price-to-book value, beta and mispricing on stock returns. The data used in this study is a data company incorporated in LQ 45 during the period 2010-2013. This research was conducted with quantitative methods on the financial statements of listed companies in the LQ 45 during the period 2010-2013. The total study sample was 44 companies listed in LQ 45. 44 companies determined by purposive sampling method. The method of hypothesis testing using different test t-test and multiple linear regression analysis.

The results showed a positive and significant effect size on stock returns. Market to Book Value show positive effect and significant to stock returns. Beta show positive effect and significant on stock returns. And the variance ratio show negative effect and significant negative effect on stock returns or stock mispricing positive impact and significant on stock returns

Keywords: size, market to book value, beta, variance ratio, mispricing, stock return