ABSTRACT

This study aimed to analyze variables which affecting beta stocks on the manufacturing listed companies of Indonesia Stock Exchange of 2006-2009. In investment activity, it was not separated from two important things, namely return and risk. Since the investment consideration is a trade-off of both factors. Beta is a measure of systematic risk of security or portfolio relative toward the market.

Variables used in this study are Revenue and Cost which becomes a proxy of Operating Leverage and Debt to Equity Ratio (DER) which becomes a proxy of Financial Leverage. In addition to the study, it had dummy variables of company with experience of mismatch and match. In the study period, it taken sample of 104 companies.

This study uses multiple regression. The results of the partial regression analysis showed that the Debt to Equity Ratio (DER) significantly influence the beta. While simultaneously obtained variable results of the Revenue, Cost, Debt to Equity Ratio, and Dummy variables significantly affected the beta.

Key words :   Beta, Revenue, Cost, Debt to Equity Ratio (DER), Dummy variable (Companies with experience mismatch and match)