

ABSTRACT

This study is replication from Bana Abuzayed's research. The purpose of this study is to provide empirical evidence about net income its components and book value are relevant significant with market value (stock price) of banking companies. Other information like efficiency, credit risk, and insolvency risk also use to examined the relationship with market value for banks valuation.

Data used in this study was secondary, financial reporting 2007-2009 from IDX and ICMD 2006-2008. The population of this study were 29 banking companies listed in indonesian stock exchange (IDX) from 2007-2009. The sample of this study were 21 banking companies, in 3 years, total 63 banking companies. The sample drawn by purposive sampling and fulfill sample selection criterion. To answer the aim of the study, regression is used to analyze the relations between independent variables dan dependent variable.

The results of this research show that simultaneously accounting information and other information have significant positive relationships with market value. However, only book value that have significant relationship with market value individually, while net income, its component, efficiency, credit risk, and insolvency risk have no significant relationship with market value. For market participants, the influence of accounting information and other information to the market value will provide additional information about the factors that influence the market value of a stock.

Keywords : market value, book value, banking, efficiency, insolvency risk, and credit risk