

ABSTRACT

Capital market is one of the alternatives for the company to obtain funding through investment activities. Investing in the stock market offers the same great benefits to the level of losses that might be obtained. This loss rate is also known as risk. The risk that can not be diversified (*systematic risk*) is often referred to as market risk. The parameter that used to measure the systematic risk is component of beta. This research uses the component of fundamental factors as independent variables as *Debt to Equity Ratio (DER)*, *Current Ratio (CR)*, *Asset Growth (AG)*, *Degree of Operating Leverage (DOL)*, and *Return on Assets (ROA)* which had an effect on dependent variable, stock beta. This research aimed to analyze the influence of the company's fundamentals on the stock beta at index of LQ 45 during 2006-2012.

The object of this research is all of the companies that is listed on the BEI and registered in LQ 45 index during the period 2006-2012, and always publishes the financial statements of the company, which amounts to 13 companies. The method of analysis in this study combines the data time series and cross section to account for or predict quantitatively of the variables used to beta stocks. This research uses tools in the form of a computer software program EViews 7.2. The analysis model used in this study is a model of panel data regression analysis.

Results of estimation using panel data regression models on stock index LQ 45 2006-2012 showed that simultaneously the variable of asset growth, DER, DOL, CR, and ROA significantly influence beta stocks. In addition, the results of the analysis indicate that partialy DER, CR, and ROA significantly influence beta stocks while the DOL and Asset Growth variables had no significant effect on the variable beta stocks. The coefficient of determination (*adjusted R²*) shown in this study are 0.219, it means that independent variables used in the model are able to explain the dependent variable by 22 percent. Thus, the remaining 78% are other variables beyond the variables used in this study can be used to analyze the effect of the beta stock.

Keywords: Stock beta, *Asset Growth (AG)*, *Debt to Ratio (DER)*, *Degree of Operating Leverage (DOL)*, *Current Ratio (CR)*, *Return on Assets (ROA)*