

## ABSTRACT

*This study is performed to examine the effect of debt to equity ratio (DER) profit margin on sales (PMS), Total Asset Turnover (TATO), Institutional Ownership (INSTO), Insider Ownership (INSO) and Dummy, toward Return on Equity (ROE) in non financial companies that is listed in BEI. The objective of this study is to scale and analyze the effect of the company financial ratios performance (debt to equity ratio (DER) profit margin on sales (PMS), Total Asset Turnover (TATO), Institutional Ownership (INSTO), Insider Ownership (INSO) and Dummy) toward ROE in non financial companies that is listed in BEI over period 2006-2008.*

*Sampling technique used here is purposive sampling on criterion (1) the company that trade their stocks in Indonesian Stock Exchange; and (2) the company having insider ownership per December 2006-2008. The data is obtained based on Indonesian Capital Market Directory (ICMD 2009) publication. It is gained sample amount of 86 companies from 272 companies those are listed in BEI. The analysis technique used here is multiple regression with the least square difference and hypothesis test using t-statistic to examine partial regression coefficient and f-statistic to examine the mean of mutual effect with level of significance 5%. In addition, classical assumption is also performed including normality test, multicollinearity test, heteroscedasticity test and autocorrelation test. While to examine the difference determining debt to equity ratio (DER) profit margin on sales (PMS), Total Asset Turnover (TATO), Institutional Ownership (INSTO), Insider Ownership (INSO) and Dummy toward ROE in Non LQ 45 and LQ 45 non financial companies those are listed in BEI using Dummy variable.*

*During 2006-2008 period show as deviation has not founded this indicate classical assumption that the available data has fulfill the condition to use multi linier regression model. Empirical evidence show DER, PMS, TATO, and Dummy to have influence toward ROE at level of significance less than 5%, INSTO and INSO have not influence toward ROE at level of significance more than 5%.*

*Keywords: debt to equity ratio (DER) profit margin on sales (PMS), Total Asset Turnover (TATO), Institutional Ownership (INSTO), Insider Ownership (INSO), Dummy, and Return on Equity (ROE)*