

**THE IMPACT OF MACROECONOMIC VARIABLES AND FUNDAMENTAL  
FACTOR IN FINANCIAL RATIOS ON STOCK RETURN OF REAL ESTATE  
AND PROPERTY COMPANIES LISTED ON IDX 2011-2017**

By

Audria Agatha

11403038

BACHELOR'S DEGREE  
in

BUSINESS ADMINISTRATION – BANKING & FINANCE  
FACULTY OF BUSINESS AND COMMUNICATION



SWISS GERMAN UNIVERSITY  
The Prominence Tower  
Jalan Jalur Sutera Barat No. 15, Alam Sutera  
Tangerang, Banten 15143 - Indonesia

July 2019

**Revision after the Thesis Defense on July, 8<sup>th</sup> - 2019**

### STATEMENT BY THE AUTHOR

I hereby declare that this submission is my own work and to the best of my knowledge, it contains no material previously published or written by another person, nor material which to a substantial extent has been accepted for the award of any other degree or diploma at any educational institution, except where due acknowledgement is made in the thesis.

Audria Agatha

Student

Date

Approved by:

Margaretha Tiur Pasuria Lingga, SE., MM.

Thesis Advisor

Date

Dr. Nila Krisnawati Hidayat, SE., MM.

Dean

Date

---

Audria Agatha

## ABSTRACT

### THE IMPACT OF MACROECONOMIC VARIABLES AND FUNDAMENTAL FACTOR IN FINANCIAL RATIOS ON STOCK RETURN OF REAL ESTATE AND PROPERTY COMPANIES LISTED ON IDX 2011-2017

By: Audria Agatha

Margaretha Tiur Pasuria Lingga, SE, MM, Advisor

This study aimed to analyze the impact of macroeconomic variables and fundamental factor in financial ratios on stock return of real estate and property companies listed on the Indonesia Stock Exchange for period 2011-2017. This study uses the theory of Arbitrage Pricing Theory (APT) (Ross, 1976) with six variables that consists of two macroeconomic variables such as Interest Rate from Indonesian Bank (Suku Bunga Indonesia) and Composite Stock Price Index (Indeks Harga Saham Gabungan), as well as four fundamental factor in financial ratios form that will be used in this research such as Profitability Ratio: Return on Assets (ROA), Solvency Ratio: Debt to Equity ratio (DER), and Market Value Ratio: Price Earnings Ratio (PER) and Earnings Per Share (EPS). Based on Purposive Sampling method used there are 42 companies in the research samples with annually time period during recording year of 2011-2017 as estimate time. This research used Random Effect Model (REM) as data estimation technique in the panel data regression model and proceed with Eviews10 Program. Simultaneously that macroeconomic variables and fundamental factor in financial ratios are significantly effect on stock return of Real Estate and Property Companies. The results showed that the partial of the six variables used only SBI, CSPI, DER and EPS has significant effect on stock return so investor can used that 4 variables to predict stock return of Real Estate and Property Companies in Indonesia.

*Keywords: Macroeconomic Variables, Fundamental Factor in Financial Ratios, Stock Return, Real Estate and Property Companies*



**SWISS GERMAN UNIVERSITY**

## **DEDICATION**

I dedicate this thesis work to my family especially my beloved parents and my one and only little sister, advisor, lecturers and friends for their endless support, motivation, and love.



## ACKNOWLEDGEMENTS

First of all, I would like to bestow my utmost gratitude to God, the almighty who gave me strength through hardships of making this research for the never ending blessings.

My family, my beloved parents, Hendra and Kristina Setiawan, and my loving one and only little sister, Grace Kelly Ho, for their unconditional love and support.

I would like to express my gratitude and appreciation to all my lecturers in Swiss German University and especially to my thesis advisor, Ms. Margaretha Tiur Pasuria Lingga, SE., MM. for her patience, knowledge, time and without her sincere guidance, this thesis would not have been possibly completed.

Thank you to my best friends, my support system over the past decade, Olga, Sheila, Caroline, Mitzi, Franz, Hendy, Salia, Monica, Noni, Scott, Richard, Stefan, Kevin, Jordan, Fabian, Severin, Gerardo, Peter and Christian, for the love, laughs, tears and immeasurable support. For the constant reminder that I will always have someone to lean on and a place to call home for the rest of my life.

I also submit my heartiest gratitude to my three favourite idols, Super Junior, CNBlue and Niall Horan, who has been inspiring and keep me going throughout the process of this thesis. Without them, no inspiration would be attached for me to complete this thesis. Their music will forever be motivation to me.

I would also like to thank my closest friends during my time at university, who made bearable for the enjoyment, cheerfulness, and all of the hilarious and happy moments: Nata, Karina, Noni, Migo, Devi, Fina, Ibim, Vonny, Nadia, Hanny, Inne, Roro, Mutia, Nia, Regina, Vanya, Kevin, Raissa, Stella, Andre, Rocky, Abang, Longho, Dirga, Adrian, Hammam, Armand, Dhika, Edwin, Evelyn, Okta, Fabio, Kepai, Viza, Fakhri, Tyo, Glen and Special thanks to all academic bachelor student batches 2014-2015 for helping me through my thesis process and overall pleasant experience during my last months as a student. And to all of the others that I cannot mention one by one.

## TABLE OF CONTENTS

	Page
<b>STATEMENT BY THE AUTHOR</b> .....	<b>2</b>
<b>ABSTRACT</b> .....	<b>3</b>
<b>DEDICATION</b> .....	<b>5</b>
<b>ACKNOWLEDGEMENTS</b> .....	<b>6</b>
<b>TABLE OF CONTENTS</b> .....	<b>7</b>
<b>LIST OF FIGURES</b> .....	<b>10</b>
<b>LIST OF TABLES</b> .....	<b>11</b>
<b>LIST OF APPENDICES</b> .....	<b>12</b>
<b>CHAPTER 1 - INTRODUCTION</b> .....	<b>13</b>
1.1. Background .....	13
1.2. Research Problem .....	19
1.3. Research Objectives .....	19
1.4. Research Questions .....	20
1.5. Scope and Limitation .....	21
1.6. Significance of Study .....	21
<b>CHAPTER 2 - LITERATURE REVIEW</b> .....	<b>23</b>
2.1. Framework of Thinking .....	23
2.2. Theoretical Framework.....	24
2.2.1. Macroeconomic Variables .....	25
2.2.2. Interest Rate from Indonesia Bank (Suka Bunga Indonesia) .....	26
2.2.3. Composite Stock Price Index (Indeks Harga Saham Gabungan).....	26
2.3. Fundamental Factor in Financial Ratios .....	27
2.3.1. Profitability Ratio .....	28
2.3.1.1. Return on Asset .....	28
2.3.2. Solvency Ratio.....	29
2.3.2.1. Debt to Equity Ratio .....	29

2.3.3. Market Value Ratio .....	30
2.3.3.1. Price Earnings Ratio .....	30
2.3.3.2. Earnings Per Share .....	30
2.4. Return .....	31
2.5. Previous Study .....	32
2.6. Study Differences .....	35
2.7. Hypothesis .....	37
<b>CHAPTER 3 - RESEARCH METHODS .....</b>	<b>38</b>
3.1. Type of Study .....	38
3.2. Unit Analysis/Unit Observation .....	38
3.3. Population and Sampling .....	38
3.4. Type Data and Collection Data .....	40
3.5. Research Model .....	41
3.6. Variable Operationalization .....	41
3.7. Data Analysis Technique .....	44
3.7.1. Measures of Central Tendency .....	44
3.7.2. Measures of Variability .....	45
3.7.3. Panel Data Regression Analysis .....	46
3.7.4. Selection of Panel Data Regression Estimation Model .....	48
3.7.5. Classical Assumption Test .....	50
3.7.6. Multiple Regression .....	51
3.7.7. Hypothesis Test .....	52
<b>CHAPTER 4 - RESULTS AND DISCUSSIONS .....</b>	<b>53</b>
4.1. Brief Company Background .....	53
4.2. Descriptive Statistics .....	54
4.3. Best Model Selection .....	59



4.4. Classical Assumption Test Result.....	61
4.5. Regression Test Result and Analysis .....	62
4.6. Hypothesis Test Result .....	63
4.7. Result Discussion.....	65
<b>CHAPTER 5 – CONCLUSION AND RECCOMENDATION.....</b>	<b>69</b>
5.1. Conclusion .....	69
5.2. Recommendation .....	71
<b>GLOSSARY.....</b>	<b>72</b>
<b>REFERENCES.....</b>	<b>74</b>
<b>APPENDICES .....</b>	<b>77</b>
<b>CURRICULUM VITAE.....</b>	<b>101</b>



**SWISS GERMAN UNIVERSITY**