

ABSTRACT

The aim of this research is to analyze the effect of DER and CR with ROE as Intervening Variable. The research population are all Food and Beverages companies listed on the Indonesia Stock Exchange. The number of samples used in this study were 44 companies. Purposive sampling method was used to determine the sampels. Data was analyze using multiple regression analysis. Based on results of research and data analysis using Multiple Regression shows that (1) DER variable has a negative and significant effect on Stock Return. (2) CR has a negative and significant effect on Stock Returns .(3) ROE has a positive effect on Stock Returns. Meanwhile, with using sobel test the results that (4) ROE can mediate effect DER and CR on Stock Returns.

Implications of the conclusion above is DER that have a high value can reduce the stock returns but DER with high value with a effective using can rise the stock returns. The DER variable is one that must be considered by investor for investment strategy. Level of using liabilities from external funding should be noticed with the function because if the company can not using this debt carefully this debt can be high burden for company and can effect the effective company to get profit. Investors should crosscheck the company that using external funding for the operational company. CR that have a high value can reduce the stock returns. Company should using a current assets that have many sources to be profit. Investors can saw the progress of the company through a stable and effective current ratio in order to make an investment strategy. The good investment strategy can rise the stock returns. ROE variable is one that must be considered by investors in choosing an investment strategy. A profit generated from own equity and the use of debt is an important factor in the company's ability to manage debt and assets owned by the company. Investors will benefit from their investment because the company has a good performance in generating profits. Investors will also get the desired return regardless of the risks that investors have to accept. ROE is considered capable of being a factor that can increase stock returns if the DER and CR variables of the company reduce stock returns.

Keyword : *Stock Returns, DER, CR, ROE*