

ABSTRACT

This research is performed in order to analyze the relation between Distress Risk, Firm Size, Book to Market Ratio and Stock Return of the Manufacture Industry was listed in Indonesian Directory Exchange (IDX).

Methodology research as the sample used purposive sampling with criteria as (1) The stock of industry was always seen the annual financial report over period 2004-2008, (2) The stock of industry was continue trade in stock over period 2004-2008, (3) The stock of industry was continue given dividend over period 2005-2008, (4) The stock of industry wasn't execute the corporate actions over period 2004-2008. Data that needed in this research from Indonesian Capital Market Directory (ICMD 2007 and 200) and total sample was acquired 20 industry. Data analysis with correlation which consist of bivariate correlation and partial correlation.

Empirical evidence show Distress Risk and Firm Size to have negative relation with Stock Return, at the time that Book to Market Ratio have positive relation with Stock Return. The result show that relation between Distress Risk, Firm Size, Book to Market Ratio and Stock Return at extremely low level as 0,048; 0,192 and 0,086 respectively.

Keyword : Distress Risk, Firm Size, Book to Market Ratio, Stock Return

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