

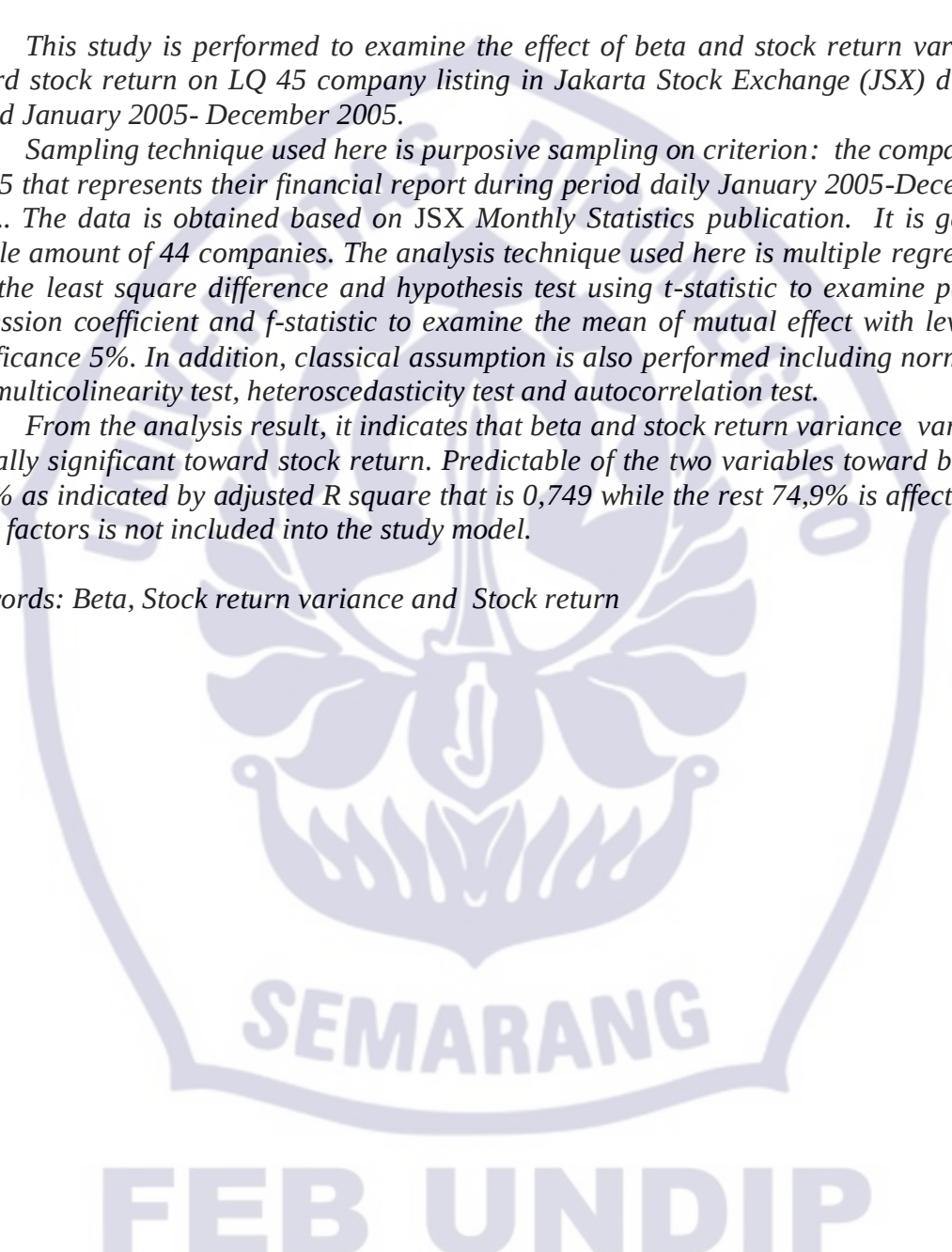
ABSTRACT

This study is performed to examine the effect of beta and stock return variance toward stock return on LQ 45 company listing in Jakarta Stock Exchange (JSX) during period January 2005- December 2005.

Sampling technique used here is purposive sampling on criterion: the company of LQ-45 that represents their financial report during period daily January 2005-December 2005.. The data is obtained based on JSX Monthly Statistics publication. It is gained sample amount of 44 companies. 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.

From the analysis result, it indicates that beta and stock return variance variable partially significant toward stock return. Predictable of the two variables toward beta is 74,9% as indicated by adjusted R square that is 0,749 while the rest 74,9% is affected by other factors is not included into the study model.

Keywords: Beta, Stock return variance and Stock return



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