ABSTRACT

THE INFLUENCE OF PRICE EARNING RATIO AND *PRICE TO BOOK VALUE* ON STOCK PRICE AT PT LIPPO KARAWACI TBK

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The objective of this research was to determine the effect of Price Earning Ratio and Price to Book Value on Stock Price at PT Lippo Karawaci Tbk. The research method used the verification method, and the determining of the sample used purposive sampling which was adjusted to the availability of research data. Financial ratio analysis is used to measure the Price Earning Ratio and Price to Book Value, whereas the annual stock price is used to measure its relationship with predictor variables. In analyzing the data, this research uses Multiple Linear Regression analysis to determine the causal relationship between variables, where the Price Earning Ratio and Price to Book Value are proved to be predictor of the stock price. Based on the results, Price Earning Ratio do not affect the stock price, whereas Price to Book Value affects the stock price of PT Lippo Karawaci Tbk.

Keywords: Price Earning Ratio (PER), Price to Book Value (PBV), and Stock Price