THE RELATIONSHIP BETWEEN FULFILLMENT OF PLAN AND STOCK PRICE PERFORMANCE

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Abstract

Objectives  The main purpose of this thesis is to discuss about the effect of fulfillment of plan as written in the prospectus on the stock price performance. In addition, this thesis will also discuss about the advantages and disadvantages of going public as well as the process of going public in Indonesia. Secondly, this thesis can be used as a point of reference for further study about the investor satisfaction on fulfillment of plan that will be reflected in the stock price performance.

Method  In this research, the sample used is the annual reports as well as the company prospectus. The sample for this thesis is the companies who went public during the year 2000 to 2009. There are hypothesis that is developed in this research and the data will be analyzed using multiple regression model. Moreover, there is also test analysis that is needed before running the multiple regression model, which are normality test, multicollinearity test, auto-correlation test and heteroscedasticity test.

Results  The multiple regression results revealed that the fulfillment of plan, total asset turnover and price earning ratio have a significant relationship with stock price. on the other hand, current ratio, debt to equity ratio and return on asset has no significant relationship with stock price

Conclusion  The conclusion of this research is that the model of this thesis indicates that there is a significant relationship between the dependent variable to the independent variable which means that the model could be generalize to the population, which are the companies listed in IDX.

Key Words  IPO, Fulfillment of plan, Stock Price, Current Ratio, Debt to Equity Ratio, Total Asset Turnover, Price Earning Ratio, Return on Asset