Empirical research about the effect of Economic Value Added (EVA) and Corporate Social Responsibilities (CSR) towards the stock price: evidence from Indonesia

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Abstract

Objectives This thesis is made to examine the relationship between Economic Value Added (EVA) and Corporate Social Responsibility (CSR) with the stock price for period 2008-2010.

Method With the sample of 50 Indonesia listed companies in Indonesia Stock Exchange that are included in Kompas 10, the hypothesis testing is used to find the relationships among variables. There are some statistical tools that will help reveal the results, they are Descriptive Statistics and Multiple Regression.

Results This study found evidence in the relationships between EVA with stock price, but not with CSR. When the entire indicator is regressed, the multiple regressions show that only 2 independent variables are significant towards the stock price.

Conclusion The author concludes that overall, Indonesia listed companies already produce positive EVA. On the other hand, the more EVA that produces by the company, it will reduce the stock price of the company.

Key Words Relationships, Economic Value Added (EVA), Corporate Social Responsibility (CSR), Return on Asset (ROA), Asset turnover, Stock Price, Indonesia Stock Exchange.