

Thesis
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***THE INFLUENCE OF AGENCY COST AND FREE CASH FLOW
ON STOCK RETURN IN COMPANIES LISTED ON INDONESIA
EXCHANGE***

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Abstract

The research was conducted to test whether stock returns are influenced by agency cost and free cash flow variables in companies listed on the Indonesia Stock Exchange, the variables used are free cash flow, total asset turnover, operating expense ratio, sales, general and administrative expense ratio, net operating income volatility, and net income volatility.

The sample or data on this research paper is based on website BEI and the sample is on selection with criteria period on 2013-2017 with total population is 318 company and which selected by using purposive sampling method 1573 observation. The use of panel regression method for testing hypotheses and data were analyzed using supporting programs, namely SPSS Version 25.00 and Eviews Version 10.00.

The results of this study are the total asset turnover variable has a significant positive effect on stock returns and variables that have a negative but not significant effect on stock returns, namely operating expense ratio, net operating income volatility, and net income volatility. While the variables that have a positive but not significant effect on stock returns are selling, general and administrative expense ratio.

Keywords: *agency cost, free cash flow, total asset turnover, operating expense ratio, selling, general and administrative expense ratio, net operating income volatility, net income volatility, stock return*