

ABSTRACT

Based on the data from Investment Coordinating Board, development of investment realization in secondary sector in our country is really high. Food industrial sector and chemistry pharmacy industrial sector is a form of secondary sector which the domestic investment always increased in the period 2011-2016 compared with another industry in other sector. However, chemistry pharmacy industrial sector has an investment value that growing bigger compared with food industry. It can be seen from Return on Equity (ROE) that chemistry and pharmacy industrial company in the period 2011-2016 is fluctuating, moreover, it is intend to decrease which is not comparable with the elevation of the investment in that field.

This study aims to examine the effect of Return on Equity (ROE) in chemistry and pharmacy industrial company listed in Indonesia Stock Exchange (BEI) in the period 2011-2016. The data used in this study was obtained from financial statement data. Sample selection technique used is purposive sampling and acquired from 12 companies with the 2011-2016 study period. Methods of data analysis in this study is panel data regression analysis using Eviews software version 9.

The results showed that simultaneous Leverage, Current Ratio (CR), Debt to Equity Ratio (DER), and Total Asset Turnover (TAT) have a significant effect on Return on Equity (ROE). While Total Asset Turnover (TAT) significant positive effect on Return on Equity (ROE).

Keywords : Current Ratio, Debt to Equity Ratio, Total Asset Turnover, Return on Equity