

SUMMARY

NURSIHAN. Analysis of the Effect of Government Policy to the Return of Shares in Industry of Cigarettes. Supervised by SRI HARTOYO and HENDRO SASONGKO.

The cigarette industry is one of the main industries at Indonesia Stock Exchange which has a high rate of return and risk. The rate of return can be measured by asset valuation methods. One of the asset valuation methods is the Three Factor Model Fama-French. The study was carried out to analyze the Three Factor Model Fama-French's variables developed from CAPM model by Fama-French, and to understand / comprehend the effect of the market, size, and book to the market ratio of stock return in tobacco industries at Indonesia Stock Exchange. A sample of this study is four firms from tobacco industries ranging from the period of December 2012 to January 2017.

The sample of this research using four companies from IHT starting from December 2012-January 2017, are PT. Gudang Garam Tbk. (GGRM), PT HM. Sampoerna Tbk. (HMSP), PT Bentoel International Investama Tbk. (RMBA) and PT Wismilak Inti Makmur Tbk. (WIIM). This research uses descriptive approach by collecting data to answer the problem in this research which is done in the form of case study also qualitative and quantitative analysis with econometrics using secondary data from companies belonging to cigarette industry which has been listed in Indonesia Stock Exchange. Processing techniques and data analysis in this study is a quantitative descriptive analysis of panel data. The analysis tool that used by writer is E-views 9 with panel data method (Fama and French Three Factors Model Analysis). This research uses two models and analyzed by regression of panel data with fixed effect model.

The results of this study indicate that the market, SMB, HML, dummy1 and dummy2 of the Fama-French Three Factor Model in the Indonesian tobacco industry are very fluctuating during the period of December 2012 until January 2017. Both models show that market and companies size have significant influence on excess Return from the four tobacco companies.

Keywords: Indonesia Stock Exchange, Three Factor Model Fama-French, Tobacco Industry

