

SUMMARY

LUTHFI ZUHDI RAFSANJANI. Effect of Government Regulation on Import Quota of Maize. Case of the Indonesian Animal Feed Companies. Supervised by SRI HARTOYO and HENDRO SASONGKO.

Animal feed industry is one of the industries in Indonesia that fulfills the food demand of the community. The demand for food will always increase as the population grows. This unidirectional relationship allows the animal feed industry to have great potential of growth.

High profitability appeals to investors because the expected return may result the excess. Investors will give the positive sentiment if the average actual return generated exceeds the expected return. Three factors model is able to show that excess return is influenced by risk premium, firm size and book to market ratio. This study was carried out to analyze Three Factors Model Fama-French's variables developed from CAPM Model by Fama-French in order to comprehend the effect of market, size and book to market ratio of stock return on animal feed industries in Indonesia Stock Exchange. The sample of this study are five firms from animal feed industries ranging from the period of January 2011 to December 2016.

This study used model and analyzed by panel data regression with common effect model. On the result was found that market, SMB, HML, and dummy of Three Factors Model Fama-French in animal feed industries in Indonesia Stock Exchange are very fluctuative during the period of January 2011 to December 2016. The model indicated that market, size, book to market ratio and government regulation have the significant effect on the excess return of five firms.

Keywords: animal feed industry, indonesia stock exchange, three factors model fama-french

