

ABSTRAK

One of the main purpose establishment of the company is to increase company's value. High company's value will be followed by high welfare of stockholder that identically. The goal is not just determined by company's internal factors but also determined by external factors.

The purpose of this research is to analyze the effect of external factors, internal financing decisions, and free cash flow toward stock return. The indicators of external factors variable is inflation rate, interest rate, and exchange rate. Internal financing decisions included financing decisions are measured by FL, STL, and CP, investment decision are measured by ROE, FAU, CI, MR, and APR, and dividend decision are measured by PR dan ROFA. For free cash flow are indicated by EVA and MVA, while stock return with Price Earning Ratio dan Capital Gain. The population of this research are Kompas 100 Index companies which is listed in IDX period 2009-2013 with 46 samples. Data of this research will be analyzed using descriptive statistics, the coefficient of determination, and *test panel using Eviews*.

The result of the study indicates that external factors and free cash flow has no effect on the Price Earning Ratio, internal financing decisions has impact on the Price Earning Ratio, while external factors, and internal financing decisions has impact on the Capital Gain. Free cash flow has no effect on the Capital Gain.

Keywords : External factors, FCF, Internal, Stock returns