

ABSTRACT

The rapid growth of basic and chemical industries has a tremendous impact on Indonesia's economic growth because basic and chemical industries are sectors that have the fastest manufacturing growth compared to other sectors in the same field.

This study aims to see and find out the variables that affect earnings per share in basic and chemical companies listed on the Stock Exchange in the 2016-2017 period. By using variable X1 (return on assets), variable X2 (net sales), variable X3 (inventory turnover), variable X4 (net profit margin), variable X5 (current ratio), variable X6 (debt to equity ratio). While the variable Y (Earning per share).

The population in this study were all basic and chemical companies listed on the Stock Exchange. The sample selection technique taken was purposive sampling and obtained 57 companies with the 2016-2017 study period. Data analysis method is panel data regression analysis using Eviews 9,5 software.

The results showed that simultaneously the variable return on assets, net sales, inventory turnover, net profit margin, current ratio, and debt to equity ratio had a significant effect on earnings per share. Partially the net sales, inventory turnover, current ratio and debt to equity ratio does not have a significant effect on earnings per share. While the variable return on asset, net profit margin has a significant effect on earnings per share.

Based on the results of this study, if investors will invest in basic and chemical companies, it is better to choose a company that has a net profit margin and has a high return on asset because the amount of net profit margin and high return on asset will affect the high earnings per share rate in basic companies and chemistry.

Keywords: *financial ratios, earnings per share, basic and chemical industries*