

## **ABSTRACT**

*This study aims to obtain empirical evidence regarding the effect of profitability, dividend policy, and solvability on stock returns. Where stock returns are a reference for investors to invest in a company, because investors always expect the appropriate rate of return for each risk they face. The higher the level of stock returns given by the company, the higher the level of investment in the company. Through this research, measurements will be made on profitability ratios, dividend policies, and solvency ratios. In addition, this study will evaluate the effect of variable profitability, dividend policy, and solvency on stock returns in food and beverage companies listed on the Indonesia Stock Exchange.*

*Data collection is done by documentation of data sourced from audited financial statements and published through the Indonesia Stock Exchange. Based on the sample collection using purposive sampling technique, obtained the number of samples from this study as many as 7 food and beverage companies listed on the Indonesia Stock Exchange for the period 2013-2017.*

*Based on the results of testing using IBM SPSS version 23 software, the independent variables simultaneously divided into profitability, dividend policy, and solvency significantly influence stock returns. Based on the results of the partial test, the results show that the profitability variable has a significant positive effect on stock returns. then the dividend policy variable has a significant negative effect on stock returns. While the solvency variable has no effect on stock returns.*

*Based on the results of the study, to obtain a good stock return, a company must obtain high profits which later can make added value for the company itself due to good corporate performance. The high stock return is caused by rising stock prices that occur due to company activities and increased corporate net income. However, not a few companies experience an increase in profits, but their stock returns decline.*

**Keywords:** *Profitability, Dividend Policy, Solvency, and Stock Return*