

ABSTRACT

Investment in the capital market has its own charm for investors. The share price of each company listed on the Indonesia Stock Exchange sometimes changes, either increasing or decreasing the share price. Therefore, investors often have difficulty in choosing which stocks have a small risk but can generate a large return. This study aims to determine the expected return on stocks of the pharmaceutical and health research sub-sectors based on the use of the Capital Asset Pricing Model (CAPM) method.

The research method used is the Capital Asset Pricing Model (CAPM) to determine the estimated rate of return or expected return and to determine the relevant risk and return on each asset when the capital market is in a balanced condition. The population of the study is the shares of companies in the pharmaceutical and health research sub-sector 2017-2022. The research sample used a purposive sample method and resulted in 8 companies that did not experience delisting and were listed on the IDX during the study period.

Efficient stocks are stocks with individual returns greater than the expected rate of return. There are 5 stocks with a positive average return and are included in the efficient stock group and 3 are included in the inefficient stock group.

Keywords : CAPM, Expected Return, Pharmacy and Health Research, Beta