ABSTRACT

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THE INFLUENCE OF INTEREST RATE LEVEL, INFLATION LEVEL, AND LIQUIDITY LEVEL ON INVESTMENT RISK OF COMPANIES LISTED IN JAKARTA ISLAMIC INDEX PERIOD 2014-2018

(xiv+72+Lampiran)

Essay. Accounting Department, Faculty of Economics, Gunadarma University, 2019.

Keywords: Interest Rate, Inflation Rate, Liquidity Level, Investment Risk, Jakarta Islamic Index.

This study aims to examine the effect of the interest rate measured by the BI rate, the inflation rate measured by the consumer price index, and the level of liquidity measured by the current ratio to the investment risk of companies listed on the Jakarta Islamic Index. The data used are secondary data obtained from Badan Pusat Statistik and Financial Statements from Indonesia Stock Exchange.

The population in this study are companies listed on the Jakarta Islamic Index which were listed on the Indonesia Stock Exchange in 2014-2018. The sample of this study were 6 companies which were obtained using the conditional sampling method. This study uses multiple linear regression.

The results of this study indicate the results of the T test (Partial Test) that interest rates and inflation are stated to have no effect on investment risk with significant values respectively of 0.162 and 0.669. While the level of liquidity is stated to influence the investment risk with a significance value of 0.000. Then, the results of the F Test (Simultaneous Test) show that interest rates, inflation rates and liquidity levels simultaneously affect investment risk with a significance level of 0.000.

Bibliography (1999-2016)