THE IMPACT OF FIRM'S SPECIFIC ATTRIBUTE TO THE RELEVANCE OF EARNINGS AND CASH FLOWS IN EXPLAINING STOCK RETURN (STUDY IN FOOD AND BEVERAGE INDUSTRIES YEAR 1998-2004)

A THESIS

Presented as Partial Fulfillment of the Requirements
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By

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A BACHELOR DEGREE THESIS

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STATEMENT OF FREE PLAGIARISM

Herein I declare the originality of this thesis; there is no other work which has ever presented to obtain any university degree, and in my concern there is neither one else's opinion nor published written work, except acknowledged quotation relevant to the topic of this thesis which have been stated or listed on the thesis bibliography.

If in the future this statement is not proven as it supposed to be, I am willing to accept any sanction complying with the determinated regulation for its consequence.

Yogyakarta,

Arlin Pramayuningtyas

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ABSTRACT

Pramayuningtyas, Arlin (2006). The Impact of Firms' Specific Attribute to Relevance of Earnings and Cash Flows in Explaining Stock Return Case Study of Food and Beverage Industry in Indonesia 1998 – 2004. Yogyakarta. Faculty of Economic. Universitas Islam Indonesia.

The purpose of this study is to test whether there are linier or non linier relationship between stock returns and accounting variables (earnings and cash flows) in Indonesia and how firm – specific attributes such as size firms, debt level, and firm life cycle influence the relative relevance of earnings and cash flows in explaining stock returns.

The study uses linier and non linier model to describe the best relationship between dependent variable and independent variables. The regression result supports a linear relationship between stock returns and accounting variables. The non linier relationship model can not increase explanatory power of earnings and cash flows to stock return compare with linier relationship model.

The regression result indicates earnings are more relevance for small and large firms than earning changing. While cash flows only give more additional information in large firms but it is not happened in small firms. The result based on debt level indicate that for firms with high debt level and low debt level, earnings are the most relevant accounting variable in explaining stock return, while the cash flows reveal a greater incremental information beyond that contain in earnings for firms with low debt level than high debt level. The regression result based on firm life cycle indicates that the most relevant accounting variable in explaining stock return is earnings. In addition, cash flows reveal greater incremental information beyond that contained in earnings for growth firms than for mature firms.

Key Words : Non Linier, Earnings, Earning changing, Cash Flows, Cash Flows changing, Stock Return, Firm – Specific Attribute

CHAPTER 1

INTRODUCTION

1.1. Background of the Study

The major source of information used by investors in judging value of a company is the financial statement. The financial statement gives accounting information describing company's asset, income earned by company and economic transactions done by the company. Balance sheet, income statement, and cash flow statement, the statement of owners or stockholders' equity and in addition note disclosures are an integral part of each financial statement. Financial statement provides information that is useful to present potential investors and creditors and other users in making rational investment, credit, and similar decisions. Users can assess the amounts, timing, and uncertainty of prospective cash flows from dividends or interest and from the sale, redemption, or maturity of securities or loans that they will receive. To make that decision users need such information to know the solvability and the profitability of the company.

Financial statement informs both a firm's position at a point in time described in the balance sheet and its operations over some past period described in the income statement and statement of cash flows. The real value of income statement lies in the fact that they can be used to help predict future earnings and dividends. All of those

are required to measure how the company's management performs their work. The success of company's performance is often measured by earnings and cash flows. Earnings show how much money that can be obtained by company. If a company has more earnings than other company, the performance of company might be better than the other. While cash flows show how the company manages its cash, how the company makes the cash out from company less than the cash which come to the company or at least there is a balance between cash out and cash in.

Investor and creditor as fund supplies for a company need some information that can help them as a consideration to make decision for spending their money. Investor and creditor must think several times to invest their money in the right place in order to gain more profit for themselves. The company which has good performance will become their target to do the investment. Beside that, the investor and creditor need to consider about the characteristics of each company financial well in order to get best description of the firm economic condition and the future prospect of company development. Every company has different financial characteristics from the other. That difference will make the relevance of the accounting number also different from the other. The size of firm, debt level, and life cycle of the firm can be used to represent the financial characteristic of the company.

Many studies have examined the relevance between earnings and cash flows as the parameter of company successful management. *FASB Statement of Accounting Concept* No. 1 stated that earnings could be regarded as a measurement of

management performance, estimating the future cash flows, and predicting the risk of investing. To test that statement, Anggono and Baridwan (2003) expressed the firm value as earnings and book value. According to U.S financial accounting standards and prior research, accrual-based earnings provide a better measure of firm performance than cash flow information. FASB statement of Concept No. 1, paragraph 44 states: "information about enterprise earnings and its components measured by accrual accounting generally provides a better indication of enterprise performance than information about current cash receipt and payments does." Result from prior capital market research implies that earnings are more value relevant than operating cash flows. This statement was quoted by Black in his research (1998) from Dechow (1994), Biddle, Seow, and Siegel (1995), Rayburn (1986), and Sloan (1996).

In Indonesia, Indriyana and Hartono (2005) quoted the result of Hodgson and Stevenson – Clarke (2000a) research that tested the value relevance of earnings and cash flows information by considering the size of company. Their results showed the cash flows have relative relevance only for the big size of company. Gul et al. (2000) which is mentioned in Indriyana and Hartono research, observed the impact of debt level to the relation between earnings and stock returns. His result mentioned that debt level gives negative impact to earnings and stock return relationship after controlling confounding variables such as size of firm, beta, earnings persistence, and government environment. Black (1998) investigated the value relevance of earnings and cash flows in firm by considering firms life – cycle stages. The result showed that

earnings was more relevance than cash flows for firm which is included in the category of mature stage and cash flows was more relevance for starting up company.

Atmini (2002) tested the association between firm life cycle and the Incremental value-relevance of earnings and cash flows by taken the data from the Jakarta Stock Exchange (JSX). The result of her research showed that earnings and cash flows from funding activity have value-relevance in growth stage while cash flows from investment have value relevance in the mature stage.

Later, the relevance of earning and cash flows were tested again to see whether they have relationship with the stock return. Stock return can be used as tool to measure the increase or decrease of company stock price. Taryono and Jogiyanto in his previous research (2003) quoted Livnat and Zarowin (1990) that tested the contents of cash flows information component according to recommendation from SFAS No. 95. The result proved that individual cash flows component, except tax payment, has strong relationship with abnormal return. Taryono also included the research of Cheng et al. (1996) who did a research to test whether the additional information of cash flows operation will increase when earnings is transitory earnings. Generally, the result showed the transitory earnings has small marginal impact to stock return and the additional information of cash flows will increase when the permanent earnings decrease.

1.2.Problem Identification

The basic problem that the researcher would like to focus is the relationship between accounting variables (earnings and cash flows) and the stock return. If they have relationship, the researcher wants to make further investigation whether the relationship is linier or non-linier. This thesis also examines whether the non-linier relationship can give more explanatory power of earnings and cash flows to the investor and creditors. And last, the researcher want to test the impact of firm specific attribute to the relevance of earnings and cash flows in explaining stock return.

1.3 Problem Formulation

Based on the main idea and argument from the background above, the researcher proposes a formulating problem such as:

1. Will the explanatory power of accounting variables such as earnings and cash flows to explain stock return increase by using the non-linearity relationship?
2. Which accounting variables are superior to be used in the measurement of company performance after they are categorized based on their firm's specific attribute?
3. Based on firm's specific attributes, which accounting variables are superior in measuring company's performance?

1.4. Research Objectives

There were many researches previously done by several researchers to examine the relationship between accounting variable, such as earnings and cash flows and the stock return. This thesis has primary objective to examine that relationship in the implementation to the companies which has been divided into three categorizes based on their specific attribute. The company has its own characteristic that kind of characteristic will affect the financial condition of a company. So, it can make different types of relationship among them.

1.5. Research Scope

For focusing to this study, the researcher makes several limitations in the investigation. The research is focused on Indonesian firms with some scope limitation, which are:

1. The companies include in food and beverage industries that were listed in Jakarta Stock Exchange (JSX), Indonesian Capital Market Directory and other available resources data from period of 1997 until 2004.
2. This study is concentrated on financial statement information especially on the total asset, total liabilities, book value, earnings per share, and cash flows per share of firms in JSX.
3. The companies must have closing stock price at announcement date and closing price at a day before announcement.

1.6 Research purposes

Based on the formulating problem, the purposes of this research are:

1. To get empiric evidence whether the explanatory power from earnings and cash flows will increase or decrease by using non-linearity relationship.
2. To see which one between two kinds of accounting variables, earnings and cash flows that is better used to measure the company's management performance based on it specific attributes such as size of firm, degree of firm debt, and firm life cycle.

1.7 Research Contribution

This research is expected to give many contributions to:

1. Investor

   The research will give a contribution especially in making decision and providing beneficial information in the conduct trades

2. The companies

   The research will give contribution to the company by giving inputs or supporting opinions and also as a consideration for making decisions in the future.

3. Academicians

The research can give some contributions for further researches especially about accounting variables such as earnings and cash flows, firm specific attribute, and stock return.

4. Researcher

The research can be a tool for the researcher to implement what has been learned during studying in this university. Beside that, the research is done as a requirement to have a bachelor degree.

1.8 Definition of Terms

The terms used in this study are described as follows:

1. Earnings

The definition of earnings in this thesis is current level of earnings per share which is stated on financial statement of a firm. Unexpected Earnings is reflected by variable of changing of earnings per share.

2. Cash Flow

Cash flow is the amount of money comes from the company's main income activity and other activities. Cash flows are classified as operating activities, investing activities, financing activities. The major operating cash flows are (1) cash received from customers, (2) cash paid to suppliers and employees, (3) interest and dividends received, (4) interest paid, and (5) income taxes

paid. These cash flows are computed by converting the income statements amounts for revenue, cost of good sold, and expenses from the accrual basis to the cash basis. This is done by adjusting the income statement amounts for changes occurring over the period in related balance sheet accounts. The cash flows that will be used as variable in this thesis are operating cash flows per listed shares. Unexpected cash flows are reflected by variable of changing of cash flows per share.

3. Stock return

Stock return is the changing of stock price during the research period. (Indriyana and Jogiyanto, 2005).

4. Firm Specific Attribute

Firm specific attribute is the reflection of firms characteristics that are divided into three categorizes; size of firm, debt level, and life cycle/age of firms. (Indriyana and Jogiyanto, 2005).

Size of firm is divided into two firms; large firms and small firms and it is measured using logarithm total assets. Based on debt level, firms also are divided into firms with low leverage and firms with high leverage and it is reflected by the ratio of total asset and total liabilities. For life cycle of firms, firms are grouped into growth firms and mature firms, which is a proxy by book to market ratio.

5. Regression Analysis

Regression analysis is concerned with the study of the dependence of one variable, the dependent variable, on one or more other variables, the explanatory variables, with a view to estimate and/or predict the (population) mean or average value of the former in terms of the known or fixed (in repeated sampling) values of the latter.(Gujarati, 1995:16).

CHAPTER II

REVIEW OF RELATED LITERATURE

Review of related literature gives many explanations about the relevant theories to this research and to reconsider the previous studies. This chapter explains the previous studies and theories used to confirm accounting variables conveying information about stock return. Part of this chapter will elaborate more about accounting variables such as earnings and cash flows, the changing of earnings and cash flows and stock return to conclude some hypothesis derived from previous studies and theories and also to verify the impact of firms' specific attribute such as size firms, debt level, and firms' life cycle to those relation between accounting variables and stock return.

2.1 Literature review and Fundamental Theory

2.1.1 Information of Earnings and Cash Flows

Financial Statement which is resulted from accounting process is aimed to provide financial information that can be used to fulfill the needs of external parties. Investor, creditor, and other parties need that information to help them in deciding to do investment, to give credit, and other acts that related with the company. Because the financial statement is content financial information, the users of financial statement will choose the most relevance information for the decision taken.

In 1984, Financial Accounting Standard Board (FASB) published Statement of Financial Accounting Concepts (SFAC) No.5 Recognition and Measurement in Financial Statement of Business Enterprises which state that one set financial statement in one period must show:

i. Financial position in the end of period

ii. Earnings for that period

iii. Comprehensive earnings (total capital changing that is not come from the owner)

iv. Cash flows for that period

v. The investment done and got by the owner

Earnings and cash flow, which is found in the financial statement, is good indicator to measure the changes of firm successful management. These changes can affect the financial policy of the company, like debt payment, investment and decision about dividend policy. The growth of the earning and cash flow can influence the investor in decision making of dividend policy, the increasing of dividend show that the earnings and cash flow increased.

Many studies have been done concerning with earnings and cash flows information especially the research that focused on the information content. That information will be used in relation with stock return. Martinez Isabel (2003) quoted the findings of Ball and Brown (1968) who were the first to find an empirical relationship between earnings and stock returns. Their results indicated that

unexpected earnings are positively related to abnormal returns. This suggests that earnings contain information used to value stocks. However, the information is already incorporated in stock prices when earnings are revealed because investors have access to various sources of information about the future projects of the firms. Rayburn (1996) that has been quoted in Indriyana and Jogiyanto (2005) research tested the relation between cash flows operation and accrual earnings with stock return. The result supported there was relationship between cash flows and accrual earnings with company's abnormal stock return. Indriyana and Jogiyanto also discussed the research done by Livnat and Zarowin (1990) who tested the information content of cash flows component in conform to SFAS No.95. The result proved that individual cash flows components had strong relationship with abnormal return.

In Indonesia, Baridwan (1997) did research to test the relationship between information content in income statement with information contents in cash flows. His result concludes that information contents in cash flows could give additional value to the financial users. Taryono (1998) tested the information content in earnings and cash flows in conformity with recommendation from SFAS (Statement of Financial Accounting Standard) No. 95 and PSAK (Pernyataan Standard Akuntansi Keuangan) No.2 using level model and return model. His result showed that by using level model, total cash flows did not have significant relationship with stock return, but separation of cash flows into cash flows components; operating cash flows, investing cash flows, and finance cash flows, showed the significant relationship to stock

return. The other finding used return model, the changing of total cash flows, changing of cash flows components and changing of earnings do not have any significant relationship with stock return.

2.1.2 The Impact of Firm Specific Attribute to Earnings and Cash Flows

Every company has different financial characteristics from others. Those differences will make the relevance of the accounting number also different from others. The size of firm, the degree of debt, and life cycle of the firm can be used to represent the financial characteristic of the company.

1. Size of Firm

One of the measurements that show whether the company is large or small is by size of firms. Company which has high total assets shows that the company is on the mature stage because in this stage, the company cash flows, has been positive. In this stage, company is regarded to have a good prospect in long-term period. Large company, which has been in the mature stage, reflects the stable company, which is able to gain more profit, rather than small company. The stable cash flows in large company can make the company enter the capital market easily in order to get fund from investors. That is why the large company will have small risk and their stocks will have low interest rate of return.

While on the other hand, the small company tends to work worse and less efficient than large company. Because of that, the small company tends to get less

profit than large company. It is also caused by the certain level of profit in small company which is low.

2. The Debt level

Agency problem will cause agency cost. That cost appears because of company debt and involvement of stockholders and creditor relationship. Higher uses of debt causes higher interest expense then it causes higher probability of decreasing of income. This matter can increase company's financial leverage and can cause financial distress which can affect the company's stock return. Risk level and possibility of company bankruptcy will increase and give difficulties in predicting earnings.

The term leverage is used to indicate the impact of debt financing which has on the return of the company to its owner. If the income generated by investment in assets is greater than the cost of debt, the equity holder will benefit from financing on increase amount of asset through borrowing.

3. Life cycle of the firm

Corporate life cycle theory is an extension of the product life-cycle concept developed in marketing and microeconomics (Rink and Swan 1979 and Mueller 1972, quoted by Black 1998). Individual products (good and services) move through four more or less identifiable phases: start-up, growth, mature, and decline. Similarly, firms can be described as having life cycle stages that depend on their portfolios of products. Model of firms life cycle presuppose that there are regularities in corporate

development and that these regularities occur in such a way that the corporations' developmental processes lend themselves to segmentation into stages or periods of time (Black 1998 from Smit, Mitchell, and Summer 1985).

Considering the number of companies that exist in Indonesia and the condition of companies economic, Indriyana and Jogiyanto (2005) in their research made limitation to the grouping of companies in their samples. They only categorized the company into growth company and mature company. In growth level, company is still trying to get target market and only gain less income. Company spends a lot of cash to fund the main expenditures in order to develop their products, markets, and capacity expansion. In this level, company will report unstable earnings. While in mature level, company has had certain target market that has been able to gain more stable positive earnings than the growth one. For the stable companies, they usually can predict future earnings and more brave to announce high or stable dividend.

There are many empirical evidences that characteristics of the firms can influence the strength of relationship between stock return and accounting variables. Hodgson and Stevenson – Clarke (2000a) who had been quoted by Indriyana and Jogiyanto, tested the value relevance of earnings and cash flows information by considering the size of company. Their results showed the cash flows have relative relevance only for the big size of company. The cash flows in small company had higher correlation with earnings. The other finding was earnings are more relevance

for a small company in Australia than a big company because a small company is more attractive to show the transitory earning.

Jogiyanto also include his quotation of observation done by Gul et al. (2000). He observed the impact of debt level to the relation between earnings and stock returns. His result mentioned that debt level gave negative impact to earnings and stock return relationship after controlling confounding variables such as size of firm, beta, earnings persistence, and government environment. In other research, Black (1998) investigated the value relevance of earnings and cash flows in firm by considering firms life – cycle stages. The result showed that earnings was more relevance than cash flows for firm which was included in the category of mature stage and cash flows was more relevance for starting up company.

Martinez (2003) also had done research to test measurement of accounting performance by involving factors such as firm size, firm debt level, and firm life cycle. The result showed that earnings were the most relevance indicator for company, whether it is big company or small company in France while cash flows is not relevance. Based on the degree of firm debt, Martinez (2003) stated that in France, the company whether has high leverage or low leverage; both could use earnings to give additional information rather than cash flows. While based on firm life cycle, cash flows are more significant to the company which is on growth level.

In Indonesia, Habbe and Hartono (2001) like what had been quoted by Jogiyanto (2005) used life cycle theory approach to analyze the differences of

accounting performance measurement. They tested the differences of accounting performance measurement; earnings growth, sales growth, and dividend pay out that influenced by prospector and defender strategy and they also tested market reaction differences to both of strategies. They stated that company with prospector strategy was categorized as growth company, while the company using defender strategy was categorized as mature company.

The other research in Indonesia was done by Atmini (2002) who tested the association between firm life cycle and the incremental value-relevance of earnings and cash flows by taken the data from the Jakarta Stock Exchange (JSX). The result of her research showed that earnings and cash flows from funding activity had value-relevance in growth stage while cash flows from investment have value relevance in the mature stage.

2.1.3 Non – Linier Relationship between Stock Return and Accounting Variables

Researches about relationship between earnings and cash flows to stock return are always related with investor attitude. The investor act can not be predicted certainly and it is not the same each other. In the linier test, there is coefficient which is permanent factor that can not be changed to every investor. So, if an investor has positive reaction to an event, the other investor will have positive reaction also to that event. Because the attitude of investors are different each other, several researchers

tried to use non-linier model, so that they can give description about investor attitude that more flexible.

Since the stock return and earning relationship was low, several researchers tried to apply the non-linier test for solving the misspecification problem from linier test of earnings and stock return. Jogiyanto quoted the research done by Trueman (1993) that stated non-linier model between earnings and stock return was used because there was mistake from researcher concerning with the earning expectation. This implies that the alternative of using earnings expectation can be used to test the non-linier relationship existence.

Collins and Kothari (1989) like what has been noted by Atmini (2002) found weak relationship between earnings changing and stock return in USA that is R^2 is approximately 7%. Jogiyanto (2005) quoted Easton and Harris (1991) research that results the range of R^2 is between 4% until 7.7% depending on its independent variable. That weak of earnings and securities return relationship made them do innovation using non-linear relationship model between accounting variable and stock return. Jogiyanto and Indriyana (2005) also quoted the statement from Hodgson and Stevenson-Clarke (2000) who tested the additional information of earnings and cash flows by using non-linear model. The result was non-linear model could not be used to measure additional information of earnings and cash flows in order to increase the explanatory power from earnings and cash flows. This finding was in line with Ali's research (1994).

2.2 Theoretical Framework and Previous researches

The most parameter company performance that gets main attention from investor and creditor are earnings and cash flows. When they are faced to that accounting performance measurement, investor and creditor must be sure that the measurement is able to describe the economic condition of company in the future well. That is why, investor and creditor should consider about the financial characteristic of every company. The financial characteristics that different each other among the companies, causes the differences of relevancy accounting number in all companies. Those financial characteristics can be reflected by size of company, debt level, and life cycle of company.

If earning and cash flows information can affect investor's expectation to a company prospect, so that it can cause the investor react to purchase or to sales the stocks in order to optimize their profits. This activity will be reflected in the changing of stock price or stock return. There are several researches that have been done to test the intensity of relationship between earnings and stock return. Jogiyanto (2005) quoted the research from Collins and Cothari (1989) who found a weak relationship between earnings changing and stock return in America that was the average of R^2 was only approximately 7%. Jogiyanto also quoted Easton and Harris (1991) who got the R^2 was in between 4% - 7.7% depending on the independents variable (earnings level or earnings changing that determined from previous stock price). In France,

Jogiyanto noted the research from Dumontier and Labelle (1998) that got the average R^2 for 7.7%.

Hodgson and Stevenson – Clarke (2000a) who were quoted by Indriyana and Jogiyanto (2005), tested the value relevance of earnings and cash flows information by considering the size of company. Their results showed the cash flows have relative relevance only for the big size of company. The cash flows in small company had higher correlation with earnings. The other finding was earnings are more relevance for small companies in Australia than for big companies because small companies are more attractive to show the transitory earning.

Jogiyanto also included his quotation of observation done by Gul et al. (2000) who observed the impact of debt level on the relation between earnings and stock returns. His result mentioned that debt level gave negative impact to earnings and stock return relationship after controlling confounding variables such as size of firm, beta, earnings persistence, and government environment. In other research, Black (1998) investigated the value relevance of earnings and cash flows in firm by considering firms life – cycle stages. The result showed that earnings was more relevance than cash flows for firm which is included in the category of mature stage and cash flows was more relevance for starting up company.

The other research was done by Atmini (2002) who tested the association between firm life cycle and the Incremental value-relevance of earnings and cash flows by taking the data from the Jakarta Stock Exchange (JSX). The result of her

research showed that earnings and cash flows from funding activity had value-relevance in growth stage while cash flows from investment had value relevance in the mature stage.

Martinez (2003) did the research in French companies that considered the French context and analyze if earnings and cash flows are relevant to explain stock returns. He tested whether the explanatory powers of accounting variables could be improved by using a nonlinear specification. He also investigated how firm-specific attributes such as size, debt level and firm life-cycle influence the relative relevance of accounting measures (earnings and cash flows). He highlighted the importance of conditioning the explanatory power for stock returns of accounting variables (earnings and cash flows) on firm-specific attributes. Specifically, he found that the firms' size, the degree of debt and the life-cycle had a significant impact on the valuation importance of accounting measures. The earnings level is the most relevant indicator for small, in debt or growth firms. This result is consistent with the firms that exhibit more transitory earnings. In contrast, the earnings change reveals more information when firms are large, mature or characterized by a low degree of debt. For these firms, earnings reported were expected to be less volatile and more permanent than the reported earnings of small, high leverage or mature firms. He also found that they did not reveal additional information beyond that contained in earnings. His study also indicated that the nonlinear model improved the explanatory

power of accounting numbers and that the improvement is the greatest for firms characterized by a small size and a low degree of debt or for mature firms.

In Indonesia, Indriyana and Jogiyanto (2005) did the same research like Martinez done. They used Indonesian manufactured companies as their samples because the activities that were done by those companies were very fluctuative and attractive. They used firm specific attribute to test their impacts to the relevance of earnings and cash flows. They used three firm's specific attribute like what Martinez had been used i.e.: firm size, debt level, and firms' lice cycle. In the first hypothesis, they compared the adjusted R^2 between the linier regressions analyses result with non-linier regression. From the test, they got the number of F test less than the F table. It showed that the R^2 in non linier model was not significant meaning that the non linier model was not able to increase the explanatory power of earnings and cash flows to the stock return rather than the linier model.

By comparing the result of R^2 in non-linier model and in linier model, Indriyana and Jogiyanto found that earnings changes reveal more information for small firms and large firms. With regards to cash flows, they found that they did not reveal additional information beyond that contained in earnings for small firms and also for large firms. The results based on debt level indicate that for high debt firms and low debt firms, earnings change is the most relevant accounting variable in explaining stock return, while the cash flows reveal greater incremental information

beyond that contained in earnings for high debt firms than for low debt firms. The regression result based on firm life cycle indicated that the most relevant accounting variable for growth firms and mature firms was earnings change. In addition, cash flows reveal greater incremental information beyond that are contained in earnings for growth firms than for mature firms.

2.3 Hypothesis Formulation

2.3.1 Non Linier Hypothesis

Since the stocks return and earning have low relationship, several researchers try to apply the non-linier test to solve the misspecification problem from linier test of earnings and stock return. Jogiyanto quoted the research done by Trueman (1993) that stated non-linier model between earnings and stock return was used because there was mistake from researcher concerning with the earning expectation. This implies that the alternative of using earnings expectation can be used to test the non-linier relationship existence.

Several researches previously showed the existence of non-linier relationship model. Das and Lev (1994) compared several non-linier models estimation (arctan, quadratic equation or absolute value, local weighted regression) and found that the three techniques could characterize well the relation between stock return and earnings. Freeman and Tse (1992) that had been quoted by Jogiyanto found the

significant increase on R^2 and Earning Coefficient Response level when the model was linier rather than linier model.

H1 : Non-linier model can increase the explanatory power of earnings and cash flows to stock return rather than linier model.

2.3.2 Size Hypothesis

One of the measurements showing whether the company is large or small is by size of firms. Company which has high total assets shows that the company is on the mature stage because in this stage, the company cash flows has been positive. In this stage, company is regarded has a good prospect in long-term period. Large company, which has been in the mature stage, reflects the stable company, which is able to gain more profit, rather than small company. The stable cash flows in large companies can make the company enter the capital market easily in order to get fund from the investor. That is why the large company will have small risk and their stocks will have low interest rate of return.

H2a : For small company, the current level of earnings (EPS) is more relevance in explaining stock returns than current changing of earnings (ΔEPS).

H2b : For large firms, the change of earnings (ΔEPS) is more relevance in explaining stock returns than the current level of earnings (EPS).

Earnings are influenced by flexible accounting technique, subjective judgment, and manipulation practice. In verse, cash flows are not infiltrated by measurement problems and present the objective measurement of liquidity. Cash flows are expected to give more additional information for large company rather than small company.

H3 : Cash flows (CFPS) reveal a greater incremental information beyond that contained in earnings for large firms than for small firms.

2.3.3 Debt Hypothesis

Martinez (2003) found evidences that for French companies with high financial leverage, the earning level is the most relevant variable in explaining stock return. While for companies with low financial leverage in France, the earning changing is more relevance than earnings level. Earnings are expected more fluctuate and more permanent when the earnings level is low.

H4a : For firms with high debt level, the current earnings level (EPS) is more relevance in explaining stock return than changing of earning (ΔEPS)

H4b : For firms with low debt level, changing of earning (ΔEPS) is more relevance in explaining stock return than current earnings level (EPS)

Cash flows are expected to contain more additional information for a company with high leverage than a company with low debt level because (1) the

probability to be bankrupt is higher, so cash flows are the most objective measurement (2) the great difficulties in predicting earnings will cause investor considers the other performance measurements.

H5 : Cash flows (CFPS) reveal greater incremental information beyond that is contained in earnings for firms with high debt level than for firms with low debt level.

2.3.4 Life Cycle Hypothesis

A company spends a lot of cash to fund the main expenditures in order to develop its products, markets, and capacity expansion. This condition will press the short term earnings but, it is expected to gain long term earnings in the future. That is why in growth stage, the company will report unstable earnings. While in mature level, the company has had certain target market that has been able to gain more stable positive earnings than the growth one. For the stable companies, they usually can predict future earnings and more brave to announce high or stable dividend.

H6a : For growth firms, current level of earning (EPS) is more relevance in explaining stock return than changing of earnings

H6b : For mature firms, changing of earnings (ΔEPS) is more relevance in explaining stock return than level of earnings.

In growth stage, the company has been succeeding to get target market but company still spends a lot of investment to develop and maintain the target market and technology. Although the profit is not stable yet, but in growth stage, the company has been able to result a cash flow from operational activities so cash flows can give additional information about the existences of the company and reflect the real company's economic condition because they act as short term solvability of company.

H7 : Cash flows (CFPS) reveal greater incremental information beyond that one contained in earnings for growth firms than for mature firms.

CHAPTER III

RESEARCH METHOD

This chapter is aimed at giving a view of the research conducted by the researcher. This research is a study which tries to confirm whether there are linier or non linier relationship between stock returns and accounting variables (earnings and cash flows) in Indonesia and how firm specific attributes such as size, debt level, and firm life cycle influence the relative relevance of earnings and cash flows in explaining stock returns.

3.1 Research Method

This research is a descriptive case study. It is to give a description about the problem and situation of research subject (described later). In general, to make description of the problem, the researcher conducts certain procedures from data collection to data analysis before making conclusions (the details will be described later in this chapter).

3.2 Research Subject

The subject of this research is whether the accounting variables (earnings and cash flows) can give information in explaining stock return in each firm's specific attribute. The population for this research is only companies listed in Jakarta Stock

Exchange (JSX) that are included in food and beverage industries. Researcher uses only one sub sector of industries because they are in the same line and tend to have high homogeneity among them. So, the character of the companies will not be much different and the fluctuation of their activities can be predicted well.

The population for this research is food and beverages companies listed on Jakarta stock exchange (JSX). While the data needed are: earning per share (EPS), cash flows from operating activities, and closing price in the end of accounting period within 7 periods from 1997 until 2004. The method to collect sample in this research is purposive sampling. Purposive sampling is a technique to collect the sample based on certain criteria that is in accordance with the purpose of research (Kuncoro, 2003). However, industries may react differently to certain conditions. Therefore, there are several criteria that should fulfill the requirement as the sample of the research, as follow:

1. The samples are only companies listed in food and beverage industries data period 1997 - 2004. The reason to take these samples is to know government's interference, growth opportunities and firm characteristic influencing the activities of the companies and also to know stock return in longer period that reflect the attractiveness of the investor.
2. The companies should have the financial statement per 31st December and had been doing IPO (Initialize Public Offering) since year 1997.
3. The company that has cases with missing data is deleted from the sample.

4. The companies should have closing price at the day end of accounting period and the day before it from 1997 until 2004.

TABLE 3.1

Samples Procedure

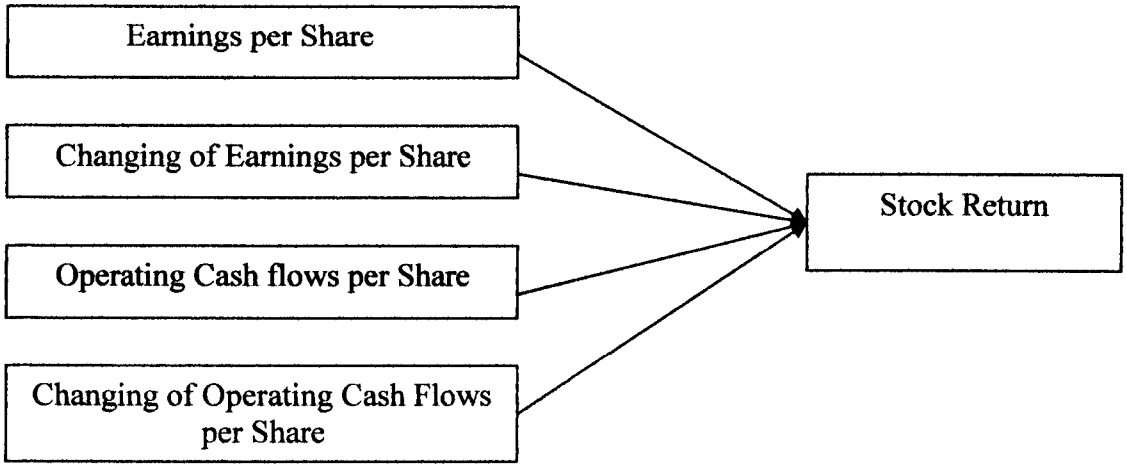
1. The Population	22
2. Firms did not publish financial statement per 31st December 1997 to 2004	(2)
3. Total firms with uncompleted data	(2)
4. Total firms that have not announced closing price at the end of period	0
Total Usable Samples	18

Here is the list of the samples used in this research:

1. Ades Alfindo Putrasetia Tbk
2. Aqua Golden Mississippi Tbk
3. Asia Intiselera Tbk
4. Cahaya Kalbar Tbk
5. Davomas Abadi Tbk
6. Delta Djakarta Tbk
7. Fast Food Indonesia Tbk
8. Indoofood Sukses Makmur Tbk
9. Mayora Indah Tbk
10. Multi Bintang Tbk
11. Pioneerindo Gourmet International (CFC) Tbk
12. Prasidha Aneka Niaga Tbk
13. Sari Husada Tbk
14. Sekar Laut Tbk
15. Siantar TOP Tbk
16. Sinar Mas Agro Resources and Technology Corporation Tbk
17. Suba Indah Tbk
18. Ultra Jaya Milk Industry and Trading Company Tbk

3.3. Research Variables

The research uses two variables, independent variable and dependent variable. Independent variables consist of changing of earning per share ($\Delta EPSP_{it}$), changing of operating cash flows ($\Delta CFPS_{it}$), earnings per share (EPS_{it}), operating cash flows per share ($CFPS_{it}$), Unexpected earnings and unexpected cash flows are reflected by changing of earnings and changing of cash flows. Earnings used in this research are basic earning per share before extraordinary items and discontinued operations. This measurement based on the research done by Jogiyanto Hartono who quoted the statement from Ali (1994), Cheng at al. (1996), and Hodgson et al. (2000). The reason of excluding those two kind items is to eliminate the probability that might cause increasing earnings in one period that will not to happen in another period. Operating Cash flows is cash flows that are derived from company main activity and other activities instead of from investing activities and financing activities.



For all regression models, dependent variable is stock return (R_t). Stock Return is stock return changing in the observation period or

$$R_{it} = \frac{(P_{it} - P_{i(t-1)})}{P_{i(t-1)}} \quad \text{.....} \quad (3.1)$$

Where:

R_{it} = stock return

P_{it} = stock price when announcement date at closing price

$P_{i(t-1)}$ = stock price a day before announcement date at closing price

Variable of earnings changing and cash flows changing per share are counted using the formula as follows:

$$\Delta EPSP_{it} = \frac{(EPS_{it} - EPS_{i(t-1)})}{P_{i(t-1)}} \quad \text{.....} \quad (3.2)$$

$$\Delta CFPPS_{it} = \frac{(CFPPS_{it} - CFPPS_{i(t-1)})}{P_{i(t-1)}} \quad \text{.....} \quad (3.3)$$

Where:

EPS_{it} = Earnings per share of firm i in year t

$CFPS_{it}$ = Operating Cash flows per share of firm i in year t

$\Delta EPSP_{it}$ = Changing of Earning per share of firm i in year t

$\Delta CFPSP_{it}$ = Changing of Operating Cash flows per share of firm i in year t

$EPS_{i(t-1)}$ = Earning per share of firm i in year before (t-1)

$CFPSP_{i(t-1)}$ = Operating Cash flows per share of firm i in year before (t-1)

$P_{i(t-1)}$ = Stock Price of firm i in beginning period t

3.4 Research Procedures

1. Data Collection

This research uses data collected from JSX corner in Universitas Islam Indonesia and Universitas Gadjah Mada for the companies' financial statement report. The data needed are total assets, total liabilities, price book value earnings per share, and operating cash flows. For the other data that can not be found on financial statement can be found on Indonesian Capital Market Directory for closing price at the end of accounting period and number of listed shares by company. Beside that, the data can also be found on Bisnis Indonesia newspaper for closing price at the day before financial statement date.

2. Data Reclassification

After collecting the data, researcher makes data classification according to the independent or dependent variables and classifies the companies based on their specific attribute. Total asset, total liabilities, price book value, and closing price are used to classify the firms' specific attribute.

Firm Specific Attribute in this research is divided into three; they are size of firms, degree of debt, and firm life cycle. Size of firm is divided into two categories, small firms and large firms that are measured by logarithm of assets. Based on degree of debt, firms are divided into firms with high financial leverage and firms with low financial leverage. The degree of debt is measured by using liabilities ratio divided by total assets. While, firms based on their life cycle, firms are grouped into growth firms and mature firms that are reflected by book to market value. High book to market value shows that the firm is on growth level and on the other hand, firms with low book to market value shows that firm is on mature level. (Martinez, 2003). The samples are grouped based on firm attribute done by clustering the company based on the result of median.

3. Data Analysis

The data analysis will be done in each company classification. Researcher uses regression analysis, either linier or non linier to compare which model that can be used to explain the relationship between accounting variables such as earnings and cash flows with stock returns. Then, researcher will cluster the data using median.

3.5 Technique of Data Analysis

3.5.1 Firms' Specific Attribute Measurement

The firms' specific attribute in this research is divided into three categorizes; firm's size, firm's debt level, and life cycle of the firm (Indriyana and Jogiyanto

2005). For firm's size, company will be classified into large firm and small firm. They will be measured by logarithm total assets. For debt level, company will be categorized into low leverage and high leverage using financial leverage that is the ratio of total liabilities to total asset.

$$\textit{Financial Leverage} = \frac{\textit{Total Liabilities}}{\textit{Total Asset}} \quad \ldots\ldots\ldots\ldots\ldots\ldots \quad (3.5)$$

Book to market ratio is used to measure either the company is categorized in growth or mature company. This is like what Jogiyanto and Indriyana did in their research.

$$\textit{Book to Market ratio} = \frac{\textit{Book Value per Share}}{\textit{Closing Price}} \quad \ldots\ldots\ldots\ldots\ldots\ldots \quad (3.6)$$

Or we can use this following equation:

$$\textit{Book To Market Ratio} = \frac{1}{\textit{Price Book Value}} \quad \ldots\ldots\ldots\ldots\ldots\ldots \quad (3.7)$$

After the result is determined, portfolios are constructed by sorting firms firstly by year then by the median of the approximation of size, debt level and life-cycle. We put the result that are above median as large firms, high leverage, and mature stage and in verse, we put the number that is below median as small firms, low leverage firms, and growth firms.

3.5.2 Hypothesis Testing

To study the relative value relevance of earnings and cash flows in different context of firms, the researcher considers the value perspective of Ohlson (1995) that had been used also by Indriyana and Jogiyanto (2005) in their research. The Ohlson model offers a formal linkage between market and accounting data and provides a strong motivation for regressing accounting variables on stock prices.

The linear models are the followings:

Model 1 : $R_{it} = a + b_1 EPS_{it} + \varepsilon_{it}$

Model 1' : $R_{it} = a + c_1 \Delta EPS_{it} + \varepsilon_{it}$

Model 2 : $R_{it} = a + b_1 EPS_{it} + c_1 \Delta EPS_{it} + \varepsilon_{it}$

Model 3 : $R_{it} = a + d_1 CFPS_{it} + e_1 \Delta CFPS_{it} + \varepsilon_{it}$

Model 4 : $R_{it} = a + b_1 EPS_{it} + c_1 \Delta EPS_{it} + d_1 CFPS_{it} + e_1 \Delta CFPS_{it} + \varepsilon_{it}$

We use the following model to test the non-linear relationship between dependent variable (stock return) and independent variable (operating cash flows and earnings).

Model 1 B : $R_{it} = a + b_1 EPS_{it} + b_2 EPS_{it}^2 + \varepsilon_{it}$

Model 1'B : $R_{it} = a + c_1 \Delta EPS_{it} + c_2 \Delta EPS_{it}^2 + \varepsilon_{it}$

Model 2 B : $R_{it} = a + b_1 EPS_{it} + b_2 EPS_{it}^2 + c_1 \Delta EPS_{it} + c_2 \Delta EPS_{it}^2 + \varepsilon_{it}$

Model 3 B : $R_{it} = a + d_1 CFPS_{it} + d_2 CFPS_{it}^2 + e_1 \Delta CPS_{it} + e_2 \Delta CFPS_{it}^2 + \varepsilon_{it}$

Model 4 B : $R_{it} = a + b_1 EPS_{it} + b_2 EPS_{it}^2 + c_1 \Delta EPS_{it} + c_2 \Delta EPS_{it}^2 + d_1 CFPS_{it} + d_2 CFPS_{it}^2 + e_1 \Delta CPS_{it} + e_2 \Delta CFPS_{it}^2 + \varepsilon_{it}$

Where:

R_{it} = annual stock return

EPS_{it} = Earning per share

ΔEPS_{it} = Changing of Earnings per share

$CFPS_{it}$ = Operating Cash flows per share

$\Delta CFPS_{it}$ = Changing of Operating cash flow per share

Model 1 and 1' are compared to each firm based on its characteristics to test H2a, H2b, H4a, H4b, H6a and H6b. Model 2 and 3 will be compared to test H3, H5, H7. Model 3 tests the explanatory power of cash flows and the fourth will estimate the contents of incremental information from earnings and cash flows. Model 4 will support the model 3.

To determine whether the relationship is linear model or non-linear model at this research model, we use this following formula:

$$F = \frac{(R^2 \text{ new model} - R^2 \text{ old model}) / \text{total of new variables}}{(1-R^2 \text{ new model}) / (\text{number of samples} - \text{total variables})} \quad \ldots\ldots\ldots\ldots \quad (3.8)$$

After the result of regression is obtained, we compare the F in regression (Ftest) with F in statistic table (Ftable). If the result of Ftest is more than Ftable, the model used to make analysis is non linear model. But if Ftest is less than Ftable, the equation that will be used is linear model. (Gujarati, 1995)

Ftest > *Ftable* = *Non Linier*

Ftest < *Ftable* = *Linier*

When we get the model relationship between independent variables and dependent variable, we will compare the R^2 in model 1 and model 1', then R^2 in model 2 and model 3, we can conclude what independent variable that is the most significant to the dependent variable.

CHAPTER IV

RESEARCH FINDINGS, DISCUSSION, AND IMPLICATIONS

This chapter will explain about the early process of gathering data, measurement of variables used in this research, data analysis and the interpretation of hypothesis testing, which consists of explanations about research findings, discussion and research implications.

4.1 Research Preparation

4.1.1 Data Identification and Variable Measurement

Data used in this research is quantitative data taken from all financial statement announcements of firms listed on the Indonesian Capital Market Directory (ICMD) 1997-2004, Universitas Islam Indonesia, Capital Market Data Base of JSX corner Universitas Gadjah Mada, and also other relevant sources.

On each firm announcement, this research retrieves earning per share (EPS) and changing of EPS (ΔEPS), cash flows per shares and changing of cash flows per share (Δ CFPS). The model of earnings changing and cash flows changing per share are counted using the formula as follows:

$$\Delta EPSP_{it} = \frac{(EPSP_{it} - EPSP_{i(t-1)})}{P_{i(t-1)}}$$

$$\Delta CFPPSit = \frac{(CFPPS_{it} - CFPSP_{i(t-1)})}{P_{i(t-1)}}$$

Where:

EPS_{it} = Earnings per share of firm i in year t

$CFPS_{it}$ = Operating Cash flows per share of firm i in year t

$\Delta EPSP_{it}$ = Changing of Earning per share of firm i in year t

$\Delta CFPSP_{it}$ = Changing of Operating Cash flows per share of firm i in year t

$EPS_{i(t-1)}$ = Earning per share of firm i in year before (t-1)

$CFPS_{i(t-1)}$ = Operating Cash flows per share of firm i in year before (t-1)

$P_{i(t-1)}$ = Stock Price of firm i in beginning period t

For stock return, this research uses this following model:

$$R_{it} = \frac{(P_{it} - P_{i(t-1)})}{P_{i(t-1)}}$$

Where:

R_{it} = stock return

P_{it} = stock price when announcement date at closing price

$P_{i(t-1)}$ = stock price a day before announcement date at closing price

4.1.2 Firm Specific Attribute Measurement

Firm Specific Attribute in this research is divided into three; they are size of firms, degree of debt, and firm life cycle. Size of firm is divided into two categories, small firms and large firms that are measured by logarithm of assets. Based on the degree of debt, firms are divided into firms with high debt level and firms with low debt level. The degree of debt is measured by using ratio of total liabilities divided by total assets.

The model is as follow:

$$\textit{Financial Leverage} = \frac{\textit{Total Liabilities}}{\textit{Total Asset}}$$

While, firms based on their life cycle, firms are grouped into growth firms and mature firms that are reflected by book to market value. High book to market value shows that the firm is on growth level and the other hand, firms with low book to market value shows that firm is on mature level. (Martinez, 2003). The model is defined as follow:

$$\textit{Book to Market Ratio} = \frac{\textit{Book Value per Share}}{\textit{Closing Price}}$$

Or we can use this following equation:

$$\textit{Book to Market Ratio} = \frac{1}{\textit{Price Book Value}}$$

The samples are grouped based on firm attribute done by clustering the company based on the result of median by using Microsoft Excel. The hypothesis testing is done by using statistical testing method for the measurement of variables and the data is processed by using SPSS 10.0 for the statistical calculations.

Table 4.1 shows the result of median from logarithm of asset yearly. The firms which have higher asset logarithm than the median categorized as large firms. While the firms that have asset logarithm under the median are categorized as small firms. The total data for large firms is 52 and total data for small firms is 74 firms.

Table 4.1

Median of Asset Logarithm

Year	Median
1998	5.481
1999	5.473
2000	5.612
2001	5.693
2002	5.675
2003	5.694
2004	5.710

Table 4.2 shows the result of median from total liabilities ratio yearly. The firms with higher number of liabilities ratio than the number of median are included in group of firms with high level of debt. While the firms' liabilities ratio under the number of median are categorized as firms with low level of debt. The total data with high level debt is 61 and the data for low level debt are 65.

Table 4.2

Median of Total Liabilities Ratio

Year	Median
1998	0.729
1999	0.694
2000	0.572
2001	0.516
2002	0.462
2003	0.459
2004	0.582

Table 4.3 shows the median for firms' book to market ratio yearly. The firms which have higher ratio of book to market than the result of median are grouped into firms in growth level. While the firms which have lower ratio of book to market than the median are categorized as firms in mature level. The total data for firms in growth level is 56 and the data for firms in mature level are 70.

Table 4.3

Median for book to market ratio

Year	Median
1998	0.531
1999	0.264
2000	0.255
2001	0.515
2002	0.471
2003	0.417
2004	0.559

The total data from the result of clustering the firms based on firm's size, debt level, and firm's life cycle are shown in table 4.4.

Table 4.4

Clustering Sample Data

Firms Attribute	Large Firms	Small Firms	High Debt Level	Low Debt Level	Growth firms	Mature firms
Firms' Size	52	74				
Debt Level			61	65		
Firms' Life Cycle					56	70

4.2 Research Findings and Discussion

4.2.1 Non Linearity Testing

The first hypothesis is done by comparing the changing of adjusted R^2 from linier regression test and non linier regression pooled data using equation 3.8. Researcher uses quadratic equation for the non linier model. To test the non linearity, the researcher uses Ramsey's RESET test that can be defined as follows:

$$F = \frac{(R^2 \text{ new model} - R^2 \text{ old model}) / \text{number of new regressor}}{(1-R^2 \text{ new model}) / (\text{number of samples} - \text{total parameters in new model})}$$

Ramsey has proposed a general test of specification error called RESET (Regression Specification Error Test). This test is conducted to the new model of equation that has additional regressor to know whether the linier model still has function or not. Generally, the increase of R^2 would suggest that the linier cost function was mis-specified and replaced by non linearity model.

The regression result (table 4.5) obtained R^2 new model is 0.508 and the R^2 old model is 0.476 with total variables are 4 and number of samples are 126 samples. Using the formula, the F test can be obtained as follows:

Figure 1

$$F = \frac{(0{,}508 - 0{,}476)/4}{(1-0{,}508)/(126-9)}$$
$$= \frac{(0{,}032)/4}{(0{,}492)/117}$$
$$= \frac{0.008}{0.00421}$$
$$= 1.90$$

According to Gujarati 1995, if the result of F test is more than F table (F test > F table), the model used to make analysis is non linear model. But if F test is less than F table (F test < F table), the equation that will be used is linear model. In this matter, the F table can be found as:

F table (0,05; 8; 117) = 2,02

Since the F table is more than F test (F test < F table), it shows that changing of R^2 in non linier model is not significant. It means that non linier relationship model can not increase explanatory power of earnings and cash flows to stock return compare with linier relationship model. **This test does not support the first hypothesis (H1).**

Table 4.5
Linier Regression and Non Linier Test

Parameter	Linier Regression	Non Linier Regression
Constant	0.596	0.587
EPS	-0.267	-0.660
EPS^2		0.632
Δ EPS	0.172	0.413
Δ EPS^2		-0.784
CFPS	0.195	0.176
$CFPS^2$		-1.375
Δ CFPS	0.184	0.255
Δ $CFPS^2$		-0.836
R^2	0.476	0.508

4.2.2 Size Hypothesis Testing

Table 4.6 and table 4.7 show the result of linier and non linier regression analysis for small firms. We can see that the R^2 of model 1 A (0.027) increase to R^2 of model 1 B (0.028) and R^2 of model 1'A (0.000) increase to model 1'B (0.003). From that result, we can use the equation 3.8 to test whether the analysis used is linier or non linier. Here is the result:

Figure 2
F test model 1 for small firms

$$F = \frac{(0{,}028 - 0{,}027)/1}{(1 - 0{,}028)/(74 - 3)}$$

$$= \frac{0.001}{0.014}$$

$$= 0.071$$

Figure 3
F test model 1' for small firms

$$F = \frac{(0{,}003 - 0{,}000)/1}{(1 - 0{,}003)/(74 - 3)}$$

$$= \frac{0.003}{0.0140}$$

$$= 0.214$$

Since the F table with $df_1 = 2$ and $df_2 = 71$ is only 3.15 and the F test model 1 is 0.071 and F test model 1' is 0.214, or both of F test < F table, it means that the best relationship in model 1 and model 1' for small firms is linier. The coefficient of R^2 model 1A is higher than coefficient of R^2 model 1'A that is 0.027 and 0.000. It means

that the most significant accounting variable in explaining stock return in small firms is level of earnings (EPS). **This result proves the hypothesis 2a (H2a).**

Table 4.8 and table 4.9 show the result of linier regression and non linier regression analysis for large firms. The result shows the increase of R^2 model 1 A (0.036) for large firms to R^2 model 1 B (0.049) and R^2 model 1'A (0.018) increase to R^2 model 1'B (0.021). The result of F test model 1 (0.670) and F test model 1' (0.151) is less than the F table that is 3.32 or F test < F table, so the best model to describe the relationship is linier model. From the result, coefficient of R^2 in model 1 A is higher than coefficient of R^2 in model 1'A. It means that current level of earnings (EPS) is the most significant accounting variable in explaining stock return in large firms. **This result does not support the hypothesis 2b (H2b).**

Figure 4
F test model 1 for large firms

$$F = \frac{(0.049 - 0.036) / 1}{(1-0.049) / (52-3)}$$

$$F = \frac{0.013}{0.0194}$$

$$F = 0.670$$

Figure 5
F test model 1' for large firms

$$F = \frac{(0.021 - 0.018) / 1}{(1-0.021) / (52-3)}$$

$$F = \frac{0.003}{0.0199}$$

$$F = 0.151$$

Because of the F table for small firms with $df_1 = 4$ and $df_2 = 69$ is only 2.53 and F table for large firms is 2.69, while the F test model 2 is 0.143 and F test model 3 is 0.105, or both of F test < F table, we can conclude that the best relationship in model 2 and model 3 either for small firms or large firms is linier. The coefficient of R^2 model 2A for small firms is higher than coefficient of R^2 model 3 A that is 0.028 and 0.011. That result shows that earnings have more explanatory power than cash flows. This thing shows that cash flows do not give additional information for investor beside earnings. While the coefficient of R^2 model 2 for large firms is less than its coefficient of R^2 model 3. By this result, we obtain that cash flows can give additional information for investor for large firms. This condition supports the hypothesis 3 (H3) which mentioned that cash flows give greater incremental information beyond earnings in large firms than small firms. **So, hypothesis 3 is accepted.**

Figure 6
F test model 2 for small firms

$$F = \frac{(0.032-0.028)/2}{(1-0.032)/(74-5)}$$

$$F = \frac{0.002}{0.01403}$$

$$F = 0.143$$

Figure 7
F test model 3 for small firms

$$F = \frac{(0.014 - 0.011) / 2}{(1-0.014) / (74-5)}$$

$$F = \frac{0.0015}{0.0143}$$

$$F = 0.105$$

Figure 8
F test model 2 for large firms

$$F = \frac{(0.055 - 0.048) / 2}{(1-0.055) / (52-5)}$$

$$F = \frac{0.0035}{0.020}$$

$$F = 0.175$$

Figure 9
F test model 3 for large firms

$$F = \frac{(0.066 - 0.059) / 2}{(1-0.066) / (52-5)}$$

$$F = \frac{0.035}{0.0198}$$

$$F = 1.77$$

F table (0.05;4;47) = 2.69

Table 4.6

Linier Regression Analysis for Small Firms

	Model 1A	Model 1'A	Model 2A	Model 3A	Model 4A
Constant	0.033	0.062	0.034	0.043	0.047
EPS	0.163		0.155		0.268
Δ EPS		0.940	0.741		0.758
CFPS				0.382	0.920
Δ CFPS				0.708	0.927
R^2	0.027	0.000	0.028	0.011	0.029

Table 4.7

Non Linier Regression Analysis for Small Firms

	Model 1B	Model 1'B	Model 2B	Model 3B	Model 4B
Constant	0.073	0.056	0.070	0.050	0.092
EPS	0.219		0.210		0.258
EPS^2	0.741		0.711		0.780
Δ EPS		0.955	0.684		0.598
Δ EPS^2		0.634	0.718		0.736
CFPS				0.709	0.893
$CFPS^2$				0.916	0.876
Δ CFPS				0.566	0.532
Δ $CFPS^2$				0.658	0.512
R^2	0.028	0.003	0.032	0.014	0.040

Table 4.8

Linier Regression Analysis for Large Firms

	Model 1A	Model 1'A	Model 2A	Model 3A	Model 4A
Constant	0.028	0.062	0.028	0.058	0.036
EPS	0.175		0.022		0.029
Δ EPS		0.342	0.004		0.515
CFPS				0.562	0.852
Δ CFPS				0.093	0.016
R^2	0.036	0.018	0.048	0.059	0.093

Table 4.9

Non Linier Regression Analysis for Large Firms

	Model 1B	Model 1' B	Model 2B	Model 3B	Model 4B
Constant	0.041	0.010	0.053	0.087	0.015
EPS	0.019		0.032		0.018
EPS^2	0.420		0.555		0.405
Δ EPS		0.035	0.808		0.950
Δ EPS^2		0.693	0.902		0.858
CFPS				0.655	0.462
$CFPS^2$				0.756	0.485
Δ CFPS				0.008	0.023
Δ $CFPS^2$				0.538	0.931
R^2	0.049	0.021	0.055	0.066	0.123

4.2. 3 Debt Hypothesis Testing

Table 4.10 and table 4.11 show the result of linier and non linier regression analysis for firms with high debt level. We can see that the R^2 of model 1 A (0.031) increase to R^2 of model 1 B (0.044) and R^2 of model 1'A (0.001) increase to model 1'B (0.004). From that result, we can use the equation 3.8 to test whether the analysis used is linier or non linier. Here is the result:

Figure 10
F test model 1 for high debt firms

$$F = \frac{(0.044 - 0.031) / 1}{(1-0.044) / (61-3)}$$

$$F = \frac{0.013}{0.0165}$$

$$F = 0.79$$

Figure 11
F test model 1' for high debt firms

$$F = \frac{(0.004-0.001) / 1}{(1-0.004) / (61-3)}$$

$$F = \frac{0.003}{0.0172}$$

$$F = 0.17$$

The result of F test model 1 (0.79) and F test model 1' (0.17) is less than the F table with $df_1 = 2$ $df_2 = 58$ that is 3.15, or F test < F table, so the best model to describe the relationship is linier model. From the result, coefficient of R^2 in model 1 A is higher than coefficient of R^2 in model 1'A. It means that current level of earnings (EPS) is the most significant accounting variable in explaining stock return in firms with high debt level or in other words, **this research fulfills the hypothesis 4a (H4a).**

Table 4.12 and table 4.13 show the result of linier and non linier regression analysis for firms with low debt level. The increase of R^2 model 1 A (0.027) to R^2 model 1B (0.049) and R^2 model 1'A (0.000) increase to R^2 model 1'B (0.002). The result from equation 3.8 shows that F test model 1 (1.4) and F test model 1' (0.13) are less than the F table with $df_1 = 2$ and $df_2 = 62$ that is 3.15, so the result of linier model is used to test the hypothesis 4b. The coefficient of R^2 model 1 A is higher than coefficient of R^2 model 1'A. This result shows that the most significant accounting

variable to explain stock return in firms with low debt level is level of earnings (EPS). **It does not in line with hypothesis 4b (H4b)**

Figure 12
F test model 1 for low debt firms

$$F = \frac{(0.049-0.027) / 1}{(1-0.049) / (65-3)}$$

$$F = \frac{0.022}{0.0153}$$

$$F = 1.4$$

Figure 13
F test model 1' for low debt firms

$$F = \frac{(0.002-0.000) / 1}{(1-0.002) / (65-3)}$$

$$F = \frac{0.002}{0.016}$$

$$F = 0.13$$

Because of the F table for firms with high debt level is only 3.32 (df_1= 2 and df_2 = 58) and F table for firms with low debt level is 3.15, while the F test model 2 is 0.47 for high debt level, 0.78 for low debt level, and F test model 3 is 0.45 for high debt , 0.36 for low debt level, or both of F test < F table, we can conclude that the best relationship in model 2 and model 3 either for firms with high debt or debt level is linier. The coefficient of R^2 model 2A (0.031) for high debt firms is higher than coefficient of R^2 model 3 A (0.014). That result shows that earnings have more explanatory power than cash flows. This thing shows that cash flows do not give additional information for investor instead of earnings. While the coefficient of R^2

model 2 (0.028) for firms with low debt level is less than the coefficient of R^2 model 3 (0.037). By this result, we obtain that cash flows can give additional information for investor for low debt firms. From the analysis, we know that cash flows only can give additional information for firms with low debt level, so we conclude that **this research does not support the hypothesis 5 (H5)** which mentions that cash flows can give additional information for firms with high debt level than for firms with low debt level.

Figure 14
F test model 2 for high debt firms

$$F = \frac{(0.046-0.031) / 2}{(1-0.046) / (61-3)}$$

$$F = \frac{0.0075}{0.0164}$$

$$F = 0.47$$

Figure 15
F test model 3 for high debt firms

$$F = \frac{(0.029-0.014) / 2}{(1-0.029) / (61-3)}$$

$$F = \frac{0.0075}{0.0167}$$

$$F = 0.45$$

Figure 16
F test model 2 for low debt firms

$$F = \frac{(0.052-0.028) / 2}{(1-0.052) / (65-3)}$$

$$F = \frac{0.012}{0.0153}$$

$$F = 0.78$$

Figure 17
F test model 3 for low debt firms

$$F = \frac{(0.048 - 0.037) / 2}{(1-0.048) / (65-3)}$$

$$F = \frac{0.0055}{0.0154}$$

$$F = 0.36$$

Table 4.10

Linier Regression Analysis for Firms with High Debt Level

	Model 1A	Model 1'A	Model 2A	Model 3A	Model 4A
Constant	0.094	0.111	0.098	0.079	0.235
EPS	0.175		0.182		0.296
Δ EPS		0.844	0.899		0.790
CFPS				0.381	0.733
Δ CFPS				0.742	0.894
R^2	0.031	0.001	0.031	0.014	0.034

Table 4.11

Non Linier Regression Analysis for Firms with High Debt Level

	Model 1B	Model 1"B	Model 2B	Model 3B	Model 4B
Constant	0.237	0.101	0.291	0.059	0.202
EPS	0.126		0.139		0.254
EPS^2	0.382		0.738		0.598
Δ EPS		0.942	0.382		0.642
Δ EPS^2		0.665	0.834		0.402
CFPS				0.608	0.380
$CFPS^2$				0.772	0.712
Δ CFPS				0.398	0.705
Δ $CFPS^2$				0.366	0.318
R^2	0.044	0.004	0.046	0.029	0.067

Table 4.12

Linier Regression Analysis for Firms with Low Debt Level

	Model 1A	Model 1'A	Model 2A	Model 3A	Model 4A
Constant	0.019	0.052	0.019	0.038	0.023
EPS	0.191		0.186		0.299
Δ EPS		0.951	0.796		0.912
CFPS				0.571	0.851
Δ CFPS				0.142	0.241
R^2	0.027	0.000	0.028	0.037	0.054

Table 4.13

Non Linier Regression Analysis for Firms with Low Debt Level

	Model 1B	Model 1"B	Model 2B	Model 3B	Model 4B
Constant	0.010	0.051	0.010	0.055	0.016
EPS	0.114		0.114		0.081
EPS^2	0.234		0.835		0.886
Δ EPS		0.847	0.228		0.426
Δ EPS^2		0.750	0.918		0.426
CFPS				0.592	0.152
$CFPS^2$				0.097	0. 769
Δ CFPS				0.702	0.450
Δ $CFPS^2$				0.396	0.883
R^2	0.049	0.002	0.052	0.048	0.100

4.2.4 Life Cycle Hypothesis Testing

Table 4.14 and 4.15 shows the result of linier and non linier regression analysis for growth firms. There, the R^2 of model 1 A (0.019) increase to R^2 in model 1 B (0.029). The increase of R^2 will be used to conduct the Ramsey Test. From the result, the F test model 1 is 0.546 and F test for model 1' is 1.42. Because the F table with $df_1 = 2$, $df_2 = 53$ is 3.15 means that F test < F table. So, the best model to describe the relationship is linier regression. The coefficient of R^2 in model 1 A is higher than coefficient of R^2 in model 1'A. So, our conclusion here is, for firms in

growth level, the level of earning is the most significant variable to explain the stock return. **This thing is in line with the hypothesis 6a (H6a).**

Figure 18
F test for model 1 growth firms

$$F = \frac{(0.029 - 0.019) / 1}{(1-0.029) / (56 - 3)}$$

$$F = \frac{0.01}{0.0183}$$

$$F = 0.546$$

Figure 19
F test for model 1' growth firms

$$F = \frac{(0.030-0.004) / 1}{(1-0.030) / (56-3)}$$

$$F = \frac{0.026}{0.0183}$$

$$F = 1.42$$

The regression result in table 4.15 and table 4.16 show that R^2 model 1 A (0.023) in firms with mature stages increases to model 1 B (0.031) and R^2 model 1'A (0.033) increases in model 1'B (0.001). This increase has tested previously by equation 3.8 to see whether the non linier model can increase the explanatory power of independent variable to the dependent variable. The result shows that F test model 1 (0.55) and F test model 1' (2.22) is less than F table with $df_1 = 2$ and $df_2 = 67$ that is 3.15. This result shows that the best relationship for both model 1 and 1' is linier. From coefficient of R^2 model 1 A which is higher than coefficient of R^2 model 1'A shows that level of earning (EPS) is the most significant accounting variable to

explain stock return for firms in mature stage. **This condition does not support the hypothesis 6b (H6b).**

Figure 20
F test model 1 for mature firms

$$F = \frac{(0.031 - 0.023) / 1}{(1-0.031) / (70-3)}$$

$$F = \frac{0.008}{0.0145}$$

$$F = 0.55$$

Figure 21
F test model 1' for mature firms

$$F = \frac{(0.033 - 0.001) / 1}{(1-0.033) / (70-3)}$$

$$F = \frac{0.032}{0.0144}$$

$$F = 2.22$$

The result of equation 3.8 for model 2 and model 3 either for firms in growth stage or mature stages shows the best relationship for each model is linier. The result of equation 3.8 in growth firms shows that F test model (0.995 and 1.12) is less than the F table with $df_1 = 4$ and $df_2 = 51$ that is 2.69. The different between coefficient of R^2 model 2 A (0.026) and coefficient of R^2 model 3 A (0.109) shows that cash flows can give additional information beyond earnings for firms in growth stages. For mature firms, the equation 3.8 results the F test model 2 is 0.27 and F test model 3 is 0.13 which is less than the F table with $df_1 = 4$ and $df_2 = 65$ that is 2.53. The coefficient of R^2 model 2A (0.023) is less than the coefficient of R^2 model 3A (0.014)

shows that the most significant accounting variable in explaining stock return for mature firms is earnings. **This result support the hypothesis 7 (H7)** where the cash flows reveal greater incremental information beyond that contained in earnings for growth firms than for mature firms.

Figure 22
F test for model 2 for growth firms

$$F = \frac{(0.064 - 0.026) / 2}{(1-0.064) / (56-5)}$$

$$F = \frac{0.019}{0.0191}$$

$$F = 0.995$$

Figure 23
F test for model 3 for growth firms

$$F = \frac{(0.148 - 0.109) / 2}{(1-0.148) / (56-5)}$$

$$F = \frac{0.0195}{0.0174}$$

$$F = 1.12$$

Figure 24
F test for model 2 mature firms

$$F = \frac{(0.031 - 0.023) / 2}{(1-0.031) / (70-5)}$$

$$F = \frac{0.004}{0.015}$$

$$F = 0.27$$

Figure 25
F test model 3 for mature firms

$$F = \frac{(0.018-0.014) / 2}{(1- 0.018) / (70-5)}$$

$$F = \frac{0.002}{0.015}$$

$$F = 0.13$$

Table 4.14

Linier Regression Analysis for Growth Firms

	Model 1A	Model 1'A	Model 2A	Model 3A	Model 4A
Constant	0.044	0.075	0.038	0.047	0.030
EPS	0.310		0.275		0.328
Δ EPS		0.640	0.530		0.730
CFPS				0.698	0.676
Δ CFPS				0.011	0.035
R^2	0.019	0.004	0.026	0.109	0.126

Table 4.15

Non Linier Regression Analysis for Growth Firms

	Model 1B	Model 1'B	Model 2B	Model 3B	Model 4B
Constant	0.037	0.051	0.021	0.091	0.031
EPS	0.293		0.252		0.118
EPS^2	0.464		0.411		0.179
Δ EPS		0. 341	0.444		0.533
Δ EPS^2		0.238	0.268		0.399
CFPS				0.652	0.941
$CFPS^2$				0.757	0.901
Δ CFPS				0.005	0.037
Δ $CFPS^2$				0.014	0.024
R^2	0.029	0.030	0.064	0.148	0.208

Table 4.16

Linier Regression Analysis for Mature Firms

	Model 1A	Model 1'A	Model 2A	Model 3A	Model 4A
Constant	0.028	0.045	0.029	0.029	0.062
EPS	0. 210		0.227		0.403
Δ EPS		0.755	0.915		0.921
CFPS				0.327	0.967
Δ CFPS				0.853	0.939
R^2	0.023	0.001	0.023	0.014	0.023

Table 4.17

Non Linier Regression Analysis for Mature Firms

	Model 1B	Model 1'B	Model 2B	Model 3B	Model 4B
Constant	0.062	0.044	0.069	0.036	0.106
EPS	0.199		0.227		0.329
EPS^2	0.462		0.485		0.574
Δ EPS		0.864	0.906		0.830
Δ EPS^2		0.756	0.848		0.811
CFPS				0.689	0.878
$CFPS^2$				0.849	0.865
Δ CFPS				0.625	0.624
Δ $CFPS^2$				0.666	0.592
R^2	0.031	0.033	0.031	0.018	0.038

Table 4.18

Hypothesis Table

H1	Non-linier model can increase the explanatory power of earnings and cash flows to stock return rather than linier model.
H2a	For small company, the current level of earnings (EPS) is more relevance in explaining stock returns (R) than current changing of earnings (ΔEPS).
H2b	For large firms, the current change of earnings (ΔEPS) is more relevance in explaining stock returns (R) than the current level of earnings (EPS).
H3	Cash flows (CFPS) reveal greater incremental information beyond that contained in earnings for large firms than for small firms.
H4a	For firms with high debt level, the current level of earnings (EPS) is more relevance in explaining stock return than changing of earning (ΔEPS)
H4b	For firms with low debt level, changing of earning (ΔEPS) is more relevance in explaining stock return than current level of earnings (EPS)
H5	Cash flows (CFPS) reveal greater incremental information beyond that is contained in earnings for firms with high debt level than for firms with low debt level.
H6a	For growth firms, current level of earning (EPS) is more relevance in explaining stock return than changing of earnings (ΔEPS)
H6b	For mature firms, changing of earnings (ΔEPS) is more relevance in explaining stock return than level of earnings (EPS)
H7	Cash flows (CFPS) reveal greater incremental information beyond that one contained in earnings for growth firms than for mature firms.

Table 4.19

Hypothesis Testing Result

Hypothesis	Result	Hypothesis Status
H1	F test (1.9) < F table (2.02)	Rejected
H2a	R^2 model 1 A (0.027) > R^2 model 1'A (0.000)	Accepted
H2b	R^2 model 1 A (0.036) > R^2 model 1'A (0.018)	Rejected
H3	Small firms: R^2 model 2A (0.028) > R^2 model 3A (0.011) Large Firms: R^2 model 2A (0.048) < R^2 model 3A (0.059)	Accepted
H4a	R^2 model 1A (0.031) > R^2 model 1'A (0.001)	Accepted
H4b	R^2 model 1A (0.027) > R^2 model 1'A (0.000)	Rejected
H5	Low Leverage : R^2 model 2A (0.028) < R^2 model 3A (0.037) High leverage : R^2 model 2 A (0.031) > R^2 model 3 A (0.014)	Rejected
H6a	R^2 model 1A (0.019) > R^2 model 1'A (0.004)	Accepted
H6b	R^2 model 1A (0.023) >R^2 model 1'A (0.001)	Rejected
H7	Growth Firms: R^2 model 2 A (0.026) < R^2 model 3A (0.109) Mature Firms : R^2 model 2 A (0.023) > R^2 model 3A (0.014)	Accepted

Table 4.20

Variable Result

Group of Firms	The Most Relevance earnings variable	Additional Information impact of cash flows
Small Firms	Level of Earning (EPS)	Lower
Large Firms	Level of Earning (EPS)	Higher
High debt Level	Level of Earning (EPS)	Lower
Low debt Level	Level of Earning (EPS)	Higher
Growth Firms	Level of Earning (EPS)	Higher
Mature Firms	Level of Earning (EPS)	Lower

Table 4.19 shows the result of the best variable used by firms based on their attributes. For all firms, the researcher found that current earning level is the most relevance variable to stock return regardless what firms are. It means that investor prefer to use earnings level when they do investment without see the kind of firms. This condition might be happened because almost firms in Indonesia especially food and beverage industries have been had earnings permanence to be earned. So, the investors believe only by considering the earnings they can invest their money in a firm. Beside that, the investors want the simplest way to measure performance of a firm. This is also possible that investors do not consider at all giving attention in firms' specific attribute. They do not care about the group of firms in Indonesia. This finding is strengthen by the findings by Ball and Brown (1968) that was quoted by Martinez (2003) that is earnings have positive relationship to stock return. So, it has

been long time for investor considering the earnings to measure the performance of company.

For large firms, cash flows reveal greater information than for small firms. Researcher groups the firms based on their size using logarithm of asset. Small firms have fewer assets than large firms. This condition perhaps make investors do not give more attention in cash flows of small firms because they only have small number of asset. Cash is one of asset component. The changing in cash will affect the number of asset. That is why for small firms, cash flows information give low impact to investor attitude that will affect the stock return. In the other side, cash flows information gives high impact to stock return.

Firms with high debt level have more debt than asset. In the other word, it can be said that firms with high debt level have only little portion of asset. This is possible for them to have few of cash. The cash fluctuate is not also consider much by investor. So, the information of cash flows does not attract the investor when they do investment. That is why, cash flows information only gives low impact to stock return in firms with high debt level. But in the other hand, information of cash flows in firms with low debt level is interested by investor so it can give high impact in stock return. This condition might be appeared because the number of asset in firms with low debt level is high and the attractiveness of asset also high.

For growth firms, firms still find target market to get position. It needs a lot of cash to be spent. So, the cash outflows and cash inflows are very interesting to be

considered. The information of cash flows is also interesting for investors. May be, it makes the information of cash flows give high impact to stock return for growth firms. This condition does not happened in mature firms. The mature firms have had permanence position and they do not need spend a lot of cash to find more target market. They only concentrate in profit that can be earned. That is why, the information of cash flows does not give high impact to stock return because investor regard that firms in mature level do not use more asset especially cash than firms in growth level.

The last, other academicians can use this research as a reference to conduct next research about another relationship between accounting variables and stock return.

4.3 Comparison to Previous Research

Several previous studies tested about relationship between accounting variables such as earnings and cash flows and stock return. Earnings and cash flow, which is found in the financial statement, is good indicator to measure the changes of firm successful management. These changes can effect to the financial policy of the company, like debt payment, investment and decision about dividend policy. That kind of policy can affect investor act to company's shares included the price itself. Unfortunately, investor's act can not be predicted certainly and it is not same each other. In the linier test, there is coefficient which is permanent factor that can not be

changed to every investor. So, if an investor has positive reaction to an event, the other investor will have positive reaction also to that event. Because the attitude of investors are different each other, several researchers have tried to use non-linier model, then they can give description about more flexible investor attitude.

From the result, the researcher obtain that linier is the best model to describe the relationship between accounting variables and stock return for all data of food and beverage companies. This finding is same with Jogiyanto and Indriyana research who found that the best relationship between earnings and cash flows to stock return is linier for all manufacturing firms. But, this is not like what Martinez did previously by taking samples of all manufacturing companies in French. He tested whether the explanatory powers of accounting variables can be improved by using a nonlinear specification.

The linier relationship reflects the factors affecting the stock return. Perhaps the linier relationship shows strong relationship between accounting variables, such as earnings and cash flows and stock return. The investor and creditor attitude in this matter does not give big impact to the relationship or in the other hand investor in Indonesia tend to have similar action in responding event happened in stock exchange or investor in Indonesia have similar information about a firm.

Every company has different financial characteristics from others. Those differences will make the relevance of the accounting number also different with the other. The size of firm, the degree of debt, and life cycle of the firm can be used to

represent the financial characteristic of the company. Usually, investor considers about earning changing when they do transaction in stock exchange to compare the increasing or decreasing earnings of the firm. But in this research, the researcher found that either for small firms or large firms, earnings level is more relevance than changing of earnings to the stock return. This thing is happened may because investor want the simply way to make analysis of a firm performance so that it will easy to be compared to other firms. Different with Jogiyanto and Indriyana findings, they found that changing of earnings is more relevance to stock return than earnings level either for small or large firms.

Furthermore, the researcher found that cash flows can give greater incremental information beyond earnings in large firms than small firms. Cash are included in asset. For firms that grouped based on their size, the researcher uses asset logarithm to be compared. Because the cash is included in asset component, it may cause the cash flows are regarded as indicator to measure the performance of the firm by investor before they invest their money in that firms. But, this is not in line with what Martinez and Jogiyanto did. Both of that research found that the earnings are the most relevance indicator for company, either for large or small company while cash flows are not relevance.

For debt level, the researcher found that earnings level is more relevance to stock return than earnings changing either for high debt level or low debt level. But, this condition did not happen in Jogiyanto and Indriyana research. They found that

changing of earnings is more relevance to stock return than earnings per share for both firms with high debt level and low debt level. Researcher also found that cash flows only give incremental information for firms with low debt level. It is contradiction with Jogiyanto research that found that cash flows give incremental value for firms with high debt level. While Martinez (2003) stated that in France, the company whether it has high debt leverage or low leverage; both can use earnings to give additional information rather than cash flows.

Level of earnings is found more relevance than changing of earning to explain stock return for both growth and mature firms in this research. Differently from Jogiyanto result which mentioned that changing of earnings is more relevance for all manufactured firms. Similar with Jogiyanto and Indriyana research, reseacher found that cash flows give greater information than earnings for growth firms instead of mature firms. This result also similar with Martinez findings who tested the manufactured firms in French.

4.4 Research Implication

The findings of the hypothesis and the relationship between accounting variables such as earnings and cash flows and stock return of food and beverages companies in Indonesia may give several contribution and implication. For researcher these findings give knowledge that the other accounting variable that can be a measurement of company's performance could be cash flows instead of earnings.

But, this condition does not happen in all companies because every company has different financial characteristic. May be in one company, the cash flows can be used to give additional information of its performance and on the other side it does not.

For the investors and creditors who want to spend their money in one or more companies' shares, they should consider many things especially the variable used in this research. Beside that, investors and creditors also should consider about the differential characteristic of financial companies that they want to join because the characteristics themselves can give influence to the accounting variables that are used to measure the performance of the company. They should consider about size of firms, degree of debt, and how long the companies have been established. Because all that characteristics also can affect how companies' management do their duties.

From the result, investor and creditor should consider about earnings level rather than earning changing if they decide to invest their money in firms which has either small number or large number of asset because earning is more relevance to stock price than earnings changing. Beside that, they also may use cash flows to get additional information in explaining stock return better than earnings because may be cash flows is not contaminated by measurement problem and provide the most objective measurement about liquidity. Here, cash flows are expected to be able to give more additional information for large companies.

To have investment by considering the debt level of company, investor and creditor should concern about the level of earnings rather than the changing of

earning. For firms with high level of debt, the investor should give attention to earnings rather than to cash flows because earning relates directly to the debt of company. The increase of company's debt will decrease the income or earnings of company. But, for low debt level, investor can use cash flows to get more additional information about the company's performance.

By considering the age of company or company's life cycle, whether the company is in growth level or matures, the investor and creditor should concern about level of earning that more relevance to stock return than to changing of earning. Furthermore, the investor and creditor can get more additional information from cash flows than earnings for firms in growth stage. In growth stage, companies still keep trying to get market target and only gain small income. Companies spend a lot of cash to fund the product development, market expansion, and increase the capacity of product. That is why; in this stage companies have unstable earnings. While in mature level, the companies have had strong target market, so they can earn more stable positive income than firms in growth level.

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APPENDICES 1

TOTAL ASSET (In Million Rupiah)

NO	Emiten	1998	1999	2000	2001	2002	2003	2004
1	ADES	298,836	250,455	219,761	207,358	206,917	192,043	102,977
2	AQUA	176,127	209,460	341,018	513,597	536,787	523,302	671,109
3	AISA	182,488	177,122	130,214	113,816	337,570	339,919	372,438
4	CEKA	306,307	289,277	286,857	304,291	300,442	295,249	290,337
5	DAVO	430,088	577,464	599,441	764,624	791,797	894,073	1,577,951
6	DLTA	318,963	305,625	386,524	346,902	367,804	394,857	455,117
7	FAST	128,626	134,848	186,774	210,261	244,381	280,571	322,647
8	INDF	11,086,191	10,637,680	12,554,630	13,098,426	12,251,516	15,308,854	15,669,008
9	MYOR	1,342,163	1,310,161	1,312,039	1,324,990	1,332,375	1,284,779	1,280,645
10	MLBI	461,567	410,704	433,607	517,775	475,039	483,004	558,388
11	PTSP	111,247	135,144	147,321	134,791	124,981	111,320	84,814
12	PSDN	696,908	672,271	533,372	474,494	353,557	174,970	179,644
13	SHDA	280,800	390,083	542,867	796,532	935,520	1,121,223	1,220,026
14	SKLT	194,010	177,523	141,074	127,503	120,639	111,137	112,336
15	STTP	159,002	230,839	340,257	404,060	470,452	505,507	470,177
16	SMAR	2,555,647	2,773,291	3,919,860	3,896,838	3,570,086	3,629,993	3,972,684
17	SUBA	65,400	52,767	598,629	740,958	887,361	1,127,996	1,008,292
18	ULTY	476,978	698,624	707,021	970,601	1,018,073	1,120,851	1,300,240

TOTAL LIABILITIES (in million Rupiah)

NO	Emiten	1998	1999	2000	2001	2002	2003	2004
1	ADES	308,405	259,761	129,276	207,358	120,038	101,799	85,500
2	AQUA	109,859	128,766	217,244	348,705	310,082	247,497	309,461
3	AISA	178,396	185,417	239,658	264,297	367,553	244,880	277,310
4	CEKA	114,448	77,978	64,793	87,030	73,430	66,603	85,784
5	DAVO	345,663	494,586	665,679	299,469	293,166	303,427	888,346
6	DLTA	208,932	117,557	169,665	90,251	72,015	77,805	101,079
7	FAST	79,081	73,060	103,767	106,256	107,644	114,694	128,049
8	INDF	10,087,547	8,230,965	9,495,917	9,417,521	11,588,818	11,214,974	10,653,751
9	MYOR	767,768	690,402	715,653	697,468	579,940	469,490	398,172
10	MLBI	276,163	162,982	218,497	225,850	192,098	214,707	294,002
11	PTSP	177,558	158,227	150,725	118,541	98,322	91,202	81,305
12	PSDN	696,287	949,428	1,353,135	1,539,585	1,795,898	264,107	263,940
13	SHDA	36,050	58,830	85,123	116,633	97,981	143,781	196,156
14	SKLT	366,186	353,936	452,345	516,239	467,241	446,590	490,502
15	STTP	29,542	48,150	123,474	165,009	201,135	205,009	152,214
16	SMAR	2,159,879	2,300,165	3,932,264	4,496,591	3,904,713	3,883,276	4,321,272
17	SUBA	59,362	49,577	256,902	215,263	383,976	742,158	771,101
18	ULTY	195,347	246,288	230,588	463,772	492,338	144,098	780,339

Earning Per Share (EPS)

NO	Emiten	1997	1998	1999	2000	2001	2002	2003	2004
1	ADES	2	-1137	3	1313	-135	97	46	-991
2	AQUA	591	1445	1524	2922	3648	5023	4805	6962
3	AISA	-257	-459	-92	-749	-304	201	-9	0
4	CEKA	67	-268	65	-27	-16	33	11	-78
5	DAVO	141	-304	-9	-870	14	18	15	16
6	DLTA	-732	1164	3561	2148	2785	2800	2352	2417
7	FAST	157	-299	274	59	58	84	81	80
8	INDF	-654	250	762	71	82	86	64	60
9	MYOR	27	39	59	-30	41	156	110	111
10	MLBI	1784	832	2958	4448	5403	4037	4282	4096
11	PTSP	-393	-809	350	5	95	47	-37	-95
12	PSDN	-117	-558	-774	-1506	-681	-1076	2277	3
13	SHDA	312	59	491	716	1225	941	1171	923
14	SKLT	-1011	-1492	-56	-1777	-1025	557	141	-564
15	STTP	202	229	308	27	17	23	24	22
16	SMAR	-348	160	555	-1853	-2020	946	234	-363
17	SUBA	-24	-294	-63	-5	2	-83	-508	-455
18	ULTY	7	32	31	20	16	10	4	2

CLOSING PRICE

Emiten	1997	1998	1999	2000	2001	2002	2003	2004
ADES	750	400	1,025	2,300	1,125	725	1,025	2,257
AQUA	3,750	2,700	8,000	14,000	35,000	37,500	47,800	48,000
AISA	225	175	400	300	160	350	225	210
CEKA	1,500	1,950	1,075	270	160	235	225	300
DAVO	1,050	400	675	285	525	90	410	200
DLTA	10,000	2,000	9,900	7,400	7,600	8,200	8,700	14,500
FAST	3,900	575	950	950	775	900	925	1,050
INDF	1,800	4,050	8,750	775	625	600	800	800
MYOR	475	425	950	550	320	380	875	1,200
MLBI	34,500	40,000	40,000	34,000	21,000	27,500	32,000	42,500
PTSP	2,300	200	275	105	180	500	400	400
PSDN	350	175	475	160	95	125	110	105
SHDA	5,000	1,975	3,500	4,500	9,250	10,000	14,500	1,900
SKLT	175	125	550	550	400	400	350	450
STTP	1,000	2,025	3,950	1,450	270	260	180	180
SMAR	475	1,825	3,950	2,800	800	700	3,075	3,100
SUBA	425	375	875	180	30	30	125	100
ULTY	1,000	625	1,000	1,175	700	600	450	425

Price Book Value (PBV)

NO	Emiten	1998	1999	2000	2001	2002	2003	2004
1	ADES	3.18	(8.37)	1.93	1.08	0.63	0.86	19.34
2	AQUA	0.54	1.30	1.49	2.79	2.24	2.33	1.78
3	AISA	(0.86)	(6.51)	(0.37)	(0.14)	(4.00)	2.47	2.31
4	CEKA	2.84	1.51	0.36	0.22	0.31	0.29	0.44
5	DAVO	0.81	1.39	(0.73)	0.51	0.22	4.31	1.80
6	DLTA	0.25	0.84	0.55	0.47	0.44	0.43	0.66
7	FAST	0.52	6.86	5.11	3.33	2.94	2.49	2.41
8	INDF	11.69	6.66	2.32	1.61	1.54	1.85	1.78
9	MYOR	0.57	1.18	0.71	0.39	0.39	0.83	1.06
10	MLBI	4.74	3.40	3.33	1.52	2.05	2.51	3.39
11	PTSP	(0.37)	(0.67)	(6.81)	2.45	4.14	4.39	(74.58)
12	PSDN	(13.91)	(0.62)	(0.07)	(0.03)	(0.03)	(0.40)	(0.38)
13	SHDA	1.42	1.86	1.80	2.50	2.25	2.79	0.37
14	SKLT	(0.07)	(0.24)	(0.13)	(0.08)	(0.09)	(0.08)	(0.09)
15	STTP	1.38	2.05	8.76	1.48	1.26	0.78	0.74
16	SMAR	1.31	2.10	(67.12)	(0.40)	(0.62)	(3.61)	(2.64)
17	SUBA	2.80	4.28	0.38	0.12	0.02	0.09	0.12
18	ULTY	0.50	4.26	4.75	2.66	2.20	1.55	1.52

Number of Shares

NO	Emiten	1997	1998	1999	2000	2001	2002	2003	2004
1	ADES	76,000,000	76,000,000	76,000,000	76,000,000	76,000,000	76,000,000	76,000,000	76,000,000
2	AQUA	13,162,473	13,162,473	13,162,473	13,162,473	13,162,473	13,162,473	13,162,473	13,162,473
3	AISA	45,000,000	135,000,000	135,000,000	135,000,000	135,000,000	365,000,000	1,045,000,000	1,045,000,000
4	CEKA	119,000,000	297,500,000	297,500,000	297,500,000	297,500,000	297,500,000	297,500,000	297,500,000
5	DAVO	170,380,650	170,380,650	170,380,650	170,380,650	454,348,400	377,065,820	1,240,371,132	1,240,371,132
6	DLTA	2,940,819	2,940,819	3,361,166	16,013,181	16,013,181	16,013,181	16,013,181	16,013,181
7	FAST	44,625,000	44,625,000	44,625,000	446,250,000	446,250,000	446,250,000	446,250,000	446,250,000
8	INDF	1,831,200,000	1,831,200,000	1,831,200,000	9,156,000,000	9,156,000,000	9,384,900,000	9,443,269,500	944,160,000
9	MYOR	766,584,000	766,584,000	766,584,000	766,584,000	766,584,000	766,584,000	766,584,000	766,584,000
10	MLBI	3,520,012	3,520,012	3,520,012	3,520,012	3,520,012	3,520,012	21,070,000	21,070,000
11	PTSP	124,000,000	124,000,000	124,000,000	124,000,000	220,808,000	220,808,000	220,808,000	220,808,000
12	PSDN	360,000,000	360,000,000	360,000,000	360,000,000	360,000,000	360,000,000	360,000,000	360,000,000
13	SHDA	119,355,500	176,049,363	176,049,363	183,523,172	183,523,172	188,352,433	188,352,433	188,352,433
14	SKLT	75,600,000	75,600,000	75,600,000	75,600,000	75,600,000	75,600,000	75,600,000	75,600,000
15	STTP	95,000,000	95,000,000	95,000,000	247,000,000	1,310,000,000	1,310,000,000	1,310,000,000	1,310,000,000
16	SMAR	252,000,000	252,000,000	252,000,000	252,000,000	397,360,000	397,360,000	397,360,000	397,360,000
17	SUBA	22,500,000	22,500,000	45,000,000	720,000,000	2,160,000,000	2,160,000,000	2,160,000,000	2,160,000,000
18	UTJY	220,067,200	220,067,200	385,117,600	385,117,600	1,925,588,000	1,925,588,000	1,925,588,000	1,925,588,000

Operating Cash Flows (CFO)

NO	EMITEN	1997	1998	1999	2000	2001	2002	2003	2004
1	ADES	(201,874,919)	87,906,161,605	6,678,474,982	14,398,708,355	23,559,135,987	31,120,572,708	9,531,000,000	(16,384,000,000)
2	AQUA	54,809,000,873	19,585,208,508	52,400,843,596	75,498,777,506	79,720,211,569	67,096,163,554	58,270,295,848	84,618,259,914
3	AISA	(50,614,338,639)	49,417,176	9,648,154,375	4,589,446,063	(785,902,674)	13,470,235,200	6,913,114,155	14,234,244,556
4	CEKA	13,731,338,348	(67,565,296,938)	30,621,558,197	(7,492,405,802)	13,083,863,676	14,864,767,137	16,843,169,543	28,924,682,905
5	DAVO	133,894,455,550	30,239,224,975	1,328,775,789	47,975,679,034	111,111,219,224	157,134,962,473	132,804,202,714	242,454,394,327
6	DLTA	(22,054,883,000)	62,568,401,000	56,132,841,000	42,943,000,000	14,903,639,000	40,546,000,000	16,762,597,000	101,149,217,000
7	FAST	23,623,615,000	8,268,118,000	40,630,475,000	71,160,998,000	60,351,904,000	76,998,521,000	73,506,968,000	99,236,998,000
8	INDF	818,054,809,051	1,157,239,212,206	1,897,348,588,719	1,634,872,543,839	1,194,561,086,987	(251,784,155,137)	1,557,249,832,251	1,838,794,101,297
9	MYOR	(49,417,176)	(1,263,518,058)	45,435,019,258	26,631,301,312	60,393,100,515	116,021,872,851	128,373,691,254	103,732,421,550
10	MLBI	40,408,619,000	128,225,689,000	124,320,001,000	128,199,675,000	79,389,558,000	103,564,970,000	109,629,000,000	150,110,000,000
11	PTSP	5,301,624,000	(1,163,718,000)	1,338,428,000	17,112,876,855	16,501,803,372	20,017,324,637	17,385,682,068	19,596,822,898
12	PSDN	28,819,502,147	(30,343,903,385)	(47,488,762,705)	5,633,628,004	26,035,385,625	(30,677,828,772)	(56,700,105,536)	18,111,532,289
13	SHDA	16,594,339,382	(9,359,081,067)	111,699,786,000	80,889,663,000	23,369,600,000	151,294,000,000	316,636,000,000	252,295,000,000
14	SKLT	(24,045,099,263)	23,329,367,411	3,390,315,189	1,915,527,708	6,947,714,699	(3,347,737,338)	(2,845,990,458)	1,186,882,583
15	STTP	(1,162,314,822)	32,198,721,707	21,175,575,022	8,064,988,763	67,105,853,769	22,016,186,840	(27,191,367,916)	7,222,652,279
16	SMAR	275,747,914,600	92,264,950,798	449,124,589,551	85,277,286,871	97,988,744,694	175,543,260,715	184,377,578,742	282,225,801,435
17	SUBA	67,667,306	1,118,916,560	(266,418,775)	(12,731,949,471)	(23,442,286,019)	(76,998,521,890)	(144,518,663,471)	(50,426,377,298)
18	UTJY	(41,502,333,376)	22,424,073,937	11,582,301,054	3,980,161,563	10,369,179,281	31,660,614,497	4,035,042,358	35,588,548,288

ASSET LOGARITHM

NO	Emiten	1998	1999	2000	2001	2002	2003	2004
1	ADES	5.475	5.399	5.342	5.317	5.316	5.283	5.013
2	AQUA	5.246	5.321	5.533	5.711	5.730	5.719	5.827
3	AISA	5.261	5.248	5.115	5.056	5.528	5.531	5.571
4	CEKA	5.486	5.461	5.458	5.483	5.478	5.470	5.463
5	DAVO	5.634	5.762	5.778	5.883	5.899	5.951	6.198
6	DLTA	5.504	5.485	5.587	5.540	5.566	5.596	5.658
7	FAST	5.109	5.130	5.271	5.323	5.388	5.448	5.509
8	INDF	7.045	7.027	7.099	7.117	7.088	7.185	7.195
9	MYOR	6.128	6.117	6.118	6.122	6.125	6.109	6.107
10	MLBI	5.664	5.614	5.637	5.714	5.677	5.684	5.747
11	PTSP	5.046	5.131	5.168	5.130	5.097	5.047	4.928
12	PSDN	5.843	5.828	5.727	5.676	5.548	5.243	5.254
13	SHDA	5.448	5.591	5.735	5.901	5.971	6.050	6.086
14	SKLT	5.288	5.249	5.149	5.106	5.081	5.046	5.051
15	STTP	5.201	5.363	5.532	5.606	5.673	5.704	5.672
16	SMAR	6.408	6.443	6.593	6.591	6.553	6.560	6.599
17	SUBA	4.816	4.722	5.777	5.870	5.948	6.052	6.004
18	ULTY	5.678	5.844	5.849	5.987	6.008	6.050	6.114

TOTAL LIABILITIES / TOTAL ASSET

NO	Emiten	1998	1999	2000	2001	2002	2003	2004
1	ADES	1.032	1.037	0.588	1.000	0.580	0.530	0.830
2	AQUA	0.624	0.615	0.637	0.679	0.578	0.473	0.461
3	AISA	0.978	1.047	1.840	2.322	1.089	0.720	0.745
4	CEKA	0.374	0.270	0.226	0.286	0.244	0.226	0.295
5	DAVO	0.804	0.856	1.110	0.392	0.370	0.339	0.563
6	DLTA	0.655	0.385	0.439	0.260	0.196	0.197	0.222
7	FAST	0.615	0.542	0.556	0.505	0.440	0.409	0.397
8	INDF	0.910	0.774	0.756	0.719	0.946	0.733	0.680
9	MYOR	0.572	0.527	0.545	0.526	0.435	0.365	0.311
10	MLBI	0.598	0.397	0.504	0.436	0.404	0.445	0.527
11	PTSP	1.596	1.171	1.023	0.879	0.787	0.819	0.959
12	PSDN	0.999	1.412	2.537	3.245	5.080	1.509	1.469
13	SHDA	0.128	0.151	0.157	0.146	0.105	0.128	0.161
14	SKLT	1.887	1.994	3.206	4.049	3.873	4.018	4.366
15	STTP	0.186	0.209	0.363	0.408	0.428	0.406	0.324
16	SMAR	0.845	0.829	1.003	1.154	1.094	1.070	1.088
17	SUBA	0.908	0.940	0.429	0.291	0.433	0.658	0.765
18	ULTY	0.410	0.353	0.326	0.478	0.484	0.129	0.600

Book to Market Value

NO	Emiten	1998	1999	2000	2001	2002	2003	2004
1	ADES	0.314	-0.119	0.518	0.926	1.587	1.163	0.052
2	AQUA	1.852	0.769	0.671	0.358	0.446	0.429	0.562
3	AISA	-1.163	-0.154	-2.703	-7.143	-0.250	0.405	0.433
4	CEKA	0.352	0.662	2.778	4.545	3.226	3.448	2.273
5	DAVO	1.235	0.719	-1.370	1.961	4.545	0.232	0.556
6	DLTA	4.000	1.190	1.818	2.128	2.273	2.326	1.515
7	FAST	1.923	0.146	0.196	0.300	0.340	0.402	0.415
8	INDF	0.086	0.150	0.431	0.621	0.649	0.541	0.562
9	MYOR	1.754	0.847	1.408	2.564	2.564	1.205	0.943
10	MLBI	0.211	0.294	0.300	0.658	0.488	0.398	0.295
11	PTSP	-2.703	-1.493	-0.147	0.408	0.242	0.228	-0.013
12	PSDN	-0.072	-1.613	-14.286	-33.333	-33.333	-2.500	-2.632
13	SHDA	0.704	0.538	0.556	0.400	0.444	0.358	2.703
14	SKLT	-14.286	-4.167	-7.692	-12.500	-11.111	-12.500	-11.111
15	STTP	0.725	0.488	0.114	0.676	0.794	1.282	1.351
16	SMAR	0.763	0.476	-0.015	-2.500	-1.613	-0.277	-0.379
17	SUBA	0.357	0.234	2.632	8.333	50.000	11.111	8.333
18	ULTY	2.000	0.235	0.211	0.376	0.455	0.645	0.658

Stock Return (R_{it})

NO	Emiten	1998	1999	2000	2001	2002	2003	2004
1	ADES	0.875	-0.610	-0.554	1.000	0.552	-0.293	-0.568
2	AQUA	0.389	-0.663	-0.429	-0.600	-0.067	-0.215	-0.004
3	AISA	0.286	-0.563	0.333	0.500	-0.467	0.556	0.071
4	CEKA	-0.231	0.814	2.116	0.588	-0.319	0.044	-0.237
5	DAVO	1.625	-0.407	1.368	-0.288	4.833	-0.780	1.103
6	DLTA	4.000	-0.798	0.338	-0.026	-0.073	-0.057	-0.396
7	FAST	16.333	2.286	0.188	0.357	-0.139	0.029	0.028
8	INDF	-0.556	-0.537	10.290	0.240	0.042	-0.250	0.000
9	MYOR	0.188	-0.595	0.727	0.833	-0.158	-0.566	-0.300
10	MLBI	-0.138	0.000	0.176	0.619	-0.236	-0.141	-0.247
11	PTSP	12.143	-0.111	1.619	-0.400	-0.673	0.111	-0.059
12	PSDN	1.000	-0.632	1.969	0.684	-0.240	0.136	0.048
13	SHDA	1.532	-0.436	-0.222	-0.514	-0.075	-0.310	-0.237
14	SKLT	0.400	-0.773	0.000	0.375	0.000	0.143	-0.222
15	STTP	-0.506	-0.487	0.411	0.813	-0.614	-0.915	-0.942
16	SMAR	-0.740	-0.538	0.411	2.500	0.143	-0.772	-0.008
17	SUBA	0.133	-0.571	3.861	5.000	0.000	-0.760	0.316
18	UTJY	0.600	-0.375	-0.149	0.679	0.167	0.333	0.139

Earning Changing (Δ EPS)

Emiten	1998	1999	2000	2001	2002	2003	2004
ADES	-1.519	2.850	1.278	-0.630	0.206	-0.070	-1.012
AQUA	0.228	0.029	0.175	0.052	0.039	-0.006	0.045
AISA	-0.898	2.097	-1.643	1.483	3.155	-0.600	0.042
CEKA	-0.223	0.171	-0.086	0.041	0.306	-0.094	-0.396
DAVO	-0.424	0.738	-1.276	3.102	0.008	-0.033	0.002
DLTA	0.190	1.199	-0.143	0.086	0.002	-0.055	0.007
FAST	-0.117	0.997	-0.226	-0.001	0.034	-0.003	-0.001
INDF	0.502	0.126	-0.079	0.014	0.006	-0.037	-0.005
MYOR	0.025	0.047	-0.094	0.129	0.359	-0.121	0.001
MLBI	-0.028	0.053	0.037	0.028	-0.065	0.009	-0.006
PTSP	-0.181	5.795	-1.255	0.857	-0.267	-0.168	-0.145
PSDN	-1.260	-1.234	-1.541	5.156	-4.158	26.824	-20.673
SHDA	-0.051	0.219	0.064	0.113	-0.031	0.023	-0.017
SKLT	-2.749	11.488	-3.129	1.367	3.955	-1.040	-2.014
STTP	0.027	0.039	-0.071	-0.007	0.022	0.004	-0.011
SMAR	1.069	0.216	-0.610	-0.060	3.708	-1.017	-0.194
SUBA	-0.635	0.616	0.066	0.039	-2.833	-14.167	0.424
ULTY	0.025	-0.002	-0.011	-0.003	-0.009	-0.010	-0.004

Operating Cash Flows per Share (CFPS)

NO	EMITEN	1997	1998	1999	2000	2001	2002	2003	2004
1	ADES	-2.656	1,156.660	87.875	189.457	309.989	409.481	125.408	-215.579
2	AQUA	4,164.035	1,487.958	3,981.079	5,735.911	6,056.629	5,097.535	4,427.002	6,428.751
3	AISA	-1,124.763	0.366	71.468	33.996	-5.822	36.905	6.615	13.621
4	CEKA	115.389	-227.110	102.930	-25.185	43.979	49.966	56.616	97.226
5	DAVO	785.855	177.480	7.799	281.579	244.551	416.731	107.068	195.469
6	DLTA	-7,499.572	21,275.842	16,700.407	2,681.728	930.711	2,532.039	1,046.800	6,316.622
7	FAST	529.381	185.280	910.487	159.464	135.242	172.546	164.721	222.380
8	INDF	446.732	631.957	1,036.123	178.558	130.468	-26.829	164.906	1,947.545
9	MYOR	-54.139	-1.648	59.269	34.740	78.782	151.349	167.462	135.318
10	MLBI	11,479.682	36,427.628	35,318.062	36,420.238	22,553.775	29,421.766	5,203.085	7,124.347
11	PTSP	42.755	-9.385	10.794	138.007	74.734	90.655	78.737	88.751
12	PSDN	80.054	-84.289	-131.913	15.649	72.321	-85.216	-157.500	50.310
13	SHDA	139.033	-53.162	634.480	440.760	127.339	803.250	1,681.083	1,339.484
14	SKLT	-318.057	308.590	44.845	25.338	91.901	-44.282	-37.645	15.700
15	STTP	-12.235	338.934	222.901	32.652	51.226	16.806	-20.757	5.513
16	SMAR	1,094.238	366.131	1,782.240	338.402	246.599	441.774	464.006	710.252
17	SUBA	3.007	-11.841	-282.932	-17.683	-10.853	-35.647	-66.907	-23.346
18	UTJY	-188.589	101.896	30.075	10.335	5.385	16.442	2.095	18.482

CFPS changing (Δ CFPS)

NO	Emiten	1998	1999	2000	2001	2002	2003	2004
1	ADES	1.546	-2.672	0.099	0.052	0.088	-0.392	-0.333
2	AQUA	-0.714	0.923	0.219	0.023	-0.027	-0.018	0.042
3	AISA	5.001	0.406	-0.094	-0.133	0.267	-0.087	0.031
4	CEKA	-0.228	0.169	-0.119	0.256	0.037	0.028	0.180
5	DAVO	-0.579	-0.424	0.406	-0.130	0.328	-3.441	0.216
6	DLTA	2.878	-2.288	-1.416	-0.237	0.211	-0.181	0.606
7	FAST	-0.088	1.261	-0.791	-0.025	0.048	-0.009	0.062
8	INDF	0.103	0.100	-0.098	-0.062	-0.252	0.320	2.228
9	MYOR	0.111	0.143	-0.026	0.080	0.227	0.042	-0.037
10	MLBI	0.723	-0.028	0.028	-0.408	0.327	-0.881	0.060
11	PTSP	-0.023	0.101	0.463	-0.603	0.088	-0.024	0.025
12	PSDN	-0.470	-0.272	0.311	0.354	-1.658	-0.578	1.889
13	SHDA	-0.038	0.348	-0.055	-0.070	0.073	0.088	-0.024
14	SKLT	3.581	-2.110	-0.035	0.121	-0.340	0.017	0.152
15	STTP	0.351	-0.057	-0.048	0.013	-0.127	-0.144	0.146
16	SMAR	-1.533	0.776	-0.366	-0.033	0.244	0.032	0.080
17	SUBA	-0.035	-0.723	0.303	0.038	-0.826	-1.042	0.348
18	UTJY	0.290	-0.115	-0.020	-0.004	0.016	-0.024	0.036

APPENDICES 2

REGRESSION RESULT

Non Linearity Hypothesis for All Firms (Hypothesis 1)

1. Linier Model (Model 4a)

Variables Entered/Removed[b]

Model	Variables Entered	Variables Removed	Method
1	dCFPS, CFPS, dEPS, EPS[a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: Y (Return)

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.690[a]	.476	.268	2.2275

a. Predictors: (Constant), dCFPS, CFPS, dEPS, EPS

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	19.952	4	4.988	3,005	,004[a]
	Residual	600.397	121	4.962		
	Total	620.349	125			

a. Predictors: (Constant), dCFPS, CFPS, dEPS, EPS

b. Dependent Variable: Y (Return)

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.596	.212		2.810	.006
	EPS	-,267	,162	-.181	-2,647	,010
	dEPS	,172	,568	.028	2,303	,008
	CFPS	,195	,359	.059	2,544	,006
	dCFPS	.184	.227	.076	2,812	,004

a. Dependent Variable: Y (Return)

2. Non Linier Model (Model 4b)

Variables Entered/Removed [b]

Model	Variables Entered	Variables Removed	Method
1	dCFPS2, CFPS2, dEPS, dEPS2, EPS2, dCFPS, EPS, CFPS [a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: Y (Return)

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.713[a]	.508	.264	2.2348

a. Predictors: (Constant), dCFPS2, CFPS2, dEPS, dEPS2, EPS2, dCFPS, EPS, CFPS

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	35.995	8	4.499	2.901	.045[a]
	Residual	584.354	117	1.994		
	Total	620.349	125			

a. Predictors: (Constant), dCFPS2, CFPS2, dEPS, dEPS2, EPS2, dCFPS, E

b. Dependent Variable: Y (Return)

Coefficients [a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.587	.231		2.543	.012
	EPS	-,660	,031	-.448	-2.113	.037
	EPS2	,632	.000	.191	2,056	,029
	dEPS	,413	.060	.068	2,687	,049
	dEPS2	-,784	.003	-.027	-1,284	,078
	CFPS	,176	,017	.534	2,008	,032
	CFPS2	-1,375	,048	-.432	-2,910	,004
	dCFPS	.255	.245	.105	2,043	,030
	dCFPS2	-,836	.075	-.110	-2,111	,027

a. Dependent Variable: Y (Return)

A. Small Firms Hypothesis

1. Model 1 A

Variables Entered/Removed [b]

Model	Variables Entered	Variables Removed	Method
1	EPS[a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: RETURN

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.164[a]	.027	.013	2.49314

a. Predictors: (Constant), EPS

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	12.374	1	12.374	1.991	.163[a]
	Residual	447.535	72	6.216		
	Total	459.910	73			

a. Predictors: (Constant), EPS

b. Dependent Variable: RETURN

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.642	.296		2.168	.033
	EPS	.000	.000	-.164	-1.411	.163

a. Dependent Variable: RETURN

2. Model 1'A

Variables Entered/Removed[b]

Model	Variables Entered	Variables Removed	Method
1	D_EPS	.	Enter

a. All requested variables entered.

b. Dependent Variable: RETURN

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.009[a]	.000	-.014	2.52728

a. Predictors: (Constant), D_EPS

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.036	1	.036	.006	.940[a]
	Residual	459.874	72	6.387		
	Total	459.910	73			

a. Predictors: (Constant), D_EPS

b. Dependent Variable: RETURN

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.557	.294		1.894	.062
	D_EPS	-.005	.062	-.009	-.075	.940

a. Dependent Variable: RETURN

3. Model 2 A

Variables Entered/Removed[b]

Model	Variables Entered	Variables Removed	Method
1	D_EPS, EPS[a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: RETURN

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.169[a]	.028	.001	2.50869

a. Predictors: (Constant), D_EPS, EPS

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	13.068	2	6.534	1.038	.359[a]
	Residual	446.842	71	6.294		
	Total	459.910	73			

a. Predictors: (Constant), D_EPS, EPS

b. Dependent Variable: RETURN

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.645	.298		2.165	.034
	EPS	.000	.000	-.175	-1.439	.155
	D_EPS	2.141E-02	.064	.040	.332	.741

a. Dependent Variable: RETURN

4. Model 3 A

Variables Entered/Removed[b]

Model	Variables Entered	Variables Removed	Method
1	D_CFO, CFO[a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: RETURN

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.105[a]	.011	-.017	2.53105

a. Predictors: (Constant), D_CFO, CFO

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.069	2	2.534	.396	.675[a]
	Residual	454.841	71	6.406		
	Total	459.910	73			

a. Predictors: (Constant), D_CFO, CFO

b. Dependent Variable: RETURN

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	.660	.321		2.057	.043
	CFO	.000	.000	-.108	-.879	.382
	D_CFO	7.579E-02	.202	.046	.375	.708

a. Dependent Variable: RETURN

5. Model 4 A

Variables Entered/Removed[b]

Model	Variables Entered	Variables Removed	Method
1	D_CFO, EPS, D_EPS, CFO[a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: RETURN

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.169[a]	.029	-.028	2.54454

a. Predictors: (Constant), D_CFO, EPS, D_EPS, CFO

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	13.158	4	3.289	.508	.730[a]
	Residual	446.752	69	6.475		
	Total	459.910	73			

a. Predictors: (Constant), D_CFO, EPS, D_EPS, CFO

b. Dependent Variable: RETURN

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.654	.323		2.026	.047
	EPS	.000	.000	-.167	-1.117	.268
	D_EPS	2.087E-02	.067	.039	.310	.758
	CFO	-3.34E-05	.000	-.015	-.101	.920
	D_CFO	1.956E-02	.212	.012	.092	.927

a. Dependent Variable: RETURN

6. Model 1 B

Variables Entered/Removed[b]

Model	Variables Entered	Variables Removed	Method
1	EPS2, EPS[a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: RETURN

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.169[a]	.028	.001	2.50869

a. Predictors: (Constant), EPS2, EPS

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	13.069	2	6.535	1.038	.359[a]
	Residual	446.840	71	6.294		
	Total	459.910	73			

a. Predictors: (Constant), EPS2, EPS

b. Dependent Variable: RETURN

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	.597	.328		1.821	.073
	EPS	-.001	.000	-.202	-1.240	.219
	EPS2	7.762E-08	.000	.054	.332	.741

a. Dependent Variable: RETURN

7. Model 1'B

Variables Entered/Removed[b]

Model	Variables Entered	Variables Removed	Method
1	D_EPS2, D_EPS[a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: RETURN

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.057[a]	.003	-.025	2.54092

a. Predictors: (Constant), D_EPS2, D_EPS

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.515	2	.758	.117	.889[a]
	Residual	458.394	71	6.456		
	Total	459.910	73			

a. Predictors: (Constant), D_EPS2, D_EPS

b. Dependent Variable: RETURN

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.589	.303		1.943	.056
	D_EPS	3.652E-03	.065	.007	.056	.955
	D_EPS2	-.001	.003	-.059	-.479	.634

a. Dependent Variable: RETURN

8. Model 2 B

Variables Entered/Removed[b]

Model	Variables Entered	Variables Removed	Method
1	D_EPS2, EPS, D_EPS, EPS2[a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: RETURN

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.178[a]	.032	-.024	2.54034

a. Predictors: (Constant), D_EPS2, EPS, D_EPS, EPS2

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	14.632	4	3.658	.567	.688[a]
	Residual	445.278	69	6.453		
	Total	459.910	73			

a. Predictors: (Constant), D_EPS2, EPS, D_EPS, EPS2

b. Dependent Variable: RETURN

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.616	.335		1.838	.070
	EPS	-.001	.000	-.213	-1.265	.210
	EPS2	8.846E-08	.000	.062	.372	.711
	D_EPS	2.745E-02	.067	.052	.409	.684
	D_EPS2	-.001	.003	-.045	-.362	.718

a. Dependent Variable: RETURN

9. Model 3 B

Variables Entered/Removed[b]

Model	Variables Entered	Variables Removed	Method
1	D_CFO2, CFO2, D_CFO, CFO[a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: RETURN

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.119[a]	.014	-.043	2.56336

a. Predictors: (Constant), D_CFO2, CFO2, D_CFO, CFO

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6.525	4	1.631	.248	.910[a]
	Residual	453.385	69	6.571		
	Total	459.910	73			

a. Predictors: (Constant), D_CFO2, CFO2, D_CFO, CFO

b. Dependent Variable: RETURN

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.680	.341		1.993	.050
	CFO	.000	.001	-.124	-.375	.709
	CFO2	1.565E-08	.000	.034	.106	.916
	D_CFO	.200	.346	.121	.576	.566
	D_CFO2	-.021	.046	-.097	-.444	.658

a. Dependent Variable: RETURN

10. Model 4 B

Variables Entered/Removed [b]

Model	Variables Entered	Variables Removed	Method
1	D_CFO2, D_EPS2, EPS, D_EPS, CFO2, EPS2, D_CFO, CFO [a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: RETURN

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.199[a]	.040	-.079	2.60688

a. Predictors: (Constant), D_CFO2, D_EPS2, EPS, D_EPS, CFO2, EPS2, D_CFO, CFO

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	18.181	8	2.273	.334	.950[a]
	Residual	441.729	65	6.796		
	Total	459.910	73			

a. Predictors: (Constant), D_CFO2, D_EPS2, EPS, D_EPS, CFO2, EPS2, D_CF CFO

b. Dependent Variable: RETURN

Coefficients [a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.644	.376		1.713	.092
	EPS	-.001	.001	-.215	-1.141	.258
	EPS2	7.341E-08	.000	.051	.280	.780
	D_EPS	3.892E-02	.073	.074	.530	.598
	D_EPS2	-.001	.003	-.046	-.339	.736
	CFO	1.238E-04	.001	.056	.135	.893
	CFO2	-2.49E-08	.000	-.055	-.156	.876
	D_CFO	.231	.368	.141	.628	.532
	D_CFO2	-.034	.051	-.160	-.660	.512

a. Dependent Variable: RETURN

B. Large Firms Hypothesis

1. Model 1 A

Variables Entered/Removed[b]

Model	Variables Entered	Variables Removed	Method
1	EPS[a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: RETURN

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.191[a]	.036	.017	1.75651

a. Predictors: (Constant), EPS

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.836	1	5.836	1.892	.175[a]
	Residual	154.267	50	3.085		
	Total	160.103	51			

a. Predictors: (Constant), EPS

b. Dependent Variable: RETURN

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.611	.270		2.264	.028
	EPS	.000	.000	-.191	-1.375	.175

a. Dependent Variable: RETURN

2. Model 1' A

Variables Entered/Removed[b]

Model	Variables Entered	Variables Removed	Method
1	D_EPS[a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: RETURN

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.134[a]	.018	-.002	1.77319

a. Predictors: (Constant), D_EPS

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.893	1	2.893	.920	.342[a]
	Residual	157.210	50	3.144		
	Total	160.103	51			

a. Predictors: (Constant), D_EPS

b. Dependent Variable: RETURN

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.472	.247		1.912	.062
	D_EPS	-.285	.297	-.134	-.959	.342

a. Dependent Variable: RETURN

3. Model 2 A

Variables Entered/Removed[b]

Model	Variables Entered	Variables Removed	Method
1	D_EPS, EPS[a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: RETURN

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.219[a]	.048	.009	1.76367

a. Predictors: (Constant), D_EPS, EPS

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.687	2	3.843	1.236	.300[a]
	Residual	152.416	49	3.111		
	Total	160.103	51			

a. Predictors: (Constant), D_EPS, EPS

b. Dependent Variable: RETURN

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.615	.271		2.267	.028
	EPS	.000	.000	-.175	-1.241	.220
	D_EPS	-.231	.299	-.109	-.771	.444

a. Dependent Variable: RETURN

4. Model 3 A

Variables Entered/Removed[b]

Model	Variables Entered	Variables Removed	Method
1	dCFO, CFO[a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: Y (Return)

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.240[a]	.058	.019	1.7547

a. Predictors: (Constant), dCFO, CFO

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9.239	2	4.620	1.500	.233[a]
	Residual	150.864	49	3.079		
	Total	160.103	51			

a. Predictors: (Constant), dCFO, CFO

b. Dependent Variable: Y (Return)

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.526	.271		1.939	.058
	CFO	-.013	.000	-.075	-.539	.592
	dCFO	.498	.292	.238	2.704	.009

a. Dependent Variable: Y (Return)

5. Model 4 A

Variables Entered/Removed[b]

Model	Variables Entered	Variables Removed	Method
1	dCFO, EPS, dEPS, CFO[a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: Y (Return)

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.305[a]	.093	.016	1.7580

a. Predictors: (Constant), dCFO, EPS, dEPS, CFO

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	14.848	4	3.712	1.201	.323[a]
	Residual	145.255	47	3.091		
	Total	160.103	51			

a. Predictors: (Constant), dCFO, EPS, dEPS, CFO

b. Dependent Variable: Y (Return)

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.601	.278		2.159	.036
	EPS	-.160	.150	-.182	-2.066	.029
	dEPS	-.197	.299	-.093	-.657	.515
	CFO	.000	.000	.032	.187	.852
	dCFO	.429	.297	.205	2.443	.016

a. Dependent Variable: Y (Return)

6. Model 1 B

Variables Entered/Removed[b]

Model	Variables Entered	Variables Removed	Method
1	EPS2, EPS[a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: Y (Return)

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.222[a]	.049	.010	1.7625

a. Predictors: (Constant), EPS2, EPS

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.892	2	3.946	1.270	.290[a]
	Residual	152.211	49	3.106		
	Total	160.103	51			

a. Predictors: (Constant), EPS2, EPS

b. Dependent Variable: Y (Return)

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.577	.274		2.104	.041
	EPS	-.381	.029	-.435	-2.316	.019
	EPS2	.049	.596	.269	.814	.420

a. Dependent Variable: Y (Return)

7. Model 1' B

Variables Entered/Removed[b]

Model	Variables Entered	Variables Removed	Method
1	dEPS2, dEPS[a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: Y (Return)

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.146[a]	.021	-.019	1.7883

a. Predictors: (Constant), dEPS2, dEPS

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3.396	2	1.698	.531	.591[a]
	Residual	156.707	49	3.198		
	Total	160.103	51			

a. Predictors: (Constant), dEPS2, dEPS

b. Dependent Variable: Y (Return)

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.439	.263		2.669	.010
	dEPS	-.407	.430	-.192	-2.948	.035
	dEPS2	.612	.154	.080	.397	.693

a. Dependent Variable: Y (Return)

8. Model 2 B

Variables Entered/Removed [b]

Model	Variables Entered	Variables Removed	Method
1	dEPS2, EPS, dEPS, EPS2[a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: Y (Return)

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.235[a]	.055	-.025	1.7940

a. Predictors: (Constant), dEPS2, EPS, dEPS, EPS2

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8.829	4	2.207	.686	.605[a]
	Residual	151.274	47	3.219		
	Total	160.103	51			

a. Predictors: (Constant), dEPS2, EPS, dEPS, EPS2

b. Dependent Variable: Y (Return)

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.602	.303		1.987	.053
	EPS	-.337	.000	-.385	-2.997	.032
	EPS2	.000	.000	.220	.594	.555
	dEPS	-.122	.498	-.057	-.245	.808
	dEPS2	-.021	.168	-.027	-.124	.902

a. Dependent Variable: Y (Return)

9. Model 3 B

Variables Entered/Removed[b]

Model	Variables Entered	Variables Removed	Method
1	dCFO2, CFO2, dCFO, CFO[a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: Y (Return)

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.256[a]	.066	-.014	1.7840

a. Predictors: (Constant), dCFO2, CFO2, dCFO, CFO

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	10.526	4	2.632	.827	.515[a]
	Residual	149.577	47	3.182		
	Total	160.103	51			

a. Predictors: (Constant), dCFO2, CFO2, dCFO, CFO

b. Dependent Variable: Y (Return)

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.519	.297		1.748	.087
	CFO	.000	.000	-.269	-.449	.655
	CFO2	.000	.000	.185	.312	.756
	dCFO	.546	.307	.262	2.779	.008
	dCFO2	.077	.124	.095	.621	.538

a. Dependent Variable: Y (Return)

10. Model 4 B

Variables Entered/Removed[b]

Model	Variables Entered	Variables Removed	Method
1	dCFO2, EPS, dEPS2, dCFO, CFO2, dEPS, EPS2, CFO	.	Enter

a. All requested variables entered.

b. Dependent Variable: Y (Return)

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.351[a]	.123	-.040	1.8070

a. Predictors: (Constant), dCFO2, EPS, dEPS2, dCFO, CFO2, dEPS, EPS2, CFO

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	19.702	8	2.463	.754	.644[a]
	Residual	140.401	43	3.265		
	Total	160.103	51			

a. Predictors: (Constant), dCFO2, EPS, dEPS2, dCFO, CFO2, dEPS, EPS2, CFO

b. Dependent Variable: Y (Return)

Coefficients [a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.486	.333		2.458	.015
	EPS	-.057	.000	-.646	-2.371	.018
	EPS2	.006	.000	.328	.841	.405
	dEPS	-.032	.511	-.015	-.063	.950
	dEPS2	-.031	.171	-.040	-.180	.858
	CFO	.014	.000	.774	.743	.462
	CFO2	-.003	.000	-.652	-.704	.485
	dCFO	.413	.336	.198	2.227	.023
	dCFO2	.013	.145	.016	.087	.931

a. Dependent Variable: Y (Return)

C. Firms with High Debt Level Hypothesis

1. Model 1 A

Variables Entered/Removed[b]

Model	Variables Entered	Variables Removed	Method
1	EPS[a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: Y (Return)

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.176[a]	.031	.014	2.10934

a. Predictors: (Constant), EPS

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8.377	1	8.377	1.883	.175[a]
	Residual	262.510	59	4.449		
	Total	270.887	60			

a. Predictors: (Constant), EPS

b. Dependent Variable: Y (Return)

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.460	.270		1.700	.094
	EPS	.000	.000	-.176	-1.372	.175

a. Dependent Variable: Y (Return)

2. Model 1' A

Variables Entered/Removed[b]

Model	Variables Entered	Variables Removed	Method
1	dEPS[a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: Y (Return)

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.026[a]	.001	-.016	2.14202

a. Predictors: (Constant), dEPS

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.179	1	.179	.039	.844[a]
	Residual	270.707	59	4.588		
	Total	270.887	60			

a. Predictors: (Constant), dEPS

b. Dependent Variable: Y (Return)

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.444	.274		1.618	.111
	dEPS	-.010	.052	-.026	-.198	.844

a. Dependent Variable: Y (Return)

3. Model 2 A

Variables Entered/Removed[b]

Model	Variables Entered	Variables Removed	Method
1	dEPS, EPS[a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: Y (Return)

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.177[a]	.031	-.002	2.12715

a. Predictors: (Constant), dEPS, EPS

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8.451	2	4.225	.934	.399[a]
	Residual	262.436	58	4.525		
	Total	270.887	60			

a. Predictors: (Constant), dEPS, EPS

b. Dependent Variable: Y (Return)

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.459	.273		1.681	.098
	EPS	.000	.000	-.180	-1.352	.182
	dEPS	.007	.054	.017	.128	.899

a. Dependent Variable: Y (Return)

4. Model 3 A

Variables Entered/Removed[b]

Model	Variables Entered	Variables Removed	Method
1	dCFO, CFO[a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: Y (Return)

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.120[a]	.014	-.020	2.14547

a. Predictors: (Constant), dCFO, CFO

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3.910	2	1.955	.425	.656[a]
	Residual	266.977	58	4.603		
	Total	270.887	60			

a. Predictors: (Constant), dCFO, CFO

b. Dependent Variable: Y (Return)

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.531	.297		1.789	.079
	CFO	.000	.000	-.115	-.882	.381
	dCFO	.085	.256	.043	.331	.742

a. Dependent Variable: Y (Return)

5. Model 4 A

Variables Entered/Removed [b]

Model	Variables Entered	Variables Removed	Method
1	dCFO, CFO, dEPS, EPS [a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: Y (Return)

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.184[a]	.034	-.035	2.16185

a. Predictors: (Constant), dCFO, CFO, dEPS, EPS

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9.164	4	2.291	.490	.743[a]
	Residual	261.722	56	4.674		
	Total	270.887	60			

a. Predictors: (Constant), dCFO, CFO, dEPS, EPS

b. Dependent Variable: Y (Return)

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.394	.327		1.202	.235
	EPS	.000	.000	-.244	-1.054	.296
	dEPS	.016	.060	.040	.268	.790
	CFO	.000	.000	.077	.343	.733
	dCFO	.037	.276	.019	.134	.894

a. Dependent Variable: Y (Return)

6. Model 1 B

Variables Entered/Removed[b]

Model	Variables Entered	Variables Removed	Method
1	EPS2, EPS[a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: Y (Return)

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.209[a]	.044	.011	2.11336

a. Predictors: (Constant), EPS2, EPS

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	11.842	2	5.921	1.326	.274[a]
	Residual	259.045	58	4.466		
	Total	270.887	60			

a. Predictors: (Constant), EPS2, EPS

b. Dependent Variable: Y (Return)

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.337	.305		1.106	.273
	EPS	-.001	.000	-.312	-1.553	.126
	EPS2	7.988E-08	.000	.177	.881	.382

a. Dependent Variable: Y (Return)

7. Model 1'B

Variables Entered/Removed[b]

Model	Variables Entered	Variables Removed	Method
1	dEPS2, dEPS[a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: Y (Return)

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.063[a]	.004	-.030	2.15688

a. Predictors: (Constant), dEPS2, dEPS

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.062	2	.531	.114	.892[a]
	Residual	269.824	58	4.652		
	Total	270.887	60			

a. Predictors: (Constant), dEPS2, dEPS

b. Dependent Variable: Y (Return)

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	.474	.285		1.665	.101
	dEPS	-.004	.055	-.010	-.073	.942
	dEPS2	-.001	.003	-.059	-.436	.665

a. Dependent Variable: Y (Return)

8. Model 2 B

Variables Entered/Removed[b]

Model	Variables Entered	Variables Removed	Method
1	dEPS2, EPS2, dEPS, EPS[a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: Y (Return)

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.214[a]	.046	-.022	2.14821

a. Predictors: (Constant), dEPS2, EPS2, dEPS, EPS

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	12.457	4	3.114	.675	.612[a]
	Residual	258.430	56	4.615		
	Total	270.887	60			

a. Predictors: (Constant), dEPS2, EPS2, dEPS, EPS

b. Dependent Variable: Y (Return)

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	.344	.323		1.066	.291
	EPS	-.001	.000	-.324	-1.502	.139
	dEPS	.019	.057	.047	.337	.738
	EPS2	8.326E-08	.000	.184	.882	.382
	dEPS2	-.001	.003	-.029	-.210	.834

a. Dependent Variable: Y (Return)

9. Model 3 B

Variables Entered/Removed[b]

Model	Variables Entered	Variables Removed	Method
1	dCFO2, CFO, dCFO, CFO2[a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: Y (Return)

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.171[a]	.029	-.040	2.16682

a. Predictors: (Constant), dCFO2, CFO, dCFO, CFO2

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.961	4	1.990	.424	.791[a]
	Residual	262.925	56	4.695		
	Total	270.887	60			

a. Predictors: (Constant), dCFO2, CFO, dCFO, CFO2

b. Dependent Variable: Y (Return)

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.662	.344		1.926	.059
	CFO	.000	.001	-.291	-.515	.608
	CFO2	4.702E-08	.000	.163	.291	.772
	dCFO	.291	.342	.148	.852	.398
	dCFO2	-.088	.096	-.154	-.911	.366

a. Dependent Variable: Y (Return)

10. Model 4 B

Variables Entered/Removed [b]

Model	Variables Entered	Variables Removed	Method
1	dCFO2, dEPS2, EPS2, dEPS, dCFO, EPS, CFO2, CFO	.	Enter

a. All requested variables entered.

b. Dependent Variable: Y (Return)

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.258[a]	.067	-.077	2.20494

a. Predictors: (Constant), dCFO2, dEPS2, EPS2, dEPS, dCFO, EPS, CFO2, CFO

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	18.075	8	2.259	.465	.875[a]
	Residual	252.812	52	4.862		
	Total	270.887	60			

a. Predictors: (Constant), dCFO2, dEPS2, EPS2, dEPS, dCFO, EPS, CFO2, CFO

b. Dependent Variable: Y (Return)

Coefficients [a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.527	.408		1.292	.202
	EPS	.000	.000	-.304	-1.152	.254
	dEPS	.034	.063	.083	.530	.598
	CFO	.000	.001	-.297	-.468	.642
	dCFO	.322	.381	.164	.845	.402
	EPS2	9.961E-08	.000	.221	.885	.380
	dEPS2	-.001	.003	-.057	-.371	.712
	CFO2	6.390E-08	.000	.221	.381	.705
	dCFO2	-.101	.100	-.177	-1.008	.318

a. Dependent Variable: Y (Return)

D. Firms with Low Debt Level Hypothesis

1. Model 1 A

Variables Entered/Removed[b]

Model	Variables Entered	Variables Removed	Method
1	EPS[a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: Y (Return)

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.164[a]	.027	.012	2.32122

a. Predictors: (Constant), EPS

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9.423	1	9.423	1.749	.191[a]
	Residual	339.449	63	5.388		
	Total	348.872	64			

a. Predictors: (Constant), EPS

b. Dependent Variable: Y (Return)

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.804	.334		2.404	.019
	EPS	.000	.000	-.164	-1.322	.191

a. Dependent Variable: Y (Return)

2. Model 1' A

Variables Entered/Removed[b]

Model	Variables Entered	Variables Removed	Method
1	dEPS[a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: Y (Return)

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.008[a]	.000	-.016	2.35315

a. Predictors: (Constant), dEPS

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.021	1	.021	.004	.951[a]
	Residual	348.850	63	5.537		
	Total	348.872	64			

a. Predictors: (Constant), dEPS

b. Dependent Variable: Y (Return)

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.579	.292		1.984	.052
	dEPS	.043	.701	.008	.062	.951

a. Dependent Variable: Y (Return)

3. Model 2 A

Variables Entered/Removed[b]

Model	Variables Entered	Variables Removed	Method
1	dEPS, EPS[a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: Y (Return)

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.168[a]	.028	-.003	2.33860

a. Predictors: (Constant), dEPS, EPS

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9.791	2	4.896	.895	.414[a]
	Residual	339.080	62	5.469		
	Total	348.872	64			

a. Predictors: (Constant), dEPS, EPS

b. Dependent Variable: Y (Return)

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.811	.338		2.399	.019
	EPS	.000	.000	-.169	-1.337	.186
	dEPS	.183	.705	.033	.260	.796

a. Dependent Variable: Y (Return)

4. Model 3 A

Variables Entered/Removed[b]

Model	Variables Entered	Variables Removed	Method
1	dCFO, CFO[a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: Y (Return)

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.191[a]	.037	.005	2.32840

a. Predictors: (Constant), dCFO, CFO

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	12.743	2	6.371	1.175	.316[a]
	Residual	336.129	62	5.421		
	Total	348.872	64			

a. Predictors: (Constant), dCFO, CFO

b. Dependent Variable: Y (Return)

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.665	.314		2.115	.038
	CFO	-1.84E-05	.000	-.072	-.569	.571
	dCFO	.593	.399	.187	1.487	.142

a. Dependent Variable: Y (Return)

5. Model 4 A

Variables Entered/Removed[b]

Model	Variables Entered	Variables Removed	Method
1	dCFO, dEPS, CFO, EPS[a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: Y (Return)

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.232[a]	.054	-.009	2.34553

a. Predictors: (Constant), dCFO, dEPS, CFO, EPS

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	18.782	4	4.695	.853	.497[a]
	Residual	330.090	60	5.501		
	Total	348.872	64			

a. Predictors: (Constant), dCFO, dEPS, CFO, EPS

b. Dependent Variable: Y (Return)

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.794	.340		2.335	.023
	EPS	.000	.000	-.168	-1.047	.299
	dEPS	.079	.712	.014	.111	.912
	CFO	7.726E-06	.000	.030	.188	.851
	dCFO	.491	.415	.155	1.183	.241

a. Dependent Variable: Y (Return)

6. Model 1 B

Variables Entered/Removed[b]

Model	Variables Entered	Variables Removed	Method
1	EPS2, EPS[a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: Y (Return)

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.222[a]	.049	.019	2.31306

a. Predictors: (Constant), EPS2, EPS

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	17.157	2	8.578	1.603	.209[a]
	Residual	331.715	62	5.350		
	Total	348.872	64			

a. Predictors: (Constant), EPS2, EPS

b. Dependent Variable: Y (Return)

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.940	.352		2.671	.010
	EPS	-.001	.001	-.548	-1.601	.114
	EPS2	1.182E-07	.000	.412	1.202	.234

a. Dependent Variable: Y (Return)

7. Model 1' B

Variables Entered/Removed[b]

Model	Variables Entered	Variables Removed	Method
1	dEPS2, dEPS[a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: Y (Return)

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.041[a]	.002	-.030	2.37009

a. Predictors: (Constant), dEPS2, dEPS

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.598	2	.299	.053	.948[a]
	Residual	348.273	62	5.617		
	Total	348.872	64			

a. Predictors: (Constant), dEPS2, dEPS

b. Dependent Variable: Y (Return)

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.603	.303		1.989	.051
	dEPS	-.202	1.043	-.036	-.194	.847
	dEPS2	-.138	.432	-.060	-.320	.750

a. Dependent Variable: Y (Return)

8. Model 2 B

Variables Entered/Removed [b]

Model	Variables Entered	Variables Removed	Method
1	dEPS2, EPS2, dEPS, EPS [a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: Y (Return)

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.228[a]	.052	-.011	2.34757

a. Predictors: (Constant), dEPS2, EPS2, dEPS, EPS

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	18.208	4	4.552	.826	.514[a]
	Residual	330.664	60	5.511		
	Total	348.872	64			

a. Predictors: (Constant), dEPS2, EPS2, dEPS, EPS

b. Dependent Variable: Y (Return)

Coefficients [a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.963	.363		2.653	.010
	EPS	-.001	.001	-.571	-1.606	.114
	dEPS	.222	1.060	.040	.210	.835
	EPS2	1.231E-07	.000	.429	1.217	.228
	dEPS2	-.045	.431	-.019	-.103	.918

a. Dependent Variable: Y (Return)

9. Model 3 B

Variables Entered/Removed[b]

Model	Variables Entered	Variables Removed	Method
1	dCFO2, CFO2, dCFO, CFO[a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: Y (Return)

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.220[a]	.048	-.015	2.35242

a. Predictors: (Constant), dCFO2, CFO2, dCFO, CFO

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	16.838	4	4.209	.761	.555[a]
	Residual	332.034	60	5.534		
	Total	348.872	64			

a. Predictors: (Constant), dCFO2, CFO2, dCFO, CFO

b. Dependent Variable: Y (Return)

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.654	.335		1.954	.055
	CFO	-7.90E-05	.000	-.307	-.539	.592
	dCFO	.733	.435	.231	1.684	.097
	CFO2	1.677E-09	.000	.216	.385	.702
	dCFO2	.155	.181	.125	.856	.396

a. Dependent Variable: Y (Return)

10. Model 4 B

Variables Entered/Removed [b]

Model	Variables Entered	Variables Removed	Method
1	dCFO2, EPS2, dEPS2, CFO2, dCFO, dEPS, EPS, CFO [a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: Y (Return)

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.316[a]	.100	-.029	2.36830

a. Predictors: (Constant), dCFO2, EPS2, dEPS2, CFO2, dCFO, dEPS, EPS, CFO

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	34.777	8	4.347	.775	.626[a]
	Residual	314.095	56	5.609		
	Total	348.872	64			

a. Predictors: (Constant), dCFO2, EPS2, dEPS2, CFO2, dCFO, dEPS, EPS, CFO

b. Dependent Variable: Y (Return)

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.934	.375		2.489	.016
	EPS	-.001	.001	-.840	-1.779	.081
	dEPS	-.165	1.145	-.030	-.144	.886
	CFO	.000	.000	.856	.803	.426
	dCFO	.415	.516	.131	.803	.426
	EPS2	1.539E-07	.000	.536	1.451	.152
	dEPS2	-.138	.468	-.060	-.296	.769
	CFO2	-5.48E-09	.000	-.705	-.761	.450
	dCFO2	.032	.219	.026	.148	.883

a. Dependent Variable: Y (Return)

E. Growth Firms Hypothesis

1. Model 1 A

Variables Entered/Removed[b]

Model	Variables Entered	Variables Removed	Method
1	EPS[a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: RETURN

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.138[a]	.019	.001	1.33561

a. Predictors: (Constant), EPS

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.872	1	1.872	1.049	.310[a]
	Residual	96.328	54	1.784		
	Total	98.199	55			

a. Predictors: (Constant), EPS

b. Dependent Variable: RETURN

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.420	.204		2.062	.044
	EPS	.000	.000	-.138	-1.024	.310

a. Dependent Variable: RETURN

2. Model 1' A

Variables Entered/Removed[b]

Model	Variables Entered	Variables Removed	Method
1	D_EPS[a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: RETURN

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.064[a]	.004	-.014	1.34576

a. Predictors: (Constant), D_EPS

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.401	1	.401	.222	.640[a]
	Residual	97.798	54	1.811		
	Total	98.199	55			

a. Predictors: (Constant), D_EPS

b. Dependent Variable: RETURN

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.328	.181		1.813	.075
	D_EPS	4.243E-02	.090	.064	.471	.640

a. Dependent Variable: RETURN

3. Model 2 A

Variables Entered/Removed[b]

Model	Variables Entered	Variables Removed	Method
1	D_EPS, EPS[a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: RETURN

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.162[a]	.026	-.010	1.34310

a. Predictors: (Constant), D_EPS, EPS

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.592	2	1.296	.719	.492[a]
	Residual	95.607	53	1.804		
	Total	98.199	55			

a. Predictors: (Constant), D_EPS, EPS

b. Dependent Variable: RETURN

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.441	.207		2.124	.038
	EPS	.000	.000	-.151	-1.102	.275
	D_EPS	5.752E-02	.091	.087	.632	.530

a. Dependent Variable: RETURN

4. Model 3 A

Variables Entered/Removed[b]

Model	Variables Entered	Variables Removed	Method
1	D_CFO, CFO[a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: RETURN

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.330[a]	.109	.075	1.28487

a. Predictors: (Constant), D_CFO, CFO

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	10.702	2	5.351	3.241	.047[a]
	Residual	87.498	53	1.651		
	Total	98.199	55			

a. Predictors: (Constant), D_CFO, CFO

b. Dependent Variable: RETURN

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	.383	.188		2.035	.047
	CFO	-7.05E-06	.000	-.051	-.390	.698
	D_CFO	.550	.216	.334	2.546	.014

a. Dependent Variable: RETURN

5. Model 4 A

Variables Entered/Removed[b]

Model	Variables Entered	Variables Removed	Method
1	D_CFO, EPS, D_EPS, CFO[a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: RETURN

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.355[a]	.126	.058	1.29708

a. Predictors: (Constant), D_CFO, EPS, D_EPS, CFO

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	12.396	4	3.099	1.842	.135[a]
	Residual	85.803	51	1.682		
	Total	98.199	55			

a. Predictors: (Constant), D_CFO, EPS, D_EPS, CFO

b. Dependent Variable: RETURN

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.448	.201		2.230	.030
	EPS	.000	.000	-.186	-.988	.328
	D_EPS	3.088E-02	.089	.047	.346	.730
	CFO	1.086E-05	.000	.079	.420	.676
	D_CFO	.491	.226	.299	2.170	.035

a. Dependent Variable: RETURN

6. Model 1 B

Variables Entered/Removed[b]

Model	Variables Entered	Variables Removed	Method
1	EPS2, EPS[a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: RETURN

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.170[a]	.029	-.008	1.34128

a. Predictors: (Constant), EPS2, EPS

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.850	2	1.425	.792	.458[a]
	Residual	95.349	53	1.799		
	Total	98.199	55			

a. Predictors: (Constant), EPS2, EPS

b. Dependent Variable: RETURN

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.444	.207		2.143	.037
	EPS	.000	.000	-.390	-1.061	.293
	EPS2	6.505E-08	.000	.271	.738	.464

a. Dependent Variable: RETURN

7. Model 1' B

Variables Entered/Removed[b]

Model	Variables Entered	Variables Removed	Method
1	D_EPS2, D_EPS[a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: RETURN

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.174[a]	.030	-.006	1.34051

a. Predictors: (Constant), D_EPS2, D_EPS

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.961	2	1.480	.824	.444[a]
	Residual	95.239	53	1.797		
	Total	98.199	55			

a. Predictors: (Constant), D_EPS2, D_EPS

b. Dependent Variable: RETURN

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.365	.183		1.997	.051
	D_EPS	-.253	.263	-.381	-.961	.341
	D_EPS2	-.024	.020	-.473	-1.193	.238

a. Dependent Variable: RETURN

8. Model 2 B

Variables Entered/Removed[b]

Model	Variables Entered	Variables Removed	Method
1	D_EPS2, EPS2, EPS, D_EPS[a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: RETURN

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.252[a]	.064	-.010	1.34268

a. Predictors: (Constant), D_EPS2, EPS2, EPS, D_EPS

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6.257	4	1.564	.868	.490[a]
	Residual	91.942	51	1.803		
	Total	98.199	55			

a. Predictors: (Constant), D_EPS2, EPS2, EPS, D_EPS

b. Dependent Variable: RETURN

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.505	.213		2.375	.021
	EPS	.000	.000	-.440	-1.159	.252
	EPS2	7.489E-08	.000	.312	.830	.411
	D_EPS	-.205	.266	-.309	-.771	.444
	D_EPS2	-.022	.020	-.445	-1.119	.268

a. Dependent Variable: RETURN

9. Model 3 B

Variables Entered/Removed[b]

Model	Variables Entered	Variables Removed	Method
1	D_CFO2, CFO2, D_CFO, CFO[a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: RETURN

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.385[a]	.148	.081	1.28063

a. Predictors: (Constant), D_CFO2, CFO2, D_CFO, CFO

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	14.559	4	3.640	2.219	.080[a]
	Residual	83.641	51	1.640		
	Total	98.199	55			

a. Predictors: (Constant), D_CFO2, CFO2, D_CFO, CFO

b. Dependent Variable: RETURN

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.338	.196		1.723	.091
	CFO	-4.01E-05	.000	-.291	-.453	.652
	CFO2	8.127E-10	.000	.196	.311	.757
	D_CFO	.706	.240	.430	2.940	.005
	D_CFO2	.154	.103	.234	1.496	.141

a. Dependent Variable: RETURN

10. Model 4 B

Variables Entered/Removed [b]

Model	Variables Entered	Variables Removed	Method
1	D_CFO2, D_EPS, EPS2, D_CFO, CFO2, EPS, D_EPS2, CFO[a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: RETURN

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.456[a]	.208	.073	1.28672

a. Predictors: (Constant), D_CFO2, D_EPS, EPS2, D_CFO, CFO2, EPS, D_EPS2, CFO

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	20.384	8	2.548	1.539	.170[a]
	Residual	77.816	47	1.656		
	Total	98.199	55			

a. Predictors: (Constant), D_CFO2, D_EPS, EPS2, D_CFO, CFO2, EPS, D_EPS2, CFO

b. Dependent Variable: RETURN

Coefficients [a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.447	.209		2.137	.038
	EPS	-.001	.000	-.632	-1.594	.118
	EPS2	1.295E-07	.000	.539	1.364	.179
	D_EPS	-.163	.259	-.245	-.628	.533
	D_EPS2	-.017	.020	-.333	-.851	.399
	CFO	1.223E-05	.000	.089	.075	.941
	CFO2	-5.20E-10	.000	-.125	-.125	.901
	D_CFO	.679	.316	.413	2.146	.037
	D_CFO2	.154	.134	.233	1.145	.258

a. Dependent Variable: RETURN

F. Mature Firms Hypothesis

1. Model 1 A

Variables Entered/Removed[b]

Model	Variables Entered	Variables Removed	Method
1	EPS[a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: RETURN

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.152[a]	.023	.009	2.72913

a. Predictors: (Constant), EPS

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	11.906	1	11.906	1.598	.210[a]
	Residual	506.475	68	7.448		
	Total	518.381	69			

a. Predictors: (Constant), EPS

b. Dependent Variable: RETURN

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	.747	.332		2.250	.028
	EPS	.000	.000	-.152	-1.264	.210

a. Dependent Variable: RETURN

2. Model 1' A

Variables Entered/Removed[b]

Model	Variables Entered	Variables Removed	Method
1	D_EPS[a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: RETURN

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.038[a]	.001	-.013	2.75903

a. Predictors: (Constant), D_EPS

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.749	1	.749	.098	.755[a]
	Residual	517.632	68	7.612		
	Total	518.381	69			

a. Predictors: (Constant), D_EPS

b. Dependent Variable: RETURN

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.675	.331		2.041	.045
	D_EPS	-.023	.073	-.038	-.314	.755

a. Dependent Variable: RETURN

3. Model 2 A

Variables Entered/Removed[b]

Model	Variables Entered	Variables Removed	Method
1	D_EPS, EPS[a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: RETURN

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.152[a]	.023	-.006	2.74919

a. Predictors: (Constant), D_EPS, EPS

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	11.992	2	5.996	.793	.457[a]
	Residual	506.389	67	7.558		
	Total	518.381	69			

a. Predictors: (Constant), D_EPS, EPS

b. Dependent Variable: RETURN

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.749	.335		2.236	.029
	EPS	.000	.000	-.149	-1.220	.227
	D_EPS	-.008	.073	-.013	-.107	.915

a. Dependent Variable: RETURN

4. Model 3 A

Variables Entered/Removed[b]

Model	Variables Entered	Variables Removed	Method
1	D_CFO, CFO[a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: RETURN

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.120[a]	.014	-.015	2.76154

a. Predictors: (Constant), D_CFO, CFO

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.433	2	3.717	.487	.616[a]
	Residual	510.948	67	7.626		
	Total	518.381	69			

a. Predictors: (Constant), D_CFO, CFO

b. Dependent Variable: RETURN

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.817	.366		2.229	.029
	CFO	.000	.000	-.121	-.986	.327
	D_CFO	3.969E-02	.214	.023	.186	.853

a. Dependent Variable: RETURN

5. Model 4 A

Variables Entered/Removed[b]

Model	Variables Entered	Variables Removed	Method
1	D_CFO, EPS, D_EPS, CFO[a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: RETURN

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.152[a]	.023	-.037	2.79103

a. Predictors: (Constant), D_CFO, EPS, D_EPS, CFO

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	12.041	4	3.010	.386	.818[a]
	Residual	506.340	65	7.790		
	Total	518.381	69			

a. Predictors: (Constant), D_CFO, EPS, D_EPS, CFO

b. Dependent Variable: RETURN

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.745	.392		1.897	.062
	EPS	.000	.000	-.158	-.690	.493
	D_EPS	-.008	.079	-.013	-.099	.921
	CFO	1.537E-05	.000	.010	.042	.967
	D_CFO	-.018	.229	-.010	-.077	.939

a. Dependent Variable: RETURN

6. Model 1 B

Variables Entered/Removed[b]

Model	Variables Entered	Variables Removed	Method
1	EPS2, EPS[a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: RETURN

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.176[a]	.031	.002	2.73829

a. Predictors: (Constant), EPS2, EPS

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	16.001	2	8.000	1.067	.350[a]
	Residual	502.380	67	7.498		
	Total	518.381	69			

a. Predictors: (Constant), EPS2, EPS

b. Dependent Variable: RETURN

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.666	.351		1.896	.062
	EPS	-.001	.000	-.293	-1.297	.199
	EPS2	6.052E-08	.000	.167	.739	.462

a. Dependent Variable: RETURN

7. Model 1' B

Variables Entered/Removed[b]

Model	Variables Entered	Variables Removed	Method
1	D_EPS2, D_EPS[a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: RETURN

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.054[a]	.003	-.027	2.77752

a. Predictors: (Constant), D_EPS2, D_EPS

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.502	2	.751	.097	.907[a]
	Residual	516.879	67	7.715		
	Total	518.381	69			

a. Predictors: (Constant), D_EPS2, D_EPS

b. Dependent Variable: RETURN

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.695	.339		2.050	.044
	D_EPS	-.014	.079	-.023	-.171	.864
	D_EPS2	-.001	.004	-.041	-.313	.756

a. Dependent Variable: RETURN

8. Model 2 B

Variables Entered/Removed[b]

Model	Variables Entered	Variables Removed	Method
1	D_EPS2, EPS2, D_EPS, EPS[a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: RETURN

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.177[a]	.031	-.028	2.77923

a. Predictors: (Constant), D_EPS2, EPS2, D_EPS, EPS

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	16.312	4	4.078	.528	.716[a]
	Residual	502.068	65	7.724		
	Total	518.381	69			

a. Predictors: (Constant), D_EPS2, EPS2, D_EPS, EPS

b. Dependent Variable: RETURN

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.678	.366		1.852	.069
	EPS	-.001	.000	-.292	-1.219	.227
	EPS2	6.007E-08	.000	.166	.702	.485
	D_EPS	9.583E-03	.081	.016	.119	.906
	D_EPS2	-.001	.004	-.026	-.193	.848

a. Dependent Variable: RETURN

9. Model 3 B

Variables Entered/Removed[b]

Model	Variables Entered	Variables Removed	Method
1	D_CFO2, CFO2, D_CFO, CFO[a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: RETURN

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.135[a]	.018	-.042	2.79822

a. Predictors: (Constant), D_CFO2, CFO2, D_CFO, CFO

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9.428	4	2.357	.301	.876[a]
	Residual	508.952	65	7.830		
	Total	518.381	69			

a. Predictors: (Constant), D_CFO2, CFO2, D_CFO, CFO

b. Dependent Variable: RETURN

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.858	.401		2.143	.036
	CFO	.000	.001	-.204	-.402	.689
	CFO2	2.590E-08	.000	.095	.191	.849
	D_CFO	.187	.380	.107	.492	.625
	D_CFO2	-.022	.050	-.097	-.434	.666

a. Dependent Variable: RETURN

10. Model 4 B

Variables Entered/Removed [b]

Model	Variables Entered	Variables Removed	Method
1	D_CFO2, D_EPS2, EPS2, D_EPS, D_CFO, CFO, EPS, CFO2 [a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: RETURN

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.195[a]	.038	-.088	2.85937

a. Predictors: (Constant), D_CFO2, D_EPS2, EPS2, D_EPS, D_CFO, CFO, EPS, CFO2

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	19.647	8	2.456	.300	.963[a]
	Residual	498.734	61	8.176		
	Total	518.381	69			

a. Predictors: (Constant), D_CFO2, D_EPS2, EPS2, D_EPS, D_CFO, CFO, EPS, CFO2

b. Dependent Variable: RETURN

Coefficients [a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.748	.456		1.642	.106
	EPS	.000	.001	-.287	-.984	.329
	EPS2	5.531E-08	.000	.152	.565	.574
	D_EPS	1.925E-02	.089	.032	.216	.830
	D_EPS2	-.001	.004	-.034	-.240	.811
	CFO	.000	.001	-.085	-.154	.878
	CFO2	2.484E-08	.000	.091	.171	.865
	D_CFO	.202	.409	.116	.493	.624
	D_CFO2	-.030	.056	-.135	-.539	.592

a. Dependent Variable: RETURN