

ABSTRACT

Export is one of the strategies in international business, logical motive must be expected to improve one or more financial characteristics that will in turn enhance shareholder wealth.

The objective of this study was to examine the influence of financial characteristics on market-based performance. This study also examined the difference of market-based performance of multinational corporations (MNCs) and domestic corporations (DMCs).

Field research was applied. This study used data from companies listed on the Jakarta Stock Exchange (JSX). Data collection used documentation technique.

The main statistical analyses used in this study was multiple linear regression analysis with independent variable of quantitative and qualitative (dummy variable). Multiple linear regression was used to analyse the influence of financial characteristics that reflected 9 factors on market-based performance. Dummy variabel was used to analyse the differences of market-based performance of multinational corporations (MNCs) and domestic corporations (DMCs).

The result of this study indicated that financial characteristics of company influence market-based performance. Net income margin had a dominant influence toward the market-based performance. The result also showed that market-based performance of multinational corporations(MNCs) was higher than that of domestic corporations (DMCs).

Key words : financial characteristics, Jakarta Stock Exchange (JSX), market-based performance.