THE ANALYSIS OF OPTIMAL PORTFOLIO FORMING WITH SINGLE INDEX MODEL

(Study of Companies Listed on Jakarta Islamic Index 2014-2020)

THESIS

Submitted as a Partial Fulfillment of the Requirement for Obtaining a Bachelor Degree of Management at the Faculty of Economics and Business

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APPROVAL PAGE

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DECLARATION OF AUTHENTICITY

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Stating correctly that the thesis I made and submitted is my own work, except the quotations and summaries that all of which I have already explained the sources. The thesis has been prepared according to the regulations of Universitas Muhammadiyah Surakarta and has not been submitted in whole or in part for an award in this or any other institutions. If in the future this statement is proven to be violated, I am willing to accept any sanction complying with the determined regulation or its consequence.

Surakarta, January 19 2023

Imarotul Ulya

MOTTO

"But Allah is your protector, and He is the best of helpers."

(QS Ali 'Imran 150)

"My Lord! I am truly in need of whatever good that You bestow on me!"

(Surah Qasas, Verse 24)

"and that man shall have nothing but what he has striven for,"

(Surah Najm, Verse 39)

"You got a dream... You gotta protect it. People can't do somethin' themselves, they wanna tell you you can't do it. If you want somethin', go get it"

(Christopher Gardner)

DEDICATION

Bismillahirrahmanirrahiim

I present this paper with full of love for:

• My beloved parents and family members.

• My university, Universitas Muhammadiyah Surakarta.

ABSTRACT

The purpose of research is to determine the optimal portfolio composition using the Single Index Model on JII the 2014-2020. The research sample was determined using the purposive sampling method with criteria companies consistently listed on JII during June 2014-Novemeber 2020, companies do not conduct a stock split and having completed historical data. Based on the criteria, a sample of nine stocks was obtained. The results showed that there were three stocks included in the optimal portfolio according to SIM, namely INCO, ADRO and WIKA because these three stocks had a higher ERB value than C*. The proportion of funds invested in each share, namely: INCO (63.91%), AKRA (32.65%) and WIKA (3.44%). The return from the optimal portfolio that has been formed is 1.10% per month, while the risk that must be borne by investors from the optimal portfolio is 2.56%. From the results of the different tests, it is known that there are differences in trading volume between optimal and non-optimal stocks which indicate that there is investor irrationality in stock selection.

Keywords: single index model, optimal portfolio, JII, expected return, investor irrationality

ABSTRACT

Tujuan penelitian adalah untuk mengetahui komposisi portofolio optimal dengan menggunakan Model Indeks Tunggal pada JII tahun 2014-2020. Sampel penelitian ditentukan dengan menggunakan metode purposive sampling dengan kriteria perusahaan yang konsisten terdaftar di JII selama bulan Juni 2014-Novemeber 2020, perusahaan yang tidak melakukan stock split dan memiliki data historis yang lengkap. Berdasarkan kriteria tersebut, diperoleh sampel sebanyak sembilan saham. Hasil penelitian menunjukkan bahwa terdapat tiga saham yang masuk dalam portofolio optimal menurut SIM yaitu INCO, ADRO dan WIKA karena ketiga saham tersebut memiliki nilai ERB yang lebih tinggi dari C*. Proporsi dana yang diinvestasikan pada masing-masing saham yaitu: INCO (63,91%), AKRA (32,65%) dan WIKA (3,44%). Return dari portofolio optimal yang terbentuk adalah 1,10% per bulan, sedangkan risiko yang harus ditanggung investor dari portofolio optimal adalah 2,56%. Dari hasil uji beda diketahui bahwa terdapat perbedaan volume perdagangan antara saham optimal dan non optimal yang mengindikasikan adanya irasionalitas investor dalam pemilihan saham.
Kata kunci: Single index model, portofolio optimal, JII, return yang diharapkan, irasionalitas investor

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The author realizes that the writing of this thesis is still lacking in both writing and presentation. For that all constructive suggestions and criticisms may be useful for further research. Hopefully this thesis will be useful for all those who need it and become an early success of the author in the future. Aamiin. Wassalaamu'alaikum Warahmatullahi Wabarakaatuh

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