

***THE INFLUENCE OF NET INCOME AND OPERATING CASH FLOW TO
THE DIVIDEND POLICY OF THE BANKING COMPANY IN BURSA EFEK
INDONESIA***

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ABSTRACT

This study analyzed the influence of earnings and cash flow from operations to the dividend payout ratio of the banking companies listed on Indonesia stock Exchange since 2008 up to 2010. This study was also intended to know which performance measures have the most significant effect to the dividend payout ratio.

Data used in the research is financial statements from each company, published through website www.idx.co.id. Analysis method in this research is quantitative method with multiple regression. Sampling method that used is purposive sampling. Variables in this research are earnings (X_1) and operating cash flow (X_2) as independent variables, and dividend payout ratio (Y) as dependent variable consist of the 30 firms.

The result of this research showed that earnings and operating cash flow have not significant influence to dividend payout ratio.

Keyword: *earnings, operating cash flow, dividend payout ratio, multiple regression.*