

**THE INFLUENCE OF CASH POSITION, DEBT TO EQUITY RATIO, AND
PROFITABILITY TOWARD DIVIDEND PAYOUT RATIO IN
MANUFACTURING COMPANIES GO PUBLIC IN INDONESIAN STOCK
EXCHANGE PERIOD 2008-2010**

BY:

FITRIA KURNIA SARI

43208010288

ABSTRACT

Dividend is a distribution of company profits to shareholders proportional to the number of shares owned. The size of dividends paid by companies to shareholders depends on the dividend policy of each company. Therefore, in determining the dividend policy a manager needs to consider factors that affect dividend policy. This study aims to determine how much influence Cash Position (CP), Debt to Equity Ratio (DER), and profitability as represented by the Return On Asset (ROA) over Dividend Payout Ratio.

The population in this study are 30 manufacturing companies listed on the Indonesia Stock Exchange during 2008-2010 period which have complete data including CP, DER, and ROA and has been distributing dividend consecutively during the period 2008-2010. Sampling technique used in this study is purposive sampling where the selection of samples based on certain criteria. Data analysis was performed using multiple linear regression test.

The result showed that Cash Position, Debt to Equity Ratio, and Return On Asset simultaneously has significant effect on the Dividend Payout Ratio. This is showed by the sig-F value is less than 5% significance. Partially, Debt to Equity Ratio and Return On Asset variable give positive significant effect on Dividend Payout Ratio, and Cash Position variable have not significant effect on Dividend Payout Ratio. The amount of influence exerted by these three variables is 12.6%.

Key words: Dividend Payout Ratio, Cash Position, Debt to Equity Ratio, Profitability