

ABSTRACT

This research aims to analyze the influence of Operating Cash Flow are proxied by Cash Flow Operating (CFO), Net Income proxy for Earning Per Share (EPS) and Investment Opportunity Set (IOS) of the Dividend Policy are proxied by the Dividend Payout Ratio (DPR) on manufacturing sector issuers listed on the Stock Exchange the period 2011 - 2013. The dividend policy is one of part that affects funding decisions so that the company becomes an important thing and must be considered carefully. Dividend policy regarding whether earnings will be paid out as dividends or held for reinvestment in the company. Ratio analysis is one of the analysis used by investors to analyze a company's stock performance. This research uses quantitative methods. The sampling technique using purposive sampling method and selected in accordance with predefined criteria. In order to obtain a sample of 18 issuers manufacturing sector of the population 129 manufacturing company incorporated in Indonesia Stock Exchange the period 2011 - 2013. The data used in this research is financial statement data and sources used to obtain these data, namely Indonesian Capital Market Directory (ICMD) obtained from Corner Stock Mercu Buana University. Model analysis of the data used is multiple linear regression by considering the normality test and classical assumption that multicollinearity, autocorrelation and heterokedastisitas. From the analysis of the research results as follows, in partial CFO no significant effect on DPR, it is aimed with a significance value of 0.153 ($0.153 > 0.05$). EPS variables significantly influence the DPR as shown by the significant value of 0.022 ($0.022 < 0.05$). IOS variables significantly influence the DPR, it is shown with significance value of 0.018 ($0.018 < 0.05$). While simultaneously variable CFO, EPS and IOS together - equally significant effect on the DPR, it is proved by the significant value of 0,016 ($0,016 < 0,05$). So the CFO, EPS and IOS can be used together in making an investment decision on the issuer's shares in the manufacturing sector in the Indonesia Stock Exchange during the study period.

Keywords: *Operating Cash Flow, Earnings Per Share, Investment Opportunity Set and the Dividend Payout Ratio.*