ABSTRACT

The objective of this research is to examine the effect of Profitability, Investment Opportunity Set, Leverage and Liquidity on Dividend Policy by Manufacturing Companies that listed on Indonesian Stock Exchange (IDX) period 2012-2016. The Variable Profitability is measured by Return On Assets (ROA), Investment Opportunity Set is measured by Capital Additional to Book of Assets Ratio (CAP/BVA), Leverage is measured by Dept to Equity Ratio (DER), Liquidity is measured by Cash Ratio (CR), and Dividend Policy is measured by Dividend Payout Ratio (DPR).

Based on Purposive Sampling technique, it got 97 sample by Manufacturing Companies that listed on Indonesian Stock Exchange (IDX) period 2012-2016. The method it got analysis of this research was multiple regression.

The result of this research showed Profitability and Liquidity have significant positive effect on Dividend Policy, Investment Opportunity Set and Leverage have significant negative effect on Dividend Policy. That simultaneous effect of all four independent variable have significant effect on Dividend Policy.

Keyword: Profitability, Investment Opportunity Set, Leverage, Liquidity, and Dividend Policy.