

## Abstract

Dividend policy is a vital financial policy not only for company management but also for stakeholders. The stakeholders will ask for dividend share when the company has made profit accountancy. This research aimed to empirically test the influence of profitability to cash dividend policy of which liquidity served as its moderating variable. The dependent variable of this research was cash dividend policy and the independent variable was profitability in which liquidity served as moderating variable. The population of the research was LQ-45 companies listed in Indonesia Stock Exchange during 2012-2014. The result of the research was that the amount of stock share of company dividend was influenced by profitability and was strengthened by company liquidity.

Keywords: dividend policy, profitability, and liquidity