

ABSTRACT

This study is performed to examine the effect of Cash Ratio, Debt to Total Asset (DTA), Growth, Size, ROA and insider ownership toward Dividend Payout Ratio (DPR) in companies that is listed in BEJ. The objective of this study is to scale and analyze the effect of the company financial ratios performance (Cash Ratio, Debt to Total Asset (DTA), Growth, Size, ROA and insider ownership) toward DPR in companies that is listed in BEJ over period 2002-2004.

Sampling technique used here is purposive sampling on criterion (1) the company that represents their financial report per 31 December 2002-2004; and (2) the company that continually share their dividend over period 2002-2004. The data is obtained based on Indonesian Capital Market Directory (ICMD 2005) publication. It is gained sample amount of 41 companies from 330 companies those are listed in BEJ. The analysis technique used here is multiple regression with the least square difference and hypothesis test using t-statistic to examine partial regression coefficient and f-statistic to examine the mean of mutual effect with level of significance 5%. In addition, classical assumption is also performed including normality test, multicollinearity test, heteroscedasticity test and autocorrelation test.

The analysis of result indicates that the effect cash ratio, growth and ROA variable are significant toward DPR of the company in JSX on 2002-2004 period on the level of significance less than 5% (each 0,01%, 2,4% and 4,6%). The effect DTA, and Size variable are not significant toward DPR of the company in BEJ on 2002-2004 period on the level of significance more than 5%. Based on the result examination of hypothesis 6, it shows that there are no differences between company which the share was owned by management and the company which the share did not own by management in deciding policy of dividend which proxy by dividend payout ratio (DPR).

Keywords: Cash Ratio, Debt to Total Asset (DTA), Growth, Size, ROA, insider ownership and Dividend Payout Ratio (DPR)