

ABSTRACT

This study was conducted with the aim of analyzing the dynamic relationship between Dividend Policy and Liquidity Policy, as well as the role of External Financing Dependence, Intangible Assets, and Market Beta in influencing as external variables in companies listed on the LQ45 index during the period 1991 – 2024. This study is based on none of the dividend policy theories, namely Agency Theory, which explains the differences in conflicts of interest between managers and shareholders in making corporate financial decisions.

This study uses the Vector Autoregression with Exogenous Variables (VAR-X) approach to analyze the dynamics of interdependence between variables in the short and long term. The data used are secondary data obtained from the Bloomberg laboratory.

The results of the study indicate that there is a dynamic relationship between Dividend Policy and Liquidity Policy and the influence of each external variable towards endogenous variables, especially the Market Beta variable. This study helps to expand the study of Agency Theory on financial policies in LQ45 companies in Indonesia.

Keywords: Dividend Policy, Liquidity Policy, External Financing Dependence, Intangible Assets, Market Beta, VAR-X, Agency Theory, LQ45.

