

ABSTRACT

This study aims to analyze the simultaneous relation between dividend payout and leverage along the factors influence them. Dividend payout is measured by dividend payout ratio, while leverage is measured by debt to asset ratio. The factors influencing these two variables are family control, size, profitability and cash ratio.

The data used in the study is secondary data obtained from the stock exchange of each ASEAN-5 country. The sample consists consumer products sector companies listed on the ASEAN-5 stock exchanges during 2014-2016 period. The analysis method used is Two Stage Least Squares (2SLS) to test the simultaneous relation.

The result shows that dividend payout and leverage have simultaneous relation and give negative effect. Family control, size and profitability give insignificant effect to dividend. Family control and profitability give insignificant effect, while cash ratio gives negative effect to leverage.

Keywords : dividend, leverage, family control, size, profitability, cash ratio