

ABSTRACT

This research intends to examine factors affecting the appearance of sleeping stocks, with the factors including: regular dividend payment, profitability (ROA) and market capitalization. Also with the control variable: debt to equity ratio (DER) and price earning ratio (PER). This research conducted in order to observe the phenomenon on the Indonesian Stock Exchange that using order-driven market trading system. This trading system would create sleeping stocks phenomenon and increase the investment risk on the stocks exchange.

This study used secondary data from financial statements of companies which had been listed in Indonesia Stock Exchange during 2015-2016. The method that had been used for this study was purposive samplings. Logistic Regression on Econometric Views 9th Edition was used to examine the data. Findings in this study shows that profitability and market capitalization would affected the appearance of sleeping stocks. Meanwhile giving regular dividend payment would help companies attract more investor and avoid the sleeping stocks condition.

Keywords: Sleeping stocks, regular dividend payment, dividend policy, profitability, return on assets, market capitalization, debt to equity ratio and price earning ratio.