

## **ABSTRACT**

*The activities of investment in stock market divides the return as a capital gain or dividend. For those who want dividend as a current income, dividend are very attractive and considered as an important reason for them to invest their shares in the company. Dividend are just seems like a puzzle with pieces that just don't fit together. The dividend could affect the company's financial structure so they wanted to hold the cash and no pay dividends. On the other hand, the dividend is considered as a signal to investors about the financial condition of the company.*

*This study analyzed the effect of the cash ratio, debt to equity ratio, return on assets, firm size, and growth opportunity for the company's dividend policy on the manufacturing companies from 2009 to 2013. The sampling technique is using purposive sampling method by using 18 manufacturing companies which pay dividend continuously. Secondary data was collected from the Indonesian Capital Market Directory (ICMD) and [www.idx.co.id](http://www.idx.co.id). The analysis technique is using multiple regression.*

*The result of this study shows that cash ratio and debt-to-equity ratio were found to be positive and no significant effect, while firm size were found to be negative and no significant effect on dividend payout ratio. Variable return on assets and the growth were found to be positive and significant effect on the dividend payout ratio.*

*Keywords : liquidity, leverage, profitability, size, growth, dividend*