

ABSTRACT

The objective of this research was to examine and to analyze the influences of Investment Opportunity, Free Cash Flow, Institutional Ownership, and Company Life Cycle to Dividend Policy, and influences of Investment Opportunity, Dividend Policy, and Free Cash Flow to Firm Value. The data used in this study were obtained from the data published annual financial reports companies listed at Indonesia Stock Exchange (ISX) periode of 2008-2012.

The population of this research were manufacturing companies listed at Indonesia Stock Exchange (ISX) 2008-2012 periode of 2008-2012. The selection of the sample using purposive sampling criteria have been paying dividend regularly during the observation period 2008-2012. The samples used in this study was 160 samples. In this study, the research method used is a path analysis.

The research result indicated that, the Investment Opportunity variable and Institutional Ownership have a positive and significant impact on Dividend Policy, and Investment Opportunity have a positive and significant impact on Firm Value. Company Life Cycle variable and Free Cash Flow have positive and no significant impact on Firm Value. Free Cash Flow have a positive and no significant on Firm Value, while Dividend Policy variable have a negative and no significant on Firm Value.

Key words : Investment Opportunity, Institutional Ownership, Free Cash Flow, Company Life Cycle, Dividend Policy, Firm Value.