

ABSTRACT

The Objective of this research is to analyse the influence of Profitability, cash flow, market to book value, institutional ownership, growth opportunities and size toward dividend payout ratio in manufacture companies that is listed in BEI over period 2011-2013.

*Sampling technique used here is purposive sampling. The data is obtained based on Indonesian Capital Market Directory and audited financial reports. It is gained sample amount of 130 observations. The analysis technique used here is multiple regression with the least square difference and hypothesis test using *t* statistic to examine partial regression coefficient and *f*-statistic to examine the mean of mutual effect with level of significance 1 percent. In addition, classical assumption is also performed including normality test, multicollinearity test, heteroscedasticity test and autocorrelation test.*

From the analysis result, it indicates that market to book value and institutional ownership variable partially significant toward dividend policy on the level of significance less than 5 percent, while it indicates that profitability, cash flow, growth opportunities and size variable partially not significant toward dividend policy. While simultaneously Profitability, cash flow, market to book value, institutional ownership, growth opportunities and size proof significantly influent dividend policy in level less than 1 percent. Predictable of six variables toward dividend policy is 14,00 percent as indicated by adjusted R square that is 20,4percent while the rest 86,00 percent is affected by other factors which are not included into the study model.

Keywords : dividend payout ratio, profitability, cash flow, market to book value, institutional ownership.