

ABSTRACT

In this era of globalization, the development of business which is very fast needed exactness in taking a decision, that must be considered for the company management, to reduce the possibility of risk and uncertainty about to happen. Decision making dividend was a very difficult to be taken because on the one hand the shareholders want a dividend because it would give an advantage as expected, on the other hand the company wanted to hold the dividend for the purpose of increasing the value of expanding the company. This research aims to analyze the effect mechanism of liquidity, profitability, growth, firm size and financial leverage against the dividend payout ratio at manufacturing companies listed on the Indonesia stock exchange (IDX) for the period 2008-2011. The mechanism of liquidity determined by variable cash ratio, the mechanism of profitability described by variable return on assets, while financial leverage in this research described by variable debt to equity ratio.

The sample used in this study 29 companies listed on the Indonesian stock exchange (IDX) for the period 2008-2011. Method of samples conducted by using purposive sampling. Methods of analysis used in this research using multiple regression analysis including descriptive statistic test, classic assumptions test, and goodness of fit test.

The result of this research showed that cash ratio had positive and not significant influence to dividend payout ratio, return on assets and size simultaneously had positive and significantly influence to dividend payout ratio, Growth was negative and not significant influence to Dividend Payout Ratio, meanwhile Debt to Equity Ratio had positive and significant influence to the Dividend Payout Ratio. Based on the coefficient of determination (R^2), having results of 0,224. It means independent variable influences the Cash Ratio, ROA, Growth, Size of the dependent variables, DER DPR can be described by this equation of 22,4%. While the rest of 77.6% is explained by other factors that are not included in the regression model.

Key words : Cash Ratio, Return On Assets, Growth, Size, Debt to Equity Ratio, Dividend Payout Ratio