

ABSTRACT

The purpose of this study was to examine the direct and indirect effect of Insider Ownership, Debt Policy and profitability of the Company's Value with Variable Dividend Policy as mediation. This study was taken as there are differences between the results of previous research studies with each other and there is a difference between the real data study with existing theories.

This study uses secondary data. Sampling technique used was purposive sampling. Of one hundred eighty companies according ICMD taken just nineteen companies, since it has complete financial statements from the year 2008 to 2011. The analytical method used is Path Analyst.

By using multiple regression analysis, it can be seen that the Insider Ownership and Debt Policy have not significant and negative effect on Dividend Policy, Profitability has not significant and positive effect on Dividend Policy. Insider Ownership, Profitability, and Dividend Policy have positive and significant impact on company value, debt policy has negative and not significant to the Company's value. Meanwhile, according to Path Analysis, Dividend Policy is not a mediating variable for Insider Ownership and debt policy while a mediating variable for profitability. In addition it was found that the value of adjusted R square value for the Company's equations is 55.5%.

Keywords: Dividend Policy, Price Book Value, Sobel Test and ICMD.