

ABSTRACT

Dividends are part of a company's profits that are given to the shareholders, therefore it is necessary to separate policy governing the issue dividends. This study aims to determine how the influence of insider ownership, market risk and debt to equity ratio to dividend policy.

This study uses secondary data and the population in this study were manufacturing companies listed in Indonesia Stock Exchange (BEI) in the period 2004-2008. The method used in the selection of this sample selection was purposive sampling, the method of sample selection with some specific criteria.

The results of this study is that there is a positive influence between insider ownership, market risk and debt to equity ratio to dividend policy. So that all hypotheses in this study was rejected. Rejection of the results of this study can be viewed in a hypothesis test. In the first hypothesis significance value for the variable of managerial ownership is at 0.055 which indicates that there is no significant effect between managerial ownership on dividend policy. In Hypothesis 2 values of significance for the market risk variable amounts to 0.767 which indicates that there is no significant effect between market risk on dividend policy. In the third Hypothesis significance value for the variable of DER is 0.018 which indicates that a significant difference between the DER on dividend policy.

Keywords: dividend policy insider ownership, market risk, debt to equity ratio