

## **ABSTRACT**

*Dividend policy is important not only for the company but also for the stockholders. Dividend which shared for stockholders is depend on companies policy. For 2005 until 2008, Indonesia's manufactur product was decrease. It is happen because of global economic crisis. The value of DPR for this research companies was increase for year by year. The objective of this research is to study the dividend policy in Indonesian Stock Exchange 2005-2008 period in lights of its Return On Asset, Debt to Equity Ratio, growth, firm size, and Cash Ratio.*

*The sampling technique used is purposive sampling and the number of samples used for as many as 13 companies. The variables used in this study, namely the dividend payout ratio (DPR) as the dependent variable and the return on assets (ROA), debt to equity ratio (DER), growth, firm size, and cash ratio as independent variables. Data obtained from the the publication of Indonesian Capital Market Directory (ICMD 2005, 2006, 2007, and 2008). The analysis technique used is multiple regression analysis and hypothesis testing using the t statistic for testing the partial regression coefficient and F-statistic to test the effect together with the 5% level of confidence.*

*The results showed that the return on assets, firm size, and cash ratio have a positive and not significant to the DPR. This research also found that debt to equity ratio was not significantly negative effect on DPR. Other variables in this study is a growth has negative and significantly impact on the DPR. Of the 5 hypothesis that there is only one hypothesis is accepted is the third hypothesis. Growth significantly negative effect on DPR. Based on statistical analysis of significance of F values, simultaneously, those independent variables may have effect on dividend payout ratio significantly. From adjusted  $R^2$  value of the 0,186 indicates that there are independent variables in the model can explain the variation the DPR by 18,6% while 81,4% variation explained by the house of representatives of other variables outside the model.*

*Keywords : Return on asset, Debt to Equity Ratio, Growth, Firm Size, Cash Ratio, Dividend Payout Ratio*