

Abstract

Dividend policy is the amount of revenue that will be provided to investors. The purpose of research is to examine the influence factors of dividend policy in all firms listed on BEI (Indonesia Stock Exchange) with periods 2004-2007.

Based on criteria in this research are found 24 firms, resulting 96 data pooling. There were four agency cost factors tested in this reaserch, as used independent variable: shareholder dispersion, free cash flow, collateral assets and debt. The method of analysis used to analyze the factors that influence dividend policy is a multiple linear regression analysis and hypothesis test used t-statistic for testing the partial regression coefficient and the f-statistic to test the effect simultaneously at level of significance 5%.

The result of this research finds two independents variable have significant effect on dividend policy and two independents variable have not significant effect on dividend policy. Two independents variable have significantly effect on dividend policy in this research: (i) collateral assets is that of positive significant, (ii) debt is that of negative significant. Two independents variable have not significantly effect on dividend policy in this research: (i) shareholder dispersion, (ii) free cash flow. Agency cost variable significant affected the dividend policy simultaneously, with the sum of the effect was 25,6%.

Keywords: dividend policy, shareholder dispersions, free cash flow, collateral assets, and debt.