

ABSTRACT

Cash is the most liquid asset that can be used by companies to finance the operating activities of the company. Without the cash the company's activities may not run properly. This study aims to analyze and provide empirical evidence regarding how the investment opportunity set and leverage on cash holdings as well as the effect of the dividend payment in the moderating influence of investment opportunity set and leverage on cash holdings in chemical and basic industry sectors, the various sectors of the industry, and the consumer goods industry sectors listed on the Stock Exchange 2011-2015.

This study uses the company's financial report data collected from the Indonesian Stock Exchange (IDX). The sampling technique used was purposive sampling with criteria of the company's annual report published continuously in the years 2011-2015, to submit financial statements in Indonesian Rupiah, and deliver complete data. The sample in this study was 135 companies. The analysis technique used in this research is multiple regression analysis.

The results showed that of the four research hypotheses H3 just received, ie leverage negative effect on cash holdings. While the investment opportunity set effect on cash holdings but with a positive direction, the dividend payment weakens the influence of a positive investment opportunity set against cash holdings, and the dividend payment can not moderate the negative effects of leverage on cash holdings.

Keywords: *cash holdings, investment opportunity set, leverage, dividend payment.*