ABSTRACT

The purpose of this study is to explore the relationships financial ratios and corporate governance strucutre to dividen policy. This study also based on agency theory, signalling theory, life cycle theory, and pecking order theory to explain influence of independent variables to dependent variable.

This study uses secondary data. The population consists of non-financial firms listed in Indonesia Stock Exchange. This study uses purposive sampling and takes some criterias. Firms included in this study are being listed in Indonesian Stoc kExchange before 2012, provides annual reports from 2012 until 2014 in national currency, and also paying dividend among 2012-2014. This research used 349 observations based on the criterias. In this research use multiple linear regression to be analysis technique.

The result of this study show that firms that profitability, leverage, and historical growth significant negative to dividend policy thus the results support pecking order theory, signalling theory, and life cycle theory. While the mpct of the expected growth is postive significan to dividend policy so the result support life cycle theor . And the others are insignificant.

Keywords: Dividend policy, agency theory, signalling theory, life cycle theory, pecking order theory