

ABSTRACT

Dividend policy is a company policy to determine the dividend which is shared to the stockholder to the end of period based on earning capability which a company can accomplish (Brigham, 1968, pg. 1494). The problem in dividend policy and payment has an aim to increase stockholder wealth by gain return in dividend yield or capital gain. Meanwhile, a company needs to raise capital from within to increase the growth and maintain a company going concern so it can raise stockholder wealth. This study is performed to examine the effect of Return On Asset (ROA), cash ratio, Debt to Total Asset (DTA), Growth and Size toward Dividend Pay Out Ratio (DPR) in companies that are listed on BEJ. The objective of this study is to scale and analyze the Size toward DPR in companies' financial ratios performance (ROA, Cash Ratio, Debt to Total Asset (DTA), Growth and Size) toward DPR in companies that are listed in BEJ over the period 2003-2005.

Sampling technique used here is purposive sampling on criterion (1) the companies that trade their stocks in Bursa Efek Jakarta (2) the companies that represent their financial report per December 2003-2005; (3) the company that continually shares their dividend per December 2003-2005. The data is obtained based on Indonesian Capital Market Directory (ICMD 2006) publication. It is gained sample amount of 31 companies from 152 companies that are listed in BEJ. The analysis technique used here is multiple regression with the least square difference and hypothesis test using t-statistic to examine partial regression coefficient and f-statistic to examine the mean of mutual effect with level of significance 5%. In addition, classical assumption is also performed including normality test, multicollinearity test, heteroscedasticity test and autocorrelation test.

From the analysis result, it indicates that the ROA, and DTA. Variable partially significant toward DPR of the company in BEJ on 2003-2005 period the level of significance less than 5% (each 4,8%, 5,7%), while it indicates that Cash Ratio, Size, and Growth. variable partially not significant toward DPR of the company in BEJ on 2003-2005 period level of significance less than 5% (each 14,4%, 6,6%, and 8,5%) while simultaneously (ROA, Cash Ratio, DTA, Growth, and Size) prove significantly influence DPR in BEJ in level less than 5%. Predictable of the five variables toward DPR is 17,6%. As indicated by adjusted R square that is 17,6% while the rest 82,4% is affected by other factors is not included into the study model.