

ABSTRACT

This study aims to investigate the effect of profitability, firm size, and sales growth to dividend payout ratio. The study also examined the effect of these factors to firm value through dividend policy. Population of this study is all manufacturing firm listed on IDX during 2010-2013. By using purposive sampling, the written got 19 firm to be the sample and then tested with path analysis.

The results showed that firm size in this study did not prove that have effect to dividend payout ratio. The profitability and Sales growth has significantly positive effect to dividend payout ratio. The results also showed that dividend payout ratio, profitability and firm size have a positive and significant effect to firm value, while sales growth is not influence firm value. Dividend payout ratio is a variable that mediates the effect of profitability, firm size and sales growth to firm value.