ABSTRACT

One of the benefits which investor hope from their investment is getting dividend. Investor who are worried will prefer to accept dividend than capital gain. The purpose of this research is to find the empirical evidence from the influence of earning managements and profitability on dividend policy.

This study used the data of 42 go public manufacturing company which is listed in Indonesia Stock Market from 2007 until 2009. Earning management is measured by discretionary accruals, profitability is measured by Return On Asset while dividend policy is showed by dividend payout. The data then analized using multiple regression analysis.

The result of this study showed that earning management has no impact on dividend policy while profitability which measured by ROA has negative and significant impact on dividend policy.

Keyword : Dividend Policy, Earning Management, Profitability

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