ABSTRACT

Investors when investing in a company in addition to expecting dividends, also expect returns in the form of capital gains. Investors need information on the performance of the company both in the form of fundamental and technical data in making investment decisions, there are fluctuating changes in dividend payout ratio and stock returns in manufacturing companies in the period 2013-2017 affect the investment decisions of investors. Many studies produce different results about the factors that influence stock returns. The question arises: first, what determinant factor influences the dividend payout ratio. Are stock returns influenced by sales, assets, current ratio or return on equity. Second what determinant factor influences the stock return. Are stock returns influenced by sales, assets, current ratio, return on equity or dividend payout ratio. Third, is the dividend payout ratio a mediating variable from the influence of sales, assets, current ratio, return on equity on stock returns. This study was conducted to answer both questions.

The theory used in this study are: the residual theory of dividends, bird in the hand theory and signaling theory. This research uses purposive sampling as many as 34 manufacturing companies listed on the Indonesian stock exchange in 2017. The data used was panel data from 2013-2017. The analysis uses a regression model with dividend payout ratio as an intervening variable. The results of this model are expected to make a new contribution to the field of financial management.

The main findings of this study are: the influence of sales, current ratio and return on equity, which have a significant positive effect on the dividend payout ratio, while assets do not significantly influence the dividend payout ratio. Return on equity and dividend payout ratio have a significant positive effect on stock returns, while sales, assets and current ratios do not significantly influence stock returns. The dividend payout ratio is able to mediate the effect of sales and return on equity on stock returns.

Keywords: Sales, Assets, Current Ratio, Return On Equity, Dividend Payout Ratio and Stock Return.

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