ABSTRACT

This study aims to examine and analyze the influence of dividend policy on stock price in companies listed on Indonesia Stock Exchange (BEI) during 2008-2011 and to examine whether EPS and ROE could be used as control variable. This study used Dividend Payout Ratio (DPR) as independent variable, Earnings per Share (EPS) and Return on Equity (ROE) as control variable to analyze their influence on stock price. Phenomenon which is found in companies listed on BEI is there was occur inconsistency movement between DPR and stock price during 2008-2011.

Population used in this study was all the companies listed in BEI during 2008-2011. Sampling technique used in this study was purposive sampling method and it gained 207 companies as a point of views. Classical assumption was performed, including normality test, multicollinearity test, heteroscedasticity test and autocorrelation test. Data analysis used multiple regression and hypotheses test used F-test and t-test.

The result of this study showed that DPR and EPS influenced significantly positive towards stock price. While, ROE influenced insignificantly positive towards stock price. Predictable of three variables toward stock price was 74%, as indicated by adjusted R square was 0.74. The result also showed that EPS as control variable was used for the research while ROE as control variable was not used.

Keywords: Dividend Payout Ratio (DPR), Earnings per Share (EPS), Return on Equity (ROE), Stock Price

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