ANALYSIS OF CASH POSITION, DEBT TO EQUITY RATIO, RETURN ON ASSETS, GROWTH POTENTIAL, AND TOTAL ASSETS TURN OVER EFFECT TO DIVIDEND PAY OUT RATIO ON COMPANIES LISTED AT INDONESIA STOCK EXCHANGE 2009-2011

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Abstract: *The purpose of the research is to examine the factors which is influence Dividend Payout Ratio in companies listed at Indonesia Stock Exchange (IDX). The independent variables consist of Cash Position, Debt to Equity Ratio, Return On Assets, Growth Potential, and Total Assets Turnover. The research used 110 companies listed at Indonesia Stock Exchange for period 2009-2011. Data were collected by using purposive sampling method. The statistic method used to test the hypothesis is the multiple regression method. The conclusion of this research is that, the Cash Position showed there is no significant influence to Dividend Payout Ratio with 95% confident level. Debt to Equity Ratio, Return On Assets, Growth Potential, and Total Assets Turnover have significant influence to Dividend Payout Ratio with 95% confident level. And generally the results shows that Cash Position, Debt to Equity Ratio, Return On Assets, Growth Potential, and Total Assets Turnover together have relation to Dividend Payout Ratio significantly to the companies listed at Indonesia Stock Exchange (IDX) with 95% confident level.*

Keyword: *Cash Position (CP), Debt to Equity Ratio (DER), Return On Assets (ROA), Growth Potential (GP), Total Assets Turnover (TATO), and Dividend Payout Ratio (DPR).*

INTRODUCTION

Investing in a company is one of important thing for the company to run its business activities. However, investment activity is an activity that is exposed to various risks and uncertainties that are often difficult to predict by investors. To reduce the risk and uncertainty in the future, investors need different kinds of information, both the information obtained from the company's performance as well as other relevant information such as economic and political conditions

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of a country. Information from the company typically based on the company's performance as reflected at financial statements. According to financial statements, investor can determine performance of the company in generating profitability and value of dividends per share. The main objective of an investor in their funds is to earn income (returns) which can be either dividends (dividend yield) as well as income from the difference between the selling price to the purchase price of share (capital gain).

By the development of capital markets in Indonesia it makes the capital market as an alternative to making investments other than banking. Capital market growth can be used as a medium for interested parties, such as investors and governments to take advantage of the capital market function optimally so as to bring benefits to all parties.

One of analytical tool that can be used by investors is ratio analysis. Financial ratio analysis based on data from annual financial company's report that purpose to convey information about the state of past, current, and an indication of financial performance in the future for companysurvival. Financial performance will be seen in the financial statements. Ratio analysis is a financial analysis tool most widely used because of financial ratios proved as a role play in evaluating financial performance and can be used to predict business continuity. The importance of information at financial statements also encourage the use of financial ratios. The importance of financial ratios in additioning used to assess the performance of company is also used to forecast earnings, and declining of a company.

Dividend payout policy has influence for shareholders and companies that pay dividends. The shareholders generally want a relatively stable dividend payout because it will reduce the uncertainty of expected results of investment they are running and can also increase the confidence of shareholders of the company so that the value of shares can also be increased. For companies, the option to distribute profits in dividends form will reduce internal funding sources, otherwise if the company hold its earnings in retained earnings form, the ability of internal formation funds will be greater and it can be used to finance the company's activities, thereby reducing the company's dependence on external funding and on the other hand, will minimize the risk of the company. Dividend policy of the company is reflected in its dividend payout ratio is the percentage of profits to be distributed in the form of cash dividends, meaning that the size of the dividend payout ratio will affect the investment decisions of shareholders and on the other hand affect the company's financial condition. Considerations regarding dividend payout ratio is allegedly highly related to the company's financial performance. If the company's financial performance is good then the company will be able to determine amount of the dividend payout ratio in accordance with expectations

of shareholders and certainly without ignoring the interests of the company to remain healthy and grow (Marlina and Danica, 2009).

Another study whose conducted by Gill, Biger, and Tibrewala (2010), which analyzes the factors that affect dividend payout ratio for manufacturing and service companies in the US, where the results of these studies concluded that there are significant positive influence between profitbility, market to book value, debt to equity ratio and tax to dividend payout ratio. Negative significant influence occurs in a variable dividend payout ratio indicated by variable sales growth. Meanwhile, the variable cash flow and market to book value has no effect on variable dividend payout ratio.

Marlina and Danica (2009) studied the effect of cash position, debt to equity ratio, return on assets and dividend payout ratio in the companies which listed at Indonesia stock exchanges. The results of their research on statistical test F, indicates that the cash position, debt to equity ratio and return on assets significantly affect the dividend payout ratio, while the t statistic based on test results, showing that the cash position, and return on assets have a positive and significant impact dividend payout ratio, while the debt-to-equity ratio has no significant effect on the dividend payout ratio.

Not all companies listed at Indonesia Stock Exchange share their dividends to its shareholders, neither in cash dividends formor stock dividends. It is caused by the considerations of different policy decisions making and dividend payments on each company. From the results of observations made between company PT Multi Bintang Indonesia Tbk. (MLBI) and PT Indofood Sukses Makmur Tbk. Are presented in Table 1

Table 1
Dividend Comparison between PT.MLBI and PT.INDF

MLBI					
	2008	**2009**	**2010**	**2011**	**Rata-rata**
Laba Bersih	222,307	340,458	442,916	507,382	1,513,063
Dividen kas	75,852	263,375	76,906	448,349	864,482
Dividen ÷ Laba Bersih	34.12%	77.36%	17.36%	88.37%	57.13%

INDF					
	2008	**2009**	**2010**	**2011**	**Rata-rata**
Laba Bersih	1,034,389	2,075,861	2,952,858	5,017,425	11,080,533
Dividen kas	366,730	412,680	816,580	1,167,197	2,763,187
Dividen ÷ Laba Bersih	35.45%	19.88%	27.65%	23.26%	24.94%

From table 1 shows that INDF had a net profit greater than MLBI, but MLBI can provide greater dividends, as seen in year 2009 and 2011.

REVIEW OF LITERATURE

Widiyanti and Indarto (2012) stated that dividend has a very important meaning for the company as it pertains to proper profit allocation, so that the company's growth and well-being of shareholders can be assured. Dividend is also one of increasing shareholder wealth form. Dividend payout policy has implications for the shareholders and the company who pay dividend. On the other hand, the companies expect growth while maintaining its viability and provide welfare for shareholders.

Michell Suharli (2006) revealed that for shareholders, a cash dividend is a rate of return on their investment in ownership issued shares of other companies form. For management, cash dividend is cash outflows that reduce the company's cash.

Darmadji and Hendy (2011) stated that a dividend is a distribution of net profit which distributed to shareholders as approval from Annual General Meeting. Dividends can take in cash form (cash dividend) or shares (stock dividend).

Kieso and Weygandt (2005) states that the dividend can be provided in various forms. Seen from the lines of dividends which distributed to shareholders, the dividend can be divided into several types as follows:

1. **Cash Dividend:** Cash dividend, scilicet the dividend distributed to shareholders in cash form.
2. **Stock Dividend:** Stock dividend, scilicet the dividend which shared not in cash but in company shares form.
3. **Property Dividend:** Property dividend, scilicet the dividend which shared in assets other than cash or stock form, for example, fixed assets and securities.
4. **Dividend Script:** Dividend script, scilicet the dividend payable in script or payment forms of dividend in the future.

There are several theories that can be used as a basis in determining dividend policy for the company, so it can be used as understanding why companies take certain dividend policy.

Sri Sumariyati (2010) stated that the dividend policy is a management decision whether profits from the company will be distributed to shareholders or reinvested back by management. Determination of dividend policy is influenced by two factors: financial factors and nonfinancial factors, and at this study focuses on the

financial aspects that directly describe circumstances of a company.

Michell Suharli (2006) stated that there are several theories that are relevant in the dividend policy in general and has been tested empirically, scilicet:

1. **Smoothing Theory:** This theory was developed by Lintner (1956). Lintner said that the amount of dividend will depend on current corporate profits and the previous year's dividend.

2. **Dividend Irrelevance Theory:** This theory was introduced by Miller and Modigliani (1961) introduced a Dividend irrelevance Proposisition. The paper explains that in an non-taxes world, and uncalculated transaction costs as well as the market conditions is perfect, then the dividend policy will not give any effect on the market price of the company's stock.

3. **Bird in the Hand Theory:** Gordon (1962) suggested Bird in the hand theory which says that by getting dividends (a bird in the hand) is better than retained earnings (a bird in the bush) because in the end, retained earnings may never be realized as dividends in future (it can fly away).

4. **Tax Preference Theory:** Bhattacharya (1979), which explains that relating to taxes, investors prefer dividends lower than the high dividend.

5. **Clientele Effect Theory:** This theory is disclosed Black and Scholes (1974) that assumes if the company pays a dividend, investors should have benefit from dividends to eliminate the negative consequences of tax.

RESEARCH METHODOLOGY

1. Subject and Object Research

Subjects in this study were 110 companies listed on the Indonesian Stock Exchange in the period 2009 to 2011. While the object of the study is variables research variables like Cash Position, Debt to Equity Ratio, Return on Assets, Growth Potential, and Total Assets Turnover.

2. Research Design

This study is a research-type explanation (explanatory research), the research aims to explain the relationships between the variables with other variables through hypothesis test. Data which used in this study, obtained at a certain period in several stages. This study uses data derived from a sample to represent the population in the study.

3. Operationalization Variable

a. Cash Position

Cash position is the end of the year cash ratio and earnings after tax. For companies that have an increasingly strong cash position, they will be even greater ability to pay dividends. These factors are internal factors that can be controlled by management so that its influence can be felt directly to the dividend policy. According to Marlina and Danica (2009) Cash Position (CP) can be formulated as follows:

$$\text{Total Cash Balance} = \frac{\textit{Cash Position}}{\text{Earning After Tax}}$$

b. Debt to Equity Ratio

This factor reflects the company's ability to meet its obligations shown by some parts of the capital itself which is used to pay the debt. Increased debt will affect the level of net income available to shareholders, meaning that the higher liability companies will further lower the company's ability to pay dividends. According to Marlina and Danica (2009) Debt to Equity Ratio(DER) can be formulated as follows:

$$\text{Debt to Equity} = \frac{\text{Total Debt}}{\text{Total Equity}}$$

a. Return on Assets

Return on assets is the net profit level which successfully acquired by company in running its operations. This factor has an effect on dividend policy. Where dividend is a portion of net profit obtained by the company, therefore,the dividend will be divided if the companies make a profit. Companies that have greater benefit will pay an increasingly large portion of profit as dividends. In other words, the greater benefits the greater ability for companies to pay dividends. According to Marlinaand Danica (2009) Return on Assets (ROA) can be formulated as follows:

$$\text{Return on Assets} = \frac{\text{Net Profit After Tax}}{\text{Total Assets}}$$

b. Growth Potential

Sri Sudarsi (2002) stated that the faster rate company growth, the greater need for funds to finance the expansion. Greater need for funds in the future, the company

may hold profit, instead of paying it out as dividends. Because of the potential for growth of the company is an important factor in the dividend policy. According to Sri Sudarsi (2002) Growth Potential (GP) can be formulated as follows:

$$\text{Nett Profit Growth} = \frac{\text{Total Asset}_t - \text{Total Asset}_{t-1}}{\text{Total Asset}_{t-1}}$$

c. Total Assets Turnover

Total Assets Turnover itself is the ratio between sales to total assets measures the over all efficiency of asset utilization. If the ratio is low it is an indicated that the company is not operating at sufficient volume for its investment capacity. The higher this ratio the more effective in funds utilization and faster turnover of these funds is generally measured as the activity ratio of turnover from each asset element. So that if more companies take advantage of possibility dividend distribution of funds is also getting smaller. According Purwanti and Savitri (2011) Total Assets Turnover (TATO) can be formulated as follows:

$$\text{Total Assets Turnover} = \frac{\text{Sales}}{\text{Total Asset}}$$

d. Dividend Payout Ratio

Dividend Payout Ratio is measured by comparing cash dividend per share to profits earning per share. According to Marlina and Danica (2009) Dividend Payout Ratio (DPR) can be formulated as follows:

$$\text{Dividend Payout Ratio} = \frac{\text{Dividends per Share}}{\text{Earnings per Share}}$$

4. Samples and methods Samples

The sample was all companies listed in Indonesia Stock Exchange. Selection of sample is done by using purposive sampling method with purpose to obtain representative samples in accordance with prescribed criteria. The criteria used to select the sample are as follows:

a. Issued annual financial statements which have been audited during the period 2009-2011.

b. Companies that have complete information for variable data used by researchers.

    c.   Pay dividends for three consecutive years, during the period 2009-2011.

5. Sample Data

Data that used in this research is secondary data. Source of data obtained from:

    a.   Financial Statements of the company in 2009 - 2011 were obtained from the Indonesia Stock Exchange websitethatwww.idx.co.id

    b.   Indonesian Capital Market Directory(ICMD)

6. Data Panel Statistics Test

a. Selection of Regression Model

Stages of regression model with panel data techniques are:

    1.   Create a Least Squares Approaching Model (Common Effect)

    2.   Create a Fixed Effects Approaching Model (Fixed Effect Model)

    3.   Create a Random Effect Approaching Model (Random Effect Model)

    4.   Select the estimates model in data panel

        a.   Selection of Pooled Least Square (PLS) with Fixed Effect Model (FEM)

        b.   Selection of Fixed Effect Model (FEM) with Random Effects Model (REM)

    5.   Selection of Common Effect Model, can be directly transmitted into the test classic assumptions. Classical assumptions which include:

a. Normality Test

Normality Test is used to test whether a regression model, the dependent variable, independent variable or both have a normal distribution or not. A good regression models are normal data distribution or nearly normal. This test is done by using the Normal Probability Plots. If data spread around the diagonal line and follow the direction of diagonal line, the regression model meet the assumption of normality. But if the data is spread away from the diagonal line and / or does not follow the direction of diagonal line, the regression model did not meet the assumption of normality.

b. Multicollinearity Test

This test is used to test whether there is a correlation between the independent variables in regression model. This test uses the amount of Variance Inflation Factor (VIF) or the value of tolerance. A good regression model is that there is no correlation between the independent variables. When the VIF value close to 1, then there is no multicollinearity. Whereas if VIF is greater than 1 (VIF> 1), then

there is a correlation between the researched independent variables. (Nachrowi and Usman, 2006, p. 102)

c. Heterokedasticity Test

The test purpose to test whether the regression model occurs inequality variant of residuals from one to another observation. A good regression model is that if a variant of residuals from one observation to other observations are constant (Heterokedasticity). This test used graph method (scatterplot).If there is a particular pattern, such as dots that no particular form a regular pattern, then there is heteroscedasticity. If there is no clear pattern, and the points spread above and below the number 0 on the Y axis, then there is no heteroscedasticity. (Nachrowi and Usman, 2006, p. 113)

7. Statistics Hypothesis Test

Having obtained the model chosen, then the t test and F. If the probability value is significantly smaller than 5%, it is considered that Ho is rejected. Conversely, if the probability of greater significance than 5%, it is considered that Ho is accepted.

8. Multiple Regression Analysis

Data analysis techniques used in this study is done by using multiple regression analysis. Multiple analysis is a statistical technique through coefficient parameters to determine the influence of independent variables on the dependent variable. Testing of hypothes is either partially or simultaneously, carried out after the regression model used is free from classical assumption violation. The purpose is that the results can be interpreted accurately and efficiently. The regression equation is as follows:

$$DPR = \alpha + \beta1\ CP + \beta2\ DER + \beta3\ ROA + \beta_4\ GP + \beta_5\ TATO + \varepsilon$$

Keterangan:

DPR	:	*Dividend Payout Ratio*
α	:	constant
β_1- β_5	:	regression coefficients
CP	:	*Cash Position*
DER	:	*Debt to Equity Ratio*
ROA	:	*Return on Assets*
GP	:	*Growth Potential*
TATO	:	*Total Assets Turnover*
ε	:	*error*

ANALYSIS AND DISCUSSION

1. Descriptive Variables Test

Descriptive statistics is a tool that is used to describe the data used in this study. The test results of descriptive variables shown on Table 2.

Table 2
Test result of variables descriptive

	DPR?	*CP?*	*DER?*	*ROA?*	*GP?*	*TATO?*
Mean	0.390061	3.226515	1.934576	0.138061	0.167758	1.066818
Median	0.310000	1.630000	1.055000	0.100000	0.150000	0.930000
Maximum	2.040000	69.77000	15.45000	0.660000	1.290000	4.180000
Minimum	0.000000	0.040000	0.070000	0.000000	-0.510000	0.070000
Std. Dev.	0.287094	6.606040	2.563221	0.115871	0.203710	0.837585
Skewness	1.930270	6.458573	2.510826	1.701391	1.718434	1.177330
Kurtosis	8.692157	53.61580	9.310873	6.253665	9.515548	4.398815

From table 2, we obtained:

1. Average value of DPR is 0.3900, while the median value at 0.3100. Maximum value at 2.0400 and the minimum value at 0.0000, while the standard deviation is equal to 0.2870.

2. Average value of CP is 3.2265 while the median value at 1.6300. Maximum value at 69.7700 and the minimum value at 0.0400, while the standard deviation is equal to 6.6060.

3. Average value of DER is 1.9345, while the median value at 1.0550. Maximum value at 15.4500 and the minimum value at 0.0700, while the standard deviation is equal to 2.5632.

4. Average value of ROA is 0.1380, while the median value amount 0.1000. Maximum value at 0.6600 and the minimum value at 0.0000, while the standard deviation is equal to 0.1158.

5. Average value of GP is 0.1677, while the median value at 0.1500. Maximum value of 1.2900 and minimum value of -0.5100, while the standard deviation is equal to 0.2037.

6. Average value of TATO is 1.0668, while the median value at 0.9300. Maximum value at 4.1800 and the minimum value at 0.0700, while the standard deviation is equal to 0.8375.

2. Model Selection Research Process

a. Common Effect Model, Fixed Effect Model atau Random Effect Model

In the first phase, researchers will compare Common Effect Fixed and Effect models, to find out which model is better by using the likelihood ratio test (Chow Test).

Table 3
Test Result of *Likehood* Ratio (Chow Test)

Redundant Fixed Effects Tests
Equation: FIXED
Test cross-section fixed effects

Effects Test	Statistic	d.f.	Prob.
Cross-section F	3.628273	(109,215)	0.0000
Cross-section Chi-square	344.391410	109	0.0000

From Table 3 is Horejected because Probcross-section F and cross-section chi-square obtained amounted to 0.0000 which is less than 0.05 at the 5% significance level, so the Fixed Effect model is abetter model than the Common effect Model.

b. Fixed Effect Model or Random Effect Model

Furthermore, researchers will compare Fixed Effect models and Random Effect model, to determine which model best will be selected for the study, using the Hausman test (Table 4)

Table 4
Test result *Hausman*

Correlated Random Effects - Hausman Test
Equation: RANDOM
Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	20.806221	5	0.0009

From Table 4 resulted Ho is rejected because Probcross-section random obtained at 0.0009 which is less than 0.05 at the 5% significance level, so that the Fixed Effects Model was selected as the best model used in this study.

3. Hypothesis Test

Table 5 is estimated by using Fixed Effect Model

Table 5
Test Result of Fixed Effect Model

Dependent Variable: DPR?
Method: Pooled EGLS (Cross-section weights)
Date: 05/12/14 Time: 22:58
Sample: 2009 2011
Included observations: 3
Cross-sections included: 110
Total pool (balanced) observations: 330
Linear estimation after one-step weighting matrix

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.408787	0.015980	25.58188	0.0000
CP?	-0.000832	0.001114	-0.747215	0.4558
DER?	0.021593	0.005378	4.014873	0.0001
ROA?	-0.172559	0.052039	-3.315984	0.0011
GP?	0.096596	0.013681	7.060627	0.0000
TATO?	-0.047051	0.012232	-3.846713	0.0002

Cross-section fixed (dummy variables)

Weighted Statistics	
R-squared	0.994021
Adjusted R-squared	0.990851
Prob(F-statistic)	0.000000

Testing t-test on variables CP, DER, ROA, GP and TATO to determine whether effected on the DPR (Table 5). The test results based on the value of Prob., obtained for the variable Cash Position (CP) has no effect on Dividend Payout Ratio (DPR) (Prob = 0.4558> 0.05). While the other variables (Debt Equity Ratio (DER), Return

on Assets (ROA), Growth Potential (GP), and Total Asset Turn Over (TATO)) affected to Dividend Payout Ratio (DPR).

Based on the test directions, the result: Debt to Equity Ratio (DER) has positive influence on Dividend Payout Ratio (DPR). Return on Assets (ROA) negatively affected to Dividend Payout Ratio (DPR). Growth Potential (GP) positive effected on Dividend Payout Ratio (DPR). Total Assets Turnover (TATO) negatively affected the Dividend Payout Ratio (DPR).

Testing F-test to determine whether all the independent variables affect the results obtained DPR prob value (F-statistic) were obtained at 0.0000 (Table 5). This value is smaller than 0.05. It can be concluded: Cash Position (CP), Debt to Equity Ratio (DER), Return on Assets (ROA), Growth Potential (GP) and Total Assets Turnover (TATO) significantly influence Dividend Payout Ratio (DPR). R-square obtained amounted to 99.40% (Table 5), which means that variable Cash Position (CP), Debt to Equity Ratio (DER), Return on Assets (ROA), Growth Potential (GP) and Total Assets Turnover (TATO) are able to explain the variable of Dividend Payout Ratio (DPR) amounted to 99.40% and the remaining balance of 0.60% are explained by other variables outside the research.

DISCUSSION

From Table 5, the obtained equation regression model FEM as follows:

DPR = 0.4088 - 0.0008 CP + 0.0216 DER - 0.1725 ROA + 0.0965 GP - 0.0470 TATO

The results obtained by researchers when compared by previous studies, then:

1. Cash Position (CP)

According to the study Sri Sudarsi (2002), CP effected negative and not significant to DPR. Meanwhile, according to research Marlina and Danica (2009), CP positive and significant impact to the DPR. The results obtained by researchers is CP effected negative and not significant to DPR (Table 3.4), thus the this study results is different from the theories expressed by Riyanto (2001) stated that the company Cash position is an important factor that must be considered before taking a decision to determine the amount of the dividend payable to shareholders. Therefore, the dividend is a "cash outflow", then the stronger cash position of the company, meaning the greater company's capability to pay dividends. In this case the CP has negative impact and no significant, due to the cash funds in the company. Management will endeavor to utilize and manage existing funds to finance the project company or other investment activities that benefit the company rather than pay dividends.

2. Debt to Equity Ratio (DER)

According to research Michell Suharli (2006), Gill, Biger, and Tiberwala (2010) and Attina Jannati (2010) DER effected negative and not significant to DPR. According to Marlina and Danica (2009) DER effected positive and are not significant to DPR. According to Sri Sumariyati (2010) and Purwanti and Savitri (2011) DER effected positive and significant to DPR. According to Abdul Kadir (2010) DER effected negative and significant to DPR. The obtained results by researchers is DER effected positive and significant to DPR (Table 3.4), This is because the signal teory which stated that dividends as a signal by company which is an indicator of the company's prospects in the future. There is a trend in share prices will rise if there is the announcement of increases in cash dividend and the other hand, stock prices will fall if there is a decrease in the dividend announcement. If the company feels that good future prospects, revenues, cash flow is expected to increase, the company will increase the cash dividend to be distributed to the shareholders. Market will respond positively to the announcement of increases on cash dividend. Although the amount of debt to equity ratio remained so high, the company can pay a high cash dividend to shareholders so that the company still considered having a good prospects, then shareholders would remain invested.

3. Return on Assets (ROA)

According to Marlina and Danica (2009) and Attina Jannati (2010) ROA positive and significant effect on the DPR. According to Handy and Hadinugroho (2009) ROA negative effect and significant to DPR. The results obtained by researchers is ROA significant negative effect on the DPR (Table 3.4), in this case turned out to bea lot of companies in Indonesia tend to finance his company uses internal funds and the development of the company is done in a way to reduce dependence on external funds.

4. Growth Potential (GP)

According to the study Sri Sudarsi (2002) and Attina Jannati (2010) GP effected negative and not significant to DPR. The results obtained by researchers is GP effected positive and significant to DPR (Table 3.4), conclusion of the researchers was the company growing, still provide a good signal to investors and seeks to increase the trust of investors to the management company. Consideration of management remains dividends, that investor funds remains one of the funding for the company.

5. Total Assets Turnover(TATO)

According to research Purwanti and Savitri (2011) TATO effected positive and significant to DPR. The results obtained by researchers is TATO effected negative

and significant to DPR (Table 3.4), Conclusion of researchers, TATO has an influence on dividend policy can be proven. TATO negatively affect DPR, because the results obtained are reinvested in the company, which purposes to make the company more leverage again in the operations through funding by inernal, and ultimately have an impact on smaller dividend payments to investors.

CONCLUSION

After analyzing the results of hypothesis tests, it can be concluded that:

1. Cash Position effected negative and no significant to Dividend Payout Ratio on companies listed in Indonesia Stock Exchange in the period from 2009 to 2011.

2. Debt to Equity Ratio effected positive and significant to Dividend Payout Ratio on companies listed in Indonesia Stock Exchange in the period from 2009 to 2011.

3. Return on Assets effected negative and significant to Dividend Payout Ratio on companies listed in Indonesia Stock Exchange in the period from 2009 to 2011.

4. Growth Potential effected positive and significant to Dividend Payout Ratio on companies listed in Indonesia Stock Exchange in the period from 2009 to 2011.

5. Total Assets Turnover effected negative and significant to Dividend Payout Ratio on companies listed in Indonesia Stock Exchange in the period from 2009 to 2011.

SUGGEST

For the company management who wants to determine dividend policy of companies listed in Indonesia Indonesia Stock Exchange need to pay attention to variables Return on Assets ratio. Based on these results the company has a return on the investment, tend to hold their funds to be distributed in dividends form, and this will cause a lack of confidence of investors in the future.

For further researchers who wish to conduct research using the same topic then there is some advice to be given by researchers, such as:

1. Further research is recommended to add several financial independent variables so that the conclusion obtained is more accurate and can multiply research on dividend policy.

2. Further research is recommended to add several independent non-financial variables, such as managerial ownership, institutional ownership, the size of the company and so forth, so that the conclusion obtained is more accurate and can multiply research on dividend policy.

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