

ABSTRACT

A company's cash dividend policy has important implications for many parties involved in the community. For shareholders or investors cash dividends tend to be more attractive for shareholders, it is because cash dividends derived from it is a form of reflection of the certainty of the value obtained on the capital deposited. Whereas, for the management, cash dividend is a cash outflow that reduces the company's cash. Therefore, it takes a lot of consideration in determining the cash dividend policy so that the company's operations can run and improve the welfare of its shareholders.

This research aimed to determine the effect of accounting profit, free cash flow, and stock price to the cash dividend measured by dividend per share, either partially or simultaneously

This research is descriptive verification and causality research. unit analysis that used in this research is a manufacturing company of food and beverage subsector. The research using sample which chosen through purposive sampling techniques and there are 7 companies during five years, from 2010 to 2014. This research using panel data regression analysis techniques.

The results showssimultaneously , accounting profit, free cash flow, and stock prices have effect on cash dividend. Partially, accounting profit and free cash flow have no effecton cash dividend. Meanwhile, stock prices has positive effect on cash dividends.

Future research may add other independent variables to determine other factors that may affect the cash dividend, as well as using a broader analysis unit as well as a longer period of time. For food and beverage subsector company can take a decision regarding the payment of cash dividend. For investors, the results of this research that stock price can be used in one of the basic investment decision.

Keywords: *accounting profit, free cash flow, stock price, cash dividends*

