

ABSTRACT

Dividend policy is a decision making by company about how much of the cash dividend will be distributed to shareholders. Dividend policy in this research are described with percentase dividends paid i.e. dividend payout ratio (DPR).

This research aims to test the influence of liquidity, profitability and leverage on dividend payout ratio. This research uses descriptive verifikatif causality. The population of this research is a non-financial company LQ45 Index listed on the Indonesia stock exchange period in 2013-2016.

The sampling method used in this research is purposive sampling with the total sample as many as 16 companies. The data used in this research is secondary data. Methods of analysis used in this study is a descriptive analysis and regression analysis of the data panel.

The results of this research show that the liquidity, profitability and leverage has the simultaneous effect on dividend payout ratio. Liquidity and profitability of the partially positive effect on dividend payout ratio. While leverage has no effect on dividend payout ratio.

The suggestion given for the next research is to add other variables that may affect dividend payout ratio, and also can try different research objects as Manufacturing sector or other Index types such as Kompas100 to provide more research from many different sectors.

Keywords: Liquidity, Profitability, Leverage, Dividend Payout Ratio.