

ABSTRACT

Dividends are the distribution of profits/profits paid by the company to shareholders. Measurement of dividend payout policy by the company can be projected by the dividend payout ratio. Dividend payout ratio (DPR) is the ratio between dividends paid to shareholders and net profit after tax. From the dividend payout ratio can assess the company's retained earnings management.

This study aims to determine the effect of Firm Size, Return On Equity and Current Ratio on Dividend Payout Ratio in transportation sub-sector companies listed on the Indonesia Stock Exchange in 2018-2020. The writing method uses descriptive and verification methods. The data analysis technique uses a panel data model, using the F test, T test, and R2 test.

The sampling technique for this study used purposive sampling and obtained 11 (eleven) issuers in the transportation sub-sector with an observation period of 3 (three) years, so that in this study 33 observation data were obtained. The method used in this research is panel data regression analysis. Observation data processing was carried out using Eviews 12 software.

The results of this study indicate that Firm Size, Return on Equity, and Current Ratio simultaneously affect the Dividend Payout Ratio. Partially Firm Size has no effect on the Dividend Payout Ratio, while the Return on Equity and Current Ratio have a positive effect on the Dividend Payout Ratio.

Suggestions from this study are as a reference for academics and further researchers to add insight and as consideration for investors to be more careful in making investment decisions on the basis of the Dividend Payout Ratio assessment.

Keywords: Firm Size, Return On Equity Ratio (ROE), Current Ratio (CR), Dividend Payout Ratio