

ABSTRACT

Hedging is a procedure that can be carried out to protect the emergence of losses due to fluctuations in the exchange rate of the rupiah against foreign currencies. State-owned companies that conduct transactions in foreign currencies are urged by the Government to hedge to avoid additional debt due to fluctuating exchange rates.

This study aims to determine the conditions and the effect of growth opportunities, company size, and dividend policy both simultaneously and partially on the hedging decisions of BUMN companies listed on the Indonesia Stock Exchange for the 2017-2020 period.

The data used in this study is secondary data obtained from the financial statements and annual reports of state-owned companies listed on the Indonesia Stock Exchange for the 2017-2020 period. The population in this study are state-owned companies listed on the Indonesia Stock Exchange for the 2017-2020 period. The sample selection in this study used purposive sampling so that 12 companies were obtained in 2017-2020 with 48 samples being observed. The data analysis technique used in this research is descriptive statistical analysis and logistic regression analysis.

Based on the results of the study, it is concluded that growth opportunity, firm size, and dividend policy simultaneously affect hedging. growth opportunity and company size have a significant positive effect on hedging decisions in state-owned companies listed on the Indonesia Stock Exchange in 2017-2020. Meanwhile, the dividend policy has no effect on hedging decisions for state-owned companies listed on the Indonesia Stock Exchange in 2017-2020.

Keywords: Hedging, Growth Opportunity, Firm Size, Dividend Policy