

ABSTRACT

INFLUENCE OF INSIDER OWNERSHIP, MARKET RISK, RETURN ON INVESTMENT AND SIZE ON DIVIDEND POLICY

by

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This study examined the factors that affect dividend policy, namely insider ownership, market risk, return on investment and size. Dividend policy as dependend variable measured by dividend payout ratio (DPR).

This sudy aims to determine the effect of insider ownership, market risk, return on investment and size on dividend policy. The population used in this study are all manufacturing companies listed on the Indonesian Stock Exchange of 144 companies, but after using purposive sampling technique obtained a sample of 10 companies with over 5-year observation period (2004-2008). Hypothesis testing is done by using multiple linier regression analysis.

The results showed that market risk, return on investment and size that have significant influence on dividend policy, while the insider ownership variable has no significant influence on dividend policy.

Keywords : dividend policy, insider ownership, market risk, return on investment, size