

ABSTRACT

INVESTMENT OPPORTUNITIES, FUNDING, AND DIVIDEND POLICY: EVIDENCE FROM BIG CAP COMPANIES IN ASEAN EMERGING MARKET COUNTRIES

BY

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The aims of this research were to investigate the negative effect of investment opportunities and debt on dividend payout policy of big cap companies in ASEAN emerging market countries. The period of data is from 2014-2018. Population of this research was the big cap company included in MSCI Emerging Market Countries. Stratified random sampling was used to determine the sample. The total sample was 42 companies. The analytical tool used was multiple linear regression analysis. The result of this research shows that investment opportunities has a significant positive effect on dividend payout policy of big cap companies in ASEAN emerging market countries. It prove that investment opportunity of big cap companies in ASEAN emerging market countries is a determinant for the company to make a dividend payout policy, and also not all the company that maximize the investment opportunity set will distribute lower dividend. The result also shows that debt has a significant negative effect on dividend payout policy of big cap companies in ASEAN emerging market countries. It prove that big cap companies in ASEAN emerging market countries with high debt tend to distribute lower dividend, because the company need to hold some cash to accommodate all the risk and additional expenses as a consequence for having such a high debt.

**Key words: Investment Opportunity, Funding, Debt, Dividend Policy, DPR,
DER, MVE/BVE, ROA**