

ABSTRACT

***EFFECT OF FINANCIAL RATIOS DIVIDEND POLICY
IN MANUFACTURING
IN INDONESIA STOCK EXCHANGE***

By

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This study was conducted to examine the effect of variable net profit margin , debt to equity ratio , current ratio , price- earning ratio of the dividend policy .

Data obtained by purposive sampling method with criteria manufacturing company (consumer goods industry) that are listed in the Indonesia Stock Exchange (IDX) and consistent throughout the study period (2010 to 2013) , a manufacturing company that provides financial statement data for the period (2010 to 2013) , and manufacturing companies do not generate negative earnings .

The result of this research shows that the data has fulfill the classical asumption, such as: no multicollinearity, no autocorrelation, no heteroscedasticity and distributed normally. From the regression analysis, found that simultan net profit margin (NPM), debt to equity ratio (DER), current ratio (CR), price earning ratio (PER) variable, have a positive significant to dividen payout ratio of manufacture company, while net profit margin (NPM), debt to equity ratio (DER), current ratio (CR), price earning ratio (PER) variable have influence to dependent variable (DPR) of manufacture company, the prediciton percentage of those variable simoultaneously are 20,8%.

Keywords : Net profit margin, debt to equity ratio, current ratio, price earning ratio to dividen payout ratio of manufacture company.