

ABSTRACT

Stefanny Sanusi Effect Analysis of Cash Flow, Net Income and Size of Firm's Dividend Policy (Under the guidance of Mrs. Delfi Panjaitan, SE, M.Sc.)

This study aimed to examine the effect of cash flow, net income and firm size on dividend policy.

The population in this study are all companies listed on the Indonesia Stock Exchange (BEI) for the period 2008-2011. Samples were determined by using purposive sampling. The research sample was obtained as many as 46 companies. Hypothesis testing using multiple regression analysis with SPSS ver. 17.0. The test results indicate that the first hypothesis (H1) states that operating cash flows affect dividend policy, accepted. The second hypothesis (H2) stated that net income effect on dividend policy, rejected. And the third hypothesis (H3), which states that the effect of firm size on dividend policy, rejected.

Keywords: Operating Cash Flow, Net Income, Company Size, and Dividend Payout Ratio.