

INFLUENCE OF FINANCIAL PERFORMANCE ON DIVIDEND POLICY
(Study on Food and Beverage Companies Listed on Indonesia Stock
Exchanges 2010-2013)

Dian Natalia Sianipar¹

ABSTRACT

This study aims to determine the relationship between financial performance which measured by return on equity (ROE), return on assets (ROA), and economic value added (EVA) to dividend policy which measured by dividend payout ratio (DPR). The population of this research is all food and beverage companies listed in Indonesia Stock Exchange from 2010-2013 consisted of 16 companies. The samples are chosen by the use of purposive sampling method and include 7 companies. To analyze the data and to perform hypotheses tests using simple linear regression and multiple linear regressions. The results of the hypotheses tests concludes that two variables, return on equity and return on assets have significant influence to dividend payout ratio while economic value added has no significant influence to dividend payout ratio. Concluded too that financial performance consists of return on equity, return on assets, and economic value added simultaneously have significant influence to dividend policy which measured by dividend payout ratio.

Keywords: financial performance, dividend policy, return on equity, return on assets, economic value added, dividend payout ratio.

¹ Undergraduate student in Universitas Bakrie