

TABLE OF CONTENTS

COVER PAGE

TITLE PAGE

| | |
|--|-------------|
| DECLARATION OF AUTHENTICITY OF FINAL PAPER AND UPLOAD AGREEMENT | ii |
| APPROVAL PAGE BY FINAL PAPER ADVISOR | iv |
| APPROVAL PAGE BY FINAL PAPER DEFENSE COMMITTEE | v |
| ABSTRACT | vi |
| ABSTRAK | vii |
| PREFACE | viii |
| TABLE OF CONTENTS..... | x |
| LIST OF FIGURES | xiv |
| LIST OF TABLES | xv |
| LIST OF APPENDICES..... | xvi |

CHAPTER I INTRODUCTION

| | |
|-------------------------------------|---|
| 1.1 Background of the Study..... | 1 |
| 1.2 Problem Limitation | 8 |
| 1.3 Problem Formulation | 8 |
| 1.4 Objective of The Research | 9 |
| 1.5 Benefit of The Research..... | 9 |
| 1.5.1 Theoretical Benefit | 9 |
| 1.5.2 Practical Benefit | 9 |

CHAPTER II LITERATURE REVIEW AND HYPOTHESIS

DEVELOPMENT

| | |
|---------------------------------|----|
| 2.1 Theoretical Background..... | 11 |
| 2.1.1 Agency Theory | 11 |
| 2.1.2 Signaling Theory | 11 |

| | | |
|---------|---|----|
| 2.1.2.1 | Signaling Theory for Dividend Policy | 12 |
| 2.1.3 | Dividend Policy..... | 13 |
| 2.1.4 | Return on Equity | 16 |
| 2.1.5 | Current Ratio | 19 |
| 2.1.6 | Leverage | 22 |
| 2.2 | Previous Research..... | 25 |
| 2.3 | Hypothesis Development | 25 |
| 2.3.1 | Return on Equity toward Dividend Policy..... | 25 |
| 2.3.2 | Current Ratio toward Dividend Policy | 26 |
| 2.3.3 | Leverage toward Dividend Policy..... | 27 |
| 2.3.4 | Return on Equity, Current Ratio, and Leverage toward Dividend Policy | 27 |
| 2.4 | Research Model..... | 28 |
| 2.5 | Framework of Thinking | 29 |

CHAPTER III RESEARCH METHODOLOGY

| | | |
|---------|--|----|
| 3.1 | Research Design | 30 |
| 3.2 | Population and Sample | 30 |
| 3.2.1 | Population | 30 |
| 3.2.2 | Sample | 30 |
| 3.3 | Data Collection Method..... | 32 |
| 3.4 | Operational Variable Definition and Variable Measurement | 32 |
| 3.4.1 | Independent Variable (X) | 32 |
| 3.4.1.1 | Return on Equity (X ₁) | 33 |
| 3.4.1.2 | Current Ratio (X ₂) | 33 |
| 3.4.1.3 | Leverage (X ₃) | 34 |
| 3.4.2 | Dependent Variable (Y) | 34 |
| 3.5 | Data Analysis Method..... | 35 |
| 3.5.1 | Descriptive Statistics | 36 |
| 3.5.2 | Classical Assumption Test..... | 36 |
| 3.5.2.1 | Normality Test | 36 |

| | | |
|---------|---|----|
| 3.5.2.2 | Multicollinearity Test | 37 |
| 3.5.2.3 | Autocorrelation Test | 37 |
| 3.5.2.4 | Heteroscedasticity Test | 38 |
| 3.5.3 | Multiple Linear Regression Model | 38 |
| 3.5.4 | Hypothesis Analysis | 39 |
| 3.5.4.1 | T Test | 39 |
| 3.5.4.2 | F Test | 40 |
| 3.5.4.3 | Coefficient of Determination (Adjusted R ²) | 40 |

CHAPTER IV RESEARCH RESULT AND DISCUSSION

| | | |
|---------|---|----|
| 4.1 | General View Of Consumer Goods Companies in Indonesia Stock Exchange | 42 |
| 4.2 | Data Analysis | 46 |
| 4.2.1 | Descriptive Statistic | 46 |
| 4.2.2 | Classic Assumption Test Result | 47 |
| 4.2.2.1 | Normality Test | 48 |
| 4.2.2.2 | Multicollinearity Test | 51 |
| 4.2.2.3 | Autocorrelation Test | 53 |
| 4.2.2.4 | Heteroscedasticity Test | 53 |
| 4.2.3 | Multiple Linear Regression Analysis Result | 55 |
| 4.2.4 | Hypothesis Analysis | 56 |
| 4.2.4.1 | T-Test | 56 |
| 4.2.4.2 | F-Test | 58 |
| 4.2.4.3 | Coefficient of Determination (Adjusted R ²) | 59 |
| 4.3. | Discussion | 60 |
| 4.3.1 | The Impact of Return on Equity toward Dividend Policy | 60 |
| 4.3.2 | The Impact of Current Ratio toward Dividend Policy | 60 |
| 4.3.3 | The Impact of Leverage toward Dividend Policy | 61 |
| 4.3.4 | The Impact of Return on Equity, Current Ratio and Leverage toward Dividend Policy | 61 |

CHAPTER V CONCLUSION

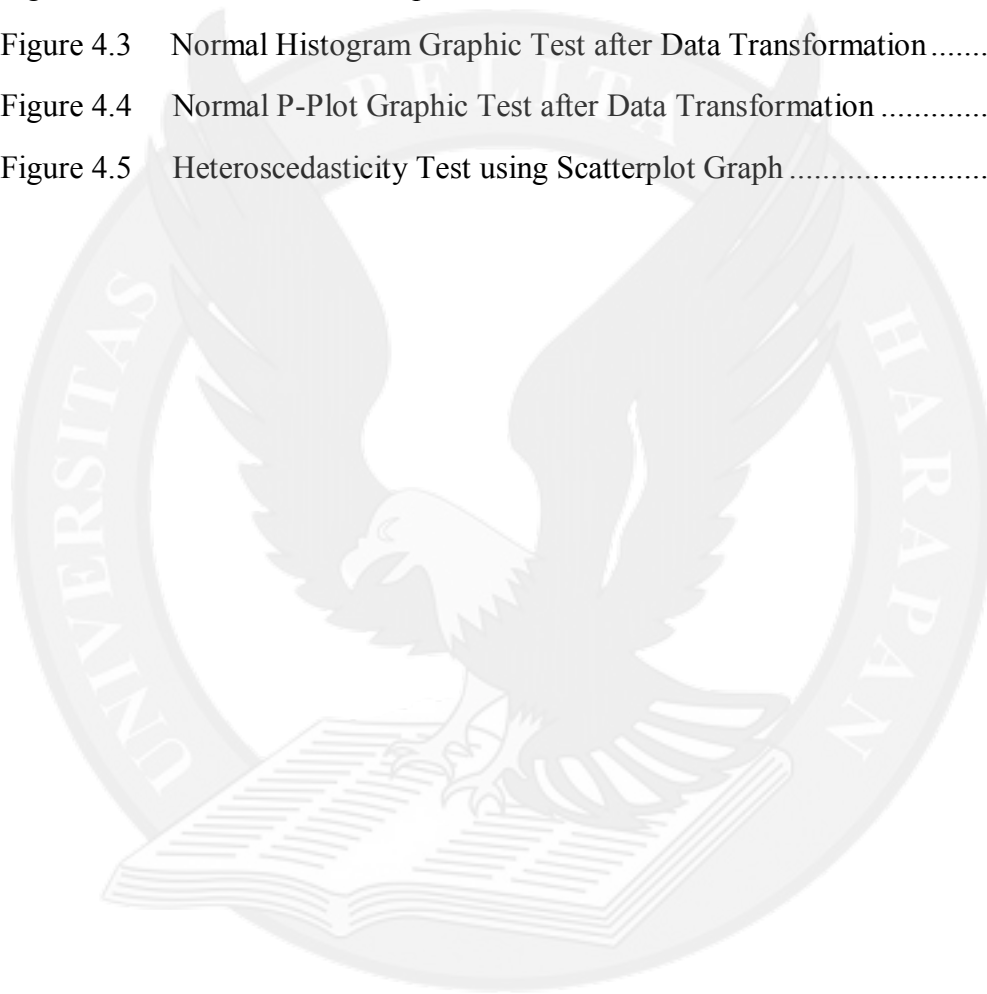
5.1 Conclusion..... 63
5.2 Recommendation..... 65

REFERENCES 68



LIST OF FIGURES

| | | |
|------------|---|----|
| Figure 2.1 | Research Model..... | 28 |
| Figure 2.2 | Framework of Thinking | 29 |
| Figure 4.1 | Normality Test using Histogram..... | 49 |
| Figure 4.2 | Normal P-Plot Graphic Test..... | 49 |
| Figure 4.3 | Normal Histogram Graphic Test after Data Transformation | 51 |
| Figure 4.4 | Normal P-Plot Graphic Test after Data Transformation | 51 |
| Figure 4.5 | Heteroscedasticity Test using Scatterplot Graph | 54 |



LIST OF TABLES

| | | |
|------------|--|----|
| Table 1.1 | Indonesia GDP year 2016-2020(in IDR)..... | 1 |
| Table 1.2 | Contribution of Manufacturing Industry | 2 |
| Table 1.3 | Cash Dividend, Return on Equity, Current Ratio and Leverage by some companies in year 2016-2020 | 6 |
| Table 2.1 | Summary of Previous Research | 25 |
| Table 3.1 | The Sample Criteria | 31 |
| Table 3.2 | List of the Samples..... | 32 |
| Table 3.3 | Operation Variable Definition and Measurement..... | 35 |
| Table 3.4 | Measurement of Autocorrelation | 38 |
| Table 4.1 | Descriptive Statistics | 46 |
| Table 4.2 | Normality Test using Kolmogorov Smirnov Test | 48 |
| Table 4.3 | Normality Test using One-sample Kolmogorov Smirnov Test after Data Transformation | 50 |
| Table 4.4 | Multicollinearity Test | 52 |
| Table 4.5 | Autocorrelation Test using Durbin-Watson Test (D-W Test) | 53 |
| Table 4.6 | Heteroscedasticity Test using Glejser Test | 54 |
| Table 4.7 | Multiple Linear Regression Analysis Result | 55 |
| Table 4.8 | T- Test Result..... | 57 |
| Table 4.9 | F- Test Result..... | 58 |
| Table 4.10 | Coefficient of Determination (Adjusted R ²) | 59 |

LIST OF APPENDICES

| | |
|--|-----|
| APPENDIX A: LIST OF POPULATION AND SAMPLES | A-1 |
| APPENDIX B: DATA SAMPLES (12 COMPANIES) | B-1 |
| APPENDIX C: SPSS RESULTS | C-1 |
| APPENDIX D: STATISTICAL TABLE | D-1 |

