The Changes Of Dividend Payout Ratio (DPR) Through Free Cash Flow and Leverage Ratio (Case On Manufacturing Company of Consumer Goods Sector Listed in Indonesia Stock Exchange Period 2010-2013)

ABSTRACT

Development of Dividend Payout Ratio (DPR) on manufacturing company of consumer goods sector listed in Indonesia Stock Exchange Period 2010-2013 has increase and decrease. The purpose of this research was to determine and analyze how much the changes of Dividend Payout Ratio (DPR) influenced by Free Cash Flow and leverage ratio.

On this research Free Cash Flow and leverage ratio measured by Debt to Equity Ratio (DER) as an independent variable and Dividend Payout Ratio (DPR) as a dependent variable. The samples of this research is financial statements of 16 manufacturing company of consumer goods sector listed in Indonesia Stock Exchange Period 2010-2013 amounts 64 financial statements. The method used in this research is descriptive method with a quantitative approach. The analysis tools used in this research are Path Analysis.

The results from this research show that (1) free cash flow has a significant positive effect to leverage ratio (2) changes of DPR the partially effect by free cash flow with significant positive effect (3) changes of DPR the partially effect by leverage ratio with hasn't significant and negative effect (4) changes of DPR the simultaneously by free cash flow and leverage ratio with significant effect.

Key Words : Free Cash Flow, Leverage Ratio, Dividend Payout Ratio