

ABSTRACT

The research aims to determine the effect size of profitability, investment opportunity set (IOS), the growth of the company on dividend policy on automotive companies listed in Indonesia Stock Exchange 2009-2014.

The research approach used in this research is descriptive analysis and verification by using secondary data. The sampling technique used is non probability sampling with purposive sampling method. The statistical analysis used in this research is the classical assumption test, regression analysis, correlation, hypothesis testing using t test and F as well as the coefficient of determination. The number of the research population was twelve automotive company listed on the Indonesia Stock Exchange for six years (2009-2014) with the source of the data obtained through the official website of the Indonesia Stock Exchange.

According to the research done can be seen that the partial profitability and investment opportunity set (IOS) effect on the growth of the company's dividend policy, while no effect on dividend policy. The amount of influence the profitability of the dividend policy of 32% whereas the effect of the investment opportunity set (IOS) on dividend policy of 12,5%. Simultaneously profitability, investment opportunity set (IOS), the company's growth influence on the policy of dividend is 41,1% while the remainder is equal to 58,9% influenced by other factors not examined in this research such as liquidity, the company's ability to borrow, the value of information dividends, and control of the company.

Keyword: Profitability, Investment Opportunity Set (IOS), Company Growth and Dividend Policy