

ABSTRACT

This study aims to determine the effect of dividend policy on stock price volatility, with company size as a moderating variable, in financial sector companies listed on the Indonesia Stock Exchange for the 2020-2024 period. This study employed quantitative research methods, using a sample of 24 companies listed on the Indonesia Stock Exchange for the 2020-2024 period. The sampling technique used was purposive sampling, a sampling technique based on certain criteria. This study used secondary data with a panel data regression analysis method using the Moderated Regression Analysis (MRA) approach. The results showed that dividend policy had a significant negative effect on stock price volatility, consistent with signaling theory, where the higher the dividend policy implemented by a company, the lower the stock price volatility. This finding indicates that dividend policy acts as a positive signal for investors in reducing market uncertainty. Furthermore, company size has been shown to moderate the effect of dividend policy on stock price volatility, indicating that larger companies tend to have higher stock price stability when implementing dividend policy.

Keywords: *Dividend Policy, Stock Price Volatility, Company Size*