

ABSTRACT

Dividend payment is often a complex issue within the company. This is due to two differences in between shareholders and company management. Therefore it is necessary for management to align the interest of investors with the interest of management. In relation thereto, it is necessary to distribute dividend in the form of cash dividend specified in the dividend policy in order to consider what factors affect the dividend policy. It is necessary to payment of dividend in form of cash dividend who specified in the dividend policy in order to consider what factors affect the dividend policy.

This study aims to test the influence of Free Cash Flow, Debt to Equity Ratio (DER) and Firm Size to Dividend Policy at infrastructure, utility and transportation sector listed on Indonesia Stock Exchange (BEI) in the period 2012-2016. The data used in this study was obtained from financial statement data.

The population in this study are infrastructure, utility and transportation sector listed on Indonesia Stock Exchange. Sample selection technique used is purposive sampling and acquired 5 company in infrastructure, utility and transportation sector with the 2012-2016 study period. Methods of data analysis in this research is panel data regression analysis using Eviews Software 9.0.

Based on the results of this study showed that the simultaneous Free Cash Flow, DER and Firm Size have a significant effect on Dividend Policy. While partially, Free Cash Flow and DER has no effect on Dividend Policy. And Firm Size has negative significant on Dividend Policy.

Based on the results of this study, if the company wants to pay dividends should pay attention to the size of the company, because the size of large companies tend to reinvest the net income owned for expansion of the company compared with dividend payment

Keywords: Free Cash Flow, Debt to Equity Ratio (DER), Firm Size, Dividend Policy.