

ABSTRACT

Companies listed in the LQ45 index include companies with very good performance. The fluctuations in the company's stock price provide a great opportunity for investors to gain profits from trading because even though the stock price has decreased, investors will still get quite a large profit. This study aims to determine the simultaneous and partial effect of total asset turnover ratio, return on assets, and dividend policy on the Investment Opportunity Set (IOS) in companies listed on the LQ45 index on the Indonesia Stock Exchange for the 2017-2020 period.

The population in this study are companies listed in the LQ45 index on the Indonesia Stock Exchange for the 2017-2020 period. The method used in this research is quantitative method and sample selection method using purposive sampling technique. This study has 104 observational data obtained from 26 samples of companies. The data analysis used in this research is panel data regression analysis using Eviews 12 and SPSS 26 software.

The results show that the total asset turnover ratio, return on assets, and dividend policy have a simultaneous effect on the Investment Opportunity Set (IOS). Partially, the total asset turnover ratio has no effect on the Investment Opportunity Set (IOS), return on asset and dividend policy have a positive effect on the Investment Opportunity Set (IOS).

Based on the results of the study, it is hoped that it can be a reference for further research and increase knowledge about the factors that affect the Investment Opportunity Set (IOS) so that it can be taken into consideration for investors in making investment decisions.

Keywords: *Total Asset Turnover Ratio, Return On Assets, Dividend Policy, Investment Opportunity Set (IOS)*