

SUMMARY

LILIS SUSWENTY. Analysis of Factors Affecting Dividend Payout Ratio on Agricultural Sector Registered in BEI for the Period 2011-2015. Preceptors by HERMANTO SIREGAR and TUBAGUS NUR AHMAD MAULANA.

Investments made by individuals or business entities is one of activity to increase prosperity, either by earning revenues or rate of return, as well as income from the difference between the selling price of the shares against the purchase price (capital gain). Investors generally expect the great dividend compared to capital gain, because dividend has a higher degree of certainty. It is in line with the theory proposed by Gordon and Lintner that investors prefer dividend that has fixed nominal than expecting fluctuaable capital gains. Based on the concept of time value of money, dividend paid by companies has a higher value than expecting future capital gain.

The capital market in Indonesia has recorded nine sectors of which one of them is the agricultural sector. Agricultural sector contributes to the largest employment absorption compared to other sectors. But in fact, the agricultural sector is the smallest sector with capitalization of all by December 2015, which is 2,4% of the total market capitalization. It shows its lack of attractiveness so that investors has quite small interest to it.

Based on the background of the problem, this study aims to analyze whether the registered companies in the agricultural sector make adjustments to dividend payout in accordance with the Lintner model and to analyze factors affecting dividend policy in companies incorporated in the agricultural sector.

The companies that qualify this research are 1) PT. Astra Agro Lestari Tbk, 2) PT. London Sumatera Indonesia Plantation Tbk, 3) PT. Tunas Baru Lampung Tbk, 4) Sampoerna Agro Tbk, 5) PT. Sinar Mas Agro Resources and Technology Tbk, 6) PT. Bisi International Tbk. The methods used to answer the research objectives is panel data analysis.

The Lintner model results show that companies listed in agricultural sector have more coefficients (1.015) with target *payout ratios* (0.357) that tend to be higher. It indicates that companies registered in the agricultural sector are faster in adjusting dividend payments and paying dividends of 0.357 of revenues earned.

Panel analysis result shows that 90% of pooled least square model to be the best model to analyze factors affecting dividend policy. Research result shows that DER has negative and insignificant effect to DPR. ROE as a positive and significant effect to DPR. Inflation has a positive and insignificant effect to DPR. The exchange rate has a positive and significant effect to DPR.

Based on the results of the research, the policy implication suggests companies to increase ROE value by utilizing their capital optimally to obtain maximum profit. Investors are advised to select issuer which has good performance reflected in its financial ratio. Investors who want to get optimal return from their investment in agricultural sector can be seen from the performance of companies that has positive ROE. The result of the research estimates, the sale and purchase transactions of agricultural sector should be done at the time of inflation and the exchange rate increases.

Keywords : Panel Data, DER, DPR, Inflation, Exchange Rate, Lintner, ROE