

**DETERMINANTS OF DIVIDEND PAYOUT RATIOS:
THE EFFECT OF FIRM'S PROFITABILITY
AND OWNERSHIP STRUCTURE**

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STATEMENT BY THE AUTHOR

I hereby declare that this submission is my own work and to the best of my knowledge, it contains no materials previously published or written by another person, nor material which to a substantial extent has been accepted for the award of any other degree or diploma at any educational institution, except where due acknowledgement is made in the thesis.



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ABSTRACT

**DETERMINANTS OF DIVIDEND PAYOUT RATIOS:
STUDY OF INDONESIAN LISTED FIRMS**

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Through the use of panel data analysis this study purpose is to find the determinant or factors that regulates dividend payment ratios (DPR). This study observed 24 listed companies under the manufacturing industries sub sectors. Four indicators was determined: profitability, managerial ownership, state-owned ownership, and foreign ownership. The first variable, profitability was able to create a positive and significant interrelation with DPR. State-owned ownership was also able to deliver a positive and significant relationship with DPR. On contrast, managerial ownership had an inverse and significant relationship towards DPR. However, it seems that foreign ownership in this research did not have a meaningful or significant relationship towards DPR.

Keywords: Dividend payout, Ownership structure, Profitability, Manufacturing Industries.



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DEDICATION

I dedicated this thesis to my dear parents.



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