INFLUENCE *DEBT TO EQUITY RATIO* (DER), *RETURN ON ASSET* (ROA) AND *CURRENT RATIO* TO *RATIO PAYOUT DEVIDENT* (DPR)

(In Transportation Sub-Sector Manufacturing Companies Listed on the Indonesia Stock Exchange 2014-2018)

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Abstract *- This study purpose to examine the effect of Debt To Equity Ratio, Return On Assets, and Current Assets on the Dividend Payout Ratio of transportation companies listed on the Indonesia Stock Exchange in 2014-2018. This research uses descriptive quantitative research approach, which is measured by using multiple linear regression based methods with the help of Eviews 10. The population in this study is a transportation company listed on the Indonesia Stock Exchange in 2014-2018. The sample was determined based on the purposive sampling method, with a total sample of 9 transportation companies. So that the total observations in this study were 45 observations. The data used in this study are secondary data that were examined from the company's financial statements obtained from the Indonesia Stock Exchange website. Hypothesis testing using t test (partial). Based on partial regression analysis, the dependent variable, Debt To Equity Ratio, Return On Assets and Current Assets have an influence on the Dividend Payout Ratio of transport companies listed on the Indonesia Stock Exchange. Apart from that there are many other factors that influence the dividend payout ratio that researchers don't do*

Keywords**:** *Devdent Payout Ratio (DPR), Debt To Equity Ratio (DER), Return On Assets (ROA) and Current Assets.*

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Exchange in 2014-2018. Samples were determined by method*purposive sampling*, with a sample size of 9 transportation companies. So that the total observations in this study were 45 observations. The data used in this research is secondary data that is examined from the company's financial statements obtained from*website* Indonesia stock exchange. Hypothesis testing using test*t* (Partial). Based on the partial regression analysis, the dependent variable,*Debt To Equity Ratio*, *Return On Assets* and *Current Assets* have an influence on*Dividend Payout Ratio*transportation company listed on the Indonesia Stock Exchange. Apart from that there are many other factors at play*Dividend Payout Ratio*which the researchers did not do.

Keywords : *Devdent Payout Ratio (DPR), Debt To Equity Ratio (DER), Return On Assets (ROA)* and *Current Assets (CR)*

PRELIMINARY

The high public demand for service companies, especially in the transportation sector, has caused transportation share prices to also increase and this means increasing company value. With the increase in company value, investors can see as a condition that the company is in good shape. In general, companies also want maximum profit.

In this era of very rapid business development, accuracy in decision making is needed, especially in the era of the development of transportation modes that are increasingly developing nowadays, so that it can interfere with the increase in profits that each company wants to achieve, where transportation companies are increasingly developing and various types of services are available. offered and coupled with the emergence of foreign companies that come as competitors for existing companies with a variety of services offered and of course at competitive prices too, where this also disturbs the increase in profits which will later be distributed as dividends, therefore caution-Be careful of the top officials of a company in making decisions, to reduce the possibility and risk of being unwanted. Profit allocation is one of the determinants of an investment.

Investment is one of the most important activities in business activities, especially in developing countries in terms of their economy, because investment activities can be carried out by anyone with the expectation that they can reap profits from the investment results and benefit from the investment results in the form of dividends. Most investors plan to reinvest the dividends they get in the form of shares from the company concerned or other similar companies. So that dividend distribution is expected to improve the welfare of shareholders, dividend distribution will make shareholders have additional returns apart from*capital gain*. Dividend policy is measured by the Dividend Payout Ratio (DPR).

Dividend policy*(dividend policy)* is a decision whether the profit earned by the company will be distributed to shareholders as dividends or will be retained in the form of retained earnings for future investment financing. In testing the amount of dividends to be distributed by the company, it can be seen or measured using the liquidity ratio, solvency, profitability which in this study will use derivatives or three types of ratios, namely*Debt To Equity, Return On assets, Current Assets* who may be able to test the amount or percentage of profits that will be distributed to shareholders in the form of dividends (Triagustina, 2014)

Based on the above phenomena and the inconsistent results of previous research, the author will conduct a study entitled:**"Influence *Debt To Equity, Return On Asset, Current Assets* Against the Dividend Payout Ratio in Transportation Companies Listed on the IDX 2014-2018 "**.

LITERATURE REVIEW

Definition of Financial Statements

The financial report is one of the information for a company about how its financial condition is in one accounting period to describe the company's performance. (Munawir, 2010) provides a general statement of financial statements consisting of a balance sheet and an income statement and a report on changes in equity.

The financial report is a report that can show the financial condition of a company in this period or this year. Meanwhile, according to (Prihadi, 2014) a financial report is the result (*the output*), and the input (*input*) is a business transaction carried out by the company. From the description above, it can be interpreted that the company's financial statements can show the condition of a company in a period or one period.

The financial report consists of the main financial statements and the supporting financial statements consist of:

a. A balance sheet is used to tell the company's financial position in one period.
b. Profit and loss calculations that provide an overview of the company's results, costs, and income in one accounting period.
c. Reports and sources of use of funds, to inform the sources and expenses of the company in one accounting period.
d. Cash flow statement, to describe the source and how much cash the company uses in one period.
e. The report on the cost of goods manufactured, to tell how much and what elements can be taken into account in the cost of goods manufactured from one good resulting from the operations carried out by the company.
f. Retained earnings report, to notify the position of retained earnings that is not given to shareholders.
g. Change in capital report, to explain how changes in the position of capital in a limited liability company or share capital in a limited liability company.

Debt to Equity Ratio

Debt to Equity Ratio is a ratio that can be used by a company to calculate debt and capital, which can cover debt to outsiders (Harahap, 2013). Meanwhile, according to (Kasmir, 2014)*Debt to Equity Ratio* is a ratio that can be used by a company in assessing debt to equity, looking for this ratio can be done by comparing all long-term debt plus current debt divided by the company's equity.

Getting lower*Debt to Equity Ratio* It can be interpreted that the better the company's ability to pay off or pay long-term obligations and vice versa, the higher it is*Debt to Equity Ratio,* the greater the inability of the company to pay its obligations.

Meanwhile (Marli, 2010) gave a higher opinion*Debt to Equity Ratio*, means the greater the money that will be spent to make payments to pay its obligations to outsiders.

The ratio between total debt and total capital owned by the company is stated in*Debt to Equity Ratio*. The greater the DER, the greater the debt the company owes to creditors.

With high debt, it can allow the profit received by the company to be smaller. Company investment financing that will be carried out using debt will certainly affect the company's ability to generate profits or returns on the capital owned by the company (Pongrangga & Saifi, 2015). To find out how much a company can afford to pay its long-term obligations, the Debt to Equity Ratio can use the following calculations (Kasmir, 2010):

$$D \quad t \; E \quad R = \frac{\text{Total Hutang } (T \quad L \quad)}{\text{Total Modal } (T \quad E \quad)}$$

Return On Assets

Return On Asset is a ratio used to show the company's ability to generate profits for the company. According to (Kasmir, 2014)*Return On Asset* is a ratio that can show results (*return)* of the total assets used by the company in carrying out its operational activities.

This ratio is used to measure the extent to which the company's assets have been used in company activities. If the current ratio increases from the ratio of the previous year it can be said that the more efficient it is in using existing assets in the company and can also see how the company's performance. To count*Return On Assets* the formula can be used:

$$R \quad O \; A = \frac{L \quad B \quad h\,S \quad h\,P}{\text{Total Asset}} \; x \; 100\%$$

Current Ratio

It is one of the liquidity ratios that can be used in general by most companies to measure the extent to which the company's ability to meet its short-term needs or short-term obligations that will mature when they are billed as a whole.

According to (Kasmir, 2014)*Current Ratio* (Current Ratio) is the ratio used to measure the ability of a company to make payments for short-term obligations or corporate debt that will be due soon. If it gets bigger*Current Ratio* means the greater the ability of a company to meet short-term obligations or debt of the company.

The higher it is*Current Ratio* owned by the company means that the less risk of failure the company will accept in fulfilling its short-term obligations. *Current Ratio* a low one can usually be considered to indicate a problem in liquidation, in contrast to *Current Ratio* which is too high is also not good for the company because it can be considered the large number of idle funds which in the end the company's ability to earn profits in that period, can also be said to be a form of the level of security of a company (Saragih, 2015)

In measuring the company's ability to measure the company's ability, the formula can be used:

$$C \quad R = \frac{\text{Aktiva Lancar } (C \quad A \quad)}{\text{Hutang Lancar } (C \quad L \quad)}$$

Devidend Payout Ratio

A company that runs operations in using its finances or financial performance will see its financial condition, including the level of dividend distribution (*dividend payout)*the company. Companies can judge good or bad financial performance from how much return on investment to shareholders or investors that will affect the company's profitability or liquidity. Dividends are the distribution of profits to equity investment holders according to their proportion and certain types of capital (Houston, 2013).

This ratio is used to measure the extent to which the company's assets have been used in company activities. If the current ratio increases from the ratio of the previous year it can be said that the more efficient it is in using existing assets in the company and can also see how the company's performance. To count*Devidend Payout*the formula can be used:

$$D \quad P \quad R = \frac{\text{Deviden}}{\text{Laba Bersih}} \text{ x } 100\%$$

$$D \quad = \frac{\text{Deviden per lembar sahan}}{\text{Laba bersih per lembar saham}} \text{ x } 100\%$$

RESEARCH METHODS

In this study, the authors used quantitative research methods. Associative analysis research strategy is a strategy that aims to determine how the relationship between two or more variables. Where in this study will explain the influence of Debt To Equity Ratio, Return On Assets, Current Assets with Dividend Payout Ratio.

Population and Sample

In this study, the population used is a company engaged in the transportation sub-sector that is listed on the Indonesia Stock Exchange (IDX) and is still actively joining until 2018. The number of companies listed on the Indonesia Stock Exchange is 46 companies. The sampling technique in this study resulted in a sample of 45 companies.

NO	Criteria	total
1.	A manufacturing company engaged in the transportation sector during 2014-2018.	46
2.	Companies that consistently pay dividends during the study period	11
3.	Companies that experience net income (surplus) during the study period	20
4.	Companies that incur losses during the research year	21
5.	Companies that do not consistently pay dividends during the year under observation	14
6.	The number of until that meets the criteria	9
7.	Observation Year	5
8.	**Total Research Sample**	**45**

Data analysis method

The analysis method used in this research is panel data regression analysis using the Eviews program to regress the formulated model. The tests consist of:

Descriptive statistics

Descriptive statistics aim to describe and describe a characteristic of a sample under study that is seen from the mean value, standard deviation, maximum value, lowest value (minimum) of each of the variables studied. The dependent variable in this research is Dividend Payout Ratio and independent variables, namely Debt To Equity Ratio, Return On Assets, Current Assets.

Analysis of Panel Data Descriptions

Panel data regression is a combination of cross section and time series data types (Ghozali & Ratmono, 2013). Model selection (estimation technique) is done to find and get the most appropriate and efficient model by using three equation models, namely the Common Effect Model (CEM), Fixed Effect Model (FEM), and Random Effect Model (REM).

Multiple Linear Regression Equation Test

Multiple linear regression analysis is a method used to test the effect of two or more independent variables on the dependent variable with a measuring scale or ratio in a linear equation. The independent variable in this study is the Debt To Equity Ratio, Return On Assets, Current Ratio, while the dependent variable is the Dividend Payput Ratio.

Based on the regression estimation method between the Common Effect Model, Fixed Effect Model, and Random Effect Model and the selection of the regression equation estimation model using the Chow test, Haussman test, and lagrange multiplier test, the Common Effect Model (CEM) estimation method was chosen as a panel data regression equation test. . The Common Effect Model can be written as follows:

Multiple Linear Regression Equation Test Results

Dependent Variable: DPR
Method: Least Squares Panel
Date: 02/18/20 Time: 05:57
Sample: 2014 2018
Periods included: 5
Cross-section included: 9
Total panel (balanced) observations: 45

Variable	Coefficient	Std.Error	t-Statistic	Prob
C	0.449942	0.076911	5,850221	0.0000
DER	0.195841	0.061017	1.209574	0.0026
ROA	0.039927	0.346403	0.152623	0.0256
CR	0.094551	0.042859	2.006071	0.0330

R-squared	0.203858	Mean dependent var	0.280396
Adjusted R-squared	0.145604	SD Dependent var	0.269863
SE of regression	0.249444	Akaike info criterion	0.145524
Sum squared resid	2,551117	Schwarz criterion	0.306116
Log likelihood	0.725714	Hannan-Quinn criter.	0.205391
F-statistic	3,499453	Durbin-Watson Stat	1.009139
Prob (F-statistic)	0.023785		

Based on the results of the table above, the multiple linear regression equation is obtained as follows:

$$\boxed{\mathbf{DPRit = 0.449942 + 0.195840DERit + 0.039927ROAit + 0.94551CRit + e}}$$

The results of the equation with linear panel data regression show that the Dividend Payout Ratio (DPR) has a constant value of 0.449942 which means that if the other independent variables are constant, the Dividend Payout Ratio value is 0.449942.

The linear regression coefficient on the Debt To Equity Rtaio (DER) variable is 0.195840 which means that every 1% increase in DER will increase the Dividend Payout Ratio by 19.58%, which assumes that the condition of other independent variables is constant. So that the higher the amount of debt held by the company, the lower the percentage of dividends that will be distributed to shareholders.

The linear regression coefficient on the Return On Assets variable shows a value of 0.039927, which means that every 1% increase in ROA will increase the Dividend Payout Ratio by 0.3%, which assumes that the conditions for other independent variables are constant.. So it can be assumed that the greater the profit the company has, the bigger the dividend presentation will be distributed to the shareholders and vice versa, if the profit is low, the smaller the percentage of dividends distributed by the company to the shareholders.

The linear regression coefficient on the Current Assets (CR) variable shows a value of 0.094551 which means that every 1% increase in curent assets will increase dividends by 0.9%, which assumes that the condition of other independent variables is constant

(constant)..So it can be concluded that the stronger the company's liquidity position, the greater its ability to pay dividends.

Partial Test (t test)

Partial test or t test is used to observe the effect of independent variables on the dependent variable individually (partially). The t test was used with a significant level of 0.05 and compared the t-table values.

Variable	Coefficient	Std.Error	t-Statistic	Prob.
C	0.449942	0.076910	5,850220	0.0000
DER	0.195840	0.061017	1.209574	0.0026
ROA	0.039927	0.346403	0.152623	0.0256
CR	0.094551	0.042859	2.006071	0.0330

T test results

From the results of these tests it can be concluded that:

1. The Debt To Equity Ratio (DER) variable has a probability value of 0.0026 which is less than a significant value of 0.05 (0.0026 <0.05) and a t-count value that is greater than the t-table value of 1.209574 <2.021. And the regression coefficient value is 0.195840. This shows that H0 is rejected, which means that partially the Debt To Equity Ratio variable has a positive effect on dividend payout. Thus the H1 hypothesis regarding "Debt To Equity Ratio affects the Devidend Payout Ratio" is accepted
2. *Return On Assets* (ROA) has a probability value of 0.0256 which is greater than the significant value of 0.05 (0.0256 <0.05) and the value of t is greater than t table which is 0.152623 <2.021. And the regression coefficient value is 0.039927. This shows that H0 is rejected, which means that partially the Return on Assets variable does not have a positive effect on the Devidend Payout Ratio. Thus, the hypothesis H1 regarding "Return on Assets has no effect on dividend payout" is accepted
3. *Current Assets* has a probability value of 0.0330 which is less than the significant value of 0.05 (0.0330 <0.05) and the t-count value is greater than the t-table value of 2.006071 <2.021. And the regression coefficient value is 0.094551. This shows that H0 is rejected, which means that partially the Current Assets variable has a positive effect on Devidend Payout. Thus, the H1 hypothesis regarding "Current Assets has an effect on Devidend Payout" is accepted

Discussion of Research Results

1. **Effect of Debt To Equity Ratio Against Dividend Payout in Transportation Companies.**

   The results of this study support and are in line with previous research conducted by Melinda (2019) which states that DER has a positive effect on the DPR. This shows that the company's commitment to pay dividends regularly causes the ability to pay dividends is not affected by the size of the company's debt, even the increase in debt can increasing the company's ability to pay dividends during the use of debt must always be accompanied by an increase in company profits. The higher the DER, the higher the DPR will be distributed through trade payables operations.

So that the results of this study indicate accepting the first hypothesis (H1) which states that "Debt To Equity Ratio affects the dividend payout ratio in transportation companies.

2. **Effect of Return On Assets on Dividend Payout Ratio in Transportation Companies.**

   The results of this study are in line with the theory presented by Melinda (2019) which results that the increasing Return on Assets in transportation companies, the more profit changes will also increase. High return on assets shows that the company is trying to increase sales or income so that profit growth also increases. The ROA value that is getting closer to 1, means the better the profitability of the company because each existing asset can generate profits. In other words, the higher the ROA value, the better the company's financial performance. The company also shows that, the company is trying to increase sales or revenue so that profit growth also increases by itself through the level of sales and company income earned during the year.
   So it can be said that this study accepts the second hypothesis (H2) which states that "Return On Assets has an effect on the Dividend Payout Ratio"

3. **The Effect of Current Asset on Dividend Payout Ratio in Transportation Companies.**

   The results of this study are in line with the research conducted by Astiti (2016) who found that the Current Ratio serves to measure the company's ability to meet its short-term debt using its current assets. Current Ratio is calculated by dividing current assets by debt or current liabilities. The greater the Current Ratio, the higher the company's ability to fulfill its short-term obligations. As with the cash ratio, the higher Current Ratio also shows investor confidence in the company's ability to pay the promised dividends. So that in this study the variable Current Asset to Dividend Payout Ratio accepts the hypothesis (H3) which states that "Current Asset has an influence on the Dividend Payout Ratio of transportation companies"

CONCLUSIONS AND SUGGESTIONS

This study examines the effect of Debt To Equity, Return On Assets, Current Assets on Dividend Payout. The analysis in this study was conducted using logistic regression analysis (logistic regression) with the Econometric Views (Eviews) V.10 program. The sample data of the companies are 9 manufacturing companies in the transportation sub-sector listed on the Indonesia Stock Exchange in 2014-2018. Based on the research that has been done, the following conclusions are obtained:

1. The Debt To Equity Ratio variable has a positive and insignificant effect on the dividend payout.
2. The Return On Asset variable has a significant positive effect on Devidend Payout
3. The Current Ratio variable has a significant positive effect on Devidend Payout

Based on the research results and conclusions above, the suggestions that the authors can convey are as follows:

1. For the next researcher, it is suggested to add other variables to maximize the findings.
2. For further researchers it is recommended to choose a company sub-sector other than the transportation sub-sector.

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