Analysis the Influence of Liquidity, Firm Size, Dividend Payout Ratio, and Use of Debt on Profitability in LQ 45 Companies

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ABSTRACT

The growth of investment in Indonesia is developing so quickly, as can be proven by the existence curve from the Investment Coordinating Board (BKPM) notes that both investment realization of Foreign Investment (PMA) and Domestic Investment (PMDN) from year to year during the 2015-2019 period continued to increase. This has an impact on the company so as to make intense competition between companies. Every company must develop its competitive advantage in order to survive and advance the company. One of the advantages that companies need to develop is the company's financial performance (Lokollo and Syafruddin, 2013). The ratio analysis used by the company in assessing the company's financial performance is the profitability ratio. Every company has two main goals, namely to maximize profits and maintain liquidity. The purpose of this study is to determine the effect dividend payout ratio, liquidity, firm size and use of debt to profitability (Case study of companies listed on LQ-45). This study wants to analyze the effectdividend payout ratio, liquidity, firm size and use of debt to profitability. An increase in dividend payout indicates the condition and prospects of the company are in good condition, so that it will increase the company's profitability. The higher the liquidity, the more funds the company needs to settle the company's maturing obligations, this of course will reduce the company's profitability. If the level of company size is high, funds are easy to obtain, then the company's operations are smooth and will increase the company's profitability. If the company uses debt as a source of financing to support operations, it will reduce profitability.

Keywords: Dividend Payout Ratio, Liquidity, Firm Size, Use of Debt and Profitability.