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Financial Ratio Relationship with Deviden Payment from Indonesia

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Abstract:

This study aims to analyze the company's financial statements by using multiple regression analysis. Financial ratios in the analysis will be able to provide an overview of the company's financial condition, in which the balance sheet (balance sheet) reflect the value of assets, liabilities, equity capital at a certain time, and the statement Loss-Profit (income statements) reflect the results achieved during a certain period of usually one year. Points communication and accountability / accountability of clarity between the company and its owners or other parties.

Key words: financial ratios, financial statements of the company, Multiple Regression.

INTRODUCTION

Along with the multi-dimensional crisis that hit Indonesia, many of the problems and suffering of this nation. Which included prominent is the economic aspect, namely the decline of economic activity as more and more companies go bankrupt, banks are liquidated and the increasing number of workers who are unemployed. The cause of this crisis, not because of weak economic fundamentals, but because private foreign debt has reached a sizeable amount. The ongoing crisis is the crisis

falling value of the rupiah is very sharp, due to speculation and the maturity of private debt abroad in large numbers and at the same time that demand for the dollar to rise, coupled with the many natural disasters that resulted in the rupiah getting weaker.

Bankruptcy of a company can be seen and measured through financial reports. Financial statements published by the company is one source of information regarding the company's financial position, performance and changes in financial position of the company, which is very useful to support appropriate decision making, financial data must be converted into information that is useful in making economic decisions. This is achieved by performing the analysis in the form of financial ratios. There are four things that drive the analysis of financial statements with financial ratios models, namely:

1. To control for the effect of differences in the amount of inter-company or inter-time
2. To make the data more to meet the assumptions of statistical tools used
3. To investigate the theory associated with financial ratios
4. To examine the empirical relationship between financial ratios and estimates or predictions of certain variables (such as bankruptcy or financial distress).

One important aspect of the analysis of the financial statements of a company is to predict continuity or survival of the company. Prediction of survival of the company is very important for the management and owners of the company to anticipate the possibility of their potential bankruptcy.

LITERATURE REVIEW

According to Leopold A. Bernstein, financial statement analysis is a process full consideration in order to help evaluate the

financial position and results of operations in the present and the past, with the aim of determining the estimation and prediction of the most likely about the condition and performance of the company in the future (Dwi Prastowo and Rifka Juliaty, 2002).

Analysis of financial statements include the application of various tools and techniques of analysis reports and financial data in order to obtain measurements and relationships are meaningful and useful in decision making processes.

The purpose of financial statement analysis itself according Dwi Rifka Prastowo and Juliaty (2002), among others:

- As an early screening tool in choosing an alternative investment or merger
- As a means of forecasting the financial condition and performance in the future
- As a process of diagnosis to the problems of management, operation or other problems
- As an evaluation tool to management.

According to Dwi Prastowo, financial statement analysis techniques are categorized into two methods, namely:

1) Method of horizontal analysis, is a method of analysis that is done by comparing the financial statements by several periods so that it can be seen developments and trends. This method consists of four analysis, among others:

a. Comparative analysis (comparative financial statement analysis): This analysis is done by examining the balance sheet, income statement or cash flow statement is a sequence of one period to the next.

b. trend analysis: Is a method or technique of analysis to determine tendencies than the financial situation, does show a tendency remains, up or down. A useful tool for comparison of the long-term trend is the trend of the index number. This analysis requires a base year that become a reference for all

posts that are usually given an index number of 100. For the year as a reference base for all comparisons, the best choice is the year in which normal business conditions.
c. Analysis of cash flows (cash flow analysis) Is an analysis of cause - because the change in the amount of cash or to find out the source - the source and use of cash during a certain period. This analysis is mainly used as a tool to evaluate the source of funds use of funds. The cash flow analysis provides insight into how companies obtain funding and uses its financial resources. Although a simple analysis of the cash flow statement provides a lot of information about the source and use of funds, it is important to analyze the cash flows in more detail.
d. Analysis of changes in gross profit (gross profit analysis): Is an analysis to determine cause - cause changes in a company's gross profit from period to another or change yng gross profit of a period in profit in the budget for the period.

2) Method of vertical analysis, is a method of analysis which is done by analyzing the financial statements in certain periods. This method consists of three analyzes, among others:
a. Analysis of Common – size: Is an analytical method to determine the percentage of investment in the respective assets to total assets, also to determine its capital structure and composition of funds that occurs associated with the sale amount. Common size analysis emphasizes on two factors, namely: the first sources of funding, including funding distribution between current liabilities, non-current liabilities and equity, and the second, the composition of the assets, including the amount for each current assets non-current assets.
b. Break-even analysis (break-even): Is an analysis to determine the level of sales to be achieved by a company that the company did not suffer losses, but also gain an advantage. With the break-even analysis will also be known to the various levels of profit or loss for the various levels of sales.

c. Ratio analysis: Ratio analysis is a way to analyze the financial statements which disclose a mathematical relationship between a number with another number or ratio between the post with another post.

RESEARCH METHOD

Time and Data Research

This study uses the data 30 companies listed on the Indonesian stock exchange during 2014. This research was conducted by the author at the time of the month October 2016.

Technique Analysis Data

Regression means of forecasting, assessment or estimation was first introduced in 1877 by Sir Francis Galton (1822-1911). In connection with his research on human height. The study compared the high boy and his father's height. Regression means forecasting assessment or estimation was first introduced in 1877 by Sir Francis Galtoon (1822-1911). Regression analysis was used to determine the shape of the relationship between variables. The primary objective in the use of the analysis was to predict or estimate the value of a variable in relation to other variables. Besides the linear relationship of two variables, linear relationship of two variables can also occur, for example; relationship between the sales price and purchasing power. Linear relationship of more than two variables when expressed as a mathematical equation is:

$$Y = a + b1x1 + b2x2 + \ldots\ldots\ldots\ldots bkxk +$$

Information :

x, x1, x2 ....xk = variables

a, b1, b2 ....bk = a constant (constant) coefficient

RESULT AND DISCUSSION

The comparison between t and t table turns t < t table or 4.166 > 2.020 using probability value can also be seen that probability 0,000 value less than 0.05 (0.000 <0.05), the Ho1 Ha1 rejected or accepted, so that from these results it can be concluded that the t test was no significant effect between the Operating Cash Flow Cash Dividend. The results of a comparison between t and t table turns t < t table or 2.039 > 2.020 using a probability value can also be seen that the probability value of less than 0.05 0.049 (0.049 < 0.05), then Ho2 Ha2 rejected or accepted, so that the results can be concluded that partial or alone there is significant influence between the Return on Assets Cash Dividend. The comparison between t and t table turns t < t table or 0.923 < 2.020 using a probability value can also be seen that the probability value of 0,363 is greater than 0.05 (0.363> 0.05), the Ho3 HA3 accepted or rejected, so that from these results it can be concluded that the t test no significant influence of Return on Equity of the Cash Dividend.

The comparison between t and t table turns t < t table or 0.974 < 2.020 using a probability value can also be seen that the probability value equal to 0.337 greater than 0.05 (0.337 > 0.05), the Ho3 HA3 accepted or rejected, so that from these results it can be concluded that the t test no significant influence of Debt to Total Assets of the Cash Dividend. ANOVA test or test of F test, F count equal to 10.434 while the F table with a significance level of 5%, df-1 (Total variable - 1) or 5-1 = 4 and df 2 (nk-1) or 39-4- 1 = 34 obtained 2.874 F table, in this case, the F count (10.434) > F table (2.874), due to the significance of the research is less than 0.05 (0.001 <0.05), then Ho is rejected and Ha accepted, meaning that there is influence significant between Operating Cash Flow, Return on Assets (ROA), Return on Equity (ROE), and Debt to Total Assets (DTA) simultaneously (together) against the cash dividend. It can be concluded that variable Operating Cash Flow, Return on

Assets (ROA), Return on Equity (ROE), and Debt to Total Assets (DTA) simultaneously (together) have a significant influence on the Cash Dividend.

Based on the results of research that examines the effect of Operating Cash Flow, Return on Assets (ROA), Return on Equity (ROE), and Debt to Total Assets (DTA) of the Cash Dividend above, there are several things that can be explained in this study with discussion variable (X) of the variable (Y) with t test and F as follows

Effect of Operating Cash Flow to Cash Dividend: Based on hypothesis testing has been done on the first hypothesis, it is rejected and Ha1 Ho1 received so that it can be concluded there is significant influence between the Operating Cash Flow Cash Dividend. With strong correlation level and direction of a positive relationship so the lower Operating Cash Flow then lower the cash dividend paid and vice versa. The higher the Operating Cash Flow, the more often the company's operations in profit, and can be seen from the company's operations, the greater the company's operations in its operations, the greater the opportunity to earn big profits for the company and the company makes a profit that is greater the greater the percentage Cash dividends paid.

Influence Return on Assets (ROA) of Cash Dividend: Based on hypothesis testing has been done on the second hypothesis, it turns out Ho2 rejected and Ha2 received so that it can be concluded there is significant influence between the Return on Assets (ROA) of Dividend to the level of correlation is weak and directions positive relationship so the lower the Return on Assets (ROA), then the lower the cash dividend paid and vice versa. With the company has a high probability, the higher the percentage of dividends paid by the company to investors.

Effect of Return on Equity (ROE) of the Cash Dividend: Based on hypothesis testing has been done on the third hypothesis, it Ho3 accepted and HA3 rejected so that we can

conclude that a significant difference between the Return on Equity (ROE) of the Dividend with the level of correlation is strong and towards a positive relationship return on Equity (return on equity) or also known as business profitability demonstrate the ability of companies or issuers in generating profits by exploiting its own capital. In this case, if the company has its own high capital profitability has not yet determined the percentage of high dividend payments, dividend payments due in accordance with the company's management policy does that dividend income will be on hold, or payment of dividends by the addition of shares etc.

Effect of Debt to Total Assets (DTA) on Dividend: Based on hypothesis testing has been done on the fourth hypothesis, it Ho4 accepted and Ha4 rejected so that we can conclude that there is significant influence between Debt to Total Assets (DTA) of the Dividend with the level of correlation weak and the direction of a positive relationship, with the company able to pay debts, which means that assets and corporate profits stable or increasing, then the company will also be able to payment its cash dividend to its investors.

Effect of Operating Cash Flow, Return on Assets, Return on Equity and Debt to Total Assets to Cash Dividend: Based on the results of hypothesis testing is done, then Ho5 rejected and HA5 accepted, meaning that there are significant effect between Operating Cash Flow, Return on Assets, return on Equity and Debt to Total Assets by F test of the Cash Dividend. It can be concluded that variable Operating Cash Flow, Return on Assets, Return on Equity and Debt to Total Assets by F test significant influence on the Cash Dividend. This is consistent with previous studies conducted by Damyati (2012).

CONCLUSION

The study, done this, give different results with studies that have been done by Damyati (2012), where there is a lack of

consistency study done, in because in the proposed analysis model and analysis tools in use.

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