

ABSTRACT

The research is aimed to know the analysis of influence dividend payout ratio, institutional ownership, profitability and firm size on the financing decision. With using data which consist of 50 company listed in Indonesia Stock Exchange. Population of this research is all of company listed in Indonesia Stock Exchange in periode 2004-2010. This research used purposive sampling methode is by determining of samples taken randomly according to certain criteria. In analyzing these data the researcher used classic assumption test and hypothesis test uses multiple regression analysis. The result of this research indicated that dividend payout ratio and institutional ownership variable did not affect on the financing decision. While profitability positifly affect on the financing decision. And firm size variable negatifly affect on the financing decision.

Keywords: Dividend Payout Ratio, Institutional Ownership, Profitability, Firm Size, Financing Decision (DER).