

# The influence of liquidity and profitability toward the growth at stock price mediated by the dividends paid out (Case in banks listed in Indonesia Stock Exchange)

Tigor Sitorus<sup>1</sup>, Susi Elinarty<sup>2</sup>

<sup>1, 2</sup> University of Bunda Mulia, Lodan Raya Street No. 2, Ancol, Pademangan, Jakarta Utara, 14430, DKI Jakarta, Indonesia

## ARTICLE INFO

### Article history:

Received 25 June 2016

Revised 23 November 2016

Accepted 24 January 2017

### JEL Classification:

G12

### Key words:

Liquidity,  
Profitability,  
Stock Price, and  
Dividend.

### DOI:

10.14414/jebav.v19i3.582

## ABSTRACT

This study aims to extend causal relationship between the liquidity and profitability and growth of stock price through out to fill a gap research by the dividends paid out as mediated variable. This study conducted at the banking sector listed in Indonesia stock exchange in the period of 2011 until 2014. This research uses the Structural Equation Modeling (SEM) and the result shows high goodness of fit while the simultaneous and individual tests generate significant result except the direct influence of liquidity toward growth of stock price. The results show that; (1) The liquidity has a negative influence towards the growth of stock price, (2) The liquidity has a significantly positive influence towards dividends paid out, (3). The profitability has significantly a positive influence towards the growth of stock price, (4). The profitability has a significantly positive influence to dividends paid out, (5). The dividends paid out also have a significantly positive influence towards growth of stock price. It can be concluded that the result evidently shows that the dividends paid out can mediate the influence of liquidity and profitability toward the growth of stock price, therefore the banks must pay the dividends in order the stock price can increase.

## ABSTRAK

Penelitian ini bertujuan untuk memperluas relasi kausal antara variabel likuiditas dan Profitabilitas terhadap pertumbuhan harga saham dengan mengisi kesenjangan penelitian melalui pembayaran dividen sebagai variabel mediasi. Penelitian ini dilakukan di sektor perbankan yang tercatat di bursa efek Indonesia periode dari 2011 sampai 2014. Structural Equation Modeling (SEM) dengan Amos Software 21.00 digunakan untuk menganalisis data, dan hasilnya menunjukkan fit baik tes simultan maupun individu menunjukkan hasil yang signifikan, kecuali pengaruh langsung dari likuiditas terhadap pertumbuhan harga saham. Hasil penelitian ini membuktikan bahwa; (1) Likuiditas berpengaruh negatif dan tidak signifikan terhadap pertumbuhan harga saham, (2) Likuiditas berpengaruh positif dan signifikan terhadap pembayaran dividen, (3). Profitabilitas berpengaruh positif dan signifikan terhadap pertumbuhan harga saham, (4). Profitabilitas berpengaruh positif dan signifikan terhadap pembayaran dividen, (5). Pembayaran dividen berpengaruh positif dan signifikan terhadap pertumbuhan harga saham, sehingga dapat disimpulkan bahwa terbukti variabel pembayaran dividen mampu memediasi pengaruh likuiditas dan Profitabilitas terhadap pertumbuhan harga saham, dan oleh karena itu bank-bank harus membayar dividen kepada para investor agar nilai sahamnya dapat bertumbuh.

## 1. INTRODUCTION

The capital market is an investment vehicle that attracts investors. Actually, the investors invest the money in order to get an income or a level of return of investment as dividends. They want to get in-

come from the rest between the selling price over purchase price, namely is capital gain (Gordon and Lintner 1962-1963).

In relation to dividends, investors generally expect relatively stable dividends paid out, because

\* Corresponding author, email address: <sup>1</sup> sitorus\_tigor@yahoo.com.

the stability of dividends paid out can increase investors' trust on the company, so it can reduce the uncertainty of their fund in the company. Additionally, investors as a party investing their money in the capital market, also want to see the risks and profits of listed companies. By knowing it, they can invest their money in companies, which have the prospect of higher returns or with the smaller risk compared to the other companies, like banking industry.

Banking industry has greatly affected economic activity and can be regarded important in a country's economy. In developed countries, the greater role of banks in control of the financial system in the banking world means being needed by government and the people. This indicates that the banking sector is important so that there is a presumption that the bank can drive the economy of a country. This assumption is certainly true because the function of banks as financial institutions is vital, for example in creating, circulating, and providing money to support business activities. Thus, the securing money can be invested in other financial services (Kashmir 2010), That's why the researchers took the banking sector as subject in this research.

Based on Appendices 1, it shows how the banking company's stock price changed during 2011-2014. Among the 30 companies that experienced an increase in stock price every year, Bank Central Asia Tbk., Bank Nusantara Parahyangan Tbk., Bank Rakyat Indonesia (Persero) Tbk. increased significantly every year. In 2014 the average price stock was increase from 1,818.33 in 2013 rose up to 2,323.13. While in 2013 there was a decrease from 2,002.96 in 2012 dropped to be 1,818.33.

Before investing, investors must look at the company's performance such as profitability and liquidity. Return on Equity (ROE) as an indicator of profitability truly reflects the influence of all other ratios and as a best single performance (Brigham and Houston 2010: 150), so investors also tend to like companies with high ROE, because high ROE generally has a positive influence on the stock price.

In addition to the company's performance, investors are much concerned with the company's stock purchase price. This is because they want the profit from the investment. According to Hartono (2008) profits obtained from the investor's share of capital investment can be derived from the company profits or dividends, and increase or decrease in the stock price. Budiman (2007) suggested that the company can increase or decrease the stock price to

influence many factors. There are some internal factors and external factors. External factors that influence the market such as; economic conditions, government policies, inflation, political conditions, and others, while internal factors affect stock price as management decisions, internal policy management and corporate performance. The Company cannot control external factors due to these factors occurring outside the company. However, the company can control internal factors so that their shares do not fall down, and it is possible to get it through the company's performance.

Research on the relation liquidity with stock price conducted by Righi and Vieira, (2014) found the liquidity as measured by the Current ratio (CR) shown to affect stock price, while Meythi and Rusli (2011) examined the effect of the liquidity on the company's stock price in the sector of manufacturing and found that liquidity as measured by the Current ratio does not significantly influence on the company's stock price of manufacturing.

Research on the relation profitability with stock price conducted by Nurmalasari (2009), found that the Return On Asset (ROA) has a significant effect on stock price, while Indarti (2011) found that profitability as measured by ROA does not significantly influence on the company's stock price. Also, research on the relation dividends with stock price proved by Angela et al. (2015), found that the dividends have an effect on stock price.

According to research gap was proved by the authors that mention above, authors tried to extend the relation between some variables such as liquidity with stock prices and profitability with stock prices. Therefore, this study tries to develop relationships of independent variables such as; liquidity and profitability with the dependent variable namely stock price by filling the research gap through a mediator variable like dividends paid out. Thus, the objectives of this study are to find out ; (1) The influence of the liquidity on the growth of stock price, (2) The influence of the liquidity on the payment of dividends, (3) The influence of the profitability on the stock price growth, (4) The influence of the profitability to the dividends paid out, (5) The influence of the dividends paid out on the stock price growth.

## 2. THEORETICAL FRAMEWORK AND HYPOTHESES

### Liquidity

The liquidity ratio according to Kashmir (2013: 130) is the ratio used to measure how a company or its liquid ratio that illustrates the company's ability to

meet short-term debt. This means that if the company billed, the company will be able to meet the debt, especially debt that is due.

The type of liquidity ratio is as follows:

1. Current Ratio is a ratio to measure a company's ability to pay short-term obligations or debt immediately due when billed as a whole. Formula of Current Ratio is Current Assets divided by Current Debt (Current Liabilities)
2. Quick Ratio is the ratio that indicates the company's ability to meet or pay liabilities or current debts with current assets minus inventory, Formula of Quick Ratio is Current Assets minus Inventory divided by Current Liabilities
3. Cash Ratio is a tool to measure how much cash is available to repay debt. Formula of Cash Ratio is Cash divided by Current Liabilities.
4. Cash Turnover is used to measure the adequacy of working capital needed to pay bills and fund sales. This means that this ratio is used to measure the level of cash available to pay the bill (debt) and costs associated with sales. Cash Turnover formula is Net sales divided by Net Working Capital

### **Profitability**

The ultimate goal to be achieved a company's most important is to obtain the maximum profit or gain. By obtaining the maximum profit as it has been targeted, the company can do little for the welfare of the owners, employees, and improving product quality and making new investments, Therefore, the company's management in practice is required to be able to meet the targets set, that is the amount of profit as expected, Husnan (2001).

According to Kashmir (2008: 196), the profitability ratio also provides a measure of the effectiveness of management of a company. This is demonstrated by the profit generated from sales and investment income. The point is the use of this ratio shows the efficiency of the company.

The types of Profitability ratios are as follows;

1. Net Profit Margin (NPM), the ratio of net profit margin also known as the ratio of income to sales ratio is one used to measure the profit margin on the sale. NPM formula is Earning After Tax (EAT) divided by Sales
2. Return on Asset (ROA), is used to measure the effectiveness of the company in generating profits by exploiting its assets. This ratio is the ratio of the most important among the profitability ratio/Profitability others. ROA formula is Earnings Before Interest and Tax (EBIT) divided by Total Assets

3. Return on Equity (ROE), is a ratio to measure the ability of management to manage the existing capital to earn income. ROE illustrates the extent to which the company's ability to generate profits available to shareholders (earnings). So used are earnings before tax (EBIT), while capital is calculated is the total capital employed in the company. ROE formula is Earnings Before Interest and Tax (EBIT) divided by Equity
4. Return on Investment (ROI), is a ratio to measure the ability of management to generate income from asset management. ROI is a measure of the effectiveness of the company in profit from the use of fixed assets used for business activities. The greater of the ROI indicates the better performance of the company, since the level of return of investment increases. The return received by investors may be dividends and capital gains. Thus, a rising ROI will also increase the dividends income. ROI formula is Earning after Tax (EAT) divided by Total Assets.
5. Earning per Share (EPS) is the ratio of earnings per share or the book value is a ratio to measure management success in achieving profits for shareholders. A low ratio means that management has not managed to satisfy shareholders, preferably with a high ratio, shareholder wealth increases. Formula of EPS is Earnings After Tax (EAT) divided by Number of Shares outstanding.

### **Dividends**

Ross et al. (2007) state that Dividends is part of the company's profit paid to shareholders and are usually distributed in the form of cash. While Brigham and Houston (2010) suggested that the dividends paid out ratio is an indicated for measuring the company's policy to pay dividends to shareholders.

Sheridan et al. (2013) suggest that in general there are three types of dividends policy, namely: Constant Payout Ratio, Dividends Policy is a dividends policy based on a certain percentage of revenue, Regular Dividends Policy is a dividends policy that is based on the payment of dividends the rupiah remains in each period, the low-regular-extra dividends policy is a dividends policy based on a low regular dividends payments, plus an extra dividends if there is a guarantee of income. Financial decision making by management can lead to changes in the value of company stock.

The factors that affect dividends policy are as the following;

1. Profitability is one of the indicators to see the

company's success in generating profits. Where the higher the value, the higher profitability of the company's ability to generate profits. So with the profit of a company that continues to increase it will give a sense of hope for investors to get a greater rate of return, which has decided through the management of a company policy, Sutrisno (2013: 228).

2. Liquidity is demonstrating the ability of a company to meet its financial obligations that must be met, or the company's ability to settle financial obligations at the time billed. The higher the number of current assets to current liabilities, the greater the confidence that the current liabilities will be paid.

### Stock Prices

Weston and Brigham (2004) defined share price as "the price at the stock sells in the market". The stock market price is the market value of securities which may be obtained by investors to sell or buy shares, which are determined based on the closing price (closing price) on the stock exchange on the day concerned. Thus, the closing price is the last time the stock price at the time of changing hands at the end of trading. In addition, Hartono (2008) stated that the stock price is the price that occurred in the stock market at a given time is determined by market players that demand and supply market. The stock price is influenced by four aspects: income, dividends, cash flow, and growth

Another proponent, Fakhruddin (2008) stated that shares represent participation capital instruments, so the stock is basically a fund that is perpetual, meaning that these investments will continue to take place throughout the company still stands. Therefore, the definition of stock is a piece of paper that shows the rights of investors (i.e. who has the paper) to acquire part of the prospect or the wealth of the organization that issued the securities, while Sheridan (2013) suggested that the value of the company is the market value of securities, debt and equity outstanding. The value of the company is an investor perception of the level of success of companies that are often associated with stock price.

However, Setiyawan and Pardiman (2014) stated that one of the factors, consideration of an investor before investing their funds in a capital market instruments is the stock price. The stock price expected by investor is a stock price that has an ascending movement patterns at any time.

### Hypothesis Development

H1: The liquidity gives negative influence to the

growth of stock price.

Meythi and Rusli (2011), examined the effects of the liquidity and profitability of the manufacturing company's stock price contained in the Indonesia Stock Exchange, the results showed that partially, liquidity as measured by the current ratio (CR) does not significantly influence the manufacturing company's stock price.

The next one is Afrianti (2012) who did a research on the impact of liquidity, solvency and sales growth to the growth of stock price using the Current Ratio liquidity variables. The study shows that the Current Ratio not significant effect on stock price growth. Kusumadewi (2015) who conducted research concerning Effect Of Liquidity And Profitability On Stock Price Manufacturing Companies Listed In Indonesia Stock Exchange Period 2010-2013, the results showed that partially current ratio does not has a significant impact on stock prices.

H2: The Liquidity gives positive significantly influence to the dividends payout

Deniz et al. (2010) conducted a research about Liquidity and Dividen Policy, the study proved that when shareholders have more power, liquidity would be more strongly linked with dividends as managers would be more likely to pay dividends to meet shareholders preference for liquidity.

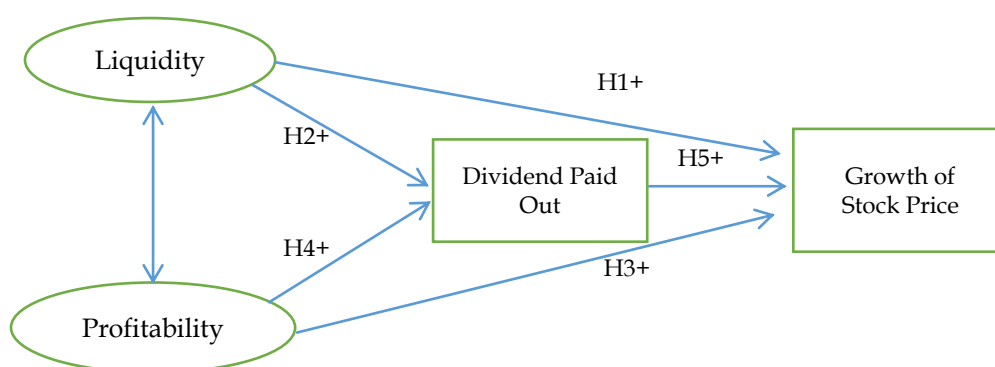
Theoretically Riyanto (2011: 267) stated that liquidity is an important factor to consider in the dividends policy. This statement is proven by researchers with the research results as Wicaksana (2012) who found that liquidity variables significant positive effect on dividends payout ratio.

Also Ibrahim (2015) did a research about the Impact of Liquidity on the Dividends Policy, The main findings are the significant relationship between liquidity and dividend payout ratio or he proved that the Liquidity has positive effect on dividends policy.

H3: The Profitability gives positive influence to the growth of stock price

Research conducted by Yang et al. (2010) with the object of Taiwan's stock market, which proves that the greater the profitability of companies and profits can be distributed to shareholders, and thus the value of the company and the stock price will increase significantly.

Wingsi (2013) conducted a study on a mining company listed on the Indonesia Stock Exchange in 2008 to 2012 by using ROA. The study showed that simultaneously ROA gives positive influence to stock price.



**Figure 1**

**Empiric Model the Influence of the Liquidity and Profitability toward the Growth of Stock Price Mediated by the Dividends Payout**

Source : Developed model 2016.

Another research done by Lestari and Elis Sabrina (2013) in the Banking Sector Listed on the Stock Exchange proved that the ROA have significant effect on stock price.

H4: The Profitability gives positive influence to the dividends payout

Abdel Salam et al. (2008) conducted research about Board composition, ownership structure, and dividends policies in emerging market, the results of study proved that profitability has positive and significantly influence to dividends payout. Uwuigbe et al. (2012), examined Dividends Policy and firm performance: a study of listed firms in Nigeria, the results of the study found that profitability gives positive influence to dividends payout.

Research conducted by Nurhayati (2013) on the company's non services sector, shows that the size of the company, the results of the study showed that partially, the company's profitability gives gives significantly positive influence to the payment of dividends.

Afriani et al. (2014) conducted a study with the effect of liquidity, leverage, profitability, company size and growth of the dividends policy, the results showed that profitability was indicated by ROA gives positive influence to dividends paid out ratio. Eliasu (2014) conducted a research about revisiting the Determinants of Dividend Payout Ratios in Ghana; the study proved that profitability is important determinants of dividend payout in Ghana.

H5: Dividends paid out gives positive influence to stock price growth

Horne and Wachowichz (2013, p276) proved that the dividends has an influence on stock price as it provides information, or signals, the profitability of the company.

Yet, Istanti (2013) conducted a study on the ef-

fect of dividends policy on a company's stock price LQ 45. It showed that there is influence between the dividends policy LQ45 share price on the Stock Exchange Angela et al. (2015) studied under the title "Co integration between the stock price in dividends, output and consumption" using dividends. The study shows that dividends have positive influence on stock price.

Based on the above studies, this study develops a model of empirical research in Figure 1.

### 3. RESEARCH METHOD

#### Research Design

This study uses quantitative method and the type of research is explanatory research that is testing the hypothesis. This research is a causal associative, Sugiyono (2010: 57) stated that the causal associative method is the formulation of research problems that are asking to be a causal relationship between the dependent and independent variables.

#### Operational Variables

According to Sekaran and Bougie (2010), the Variables used in this research are;

1. The independent variable, Independent Variables are the variables that will affect the Dependent Variables either positively or negatively. Which included the independent variable in this study is a fundamental financial factors liquidity, indicator variable as follows: Current Ratio (CR), Quick Ratio (QR), Cash Ratio and Profitability indicators, namely; ROA, ROE, and NPM,
2. Intervening variable in this study is the dividends payout to shareholders,
3. Variable Bound, Dependent variable is a variable that appeal a researcher doing research. This variable is the main reason why the study was

**Table 1**  
**Average of Indicator Variables**

No	Indicator	Year			
		2011	2012	2013	2014
1	Current Ratio	0.65	0.63	0.62	0.60
2	Quick Ratio	0.49	0.47	0.43	0.41
3	Cash Ratio	0.22	0.23	0.26	0.25
4	ROE	12.04	13.76	9.86	6.50
5	ROA	1.32	1.50	1.17	0.90
6	NPM	15.61	17.65	13.70	11.70
7	Dividends	21.89	23.77	39.24	32.26
8	$\Delta$ Stock Price	1.82	1.86	1.47	1.50

Source : Output of Amos 21.00.

**Table 2**  
**Assessment of Normality**

Variable	Min	max	Skew	c.r.	kurtosis	c.r.
DVD	.000	257.330	2.207	9.702	4.466	9.818
PHS	-.580	2.050	2.010	8.839	6.601	14.512
ROE	-31.790	30.280	-1.455	-6.398	5.008	11.011
ROA	-2.460	3.410	-.535	-2.354	1.616	3.552
NPM	-28.540	54.890	.003	.014	1.795	3.945
CSR	.080	.870	1.298	5.708	.246	.540
QR	.100	1.530	1.425	6.265	.776	1.705
CR	.140	2.370	1.366	6.006	.610	1.342
Multivariate					48.384	20.599

Source : Output of Amos 21.00.

conducted. The dependent variable in this research is the closing share price per year, this is caused because the stock price may vary due to many factors, or in other words depend on other variables. Data on the share price measured in rupiah.

### Population and Sample

The population used in this study are all companies in the banking sector listed on the Indonesia Stock Exchange period from 2011 until 2014 that had the number 30 (Thirty), and the entire population to be sampled with sample criteria;

1. The shares were listed on the Stock Exchange for four (4) years consecutive i.e. from 2011 to 2014.
2. The Company publishes annual financial statements of the period December 31, 2011 until December 31, 2014
3. The Company has divided dividends in four (4) periods, namely the period 2011 through 2014.

### Data Source

Subjects in this study are the banking industries listed on the Indonesia Stock Exchange, making it impossible to obtain primary data or data directly from the respective companies due to the limita-

tions of cost, man-hour and time. The data used in this study is a quantitative or secondary data in the form of financial ratios as fundamentals indicators of the banking industry and stock price, it was obtained from BEI the period 2011 - 2014 ([www.idx.co.id](http://www.idx.co.id))

### Analysis Technique

The tests in this study used Structural Equation Model (SEM), SEM is a statistical models that provide an estimate of the calculation of the strength of the hypothesis on the relationship between the variables in a theoretical model, either directly or through a variable of intervening, Arbuckle (in Santoso 2014 ). SEM analysis techniques supported by the software Analysis of Moment Structure (AMOS). AMOS used as deemed better able to test hypotheses that have been formulated together.

## 4. DATA ANALYSIS AND DISCUSSION

### Descriptive Analysis

Based on sample data obtained from [www.idx.co.id](http://www.idx.co.id) period from 2011 until 2014, it was obtained data on the variables used in this study with the sample of 30 banks. The data used in this study shows the financial ratios are calculated

**Table 3**  
**Estimate Covariance**

			Estimate	S.E.	C.R.	P	Label
Liquidity	<-->	Profitability	0.099	.527	0.047	.004	par_5

**Table 4**  
**Correlations between Independent Variables Estimate**

			Estimate
Liquidity	<-->	Profitability	.286

**Table 5**  
**Regression Weight Analysis Factor**

			Estimate
Liquidity	--->	CR	.958
Liquidity	--->	QR	.991
Liquidity	--->	CSR	.936

**Table 6**  
**Regression Weight Analysis Factor**

			Estimate
Profitability	--->	NPM	.861
Profitability	--->	ROA	1.002
Profitability	--->	ROE	.930

Source : Output of Amos 21.00.

based on the company's financial banking sector. In a table in Appendice 1, the data presented growth in stock price. The data used are secondary data consists of 30 banking companies.

Banking companies are taken not only top banks but the whole banking listed in Indonesia Stock Exchange began in 2011. Secondary data were taken also consists of ratios influential on stock price changes. The ratio data taken are liquidity, profitability and dividends payments. The data of the liquidity ratio are current ratio, quick ratio, cash ratio and profitability such as; of ROA, ROE, and NPM.

Based on Table 1, it can be seen that the banking sector has an average development Current Ratio, Quick Ratio, Cash Ratio, ROE, ROA, NPM, dividends and stock price growth fluctuated from year to year, meaning that it does not show an ascending trend consistently, but on the contrary to the Current ratio and Quick ratio decreased consistently.

### Normality Test

According to Santoso (2014), the normality assumption is met if the value between minus 2.58 until 2.58. Normality test can be seen in the output text in the "Assessment of normality". Results of the assessment normality of the data are presented in Table 2.

Based on Table 2 that mention above, it can be seen the results of multivariate normality c.r known at 20.599 i.e., greater than 2.58, therefore it can be concluded that research data distribution is not normal. The data in this study is not normal due to using whole financial data on the banking sector from bottom, middle until top banks, where the fundamental financial indicators show a high variance.

### Data Outliers

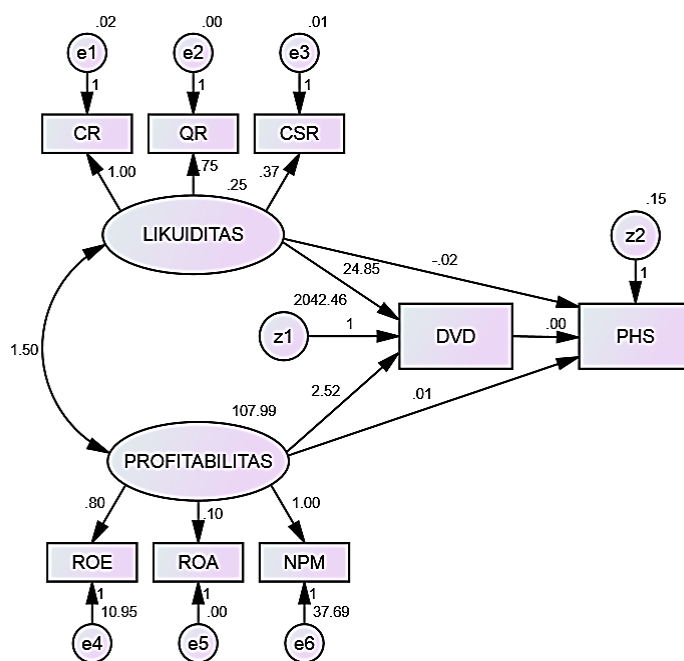
According to Ghazali, (2008: 227) the multivariate outlier detection is done by considering the value of mahalanobis. Distance mahalanobis for each data observation will show the distance of an observation data against the average value. Observation data from centroid values are considered outliers and should be discarded (dropped) from the analysis. The criteria used is based on the value of Chi Square on the degree of validity (degree of freedom) is the indicator of the fit model research on a significant level of "p" less 0.01, respectively.

The value mahalanobis Distance is 48.268. This means that all the cases had mahalanobis d-squared value, which is greater than 48.268 that is multivariate outliers. In this study, mahalanobis d-squared value is 33.051 (below 48.268). It means that the data used meets the requirements there are no multivariate outlier.

**Table 7**  
**Model Testing Results**

No.	Goodness – Off Fit Index	Cut of Value	Result	Criteria
1	Chi Square	$<\alpha$ , df	24,922	Fit
2	Probability	$>0.05$	.071	Fit
3	CMIN/DF	$\leq 2.00$	1.558	Fit
4	GFI	$\geq 0.90$	.948	Fit
5	AGFI	$\geq 0.90$	.882	Marginal Fit
6	CFI	$\geq 0.90$	.991	Fit
7	TLI	$\geq 0.90$	.983	Fit
8	IFI	$\geq 0.90$	.991	Fit
9	RMSEA	$\leq 0.08$	.070	Fit

Source : Output of Amos 21.00



Notes :  
 LIKUIDITAS = Liquidity  
 PROFITABILITAS = Profitability  
 DVD = Dividends Paid out  
 CR = Current ratio  
 QR = Quick ratio  
 CSR = Cash ratio  
 NPM = Net Profit Margin  
 ROA = Return on Assets  
 ROE = Return on Equity  
 PHS = Growth of Stock Price

**Figure 2**  
**Diagram SEM Full Model Line**

### Multicollinearity and Singularity

The next test is to see whether there is a Multi collinearity and singularity in a combination of variables. The indicator of their Multi collinearity and singularity can be known through the sample covariance value determination matrix were really small, or close to zero as in Table 3 and Table 4.

Covariance is a relationship between two variables that are two-way. In this model there is only one that is the relationship between two variables covariance exogenous profitability with liquidity. The relationship has a coefficient of 0.286 or  $< 0.40$  (Ferdinand 2006), therefore there are no multi collinearity on this research data, and therefore is acceptable and meet to the assumptions of SEM.

### Test Confirmatory Factor Analysis (CFA)

CFA was conducted to analyze the latent variables associated to obtain precision indicators or variables. CFA can be seen by looking at the loading factor of each indicator as in Table 5 and Table 6.

Based on the results of confirmatory testing on Table 5, the indicator current ratio has a loading factor 0.958 or 95.80%. Indicators quick ratio has loading factor has of 0.991 or 99.10%. Indicators cash ratio has a loading factor of 0.936 or 93.60%. This means that variable of liquidity can be explained by the indicators such as; Current Ratio, Quick Ratio, and Cash Ratio.

Based on test results confirmatory testing on Table 6, ROA indicator has a loading factor of 1.002 or 100.20%. ROE indicator has a loading factor of 0.930 or 93.10%. Indicator NPM has a loading factor



**Table 8**  
**Hypothesis Testing Estimate S.E. C.R. P Label**

		Estimate	S.E.	C.R.	P	Label
Liquidity	---> DVD	24.8460	8.847	2.808	.005	Accepted
Profitability	---> DVD	2.5160	.445	5.652	***	Accepted
Liquidity	---> CR	1.0000				Accepted
Liquidity	---> QR	.7530	.024	30.899	***	Accepted
Liquidity	---> CSR	.3750	.017	22.177	***	Accepted
Profitability	---> NPM	1.0000				Accepted
Profitability	---> ROA	.0960	.006	17.141	***	Accepted
Profitability	---> ROE	.8030	.053	15.096	***	Accepted
Liquidity	---> PHS	-.0160	.078	-.201	.840	Rejected
Profitability	---> PHS	.0070	.004	1.573	.016	Accepted
DVD	---> PHS	.0001	.001	.100	.020	Accepted

Source : Output of Amos 21.00.

**Table 9**  
**Direct Effect**

	Profitability	Liquidity	DVD
DVD	.472	.226	.000
PHS	.173	-.020	.011
ROE	.930	.000	.000
ROA	1.002	.000	.000
NPM	.861	.000	.000
CSR	.000	.936	.000
QR	.000	.991	.000
CR	.000	.958	.000

0.861 or 86.10%. This means that variable of profitability can be explained by indicators such as; ROA, ROE, and NPM.

### SEM Testing

This study used a test of SEM, which first tested the model of fit that is to test the feasibility of the model used in this study. The results of testing the model as in Table 7.

Based on Table 7, it can be seen that the overall Goodness-Of Fit an acceptable fit model. Except AGFI index which is almost close fit. Results of research models according to the criteria of Goodness-Of Fit by Arbuckle (in Santoso 2014) with the following explanation:

1. Chi Square ( $\chi^2$ ) was 24.922 with a significant level is  $p \geq 0.05$  which means there is no difference because the Chi Square are very sensitive to the sample used. While the results of Chi Square table shows the number 26.30. Which the results Chi Square smaller models from the table.
2. Probability  $p = 0.71$  while the estimate which showed that the model fit is must be greater than 0.05
3. Value CMIN/DF is obtained by dividing "The

minimum sample discrepancy function with a degree of freedom, generally reported by researchers as one of the indicators to measure the level fitted model. The recommended value of  $\leq 2.00$ . The result is CMIN/DF of 1.558 means that the model made good fit to the data.

4. The value of GFI (Goodness of Fit Index) equal to  $R^2$  (determinant in regression test) the test results reflect retributions overall fitness model. The acceptance rate obtained for 0.948 is greater than  $\geq 0.90$ .
5. AGFI (Adjusted Goodness of Fit Index) used to test whether or not a model is accepted. The recommended value is  $AGFI \geq 0.90$ , the greater the value, the better AGFI fitted owned models. With 0.882, the test results to the model used closer fit.
6. CFI (Comparative Fit Index) also an incremental suitability index. The magnitude of this index is in a vulnerable 0 to 1 and a value close to 1 indicates the model has a good level of fitness. The test results obtained models CFI value of 0.991 means that the model already has a level of fitness fit.
7. TLI (Tucker Lewis Index) is used to overcome the problems arising from the convexity models.

**Table 10**  
**Indirect Effect**

	<b>Profitability</b>	<b>Liquidity</b>	<b>DVD</b>
DVD	.000	.000	.000
PHS	.005	.003	.000
ROE	.000	.000	.000
ROA	.000	.000	.000
NPM	.000	.000	.000
CSR	.000	.000	.000
QR	.000	.000	.000
CR	.000	.000	.000

**Table 11**  
**Effect of Total Variables**

	<b>Profitability</b>	<b>Liquidity</b>	<b>DVD</b>
DVD	.472	.226	.000
PHS	.178	-.018	.011
ROE	.930	.000	.000
ROA	1.002	.000	.000
NPM	.861	.000	.000
CSR	.000	.936	.000
QR	.000	.991	.000
CR	.000	.958	.000

Source : Output of Amos 21.00.

TLI value is recommended as a good level of fitness is  $TLI \geq 0.90$ . The results obtained 0.983 then the model is at a good criteria.

8. IFI (Incremental Fit Index) value ranges from 0 to 1, the value of  $IFI \geq 0.90$  indicates a good fit, while the results obtained from AMOS is 0.991  $\geq 0.90$ , then the model is the goodness of fit.
9. Value RMSEA (Root Means Square Error of Approximation) shows goodness of fit for the model estimated in the population. RMSEA value indicates the goodness of fit can be expected when the model is estimated in the population. RMSEA value less than or equal to 1 is an index for inadmissibility fit model. Based on the results, the results RMSEA of 0.070 means that the model fit. Figure 2, describes the path SEM Full Model and table model test as.

According to Supranto (2013), this study provided the structural equation fit model as below:

$$DVD = 24.846 \text{ Liquidity} + 2.516 \text{ Profitability.} \quad (1)$$

$$PHS = 0.007 \text{ Profitability} - 0.016 \text{ Liquidity} + 0.0001 \text{ Dividends} \quad (2)$$

According to model (1), If the liquidity variable rises up one unit and the other variable remains the dividends paid out (DVD) will experience a rising amounted to 24.846 units, or if the variable profitability rise up one unit and the other variables remained the dividends paid out (DVD) will be in-

creased 2.516 units.

According to model (2), If the profitability variable rise up one unit and other variables are constant then the growth of stock price (PHS) will rise up 0.007 unit, or if the liquidity variable down one unit and the other variables are constant then the growth of stock price (PHS) will rise up 0.016 unit or this is true if the variable liquidity rise one unit then the stock price will be decreased by 0.016 unit. If the variable dividends paid out increased by one unit and the other variables are constant then the growth of stock price (PHS) will increase 0.0001 units.

### Hypothesis Testing

Hypothesis 1: Liquidity negatively and significantly influences the Growth Stock Price

Based on Table 1, data obtained from 2011 until 2013 that the Current Ratio, Quick Ratio as an indicator of variable Liquidity tends to decrease, while the growth in the stock price has increased from 2011 to 2012 and from 2013 to 2014. This proves the existence of a negative relationship between the variables Liquidity with the stock price growth.

Based on Table 8 shows that the testing of the effect of liquidity variable and stock price growth known to have a p-value of 0.840 or higher than  $\alpha$  0.05, it can be concluded that the hypothesis 1 is

accepted, which means that liquidity is not a significant effect on stock price growth with a coefficient of minus 0.016, for the coefficient has a negative sign means that the variable liquidity is not in line with the growth rate of the stock price.

The above means that if the liquidity variable increases one unit then the share price will decrease about 0.016 units. This finding is consistent with those found by Meythi and Rusli (2011), journal "The effect of the liquidity and profitability of the manufacturing company's stock price contained in the Indonesia Stock Exchange", which stated partially, liquidity is measured by the current ratio is not significant effect on stock price of companies manufacturing, and Afrianti (2012) stated that the liquidity of the company will not affect the company's stock value, also Kusumadewi (2015) stated that partially current ratio is not significant effect on stock price.

This finding also supports the theory of signal by Godfrey et al. (2006) that stated that managers use the accounts in the financial statements to give a sign or signal on expectations and future goals, where the signal's ability to provide liquid funds to pay current liabilities (current ratio) indicates the fluctuation which tends to decline and thus interest in buying shares is reduced the impact on stock prices.

**Hypothesis 2: Liquidity positively and significantly affects the Payment of Dividends**

Based on Table 1 data obtained from 2011 until 2013 that the Current Ratio, Quick Ratio as an indicator of variable Liquidity tends to decrease, but the payment of dividends has increased from 2011 to 2013. This case shows that the bank still remained committed to pay dividends to shareholders.

Based on the Table 8, shows that the testing variables influence the liquidity and dividends are known to have p-value of 0.005 or 0.005 lower than  $\alpha$  0.05, so the hypothesis 2 is accepted, which means more liquidity and significant positive effect on the dividends by the coefficient of 24.846 for the coefficient has sign positive means liquidity variable direction of the dividends. This means that if the liquidity variables increases one unit then the dividends will increase about 24,846 units.

The above finding is consistent with research by Deniz et al. (2010), Wicaksana (2012) which stated that the positive effect of the profitability on the dividends paid out ratio. This study also supports Ibrahim (2015) stated that there is a positive influence of liquidity to dividends policy. This

finding also supports to a theory dividends policy by Riyanto (2011: 267) stated that liquidity is an important factor to consider in the dividends policy.

**Hypothesis 3: Profitability positively and significantly influences the Growth Stock Price**

Based on Table 1, data obtained from 2011 until 2014 that the ROA, ROE, NPM as an indicator variable profitability has fluctuated, while dividends payments have increased from 2011 to 2013. This case shows that the bank remained committed to pay dividends to shareholders

Based on table 8 shows that the test variables influence the profitability and stock price growth known to have a p-value of 0.016 or 0.016 lower than  $\alpha$  0.05, so the hypothesis 3 is accepted, which means profitability and significant positive effect on the growth of stock price with the coefficient of 0.007 for the variable coefficients with signs positively, means profitability in line with the growth of stock price. This means that if the profitability increases one unit then the dividends will increase about 0.007 units.

The finding above is consistent with studies conducted by Nurmalasari (2009) which stated ROA, ROE, NPM and EPS have a significant effect on stock price. Also Yang et al. (2010) who stated that the greater the profitability of companies and profits can be distributed to shareholders, and thus the stock price will increase significantly. This study is also in line with the opinion of Lestari and Elsis Sabrina (2013) which stated that the ratio of profitability positive effect on stock price in the banking sector which is listed on the Stock Exchange".

**Hypothesis 4: Profitability positively and significantly influences the Payment of Dividends**

Based on Table 1, data obtained in 2012 to 2014 that ROA, ROE, NPM as an indicator of profitability variables tends to decrease, while dividends payments have increased from 2011 to 2013. This case shows that the bank still remained committed to pay dividends to shareholders.

Based on Table 8 shows that the test variables influence the profitability and dividends are known to have p-value of 0.000 or lower than  $\alpha$  0.05, so the hypothesis 4 is accepted, which means that the profitability of positive and significant effect on dividends with a coefficient of 2.516, for the coefficient has a positive sign means that the variable profitability in line with the dividends policy. This means that if the variable profitability increases one

unit then the dividends will increase about 2,516 units.

The finding above is consistent with the study of Abdelsalam et al. (2008) who proved that profitability has positive and significantly influence to dividends payout. Also Uwuigbe et. al (2012), found that profitability gives positive influence to dividends payout, This result also in line with Nurhayati (2013) which stated that profitability has positive influence on the dividends policy, Afriani, et al. (2014) the results showed that profitability was indicated by ROA gives positive influence to dividends paid out ratio. Also Eliasu (2014), the study proved that profitability is important determinants of dividend payout in Ghana.

**Hypothesis 5: Dividends positively and significantly influences stock price**

Based on Table 1, the data shows that dividends payments have increased from 2011 to 2013. This was also followed by the growth of stock prices in 2011 to 2012 and from 2013 to 2014. This proves that the existence of a positive relationship between dividends payments with price growth of stock.

Based on Table 8 shows that the testing of the effect of variable dividends and stock price growth known to have a p-value of 0.020 or lower than  $\alpha$  0.05, so that hypothesis 5 is accepted, which means dividends have positive and significant impact on the growth of stock price with a coefficient of 0.0001. The coefficient has a positive sign because it means that the variable dividends in line with the growth of stock price. This means that if the variable dividends increases one unit then the dividends will increase about 0.0001 units.

The finding above is consistent with Horne and Wachowichz (2013) which stated that the dividends has an influence on stock price, also Istanti (2013) the results showed that there is influence between the dividends policy LQ45 share price on the Stock Exchange. This result also agree with Angela et al. (2015) studied under the title "Co integration between the stock price in dividends, output and consumption" using dividends. The study proved that there is positive influence of dividends on stock price.

#### **Direct, Indirect Effect and Total Effect**

Analysis indicated the effect to see how strong the effect of a variable with other variables either directly or indirectly. Interpretation of these results will have an important meaning to define a clear strategy to increase revenue. The result of the calcu-

lation of the effect of direct, indirect and total can be seen in Table 9, Table 10, and Table 11.

Based on Table 9, direct influence of profitability on the growth of stock price is 0.173 and a direct influence of liquidity on the growth of the stock price equal minus 0.20. Based on Table 10 looks indirect effect of profitability on the growth of stock price is 0.005, while the indirect effect of liquidity on growth of stock price is 0.003. Based on Table 11 shows that the total effect of the profitability on growth of stock price equal 0.178, and the effect of liquidity to the growth of stock price equal minus 0.018.

These results prove that the indirect effect and the total effect of the liquidity variable to variable growth of stock price are greater than the direct effect, meaning that in order to improve the liquidity effect on growth of stock price should be mediated by the dividends paid out. The results of this study also proves though indirect effect of profitability on the growth of the stock price less than the direct effect, however, total effect of profitability on the growth of stock price is stronger than the direct effect, meaning that in order to increase the influence of profitability on the growth of stock price, should be increase profitability and dividends paid out simultaneously. This study proves that the dividends payout are strongly increase to the stock price. This supports to Ross et al. (2007), Brigham and Houston (2010), Sheridan et al. (2013), suggested that the Dividends Policy are important in affecting the stock price.

#### **5. CONCLUSION, IMPLICATION, SUGGESTION, AND LIMITATIONS**

There are several conclusions as follows: (1). Liquidity indicated by Current ratio, Quick ratio and Cash ratio has negative influence to the growth of stock price. All indicators have high loading factor means the liquidity variable is determined by these three indicators. The negative sign means that if the liquidity variables increased, it will decrease the growth of stock price. This study proves that the hypothesis 1 (one) is accepted and supports to the results of previous empirical research by Meythi and Rusli (2011) and Kusumadewi (2015). (2). Liquidity positively and significantly influences dividends paid out.

The positive sign means that if the liquidity variable increased it will increase the dividends paid out. This study proves that the hypothesis 2 (two) is accepted and supports the results of previous empirical research by Deniz et al. (2010) and Ibrahim (2015). (3). Profitability indicated by Net Profit

Margin, Return on Assets, and Return on Equity positively and significantly influences the growth of stock price. All indicators have high loading factor means that the variable of profitability is determined by these three indicators. The positive sign means that if the variable of profitability increased, it will increase the growth of stock price.

This study proves that the hypothesis 3 (three) is accepted and supports the results of previous empirical research by Nurmallasari (2009) and Yang et al. (2010). (4). Profitability has positive and significant influence on dividends paid out. The positive sign means that if the variable of profitability increased, it will increase the dividends paid out. This study proves that the hypothesis 4 (four) accepted and supports the results of previous empirical research, Afriani et al. (2014) and Eliasu (2014), (5). Dividends paid out gives positive influence and significantly on growth of stock price. The positive sign means that if the dividends paid out increased, it will increase growth of stock price.

This study proves that the hypothesis 5 (five) is accepted and supports the results of previous empirical research by Angela et al. (2015), also Horne and Wachowichz (2013, p276). Therefore, we may conclude that the results evidently show the dividends paid out was able to mediate the influence of liquidity and profitability toward growth of stock price.

The results of this study contribute to the academic form of suggestion that can fill the gap on the previous study about the influence of the liquidity and profitability on the growth of stock price Meythi and Rusli (2011), Righi and Vieira (2014), which by adding variable dividends paid out as a variable mediator, the coefficient is stronger than the coefficient of direct influence between liquidity on the growth of stock price. The results of this study also contribute that the growth of stock price can be enhanced by increasing profitability and dividends paid out simultaneously.

Besides, it is recommended that; (1). The banking sector in order always to maintain liquidity such; Current ratio, Quick ratio and cash ratio, in order to improve the ability to pay dividends, as empirically proved that liquidity is able to increase the dividends paid out which will have a positive impact on the growth of stock price. (2). The banking sector in order always to maintain profitability such; Net Profit Margin, Return on Assets, Return on Equity in order to improve the ability to pay dividends, as empirically proved that profitability is able to increase the dividends paid out and simultaneously have positive influ-

ence and significantly toward stock price growth. (3). The banking sector in order always to maintain the ability to pay dividends, as empirically proved that dividends payments may increase the stock price growth.

Several limitations should be noted for future research such as (1) The data observation is limited to the period 2011 - 2014. The research sample of companies used in this study was limited because it only examined the banking sector, therefore it is for the next research expected to increase the period of the study and the sample is not only banking companies but other companies which shows the effect of liquidity, profitability and dividends paid out on the growth of stock price so that research becomes more varied. (2) The Factors affecting the growth of stock price quite a lot, but in this study only uses three variables such as; liquidity, profitability and dividends paid out. In further research, it is needs to use other variables so that the research becomes more varied.

## REFERENCES

- Abdelsalam, Omneya, Ahmed El-Masry & Sabri Elsegini, 2008, 'Board composition, ownership structure, and dividends policies in emerging market', *Managerial Finance*, 34(12): h: 953-964.
- Afriani, F, Safitri, E, & Aprilia, R 2014, 'Pengaruh Likuiditas, Leverage, Profitabilitas, Ukuran Perusahaan dan Growth terhadap Kebijakan Dividen', STIE MDP, Palembang.
- Afrianti, Novi Amalia, 2012, 'Pengaruh Likuiditas, Solvabilitas dan Pertumbuhan Penjualan Terhadap Pertumbuhan Harga Saham Pada Sektor Industri Barang dan Konsumsi', Universitas Maritim Raja Ali Haji.
- Angela J Black, David G McMillan & Fiona J McMillan, 2015, 'Cointegration between stock prices, dividends, output and consumption: Evidence and forecasting ability for 29 markets', *Review of Accounting and Finance*, Vol. 14 Iss: 1, pp.81 - 103.
- Anjas Kusumadewi 2015, 'Pengaruh Likuiditas Dan Profitabilitas Terhadap Harga Saham Perusahaan Manufaktur yang Terdaftar di Bursa Efek Indonesia Periode 2010-2013', *Jurnal Program Studi Akuntansi*, Universitas Dian Nuswantoro Semarang.
- Augusty Ferdinand, 2006, *Metode Penelitian Manajemen: Pedoman Penelitian untuk Skripsi, Tesis dan Disertasi Ilmu Manajemen*, Semarang: Badan Penerbit Universitas Diponegoro.
- Bambang, Riyanto 2011, *Dasar-dasar Pembelanjaan Perusahaan*, Edisi Keempat, Yogyakarta: BPFE.

- Brigham, Eugene & Joel F Houston 2010, *Manajemen Keuangan*, translated by Ali Akbar Yulianto, 8<sup>th</sup> Ed., Jakarta: Erlangga.
- Bursa Efek Indonesia, 'Perkembangan Harga Saham di Indonesia', <www.idx.co.id>.
- Deniz Igan, Aureo de Paula & Marcelo Pinheiro 2010, *Liquidity and Dividend Policy*, Munich Personal RePEc Archive (MPRA).
- Eliasu, Nuhu, 2014, 'Revisiting the Determinants of Dividend Payout Ratios in Ghana', *International Journal of Business and Social Science*, Vol. 5, No. 8 (1).
- Fakhruddin, 2008, *Go Public Strategi Pendanaan dan Peningkatan Nilai Perusahaan*, PT Elex Media Komputindo, Jakarta.
- Gordon, M & J Lintner, 1963, 'Optimal Investment and Financing Policy', *Journal of Finance*, 18(2): 264-272.
- Ibrahim Elsidig Ahmed, 2015, 'Liquidity, Profitability and the Dividends Payout Policy', *World Review of Business Research*, Vol. 5, No. 2, April 2015 Issue, pp. 73 – 85.
- Imam, Ghozali, 2008, *Model Persamaan Struktural: Konsep & Aplikasi Dengan Progra Amos 16.0*, Badan Penerbit Undip, Semarang.
- Indarti, AWDI 2011, 'Pengaruh NPM, ROA dan ROE terhadap Harga Saham yang Terdaftar Dalam Indeks Emiten LQ45'.
- ISK Budiman, 2007, 'Analisis Hubungan Portofolio Dengan Harga Saham Sektor Usaha Makanan Dan Minuman di BEI', *Journal The Winners*, Jakarta.
- Istanti, SLW, 2013, 'Pengaruh Kebijakan Deviden terhadap Harga Saham pada Perusahaan LQ45', *Jurnal Potensio*, Vol. 19, No. 1.
- Jogianto, Hartono, 2008, *Teori Portofolio dan Analisis Investasi*, 5<sup>th</sup> Ed., BPFE Yogyakarta.
- Kashmir, 2008, *Analisis Laporan Keuangan*, Jakarta : Rajawali Pers.
- Kashmir, 2010, *Dasar-dasar Perbankan*, Jakarta : Rajawali Pers .
- Kashmir, 2013, *Analisis Laporan Keuangan*, Jakarta : Rajawali Pers.
- Lestari, Nanik & Elsis Sabrina, 2013, 'Analisis Pengaruh Rasio Profitabilitas terhadap Harga Saham pada Sektor Perbankan yang Terdaftar di Bursa Efek Indonesia', Pusat Penelitian Politeknik Negeri Batam, Batam.
- Lintner, J 1962, 'Dividends, Earnings, Leverage, Stock, Price and the Supply of Capital to Corporations', *Review of Economics and Statistics*, XLIV(3): 243-269.
- Meythi, En Tan Kwan & Rusli L 2011, 'Pengaruh likuiditas dan profitabilitas terhadap harga saham perusahaan manufaktur yang terdapat di Bursa Efek Indonesia', *Jurnal Bisnis Manajemen dan Ekonomi*, Volume 10, No. 2, Mei 2011, pp. 2671- 2684 .
- Nurhayati, M 2013, 'Profitabilitas, Likuiditas dan Ukuran Perusahaan Pengaruhnya terhadap Kebijakan Dividen dan Nilai Perusahaan Sektor Non Jasa', *Jurnal Keuangan dan Bisnis*, pp: 65-80.
- Nurmalasari, Indah 2009, 'Analisis pengaruh faktor Profitabilitas terhadap Harga saham emiten LQ45 yang tercatat di Bursa Efek Jakarta periode 2005-2008', *Jurnal Ekonomi dan Manajemen*, 7(3), pp: 67-98.
- Righi, MB & Vieira, KM 2014, 'Liquidity Spillover in International Stock Markets through Distinct Time Scales, Plos one', available at: <<http://dx.doi.org/10.1371/journal.pone.0086134>>.
- Setiyawan, Indra & Pardiman, 2014, 'Pengaruh Current Ratio, Inventory Turnover, Time Interest Earned dan Return On Equity terhadap Harga Saham pada Perusahaan Manufaktur Sektor Barang Konsumsi yang Terdaftar di BEI Periode 2009-2012', *Jurnal Nominal*, Vol. III, No. 1.
- Stephen A Ross, Randolph Westerfield & Bradford D Jordan, 2007, *Modern Financial Management*, Volume 1, McGraw-Hill/Irwin.
- Suad, Husnan, 2001, *Dasar-dasar Teori Portofolio dan Analisis Sekuritas*, Second Ed., Yogyakarta : UPP-AMP YPKN.
- Sekaran, Umar & Roger, Bougie, 2010, *Research Method For Business: A Skill Building Approach*, 5<sup>th</sup> Ed., John Wiley, New York : Sons.
- Sheridan, Titman & Arthur J Keown, John D Martin, 2013, *Financial Management: Principles and Applications*, 1<sup>st</sup> Ed., Prentice Hall, USA.
- Singgih, Santoso, 2014, *Konsep Dasar dan Aplikasi SEM dengan AMOS 21*, Jakarta : PT. Elex Media Komputindo.
- Sugiyono, 2010, *Metode Penelitian Bisnis (Pendekatan Kuantitatif, Kualitatif, dan R&D)*, Bandung : Alfabeta.
- Supranto, J 2013, *Statistik : Teori dan Aplikasi*, Rineka Cipta, Jakarta.
- Sutrisno, 2013, *Manajemen Keuangan; Teori Konsep dan Aplikasi*, Cetakan ke-9, Yogyakarta : Ekonis.
- Uddin, MH 2009, 'Reexamination of stock liquidity risk with a relative measure', *Studies in Economics and Finance*, 26 (1), 24-35.
- Uwuigbe, Uwalomwa, Jafaru Jimoh & Ajayi Anijesushola, 2012, 'Dividends Policy and firm per-

- formance: a study of listed firms in Nigeria', *Accounting and Management Information Systems*, 11(3): h: 442-454.
- Van Horne & Wachowicz, 2009, 'Fundamental of Financial Management', 13<sup>th</sup> edition, Prentice Hall-USA.
- Weston, Fred J & Brigham, Eugene, 2004, *Basics of Financial Management*, 5 Ed. Jilid II, Jakarta: Penerbit Erlangga.
- Wicaksana, I Gede Ananditha, 2012, 'Pengaruh Cash Ratio, Debt to Equity Ratio, dan Return On Asset terhadap Kebijakan Dividen Pada Perusahaan Manufaktur di Bursa Efek Indonesia', Thesis, Program Pasca Sarjana Universitas Udayana, Denpasar.
- Yang, CC, Lee, CF, Gu, YX & Lee, YW, 2010, 'Cot-determination of capital structure and stock returns - A LISREL approach: An empirical test of Taiwan stock market', *The Quarterly Review of Economics and Finance*, 50, pp. 222-233.

## APPENDICES

**Appendix 1**  
**The Issuer's Stock Price Listed in Indonesia Stock Exchange Period 2011-2014 (IDR)**

No	Issuer	2011	2012	2013	2014
1	Bank Ekonomi Raharja Tbk	2050	1000	1700	1800
2	Bank Capital Indonesia Tbk	160	120	88	96
3	Bank Central Asia Tbk	8000	9100	9600	13125
4	Bank Bukoppin Tbk	580	620	620	750
5	Bank Negara Indonesia (Persero) Tbk	3800	3700	3950	6100
6	Bank Nusantara Parahyangan Tbk	1300	1300	1480	2310
7	Bank Rakyat Indonesia (Persero) Tbk	6750	6950	7250	11650
8	Bank Tabungan Negara (Persero) Tbk	1210	1450	870	1205
9	Bank Mutiara Tbk	50	50	50	0
10	Bank Danamon Indonesia Tbk	4100	5650	3775	4525
11	Bank Pundi Indonesia Tbk	116	120	84	80
12	Bank Woori Saudara Indonesia 1906 Tbk	220	670	890	1150
13	Bank Mandiri (Persero)Tbk	6750	8100	7850	10775
14	Bank Bumi Arta Tbk	139	165	157	158
15	Bank CIMB Niaga Tbk	1220	1100	920	835
16	Bank Internasional Indonesia Tbk	420	405	310	208
17	Bank Permata Tbk	1360	1320	1260	1505
18	Bank Sinarmas Tbk	270	225	240	339
19	Bank of India Indonesia Tbk	600	1560	650	1100
20	Bank Tabungan Pensiunan Nasional Tbk	3400	5250	4300	3950
21	Bank Victoria International Tbk	129	117	125	120
22	Bank MNC Internasional Tbk	106	168	133	84
23	BPD Jawa Barat dan Banten Tbk	910	1060	890	730
24	Bank QNB Indonesia Tbk	710	690	450	410
25	Bank Artha Graha Internasional Tbk	96	111	91	79
26	Bank Mayapada Internasional Tbk	1430	3400	2750	1880
27	Bank Windu Kentjana International Tbk	188	178	127	205
28	Bank Mega Tbk	3500	3350	2050	2000
29	Bank OCBC NICP Tbk	1080	1530	1230	1360
30	Bank Pan Indonesia Tbk	780	630	660	1165
Average		1781.13	2002.96	1818.33	2323.13

Source : [www.idx.co.id](http://www.idx.co.id).