

CHAPTER V

CONCLUSIONS AND RECOMMENDATIONS

5.1. Conclusion

Based on the results of multiple linear regression analysis, the conclusions that can be drawn are as follows:

1. The Current Ratio (X1) partially has no significant effect on the Dividend Payout Ratio (Y), so the first hypothesis is not accepted.
2. Debt to Equity Ratio (X2) partially has a significant effect on the Dividend Payout Ratio (Y), so that the 2nd hypothesis is accepted.
3. Return on Investment (X3) partially has a significant effect on the Dividend Payout Ratio (Y), so that the third hypothesis is accepted.
4. Sales Growth (X4) partially has a significant effect on the Dividend Payout Ratio (Y), so that the fourth hypothesis is accepted.
5. Current Ratio (X1), Debt to Equity Ratio (X2), Return on Investment (X3) and Sales Growth (X4) simultaneously have a significant effect on the Dividend Payout Ratio (Y).

5.2 Suggestion

For the future research maybe it will be interesting to have a more comprehensive set of variables to be applied in Tadawul, remembering that research on that specific platform is not much yet.