CHAPTER II

LITERATURE REVIEW

2.1. Previous Research

As material to complete the references in this research, the authors describe some of the results of previous studies, including the following:

1. Research conducted by (Yusi Amelia, Rina Y. Asmara, 2019))with the title The Effect of Current Ratio, Debt to Equity Ratio and Return in The Consumer Goods Industry Sector Listed in Indonesia Stock Exchange 2012-2017"Faculty of Economics and Business, Universities Mercu Buana" The study was conducted to analyze the effect of current ratio (CR), debt to equity ratio (DER), and return on equity ratio (ROE) on dividend payout ratio (DPR) in the consumer goods industry sector listed in Indonesia Stock Exchange period of 2012-2017. The sample in this study was the population in this research is consumer goods industry sector listed on the Indonesia Stock Exchange amounted to 40 companies and the research sample is 13 companies. The data analysis method used in this study is panel data regression analysis with the help of software Reviews 9.0 and SPSS. The results showed that result of the research got the value of adjusted R-Square equal to 62.64%. It indicated that return on equity has a significant negative effect on dividend payout ratio with a regression coefficient equal to -1.070932. However, the result of the current ratio has an insignificant negative effect on the dividend payout ratio with a regression coefficient of -2.462612 and the debt to equity ratio has an insignificant positive effect on the dividend payout ratio with a regression coefficient of 0.012540.

2. Research conducted by (Rona Tumiur Mauli Carolin Simorangkir, 2021) with the title The Effect Of Value Added Intellectual Coefficient , Return On Investment , Current Ratio (Cr), And Debt To Equity Ratio (Der) On Company Value "Faculty of Economics and Business, Universities Mercu Buana, Jakarta, Indonesia" The study was conducted to determine the effect of Current Ratio, Debt to Equity Ratio, Return on Investment, Investment Opportunity Set, and Firm Size on Dividend Payout Ratio. The data used in this research are using annual reports issued collected from Indonesia Stock Exchange. The sample in this study was the method of selecting samples with purposive sampling and a total sample of 76.the date Analysis method using SPSS. The results showed that Intellectual Value Coefficient (VAIC) does not affect Company Value, Return on Investment (ROI) has a significant positive effect on Company Value, Current Ratio (CR) does not affect Company Value And Debt to Equity Ratio (DER) has a significant positive effect on Company Value.

3. Research conducted by (A. A. Ayu Erna Trisnadewi1,aI Wayan Rupa1,b , Komang Adi Kurniawan Saputra1 1,c, # Ni Nyoman Dita Mutiasari1,d, 2019) with the title Effect of Current Ratio, Return on Equity, Debt to Equity Ratio, and Assets Growth on Dividends of Payout Ratio in Manufacturing Companies Listed in Indonesia Stock Exchange During 2014-2016 "Faculty of Economics and Business, Warmadewa University, Denpasar, Bali, Indonesia" the study was conducted to determine the effect of the current ratio, return on equity, debt to equity ratio, and assets growth on the dividend

payout ratio in manufacturing companies listed on the Indonesia Stock Exchange during 2014-2016. The population in this study was 124 companies. The sample in this study was the population in this study were 124 companies. The sampling technique used in this study was purposive sampling with a sample of 57 financial statements consisting of 19 companies. The data analysis technique used is multiple linear regression analysis using the SPSS program. The results showed that the current ratio did not affect the dividend payout ratio with a significance value of 0,246> 0, 05. Return on equity has a positive effect on the dividend payout ratio with a significance value of 0,030 <0, 05 and a regression coefficient of 0,284.

4. Research conducted by (Zara Tania Rahmadi , 2020) with the title The Influence Of Return On Investment, Current Ratio, Debt To Equity Ratio, Earning Per Share, And Firm Size TO The Dividend Pay Out Ratio In Banking Industries Listed At Indonesia Stock Exchange Period 2013-2018"Economic Science Institute of Galileo Bantam, Indonesia" the study was conducted to examine the factors that influence the ratio of dividend payments in the banking industry. These factors include return on investment, current ratio, debt to equity ratio, earnings per share, and firm size. The sample in this study was the technique for sampling using purposive sampling while the sample used in this study was banking companies listed on the Indonesia Stock Exchange in 2014-2018. The data analytical method used in this study was a panel data regression model (a combination of time series and cross-section). The results showed results of the study, showed that first, the return on investment did not significantly affect the dividend payout ratio; second, the current ratio did not significantly influence the dividend payout ratio; third, the debt to capital ratio had a significant effect on dividend payout ratios; fourth, earnings per share did not significantly influence to the ratio of dividend payout ratios and the last was that the size of the company had a significant effect on the ratio of dividend payout ratios.

5. Research conducted by (Imas Della Fauzi1, Rukmini2, 2019) with the title The Effect of Financial Performance Measured With Rent ability Ratio Against Dividend Payout Ratio (Empirical Study on Manufacturing Companies group listed on BEI)"STIE AAS, Central Java, Indonesia" The study was conducted to examine whether there is a significant effect of the company's financial performance as measured by the ratio of profitability with Return on Assets (ROA), Return On Equity (ROE), Return On Investment (ROI) and Net Profit Margin (NPM) to Dividend Payout Ratio (DPR). The sample in this study was the data collected is obtained from the financial statements of manufacturing companies listed on the Indonesia Stock Exchange period 2013-2015. Especially in the manufacturing industry group based on this research, there are 143 companies from 19 industry sectors. Sampling in this research is done by purposive sampling. The data statistical analysis was done by using descriptive analysis, doubled linear regression, correlation coefficient, and coefficient of determination. The results showed results Statistics simultaneously obtained the value of determination coefficient of 28.3%. While the rest equal to 71.7% influenced by other factors. Based on hypothesis test by using significant level α = 0,05 result of F test, show that together regression model can be used to explain the relation between Return on Asset, Return On Equity, Return On Investment and Net Profit Margin to Dividend Payout Ratio.

6. Research conducted by (Imam Ghozali,Eka Handriani, and Hersugondo, 2019) with the title The Role Of Sales Growth To Increase Firm Performance In Indonesia "Doctoral Program of Economics, Economics and Business Faculty, Diponegoro University, Central Java, Indonesia, Management Department, Economics and Business Faculty, Darul Ulum Islamic Centre Sudirman University, Central Java, Indonesia, Management Department, Economics and Business Faculty, Diponegoro University, Central Java, Indonesia" The study was conducted To aims fill the big gap by testing the role of investment, the growth rate of sales, company size on company performance. The sample in this study was a sample of 194 manufacturing companies listed on the Indonesia Stock Exchange in 2010-2016. The data Goodness of Fit model by using: Chi-Square and Probability, Goodness of Fit Indices (GFI), Adjusted Goodness of Fit Index (AGFI), Root Mean Square Error of Approximation (RMSEA), Expected Cross Validation Index (ECVI), Akaike's Information Criterion (AIC). The results showed the trial found that the Growth rate of sales is able to mediate the Influence of investment and firm performance.

7. Research conducted by (Mohd. Nawi Purba1, Erika Kristiany Br. Sinurat2, Ahmad Djailani3, Winda Farera4, 2020) with the title The Effect of Current Ratio, Return on Assets, Total Asset Turnover and Sales Growth on Capital Structure in Manufacturing Company" Faculty of Economics, University of Prima Indonesia, Medan, Indonesia "The study was conducted to determine how much effect the Current Ratio, Return on Assets, Total Asset Turnover and Sales Growth have on the Capital Structure of manufacturing companies listed on the IDX from 2016 to 2018. The sample in this study was the population of this study was 144 companies with a sample of these companies, namely 73. The data method used was the descriptive method and multiple linear analysis method Structure .The results showed that partially Current Ratio has a negative and significant effect on Capital Structure, Return on Asset did not have a significant effect on Capital Structure, Total Asset Turn Over has no significant effect on Capital Structure, and Sales Growth has no significant effect on Capital Structure in manufacturing companies listed on the Indonesia Stock Exchange.

8. Research conducted by (Noery Mutiarahim, 2020)with the title The Effect Of Current Ratio, Debt To Equity Ratio, Return On Investment, Investment Opportunity Set, And Firm Size On Dividend Payment Ratio In Companies Which Is Included In The Jayakarta Islamic Index During The Period Of 2012 – 2016"Universitas Multimedia Nusantara"The study was conducted to determine the effect of the Current Ratio, Debt to Equity Ratio, Return on Investment, Investment Opportunity Set, and Firm Size on Dividend Payout Ratio. The data used in this research are using annual reports issued that were collected from Indonesia Stock Exchange. The sample in this study was this research is basic research, namely the search for something because of the attention and curiosity about the results of an activity. Jakarta Islamic Index (JII) issuers during the period 2012-2016 on the Indonesia Stock Exchange. The data the method used is a descriptive and explanatory method with panel data regression test tools. The result showed that the Current Ratio has no positive effect on the Dividend Payout Ratio, the Debt to Equity Ratio has negative and significant effect on Dividend Payout Ratio, Return on Investment has no significant effect on the Dividend Payout Ratio, Investment Opportunity Set has no significant effect on the Dividend Payout Ratio, and Firm Size has positive and significant.

9. Research conducted by (Zulkifli, Endri, Augustina Kurniasih, 2019)) with the title Determinants of Internal Dividend Payout Ratio of Pharmaceutical Companies Listed in Indonesia Stock Exchange" Program Magister Management Universities Mercu Buana "The study was conducted to examine and analyze the effect of the internal determinant of dividend payout ratio pharmaceutical company, annual data observation period 2008 until 2014. The sample in this study was the Population of the research was the entire pharmaceutical company consisting of 10 companies. The sampled criteria were pharmaceutical companies that consistently paid cash dividends. The data analysis used panel data regression fixed effect which had a larger R square value. The results showed that the current ratio, return on assets, debt to equity ratio, earnings growth, return on equity, earnings per share, and market to book value simultaneously were having a significant influence on the dividend payout ratio.

10. Research conducted by (Dessy Widyawati & Astiwi Indriani, 2019) with the title Determinants of dividend payout ratio: evidence from Indonesian manufacturing companies “Department of Management “Faculty of Economics and Business, Universities Diponegoro" The study was conducted to investigate and analyze the relationship between return on assets, growth sales, debt to equity ratio, Lagged dividend to dividend payout ratio, and size as a control variable. The sample in this study was to study The Data collected from manufacturing industries in the Indonesian Stock Exchange 2011-2017. The method of this study is ordinary least square regression. The results showed that return on assets and lagged dividends have a positive impact on the dividend payout ratio. Growth sales have an insignificance negative relationship to dividend payout ratio. The debt to equity ratio has a positive relationship to the dividend payout ratio and has an insignificance sign.

Table 1 Previous Research on International Journals

No	Title of research	Goal of research	Unit of analysis	Variable and data analysis	Result of research
1	The Effect of Current Ratio, Debt to Equity Ratio and Return in The Consumer Goods Industry Sector Listed in Indonesia Stock Exchange 2012-2017 International Humanities And Applied Sciences Journal (Ihasj) E-Issn 2622-5808; P-ISSN 2655-6553, Volume 2, Issue 2, May, 2019	to analyze the effect of current ratio (CR), debt to equity ratio (DER), and return on equity ratio (ROE) on dividend payout ratio (DPR) in the consumer goods industry sector listed in Indonesia Stock Exchange period of 2012-2017	The population in this research is consumer goods industry sector listed on the Indonesia Stock Exchange amounted to 40 companies and the research sample is 13 companies.	X1: Current Ratio, X2: Debt to Equity Ratio X3: Return on Equity Ratio X4: consumer goods industry Y; dividend payout ratio	Result of research got value of adjusted R-Square equal to 62.64%. It indicated that return on equity has a significant negative effect on dividend payout ratio with regression coefficient

				The analytical method used in this study is panel data regression analysis with the help of software Eviews 9.0 and SPSS	equal to - 1.070932. However, the result of current ratio has insignificant negative effect on the dividend payout ratio with regression coefficient of - 2.462612 and debt to equity ratio has insignificant positive effect on the dividend payout ratio with regression coefficient of 0.012540.
2	The Effect Of Value Added Intellectual Coefficient (Vaic), Return On Investment (Roi), Current Ratio (Cr), And Debt To Equity Ratio (Der) On Company Value Vol.2 No. 2, 2021 IJEBAInternational Journal of Economic and Business Applied	to determine the effect of Current Ratio, Debt to Equity Ratio, Return on Investment, Investment Opportunity Set, and Firm Size on Dividend Payout Ratio. The data used in this research are using annual report issued that collected from	The method of selecting samples with purposive sampling and a total sample of 76	X1:Value Added Intellectual Coefficient (Vaic X2: RETURN ON INVESTMENT X3:CURRENT RATIO (CR), X4:DEBT TO EQUITY RATIO (DER) Y:Company Value	results show that Intellectual Value Coefficient (VAIC) does not effect Company Value, Return on Investment (ROI) has a significant positive effect on Company

		Indonesia Stock Exchange.		Analysis method using SPSS	Value, Curret Ratio (CR) does not affect Company Value And Debt to Equity Ratio (DER) has a significant positive effect on Company Value.
3	Effect of Current Ratio, Return on Equity, Debt to Equity Ratio, and Assets Growth on Dividends of Payout Ratio in Manufacturing Companies Listed in Indonesia Stock Exchange During 2014-2016 International Journal of Advances in Social and Economics E-ISSN: 2685-2691	to determine the effect of the current ratio, return on equity, debt to Equity ratio, and assets growth on the dividend payout ratio in manufacturing companies listed on the Indonesia Stock Exchange during 2014-2016. The population in this study were 124 companies.	The population in this study were 124 companies. The sampling technique used in this study was purposive sampling with a sample of 57 financial statements consisting of 19 companies	X1: Current Ratio X2: Return on Equity X3: Debt to Equity Ratio X4: Assets Growth Y:Dividends of Payout Ratio The data analysis technique used is multiple linear regression analysis using the SPSS program	The results showed that the current ratio did not affect the dividend payout ratio with a significance value of 0,246> 0,05. Return on equity has a positive effect on dividend payout ratio with a significance value of 0,030 <0,05 and a regression coefficient of 0,284.
4	The Influence Of Return On Investment, Current Ratio, Debt To Equity Ratio ,	to examine the factors that influence the	The technique for sampling using purposive	X1:Return On Investment,	the results of the study, showed that

	Earning Per Share,And Firm Size TO The Dividend Pay Out Ratio In Banking Industries Listed At Indonesia Stock Exchange Period 2013-2018 Dinasti International Journal of Digital Business Management P-ISSN:2715-419x P-ISSN-2715-4203	ratio of dividend payments in the banking industry. These factors include return on investment, current ratio, debt to equity ratio, earnings per share, and firm size.	sampling while the sample used in this study was 6 banking companies listed on the Indonesia Stock Exchange in 2014-2018	X2: Current Ratio X3: Debt To Equity Ratio, X4: Earning Per Share X5:Firm Size Y: Dividend Payout Ratio. The analytical method used in this study was a panel data regression model (a combination of time series and cross section)	first, the return on investment did not significantly affect the dividend payout ratio; second, the current ratio did not significantly influence the dividend payout ratio; third, the debt to capital ratio had a significant effect on dividend payout ratios; fourth, earnings per share did not significantly influence to the ratio of dividend payout ratios and the last was that the size of the company had a significant effect on the ratio of dividend payout ratios.

5	Effect of Return on Equity, Debt to Asset Ratio, Working Capital Turnover Dan Devidend Payout Ratio on Stock Return Saudi Journal of Economics and Finance ISSN 2523-9414 (Print) |ISSN 2523-6563 (Online)	to analyze the influence of return on equity, debt to asset ratio, working capital turnover and dividend payout ratio to stock return and to know the factors of return on stock. The data source used is the secondary data obtained from the annual report of the food and beverage sub-sector manufacturing company listed on the Indonesia Stock Exchange (BEI) in 2014-2018	Based on purposive sampling method, there are 65 final samples this research	X1: Return on Equity X2: Debt to Asset Ratio X3:Working Capital Turnover X4: Dividend payout ratio Y: Stock return The data analysis methods in this study used multiple linear regression analyses and their data processing using version 21 programs	The results of the study revealed that Return on Equity (X1) has no significant effect on the stock return, Debt to Asset Ratio (X2) has no significant effect on the stock return, Working Capital Turnover (X3) has a significant influence on the stock return, Devidend Payout Ratio (X4) has no significant effect on the stock return.
6	The Effect of Financial Performance Measured With Rent ability Ratio Against Dividend Payout Ratio (Empirical Study on Manufacturing Companies group listed on BEI) International Journal of Economics, Business and Accounting Research (IJEBAR) 2019	to examine whether there is a significant effect of the company's financial performance as measured by the ratio of profitability with Return on Assets (ROA), Return	The data collected is obtained from the financial statements of manufacturing companies listed on the Indonesia Stock Exchange period 2013-2015. Especially in the	X1:Return on Assets X2: Return On Equity X3:Return On Investment X4:Net Profit Margin	results Statistics simultaneously obtained The value of determination coefficient of 28.3%. While the rest equal to 71.7% Influenced by other factors.

	ISSN: 2614-1280	On Equity (ROE), Return On Investment (ROI) and Net Profit Margin (NPM) to Dividend Payout Ratio (DPR)	manufacturing industry group based on this research, there are 143 companies from 19 industry sectors. Sampling in this research is done by purposive sampling	Y: Dividend Payout Ratio (DPR). statistical analysis done by using descriptive analysis, doubled linear regression, correlation coefficient and coefficient of determination	Based on hypothesis test by using significant level α 0,05 =result of F test, show that together regression model can be used to explain the relation between Return on Asset, Return On Equity, Return On Investment and Net Profit Margin to Dividend Payout Ratio
7	The Role Of Sales Growth To Increase Firm Performance In Indonesia International Journal of Civil Engineering and Technology (IJCIET) 2019 ISSN Print: 0976-6308 and ISSN Online: 0976-6316	To aims fill the big gap by testing the role of investment, growth rate of sales, company size on company performance	Sample of 194 manufacturing companies listed on the Indonesia Stock Exchange in 2010-2016.	X1:Investment X2:Sales Growth X3: Firm Size Y:Firm performance, Goodness of Fit model by using: Chi-Square and Probability, Goodness of Fit Indices (GFI), Adjusted Goodness of Fit Index (AGFI), Root Mean Square Error of Approximation	The results of the trial found that Growth rate of sales is able to mediate Influence of investment and firm performance.

				(RMSEA), Expected Cross Validation Index (ECVI), Akaike's Information Criterion (AIC) and the CAIC, also Fit Index	
8	The Influence of Sales Growth and Leverage on Profitability Empirical Study of Manufacturing Companies in the Consumer Goods Sector Listed On Indonesia Stock Exchange for the 2016-2019Period Review of International Geographical Education 2021 ISSN:2146-0353	To examine the effect of sales growth and leverage on profitability (Return on Assets) in consumer goods manufacturing companies listed on the Indonesian Stock Exchange (BEI).	. The population in this research were 53 companies in the consumer goods sector, and the sampling technique used in this research is purposive sampling.	X1:Sales Growth X2:Leverage Y:Profitability method used in this research is descriptive and verificative method	The results showed that sales growth had a significant positive effect on profitability (Return on Assets), while the Debt to Asset Ratio (DAR) had no effect on avoidance of profitability.
9	The Effect of Current Ratio, Return on Assets, Total Asset Turnover and Sales Growth on Capital Structure in Manufacturing Company International Journal of Social Science and Business 2020 P-ISSN : 2614-6533 E-ISSN : 2549-6409	to determine how much effect the Current Ratio, Return on Assets, Total Asset Turnover and Sales Growth have on the Capital Structure of manufacturing companies listed on the IDX from 2016 to 2018	The population of this study was 144 companies with a sample of these companies, namely 73.	X1:Current Ratio X2:Return on Assets X3:Total Asset Turnover X4: Sales Growth Y:Capital Structure method used was descriptive method and multiple linear analysis method Structure	The results showed that partially Current Ratio has a negative and significant effect on Capital Structure, Return on Asset did not have a significant effect on Capital Structure, and Total Asset

					Turn Over has no significant effect on Capital Structure, and Sales Growth has no significant effect on Capital Structure in manufacturing companies listed on the Indonesia Stock Exchange
10	Determinants of dividend payout ratio: evidence from Indonesian manufacturing companies Diponegoro International Journal of Business 2019 (p-ISSN: 2580-4987; e-ISSN: 2580-4995)	To investigate and analyze the relationship between return on assets, growth sales, debt to equity ratio, Lagged dividend to dividend payout ratio and size as control variable.	The Data collected from manufacturing industries in Indonesian Stock Exchange 2011-2017	X1: return on assets X2: lagged dividend X3: Growth sales X4:Debt to Equity Ratio Y: dividend payout ratio The method of this study is ordinary least square regression	The results of this study shows that return on assets and lagged dividend have positive impact to dividend payout ratio. Growth sales has insignificance negative relationship to dividend payout ratio. Debt to equity ratio has positive

					relationship to dividend payout ratio and has insignificance sign.

Table 2 Previous Research on National Journals

No	Title of research	Goal of research	Unit of analysis	Variable and data analysis	Result of research
1	The Effect of Debt to Equity Ratio and Return on Equity on Stock Return with Dividend Policy as Intervening Variables in Subsectors Property and Real Estate on Bei. Jurnal Ilmiah Pendidikan Ekonomi E-Issn; 2337-571x September 2020	to investigate the effect of Debt to Equity Ratio and Return on Equity on stock returns with dividend policy as an intervening variable on the property and real estate companies in Indonesia	Total Real Estate and Property companies listed on the Indonesia Stock Exchange (IDX) are 54 companies, but only annual data for 18 companies that available for the period of 2014-2018.	X1: Debt to Equity Ratio X2: Return on Equity Z:Dividend Policy Y: Stock Return multiple linear regression model using SPSS and the Sobel test	results found that Debt to Equity Ratio (DER), Return on Equity (ROE), and Dividend Payout Ratio (DPR) have a positive and significant affect on stock returns, both partially nor jointly. Furthermore, the result of Sobel test revealed Dividend Payout ratio (DPR) can be mediate the relationship of Debt to Equity Ratio (DER) and and Return on

					Equity (ROE) on stock returns.
2	The Effect of Current Ratio and Debt to Equity Ratio on Stock Prices with Return on Equity as an Intervening Variable in Food and Beverage Companies Date received : 03 March 2021 Journal of Social Science p-ISSN 2720-9938 | e-ISSN 2721-5202	to test and analyze the effect of Current Ratio and Debt to Equity Ratio on stock prices with ROE as an intervening variable .	The population used in this study is the annual financial statements of companies incorporated in the f‹x›d and beverage sector on the Indonesia Stock Exchange for the period 2015-2018. The population in this study were 23 companies.	X1: Current Ratio X2: Debt to Equity Ratio Z: Return on Equity Ratio Y: Stock Price	The results showed that the Current Ratio had a positive and significant effect on ROE and stock prices. DER has a positive and significant effect on ROE but has a significant negative effect on stock prices and ROE has a positive and significant effect on stock prices. CR and DER have an indirect effect on stock prices through ROE.
3	The Effect Of Current Ratio, Debt To Equity Ratio, Return On Investment, Investment Opportunity Set, And Firm Size On Dividend Payment Ratio In Companies Which Is Included In The Jayakarta Islamic Index During The Period Of 2012 – 2016 ULTIMA Accounting Journal IIMU Akunlansi	To determine the effect of the Current Ratio, Debt to Equity Ratio, Return on Investment, Investment Opportunity Set, and Firm Size on Dividend Payout Ratio. The data used in this research are using annual	This research is a basic research, namely the search for something because of the attention and curiosity about the results of an activity. Jakarta Islamic Index (JII) issuers during the period 2012-2016 on	X1: Current Ratio X2: Debt To Equity Ratio X3: Return On Investment X4: Opportunity Set X5: Firm Size Y: Dividend Payout Ratio The method used is	The result showed that Current Ratio has no positive effect on Dividend Payout Ratio, Debt to Equity Ratio has negative and significant effect on Dividend Payout Ratio,

	2020 ElSSN:2541-5476 Issn:2085-4595 Approved 5February 2020	reports issued that were collected from Indonesia Stock Exchange.	the Indonesia Stock Exchange	descriptive and explanatory method with panel data regression test tools	Return on Investment has no significant effect on the Dividend Payout Ratio, Investment Opportunity Set has no significant effect on the Dividend Payout Ratio, and Firm Size has positive and significant effect on Dividend Payout Ratio
4	Determinants Of Internal Dividend Payout Ratio Of Pharmaceutical Companies Listed In Indonesia Stock Exchange Jurnal Keuangan dan Perbankan 2019, ISSN:2443-2687 (Online)ISSN:1410-8089 (Prin	to examine and analyze the effect of internal determinant of dividend payout ratio pharmaceutical company, annual data observation period 2008 until 2014	Population of the research was the entire pharmaceutical company consisting of 10 companies. The sampled criteria were pharmaceutical companies that condistantly paid cash dividends.	X1:current ratio X2: debt to equity ratio X3:return on assets, X4:earning growth X5:earning per share X6:market to book value X7:return on equity Y:dividend payout Data analysis used panel data regression fixed effect which had larger R square value	The results showed that current ratio, return on assets, debt to equity ratio, earnings growth, return on equity, earnings per share and market to book value simultaneously were having significant influence to the dividend payout ratio

5	Total Assets Turnover Against Dividend Payout Ratio: The Role of Return On Assets Mediation Jurnal Manajemen Indonesia2020 Online ISSN:2502-3713	to examine the direct effect of TATO and ROA on the DPR, TATO on ROA, and the indirect effect of TATO on the DPR through ROA in the consumer goods industry sector in 2016-2018	The study population was all companies in the consumer goods industry sector with a total of 38 companies, while the samples taken were 21 companies	X1:Dividend Pay-out Ratio X1:Total Assets Turnover Y:Return on Assets This type of research is quantitative research using Warp Partial Least Square (Warp-PLS) for data analysis.	the results of indirect influence testing prove that TATO significantly influences DPR through ROA, so the higher ROA is closer to the relationship between TATO and DPR.
6	The influence of company's external and internal factors to financial performance and company competitiveness on consumer good companies industry Jurnal Perspektif Pembiayaan dan Pembangunan Daerah 2019 ISSN: 2338-4603 (print); 2355-8520 (online)	s to predict the influence model of external and internal factors of a company, starting a company's financial performance on the competitiveness of companies in the Consumer Goods Industry Sector on the Indonesia Stock Exchange	This research is used SEM (Structural Equation Modeling) based on component or variance based analysis known as Partial Least Square (PLS).	X1: External Company Factors X2: Internal Company Factors Z: Corporate Competitiveness Y: Financial Performance Company	The results of this study concluded that external factors affect the company's financial performance and company competitiveness.
7	The Effect of Sales Growth, Capital Expenditure, and Working Capital Efficiency on Indonesian-Listed-Consumer-Goods on Firms' Financial Performance with	to determine the effect of sales growth, capital expenditure and working capital efficiency on	The population in this study was all consumer goods industry firms listed on the Indonesia	X1Sales Growth, X2:Capital Expenditure X3: Working	The results showed that sales growth and capital expenditure do not significantly

	Capital Structure as Moderating Variable Indonesian Journal Of Economics, Social,And Humanities 2019 **e-ISSN:** 2656-355X **p-ISSN:** 2656-0267	financial performance which is moderated by the capital structure	Stock Exchange in 2014-2017. Sampling in this study was based on purposive sampling and obtained as many as 35 firms	Capital Efficiency Y:Firms' Financial Performance Z:Capital Structure The analytical method used was Partial Least Square (PLS) analysis	affect capital structure; working capital and capital structure has a positive and significant effect on financial performance
8	Factors Influence Return On Investment Jurnal Ilmiah manajement fakultas ekonomi 2019 E-ISSN 2502-5678 P-ISSN 2502-1400	to analyze the effect of leverage ratios, growth sales and company size on return on investment in sub-sector companies plastics and packaging listed on the Indonesia Stock Exchange for the period 2013-2016	study Quantitative with secondary data sources. While the sampling method Applying purposive sampling. Then, Selected data is collected through documentation method or library materials	X1:Debt to Equity Ratio (DER), X2:Sales Growth X3:Degree of Financial Leverage X4:Firm's Size Y:Return On Investment (ROI) classical assumption test, and hypothesis testing with the help of Statistical Product and Service Solution (SPSS) software version 20.0.	The results of the study show that the coefficient of determination (R square) in this study is 0.531 or 53.1%

9	Effect of working capital turnover, sales growth and Fixed Asset Turnover to Return on Investment (ROI), in the Automotive Industry Jurnal Penelitian Ekonomi dan Akuntansi (JPENSI) 2021 e-ISSN 2621-3168 p-ISSN 2502 – 3764	This study was to analyze the influence of Working Capital Turn Over, Sales Growth and Fixed Asset Turn Over on Return On Investment (ROI). The research used was purposive sampling.	The research used was purposive sampling. The research sample is 12 automotive industries listed on the Indonesia Stock Exchange in 2015- 2019.	X1:working capital turnover X2:sales growth X3:Fixed Asset Turnover Y:Return on Investment The analytical technique used is multiple regression analysis with SPSS. version 23.0	The study concludes that Working Capital Turn Over has a significant and negative effect on Return On Investment with Sig : 0.000 < 0.05. Meanwhile, Growth sales has no significant effect on Return On Investment with a Sig: 0.288 > 0.05.
10	Analysis Of Financial Ratio To Performance Financial Real Estate And Property Company Listed On The Indonesia Stock Exchange Jurnal Penelitian Ekonomi dan Akuntansi 2019 Print ISSN:2502-3764 Online ISSN:2621-3168	the effect of CR, DR, DER, TAT, ROE on good financial performance proxied by ROI on real estate and property companies listed in The Indonesian Stock Exchange aims to analyze the effect of CR, DR, DER, TAT, ROE partially, simultaneously and the most dominant to financial performance	The population in this study is a real estate company and property listed on the Stock Exchange Indonesia (IDX). As for technique sampling by means of purposive sampling i.e. the sample is selected Based on certain criteria.	X1:CR X2:DR, X3:DER X4:TAT X5: ROE Y:ROI The data was processed using the IBM SPSS Statistics 20 program	Based on the results of the t-test regression, it is known that the ROE variable shows a t-count value of 7.069 and a significance level of of 0.000 <0.05, which means that the ROE variable has the most dominant effect on financial performance proxied by ROI in real estate companies and property

		which is proxied by ROI on listed real estate and property companies on the Indonesia Stock Exchange			listed on the Indonesia Stock Exchange

Based on the previous research matrix, there are findings of gap research gaps or comparisons of similarities and differences between previous research and research conducted by current researchers as follows:

1. The Effect of Current Ratio, Debt to Equity Ratio and Return in The Consumer Goods Industry Sector Listed in Indonesia Stock Exchange 2012-2017 (Yusi Amelia, Rina Y. Asmara, 2019)

Marketing mix: X1: Current Ratio, X2: Debt to Equity Ratio, X3: Return on Equity Ratio

X4: consumer goods industry, and Y: dividend payout ratio

2. The Effect of Value Added Intellectual Coefficient (Vaic), Return on Investment (Roi), Current Ratio (Cr), and Debt to Equity Ratio (Der) On Company Value (Rona Tumiur Mauli Carolin Simorangkir, 2021)

Marketing mix: X1: Value Added Intellectual Coefficient, X2: RETURN ON INVESTMENT

X3: CURRENT RATIO, X4: DEBT TO EQUITY RATIO, and Y: Company Value

3. Effect of Current Ratio, Return on Equity, Debt to Equity Ratio, and Assets Growth on Dividends of Payout Ratio in Manufacturing Companies Listed in Indonesia Stock Exchange during 2014-2016 (A. A. Ayu Erna Trisnadewi1,aI Wayan Rupa1,b , Komang Adi Kurniawan Saputra1 1,c, # Ni Nyoman Dita Mutiasari1,d, 2019)

Marketing mix: X1: Current Ratio, X2: Return on Equity, X3: Debt to Equity Ratio, X4: Assets Growth, and Y: Dividends of Payout Ratio

4. The Influence Of Return On Investment, Current Ratio, Debt To Equity Ratio, Earning Per Share, And Firm Size TO The Dividend Pay Out Ratio In Banking Industries Listed At Indonesia Stock Exchange Period 2013-2018. (Zara Tania Rahmadi, 2020)

Marketing mix: X1: Return on Investment, X2: Current Ratio, X3: Debt To Equity Ratio, X4: Earning Per Share, X5: Firm Size, and Y: Dividend Payout Ratio

5. The Effect of Financial Performance Measured with Rent ability Ratio against Dividend Payout Ratio (Empirical Study on Manufacturing Companies group listed on BEI) (Imas Della Fauzi1, Rukmini2, 2019)

Marketing mix: X1: Return on Assets, X2: Return on Equity, X3: Return on Investment, X4: Net Profit Margin, and Y: Dividend Payout Ratio

6. The Role of Sales Growth to Increase Firm Performance in Indonesia. (Imam Ghozali,Eka Handriani, and Hersugondo, 2019)

Marketing mix: X1: Return Investment, X2: Sales Growth, X3: Firm Size, and Y: Firm performance

7. The Effect of Current Ratio, Return on Assets, Total Asset Turnover and Sales Growth on Capital Structure in Manufacturing Company. (Mohd. Nawi Purba1, Erika Kristiany Br. Sinurat2, Ahmad Djailani3, Winda Farera4, 2020)

Marketing mix: X1: Current Ratio, X2: Return on Assets, X3: Total Asset Turnover, X4: Sales Growth, and Y: Capital Structure

8. The Effect Of Current Ratio, Debt To Equity Ratio, Return On Investment, Investment Opportunity Set, And Firm Size On Dividend Payment Ratio In Companies Which Is Included In The Jakarta Islamic Index During The Period Of 2012 – 2016. (Noery Mutiarahim, 2020)

Marketing mix: X1: Current Ratio, X2: Debt to Equity Ratio, X3: Return On Investment

X4: Opportunity Set, X5: Firm Size, and Y: Dividend Payout Ratio

9. Determinants of Internal Dividend Payout Ratio of Pharmaceutical Companies Listed in Indonesia Stock Exchange (Zulkifli, Endri, Augustina Kurniasih, 2019)

Marketing mix: X1: current ratio, X2: debt to equity ratio, X3: return on assets, X4: earning growth, X5: earning per share, X6: market to book value, X7: return on equity, and Y: dividend payout

10. Determinants of dividend payout ratio: evidence from Indonesian manufacturing companies (Dessy Widyawati & Astiwi Indriani, 2019)

Marketing mix: X1: return on assets, X2: lagged dividend, X3: Growth sales, X4: Debt to Equity Ratio Y: dividend payout ratio

Based on the findings of the GAP of the research above, the researcher proposes a research proposal entitled THE EFFECT OF CURRENT RATIO, DEBT TO EQUITY RATIO, RETURN ON INVESTMENT, AND SALES GROWTH ON DIVIDEND PAYOUT RATIO ON CONSUMER GOODS COMPANIES LISTED ON TADAWUL FOR THE 2018-2021 PERIOD (A Case Study in Surabaya, East Java, Indonesia)

2.2 Theoretical Framework

2.2.1. Saudi Stock Exchange (Tadawul)

In 2001, SAMA launched a new system known as "Tadawul" for share trading, clearing, and settlement. The system ensured a quick, secure transaction.A quick settlement is made possible by an efficient and accurate trading cycle. Saudi Stock Exchange on March 19, 2007, the Exchange (Tadawul) was established in Riyadh as a Saudi joint stock company.company with a SAR 1.2 million capital billion owned entirely by the Public Investment Fund (PIF). Tadawul is now the only entity authorized to act as a securities exchange in the Kingdom. As of August 2017, it had 171 companies listed (saudigazette, 2022).

The Saudi Exchange is a wholly owned subsidiary of Saudi Tadawul Group that was formed in March 2021 as a result of the Saudi Stock Exchange's (Tadawul) transition into a private equity firm. On March 20, 2021, Saudi Tadawul Group had 192 companies listed (Tadawul, 2021). The Exchange, Saudi Arabia's devoted stock market and the largest in the Middle East, contains a list and deals bonds for both domestic and foreign investors. The authoritative statement among all trade data for the Group is the Saudi Exchange., is critical to the Group's long-term growth plans and to providing market participants with appealing and diverse investment opportunities. (Michael Fahy, 2020).

Saudi Exchange is the dominant stock market in the Gulf Cooperation Council, ranking ninth amongst National Organization of Markets' 67 delegates (GCC). It is a part of the International Organization of Securities Commissions (IOSCO), the World Federation of Exchanges (WFE), and the Arab Federation of Exchanges, and it has the third largest stock market among emerging markets (AFE). TADAWUL has a share capital of SAR 1.2 billion, which is divided into 120 million shares worth SAR ten each.

This same Community Private Equity firm has purchased all of the shares (GSARN, 2019)

What exactly does TADWUAL do? According to (alnews, 2021)

1. TADAWUL offers a platform for the ranking and trying to trade of a wide range of securities, including equities, Real Estate Investment Trusts (REITs), Exchange Traded Funds (ETFs), corporate bonds, government bonds, and Sukuks.

2. TADAWUL's objectives and strategies are strongly connected with the Kingdom's Vision 2030. Both share the goal of increasing the private sector's contribution to the economy, attracting more foreign investment, and growing the SME sector.

3. A securities exchange serves as the infrastructure through which corporations can raise equity or loan financing. It also serves as a secondary market for the trading of securities. Today, the record of ownership of securities and the trading process is almost entirely electronic. Securities prices are typically set through an auction process in which offers to buy and sell are matched.

4. The depository, which keeps records of share ownership (via an account for each investor) and records and confirms transfers of ownership, is a key function of the exchange. A registry is a record of the complete details of an individual corporation's ownership of its securities.

5. The clearing procedure is a procedure for calculating the obligations arising from concluded securities transactions, as well as a procedure for preparing for the settlement of such transactions by checking the availability of the required securities and cash. The transaction is completed at the settlement stage, when funds and securities are transferred to the respective parties.

2.2.2. Signaling Theory

According to the profit unimportance hypothesis (MM), every investor and manager has the same information about the company's dividends and future profits. In fact, different investors have different perspectives on the basis of future dividend payments and the uncertainty that these payments entail. This is because managers have more information about future prospects than shareholders. An increase in dividends is frequently followed by a rise in stock values, whereas a decrease in dividends is often followed by a decrease in stock prices. This suggests that profits are preferred by investors over financial assets. (Connelly, Certo, Ireland, & Reutzel, 2020).

A dividend increase that is greater than expected suggests to investors that the business is experiencing good profit growth. A decrease in dividends, in contrast side, will be interpreted as poor future profit growth. Dividend announcements that cause price changes indicate information or signaling content.

Profits and losses generated by the company will improve.unfortunate news in the capital market, with profits sending positive signals to investors and vice versa According to signal theory, the company feels obligated to share information with third parties. Due to information asymmetry owned by both inside and outside parties, companies are encouraged to publish their information. The disclosure of social responsibility is information that must be made public.

2.2.3 Current Ratio

According to (Samira Anggraeini& Krisnando , 2020)Current Ratio (CR) is a Current Ratio that gives a harsh proportion of the level of an organization's liquidity. Company’s ability to accomplish its transient commitments that are expected soon by utilizing accessible current resources.

According to (universe, 2020)Current Ratio is the connection between current assets and current liabilities of a firm. The current resources include: cash close by and in bank; borrowers or records receivables; bill receivables; stock and attractive protections and paid ahead of time income costs.

Then again, current liabilities include: various lenders, charges payable, bank over-drafts, and transient bank what's more different advances. This proportion estimates the degree of the current liabilities to current assets. Current Ratio might be characterized as the connection between current resources and current liabilities. This proportion is otherwise called "working capital proportion". It is a proportion of overall leverage and therefore is commonly used to examine a company's fleeting financial stance or liquidity; it is calculated by dividing the absolute of current resources by all current liabilities (Samira Anggraeini& Krisnando , 2020).

Based on the explanation of the Current Ratio above, the Current Ratio can be calculated using the formula:

$$CR = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

The two fundamental parts of this proportion are Current Resources and Current Liabilities. Current Resources incorporate money and those resources which can be directly converted into cash inside a brief timeframe, for the most part, one year, for example, attractive protections or promptly feasible speculations, charges receivables, various debt holders, (barring terrible obligations or provisions),inventories, work underway, and so forth prepaid costs should likewise be remembered for Current Resources since they address installments made ahead of time which won't need to be paid in not so distant future. Current liabilities are those commitments which are payable inside a brief time of commonly one year and incorporate exceptional costs, charges payable, various creditors, bank overdraft, gathered costs, momentary advances, annual expense payable, profit payable, and so forth (Noery Mutiarahim, 2020)

A moderately high Current Proportion means that the firm is fluid and can pay its present commitments on schedule and when they become owing. Otherwise, a generally low current proportion addresses that the liquidity position of the firm isn't great and the firm will not have the option to pay its present liabilities on schedule without confronting hardships. An increment in the Current Proportion addresses improvement in the liquidity position of the firm while a diminishing in the current proportion addresses that there has been crumbling in the liquidity position of the firm. (Yusi Amelia, Rina Y. Asmara, 2019)

A proportion equivalent to or close to 2: 1 is considered as a norm or typical or good. Having multiplied the Current Resources when contrasted with Current Liabilities is to accommodate the postponements furthermore misfortunes in the acknowledgment of current resources. Be that as it may, the standard of 2:1 ought not to be aimlessly utilized while making understanding of the proportion. Firms having under 2: 1 proportion might be having a preferred liquidity over even firms having more than 2: 1 proportion. This is a direct result of the explanation that current proportion estimates the amount of the Current Resources and not the nature of the Current Resources. In the event that an association's present resources incorporate indebted individuals which are not recoverable or stocks which are sluggish or old, the Current Proportion might be high yet it doesn't address a decent liquidity position (Bangladesh Open University, 2019)

However, the Current Ratio proportion is the relationship between current assets and current liabilities of a firm. The current resources include: cash close by and in the bank; debt holders or records receivables; bill receivables; stock and attractive protections and paid ahead of time income costs. Then again, current liabilities include various leasers, charges payable, bank overdrafts, transient banks furthermore different advances. This proportion estimates the degree of the current Liabilities to current resources (Dina Nurhikmawaty&Isnurhadi&MarlinaWidiyanti&Yuliani, 2020).

As important as the current ratio may be for examining a company's financial health, one ought not to make a strong presumption about its speculation worth. Besides, it isn't required that a current proportion generally addresses a company's finished liquidity or dissolvability. There are sure different factors additionally that are similarly significant while examining company. While breaking down company for a venture a potential open door, we should give more need to the nature of resources than the amount of resources (Jason Fernadon, 2021)

In the end, It is critical to maintain in mind that no single monetary figure or ratio can be the sole boundary of characterizing its monetary wellbeing and speculation worth. Such choices should be taken, remembering all potential factors and checking out the company from every single different point. Really at that time, would the venture be able to be utilized to the greatest extent possible (Mimelientesa Irman&Astri Ayu Purwati& Juliyanti, 2020)

2.2.4 Debt to Equity Ratio

According to (Samira Anggraeini& Krisnando , 2020)Debt to Equity Ratio (DER) is a debt ratio that portrays the extent to which a proprietor's capital can cover obligations to pariahs and is a proportion that actions the extent to which the organization is financed from obligation. What's more capital shows the organization’s ability to fulfill itsits commitments by utilizing existing capital.

According to ((Hapsoro & Husain, 2019; Kim & Choi, 2019; Moradi & Paulet2019, Suhaily2019, 2020) Debt to Equity Ratio (DER) is a proportion used to evaluate obligation to value. This proportion contrasts all obligation including current cash and all value, knowing how much assets given by the loan boss and the proprietor of the company. This proportion discovers any own capital utilized as guarantee for obligation. For loan losses the more noteworthy the proportion is the more unfruitful on the grounds that the more prominent the gamble borne by disappointments that might happen in the organization. The greater the proportion, the better the organization, as opposed to the low proportion, the higher the degree of financing given by the proprietor and the more noteworthy as far as possible for the borrower in case of misfortune or devaluation of the worth of resources.

Debt to Equity Ratio (DER) is a proportion that actions how far the organization is financed by obligation, where the higher this proportion addresses an indication that isn't really great for the organization (Samira Anggraeini& Krisnando , 2020).Hence, the lower the DER, the higher the organization's capacity to pay its commitments in general. The utilization of obligation that is too high will jeopardize the organization considering the way that organization will fall into the outrageous influence class, where the organization is caught in a significant degree of obligation and it is challenging to deliver the obligation trouble. On the off chance that the Debt To Equity Ratio (DER) diminishes, the subsequent benefit will increment and the profits to be paid will be higher.

This ratio likewise gives general direction on the monetary suitability and hazard of the organization. Debt to equity ratio for each company is unique, contingent upon the business qualities and variety of money. Organizations with stable income normally have a higher proportion than the less steady money proportion.Debt equity ratio is a proportion that actions how much companies are financed with obligation, companies that have obligation have more esteem contrasted with organizations without obligation. Expansion in company esteem happens on the grounds that premium installments on obligation are charge derivations considering the way hat the working pay got by financial backers' is more prominent considering the way that the benefits got is more noteworthy, the worth of the organization will likewise be huge (Amy Gallo, 2019)

Organizations should focus and harmony between the advantages of expense safeguards with costs (office Expenses and bankruptcy costs) when the advantages of assessment safeguards with insolvency costs at an equivalent or ideal point then the worth of the organization arrives at the greatest point. The debt to equity ratio is determined by partitioning all out liabilities by all out value. The obligation to value proportion is viewed as a monetary record proportion since each of the components are accounted for on the balance sheet (A. A. Ayu Erna Trisnadewi1,aI Wayan Rupa1,b , Komang Adi Kurniawan Saputra1 1,c, # Ni Nyoman Dita Mutiasari1,d, 2019)

Based on the explanation of the debt-to-equity ratio above, the debt-to-equity ratio can be calculated using the formula:

DER: $\frac{\text{TOTA Liabilitie}}{\text{Total equity}} x\ 100\%$

As a general rule, if your debt-to-equity ratio is too high, it's a sign that your organization might be in monetary trouble and incapable to pay your borrowers. In any case, assuming it's too low, it's an indication that your company is over-depending on value to back your business, which can be expensive and wasteful. A very low debt-to-equity ratio puts an organization in danger for a utilized buyout cautions Knight (Amy Gallo, 2019)

It is important to use the Debt-To-Equity Ratio in the business because it tells organizations how much gamble related with the manner in which its capital construction is set up and run. The proportion features how much duty a company uses to maintain its business and the monetary influence that is accessible to a Company. Obligation comprises the liabilities and commitments that are held by the association, with the purpose to take care of them over the long run. These include short-term debt, which is due within a year, and long-term debt with a maturity of more than one year (like credits or home loans). Company proprietors need to know whether their obligation is rising, diminishing, or remaining consistent. The response demonstrates whether or not their organization is being overpowered by monetary commitments or has space to develop (Ohio University, 2020)

Businesses with good debt to equity ratios are those that fall inside the standard reach for their enterprises. These organizations are logical in a time of positive development upheld by adjusted financing from both obligation moneylenders and value investors. A negative debt to equity ratio happens when an organization has financing costs on its obligations that are more noteworthy than the profit from speculation. A negative debt to equity ratio can likewise be a consequence of an organization that has negative total assets. Organizations that experience a negative debt to equity ratio might be viewed as dangerous to experts, loan specialists, and financial backers since this obligation is an indication of monetary flimsiness. To bring down your obligation to value proportion, you could focus on reimbursing the obligation you owe prior to developing your business further (Dan Tyre, 2021)

2.2.5 Return on Investment

According to (Kashmir,, 2021)the return or known as return on investment (ROI) or return on complete resources is a ratio that shows (return) on the quantity of resources utilized in the organization. Return for capital invested is additionally a proportion of the viability of the executives in dealing with its ventures. Also, In addition, the return on investment shows the efficiency of all organization reserves, both credit capital and own capital. The more modest (lower) this proportion, the less great, as well as the other way around. This implies that this proportion is utilized to gauge the viability of the company's general activities.

Return on Investment (ROI) shows assuming the degree of overall gain is higher created by the company from the utilization of organization resources. Thus the higher the pace of profit from venture, as well as financial backer certainty against the organization, is likewise high that the interest for organization offers will likewise high which will eventually build the stock cost thus in any case.. Investigation of the Return on Investment (ROI) proportion is one of the insightful strategies that are extensive (thorough) in examining organization funds. The simplest form of the formula for ROI involves only two values: the cost of the investment and the gain from the investment (Chaidir and Mira Pitriana, 2019)

Based on the explanation of the return on investment above, the return on investment can be calculated using the formula:

ROI: $\frac{\text{Profit after tax}}{Total\ asset} x\ 100\%$

According to (Haedar Nurul Fadilah, 2019), the capacity of a company to acquire benefit/benefit during a specific period is Profitability. The benefit proportion segment is Return on Investment. This ratio is utilized to gauge the degree of remuneration or obtaining (benefit/benefit) contrasted with all-out resources, as such, the proportion that can quantify the capacity to procure a benefit in the connection between absolute resources with benefits and value. Return on Investment (ROI) can be deciphered that the more if this proportion is little, then, at that point, the state of the organization is awful, and the bigger this ratio is, the company is great. That is, this estimation can likewise be utilized in evaluating the adequacy of all business exercises.

The importance of ROI rests generally in your response to it. Now and again, business pioneers settle on the difficult choice to scrap a poor-creating undertaking or unit. Corporate store, for example, close regrettable ROI or low-performing stores to zero in speculations on high-benefit stores. Then again, you can make changes when ROI is positive however not where you need it. Recognizing new income streams, adding new items and reducing expenses are key choices for further developing benefit execution, and hence, ROI (Wastam Wahyu Hidayat, 2021)

However, Return on Investment (ROI) is perhaps the most famous execution estimation and assessment metric. Return for capital invested investigation (when applied accurately) is an amazing asset in looking at arrangements and settling on educated choices on the acquisitions regarding data frameworks. During the arranging system that goes before the execution of progress exercises, projected ROI can be utilized to appraise what the arranged intercession will mean for income and working expenses and to change the mediation to more readily enhance both qualities what's more monetary exhibition. What's more, ROI can be utilized to show how long it will take for mediation to make back the initial investment that is, for the profits of the training improvement to counterbalance the forthright and progressing execution costs (Sarah Major, 2020)

According (Rutgers, 2019)this convenient instrument is utilized by financial backers, experts, and organizations overall in settling on significant choices in both the short term and the long term. Whenever utilized accurately the utilization of the ROI instrument has the accompanying advantages:

It assists financial backers with really taking a look at the possibilities of a speculation opportunity

1. ROI return for capital invested assists with estimating likely profits from an assortment of chances
2. ROI return for capital invested helps measure the benefits of placing assets into specific divisions inside an organization:
3. ROI return on initial capital investment assists measure with advertising rivalry
4. ROI return on initial capital investment is basic and extremely viable
5. The estimations made with ROI are straightforward and are communicated in monetary proportions.
6. ROI return for capital invested is acknowledged by numerous financial backers all over the planet as a viable strategy.

In addition, Return on Investment is calculated based on the division of the income generated by the amount of capital invested. ROI plays an important role in providing clear information about the size of business profitability so that all operational activities can be evaluated for their return on investment. The higher the rate of return on investment or ROI means the greater the company's ability to generate net income and pay dividends regularly. (Sulhan Faris, 2019).

2.2.6. Sales Growth

According to (Samira Anggraeini& Krisnando , 2020)Sales growth is the business development of the organization where the assets got from sales are resources utilized for the organization's functional exercises. The more prominent the business, it is normal that the more noteworthy the functional outcomes created by an organization will be.

According to (Fahmi, 2020) Sales Growth is a ratio used to gauge how much the company's capacity to keep up with its situation in the business and economy. Companies that have been effective in executing their showcasing techniques well, will see an increment in their benefits. The high sales growth development accomplished by the organization might mirror the company's monetary condition as very steady or a long way from monetary misery since it is demonstrated that the company's business development generally builds consistently. States that sales growth is an increase in the number of deals from one year to another or every once in a while.

Sales growth development is an indication of the interest and seriousness of companies in an industry. If sales growth is high, it will reflect expanded pay with the goal that profit installments will generally increment. Companies that have expanded benefits have a bigger measure of held income. An increment in organization benefits expands how much own capital that comes from held income. Sales are generally steady and consistent expansion in a company, making it simpler for the organization to get outer assets or obligation streams to work on its tasks. Organizations with generally stable deals levels can be more secure to get more credits and bear higher fixed expenses contrasted with organizations with unsteady deals (Rakasiwi, 2021).

Companies that have somewhat stable deals have moderately stable incomes, so they can utilize more obligations than companies with unstable sales. Sales growth is the complete change in deals change. This ratio additionally portrays the rate development of organization presents from year on year Formula: Based on the explanation of the Sales Growth above, the Sales Growth can be calculated using the formula:

$$\text{SG: } \frac{\text{year's sales} - \text{last year's sales}}{\text{Last year's sales}} x\ 100\%$$

Importance of Sales Growth shows the increase in sales over a specific period of time - this is significant in given the fact that, as a financial backer, you need to know whether the interest for an organization's items or administrations will be expanding, later on, Development rates vary by industry and company size (G-Squared, 2021)

Adventures-supported companies are regularly under tension from their financial backers to develop their top line as fast as could be anticipated. Thus, they distribute a lot of time and cash into deals and promoting to extend the business and construct a huge base of customers. They take the action to reinvest the entirety of the cash (and then some)) from new clients into their deals and showcasing endeavors. It empowers the organization to corner a specific market and gain an upper hand. Assuming that you're ready to arrive at clients in front of your opposition, you have a major advantage over securing a solid base (Meylawati Dewi1,Nelli Novyarni2, 2020).

Also, a few organizations get esteem from the public noticeable quality and consideration that comes from having the option to accomplish fast development. It's likewise crucial to recognize that while financial backers are keen on seeing an example of progress, they are going to "look at the engine" and notice reality joining that turn of events. In case your financials don't portray a picture of business prosperity long term, you could wind up in a risky situation with compromised hypothesis open entryways and a shortfall of money related help (G-Squared, 2021).

2.2.7 Dividend Payout Ratio

According to (Ira Puspita Setyaningsih&Indah Yuliana&Maulana Malik Ibrahim, 2020) the dividend payout ratio is the ratio of the aggregate sum of profits paid out to investors comparative with the total compensation of the company. It is the level of profit delivered to investors through profits. The ratio is calculated by adding the profits charged for each equity over the beyond four quarters, then, at that point, separating by the absolute weakened income per share for that period. The sum that isn't paid to investors is held by the company to take care of obligation or to reinvest in center tasks. It is now and then essentially alluded to as basically the payout ratio.

Dividends or value financial backers are incomes that are paid to the proprietors of company shares. Each profit installment period, obviously, investors hope to have the option to get profits in enormous sums, or possibly it should be generally steadier than the past period. Notwithstanding, the desires of these investors will be opposite all the opportunity to the longings of the company. Companies will constantly need their benefits to be held in the company with the goal that they are capable of utilized as a wellspring of subsidizing or other functional necessities. In this manner, assuming the company's held income for the organization's functional necessities has a huge ostensible worth, it presupposes that the benefits given as profits to investors will be more modest. Thus, each institution must be the option to decide the right profit strategy (Rona Tumiur Mauli Carolin Simorangkir, 2020).

According to (Noery Mutiarahim, 2020)the more dividend payout ratios set by an organization, the more beneficial it will be for financial backers. In the interim, the organization will get fewer wellsprings of inner financing. This obviously will spread the improvement of the organization. Notwithstanding, in the event that the organization likes to disperse its benefits as profits, it will additionally work on the government assistance of financial backers, so they will be keen on proceeding to put their portion capital in the organization.

Then again, a low-profit payout proportion will delineate the organization's benefits or benefits are encountering a decrease. This obviously will affect negative presumptions according to the public since it presupposes that the organization is encountering an absence of assets. This condition will decrease the inclination of financial backers in stock considering the way that the reason for financial backers to contribute their capital is obviously because of the reality that they need to get benefit installments as profits from the organization (Rona Tumiur Mauli Carolin Simorangkir, 2020)

Based on the above understanding, it can be concluded that the dividend payout ratio is the level of net gain dispersed as profits to issuers and the company's retained earnings as future funding. If the dividend payout ratio is higher, the policy will benefit issuers or investors, furthermore it will reduce the company's internal finance because the amount of retained earnings is getting smaller. The following is the recipe used to compute the dividend payout ratio:

DPR: $\frac{\text{Dividend}}{\text{Net Profit}}\ x\ 100\%$

Benefits of Dividend Payout Ratio (DPR)

For the company, data connected with the level of the dividend payout ratio can be utilized as thought for the company to decide the worth of held income or wellsprings of financing to help the organization's functional exercises and simultaneously foster its business.

For investors, data in regards to the level of profit payout proportion can be utilized for thought in settling on choices about their speculation, whether or not to add venture reserves, since this is connected with their assumptions for accomplishing a profit from the worth of their speculation (Hidayati Nur Rochmah & Ardianto Ardianto, 2020).

The Dividend Payout Ratio Important is a key monetary measurement used to decide the supportability of an organization's profit installment program. It is the amount of revenue charged to investors comparative with the absolute total compensation of an organization. Profit payout is a critical measurement for each business, be it large or little since it helps financial backers and investors to decide how powerful or proficient the organization and what is the extent of future potential development is related to it is. The main thing which one should comprehend for the examination of this proportion is that proportions of organizations working in a similar industry should be utilized for correlation as it contrasts from one industry to another (Dessy Widyawati & Astiwi Indriani, 2019).

2.3. Empirical Overview

Empirical review is a previous study that suggests several relevant concepts related to the Dividend Payout Ratio.

There are several previous studies that serve as a reference for writing this thesis, including:

1.Research conducted by (Yusi Amelia, Rina Y. Asmara, 2019)with the title The Effect of Current Ratio, Debt to Equity Ratio and Return in The Consumer Goods Industry Sector Listed in Indonesia

Stock Exchange 2012-2017"Faculty of Economics and Business, Universities Mercu Buana" The study was conducted to analyze the effect of current ratio (CR), debt to equity ratio (DER), and return on equity ratio (ROE) on dividend payout ratio (DPR) in the consumer goods industry sector listed in Indonesia Stock Exchange period of 2012-2017. The sample in this study was the population in this research is consumer goods industry sector listed on the Indonesia Stock Exchange amounted to 40 companies and the research sample is 13 companies. The data analysis method used in this study is panel data regression analysis with the help of software Reviews 9.0 and SPSS. The results showed that result of the research got the value of adjusted R-Square equal to 62.64%. It indicated that return on equity has a significant negative effect on dividend payout ratio with a regression coefficient equal to -1.070932. However, the result of the current ratio has an insignificant negative effect on the dividend payout ratio with a regression coefficient of -2.462612 and the debt to equity ratio has an insignificant positive effect on the dividend payout ratio with a regression coefficient of 0.012540.

The difference between this study and previous researchers is in the independent variables, intervening variables, and data analysis techniques. Previous studies used a panel data regression analysis with the help of software and SPSS, while in this study was not used.

2. Research conducted by (A. A. Ayu Erna Trisnadewi1,aI Wayan Rupa1,b , Komang Adi Kurniawan Saputra1 1,c, # Ni Nyoman Dita Mutiasari1,d, 2019) with the title Effect of Current Ratio, Return on Equity, Debt to Equity Ratio, and Assets Growth on Dividends of Payout Ratio in Manufacturing Companies Listed in Indonesia Stock Exchange During 2014-2016 "Faculty of Economics and Business, Warmadewa University, Denpasar, Bali, Indonesia" the study was conducted to determine the effect of the current ratio, return on equity, debt to equity ratio, and assets growth on the dividend payout ratio in manufacturing companies listed on the Indonesia Stock Exchange during 2014-2016. The population in this study was 124 companies. The sample in this study was the population in this study were 124 companies. The sampling technique used in this study was purposive sampling with a sample of 57 financial statements consisting of 19 companies. The data analysis technique used is multiple linear regression analysis using the SPSS program. The results showed that the current ratio did not affect the dividend payout ratio with a significance value of 0,246> 0,05. Return on equity has a positive effect on the dividend payout ratio with a significance value of 0,030 <0,05 and a regression coefficient of 0,284.

The difference between this study and previous researchers is in the independent variables, intervening variables, and data analysis techniques. Previous studies used sampling with a sample of 57 financial statements consisting of 19 companies, while in this study was not used.

3. Research conducted by. (Zara Tania Rahmadi, 2020) with the title The Influence Of Return On Investment, Current Ratio, Debt To Equity Ratio, Earning Per Share, And Firm Size TO The Dividend Pay Out Ratio In Banking Industries Listed At Indonesia Stock Exchange Period 2013-2018"Economic Science Institute of Galileo Batam, Indonesia" the study was conducted to examine the factors that influence the ratio of dividend payments in the banking industry. These factors include return on investment, current ratio, debt to equity ratio, earnings per share, and firm size. The sample in this study was the technique for sampling using purposive sampling while the sample used in this study was banking companies listed on the Indonesia Stock Exchange in 2014-2018. The data analytical method used in this study was a panel data regression model (a combination of time series and cross-section). The results showed results of the study, showed that first, the return on investment did not significantly affect the dividend payout ratio; second, the current ratio did not significantly influence the dividend payout ratio; third, the debt to equity ratio had a significant positive effect on dividend payout ratios; fourth, earnings per share did not significantly influence to the ratio of dividend payout ratios and the last was that the size of the company had a significant effect on the ratio of dividend payout ratios.

The difference between this study and previous researchers is in the independent variables, intervening variables, and data analysis techniques. Previous studies used sampling while the sample used in this study was banking companies, while in this study was not used.

4. Research conducted by (Imas Della Fauzi1, Rukmini2, 2019)with the title The Effect of Financial Performance Measured With Rent ability Ratio Against Dividend Payout Ratio (Empirical Study on Manufacturing Companies group listed on BEI)"STIE AAS, Central Java, Indonesia" The study was conducted to examine whether there is a significant effect of the company's financial performance as measured by the ratio of profitability with Return on Assets (ROA), Return On Equity (ROE), Return On Investment (ROI) and Net Profit Margin (NPM) to Dividend Payout Ratio (DPR). The sample in this study was the data collected is obtained from the financial statements of manufacturing companies listed on the Indonesia Stock Exchange period 2013-2015. Especially in the manufacturing industry group based on this research, there are 143 companies from 19 industry sectors. Sampling in this research is done by purposive sampling. The data statistical analysis was done by using descriptive analysis, doubled linear regression, correlation coefficient, and coefficient of determination. The results showed results Statistics simultaneously obtained the value of determination coefficient of 28.3%. While the rest equal to 71.7% influenced by other factors. Based on hypothesis test by using significant level α = 0,05 result of F test, show that together regression model can be used to explain the relation between Return on Asset, Return On Equity, Return On Investment and Net Profit Margin to Dividend Payout Ratio.

The difference between this study and previous researchers is in the independent variables, intervening variables, and data analysis techniques. Previous studies used descriptive analysis, doubled linear regression, correlation coefficient, and coefficient of determination, while in this study was not used

5. Research conducted by (Noery Mutiarahim, 2020)with the title The Effect Of Current Ratio, Debt To Equity Ratio, Return On Investment, Investment Opportunity Set, And Firm Size On Dividend Payment Ratio In Companies Which Is Included In The Jayakarta Islamic Index During The Period Of 2012 – 2016"Universitas Multimedia Nusantara"The study was conducted to determine the effect of the Current Ratio, Debt to Equity Ratio, Return on Investment, Investment Opportunity Set, and Firm Size on Dividend Payout Ratio. The data used in this research are using annual reports issued that were collected from Indonesia Stock Exchange. The sample in this study was this research is basic research, namely the search for something because of the attention and curiosity about the results of an activity. Jakarta Islamic Index (JII) issuers during the period 2012-2016 on the Indonesia Stock Exchange. The data the method used is a descriptive and explanatory method with panel data regression test tools. The result showed that the Current Ratio has negative and significant on the Dividend Payout Ratio, the Debt to Equity Ratio has negative and significant effect on Dividend Payout Ratio, Return on Investment has no significant effect on the Dividend Payout Ratio, Investment Opportunity Set has no significant effect on the Dividend Payout Ratio, and Firm Size has positive and significant.

The difference between this study and previous researchers is in the independent variables, intervening variables, and data analysis techniques. Previous used is a descriptive and explanatory method with panel data regression test tools, while in this study was not used

6. Research conducted by (Zulkifli, Endri, Augustina Kurniasih, 2019) with the title Determinants of Internal Dividend Payout Ratio of Pharmaceutical Companies Listed in Indonesia Stock Exchange" Program Magister Management Universities Mercu Buana "The study was conducted to examine and analyze the effect of the internal determinant of dividend payout ratio pharmaceutical company, annual data observation period 2008 until 2014. The sample in this study was the Population of the research was the entire pharmaceutical company consisting of 10 companies. The sampled criteria were pharmaceutical companies that consistently paid cash dividends. The data analysis used panel data regression fixed effect which had a larger R square value. The results showed that the current ratio, return on assets, debt to equity ratio, earnings growth, return on equity, earnings per share, and market to book value simultaneously were having a significant influence on the dividend payout ratio.

The difference between this study and previous researchers is in the independent variables, intervening variables, and data analysis techniques. Previous used panel data regression fixed effect which had a larger R square value, while in this study was not used.

7. Research conducted by (Dessy Widyawati & Astiwi Indriani, 2019)with the title Determinants of dividend payout ratio: evidence from Indonesian manufacturing companies "Department of Management Faculty of Economics and Business, Universities Diponegoro" The study was conducted to investigate and analyze the relationship between return on assets, growth sales, debt to equity ratio, Lagged dividend to dividend payout ratio, and size as a control variable. The sample in this study was to study The Data collected from manufacturing industries in the Indonesian Stock Exchange 2011-2017. The method of this study is ordinary least square regression. The results showed that return on assets and lagged dividends have a positive impact on the dividend payout ratio. Growth sales have an insignificance negative relationship to dividend payout ratio. The debt to equity ratio has a positive relationship to the dividend payout ratio and has an insignificance sign.

The difference between this study and previous researchers is in the independent variables, intervening variables, and data analysis techniques. Previous used The Data collected from manufacturing industries, while in this study was not used.

8. Research conducted by (Samira Anggraeini& Krisnando , 2020) with the title Affecting Factors Ratio Payout Dividend (For Manufacturing Companies in the Consumer Goods Industry Listed on the Indonesia Stock Exchange in 2017 - 2019)"Department of Accounting Indonesian College of Economics, Jakarta, Indonesia" The study was conducted to determine the factors that affect the dividend payout ratio in the consumer goods sector manufacturing companies listed on the Indonesia Stock Exchange in 2017-2019. The sample in this study was to study Data taken from reports of consumer goods sector manufacturing companies listed on the Indonesia Stock Exchange 2017-2019. The results showed 1) Return on assets has a positive effect on the dividend payout ratio. The more profit generated, the higher the company will pay dividends to shareholders. 2) Current Ratio has a positive effect on the Dividend Payout Ratio. The bigger the company meets its short-term needs with current assets, the stronger the cash position so that the company's ability to pay dividends is greater 3) Debt to Equity Ratio has a positive effect on the Dividend Payout Ratio. The company can manage debt into profit so that the company has the ability to pay Dividend 4) Sales Growth has a positive effect on the Dividend Payout Ratio.

The difference between this study and previous researchers is in the independent variables, intervening variables, and data analysis techniques. Previous used Data taken from reports of consumer goods sector manufacturing companies, while in this study was not used.

9. Research conducted by (Maryana and Muhammad Ikhsan, 2019) with the title The Influence Of Sales growth, Leverage, Current Ratio And Profitability On Dividend Payout Ratio On Banking Companies Listed On The Indonesia Stock Exchange' STIE Lhokseumawe Akuntansi Accounting Study Program" The study was conducted to examine how much "Effect of Sales Growth, Leverage, Current Ratio and Profitability on Dividend Payout Ratio in Banking Companies Listed on the Indonesia Stock Exchange. The sample in this study was to study the samples taken were banking companies listed on the Indonesia Stock Exchange in the period 2015-2017. The data analysis method used in this study was using multiple regression analysis. The results of the research partially show that Sales Growth has an positive effect on the Dividend Payout Ratio, Leverage has an effect on the Dividend Payout Ratio, Current Ratio has an positive effect on the Dividend Payout Ratio and Profitability has an effect on Dividend Payout Ratio.

Table 3 Past Research Matrix

Relationship of Each Variable	Researcher	Research result
CR against DPR	(Yusi Amelia, Rina Y. Asmara, 2019)	CR has an insignificant negative effect on the DPR in in the consumer goods industry sector listed in Indonesia

	(Maryana and Muhammad Ikhsan, 2019)	CR has a positive effect and insignificance on the DPR On Banking Companies Listed On The Indonesia Stock
	(Zara Tania Rahmadi, 2020)	CR did not significantly influence the dividend payout ratio in Banking Industries Listed At Indonesia
	(Noery Mutiarahim, 2020)	CR has negative and significant on the DPR in Companies Listed in Indonesia
	(Samira Anggraeini& Krisnando , 2020)	CR has a positive effect on the DPR in the Consumer Goods Industry Listed on the Indonesia
DER against DPR	(Yusi Amelia, Rina Y. Asmara, 2019)	CR has an insignificant positive effect on the DPR in the consumer goods industry sector listed in Indonesia
	(A. A. Ayu Erna Trisnadewi1,aI Wayan Rupa1,b , Komang Adi Kurniawan Saputra1 1,c, # Ni Nyoman Dita Mutiasari1,d, 2019)	DER has a positive effect on the DPR in in Manufacturing Companies Listed in Indonesia
	(Zara Tania Rahmadi, 2020)	DER had a significant positive effect on DPR in Banking Industries Listed At Indonesia
	(Noery Mutiarahim, 2020)	DER has negative and significant effect on DPR in Companies Listed in Indonesia
	(Dessy Widyawati & Astiwi Indriani, 2019)	DER has a positive relationship to the DPR and has an insignificance sign in manufacturing companies in Indonesia
	(Samira Anggraeini& Krisnando , 2020)	DER has a positive effect on the DPR in the consumer goods industry

		sector listed in Indonesia
ROI against DPR	(Zara Tania Rahmadi, 2020)	ROI did not significantly affect the DPR in Banking Industries Listed At Indonesia
	(Imas Della Fauzi1, Rukmini2, 2019)	ROI had a significant positive effect on DPR in Manufacturing Companies group listed on BEI
	(Noery Mutiarahim, 2020)	ROI has no significant positive effect on the DPR in Companies Listed in Indonesia
SG against DPR	(Dessy Widyawati & Astiwi Indriani, 2019)	SG have an insignificance negative relationship to in manufacturing companies in Indonesia
	(Samira Anggraeini& Krisnando , 2020)	SG has a positive effect on the DPR in the consumer goods industry sector listed in Indonesia
	(Maryana and Muhammad Ikhsan, 2019)	SG has a positive effect and insignificance on the DPR On Banking Companies Listed On The Indonesia Stock

2.3 Frame of Thought;

A good framework will identify important variables relevant to the research problem (Kotler, 2020). Based on the explanation above, the thought framework can be described as follows:

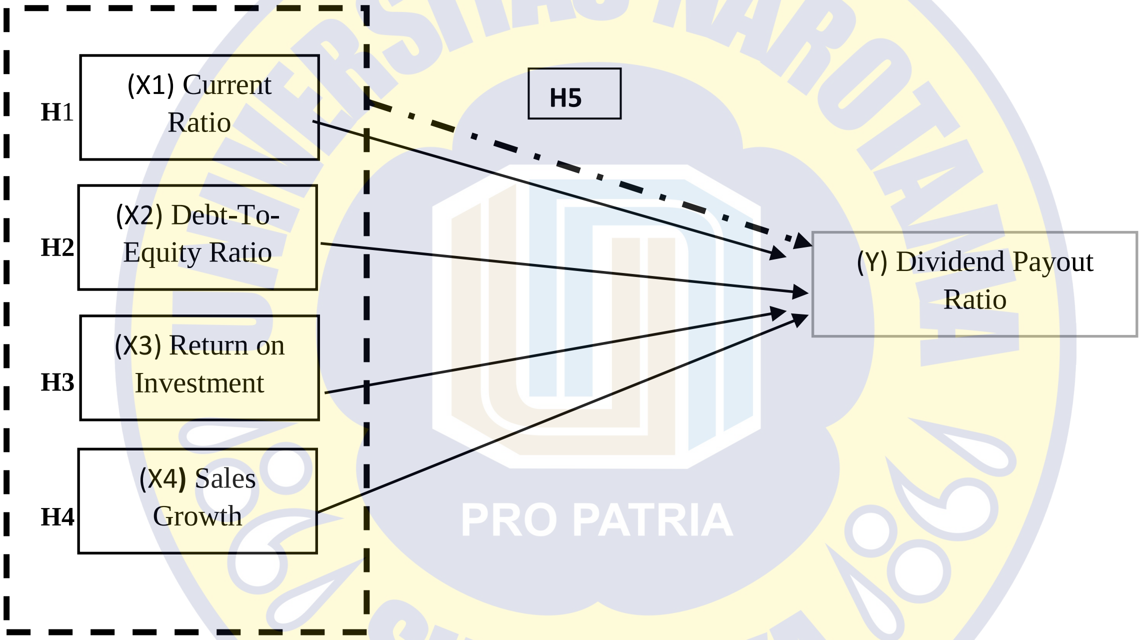

Figure 1 Frame of Thought

H1 = Current Ratio has an insignificant positive effect on the Dividend Payout Ratio.

H2 = Debt to Equity Ratio has a significant positive effect on the Dividend Payout Ratio

H3 = Return on Investment has a significant positive effect on the Dividend Payout Ratio

H4 = Sales Growth has an insignificant positive effect on the Dividend Payout Ratio

H5 = Current Ratio, Debt-To-Equity Ratio, Return on Investment, and Sales Growth simultaneously has a significantly positive effect on the Dividend Payout Ratio

2.4. Research Hypothesis

Research hypotheses are tentative answers to research questions. According (Sija Binoy, 2019)"A hypothesis is a presumption or assumption that must be tested through data or facts obtained through research." Furthermore, states that the hypothesis is a guide for researchers in recognizing the desired data.

Based on the description of the empirical review, theoretical review and framework of thinking above, the authors put forward the following hypothesis:

2.4.1 The Effect Current Ratio on Dividend Payout Ratio

The Current Ratio is proportion estimates the organization's capacity to pay momentary commitments or obligations that are expected quickly when they are gathered overall. This proportion is utilized to figure out the number of current resources are accessible to cover transient liabilities that are expected soon. The higher the current proportion, the more prominent the organization's ability to accomplish momentary monetary commitments. Current resources incorporate money, receivables, attractive protections, and inventories. Of these resources, inventories address current resources that are less fluid than others. Organizations that have current resources for the most part comprise of money and receivables that are not past due by and large will be considered as more fluid than organizations with current resources which generally comprise of stock. From this depiction, it very well may be seen Current Ratio has an insignificant positive effect on the Dividend Payout Ratio (Samira Anggraeini& Krisnando , 2020).

H1 = Current Ratio has an insignificant positive effect on the Dividend Payout Ratio

2.4.2 The Effect Debt-To-Equity Ratio on Dividend Payout Ratio

The debt to equity ratio, also known as the dividend payout ratio, is the ratio of debt to capital owned by a corporation, indicating that interest payments to creditors on borrowed money must come first before earnings can be allocated to shareholders. Because these commitments take precedence over dividend distribution, the increase in debt will have an impact on the magnitude of the net profit available to shareholders, including dividends to be paid .From this portrayal, it can be seen that Debt to Equity Ratio has a significant positive effect on the Dividend Payout Ratio (Zara Tania Rahmadi , 2020)

H2 = Debt to Equity Ratio has a significant positive effect on the Dividend Payout Ratio.

2.4.3 The Effect Return on Investment on Dividend Payout Ratio

Return on Investment is the ratio between net income after tax and total assets. Return on Investment is additionally a proportion that actions the general capacity of the organization in producing benefits with the aggregate sum of resources accessible in the organization. Expanded ROI is relied upon to build the degree of profit installments to investors. An increment in the Dividend Payout Ratio will expand the degree of venture made by investors which thusly will affect the organization's exercises. From this portrayal, it can be seen that the Return on investment has effects on the dividend payout (Imas Della Fauzi1, Rukmini2, 2019)

H3 = Return on Investment has a significant positive effect on the Dividend Payout Ratio

2.4.5The Effect of Sales Growth on Dividend Payout Ratio

Sales growth is the capacity of your outreach group to increment income over a proper period. The profit Payout Ratio has an intercession job in the connection between sales growths on higher corporate influence. The higher the sales growth, the higher the profit installment because of the reality that the organization has a high benefit. Organizations deliver enormous profits when an organization has high development with expecting fixed speculation. Companies that grow rapidly tend to be able to pay higher dividends. From this portrayal, it tends to be seen that the sales growth has an influences on Dividend Payout Ratio (Novia Utami, 2020)

H4 = sales growth has an insignificant positive effect on the Dividend Payout Ratio

2.4.6 The Effect of Current Ratio, Debt-To-Equity Ratio, Return on Investment, and Sales Growth Simultaneously on the Dividend Payout Ratio

The higher the current Ratio, the more prominent the organization's ability to accomplish momentary monetary commitments. From this depiction, it very well may be seen Current Ratio has an insignificant positive effect on the Dividend Payout Ratio (Samira Anggraeini& Krisnando , 2020). The increase in debt will have an impact on the magnitude of the net profit available to shareholders, including dividends to be paid .From this portrayal, it can be seen that Debt to Equity Ratio has a significant positive effect on the Dividend Payout Ratio (Zara Tania Rahmadi , 2020). Return on Investment is additionally a proportion that actions the general capacity of the organization in producing benefits with the aggregate sum of resources accessible in the organization. Expanded ROI is relied upon to build the degree of profit installments to investors. An increment in the Dividend Payout Ratio will expand the degree of venture made by investors which thusly will affect the organization's exercises. From this portrayal, it can be seen that the Return on investment has effects on the dividend payout (Imas Della Fauzi1, Rukmini2, 2019). The higher the sales growth, the higher the profit installment because of the reality that the organization has a high benefit. Organizations deliver enormous profits when an organization has high development with expecting fixed speculation. Companies that grow rapidly tend to be able to pay higher dividends. From this portrayal, it tends to be seen that the sales growth has an influences on Dividend Payout Ratio (Novia Utami, 2020). Thus from the result mentioned above the researcher concluded hypothesis as follows:

H5= Current Ratio, Debt-To-Equity Ratio, Return on Investment, and Sales Growth simultaneously has a significantly positive effect on the Dividend Payout Ratio.