

# The Impact Of The Company's Profits And Firm Size On The Dividends Cash

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## Abstract

This study aims to assess the accounting profits, cash profits, and size of the company's impact on the cash dividends in the food and beverage industry on the Indonesia Stock Exchange. In this study, the authors took samples using the target sampling method. The data collected in this study is in the form of a database. The data source of this research is secondary data. The second data from this study is in the form of annual financial reports released by the Indonesia Stock Exchange for the 2019-2021 period. The results show an essential part of generating profits on dividends, while the income generated and company size is not commensurate with rewards. The results of the F-Test calculation of profit, financial profit, and company size significantly affect revenue simultaneously. The accounting acquisition represents a significant change in income for the IDX-listed food and beverage companies.

## Keywords :

Profit, Company Size, And Cash Dividend.

## 1. Introduction

Every business organization usually has three main goals, namely the company's survival, long-term profit, and promotion or business expansion. This money is precious for the company, as it requires a lot of money to run its business. Another way to raise money is by producing and selling shares through the primary market or stock exchange as an intermediary. The economic function of the capital market is to transfer investors' money to companies, enabling companies to earn investment money. While financial activity serves as a reward for investors in their investments, it results in an economic system that increases profits. These financial statements are the basis for investors to decide to buy, hold or sell a university. A business's performance indicators are usually included in the financial statements, which are part of the financial statements. The advantage investors need when investing in a company is that the return on equity and income depends on the difference between the stock's selling price and the store's purchase price. Of course, to get this return, investors need to understand, consider and consider all the information that has to do with their investment because it is essential when making investment decisions.

The profits earned by the company are kept as additional profits, and the rest is distributed to investors in the form of rewards. The amount of profit earned by the company is one of the factors the company pays dividends. The company's dividend policy will affect the shares that a company pays to investors. Investors often demand regular payments, and stock stability increases investor confidence in the company by reducing the uncertainty of creditors in investing their money. Thus, on the other hand, the company also faces various regulations, such as B. the importance of maintaining profit margins to make profitable investments and protect the economy. Therefore, a dividend plan is needed.

Two types of shares can be received by investors, namely cash dividends and non-cash dividends. Cash dividends are shares the company pays investors in the form of cash. In-kind claims, on the other hand, are paid dividends to investors in the form of additional component shares, such as B. Stock dividends and real estate dividends. Investors are more likely to pay dividends because it can reduce their uncertainty in investing in companies. According to Horngren et al. In. (2000:131), "Income or accumulation in large quantities does not necessarily mean the availability of the required funds." Therefore, many companies routinely evaluate financial benefits, and the main thing is profit accounting after adjusting for non-cash transactions, such as amortization costs, currency amortization, and credit transactions. , wages. Unpaid fees, unpaid fees, and tax deductions. Unfinished interest stock and take a credit to see the number of shares paid out. The company should also consider whether it is available because even if the company makes a profit but does not have enough money, it may control the money and not distribute dividends.

What happened to real estate companies listed on the Indonesia Stock Exchange in 2013-2015, Many companies did not distribute shares or significantly dividend cash, even though many real estate companies were profitable. In addition, some companies do not pay annual dividends to regular distributors. This is certainly not in harmony with the teachings of Gordon Litner, namely the "bird-handed doctrine." According to Gordon in Suherli and Harahap (2004:23), "The teaching of birds in the hand says that receiving a share (a bird in the hand) is better than receiving a salary (wild birds) because it is saved for money. The better the return on investment and the more they provide Satisfaction is important and must be considered by the company because investors are important to the company. From the above description, the authors are interested in completing a study entitled "Analysis of the Impact of Book Profit, Cash Profit and Company Size on Cash" by making dividends. Of food and beverage companies listed on IDX ".

## **2. Literature Review**

### **2.1. Accounting Profit**

Accounting profit is a source of income based on the difference between non-operating expenses or expenses and total operating or non-operating costs. Belkaoui (2000: 32) states that the "cost of the account is defined as the difference between the result of a transaction in time and the historical cost associated with it."

The measure of accounting benefit from this research is the difference between the usage or non-operational costs and the total operational or non-operating costs.

### **2.2. Earn Cash**

Revenue is determined by accounting for the acquisition of non-cash transactions, such as amortization funds, amortization funds, credit transactions, payments, unpaid taxes and interest payments, and loans. This study's level of monetary rewards is the flow of funds from activities involved in financial performance reports.

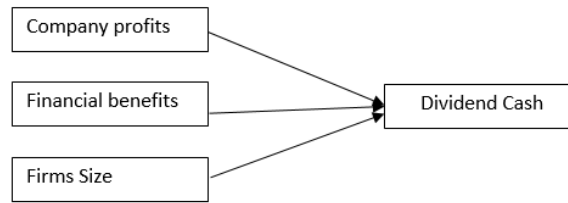
### **2.3. Company size**

Company size Size or quantity of company assets. The business size indicator uses a proxy with logarithmic values for all devices in units or percentage units. so company size can also be calculated by:

$$\text{Size} = \text{Ln total economy}$$

### **2.4. Cash Dividend**

A cash dividend is a distribution of money made by the company to its shareholders. An indication of the allocation of funds for this research is the amount of money paid to the distributor or distributor by the provisions of the Board of Trustees. The planned plan includes various Accounting Profits, Cash Profits, and Cash Dividends, which are shown in the following Figure:



**2.5. Hypothesis**

1. Company profits, financial benefits, and firm size sometimes impact the dividend cash of the food and beverage industry listed on the Indonesia Stock Exchange.
2. Company profits, financial benefits, and firm size impact the dividend cash of the food and beverage industry listed on the Indonesia Stock Exchange.
3. Financial benefit significantly influences the dividend cash of the food and beverage industry listed on the Indonesia Stock Exchange.

**3. Method**

**Research Approach**

The figures used in this study are food and beverage companies listed on the Indonesia Stock Exchange between 2019 and 2021. In this study, the authors took samples using the target modeling method. The data collected in this study is in the form of a database. The data source of this research is secondary data. The second data from this study is in the form of annual financial reports released by the Indonesia Stock Exchange for the 2019-2021 period.

**4. Results and Discussion**

1. Descriptive statistics

The definition is the analytical process by which available data are collected, grouped, aggregated, analyzed, and interpreted.

2. Acceptance Test

Normality test

The normality test was used to determine the distribution of the data used in the study.

Table 1  
 Normality test

One-Sample Kolmogorov-Smirnov Test		Unstandardized Residual
N		32
Normal Parameters <sup>a,b</sup>	Mean	.0000000
	Std. Deviation	8994014.401
Most Extreme Differences	Absolute	.445
	Positive	.445
	Negative	-.348
Kolmogorov-Smirnov Z		.518
Asymp. Sig. (2-tailed)		.115

a. Test distribution is Normal.

b. Calculated from data.

Source: SPSS output

The Kolmogorov-Smirnov value is 0.518, and the value = 0.115, meaning that the KS value is 0.518, with a maximum output of 0.

## 3. Autocorrelation test

Testing for the presence or absence of autocorrelation was carried out using the Durbin-Watson method.

Table 2  
Autocorrelation test answers

**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.988 <sup>a</sup>	.977	.974	9463578.96	1.807

a. Predictors: (Constant), Ukuran persh, Laba Akuntansi, Laba Tunai

b. Dependent Variable: Dividen Kas

Source: SPSS output

Depending on the recovery results, the DW value of 1.807 is 1.55 - 2.46, so it can be said that the multiple regression model does not have a good autocorrelation indicator.

## 4. Multicollinearity Test

Multicollinearity was used to test whether the regression model found a correlation between different variables.

Table 3  
Multicollinearity Test

Correlations			Collinearity Statistics	
Zero-order	Partial	Part	Tolerance	VIF
.988	.906	.325	.107	9.311
.933	-.010	-.002	.107	9.311
-.017	-.002	.000	1.000	1.000

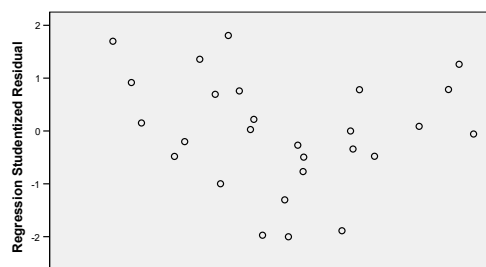
Source: SPSS output

From the table above, the VIF for all independent variables includes accounting profit, financial profit, and solid size with a VIF value of less than ten, so the regression module developed in this study does not indicate multicollinearity.

## 5. Heteroscedasticity test

This method is used to overcome the inequalities of residual variation from one observation to another in regression mode (Santoso, 2004).

Picture 1  
Heteroscedasticity test



Source: SPSS output

In the Figure above, it can be seen that the remaining pattern extends up and down point 0; if it does not form a U-shaped pattern or an inverted U-shaped pattern, it can be seen that the regression model has no signs of ' heteroscedasticity.'

## 6. Multiple Linear Regression Analysis

The research in this study is one of many review reviews.

Table 4

The result of the analysis is a decrease in

Variabel	Koefisien regresi	T hitung	Sig.
Company Profits	0,716	11,294	0,000
Financial Benefits	-0,003	-0,053	0,958
Firm size	-2795,175	-0,010	0,992
Konstanta : - 462.538		F hitung : 392,396	
R : 0,988		Sig : 0,000	
R square : 0,977			

Source: SPSS output

Mathematically, the results of most line regression tests can be written as follows:

$$Y = - 462.538 + 0.716 X_1 - 0.003 X_2 - 2.795.175 X_3$$

The above equation shows the independent design characteristics (X) on the dependent transition (Y). The mean regression coefficient is:

### a. Constant

The settlement value is 462,538, which means if the value of accounting profit, investment profit, and company size is zero, or there are no independent variables that affect the dividend cash, the number of dividends in the fund will be - 462,538. (less means no share is shared).

### b. Accounting Profit Coefficient (X1)

Accounting profit (X1) has a negative rate for dividends with a regression coefficient of 0.716. A positive ratio means that account income (X1) and dividend cash are related in one direction. The growth of accounting profit (X1) causes an increase in dividends, a decrease in accounting profit (X1) to a decline in interest income.

### c. Cash Profit Ratio (X2)

Profit (X2) has a negative value for the income share with a regression coefficient of -0.003. This negative relationship means a negative relationship between cash receipts (X2) and dividend cash. An increase in interest rates (X3) will result in a decrease in income, and a reduction in pay (X2) will cause an increase in interest rates.

### d. Company Growth Coefficient (X3)

Firm size (X3) is negatively related to income margin with a regression coefficient of 2.795.175. This negative relationship means a negative relationship between firm size (X3) and shares capital. The distribution of income decreases as business size increases (X3), and the share of revenue increases as business size decreases (X3).

## 7. Hypothesis Test Discussion

### 7.1. Test T

The net test tested the first hypothesis. The wet test assesses the effect of various independent accounting factors, profit margins, and a substantial measure with a significant impact on the financial component.

Table 5  
Results of The T-Test Analysis

Variabel	Koefisien regresi	T hitung	Sig.
Company Profits	0,716	11,294	0,000
Financial Benefits	-0,003	-0,053	0,958
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Konstanta : - 462.538		F hitung : 392,396	
R : 0,988		Sig : 0,000	
R square : 0,977			

Source: SPSS output

The description of the test components for each variation is as follows:

1. Profit accounting for dividends distributed  
This test is used to test whether accounting profit is significant in terms of dividend cash in some cases. Depending on the results of calculations using multiple-line repetition analysis, the t-count value of accounting profit is 11.294 with a value of 0.000 ( $P < 5\%$ ), so  $H_0$  is rejected and accepted, which means that accounting numbers are displayed. Significant error on the financial side.
2. The income generated comes from the disbursed funds  
The wet test is used to test whether cash receipts have a significant share in the cash component. Depending on the results of calculations using multiple line analysis, the value of t is indicated by the number that the income earned does not significantly affect the financial component.
3. Decreasing company size on dividend cash  
The test is used to test whether the size of the company has a significant effect on revenue. Based on the readings with the most repeated line analysis, the t-value with the most substantial magnitude is -0.053 with a value of 0.958 ( $P > 5\%$ ), namely,  $H_0$  is accepted, and  $H_a$  is rejected. , which means it is statistically proven. . that the size of the company does not significantly affect earnings.

This does not reflect the first concept of accounting profit, financial profit, and company size, which affects dividend cash.

## 7.2. Test F

The second hypothesis was tested with question F.

Table 7  
Hypothesis testing

### ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	105428080497217700	3	3.514E+016	392.396	.000 <sup>a</sup>
	Residual	2507661146169242.0	28	8.956E+013		
	Total	107935741643386900	31			

a. Predictors: (Constant), Ukuran persh, Laba Akuntansi, Laba Tunai

b. Dependent Variable: Dividen Kas

Source: SPSS output

The table above shows the F value of 392,396 with a value of 0.000, which is lower than the average = of 0.05, which means the estimate is acceptable. Therefore, various calculations of

profit, financial profit, and company size significantly affect revenue. This means accepting the second assumption, which states that accounting profit, economic profit, and company size affect the financial components of food and beverage companies listed on the IDX.

### 7.3. Partial Coefficient of Determination ( $R^2$ )

The stress coefficient determines how much the independent version contributes to the dependent change.

Table 8  
 Component ratio ( $R^2$ )

No.	Variabel	r parsial	Koefisien determinasi parsial ( $r^2$ )
1.	Company profits	0,906	0,8208 = 82,08%
2.	Financial benefits	0,010	0,0001 = 0,01%
3.	Firms Size	0,002	0,0000 = 0%

Source: SPSS output

In the table above, it can be seen that accounting profit varies with the highest reliability coefficient, which is 82.08%, which means that accounting profit has a significant effect on company dividends from food and beverages listed on the Indonesia Stock Exchange for the period 2019-2021.

## 5. Conclusion

Based on the results of the research and discussion described in the previous chapter, the conclusions of this study are:

1. The results show an essential part in generating profits in dividends, while earnings and company size do not affect rewards.
2. Resulting F is important in the financial category.
3. Flexible accounting profit has a settlement coefficient of 0.8208, showing that accounting costs cause an 82.08 % change in revenue sharing. However, it significantly impacts the financial components of food and beverage companies. Drinks are listed on the Stock Exchange.

## 6. Recommended

Suggestions for further research are as follows:

1. To improve search results, you are expected to be able to perform searches with a longer focus time for better search results.
2. Further research is needed to complement various studies that may affect the distribution of funds, such as B. Important and unimportant items in financial records, because market participants in conducting company surveys must base their thinking practices on two main categories, essential and not significant (technical).

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