

ABSTRACT

SANDY Fahlevi, Effect of Cash Dividend and Fixed Asset Investments On The Stock Market (led by Mr. Daulat Freddy).

The objectives of this research is to determine how much influence the distribution of cash dividends and fixed asset investment to stock prices. This study uses multiple linear regression analysis with a sample of 28 companies listed in Indonesia Stock Exchange from the year 2007 to 2011. Data collection methods used through library research and documentation techniques.

Results of this study are a cash dividend and fixed asset investment significantly influence stock prices. From the regression equation, the result that a cash dividend has more influence than the fixed asset investment to stock prices. These results indicate that the greater the level of cash dividends then a company's stock price will also increase, due to the level of a high cash dividend will reflect the performance of the company has increased so will attract a positive response from investors. which in the end, will increase the value of company and increase shareholder wealth in the form of rising stock prices.

Kata kunci : *Divident Payout Ratio* (DPR), Purchase of Fixed Assets, *Price Book Value* (PBV)