

ABSTRACT

Simultaneous Determination of Insider Ownership, Debt and Dividend Policies of Go Public Manufacturing Companies at JSX within period 2000-2004

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The objective of this research is to identify interdependency between *insider ownership, debt, and dividend* of go-public Manufacturing Companies at JSX

The research employs data pooling for analysis, which is a combination of time series and cross section data on 16 go public manufacturing companies at the JSX within period of 2000-2004. The endogenous variable of this research include insider ownership, debt, and dividend, but as endogenous variable, the three variable as too exogenous variables, while business risk, size, profitability, and growth as control variables. The analysis technique of this research is two stage least square (2-SLS).

The result of this research shows that : (1) there is interdependency between insider ownership and dividend policy. There is not interdependency between insider ownership and debt policy while both variables is insignificant. There is interdependency between dividend policy and debt policy. (2) Simultaneous exogeneous variables debt and dividend, while business risk and size as control variables has significant on insider ownership. (3) Simultaneous exogenous variables insider ownership, dividend, while business risk and profitability as control variables has significant on debt. (4) Simultaneous exogeneous variables insider ownership and debt, while business risk, profitability and growth as control variables has significant on dividend.

Key words : insider ownership, debt, dividend, business risk, size, profitability, and growth.