

ABSTRACT

Name : Ongko Wiyono (090610876-L)

Title : The Association of *Investment Opportunity Set* (IOS) on Financing Policy, Dividend Policy, and with Firm Profitabilities.

The research was aimed to know associates of investment opportunity set on financing policy, dividend policy, and firm profitability.

The methodology used in this research was : 1) data was collected from documentation. Documentation is taken from firm's released annual financial statement on Indonesia Stock Exchange (BEI) from 2004-2006, 2) the research was conducted using factor analysis, common factor analysis si conducted to construct composite measure then ranked in order to classify the growth of sampling firms, 3) all data were tested by using multiple linier regression.

The final result of this research showed that growth firms significantly associates financing policy and dividend policy, but cannot proved significantly associates with firm profitability.

Keyword : Investment opportunity set, financing policy, dividend policy, firm profitability.