

Analysis of The Effect of Cash Ratio (CR) and Return on Assets (ROA) on Dividend Payout Ratio (DPR) in Islamic Financial Sector Companies Listed on the Indonesia Stock Exchange (IDX) for the Period 2014-2023

Riswanda Himawan^{1*} Vemy Suci Asih²

^{1,2}Management Study Program Islamic Finance of UIN Sunan Gunung Djati Bandung

Email

1229230209@student.uinsgd.ac.id^{1,2}

Received: Month, Date, Year (Required) Revised: Accepted:

Abstract

The capital market is a crucial pillar of the modern economy, including in Indonesia. This growth is fueled by the Islamic principles underpinning the operations of Islamic companies, attracting growing investor interest. In this context, the Dividend Payout Ratio (DPR) has become a crucial metric for evaluating the performance of Islamic financial sector companies, reflecting the effectiveness of management in allocating profits as well as the attractiveness of investments for shareholders. A thorough understanding of DPR requires an analysis that considers the fundamental factors of the company. Cash Ratio (CR), as an indicator of short-term liquidity, indicates a company's ability to fulfill its financial obligations in a timely manner. An adequate CR level gives investors confidence in the sustainability of the company's operations and the possibility of consistent dividend distribution. Meanwhile, Return on Assets (ROA) reveals the company's operational efficiency in generating profits from its assets. A high ROA indicates effective management performance and the potential for increased profits that can translate into a more favorable dividend policy. Therefore, this research focuses on assessing the effect of CR and ROA on DPR in Islamic financial companies listed on the Indonesia Stock Exchange (IDX) during the period 2014-2023. The data collected and analyzed are expected to provide a more comprehensive understanding of the relationship between the factors of liquidity, profitability, and dividend policy in Islamic companies. The findings of this study are expected to provide valuable contributions for academics for theory development, for business practitioners in strategic decision-making, as well as for investors in making more informed investment decisions, thus supporting the growth of a healthier, competitive, and sustainable Islamic financial sector in Indonesia. This analysis will provide valuable insights in understanding the dynamics of Indonesia's Islamic capital market and its implications for national economic development.

Keywords: Capital Market, Sharia Financial Sector, Dividend Payout Ratio (DPR), Cash Ratio (CR), Return on Assets (ROA)

DOI :
p-ISSN :
e-ISSN :

© Copyright: BDJ Fact : Breakthrough Development Journal in Financial & Accounting (2025)

This is an Open Access article distributed under the terms of the Creative Commons Attribution 4.0 International License. Site Using OJS 3 PKP Optimized.

1. Introduction

The introduction is the first impression of the article. The opening paragraphs of the article will provide The capital market is one of the important pillars in modern economy , including in Indonesia (Citra & Ghoni , 2019). Among various sectors listed on the Indonesia Stock Exchange (IDX), sectors Islamic finance has significant role in support growth economy based on Sharia principles (Nurdany , 2016) . One of the frequent indicators become investor attention in evaluate performance company is *dividend payout ratio* (DPR), which shows percentage profit clean shared to holder share in form dividend (Putranto & Setiadi, 2023). The DPR is one of the indicator important Because reflect policy dividend company and

level the benefits that can be obtained enjoyed by investors (Dwi et al., 2020). In the context of sector Islamic finance, analysis to factors that influence the DPR to become the more relevant.

Sharia companies do not only operate with principle economy conventional , but also must comply Islamic values (Sudarmi et al., 2024). Factors like *cash ratio* (CR) and *return on assets* (ROA) often considered own influence significant to policy distribution dividends. CR reflects ability company in fulfil obligation term short, while ROA shows level efficiency company in manage asset For produce profit (Awliya, 2022). Second indicator This give description about health finance companies that can influence policy dividends.

However, research that examines the influence of CR and ROA on DPR in the sector Islamic finance, in particular in Indonesian context , still limited (Margaretha et al., 2021) . This is become important remember sector Islamic finance has characteristics unique that distinguishes it from sector finance conventional (Putri, 2021) . In addition , the policy dividends in sharia companies must be notice principle appropriate justice and balance with Sharia values (Nissa, 2021).

With the background behind said , research This aiming For analyze The influence of CR and ROA on DPR in companies sector Islamic finance listed on the IDX during period 2014–2023. Research This expected can give contribution for academics , practitioners and investors in understand dynamics finance sharia companies (Lisnawati & Budiyaniti, 2011) . In addition, the results study This expected capable give useful insights for company in formulate policy more finances effective and appropriate with Sharia principles (Nugroho et al., 2024). Thus, the research This can support development sector more Islamic finance competitive and sustainable in the future.

2. Literature Review

Capital Market

The capital market is a system that brings together between the party that has excess funds with parties who need funds, through trading instrument finance term long like stocks, bonds , and mutual funds. According to Law No. 8 of 1995 concerning Capital Markets, capital markets include activity offer general and trade effects issued by the company public as well as institution related others. In the context of Here, the capital market functions as means for companies and government For raise funds from public.

Dividend Payout Ratio (DPR)

Dividend Payout Ratio (DPR) is ratio used For measure percentage profit clean shared company to holder share in form dividends. According to the Indonesia Stock Exchange, the DPR reflects how much big part from allocated profit For paid as dividend to holder stock. Ratio This usually stated in form percentage and give description about policy dividend company, as well as ability company in share profit to holder share.

Cash Ratio (CR)

Cash Ratio (CR) is ratio finances used For measure ability company in fulfil obligation smooth (long-term debt) short) with using cash and cash equivalents owned. The ratio This is one of indicator the most conservative liquidity, because only consider the most liquid assets, namely cash and cash equivalents, compared with obligation smooth. Where cash includes cash and balances bank account, while cash equivalents include investment that can with fast disbursed without risk change significant value.

Return on Assets (ROA)

Return on Assets (ROA) is ratio finances used For measure how much efficient A company in produce profit of the total assets owned . ROA shows ability company in utilise his assets For produce benefits, and

often used as indicator profitability . According to Bambang Riyanto, ROA is invested fund capability in mark assets For get profit clean after reduced taxes. Horne and Wachowicz also stated that ROA measures effectiveness overall in produce profit through available assets.

3. Research Design and Method

Study This is study associative causal , which aims For know connection cause and effect between variable independent (CR and ROA) against variable dependent (DPR). Research This use approach quantitative with using data in the form of report finance annual sourced from secondary data obtained from the official website of the Indonesia Stock Exchange (IDX) or the official website company related . Fundamental analysis of the company done with analyze report finance companies that can influence mark profit company. (Asih, Vemy Suci et al., 2021). Although practice not quite enough answer social company generally done by the company mining and manufacturing , but in line with trend practice not quite enough answer global social , industry banking moment it also mentions not quite enough answer social in report annually , although in relative form simple . (Asih, Vemy Suci et al., 2023). Approach This aiming For analyze influence *cash ratio* (CR) and *return on assets* (ROA) to *dividend payout ratio* (DPR) in companies sector Islamic finance listed on the Indonesia Stock Exchange (BEI) (*Fudji* , 2012) . Data collected with download report finance annual company from the official website of the Indonesia Stock Exchange (IDX) or source trusted others . Further data analyzed with Statistical Test descriptive , assumption test classic and analysis multiple linear regression . The regression model used is

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \epsilon$$

Population data used is population data company sector Islamic finance listed on the IDX in the period 2014 - 2023. Meanwhile For taking sample use technique *purposive sampling with criteria* :

1. Sector companies active sharia finance listed on the IDX for period study
2. Companies that are consistent publish report finance annual complete during period study.
3. Report finance load information about CR, ROA, and DPR.

For variables used in study This is variable dependent (y) and variable independent (x). variable dependent Alone use *Dividend Payout Ratio (DPR)* or the ratio that shows percentage profit clean shared as dividend to holder share. Formula used in use variable dependent (DPR) is

$$DPR: \frac{\text{Cash Dividend}}{\text{net profit}} \times 100\%$$

Whereas variable independent Alone using Cash Ratio (CR) and Return of Asset (ROA). The CR variable is the ratio that shows ability company in fulfil obligation term short with cash and cash equivalents.

The formula used is :

$$CR: \frac{\text{cash and cash equivalents}}{\text{current liabilities}} \times 100\%$$

Meanwhile, the ROA variable is ratio profitability that shows how much efficient company use his assets For produce profit . The formula used is :

$$ROA: \frac{\text{net profit}}{\text{Total assets}} \times 100\%$$

4. Results and Discussion

Result

Study This conducted in 15 companies sector Islamic finance listed on the Indonesia Stock Exchange (IDX) during period 2014–2023. The data used covering report finance annual acquired company from the official BEI website and reports annual respective companies . The variables analyzed covering *cash ratio* (CR), *return on assets* (ROA), and *dividend payout ratio* (DPR). The following is results statistics descriptive and analytical regression performed :

Variables	Min	Max	Average	Standard Deviation
CR	15%	65%	35%	12%
ROA	0.5%	7%	3.5%	1.5%
DPR	10%	70%	40%	15%

In the analysis results multiple linear regression using the formula:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \epsilon$$

Regression model obtained as following :

$$DPR = 12,5 + 0,35CR + 5,25ROA + \epsilon$$

With coefficient determination $R^2:0.68$ with the simultaneous test (F-Test) the F value obtained was $F=21.45$, significant $\rho < 0,05$. In the partial test (t-test) it was obtained the results on CR $\beta = 0,35$, $t = 2,11$ are significant at $\rho < 0,05$ and on ROA $\beta = 5,25$, $t = 4,35$ are significant at $\rho < 0,01$.

Discussion

Research result show that *cash ratio* (CR) and *return on assets* (ROA) significant influence *dividend payout ratio* (DPR) in companies sector Islamic finance at the IDX (Heryes, 2021).

In the influence of CR on the DPR, CR has influence positive towards the DPR, showing that the more tall liquidity company, increasingly big possibility company For share dividend (Sandrina et al., 2024). This is in line with theory that companies that have liquidity tall more capable fulfil obligation term short and distribute profit to holder share (Fahlefi et al., 2023). Meanwhile, regarding the influence of ROA on DPR, ROA has more influence strong against the DPR compared with CR. This indicates that high profitability become factor main in determine policy dividend Sharia companies (Masyitah & Harahap, 2018). High profitability reflect efficiency management assets, which allows company share dividend more big.

In addition, the coefficient determination (R^2) of 68% shows that CR and ROA together explain part big DPR variability, while the remaining 32% influenced by other factors that are not including in the model.

5. Conclusions

Based on results research, can concluded :

1. *Cash ratio* (CR) has an effect positive and significant to *dividend payout ratio* (DPR) in companies sector Islamic finance at the IDX for the 2014–2023 period.
2. *Return on assets* (ROA) has influence more positive dominant compared to CR against DPR, shows importance profitability in determine policy dividends.

Combination between CR and ROA in general together own influence significant against the DPR, explaining 68% of variability in distribution dividend company.

Reference

- Citra, P. P., & Ghoni, M. A. (2019). Peranan pasar modal dalam perekonomian negara Indonesia. *Jurnal Akuntansi (JAS)*, 5(2).
- Fudji, S. M. (2012). Mengenal pasar modal (instrumen pokok dan proses go public). *Among Makarti*, 3(5).
- Dwi, S., Adi, M., Ferdiansyah, & Lilis, K. (2020). Pengenalan manajemen investasi dan pasar modal bagi siswa/i dan guru akuntansi SMK Bintang Nusantara. *Jurnal Keuangan Umum Dan Akuntansi Terapan*, 2(1).
- Lisnawati, & Budiyaniti, E. (2011). Perkembangan pasar modal dan pertumbuhan ekonomi di Indonesia

- : Analisis vector autoregressions (VAR). *Jurnal Ekonomi & Kebijakan Publik*, 2(2).
- Rohyati, F. P. N. R., Haudli, N. U. S., Rista, I. F., Gilang, R., & Muhamad, S. (2024). Tantangan dan peluang pasar modal Indonesia dalam meningkatkan minat investasi di era digital. *Kompeten: Jurnal Ilmiah Ekonomi Dan Bisnis*, 3(1).
- Nissa, I. K. (2021). Analisis perkembangan sektor keuangan terhadap pertumbuhan ekonomi di negara Islam. *Mamba'ul 'Ulum*, 17(2).
- Nurdany, A. (2016). Pengaruh pembiayaan, aset, dan FDR perbankan syariah terhadap kesejahteraan masyarakat di Indonesia. *Jurnal Ekonomi Dan Keuangan Islam*, 1-9.
- Sudarmi, Rahman, A. M., & Nasrullah, B. S. (2024). Perkembangan lembaga keuangan syariah dan dampaknya pada pertumbuhan ekonomi di Indonesia. *EKOMA: Jurnal Ekonomi, Manajemen, Akuntansi*, 3(4).
- Sandrina, M., Marlia, M., & Hendra, J. (2024). Sistem keuangan syariah. *Jurnal Ekonomi Manajemen (JEKMA)*, 28(5).
- Putri, S. N. R. (2021). Peluang dan tantangan lembaga keuangan syariah non-bank dalam perspektif Islam. *WADIAH: Jurnal Perbankan Syariah*, 5(1), 38–66. <https://doi.org/10.30762/wadiah.v5i2.3511>
- Heryes, L. J. (2021). Dividend payout ratio pada sektor trade & services di Indonesia Stock Exchange (BEI). *Jurnal Akuntansi Dan Keuangan*, 8(2).
- Surtikanti, & Artha, A. H. (2013). Dampak return on equity dan dividend payout ratio terhadap nilai perusahaan (studi kasus pada perusahaan perbankan di BEI). *Jurnal Akuntansi Dan Keuangan*, 5(1).
- Malik, A., & Kodriyah. (2021). Dividend payout ratio pada perusahaan manufaktur di Bursa Efek Indonesia. *Jurnal Akuntansi*, 8(2).
- Destama, A., & Hubeis, M. (2016). Pengaruh rasio pembayaran dividen terhadap harga saham PT Bukit Asam (Persero) Tbk periode 2005–2015. *Jurnal Manajemen Dan Organisasi*, 7(3).
- Arum, P. M., & Rahayu, S. R. (2022). Pengaruh dividend payout ratio dan dividend yield terhadap nilai perusahaan properti di Bursa Efek Indonesia (BEI) periode tahun 2017–2019. *Jurnal Manajemen Diversifikasi*, 2(1).
- Malik, M. I. (2015). Analisis rasio likuiditas pada PT. Melati Makassar.
- Fahlefi, M., Putri, R., & Kusumastuti, R. (2023). Analisis rasio likuiditas dalam mengukur kinerja keuangan pada PT. Garda Tuju Buana periode 2021–2022. *Jurnal Ekonomi Bisnis Dan Manajemen*, 1(3), 224–231. <https://doi.org/10.59024/jjise.v1i3.217>
- Qomariyah, S. N., Afifah, N. N., & Citradewi, A. (2022). Analisis rasio likuiditas untuk menilai kinerja keuangan PT. Kimia Farma (Persero) Tbk periode 2019–2021. *J-ISACC: Journal Islamic Accounting Competency*, 2(2).
- Nadhifa, N. Y., & Budiyanto. (2017). Pengaruh current ratio, quick ratio, dan cash ratio terhadap profitabilitas. *Jurnal Ilmu Dan Riset Manajemen*.
- Margaretha, V. G., Manoppo, W. S., & Pelleng, F. A. O. (2021). Analisis laporan keuangan untuk mengukur kinerja keuangan PT. ACE Hardware Indonesia Tbk. *Productivity*, 2(2).
- Masyitah, E., & Harahap, K. K. S. (2018). Analisis kinerja keuangan menggunakan rasio likuiditas dan profitabilitas. *JAKK (Jurnal Akuntansi Dan Keuangan Kontemporer)*, 1(1).
- Putranto, Y. D. A., & Setiadi, P. B. (2023). Analisis rasio keuangan (likuiditas, profitabilitas, dan solvabilitas) sebagai sarana pengukuran kinerja keuangan PT. Sariguna Primatirta Tbk tahun 2017–2021. *Jurnal Ilmiah Bidang Manajemen Dan Bisnis*, 6(1).
- Awliya, M. (2022). Analisis profitabilitas (return on asset (ROA) dan return on equity (ROE)) pada PT Sido Muncul Tbk. *Journal of Economic Education*, 1(1).
- Nugroho, W., Silaen, M., Parhusip, A., & Al-Amin. (2024). Optimalisasi return on asset (ROA) dan return on equity (ROE) untuk meningkatkan daya saing perbankan di bursa saham. *COSMOS: Jurnal Ilmu Pendidikan, Ekonomi Dan Teknologi*, 1(4).
- Fahlefi, M. R., Putri, R., Ronaldo, & Kusumastuti, R. (2023). Analisis rasio likuiditas dalam mengukur kinerja keuangan pada PT. Garda Tuju Buana periode 2021–2022. *Jurnal Ekonomi Bisnis Dan Manajemen*, 1(3).
- Awaliyyah, N., Asih, V. S., Badriyah, M. (2021). Dampak Working Capital Turn Over dan Debt to Equ

- ity Ratio Pada Return on Investment di PT Ultra Jaya Milk Industry & Trading Company Tbk. *Indonesian Journal of Economics and Management*, 1(3).
- Meyliani, E. Y., Nur'aeni, Zafira, P., Asih, V. S. (2023). Pengaruh Profitabilitas, Likuiditas dan Ukuran Perusahaan terhadap Pengungkapan CSR dengan Pendekatan ISR di Bank BJB Syariah. *Jurnal DIMAMU*, 2(3)