

**THE INFLUENCE OF FREE CASH FLOW ON THE FIRM VALUE USING DIVIDEND  
POLICY AS A MEDIATING VARIABLE**

**A THESIS**

**Presented as Partial Fulfilment of the Requirements For the Degree of Sarjana Ekonomi  
(S1) in Accounting Program**

**Faculty of Economics Atma Jaya University**



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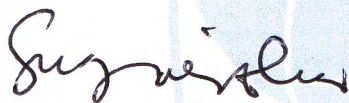
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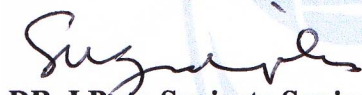
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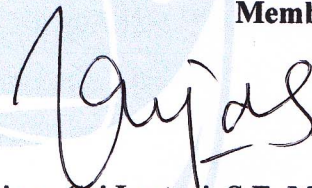
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**Yogyakarta, July 2015.**



**Soraya Iriany Kereh**

## **Motto**

But seek first the Kingdom of God and his righteousness, and all these things will be added to you

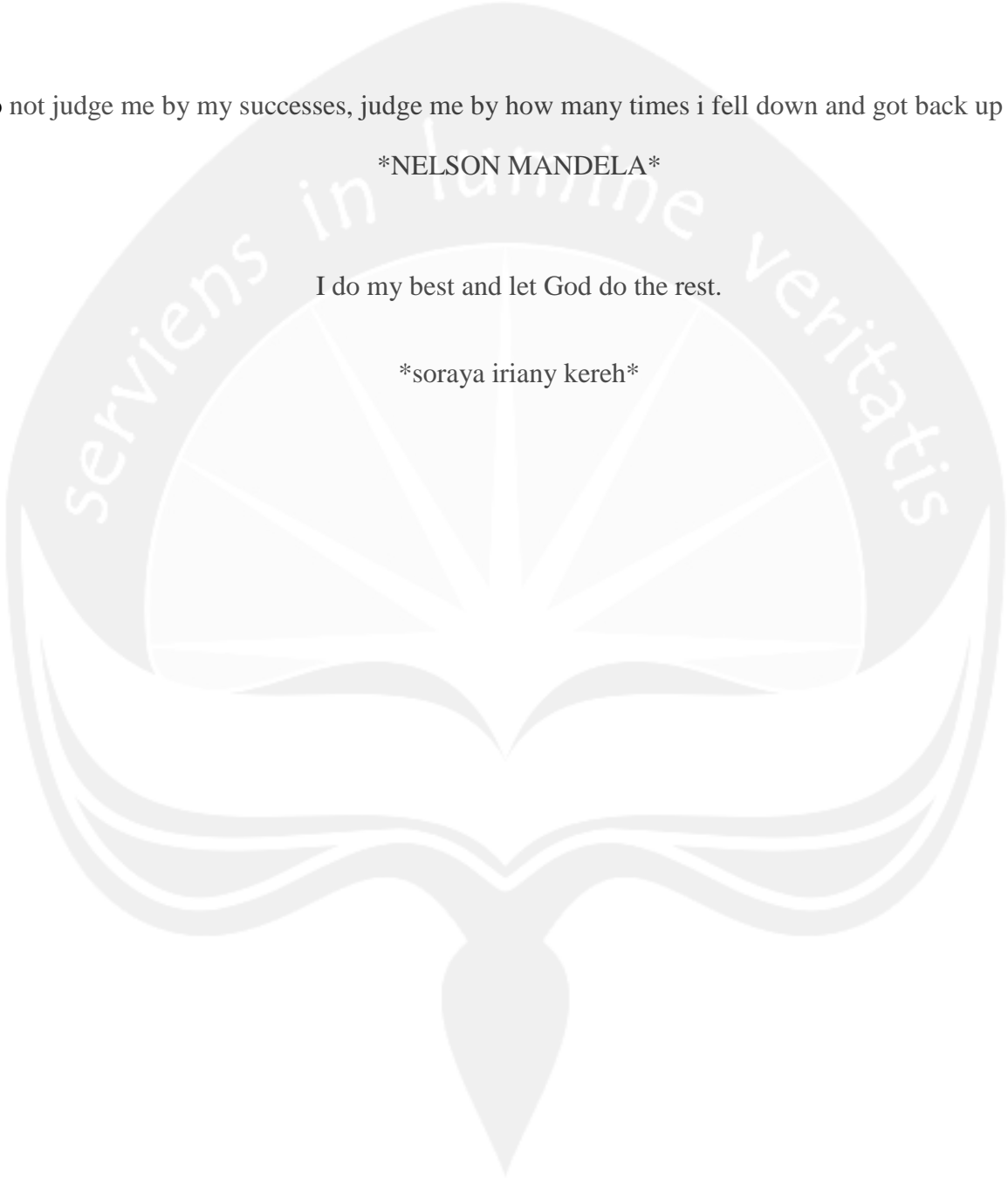
Matthew 6:33

Do not judge me by my successes, judge me by how many times i fell down and got back up again

\*NELSON MANDELA\*

I do my best and let God do the rest.

\*soraya iriany kereh\*



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**Abstract**

Purpose of this study is to investigate whether the dividend policy can mediate the influence of free cash flow on the firm value in all industrial firms contained in IDX. Regression is the model used by this study to test the mediating variable in this case the dividend policy as measured by the dividend payout ratio (DPR) to the free cash flow as independent variable on the firm value as dependent variable. As well as firm size as control variable. Sample in this study are the entire firm in all industries during the period 2008-2013 with certain criteria. The result shows that the dividend policy has positive and significant value in the influence of free cash flow on the firm value.

**Keywords :Free cash flow, Dividend policy, Firm value, Firm Size**