

**THE FACTORS THAT INFLUENCE FIRM'S CASH
HOLDINGS**

THESIS

**Presented as Partial Fulfillment of the Requirements for the
Degree of Sarjana Ekonomi (S1) in Accounting Program Faculty
of Economics Universitas Atma Jaya Yogyakarta**



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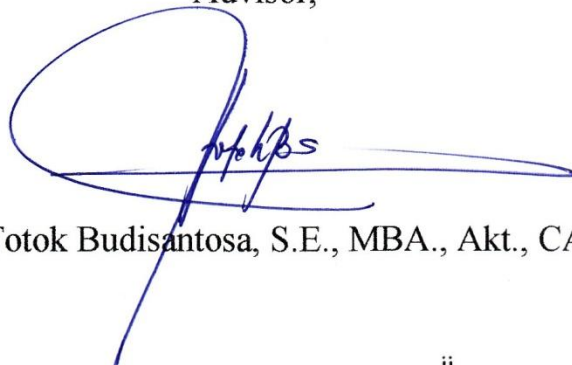
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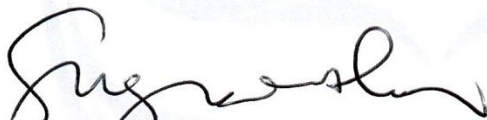
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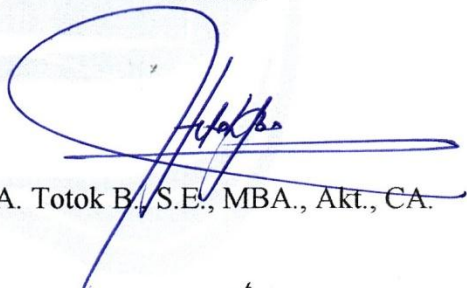
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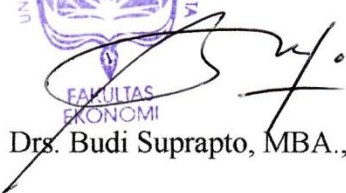
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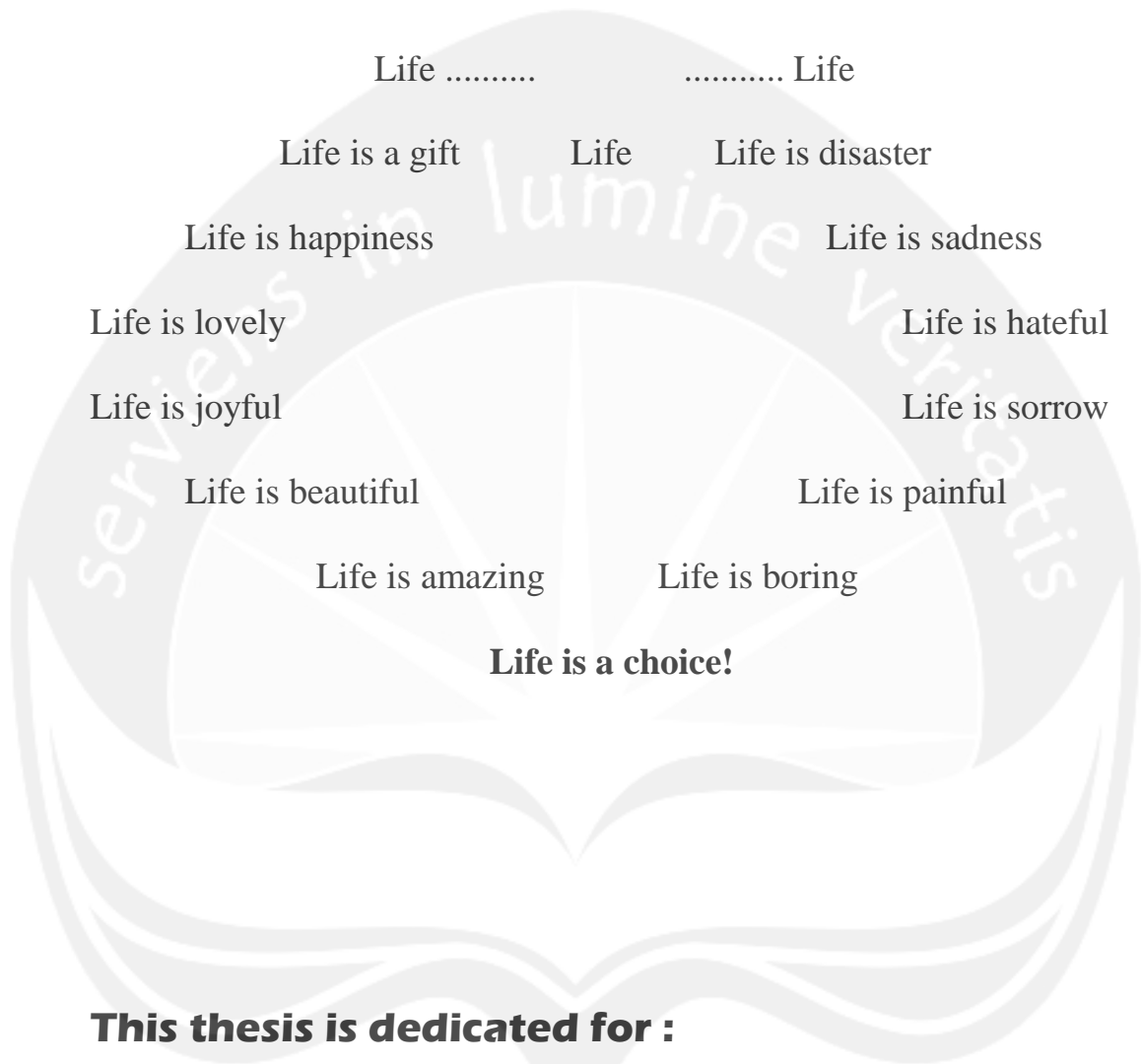
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Yogyakarta, 29th February 2016



Elleonora Valencia Herijanto

MOTTO AND DEDICATION



Jesus Christ and Mother Mary

Saint Eleonora my guardian angel

My beloved parents Herijanto and Yenawati

My lovely one and only brother Bryan

My dogs, Bella, Momo, and Celeng

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ABSTRACT

This research is conducted to find evidences relate to the determinant of firm's cash holdings. Every firm will have different policy and decision relate to the cash level or cash holdings. Many factors can affect the determinant of cash holdings. This research uses 84 Indonesian listed manufacturing firms from the year 2006 until 2014. Therefore, there are 756 firm-year observations. The research tests 6 independent variables with 1 dependent variable. Multiple regression analysis is used for the hypothesis testing. The results found that there are significant relationships of net working capital, dividend payment, sales growth, and cash from operations to firm's cash holdings. There is no significant effect of firm size and firm age to firm's cash holdings. Those results are following the existing theories which are static trade off theory and pecking order theory. This research is also consistent with prior researchers' findings.

Keywords: cash holdings, firm characteristics, dividend payment, sales growth, cash from operations.