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PROPERTY DIVIDEND POLICY TO INCREASE SHARE PRICE AND THE NUMBER OF INVESTORS

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ABSTRACT

With debt policy as a moderating factor, this study attempts to examine the effect of dividend policy and return on equity on stock prices in property and real estate sub-sector companies listed on the Indonesia Stock Exchange. Ten companies became the sample size for this study, which used purposive sampling technique. The data analysis technique in this study is multiple regression analysis technique using MRA with the help of SPSS 25.0 program.
The results of the study explain that dividend policy affects stock prices while return on equity has no effect on stock prices. Debt policy is unable to moderate the effect of dividend policy and return on equity on stock prices in property and real estate sub-sector companies for the period 2020-2022.

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Introduction.

Indonesia's booming capital market encourages companies to conduct IPOs by issuing shares overseas. In particular, potential investors need financial information about companies that will IPO to make investment decisions. The financial statements of a company reflect the company's performance and provide management's view of the company's prospects, so the signals conveyed by the company can affect investors' judgment. Therefore, a company must submit quality financial reports because it will be a positive signal in terms of increasing investor interest in buying the company's shares (Fulgence et al., 2023). The higher the level of investors who are interested in buying the shares, the more likely the share price will increase.

The share price of a company is determined by supply and demand between sellers and buyers. Supply and demand are often caused by internal and external factors of the company (Suhadak & Suciany, 2020). Internal factors relate to the level of company performance that can be managed by company management. Examples include dividend policy, profitability, debt and equity ratios, and other financial ratios (Kasmir et al., 2019). Meanwhile, external factors relate to things that are beyond the control of company leaders, such as political problems, exchange rate fluctuations, high inflation rates, deposit interest rates, and others.

Based on data from the IDX, the JCI has shown a fluctuating trend over the past three years, or more specifically from 2020 to 2022. The JCI performance in 2020 fell by 5.09 percent and ranked eighth in the Asian region and was below the stock indices of South Korea, Taiwan, China, Japan, Malaysia, India, and Hong Kong. In 2021, the JCI increased by 10.08 percent and was still below the stock indices of Thailand, Vietnam and Singapore. Meanwhile, in 2022, the JCI increased by 4.08 percent and made it in second place after the Laos stock index.

The JCI in Indonesia measures the price performance of all stocks across all sectors listed on the IDX. Property and real estate are among those sectors. President Joko Widodo mentioned that the sector is the largest contributor to GDP for Indonesia's economic development with a value of Rp2,439 trillion to Rp2,865 trillion or equivalent to 14.63 percent to 16.30 percent.

In contrast to the achievement of its contribution to GDP, the sector's stock index continues to weaken. In 2020, the sector's stock index fell 21.23 percent. Property companies that experienced a decline in share prices that year were Summarecon Agung, Pakuwon Jati, and Lippo Karawaci. In 2021, the sector's stock index also fell 11.43 percent when the JCI rose 10.08 percent. Meanwhile, in 2022, the property and real estate sector stock index fell by 7.70 percent. This decline occurred when Bank Indonesia's interest rates increased and the JCI strengthened by 4.08 percent.

Dividend payment policy can provide a positive signal to investors that the company is operating healthily and can pay dividends to shareholders (Zahid et al., 2023). In addition, shareholders prefer the company's dividend payments because it is considered a "bird in the hand" with a definite value (Gordon, 1963). Ultimately, such a situation can push the stock price up due to increased demand for the company's shares.

The outbreak of the Covid-19 pandemic in 2020 caused economic disruption on an unprecedented scale and speed. Much of the literature suggests that stock prices reacted negatively to the Covid-19 outbreak (Ali et al., 2022). Under these conditions, trying to estimate the magnitude and duration of the pandemic's impact on corporate earnings poses unique challenges, leading many companies to delay dividend payments and share buyback programs (Pettenuzzo et al., 2023). The rationale has shifted from growth to securing cash due to prolonged losses.

Indicators of the company's success in achieving profit or profit can be described by the profitability ratio (ROE) (Naeem et al., 2022). ROE is the company's ability to earn profits with the total equity used (Jha & Mittal, 2024). The higher the ROE value indicates that the company is getting better which results in an increase in the company's share price.

The company's shares will also be determined by considering the debt policy which is the company's decision regarding external funding, the company's decision in external funding is reflected in how the company manages its capital structure. The company's capital structure is the way the company raises money for daily operations and future growth (Ahmed et al., 2024). In some cases, debt policy can have a positive impact on a company's share price if management views the level of debt as a sign of optimism about future business growth. However, if the debt is not managed properly, the company can face financial difficulties (Dong et al., 2021).

Research on aspects of dividend policy, return on equity and stock prices has been carried out with various results such as research (Megamawarni & Pratiwi, 2021), (Cahyaningtyas et al., 2021), Sari & Ardiany (2024), and (Mayandi et al., 2021), however, this research is different because it discusses debt policy as a moderating variable.

The purpose of this article is to illustrate the relationship of dividend policy and profitability (ROE) to stock price, and to use debt policy as a variable to moderate the impact of these variables. There are two main reasons behind the hypothesis that debt policy can be used as a moderating variable. First, companies are urged to increase dividend payments to counter the negative signal of high levels of corporate debt to investors and maintain stock price stability. Shareholders tend to believe that companies that pay dividends are in good health. Second, dividend payments also serve as a way to monitor the company and reduce agency problems. With the reduction of agency problems, investor confidence can increase which will result in an increase in stock prices.

Literature Review.

Signalling Theory.

According to Suganda (2018) the application of signal theory helps investors interpret the way management communicates information to them, which in turn affects their decisions regarding the state of the company. Investors then assess whether the signal is positive or negative, which may have an impact on the stock price or company value. For investors and businesses, information is very important because it basically conveys a record of past, present and future circumstances that affect the company's ability to survive and its impact on the market. Investors need detailed information as a medium of analysis to choose investments.

The impetus for the business world to share access to financial statement information with outsiders is described by signal theory. There is information asymmetry between the company and outside the company because the company has greater knowledge about the business as well as its prospects than external parties such as creditors and investors, so the company feels compelled to share information. Due to the lack of information about the company available to the public, they defend themselves by offering low prices to the business (Ji et al., 2021).

Share Price.

The share price is the price that other parties are ready to pay in acquiring ownership rights to the company and is an important part of the financial market (Jiang, 2022). The cash flow that an investor expects to receive in the future if he buys a share will determine the share price (Sumando et al., 2022). Stock prices are an important issue in financial markets that can fluctuate rapidly (Chen et al., 2022), because the demand and supply of shares between buyers and sellers determine how much the share price of a company can be achieved. To decide whether to buy a company's shares, a potential investor must know the share price first. Shareholders of a company will be entitled to the income and assets of the business. This is likely due to the demand and supply between sellers and buyers of shares. Therefore, the share price can serve as a measure of the effectiveness of the company's management. Investors and potential investors will be interested in the company's share price, so a high enough share price will benefit the company in the form of dividends, capital gains, and a superior reputation (Ji et al., 2021). This can also help management in obtaining fees from outside the company. The stock price is believed to be a measure of the value of a company, which shareholders believe illustrates the effectiveness of the management team and overall business performance (Sukesti et al., 2021).

Dividend Policy (DPR).

Dividends are the ultimate goal of business investment (Zahid et al., 2023). Dividend policy strategy is the choice that a company uses for determining the level of net profit that will be distributed as profit to investors or retained as retained earnings. Dividend payout policy is a valuable tool that encourages managers to make better decisions, produce good performance as well, and control information asymmetry (Barros et al., 2023). Companies must pay close attention to dividend policy because it affects various parties, including shareholders, creditors, and the company itself. Dividend Payout Ratio (DPR) is one of the indicators used in assessing dividend policy. DPR is used to estimate dividends for the future, while analysts estimate growth by using retained earnings better than dividends (Graham & Scott, 2012). DPR decisions should benefit both the company and shareholders. To support its operations and growth, the company will consider the information in the DPR when deciding how much profit to retain and how much to distribute as dividends. Less profits are available for dividend payments if most of the company's profits are retained for operating expenses. Conversely, if the company determines to distribute dividends on its profits, this will result in a smaller retained earnings value and fewer internal funding sources (Wijoyo & Hartono, 2021). Financial information in the DPR will be considered by shareholders or investors in making investment decisions. Companies that pay dividends can be more attractive to investors, leading to increased stock turnover and increased stock liquidity. Companies that pay relatively high dividends have a higher market value than companies with similar activity profiles but characterized by low dividend rates.

Profitability (ROE).

The company's ability to achieve profits acceptable to investors with its own capital is described by the Return on Equity ratio (Kowalik & Simińska, 2023). ROE explains the efficient use of shareholder funds by company management (Rehan et al., 2023). According to (Cashmere, 2019) ROE is used to estimate the amount of net profit earned by own capital. Return on Equity (ROE) calculates the net profit generated by total equity to find out how efficiently the company manages its equity to generate profits over a certain time (Collan et al., 2022). An increase in ROE value indicates business performance in generating sizable profits for investors (Shenurti et al., 2022). Conversely, a decrease in the ROE value indicates a smaller profit received by the company's shareholders. This ratio, known as the profit ratio, is commonly used by investors to determine the size or speed at which a company is likely to return its capital to them.

Debt Policy.

Debt policy determination is a crucial decision for company operations and an integral part of the company's financial strategy Debt financing has many important functions, allowing companies that have limited money to borrow for future profits, without reducing ownership and control which can later be used in financing operational activities (Meki, 2023). Debt policy is a policy related to decisions taken by companies in carrying out their operations using debt or financial leverage. This description shows that debt policy is a decision in company management, to determine the source of funding in financing the company's operations.

Debt policy is a very important strategic decision in a business context. It is an aspect that is integrated into the company's financial policy. Debt policy is an action taken by management with the aim of mobilizing financial resources to support company operations. Debt policy is a key element in company management and can have a significant impact on company performance and sustainability (Fattouh et al., 2024). The use of debt can encourage management to improve company performance. Thus, companies must be careful when implementing their debt management policies (Ainun, 2019a).

The Effect of Dividend Policy (DPR) on Stock Price.

Maximizing the stock price can be considered as an effort to maximize the value of the company, which is in line with the value of assets owned by investors. Therefore, the company's share price is an indicator of the value owned by the company. Dividend policy is a guideline that companies apply regarding dividend payment issues, including whether to pay and how much, how often, and when they pay (Hussain & Akbar, 2022). Dividend policy is highly relevant to the capital needs of the company, as it signals the past and future prospects of shareholders in returning their capital (Barros et al., 2023). Dividend policy is important for investors as well as for companies. The decision to pay dividends can generate cash inflows for shareholders as a source of income. Conversely, the policy of not paying dividends can be a source of funds for the company to be used for various purposes (Ainun, 2019b). Dividend policy is a funding policy that is always considered crucial by all companies because it is directly related to stakeholders as well as shareholders, and has a very important impact on the value of shares in the capital market. Dividend distribution reflects the company's prospects, thereby increasing interest in the company's shares among investors. As a result, there is now more demand for the shares, which in turn leads to an increase in the share price.

H_1: Dividend policy (DPR) has a positive effect on stock prices.

Effect of Profitability (ROE) on Stock Price.

ROE is a ratio that explains the return on shareholder investment, therefore this ratio is one of the basic measures that describe the company's financial condition (Szafraniec-Siluta et al., 2023). ROE serves to help investors understand how much return they will receive from the company. With it, investors can determine whether a company is a profit creator or a profit burner, as well as the profit-income efficiency of management. Investors analyze changes in ROE levels historically, comparing them with other companies in a particular industry or with industry benchmarks (Kusz et al., 2022). The better the company's performance in generating ROE, the value of the company's performance in managing capital increases. Companies with high ROE tend to attract more investors to buy their shares. The company's value, which is marked by the stock price, will increase if the company can optimize the use of capital to generate profits. If there is little interest in the company's shares, the share price will decrease. Conversely, the increase in demand for shares results in an increase in the share price.

H_2: Profitability (ROE) has a positive effect on stock prices.

The Effect of Debt Policy as a Moderating Variable with Dividend Policy (DPR) on Stock Price.

Increasing corporate debt will encourage companies to maintain shareholder confidence by increasing the dividend payout ratio as a method of monitoring the company and sending positive signals to investors. In general, companies often issue dividends as a sign of good performance, which will ultimately increase the company's share price. However, in uncertain situations, for example companies experiencing financial constraints may experience a decrease in liquidity if they increase dividend payments (Ramesh & Sampath, 2023). This decline may then lead to a decrease in the company's investment activity, which may ultimately affect its position in the market. Financially constrained companies are expected to face very high costs to attract external funds. In addition, this is related to the high information asymmetry between investors and company management. They point out that even firms with difficult access to external financial resources may decide to distribute dividends and encourage investors to predict dividend payments as a positive signal of firm performance (Theiri et al., 2023).

H_3: Debt policy moderates the effect of dividend policy (DPR) on stock prices.

The Effect of Debt Policy as a Moderating Variable with Profitability (ROE) on Stock Price.

The extent to which a company uses its own capital in paying off its debts is a key indicator of its ability to meet all its obligations, and this ability is reflected in its debt policy. Leverage, often known as debt or funding from outside sources, is one of the tactics used by businesses to raise more money for operational purposes (Wong et al., 2024). Companies can benefit from using more debt when the interest cost of debt is low, as indicated by a higher debt-to-equity ratio (Asimakopoulos et al., 2023). Earnings per share may increase as this ratio increases while maintaining the same level of earnings before interest and tax (EBIT). The increase in share price may be affected by the increase in earnings per share. Therefore, the use of leverage can increase a company's earnings and the return on investment offered to shareholders, but it also increases financial risk due to the ongoing need to pay interest on the debt funded by the company.

H_4: Debt policy moderates the effect of profitability (ROE) on stock prices.

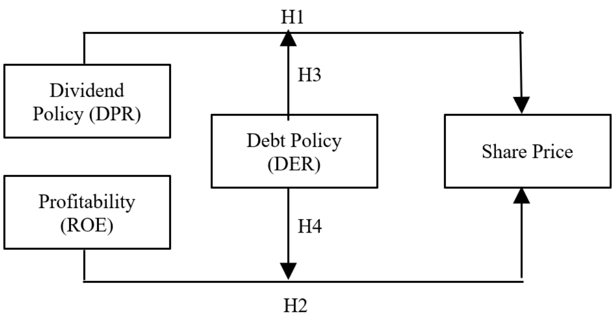

Figure 1. Framework of Thought.

Method.

This research uses a type of quantitative research methodology. Many approaches are available to conduct quantitative research, and the research can be viewed from various angles, including causal associative research, which looks for relationships between variables. The secondary data sources used in this study are websites that provide financial report data, data on the number of public companies in the property and real estate subsector, and other data sources.

The population of property and real estate sub-sector companies listed on the Indonesia Stock Exchange is the main subject of this research. Purposive sampling is used by researchers to ensure the sample meets certain qualifications or criteria when calculating the sample size. The following are the requirements used in selecting the research sample selection: (1) Property and real estate companies listed on the Indonesia Stock Exchange. (2) There were no losses during the study year. (3) During the research year, distribute dividends to shareholders.

Table 1. Research Sample Determination.

Sample Description	Jumlah
Population of property and real estate sub-sector companies:	92
Companies that do not meet the criteria:	
Did not publish or complete the annual report during the study year	(13)
There was a loss during the study year	(1)
Did not pay dividends during the study year	(68)
Total research sample	10
Total research data 10 x 3 years	30

Source: Data Processed.

According to Sahir (2021), when calculating the sample size, a range of 30 to 500 is usually used in a study. Ten property and real estate sub-sector companies listed on the Indonesia Stock Exchange were used as research samples, with a total of 30 research data, in accordance with predetermined qualifications or criteria.

Multiple regression analysis techniques were used in testing the first and second hypotheses of the study, while moderation regression analysis techniques were used in testing the third and fourth hypotheses with the help of SPSS 25.0.

Stock price is the only dependent variable used in this study. Profitability (ROE) and dividend policy (DPR) are the two independent variables used. Meanwhile, debt policy is used as a moderating variable.

The price of a company, which is determined by the dynamics of supply and demand for its shares in the capital market, is known as the stock price (Barka et al., 2023). In the context of measuring stock prices, this study uses the average daily closing stock price per year.

Dividend policy refers to a policy that determines whether to distribute dividends or not (Hussain & Akbar, 2022). Dividend Payout Ratio, which compares dividends paid to profits earned, serves as the dividend policy ratio in this study.

Profitability (ROE) is the ratio of the calculation between profit after tax and total equity to assess the company's capacity to earn money from capital (Yu et al., 2023). According to Nasim & Downing (2023) ROE serves as a metric used to evaluate the company's capacity to earn profits and compare the previous year's position with the current position.

A company's debt policy is a measure taken with respect to the total amount of debt it has. To make future investments, companies are largely dependent on the debt market (Ramesh & Sampath, 2023). Debt to Equity Ratio Ratio serves as a reference for debt policy in this study. By comparing the total liabilities and equity of a business, DER provides an explanation of the percentage of debt owned by the company.

Result and Discussion.

Research Result.

Descriptive analysis was used in this study to characterize the properties of the research data.

Table 2. Descriptive Statistics Results.

Descriptive Statistics					
		Minimum	Maximum	Mean	Std. Deviation
DPR	0	.006648	1.180040	.36588131	.337989480
ROE	0	.027034	.243951	.08413309	.048008437
HARGA SAHAM	0	3.99	10.16	6.7122	1.76106
DER	0	.085656	1.743054	.54011984	.427011560
DPR*DER	0	.002835	.422306	.13842051	.106380008
ROE*DER	0	.005951	.118026	.03875071	.028692129
Valid N (listwise)	0				

Source: Data Processed.

Based on the table above, it can be seen that the mean of DPR in the study is 0.36588131, the mean for ROE is 0.8413309, the mean for stock price is 6.7122, the mean for DER is 0.54011984, the mean for the interaction between DPR and DER is 0.13842051, and the mean for the interaction of ROE and DER is 0.03875071. In addition, the minimum and maximum values of DPR are 0.006648 and 1.1180040, respectively, of ROE are 0.27034 and 0.243951, of stock price are 3.99 and 10.16, of DER are 0.85656 and 1.743054, of interaction between DPR and DER are 0.002835 and 0.422306, and of interaction between ROE and DER are 0.005951 and 0.0118026. Standard deviation in the research data of DPR, ROE, stock price, DER, interaction between DPR and DER, interaction between ROE and DER are 0.337989480, 0.048008437, 1.76106, 0.427011560, 0.106380008 and 0.028692129.

The normality test of this study uses a scatter plot and criteria stating that if the PP Plots graph does not deviate too far from the diagonal line, the data is normally distributed. The fact that the PP Plot in Figure 1 hardly deviates from the diagonal line indicates that the research data is normal.

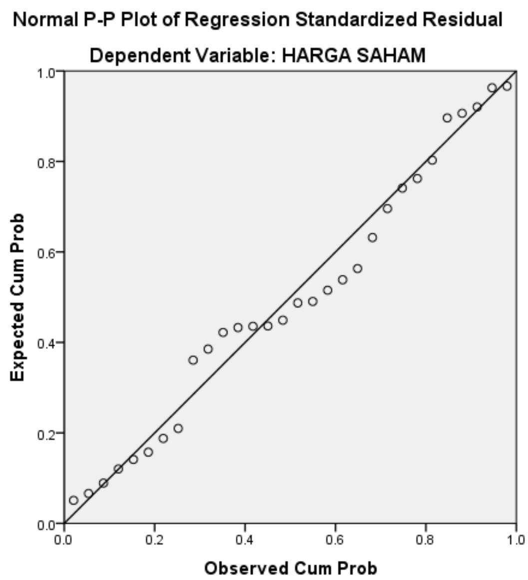

Figure 2. Normality Test with PP Plot Graph.
Source: Data Processed.

Table 3. Correlation Test Hail.

Model Summary[b]				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.475[a]	.226	.065	1.70308
a. Predictors: (Constant), ROE*DER, ROE, DPR*DER, DPR, DER				
b. Dependent Variable: STOCK PRICE				

Source: Data Processed.

As shown in the table above, the correlation test in this study resulted in an R Square value of 0.226. This shows that the dependent variable is only 22.6% explained by the independent variables in the study, the rest is explained by other variables not included in the model and errors.

Table 4. Regression Coefficient Test Results.

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	6.677	.805		8.297	.000
	DPR	2.178	1.037	.418	2.100	.045
	ROE	-10.538	7.301	-.287	-1.443	.160
	DPR*DER	-.586	5.643	-.035	-.104	.918
	ROE*DER	6.024	19.277	.098	.313	.757
a. Dependent Variable: HARGA SAHAM						

Source: Data Processed.

Based on the table above, the regression equation model can be found as follows:

Y = 6,677 + 2,178 DPR – 10,538 ROE – 0,586 DPR*DER + 6,024 ROE*DER

The constant value is positive at 6.667 which indicates that the stock price will be 6.677 if all independent variables are assumed to be 0. This information is obtained from the regression equation above. The coefficients value of DPR is 2.178, which means that if DPR increases by 1%, the stock price will increase by 2.178. The ROE coefficients value of -10.538 means that if ROE increases by 1%, the stock price will decrease by -10.538. The coefficients DER value of -0.586 means that if DPR increases by 1%, the stock price will increase by -0.586. The coefficients DER value of 6.024 means that if ROE increases by 1%, the stock price will increase by 6.024.

Based on the table above, it is also explained that testing DPR on stock prices shows that the sig value of 0.045 is smaller than 0.05, which means that DPR has an effect on stock prices. In testing ROE on stock prices, the sig value of 0.160 is greater than 0.05, which means ROE has no effect on stock prices. For testing DER to moderate the effect of DPR on stock price, the sig value of 0.918 is greater than 0.05, which means that DER is unable to moderate DPR on stock price. And in testing DER to moderate the effect of ROE on stock prices, the sig value of 0.757 is greater than 0.05, which means that DER is unable to moderate ROE on stock prices.

Discussion.

Effect of Dividend Policy (DPR) on Stock Price.

The first hypothesis is accepted because the test results show that the DPR variable affects the stock price. This means that any changes made by DPR will have an impact on the stock price. One of the things that investors look at when buying shares is the high dividend distribution. Financial markets can receive reliable information about a company's health through its dividend payment policy (Barros et al., 2023). Investors can assess the future prospects of a company through dividend payments. In line with the saying "one bird in the hand is more valuable than a thousand birds in the air" or "bird in the hand theory", investors prefer dividend distribution because it reduces risk and uncertainty in the future. This suggests that dividends are a sign for investors to buy additional shares. This is also in accordance with signaling theory which explains that the company's dividend payments are a necessary condition for determining income management strategies. Dividends provide signals or information to investors, encouraging them to buy shares and allocate their funds for stock investment (Hussain & Akbar, 2022). A high dividend yield makes investors happy and encourages them to buy the company's shares. Therefore, dividends are a positive signal to investors (Peña-Martel et al., 2023). This states that the growth of a company's stock price is influenced by dividends. This research is in line with research Megamawarni & Pratiwi (2021) which explains that dividend policy has a relationship with stock prices.

Effect of Profitability (ROE) on Stock Price.

The second hypothesis is rejected because the test results show that the profitability variable (ROE) has no effect on stock prices. The findings of this study explain that investors take into account return on equity (ROE), not a reliable indicator of how much impact an increase in stock price will have. In addition, ROE is not given much attention by company management because ROE poses a risk when capital is added and then used to pay liabilities. ROE has nothing to do with stock prices because it is a ratio that can fluctuate rapidly along with changes in equity levels (Collan et al., 2022), this shows that the company has not been able to use the resources it has properly, and the profits obtained by the company are not proportional to the capital invested. This shows that the company depends on capital and loans from outside investors, so that when making investment decisions, investors do not take into account return on equity (ROE).

This study is in accordance with the findings Cahyaningtyas et al (2021) which explain that ROE has no effect on stock prices, because ROE ignores the prospects for company performance and only considers the rate of return on capital obtained by investors and the position of capital owners.

The Effect of Profitability (ROE) on Stock Price with Debt Policy (DER) as a Moderating Variable.

The hypothesis stating that debt policy (DER) can moderate the effect of profitability (ROE) on stock prices in property and real estate sub-sector companies listed on the IDX is rejected based on the test results. This study explains that when profitability is high, debt policy cannot increase stock prices, and vice versa when profitability decreases. This research is in line with research (Mulia Sari et al., 2024), which states that the impact of profitability on business cannot be balanced with debt policy. This is because the amount of debt has little effect on investors' decisions to buy shares and is more concerned with the company's ability to maximize profits.

Debt policy (DER) measures the portion of a company's capital allocated to debt repayment, which indicates the extent to which the company can effectively fulfill its contractual commitments. The purpose of taking on debt is to increase profitability to propel the company forward faster than before taking on debt. Although debt interest is tax deductible, debt has costs associated with the possibility or risk of bankruptcy. (Dong et al., 2021). The decline in stock prices is due to the company's inability to reduce the cost of bankruptcy caused by debt (Ahmed et al., 2024). The use of debt will increase the EBIT flowing to investors and give the impression that the investment has paid off. Increased profitability will boost the stock price by sending more positive signals to investors. Profitable businesses will naturally seek to lower their tax burden by taking on more debt; however, as debt levels increase, bankruptcy becomes higher and potential investors become hesitant to invest in these companies as they may not be able to fully utilize their debt.

Investors avoid stocks with a high DER value because it indicates a relatively high company risk. A higher DER indicates more risk associated with the company's earnings and potential inability to make debt payments. This can send a bad signal to investors, which in turn lowers the stock price and affects stock returns (Qiao et al., 2022). The fact that a company needs debt to finance its expansion is one of the many factors that investors seem to consider. The company's operational activities require large funding, exceeding the available capital to maximize profits.

The Effect of Dividend Policy (DPR) on Stock Price with Debt Policy (DER) as a Moderating Variable.

Based on the test results, it states that the debt policy variable cannot moderate the relationship between dividend policy and stock price. Due to various influencing factors, such as the existence of several companies that do not pay dividends, dividend policy is not relevant information for companies in determining debt policy. This finding is in line with research Mayanti et al (2021) which explains that there is no relationship between debt policy and the amount of annual dividend policy distribution. Debt policy is not expected to be related to dividend policy because Indonesia does not have strict debt covenants. In addition, Indonesia's debt covenant implementation does not limit companies from paying sizable dividends.

Debt will reduce the tax burden on the company and increase the debtor's confidence in its ability to run the business. Companies that have a lot of debt face significant risks. Dividend payments cannot be the company's top priority because it can hinder the company in meeting its long and short-term debts. If profits are not used to pay corporate obligations and distribute dividends to investors, the company risks losing these investors. The company will be able to increase capital and increase stock prices by paying large dividends. The results of these findings are inversely proportional to research (Ainun, 2020) which states that debt policy can moderate the effect of dividend policy on stock prices.

Conclusion.

Based on the findings of the data analysis and discussion that has been described, the dividend policy variable has an effect on stock prices, which means that if the dividend policy increases, the stock price will increase and vice versa. Meanwhile, the return on equity variable has no effect on stock prices. Debt policy proxied by the debt to equity ratio cannot moderate the effect of dividend policy and return on equity on stock prices. Increased debt will result in increased bankruptcy costs, giving investors the impression that the company's future prospects are increasingly bleak. If investors choose to invest, they will experience losses.

The limitations and suggestions of this study include the use of only four variables-dividend policy, return on equity, debt policy-that are thought to affect stock prices. Suggestions for further research are expected to use more variables that can affect stock prices. The use of research samples is limited to property and real estate sub-sector companies so that it does not represent all sectors of companies listed on the Indonesia Stock Exchange. To use a larger sample size, populations in other sectors are expected to be used as suggestions for future research.

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