*ABSTRACT*

Herryanto / 29140380 / 2019 / *The Effect of Dividend Policy and Profitability on Stock Returns on Companies Listed in the LQ-45 Index 2014-2016 Period / Advisor :* Bonnie Mindosa S.E, M.B.A

*This study aims to (1) Knowing the positive influence of dividend policy on stock returns. (2) Knowing the positive effect of profitability on stock returns.*

*The factors tested in the study are dividend policy (DPR) and profitability (ROE) as the independent variable and stock return as the dependent variable.*

*The sample used in this study consisted of 27 company data listed in the LQ-45 index for the 2014-2016 period. The data in this study use secondary data and sample selection using purposive sampling method. Testing research data is used by using multiple regression analysis with the help of the SPSS program.*

*This study shows that the DPR variable is not significant because the probability of significance for the DPR is 0.248, which means it is far above 0.05. While this significant ROE variable can be seen from the probability of significance for ROE of 0,000, which means significant at 0.05.*

*The results of this study indicate that: (1) dividend policy has no effect on stock returns which can be seen from the probability of significance of 0.248> a (0.05). (2) profitability has a positive effect on stock returns can be seen from the probability of a significance of 0.00 <a (0.05).*

*Keywords: dividend policy, profitability, and stock returns*