

CHAPTER V

CONCLUSION

5.1 Conclusions

This research was conducted to analyze the effect of tax avoidance, dividend payout ratio, and leverage on cash holdings of non-financial companies listed on the Indonesia Stock Exchange for the 2012-2021 period. Based on the results of the research carried out during the data collecting and processing stages, analysis and interpretation, the following conclusions can be drawn:

Hypothesis 1 which predicts that tax avoidance affects the company's cash holdings, found the result that the hypothesis is rejected. This could mean that while companies may have a high level of tax avoidance and therefore cash holdings, they are able to minimize their tax payments so that cash that should be spent paying taxes is used for other purposes. means that the company can withhold. However, if a company with a high level of tax avoidance has a low cash holding value because the company only minimizes its tax payments, but there are significant payments of other expenses, the company's cash balance may decrease.

Hypothesis 2 the company predicted that the dividend payout ratio would have a significant impact on cash holdings, and concluded that hypothesis was acceptable. This explains that dividend payments made by companies have an effect on the company's cash holdings. The dividend payout ratio is a dividend payout ratio, which means that if the DPR is high, a lot of the profit the company gets is paid as dividends to shareholders, so

the company must prepare funds to fulfill this. This is done so that the company can maintain a smooth dividend payment so that the company's liquidity is also maintained.

Hypothesis 3 which declares leverage has a significant effect on cash holdings, found that the hypothesis is rejected. Which means that the high value of leverage means that the company has a high dependence on external loans in financing its assets. This shows that debt can be a cash market substitution effect when financing investments when companies have easy access to external funding, so companies do not hold large amounts of cash.

5.2 Limitations

This study has limitations and needs improvement and progress to get better results on the same subject. Here are the restrictions:

1. Data collection was hampered because several companies did not publish their financial reports.
2. Lack of references because not many have examined the variables of dividend payout ratio of the cash holding.

5.3 Suggestion

The researcher proposes several suggestions that can be used for more research, namely:

Future it is hoped that research will make this possible add proxies for each variable and other research objects to obtain various results about what factors can affect the company's cash holdings.