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THE EFFECT OF DEBT TO ASSET RATIO, CASH POSITION AND FIRM SIZE ON DIVIDEND PAYOUT RATIO WITH PROFITABILITY AS MEDIATION VARIABLES IN THE PROPERTY AND REAL ESTATE SECTOR IN THE INDONESIA STOCK EXCHANGE IN 2016 – 2019

Jesslyn Kosasih[#1], Nagian Toni[*2], Widya Sari [#3]

[#]*Universitas Prima Indonesia*

Jl. Sampul, Sei Putih Bar., Kec. Medan Petisah, Kota Medan, Sumatera Utara 20118

[1]jesslynkosasihh@gmail.com

[2] nagiantoni@unprimdn.ac.id

[3] widyasari@unprimdn.ac.id

Abstract *In the property and real estate industries on the Indonesia Stock Exchange from 2016 to 2019, this study intends to evaluate and analyze the effect of Debt to Asset Ratio, Cash Position, and Firm Size on the Dividend Payout Ratio with Profitability as a mediating variable. The population for this study will be property and real estate companies that have been listed on the Indonesia Stock Exchange for at least four years. Purposive sampling was the method adopted in this study. A deductive strategy was applied in the research. The data collection technique employed in this study was a documentation study, and the type of data used was secondary data. The data is processed using the SmartPLS application and the Partial Least Square data analysis approach is used in this study. The findings of this study show that debt to asset ratio and firm size have no impact on dividend payout ratio, however cash position has a positive impact. The study's findings also reveal that profitability has no effect on the dividend payout ratio when debt to asset ratio, cash position, or business size are taken into account. It is advised that other mediating variables such as business value be replaced in future studies..*

Keywords — *DAR, Cash Position, Firm Size, DPR, ROA*

I. INTRODUCTION

In Indonesia, the property and real estate sectors play a significant role in the economy. This sector is also one of the metrics used to analyze a country's economic development. The property and real estate sector is a big industry that employs a huge number of people and has a ripple impact on other industries.

Investment activities are one of the most important policies for increasing corporate earnings. Investors typically have expectations and goals from capital market investment activities, such as seeking income or a return on investment in the form of income from the difference between the selling and buying prices of shares.

The Dividend Payout Ratio, or the percentage of net earnings after taxes that is delivered as dividends to shareholders, is determined by dividend policy. The decision to pay a dividend is part of the company's expenditure decisions, particularly when it comes to internal spending. This is due to the fact that the magnitude of the dividends given will have an impact on the amount of retained earnings.

Because it is critical to strike a balance between the company's and shareholders' interests, it is vital to examine the elements that influence dividend payments.

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Table 1. Research Phenomenon

Kode Emiten	Tahun	DAR (X_1)	CP (X_2)	Firm Size (X_3)	DPR (Y)	ROA (Z)
GPRA	2016	0.356	2.481	28.082	0.455	0.030
	2017	0.311	1.451	28.036	0.344	0.025
	2018	0.296	1.311	28.060	0.085	0.033
	2019	0.336	0.749	28.165	0.077	0.032
PWON	2016	0.467	1.375	30.660	0.122	0.086
	2017	0.452	1.686	30.782	0.107	0.087
	2018	0.388	1.579	30.851	0.102	0.113
	2019	0.307	1.333	30.893	0.104	0.124
RDTX	2016	0.130	1.769	28.374	0.077	0.124
	2017	0.099	2.010	28.455	0.098	0.108
	2018	0.084	1.818	28.558	0.055	0.106
	2019	0.097	0.870	28.659	0.104	0.083

Dividend Payout Ratio, according to Sartono (2015, p. 491), is the proportion of profit paid in the form of dividends, or the ratio between dividends paid and total profit available to shareholders. Dividend payments are normally consistent for investors, and they refuse to be reduced. Only organizations with a high degree of profitability and a promising future can pay out consistent dividends.

The Debt to Asset Ratio (DAR) is a debt ratio that calculates the proportion of total debt to total assets. The debt to asset ratio compares total debt and total assets, according to Sugiono and Untung (2016: 60). Creditors prefer a low debt-to-asset ratio since the higher the ratio, the higher the risk.

According to Anhar and Abdullah (2014)'s research, the debt-to-asset ratio has no bearing on dividend policy. The findings of this study are consistent with those of Avinda Esta Sari (2018), although they contradict those of Stevanius and Steven Yap (2017), who claim that the debt-to-asset ratio influences the dividend payment ratio.

The cash position is the ratio of cash on hand at the end of the year to net income after taxes. The free cash flow owned by the corporation will reflect the financial position that is actually available to shareholders. Dividends are cash outflows, hence the stronger the cash position or bank liquidity, the more dividends may be paid (Riyanto, 2012).

According to Bati's (2020) research, the cash position has a favorable and considerable impact on the Dividend Payout Ratio. The findings of this study are consistent with Nasution's (2004) research, however they contradict Ninda Agustina's (2020) research, which claims that the cash position has no impact on the Dividend Payout Ratio. Substantial corporations will find it easier to enter the stock market, allowing them to pay large dividends to shareholders (Kartika, 2005).

The Dividend Payout Ratio is unaffected by the size of the company, according to Tanta Kuswanta's (2016) research. This study's findings are in line with Ninda Agustina's (2020) findings, but they contradict Nik Amah and Efa Dwi Prasetyowati's (2019) findings, which indicate that firm size has a positive impact on the Dividend Payout Ratio. Profitability is a metric that assesses a company's capacity to make profits using its own resources. Companies that have a consistent earnings stream might signal to the public that they are able to pay dividends (Hery, 2013).

The difficulty in this study can be stated as follows, based on the following explanation:

1. For the 2016-2019 period, the Debt to Asset Ratio has an impact on the Dividend Payout Ratio in property and real estate sector companies listed on the Indonesia Stock Exchange.
2. For the 2016-2019 period, cash position has an impact on the Dividend Payout Ratio in property and real estate sector companies listed on the Indonesia Stock Exchange.
3. For the 2016-2019 timeframe, firm size has an impact on the Dividend Payout Ratio in property and real estate sector companies listed on the Indonesia Stock Exchange.
4. For the 2016-2019 period, profitability has an impact on the Dividend Payout Ratio in property and real estate sector companies listed on the Indonesia Stock Exchange.
5. For the 2016-2019 timeframe, the debt-to-asset ratio has an impact on the profitability of property and real estate sector companies listed on the Indonesia Stock Exchange.

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6. For the 2016-2019 timeframe, cash position has an impact on the profitability of property and real estate sector companies listed on the Indonesia Stock Exchange.
7. For the 2016-2019 timeframe, firm size has an impact on the profitability of property and real estate sector companies listed on the Indonesia Stock Exchange.
8. For the 2016-2019 period, the Debt to Asset Ratio influences the Dividend Payout Ratio in property and real estate sector businesses listed on the Indonesia Stock Exchange with Profitability as a Mediation Variable.
9. For the 2016-2019 period, Cash Position has an effect on the Dividend Payout Ratio in property and real estate sector businesses listed on the Indonesia Stock Exchange, with Profitability as a Mediation Variable.
10. In the property and real estate sector businesses listed on the Indonesia Stock Exchange for the 2016-2019 period, company size has an effect on the Dividend Payout Ratio with profitability as a Mediation Variable.

Decisions on whether profits will be given to shareholders or held to be re-invested in the company are part of the dividend policy (Kamaludin and Indriani, 2012). The dividend payout ratio, or the amount of profit after taxes delivered as dividends to shareholders, is connected to dividend policy (Sudana, 2011).

$$\text{Dividend Payout Ratio} = \frac{\text{Dividend per share}}{\text{Earnings per share}}$$

The debt to asset ratio compares total debt and total assets, according to Sugiono and Untung (2016: 60)..

$$\text{Debt to Asset Ratio} = \frac{\text{Total Liability}}{\text{Total Assets}}$$

Cash position is determined by comparing the cash balance at the end of the year to net profit after tax, according to Saputra and Yunita (2017:2254). The ratio of year-end cash to net profit after taxes is known as cash position (earnings after tax).

$$\text{Cash Position} = \frac{\text{End of year cash balance}}{\text{Net profit after tax}}$$

According to Sipahutar (2017), the size of the firm is a control variable that is taken into account in various financial outcome decisions that are influenced by the size of the organization.

Firm Size = Ln of Total Asset

At the level of sales, assets, and certain shares of capital, the profitability ratio indicates the company's ability to make profits (profitability) (Hanafi and Halim, 2016).

ROA = Net Profit After Tax / Total Assets

Based on the explanation above, the conceptual framework of this research can be seen in Figure 1

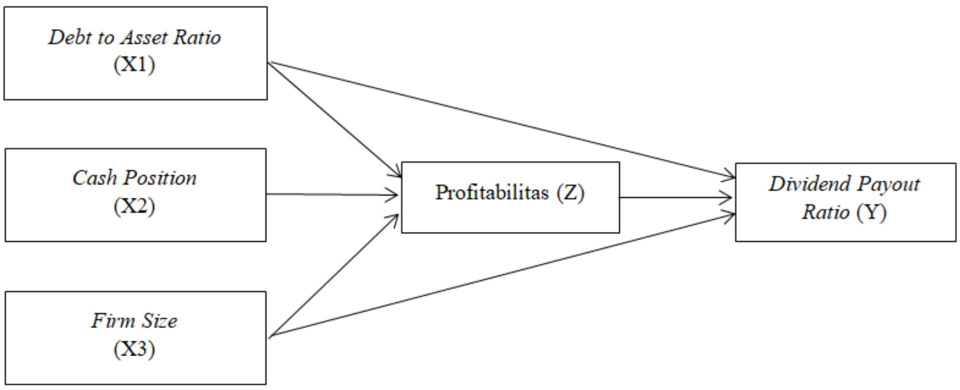

Figure 1. Conceptual Framework

II. METHOD

For the 2016-2019 timeframe, the population in this study is Property and Real Estate Companies listed on the Indonesia Stock Exchange. 14 companies were chosen as samples using the purposive sampling method. The Partial Least Square (PLS) approach was used to analyze the data, and SmartPLS software was used to do so. PLS is a Structural Equation Modeling (SEM) equation model that uses either a variance-based or component-based structural equation modeling approach. Deductive research was used in this study. Quantitative research is the method employed. The type of research that was used was descriptive research.

In this study, data was gathered via researching paperwork and collecting and analyzing corporate data derived from financial statements. Researchers used secondary data in this investigation. Secondary data, according to Sujarweni (2015: 89), is information gleaned from records and books and presented in the form of company publications. Starting with the measurement model (outer model), structural model (inner model), and hypothesis testing, SmartPLS software can measure PLS-SEM analysis.

III.RESULT AND DISCUSSION

Descriptive statistics is a statistical analysis that provides a general description of the characteristics of each research variable as seen from the average (mean), maximum, minimum, and standard deviation values.

Table 2. Descriptive statistics

	N	Mean	**Median**	**Min**	**Max**	Std. Dev
X1 (DAR)	56	0,372	0,365	0,084	0,614	0,135
X2 (CP)	56	13,027	1,761	0,153	621,085	82,003
X3 (Firm Size)	56	29,442	29,520	26,917	31,220	1,230
Y (DPR)	56	1,781	0,124	0,026	85,504	11,297
Z (ROA)	56	0,067	0,065	0,001	0,181	0,043

Source : Data processed with SmartPLS, 2020

As can be seen from the result of table 2, the value of N, or the amount of data to be investigated, was 56 samples. The mean or average value of DAR as a leverage proxy is 0.372, with a high of 0.614 and a low of 0.084, and a standard deviation of 0.135.

The mean value of cash position as a proxy for cash position is 13,027, implying that the average value of CP is 13,027, with a maximum value of 621,085 and a minimum value of 0.153, and a standard deviation of 82,003.

The mean value of company size as a proxy for sales size is 29,442, meaning that the average value of company size is 29,442, with a maximum value of 31,220 and a minimum value of 26,917, with a standard deviation of 1,230.

The average value of the Dividend Payout Ratio as a proxy for dividend policy is 1.781, with a maximum value of 85.504 and a minimum value of 0.026, and a standard deviation of 11.297.

The mean value of ROA as a proxy for profitability is 0.067, which indicates that the average ROA value is 0.067, with a maximum value of 0.181 and a minimum value of 0.001 and a standard deviation of 0.043. The model is evaluated using partial least squares analysis in two stages: the measurement model (outer model) and the structural model (inner model).

Table 3. Evaluation of the Inner Model

Dividend Payout Ratio (Y)	R Square	R Square Adjusted
	0.999	0.999

Source : Data processed with SmartPLS, 2020

The R-Square value of the Dividend Payout Ratio variable is 0.999, this shows that the debt to asset ratio (X1), cash position (X2), company size (X3) and profitability (Z) can explain the dividend payout ratio (Y) of 99%. or 1% explained by other variables

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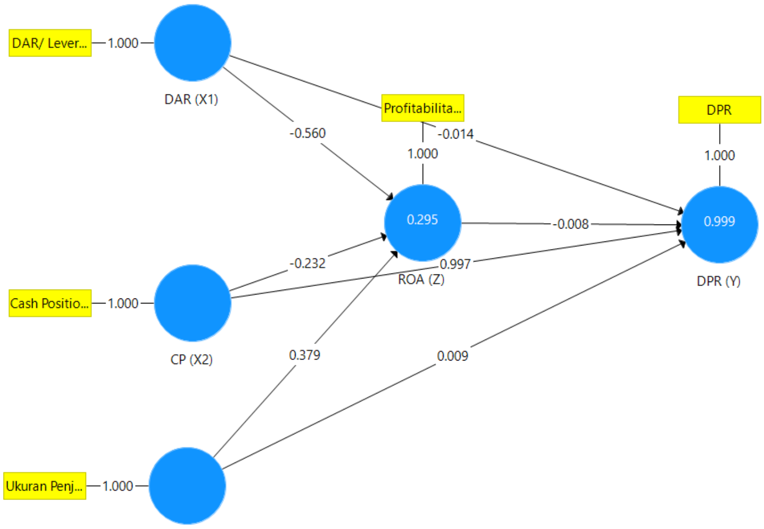

Figure 2. Hypothesis testing

Figure 2 above is a path diagram from the results of hypothesis testing in this study. In Figure 2 above, it can be seen that the T-statistic value of each tested effect.

Table 4. Hypothesis testing

	Original sample	Standard Deviation	T Statistics	P value
CP→ DPR	0.97	0.440	2.268	0.024
CP→ROA	-0.232	0.111	2.084	0.038
DAR→DPR	-0.014	0.218	0.065	0.948
DAR→ROA	-0.560	0.136	4.130	0.000
FIRM SIZE→DPR	0.009	0.154	0.060	0.952
FIRM SIZE→ROA	0.379	0.106	3.576	0.000
ROA→DPR	-0.008	0.239	0.033	0.974
FIRM SIZE→ROA→DPR	-0.003	0.079	0.037	0.970
CP→ROA→DPR	0.002	0.105	0.017	0.986
DAR→ROA→DPR	0.004	0.104	0.042	0.967

Source : Data processed with SmartPLS, 2020

Effect of Debt to Asset Ratio on Dividend Payout Ratio

The T-Statistics value is 0.065 1.96, and the P-Value value is 0.948 > 0.05, based on hypothesis testing results. For the period 2016–2019, the debt to asset ratio had no influence on the dividend payment ratio in property and real estate companies listed on the Indonesia Stock Exchange. This indicates that the debt-to-asset ratio, whether high or low, has no bearing on the dividend payout ratio.

The bigger the DAR, the greater the firm's reliance on external parties and the greater the weight of debt payments that must be paid by the company, resulting in just a small portion of the company's dividends being distributed to shareholders.

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The findings of this analysis contradict Chang and Rhee's (1990) argument, while Sutrisno (1999) also reveals that lower debt levels are associated with higher corporate dividend payments. The findings of this study corroborate those of Avinda Esta Sari (2018), who found that the debt-to-asset ratio has no bearing on the dividend payment ratio. The findings of this study, however, contradict those of Ritha and Koestiyanto (2013), who found that the debt-to-asset ratio has a beneficial impact on the dividend payout ratio.

Effect of Cash Position on Dividend Payout Ratio

The T-Statistics value is 2.268 > 1.96, and the P-Value value is 0.024 0.05, based on hypothesis testing results. For the period 2016–2019, this illustrates that cash position has a favorable impact on the dividend payment ratio in property and real estate companies listed on the Indonesia Stock Exchange. This indicates that the dividend payout ratio is influenced by the amount of cash on hand.

The dividend payout ratio rises as the cash position rises, and the dividend payout ratio falls as the cash position decreases. The low average cash position of property and real estate firms is accompanied by a low average dividend payment ratio, indicating that they can pay dividends. The findings of this research contradict Nasution's proposed idea (2004). The bigger the company's ability to pay dividends, the stronger its cash position. The findings of this study corroborate those of Marlina and Danica (2009), Hendri Gunawan et al (2015), and Diah Handayani BS (2010), who discovered that cash position had a beneficial impact on dividend payout ratio. Meanwhile, this contradicts Imran (2011) and Ninda Agustina (2020) studies, which found that the cash position had no bearing on the dividend payout ratio.

Effect of Firm Size on Dividend Payout Ratio

The T-Statistics value is 0.060 1.96, and the P-Value value is 0.952 > 0.05, based on hypothesis testing results. For the period 2016–2019, this illustrates that business size has no impact on the dividend payout ratio of property and real estate companies listed on the Indonesia Stock Exchange. This indicates that the size of the corporation has no bearing on the magnitude of the dividends paid to shareholders.

Significant corporations with a high natural log of total assets do not always pay large dividends to shareholders, whereas tiny companies typically pay smaller dividends. Because of the company's small size and limited data distribution, it is unable to pay out big dividends.

The findings of this study contradict Handayani and Hadinugroho's (2019) theory that small businesses have a difficult time entering the capital market, limiting their ability to receive capital and obtain loans from that capital. The market is likewise constrained, which affects dividends. The dividends that shareholders will get will be less. The findings of this study agree with those of Agustina (2005) and Sutrisno (2001), Oktaviani and Basana (2015), who found that the size of a corporation has no bearing on the Dividend Payout Ratio. Surya Budiman (2016), Yuwono et al (2018), Atmoko et al (2017), and Noviyanti and Kamaliah (2015), on the other hand, found that firm size had a favorable and significant impact on dividend payments. comparison.

Effect of Debt to Asset Ratio on Profitability

The T-Statistics value is 4.130 > 1.96, and the P-Value value is 0.000 0.05, based on hypothesis testing results. For the period 2016–2019, this illustrates that the debt-to-asset ratio has a negative impact on the profitability of property and real estate companies listed on the Indonesia Stock Exchange. This indicates that if the debt-to-asset ratio rises, so will the return on assets.

The higher the debt to asset ratio, the more debt the company is using in comparison to total assets or own capital. The high Debt to Assets ratio suggests that debt is becoming a more common source of company funding.

The findings of this study agree with those of Harjayati & Pujiati (2020), who claim that the debt-to-asset ratio has an influence on return on assets, as well as Yesi and Kurnia (2014), who claim that the debt-to-asset ratio has a partial effect on return on assets. This contradicts the findings of Robi Pramana Kusuma (2016), Dian Maulita, and Inta Tania (2018), which claim that the debt-to-asset ratio has no impact on profitability.

Effect of Cash Position on Profitability

The T-Statistics value is 2.084> 1.96, and the P-Value value is 0.0380.05, according to the hypothesis testing results. For the period 2016–2019, this illustrates that cash position has a negative impact on the profitability of property and real estate companies listed on the Indonesia Stock Exchange. This suggests that if a corporation has a lot of cash, it has a lot of profit potential.

Positive cash flow can help a business' liquidity. Positive liquidity suggests that the company is performing well, and that the company is profitable enough to pay larger dividends. A smooth cash position can provide more profitability since it has a high average cash position with a high average ROA.

The findings of this study contradict those of Angellia (2018) and Ninda Agustina (2020), who found no link between cash position and profitability.

Effect of Firm Size on Profitability

The T-Statistics value is 3.576> 1.96, and the P-Value value is 0.000 0.05, based on hypothesis testing results. For the period 2016–2019, this illustrates that business size has a favorable impact on profitability in property and real estate companies listed on the Indonesia Stock Exchange. This indicates that as the company's size increases, so will its profitability.

The profit created is proportional to the size of the company and its operations. Companies with a greater scale or size have an easier time obtaining funding from outside sources and gaining access to the market.

The findings of this study agree with those of Yazdanfar (2013), Abiodun, Babalola, and Yisau (2013), and Yazfandar and Ohman (2016), who found a favorable association between business size and profitability. However, this study contradicts that of Niresh and Velnampy (2014), Ratnasari and Budianto (2016), Rikalmi and Wibowo (2016), and Putri, Safitri, and Wijaya (2014), who found that business size has no effect on profitability.

Effect of Debt to Asset Ratio on Dividend Payout Ratio with Profitability as a Mediation Variable

The T-Statistics value was significant 0.038 1.96, and the P-Value value was 0.970 > 0.05, according to the results of this hypothesis test. This demonstrates that, during the 2016–2019 period, profitability was unable to mediate the effect of the debt to asset ratio on the dividend payout ratio in property and real estate companies listed on the Indonesia Stock Exchange.

The company's profitability has no bearing on its dividend policy, thus whether the company makes a profit or loses money, it can continue to pay dividends to shareholders.

The findings of this study support those of Kautsar (2014) and Mia Wahyu Nuraini (2021), who found that profitability does not moderate the relationship between leverage and dividend policy. The findings of this study, however, contradict those of Gresylia and Banu (2013) and Dian (2016), who found that profitability cannot mediate the relationship between leverage and dividend distribution.

Effect of Cash Position on Dividend Payout Ratio with Profitability as a Mediation Variable

The T-Statistics value was significant 0.016 1.96 and the P-Value value was 0.9880.05, according to the results of this hypothesis test. This demonstrates that, during the period 2016–2019, profitability was unable to mediate the influence of cash position on the dividend payment ratio in property and real estate companies listed on the Indonesia Stock Exchange. This means that the relationship between cash position and dividend payment ratio cannot be strengthened or weakened by profitability.

The magnitude of the profit margin has no bearing on the amount of dividends paid out. This is because, even if earnings have increased or even if losses have occurred, the corporation continues to give dividends in order to preserve shareholder confidence.

The findings of this study are consistent with Ninda Agustina's (2020) research, which found that profitability is unable to mediate the effect of cash position on dividend policy.

Effect of Firm Size on Dividend Payout Ratio with Profitability as a Mediation Variable

The T-Statistics value was significant 0.033 1.96, and the P-Value value was 0.974 > 0.05, according to the results of this hypothesis test. This demonstrates that, over the period 2016–2019, profitability was unable to mediate the effect of business size on the dividend payment ratio in property and real estate companies listed on the Indonesia Stock Exchange. This suggests that the relationship between business size and dividend payment ratio cannot be strengthened or weakened by profitability.

Because economic conditions have a significant impact on operations, operational supplies are prioritized before dividends. This could be related to the company's profit choice, which states that companies with a large size and good investment opportunities will pay fewer dividends.

The findings of this study agree with those of Setiadewi & Purbawangsa (2014) and Ninda Agustina (2020), who found that profitability does not mediate the influence of business size on dividend policy. Furthermore, the findings of this study contradict research by Epayanti & Yadnya (2014), which claims that profitability can mediate the effect of firm size on dividend policy.

Effect of Profitability on Dividend Payout Ratio

The T-Statistics value is 0.033 1.96, and the P-Value value is 0.974 > 0.05, based on hypothesis testing results. For the period 2016–2019, this illustrates that profitability has had no major impact on the dividend payment ratio of property and real estate companies listed on the Indonesia Stock Exchange. This means that the dividend payout ratio is unaffected by increased profitability.

The higher the profitability ratio, the greater the company's ability to profit, and the lower the profitability ratio, the lower the company's ability to profit.

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The findings of this research contradict the theories of Zufahni (2016) and Lanawati and Amilin (2015), which claim that Return on Assets has a positive and significant impact on the Dividend Payout Ratio.

The findings of this study agree with those of Karauan (2017), who found that ROA had no substantial impact on the dividend payout ratio. This finding is consistent with the findings of (Biswas, 2018; Deni et al., 2016; Secsio & PrasetionoZ 2016), which claim that profitability has no influence on dividend policy. This research contradicts those of Haryetti and Ekayanti (2012), Marietta and Sampurno (2013), and Samrotun (2015), who found that return on assets has a considerable beneficial impact on the Dividend Payout Ratio.

IV. CONCLUSIONS

Based on the results of hypothesis testing, the following conclusions were obtained:

1. The Debt to Asset Ratio has no effect on the Dividend Payout Ratio in Property and Real Estate Companies listed on the Indonesia Stock Exchange in 2016-2019.
2. Cash Position affects the Dividend Payout Ratio in Property and Real Estate Companies listed on the Indonesia Stock Exchange in 2016-2019.
3. Firm Size does not affect the Dividend Payout Ratio in Property and Real Estate Companies listed on the Indonesia Stock Exchange in 2016-2019.
4. Debt to Asset Ratio has an effect on Profitability of Property and Real Estate Companies listed on the Indonesia Stock Exchange in 2016-2019.
5. Cash Position has an effect on Profitability of Property and Real Estate Companies listed on the Indonesia Stock Exchange in 2016-2019.
6. Firm Size has an effect on Profitability of Property and Real Estate Companies listed on the Indonesia Stock Exchange in 2016-2019.
7. Profitability is not able to mediate between the Debt to Asset Ratio to the Dividend Payout Ratio in Property and Real Estate Companies listed on the Indonesia Stock Exchange in 2016-2019.
8. Profitability is unable to mediate between Cash Position and Dividend Payout Ratio in Property and Real Estate Companies listed on the Indonesia Stock Exchange in 2016-2019.
9. Profitability is not able to mediate between Firm Size and Dividend Payout Ratio in Property and Real Estate Companies listed on the Indonesia Stock Exchange in 2016-2019.
10. Profitability does not affect the Dividend Payout Ratio in Property and Real Estate Companies listed on the Indonesia Stock Exchange in 2016-2019.

Based on the research results, the researchers suggest that:

1. To maintain shareholder confidence in the company, the company must strengthen its cash position and increase the ability to earn profits so that the company's ability to pay dividends is maintained and of course does not neglect the company's risk control.
2. Companies must maintain the composition between total debt and total asset ownership properly because if the debt ratio is too high it shows bad symptoms for companies and companies to always try to increase profitability (return on assets) to continue to increase profits every year and increase profits. One way to get profits that can be done is that the company makes a cost-saving program.
3. For further researchers, this research is expected to be able to conduct research using other variables as mediating variables such as firm value and firm size and can increase the period of year to be studied, change the type of sector and add variables and can use other variables.

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