



اَبُو سَيِّدِي تَيْكُو لُو كِي مَارَا  
UNIVERSITI  
TEKNOLOGI  
MARA

**THE RELATIONSHIP BETWEEN SIZE OF  
DIVIDEND AND EARNING CHANGES OF FIRM IN  
MALAYSIA**

**NOOR FADHILAH BINTI BAGIA  
2012124999**

**BACHELOR OF BUSINESS ADMINISTRATION  
(HONS) FINANCE  
FACULTY OF BUSINESS MANAGEMENT  
UNIVERSITI TEKNOLOGI MARA  
SEGAMAT, JOHOR.**

**DECEMBER 2014**



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MALAYSIA**

**NOOR FADHILAH BINTI BAGIA  
2012124999**

**Submitted in Partial Fulfillment of the Requirement for  
the Bachelor of Business Administration (Hons)  
Finance**

**Faculty of Business Management  
Universiti Teknologi Mara  
Segamat, Johor.**

**DECEMBER 2014**

# **DECLARATION OF ORIGINAL WORK**



## **BACHELOR OF BUSINESS ADMINISTRATION (HONS) FINANCE FACULTY OF BUSINESS MANAGEMENT UNIVERSITI TEKNOLOGI MARA JOHOR**

Me, Noor Fadhilah Binti Bagia (I/C Number: 910522-06-5278)

Hereby, declare that,

- This work has not previously been accepted in substance for any degree, locally or overseas and is not being concurrently submitted for this degree or any other degrees
- This project paper is the result of my independent work and investigation, except where otherwise stated
- All verbatim extracts have been distinguished by quotation marks and sources of my information have been specifically acknowledged.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**LETTER OF SUBMISSION**

7 December 2014

The Programme Coordinator  
Bachelor of Business Administration (Hons) Finance  
Faculty of Business Management  
Universiti Teknologi MARA  
85009 Segamat  
Johor.

Dear Sir,

**SUBMISSION OF PROJECT PAPER**

Attached is the project paper titled “**THE RELATIONSHIP BETWEEN SIZE OF DIVIDEND AND EARNING CHANGES OF FIRM IN MALAYSIA**” to fulfill the requirement as needed by the Faculty of Business Management, University Teknologi MARA.

Thank you.

Yours sincerely

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**NOOR FADHILAH BINTI BAGIA**

2012124999

Bachelor of Business Administration (Hons) Finance

## **ABSTRACT**

This study examines the relationship between size of dividend changes and future earnings of firm in Malaysia. My analysis using 5 companies listed in Bursa Malaysia during 2005 until 2014 period reveals a significant and positive relationship between earning changes and current dividend changes. However, there is a weakly relationship between these two variables based on research in previous year. There is hardly to determine any evidence relating dividend changes to future earning of firm. Some studies had found that dividend changes are strongly related with contemporaneous earnings changes, weakly related with one year ahead of earnings changes and largely unrelated with earnings changes beyond one year. Based on the variables, the study aim is to explore the effect between dividend changes towards earning per share. Therefore, it highlights the importance of size of dividend to ensure the improvement in company's market value and profitability. Thus, the result of this research paper will help the manager of company especially the investors to make a decision making based on the size of dividend changes.