FACTORS INFLUENCE THE DIVIDEND POLICY IN MALAYSIA

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BACHELOR OF BUSINESS ADMINISTRATION (HONS) FINANCE
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Submitted in Partial Fulfilment
Of the Requirement for the
Bachelor of Business Administration (Hons) Finance

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DECEMBER 2016
DECLARATION OF ORIGINAL WORK

NURUL HAMIZAH BINTI HAMDAN
I/C NUMBER: 930522-01-5586

Hereby, declared that,

• This work has not previously been accepted in substance for any degree, locally or overseas, and is not being concurrently submitted for these degrees or any other degrees.

• This project-paper is the results 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

30th December, 2016

Sir Wan Mohd Farid Bin Wan Zakaria
Department of Finance (Hons.) Finance
Faculty of Business Management
UiTM Johor, Segamat Campus
Box 527, 85000 Segamat
Johor, Malaysia

Dear Sir,

SUBMISSION OF PROJECT PAPER

Attached is the project paper titled “FACTORS INFLUENCE THE DIVIDEND POLICY IN MALAYSIA” to fulfil the requirement as needed by the Faculty of Business Management, Universiti Teknologi MARA (UiTM).

Thank you.

Yours sincerely,

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Abstract

This study investigates the factors influencing dividend policy of companies in Malaysia. The issues of this study is to know of what really influence the dividend policy in Malaysia. Besides that, the purpose of this research is to have a clear view on the what really influence the dividend policy and to study the interaction between the dependent variable of dividend policy and independent variables of investment opportunities, growth opportunities, leverage, firm size and earnings growth. The data observation data are collected for 215 observations of 43 companies listed in Bursa Malaysia are collected through Osiris. The data has been analyzed by using Eviews 8.0 to do descriptive, correlation and regression analysis and test on assumption. The findings for the five year period from year 2011 to 2015 indicates earnings per share (EPS), market-to-book value (MTBV) and price earning (PE) have a positive significant relationship with the dividend policy. While, debt-to-equity (DER) and total assets (TA) have negative insignificant relationship with dividend policy.