

**THE DETERMINANT OF DIVIDEND PAYOUT RATIO
HEALTHCARE SECTOR IN BURSA MALAYSIA**

**FAKHRUN NAIM BIN YAZID
2020963183**

Final Year Project submitted in fulfillment of
the requirements for degree of
Bachelor of Business Administration (Hons)
Investment Management

Faculty of Business and Management

FEBRUARY 2022

AUTHOR'S DECLARATION

I declare that the work in this final year project paper was carried out in accordance with the regulations of Universiti Teknologi MARA. It is original and is the results of my own work, unless otherwise indicated or acknowledged as referenced work. This thesis has not been submitted to any other academic institution or non-academic institution for any degree or qualification.

I, hereby, acknowledge that I have been supplied with the Academic Rules and Regulations for Undergraduate, Universiti Teknologi MARA, regulating the conduct of my study and research.

Name of student : Fakhrun Naim Bin Yazid

Student I.D No : 2020963183

Programme : Bachelor of Business and Administration (Hons) in Investment
Management

Faculty : Business and Administration

Thesis Title : The Determinants of Dividend Payout Ratio Healthcare Sector In Bursa
Malaysia

Signature of Student : *Naim*

Date : 07/02/2022

ABSTRACT

The purpose of this study is to evaluate the determinant of dividend pay-out ratio from healthcare sector companies listed in Bursa Malaysia. Healthcare sector have played significant role during this pandemic. The independent variables use to conduct the study is current ratio, return on equity, market to book ratio, debt to equity ratio and size of the company. The panel data is used for the determinant dividend pay-out ratio based on 10 years data selected from 2011-2020 in assessing the relationship between the dependent and independent variables. The financial data is taken from an annual report company, Eikon and Bursa Market Place. The result for dividend pay-out ratio in this study shows that debt to equity ratio (DTER) are the significant variables toward the dividend pay-out ratio as it has a p-value that is lower than 5 percent significant level. However, for the rest of the independent variables like current ratio (CR), market to book ratio (MTBR), return on equity (ROE) and size of the company (SIZE) are insignificant towards dividend pay-out ratio.

ACKNOWLEDGEMENT

First of all, I would like to express our gratitude to Allah S.W.T for the completion of this assignment. Without His blessing, this assignment will not be completed.

I would also like to express my gratitude and appreciation to all those people who help me in completing this assignment. It would not have been possible without the kind support and help of many individuals. I would like to extend our sincere to all of them.

I am highly grateful to my advisor, Puan Zaibedah Binti Zaharum, for her guidance and constant supervision as well as for providing necessary information regarding this study and also for her support in completing this research paper.

Finally, I am highly appreciating my parents, families and friends for their kind cooperation, stimulating suggestion and encouragement which help me in completion of this research. Also, thank you for their support and advices to me that make me feel enthusiasm in completing this research paper.

TABLE OF CONTENT:

Table of Contents

CHAPTER 1.....	8
INTRODUCTION	8
1.0 INTRODUCTION	8
1.2 BACKGROUND OF THE STUDY	9
1.3 PROBLEM STATEMENT	10
1.4 RESEARCH QUESTIONS	11
1.5 RESEARCH OBJECTIVES	11
1.6 SIGNIFICANCE OF STUDY	12
1.7 SCOPE OF THE STUDY	12
1.8 LIMITATIONS OF STUDY	13
i) Lack of data.....	13
ii) Data accuracy.....	13
1.9 DEFINITION OF KEY TERMS	13
i) Current ratio	13
ii) Market to book ratio	13
iii) Return on equity	13
iv) Debt to equity ratio.....	14
v) Size of firm.....	14
1.10 SUMMARY	14
2.1 INTRODUCTION.....	15
2.2 LITERATURE REVIEW ON RETURN ON EQUITY	15
2.3 LITERATURE REVIEW ON DEBT-TO-EQUITY RATIO.....	16
2.4 LITERATURE REVIEW ON COMPANY SIZE	16
2.5 LITERATURE REVIEW ON CURRENT RATIO	17
2.6 LITERATURE REVIEW ON MARKET TO BOOK RATIO	18
2.7 LITERATURE REVIEW DIVIDEND PAYOUT RATIO.....	18
2.8 THEORETICAL FRAMEWORK	19
2.9 SUMMARY.....	20
CHAPTER 3.....	21