

THE INFLUENCE OF DIVIDEND POLICY AND SIZE TOWARDS STOCK PRICE IN

MALAYSIA

JOYESE KELLY BINTI JAMLY

BACHELOR OF BUSINESS ADMINISTRATION WITH HONOURS (FINANCE) FACULTY OF BUSINESS MANAGEMENT UNIVERSITY TECHNOLOGY MARA KOTA KINABALU, SABAH.

JANUARY 2016

ACKNOWLEDGEMENT

I say thank you to my Lord for giving me the strength in finishing this paper as to finish my course in Bachelor of Finance programme which is FIN 668 the Industrial Training Project.

I would like to express my great appreciation to my main supervisor which is MDM Rapheedah Musneh for her precious guidelines, suggestion, lesson and encouragement towards this research and also her willingness to give her time on supporting me until this paper finished.

Furthermore, i would also like to give thanks to my second supervisors, which is Sir Shamlie Salisi for his usefull suggestion throughout this research work.

I am also thankful to University of Technology Mara (UITM), Sabah for giving me the opportunity to continue my studies in Bachelor of Finance. In addition, my appreciation goes to all my lecturers who had give me dedication and lesson that guided me to acquire the essential knowledge in this field.

I am also thankful to my parents of course for their supporting and encouragement throughout my study as well my dearest siblings for their support and help during my study.

Last but not least, i wish to say thanks to my classmates for their assisted and support me in completing this paper.

TABLE OF CONTENT

TITLE PAGEDECLARATION OF ORIGINAL WORKiLETTER OF SUBMISSIONiiACKNOWLEDGEMENTiiiTABLE OF CONTENTSivLIST OF FIGURESivLIST OF TABLESvLIST OF ABBREVIATIONSviABSTRACTS

CHAPTER 1 INTRODUCTION

	1.1 Background of Study	1-3
	1.2 Problem Statement	4-6
	1.3 Research Objectives	7
	1.4 Significance of study	9
	1.5 Scope and Limitation of Study	8
	1.6 Organization of Study	10-11
	1.7 Summary of chapter	12
CHAPTER 2	LITERATURE REVIEW	
	2.1 Introduction	13
	2.2 Literature Review	13-19
	2.3 Conceptual & Theoritical Framework	20
	2.4 Summary of chapter	21
CHAPTER 3	RESEARCH METHODOLOGY	
	3.1 Introduction	22
	3.2 Data	22

3.3 Empirical Model	22-23		
3.4 Measurement of Variable	24-25		
3.5 Development of Hypothesis	26		
3.6 Types of Data Analysis	27		
3.6.1 Unit root test	28		
3.6.2 Diagnostic Test	29		
3.7 Flow of Data Analysis	30		
3.8 Regression of Analysis	31		
CHAPTER 4: FINDINGS			
4.1 The result of Descriptive Statistic	33		
4.2 The result of Unit Root Test	33-36		
4.2.1 Levin-Lin-Chu	37		
4.2.2 Im-Pesaran-Shin	38		
4.3 The result of Diagnostic Test			
4.3.1 Multicollinearity Test	39		
4.3.2 Heteroscedasticity Test	40		
4.3.3 Serial Correlation Test	41		
4.4 The result of Random Effect (RE)	42		
4.4.1 Breuch and Pagan LM Test			
4.4.2 Hausmen Test	40		
CHAPTER 5: CONCLUSION & RECOMMENDATION			
REFERENCES			

APPENDICES

The Influence of Dividend Policy and Size towards Stock Price in Malaysia

JOYESE KELLY BINTI JAMLY

Faculty of Business Management in Finance

University of Technology MARA (UITM), Sabah

RAPHEEDAH MUSNEH

Faculty of Business Managment University of Technology MARA (UITM), Sabah

Email: raphe473@sabah.uitm.edu.my

Abstract

This study is to explain and determine the influence of dividend policy and size towards stock price for the case of Malaysia. A sample of thirty companies listed in the Bursa Malaysia is taken from the period of 2005 until 2014. The results of this study is based on the Fixed and Random Effect Model where it is applied on Panel data which to explain the influence of dividend policy and stock price after controlling the variables like Dividend Yield, Dividend Payout and Size. The results in this study indicates that both the dividend yield and payout has positive relationship towards stock price but negative relationship of size with stock price.