THE DETERMINANTS OF DIVIDEND PAYOUT RATIO: EVIDENCE FROM
MALAYSIAN PUBLIC LISTED FIRMS

KAZLI BIN JEMI
2017690066

BACHELOR OF BUSINESS ADMINISTRATION
WITH HONOURS (FINANCE)
FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA
KOTA KINABALU, SABAH

DECEMBER 2019

ACKNOWLEDGEMENT

To complete this assignment, it required a lot of guidance and assistance as I faced a lot of difficulty in understanding all the terms and process on how to get the final outcome and it is certainly not done unassisted.

First and foremost, I would like to express my deepest gratitude to the Allah S.W.T Almighty as with the blessing this project has successfully been concluded and for giving me strength and patience to complete this assignment. Alhamdulillah.

My deepest appreciation goes to Miss Shafawati Farhana Binti Mohd. Safihie, who gave me this opportunity to conduct this study throughout this whole semester. Without her help, expertise, and persistent help, this research would not have happened.

I would also like to thank to all the staff at Sabah Credit Corporation who is always permit me to seek for consultant to my advisor once a week without penalizing me and always understand my effort to complete both my internship and my research paper.

Last but not least, without the willingness of my family and friends to share their knowledge with me, I will probably still not reach the conclusion of this project. Through their support, love and encouragement I am grateful to be able to complete this assignment.

TABLE OF CONTENTS

CHAPTER ONE: INTRODUCTION

CHAPTER 2:   LITERATURE REVIEW

ABSTRACT

Dividend policy refer to the organization's decision in determining how much proportion of earnings to give to the shareholders and how much proportion is used to make new investments. The aim of this study is to investigate the relationship between dividend payout ratio in Malaysian firms with profitability, size and liquidity. The paper used a sample of top 100 firms that is listed in Bursa Malaysia for the year 2019 and for the sample size, this study used period of 5 years which from 2014 until 2018. Theories that have been used in this study are Dividend Irrelevant Theory and Agency Theory. In order to know the relationships between dependent variable (DPR) and its determinants, regression analysis have been taken to test the hypotheses. The study found that at the regression analysis, the return on equity and firm size which measure by total assets have negative significant relationship with dividend payout ratio. However, as for the company's liquidity, the result shows that it has negative insignificant relationship with DPR. Based on the result, only profitability and firm size that affect the dividend payment throughout the top 100 companies in Malaysia.