



## **“DETERMINANTS OF DIVIDEND PAYOUT”**

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**DECLARATION OF ORIGINAL WORK**



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**FACULTY OF BUSINESS MANAGEMENT UNIVERSITI TEKNOLOGI MARA**

**“DECLARATION OF ORIGINAL WORK”**

*I NURAMIRA BINTI ABDULLAH,*

Hereby declare that:

- This project paper is the result of my independent work and investigation, except where otherwise stated.
- All extract have been distinguish by quotations marks and sources of my information have been specifically acknowledge.
- The project report has not been accepted for any degree and is not currently submitted in candidature of any other degree.

Signature:

Date: 25<sup>th</sup> April 2011

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***“May ALLAH reward them for their all kind and sincere helps”.***

## EXECUTIVE SUMMARY

Dividend payout is one of the primary indicators to show the organization's profitability and performance. There are numerous factors that have to be considered by the corporate management before distributing the dividend. This paper utilizes the parsimonious both single linear regression and multiple regression models to investigate the dividend policy of firms quoted on the Bursa Malaysia under trading and services sector during the period 2006 to 2010. The model employs four metric variables-current earnings, previous dividend, cash flow and sales growth in order to explain as well as predict the dividend policy of quoted firms on Bursa Malaysia. The empirical results using a multiple regression model reveal that the four metric variables have significant aggregate impact on the dividend policy of the quoted firms. However, by using single linear regression, sales growth is found to have an insignificant relationship with dividend distribution. Thus, the main theme of this study is to identify the various factors that influence the dividend payout decisions of trading and services firms in quoted Bursa Malaysia.

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