



**DIVIDEND POLICY AND DIVIDEND  
PAYOUT:  
A CASE OF INDUSTRIAL SECTOR IN  
MALAYSIA**

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**BACHELOR OF BUSINESS ADMINISTRATION  
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**FACULTY OF BUSINESS ADMINISTRATION**

**UNIVERSITI TEKNOLOGI MARA**

**KAMPUS BANDAR RAYA MELAKA**

**OCTOBER 2009**

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**SUBMITTED IN PARTIAL FULFILLMENT  
OF THE REQUIREMENT FOR THE  
BACHELOR OF BUSINESS ADMINISTRATION  
(HONS) FINANCE**

**FACULTY OF BUSINESS MANAGEMENT  
UNIVERSITI TEKNOLOGI MARA  
MELAKA CITY CAMPUS**

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UNIVERSITI TEKNOLOGI MARA  
MELAKA CITY CAMPUS**

**“DECLARATION OF ORIGINAL WORK”**

I, Thohirah Binti Zainun,

Hereby, declare that,

- This work has not previously been accepted in substance for any degree, locally or overseas and is not being concurrently submitted for this degree any other degrees.
- This project paper is the result 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

30<sup>th</sup> October 2009

The Head of Program  
Bachelor of Business Administration (Hons) Finance  
Faculty of Business Management  
Universiti Teknologi MARA  
Melaka City Campus

Dear Sir,

### **SUBMISSION OF PROJECT PAPER**

Attached is the project paper titled **“DIVIDEND POLICY AND DIVIDEND PAYOUT: A CASE OF INDUSTRIAL SECTOR IN MALAYSIA”** to fulfill the requirement as needed by the Faculty of Business Management, Universiti Teknologi Mara.

Thank You.

Yours sincerely,

THOHIRAH BT ZAINUN  
2007137449  
Bachelor of Business Administration (Hons) Finance

# **“DIVIDEND POLICY AND DIVIDEND PAYOUT: A CASE OF INDUSTRIAL SECTOR IN MALAYSIA”**

## **Abstract**

This study investigates the dividend policy and dividend payout ratios in industrial sectors of Malaysia. Specifically, the sample for this study focuses on small scope of 20 industrial companies which listed on BMSB . The estimation period for this study is from 2005 to 2009. This study aims (1) to identify the factors that determine the amount of dividends, (2) to examine the dividend payout pattern of the companies (3) to examine the relationship between EPS and DPS. Based on the findings, industrial companies in Malaysia do not have same dividend policies and the findings of previous studies that higher earning will contribute to higher dividend not significantly true for Malaysia industrial companies due to different corporate cultures and economic structures. Overall, it is important for a company to determine the factors that affects dividend payout. It is because dividend payout is one part of company's corporate decisions which reflects the profit and shareholder's wealth.