



**DIVIDEND POLICY AND ITS IMPACT ON STOCK PRICE: AN
ANALYSIS ON PLANTATION SECTOR IN MALAYSIA**

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**Submitted in Partial Fulfillment of The Requirement for the
Bachelor of Business Administration (Hons) Investment
Management**

FACULTY OF BUSINESS MANAGEMENT

UNIVERSITI TEKNOLOGI MARA

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**BACHELOR OF BUSINESS ADMINISTRATION (HONS) INVESTMENT
MANAGEMENT
FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA
SEGAMAT, JOHOR.**

DECLARATION OF ORIGINAL WORK

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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 or 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: 8/1/2017

LETTER OF SUBMISSION

19TH December 2016

Madam Norsaliza Abu Bakar
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JOHOR DARUL TAKZIM

Dear Madam,

SUBMISSION OF PROJECT PAPER

Attached is the project paper titled "**DIVIDEND POLICY AND ITS IMPACT ON STOCK PRICE: AN ANALYSIS ON PLANTATION SECTOR IN MALAYSIA**" to fulfill the requirement as needed by the Faculty of Business Management, Universiti Teknologi MARA.

Thank you.

Yours sincerely,



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Siti Sapiah Binti Raduan 2014359839

Bachelor of Business Administration (Hons) Investment Management

TABLE OF CONTENT

CONTENT	PAGE
CHAPTER 1: INTRODUCTION	
1.1 Background of Study	1
1.2 Problem Statement	2
1.3 Research Objective	2
1.4 Research Question	3
1.5 Significant of the Study	3
1.6 Scope of Study	3
CHAPTER 2: LITERATURE REVIEW	
2.1 Introduction	4
2.2 Previous Studies	4
CHAPTER 3: RESEARCH METHODOLOGY	
3.1 Introduction	6
3.2 Sample and Data	6
3.2.1 Population and Sample	6
3.2.2 Data Collection	6
3.2.3 Variables	7



ABSTRACT

Dividend policy can be known as one of the most challenging topic of modern financial economics. Dividend policy is the procedures to a company in order to decide the amount of the earnings that will pay out to the shareholders. Thus, this research will be conducted to analyse the effect of dividend policy on stock price that will focused on 41 public listed companies of plantation sector selected from Bursa Malaysia. The objective of the study is to examine the impact of dividend policy of plantation sector on its stock price, to analyse the performance of the stock price in the plantation sector and to investigate the relationship between stock price and dividend policy of the plantation sector. The dependent variable of this study is market price. While, the independent variables are dividend yield, retention ratio, net income, earnings per share, and return on equity. The sample of the research consists of 25 public listed companies from the plantation sector that selected from Bursa Malaysia. The period of the research is from year 2001 to 2014 annually. This research used secondary data analysis in order to collect the data such as journal, articles and electronic sources. The data collected from database from Internet, Osiris UitmSegamat library and Thomson Reuters Eikon. The econometric method that will be used in this study are by using Multiple Linear Regression Analysis, Autocorrelation Test, Coefficient of Determination (R-Square), Adjusted R-Square, Variable Inflation Factor and Heteroscedasticity.