



THE DETERMINANTS OF MALAYSIAN PUBLIC LISTED
COMPANIES' DIVIDEND PAYOUT RATIO

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ABSTRACT

One of the most debated topics within corporate finance is company's dividend payout policy. It is believed such an unsolved puzzle. Even though an extensive amount of research regarding dividends has been conducted, but there is no uniform answer to the question: what are the determinants of the companies' dividend payout ratios. The purpose of the study is to determine whether the selected independent variable has a relationship with the dependent variables, which is Dividend Payout Ratio, DPR. The data used in the research are secondary data comprise of 35 Public Listed Companies with the time period of 10 years, between 2005 and 2014. The results shows that, Dividend Payout Ratio, DPR has positive significant relationship with the profitability. It is indicates that, when the company get the higher profit, they tend to give a higher dividends to the shareholders. However, for leverage, it founds that the leverage has negative significant relationship towards the dividend payout ratio. Therefore, it can be said that the riskier company pay lower dividends to the shareholder in order to minimize the reliance on the external financing.