



**THE DETERMINANTS OF DIVIDEND POLICY IN  
INDUSTRIAL PRODUCT SECTOR IN MALAYSIA**

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## ABSTRACT

Dividend policy involves extremely important financial decisions which serve as a basis of numerous theories. However, these theories have been developed in different fields, and according to some evidence this policy remains as kind of dilemma in the financial cycles of corporations. The aim of this paper is to examine the factors determining dividend represented by Dividends per share for companies in Industrial Product Sector in Malaysia. In this study, we run a regression model and used a panel data covering the period of 2003 to 2012 for 61 companies listed in Bursa Malaysia. In this paper, the impact of profitability, firm size, leverage and liquidity on dividend per share of industrial product sector is investigated. From the result of the study, we found profitability and firm size are positively significant to dividend per share. However, leverage is negatively significant to dividend per share. Furthermore, liquidity is insignificant to dividend per share after the test is being conducted.

*Key term: dividend policy, profitability, firm size, leverage, industrial product sector*