



**THE DETERMINANTS OF DIVIDEND POLICY: EVIDENCE FROM
INDUSTRIAL PRODUCT SECTOR IN MALAYSIA**

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ABSTRACT

Dividend policy involves extremely important financial decisions which serve as 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 and no general consensus to what factors influence the policy actually in financial cycles of corporation. The aim of this paper is to examine the factors determining dividend represented by Dividend per share for listed companies in Industrial Product Sector in Malaysia. In this study, we run a regression model and used a panel data covering the period of 2004 and 2013 for 107 companies listed in Bursa Malaysia. In this paper, the impact of liquidity, profitability, leverage and size of firm on dividend per share of Industrial Product Sector is investigated. From the result of the study, we found liquidity and profitability are positively significant to dividend per share. However, leverage and size of firm are negatively significant to dividend per share.

Keyword: *dividend policy, liquidity, profitability, leverage, size of firm, industrial product sector*