



**THE IMPACT OF DIVIDEND POLICY ON SHAREHOLDERS'  
WEALTH:  
AN ANALYSIS ON SELECTED SHARIA COMPLIANCE  
COMPANIES IN MALAYSIA  
(1997 – 2011)**

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## TABLE OF CONTENTS

CHAPTER	SUBJECT	PAGE
	<b>TITLE PAGE</b> <b>DECLARATION OF ORIGINAL WORK</b> <b>LETTER OF SUBMISSION</b> <b>ACKNOWLEDGEMENT</b> <b>LIST OF TABLES</b> <b>LIST OF FIGURE</b> <b>LIST OF ABBREVIATIONS</b> <b>LIST OF DEFINITION OF TERMS</b> <b>ABSTRACT</b>	i ii iii iv v vi vii viii ix
<b>1.0</b>	<b>INTRODUCTION</b>  1.1 CHAPTER OVERVIEW 1.2 BACKGROUND OF STUDY 1.3 BACKGROUND OF COMPANIES 1.3.1 BatuKawanBerhad 1.3.2 MISCBerhad 1.3.3 Selangor Properties 1.3.4 Shell Refining Company 1.3.5 Tasek Corporation 1.3.6 Tradewinds (M) Berhad 1.3.7 Ajinomoto (M) Berhad 1.3.8 GamudaBerhad 1.3.9 Fraser & Neave Holdings Berhad 1.3.10 Nestle (M) Berhad 1.3.11 KFC Holdings Malaysia Berhad 1.3.12 Melewar Industrial Group 1.3.13 Mega First CorporationBerhad 1.3.14 Negri Sembilan Oil PalmBerhad 1.3.15 PetronasDaganganBerhad 1.3.16 UtusanMelayuBerhad 1.3.17 OSK Property Holdings Berhad 1.3.18 Genting PlantationsBerhad 1.4 PROBLEM STATEMENT 1.5 RESEARCH OBJECTIVE 1.6 SIGNIFICANCE OF STUDY 1.6.1 Academicians 1.6.2 Investors 1.6.3 Future Researchers	1 1-4  5 5 6 6 7 7 8 8 9 9 10 10 11 11 12 12 13 13 14-16 17 18 19 19

	1.7 SCOPES AND LIMITATIONS OF STUDY	20
	1.8 STRUCTURE OF THE CHAPTER	21
	1.9 CONCLUSION	21
<b>2.0</b>	<b>LITERATURE REVIEW</b>	
	2.1 CHAPTER OVERVIEW	22
	2.2 DIVIDEND POLICIES-INDEPENDENT VARIABLES	22-23
	2.2.1 Dividend per Share	24-27
	2.2.2 Retained Earnings	28-29
	2.2.3 Market Value of Equity	30
	2.3 SHAREHOLDERS' WEALTH-DEPENDENT VARIABLE	31
	2.3.1 Market Price of Shares	31-32
	2.4 RELATIONSHIPS BETWEEN INDEPENDENT VARIABLES AND DEPENDENT VARIABLE.	
	2.4.1 Market Price of Shares, Dividends per Share and Market Value	32
	2.4.2 Market Prices of Shares, Dividend per Shares, Market Value and Retained Earnings	33-34
	2.4.3 Dividend per Share and Market Price	34
	2.3 THEORETICAL FRAMEWORK	35
	2.4 HYPOTHESES DEVELOPMENT	36-37
	2.5 CONCLUSION	38
<b>3.0</b>	<b>RESEARCH METHODOLOGY</b>	
	3.1 CHAPTER OVERVIEW	39
	3.2 RESEARCH DESIGN	39-40
	3.3 DATA COLLECTION METHODS	41
	3.4 SOURCES OF DATA	42
	3.5 TIME FRAME	42
	3.6 DATA ADMINISTRATIVE AND ANALYSIS	42
	3.6.1 Dependent Variable	43
	3.6.2 Independent Variables	43
	3.6.2.1 Dividend per Share (DPS)	43
	3.6.2.2 Retained Earnings (RE)	44
	3.6.2.3 Market Value of Equity (MV)	44
	3.6.3 Data analysis	45
	3.6.4 Hypothesis Testing	46
	3.6.5 Coefficient of Determination ( $R^2$ )	47

	3.6.6 Multiple Regression Equation. 3.6.7 T-Statistics 3.6.8 F-Statistics 3.7 CONCLUSION	48 49 49-50 50
<b>4.0</b>	<b>FINDINGS AND ANALYSIS</b>	
	4.1 CHAPTER OVERVIEW 4.2 DESCRIPTIVE ANALYSIS 4.3 COEFFICIENTS OF DETERMINATION 4.5 T-TEST STATISTICS 4.6 F-TEST STATISTICS 4.7 MULTIPLE REGRESSION EQUATION 4.8 CONCLUSION	51 51-52 53 54-55 56 57 58
<b>5.0</b>	<b>CONCLUSION AND RECOMMENDATIONS</b>	
	5.1 CHAPTER OVERVIEW 5.2 CONCLUSION 5.3 RECOMMENDATIONS	59 59-63 64
	<b>REFERENCES</b> <b>APPENDICES</b>	

## **ABSTRACT**

This study analyzes the impact of dividend policy on shareholders' wealth of 18 companies that listed as Sharia Compliance Companies from 1997-2011. To measure the impact of dividend policy on shareholders' wealth, multiple regression method are used by taking Retained Earnings (RE), Dividend per Share (DPS) and Retained Earnings (RE) as independent variables and Market Price per Share (MPS) as dependent variable (to determine the proportion of explained variation in the dependent variable, the co-efficient of determination ( $R^2$ ) has been tested with the help of F value and T value). Descriptive analysis also had been tested to measure the relationship between dependent variable and independent variables. The empirical findings show that there is a significant impact of dividend policy on shareholders' wealth on Selected Sharia Compliance Companies.