



DIVIDEND POLICY : THE RELATIONSHIP BETWEEN DIVIDEND PAYOUT AND FIRM
PERFORMANCE

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ABSTRACT

Since decades, the point of dividend policy has been broadly focused on, yet it stayed as an uncertain issues. The conflict between the interest of corporations and investors on dividend policy issues has been long existed. Hence, there are some theory that trying to give insight on this problem from the past decades ago and until today. The purpose of this paper is to identify whether there is a significant relationship between profitability, liquidity and leverage toward the dividend payout. Thus, in this paper, Return on Asset , Current Ratio and Debt Equity Ratio was selected to indicates as a measurement of firm performance in order to identify the relationship between the firm performance and dividend payout. This paper conduct Panel data for its research methodology and used data from 50 companies that listed under Bursa Malaysia. In conclusion, this paper found that profitability and leverage has a significant relationship while liquidity stated as insignificant which it does not influence the determinant of dividend payout at all.