



**THE RELATIONSHIP OF DIVIDEND POLICY AND SHARE PRICE VOLATILITY:
MANUFACTURING AND CONSTRUCTION LISTED COMPANIES**

FETTY ELENA MUDI

2013826194

**BACHELOR OF BUSINESS ADMINISTRATION
WITH HONOURS (FINANCE)
FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA
KOTA KINABALU
SABAH**

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TABLE OF CONTENTS

PARTICULARS	PAGE
TITLE PAGE	i
DECLARATION OF ORIGINALWORK	ii
LETTER OF TRANSMITTAL	iii
ACKNOWLEDGEMENT	iv
TABLE OF CONTENTS	v
LIST OF FIGURES	viii
LIST OF TABLES	ix
LIST OF ABBREVIATIONS	x
ABSTRACT	xi
CHAPTER 1: INTRODUCTION	1
1.1 Introduction	1-2
1.2 Background of Study	3-4
1.3 Problem Statement	5
1.4 Research Objective	6
1.5 Significant of Study	7
1.6 Limitations of Study	8
1.7 Organization of Study	9
CHAPTER 2: LITERATURE REVIEW	10
2.1 Theory used in this study	10
2.1.1 The Miller Modigliani Proposition theory	10
2.1.2 Dividend Theories	11
2.1.3 Gordon Growth Model	11
2.2 Literature Review	12

2.2.1	Stock Price Volatility	12
2.2.2	Dividend Policy	13
2.2.3	Dividend Payout Ratio and Dividend Yield	14-16
2.2.4	Leverage	17-18
2.2.5	Malaysian Market History on 2005 until 2009	18-19
2.3	Conceptual Theoretical Framework	20
2.4	Summary of The Chapter	21
CHAPTER 3: DATA AND METHODOLOGY		22
3.1	Introduction	22
3.2	Analysis of data	23
3.3	Sampling Method	24
3.4	Empirical Formula	25-26
3.5	Hypothesis Development	27
3.6	Flow of Research	28
3.6.1	Panel Data Analysis	29
3.6.2	Panel Unit Root Test	29
3.6.3	Diagnostic Test	29
3.6.4	Significant and Not Significant	30
CHAPTER 4: FINDINGS AND RESULT		
4.1	Introduction	31
4.2	Analysis Measure	31
4.2.1	Descriptive Statistic	31-32
4.2.2	Unit Root Test	33
4.2.3	Diagnostic Test	34
4.2.3.1	Serial Correlation	34

ABSTRACT

This research is carried out an objective to find out the relationship of dividend payout ratio on share price volatility focusing on Manufacturing and Construction listed companies in Malaysia. Dividend is known as part of the firm's return or earnings that distributed among shareholders. Numerous of studies and literature that related with the relationship of dividend policy and share price volatility has been conducted. Lot of studies has been conducted in most of developed country but only a few from the emerging country, like Malaysia. In this paper, the dividend policy is measured using dividend payout ratio and dividend yield. Leverage was added as expanded variables in the study. The finding shows that there is positive relationship and significant between the leverage towards share price volatility while dividend yields has a significant negative relationship. Meanwhile, dividend payout ratio has insignificant positive relationship towards share price volatility.