



اَوْنِيُوْرْسِيْتِي تِيْكْنُوْلُوْجِي مَارَا
UNIVERSITI TEKNOLOGI MARA
CAWANGAN KELANTAN

**A STUDY OF STOCK MARKET REACTION TOWARDS
DIVIDEND ANNOUNCEMENTS IN INDUSTRIAL
PRODUCTS SECTOR**

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DECLARATION OF ORIGINAL WORK

I, ZANIAHTUL MUDIRAH BINTI HARON, (I/C NUMBER: 820605-14-5100)

Hereby, declare that:

- This work has not previously been accepted in substance for any degree, loyalty or overseas, and is not being concurrently submitted for this degree or any other degrees.
- This project paper is the result of my independent work and investigation, except where otherwise stated.
- All verbatim extract have been distinguished by quotation marks and sources of my information have been specifically acknowledged.

Signature: iope

Date: 12 APRIL 2007

ABSTRACT

This project paper is to identify the relationship between dividends announcement to the stock price behavior focuses on 50 companies of Industrial Products listed in main board Kuala Lumpur Stock Exchange. The study focuses on data collected from 23 February to 22 December 2006. The study frame is divided into three main events: 28 days before announcement, five days events windows and 28 days after announcements of dividend. The findings of CAR result show 28 days before announcement there are significant abnormal return with 10 percent level acceptance and positive abnormal return. Result for 5 events windows CAR shows there are no significant abnormal returns but have a positive abnormal return. The result of 28 days after announcement of dividend show that there are no significant abnormal return and the abnormal return are negative.

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