



اُونِيُورْسِيْتِي تِيكْنُولُوجِي مَارَا

UNIVERSITI TEKNOLOGI MARA
CAWANGAN KELANTAN

**A STUDY ON RELATIONSHIP OF DIVIDENDS
ANNOUNCEMENTS DURING A BULL AND BEAR
MARKET**

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LETTER OF TRANSMITTAL

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Dear Sir,

SUBMISSION OF PROJECT PAPER FINANCE (FIN660)

Attached is the project paper titled '**A STUDY ON RELATIONSHIP OF DIVIDENDS ANNOUNCEMENT DURING A BULL AND BEAR MARKET**' to fulfill the requirement as needed by Faculty of Business Management, UiTM, Kampus Kota Bharu.

Thank you.

Your Sincerely,

.....

Asmarihan binti Abdul Ghani
2009131377

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بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

“In the name of Allah the Almighty, the Merciful, and the Beneficent”

Glory to Allah S.W.T, Most Gracious, the Most Merciful, and peace upon his messenger Holy Prophet Muhammad S.A.W. All the worship belongs to only Allah. I seek refuge to Allah from the wickedness within and from the evil deeds. I also praised to Allah S.W.T for giving me courage, time, strength, and knowledge to complete this project paper properly.

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ABSTRACT

Several theories have been documented on the relevance and irrelevance of dividend announcement. Many authors continue to come up with different findings from their studies on the relevance of dividend policy. This research sought to establish the relationship between dividend announcement towards market to book value (MTBV), company's profit (π) and total assets (TA) among 50 listed companies in Bursa Malaysia. Regression analysis was carried out to establish the relationship between dividend announcement towards market to book value (MTBV), company's profit (π) and total assets (TA) in two different economic situations which is bull and bear market. The findings indicated that market to book value (MTBV) and company's profit (π) was a major factor affecting firm performance during both situations. Their relationship was also strong and positive. This therefore showed that dividend can be relying on the IV selected. It can be concluded, based on the findings of this research that dividend policy is relevant and that managers should devote adequate time in designing a dividend policy that will enhance firm performance and therefore will increase shareholder value.