

UNIVERSITI TEKNOLOGI MARA

**THE RELATIONSHIPS BETWEEN CORPORATE
TAX AND INTERNAL FACTORS WITH
DIVIDEND PAY-OUT POLICY: EVIDENCE
FROM FOOD MANUFACTURING INDUSTRY IN
MALAYSIA**

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Thesis submitted in fulfilment
of the requirement for the degree of
Bachelor of Business Administration
(Hons) (Finance)

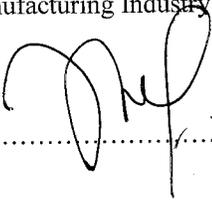
Faculty of Business and Management

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AUTHOR'S DECLARATION

I declare that the work in this project paper was carried out in accordance with the regulations of Universiti Teknologi MARA. It is original and is the results of my own work, unless otherwise indicated or acknowledged as referenced work. This thesis has not been submitted to any other academic institution or non-academic institution for any degree or qualification.

I, hereby, acknowledge that I have been supplied with the Academic Rules and Regulations for Universiti Teknologi MARA, regulating the conduct of my study and research.

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ABSTRACT

This study employs the role of corporate taxation and internal factors on dividend pay-out policy of the highest dividend distribution by the public listed company of food manufacturing industry in Malaysia. Earning after tax is divided into two proportions which is retained earnings and dividend pay-out ratio. It is an important decision for the company whether to distribute more on reinvestment for the company or concern about the shareholders by given the high dividend pay-out. By integrating the corporate tax and internal factors with the dividend distribution to the shareholders, this relation may reflect preferences of the firms to the interests of paid a high dividend to their shareholders. The sample of this study is taken from the food manufacturing industry of Malaysia and chooses five public listed companies in main market of Bursa Malaysia. The data was collected for the period of 10 years from the year 2007-2016. This study used panel data approach to analyse the relationship between corporate tax and internal factors with dividend pay-out policy. E-views were used in this study to test the significant of the relationship between independent variables and dependent variable. The results show that profitability, leverage and size of firm have significant relationship with dividend pay-out policy whereas corporate tax and liquidity did not have significant relationship with dividend pay-out policy.

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