



UNIVERSITI TEKNOLOGI MARA

**DETERMINANTS OF DIVIDEND
POLICY TOWARDS FINANCIAL
SECTOR LISTED IN BURSA
MALAYSIA**

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Thesis submitted in fulfillment
of the requirements for the degree of
**Bachelor of Business Administration
(Hons) (Finance)**

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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

The return on investment can be divided in capital gain and dividend payout. It is a difficult task to a management to allocate a sufficient amount in both segments especially to prevent from agency or management problem. The firms pay dividends only when they meet their requirement and short term needs. Besides, dividend shows the level of condition of a firm in term of management and profitability. It reflects their credibility and image. Each shareholders hope for a high dividend payout in return to their investment and they will find the best firm in order to earn more income or profits. However, this study is aims to investigate the determinants of dividend policy towards financial sector listed in Bursa Malaysia. The factors examined in this study include firm size (log of total asset), debt, sales growth (operating profit margin), investment opportunity (INV) and return on equity (ROE). In broad, this study a total of 10 financial sector companies listed in Bursa Malaysia had been selected randomly. Panel data of period of year from 2006 until 2015 of selected financial sector companies had been used to measure the data. The results revealed the four factors that are TA, Debt and ROE have a positive significant influence on dividend per share while OPM and INV have a negative significant effect.

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