



UNIVERSITI TEKNOLOGI MARA

**DETERMINANTS OF DIVIDEND POLICY:
EVIDENCE FROM GREEN COMPANY IN
MALAYSIA**

**NUR SYAFIRA BINTI JAMALLUDIN
2015180103**

Final Year Project Paper submitted in fulfillment
of the requirements for the degree of
**Bachelor of Business Administration
(Finance)**

Faculty of Business and Management

June 2018

AUTHOR'S DECLARATION

I declare that the work in this final year 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 Undergraduate, Universiti Teknologi MARA, regulating the conduct of my study and research.


Name of Student : Nur Syafira Binti Jamalludin

Student I.D. No. : 2015180103

Programme : Bachelor of Business and Administration (Hons)
Finance.

Faculty : Business and Management

Thesis : Determinants of Dividend Policy: Evidence from
Green Company in Malaysia

Signature of Student : 

Date : June 2018

ABSTRACT

Dividend is one of the most interesting topics in the world of corporate finance. It is also one of the major financial decisions faced by firms. Therefore, this research is carried out to identify the determinants of dividend policy based on green company in Malaysia. The sample of this study is on 10 green companies in Malaysia for a period of 10 years from 2008 to 2017 based on annual basis. Firm size, leverage, growth opportunities and profitability are the independent variables that are used to see whether the relationship effects on the dividend policy. The data collection for this study is utilizes from the secondary data. The method used for regression is using EViews data analysis which includes descriptive analysis, correlation analysis, regression and four tests on assumption which are normality test, autocorrelation, heteroscedasticity and multicollinearity.

Keywords:

Dividend policy, Green Company, Firm Size, Leverage, Growth Opportunities, Profitability

TABLE OF CONTENT

	Page
AUTHOR'S DECLARATION	iii
ABSTRACT	iv
ACKNOWLEDGEMENT	v
TABLE OF CONTENT	vi
LIST OF TABLES	ix
LIST OF FIGURES	x
LIST OF SYMBOLS	xi
LIST OF ABBREVIATIONS	xii
CHAPTER ONE INTRODUCTION	1
1.1 Introduction	1
1.2 Research Background	1
1.3 Problem Statement	3
1.4 Research Questions	4
1.5 Research Objectives	4
1.6 Significance of the Study	5
1.7 Scope of the Study	5
1.8 Limitation of the Study	6
1.9 Definition of Key Terms	6
1.10 Summary	7
CHAPTER TWO LITERATURE REVIEW	8
2.1 Introduction	8
2.2 Previous studies	8
2.3 Theoretical Models of Dividend Policy	9
2.4 Determinants of Dividend Policy	12
2.5 Proposed Research Model	13
2.6 Summary	14

LIST OF TABLES

Tables	Title	Page
Table 1.1	List of Green Company in Malaysia	3
Table 3.1	Data collection	15
Table 3.2	Unit of analysis	17
Table 4.1	Result of Descriptive Analysis	25
Table 4.2	Result of Correlation Analysis	27
Table 4.3	Two different model of Regression Analysis	28
Table 4.4	Result of the selected model	29
Table 4.5	Equation of Regression Result	30
Table 4.6	Result on the T-test	32
Table 4.7	Results of F-test	33
Table 4.8	Result of Serial correlation LM test	35
Table 4.9	Result of Breuch-Pagan-Godfrey test	35
Table 4.10	Result of Multicollinearity test	36
Table 5.1	Results of Statistical Analysis	37