



**UNIVERSITI TEKNOLOGI MARA**

**DETERMINANTS OF DPR:  
EVIDENCE OF MALAYSIA'S  
HEALTHCARE SECTORS**

**SYAFIQAH BINTI JALIL**

Thesis submitted in partial fulfillment  
of the requirements for the degree of  
**Bachelor of Business Administration (Hons.)  
Investment Management**

**Faculty of Business Management**

**FEBRUARY 2021**

## AUTHOR'S DECLARATION

I declare that the work in this thesis 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 Post Graduate, Universiti Teknologi MARA, regulating the conduct of my study and research.

Name of Student : Syafiqah binti Jalil  
Student I.D. No. : 2019341379  
Programme : Bachelor of Business Administration (Hons.)  
Investment Management  
Faculty : Business Management  
Thesis Title : Determinants of DPR: Evidence of Malaysia's  
Healthcare Sectors.



Signature of Student : .....  
Date : October 2020

## **ABSTRACT**

Dividend policy is a guideline for a company to configure its dividend payout to existing shareholders. Since the primary objective of a company is shareholders' wealth maximisation, most investors would have an interest in a company that well paid the dividend consistently. Despite a huge volume of research regarding dividend policy using different sample data and sample size, there is still no unison on the determinants of dividend payout ratio. Hence, the purpose of this research is to determine the significant determinants of dividend payout ratio of companies in the Malaysia healthcare sector. The secondary data used in this research was taken from Eikon Data Stream and annual report from seven companies that were included in this study. The dependent variables are current ratio, price to book ratio, return on equity, leverage and natural log of total assets which is the proxy for companies' size. This study found that current ratio (CR), Price to Book Ratio (P/B), Return on Equity (ROE) and Size of the company (SIZE) are significant while Leverage (LEV) is insignificant to the Dividend Payout Ratio (DPR).

## **ACKNOWLEDGEMENT**

Foremost of all, I would like to thank God for giving me this opportunity in continuing my bachelor degree and for completing this long and challenging journey very well. My deepest gratitude and thanks go to my advisor Pn. Ruziah A. Latif, my coordinator Dr. Roslina Hj. Mohammad Shafi and 2<sup>nd</sup> examiner Pn Nor Hazila binti Ismail.

Special thanks to my family and friends directly or indirectly for helping me with this project.

Finally, this thesis is dedicated to my parent for the vision and determination to educate me.

## **TABLE OF CONTENT**

### **Table of Contents**

<b>CONFIRMATION BY PANEL OF EXAMINERS</b>	<b>iv</b>
<b>AUTHOR'S DECLARATION</b>	<b>v</b>
<b>ABSTRACT</b>	<b>vi</b>
<b>ACKNOWLEDGEMENT</b>	<b>vii</b>
<b>TABLE OF CONTENT</b>	<b>viii</b>
<b>LIST OF TABLES</b>	<b>xi</b>
<b>LIST OF FIGURES</b>	<b>xii</b>
<b>LIST OF ABBREVIATIONS</b>	<b>xiii</b>
<b>CHAPTER ONE INTRODUCTION</b>	<b>1</b>
1.1 Introduction	1
1.2 Background of the study	1
1.3 Problem Statement	3
1.4 Research Questions	3
1.5 Research Objectives	4
1.6 Significance of the study	5
1.7 Scope of the study	6
1.8 Limitations of the study	6
1.9 Definition of key terms	7
1.10 Summary	8
<b>CHAPTER TWO LITERATURE REVIEW</b>	<b>9</b>
2.1 Introduction	9
2.2 Literature Review on Dividend Payout Ratio	9
2.3 Literature Review on Current Ratio	10
2.4 Literature Review on Price to book Ratio	10