



**UNIVERSITI TEKNOLOGI MARA**

**QUARTER DIVIDEND ANNOUNCEMENT EFFECT  
ON STOCK PRICE: A CASE STUDY ON  
TECHNOLOGY INDUSTRIES IN MALAYSIA**

**AQILAH BINTI ROSLI  
2015131599**

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of the requirements for the degree of  
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## **AUTHOR'S DECLARATION**

I declare that the work in this thesis was carried out in accordance with the regulations of Universiti Teknologi MARA Johor. 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 Johor, regulating the conduct of my study and research.

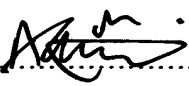
Name of Student : Aqilah Binti Rosli

Student I.D. No. : 2015131599

Programme : Bachelor of Business Administration (Hons)  
Investment Management

Faculty : Business and Management

Thesis : Quarter dividend announcement effect on stock price:  
A case study on technology industries in Malaysia.

Signature of Student :  .....

Date : 03 June 2018

## **ABSTRACT**

Many studies on the effects of dividend announcement on stock price have been done over the years. Dividend statement has remained the topic of concern for scholars and for professionals. There is general consensus that in situations, of efficient markets, stock price are a good estimate of the value fixed on the security by the market at any point in time. When markets are imperfect, share price may react to changes in dividends. In this case, dividend announcement may be examined to convey implicit information about the firm future earning potential. Stock price reaction to the dividend announcement is also a topic that discusses in number of empirical research in the developed and emerging stock markets over the last several decades. Studies already carried out on the subject of dividends conclude that stock price react to dividend announcement. This implies that dividend announcement carry details information to investors. This study examined the stock price reactions towards company quarter dividend announcement and also to know which variables has the most effects on technology industry for better comprehending towards price movement. This study focuses on public listed company in Malaysia for technology industries in the Biz Stock Malaysia for the period every quarter for six years, started from 1<sup>st</sup> quarter of 2011 until 4<sup>th</sup> quarter 2016. The internal factors such as firm revenue, net profit, earning per share, dividend and net tangible asset that updated quarterly in financial report are used as independent variable for the research. Hence, five independent variables were used in this study to examine the effectiveness of stock price reactions towards company quarter dividend announcement. The methods that have been used are statistical analysis and panel least square regression is used to measure the level of significance of the variables. The findings conclude all the variables are expected to be positive relationships with the stock price of the technology industry.

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