



THE DYNAMICS EFFECTS OF DIVIDEND POLICY IN COMPARISON BETWEEN
CONVENTIONAL AND FULL FLEDGED ISLAMICS BANKING SYSTEM

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SUBMITTED IN PARTIAL FULFILMENT OF THE
REQUIREMENT FOR THE
BACHELOR OF BUSINESS ADMINISTRATION WITH HONOURS (FINANCE)

FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA
KOTA KINABALU, SABAH

DECEMBER 2015

ACKNOWLEDGEMENT

Assalamualaikum w.b.t,

First of all, I would like to like thank Almighty Allah for everything that i have in my life, and wihout His guidance I would never be able to accomplish my project paper in which need to fulfill the graduation requirement of Bachelor of Business Administration (Hons) Finance.

Secondly, I am grateful to my supervisor, Mr. Samlie Bin Salisi, whose expertist, understanding, and suport made it possible for me to work on a topic that was interesting to me. I am hugely indebted to him for finding out time to reply to my text, e-mails, for being ever so kind to show interest in my research. Such a pleasure to working with him.

Last but not least, big thankful to my parents, family, as well as colleagues that always support and motivate me to continue my study in Bachelor Degree. Thank you for theunderstanding and love.

TABLE OF CONTENTS

TITTLE PAGE	i
DECLARATION OF ORIGINAL WORK	ii
LETTER OF SUBMISSION	iii
ACKNOWLEDGEMENT	iv
TABLE OF CONTENTS	v
LIST OF TABLE	viii
LIST OF FIGURES	viii
LIST OF ABBREVIATIONS	ix
ABSTRACT	x
CHAPTER 1 INTRODUCTION	
1.0 Introduction	1
1.1 Background of Study	3
1.2 Problem Statement	5
1.3 Research Objective	7
1.4 Significant of Study	8
1.4.1 Body of knowledge	8
1.4.2 For the researcher	8
1.4.3 For the future	9
1.4.4 For the readers and investors	9
1.5 Limitation of Study	
1.5.1 Limited in skills	9
1.5.2 Availability and accessibility of data	10
1.5.3 Time constrain	10
1.5.4 Limited number of full fledged Islamic banking and past scholar on the dividend payout for Islamic bank	10
1.6 Conclusion of the chapter	11
CHAPTER 2 LITERATURE REVIEW	
2.0 Introduction	12
2.1 Islamic Banking	12
2.2 Theory	14
2.2.1 Corporate Dividend Policy Decisions-Lintner Model	14
2.2.2 Dividend Irrelevance Proposition- Modigliani and Miller	14
2.2.3 Free Cash Flow/ Agency Theory	15
2.2.4 Bird-in-Hand Theory	15
2.2 Literature Review	
2.2.1 Dividend Policy Ratio	16

2.2.2 Profitability	17
2.2.3 Lagged Dividend	18
2.2.4 Revenue Growth	20
2.3 Conceptual Framework	22
2.4 Conclusion of chapter	23

CHAPTER 3 RESEARCH METHODOLOGY

3.0 Data (Population/ Sampling)	24
3.1 Empirical Model	25
3.2 Measurement of variables	26
3.2.1 Proxy of measures for Dependent Variable	26
3.2.2 Proxy of measures for Independent Variables	26
3.3 Hypothesis Development	26
3.4 Estimation Methods	
3.4.1 Time Series Models	27
3.4.2 The Panel Unit Root Test	28
3.4.3 Diagnostic Test	
3.4.3.1 Multicollinearity	28
3.4.3.2 Autocorrelation	29
3.4.4 Multiple Linear Regression	29
3.5 Summary of Chapter	30

CHAPTER 4 FINDINGS AND RESULT

4.0 Introduction	31
4.1 Unit Root Test	31
4.2 Diagnostic Test	
4.2.1 Variance Inflation Factor (VIF)	34
4.2.2 Breusch-Godfrey LM Test	36
4.3 Multiple Linear Regression	38

CHAPTER 5 CONCLUSION AND RECOMMENDATON

5.0 Introduction	41
5.1 Conclusion	41
5.2 Recommendation	43

REFERENCES	44
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ABSTRACT

This paper adds to the existing body of knowledge by discussed the determinants of dividend policy in the Malaysia Financial Institutions by looking at both conventional and Full-Fledged Islamic banking system. This study used the datasets from Bursa Malaysia and Banks Annual Report as a source of data to measure the relationship between profitability, revenue growth and lagged dividend with dividend payout ratio. The researches are conducted the time series analysis and the findings were obtained from the Multiple Linear Regression analysis. The study provides result that there are slightly different determinant of dividend policy between conventional bank and Full Fledged Islamic banking whereby only lagged dividend show positive significant relationship with dividend payout for Full Fledged Islamic banking. On the other hand, for conventional bank, there are different ways of determinant in dividend policy. Some bank also using lagged dividend as their determinant and the some other bank used profitability and revenue growth.