



DETERMINANTS OF DIVIDEND PAYOUT POLICY: EVIDENCE
FROM MALAYSIAN COMPANIES LISTED IN BURSA MALAYSIA

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ABSTRACT

Dividend payout policy have been a major issues among companies, how dividend being given or distributed to the shareholder. Whether to pay dividend or not or deciding to make earning still a question to a companies. The purpose of this study is to determine the determinants of dividend payout policy. There two determinants used in this study as independent variable which are cash flow and investment opportunity. In this paper, the measurements used for cash flow and investment opportunity are cash flow from operation and market-to-book ratio respectively in order to determine the relationship of these variables towards dividend payout policy. The study has selected panel data with number of observation of 300 in Bursa Malaysia from year 2010 until 2014. The study revealed that cash flow has insignificant relationship with dividend payout policy while investment opportunity has significant positive relationship with dividend payout policy. In conclusion, only investment opportunity that act as the determinant of dividend payout policy in this study.

Keywords: Dividend payout policy, Cash flow, Investment opportunity, Determinants, Panel data