DETERMINANTS OF DIVIDEND PER SHARE: MANUFACTURING SECTOR IN MALAYSIA

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ABSTRACT

The development of manufacturing sector is rapid growing throughout years and recorded as a main sector in economic growth. It can look from the contributions of the manufacturing sector to Gross Domestic Product (GDP) have increase every year but number of firms in manufacturing sector who is paying dividend is low. Actually this paper is to investigate the factors that could determine dividend paying decision represented by Dividend Per Share (DPS) in manufacturing sector in Malaysia. It focuses on manufacturing sector. The variables that include in this study are profitability, leverage, liquidity, growth and earning per share in those industries for a period 4 years from 2012-2015. The correlation and the multiple regression techniques have been applied to find out the most significant variables used by the manufacturing firms in making the dividend paying decisions. Besides that, other test like multicollinearity, heteroscedasticity, normality, stationary, redundant fixed effect and others also used to determine the dividend per share in this study.

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