



**THE IMPACT OF CORPORATE TAX AND INTERNAL  
FACTORS ON DIVIDEND PAY-OUT POLICY  
“EVIDENCE FROM FOOD MANUFACTURING INDUSTRY  
IN MALAYSIA”**

**NUREEN BINTI AWALUDDIN  
2013657782**

**BACHELOR OF BUSINESS ADMINISTRATION  
(HONS) FINANCE  
FACULTY OF BUSINESS MANAGEMENT  
UNIVERSITI TEKNOLOGI MARA  
SEGAMAT, JOHOR.**

**JUNE 2016**

## **ACKNOWLEDGEMENT**

Foremost, I wish to count my blessings and thanked Allah S.W.T for providing me with the mental and physical faculties as well as other positive attributes notably perseverance to complete this challenging research paper. Special mention goes to my research advisor Pn. Nurul Farhana Binti Mazlan for her guidance, supervision and support. Her constructive comments and suggestions greatly assist in the successful completion of this project paper. In addition, special thanks to En. Syamsul Samsudin and En. Basaruddin Shah Basri for his guidance and advice towards the completion of this project paper.

Last but not least, I would like to extend my appreciation to each and every one of you who have assisted in one way or another in order for me to complete this research paper. Sincere thanks to all my friends and office colleagues for their understanding, kindness and moral support during the testing time undertook to complete this assignment. Lastly, my deepest gratitude to my beloved parents for their unwavering support, invaluable assistance and sincere blessing.

Thank you.

## **ABSTRACT**

This study employs the role of corporate taxation and internal factors on dividend pay-out policy of the most high dividend distribution by the public listed company of food manufacturing industry in Malaysia. Earning after tax is divided into two proportions which is retained earnings and dividend pay-out ratio. It is important decision for the company whether to distribute more on reinvestment for the company or concern about the shareholders by given the high dividend pay-out. By integrating the corporate tax and internal factors with the dividend distribution to the shareholders, this relation may reflect preferences of the firms to the interests of paid a high dividend to their shareholders. The sample of this study is taken from the food manufacturing industry of Malaysia and chooses five public listed companies in Main Market of Bursa Malaysia. The data is collected for the period of 10 years from the year 2006-2015. This study use panel data approach to analyze the relationship between corporate tax and internal factors on dividend pay-out policy. E-views are used in this study to test the significant of the relationship between independent variables and dependent variable. The results show that corporate tax and profitability have positive significant relationship on dividend pay-out policy whereas leverage and size of firm do not have significant relationship on dividend pay-out policy.

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