



**THE DETERMINANTS OF DIVIDEND PAYOUT OF
INDUSTRIAL GOODS SECTOR LISTED IN BURSA MALAYSIA**

NUR HAFIESHA BINTI CHE AB HALIM

2016629738

**BACHELOR OF BUSINESS ADMINISTRATION
WITH HONOURS (FINANCE)
FACULTY OF BUSINESS AND MANAGEMENT
UNIVERSITI TEKNOLOGI MARA (TERENGGANU)**

JANUARY 2019

ACKNOWLEDGEMENT

Alhamdulillah, thanks to ALLAH S.W.T, the Most Gracious and the Most Merciful for giving me a good health and strength to complete this report successfully. This report will not successfully complete without cooperation from many parties. They have contribute a lots in preparing this report and I am thankful to many people who provide me the kind assistance or had contributed immensely to the success completion of this report in due time.

Apart of that, I would like to express my greatest gratitude to advisor, Mdm Zuraida Binti Mohamad for her valuable assistance and support as well as for providing necessary information regarding this report. I am really appreciated for all her kind and patience to teach, guide and answer all my answer regarding this report. Besides, not forgetting my second advisor, Dr. Mohd Shukri Johari for his assistance in guiding me and in examines this report.

Lastly, I would like to express my gratitude towards my parents for their kind cooperation and encouragement which help me in completing of this report. To my colleagues and friends, thank you for the patients and cooperation during the completion of this report.

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ABSTRACT

Dividend puzzle is one of the heated issues in dividend topic among corporate finance or firms and also one of the topics that many researchers continue to investigate due to a lot of questions still unsolved since years ago. The aim of this study is to investigate the relationship between internal factors which include profitability, financial leverage, liquidity, and growth opportunities towards dividend payout of Industrial Goods Sectors that listed in Bursa Malaysia. This study employs a panel data analysis of 15 of Industrial Goods Firms listed in Bursa Malaysia. Fixed Effect model has been selected in this study by using STATA program. The sources of data are Thomson Reuters Eikon and Bursa Malaysia website based on yearly basis for financial year from 2007 to 2017 which included 165 observations. Based on the range data, this study is conducted based on highly debt firms (50% debt) in year 2017. Thus, this study shows that the independent variables which are profitability and growth opportunities have positive and significant relationship with dividend payout. Besides, liquidity also has positive relationship but insignificant with dividend payout. Meanwhile, financial leverage has negative insignificant with dividend payout of Industrial Goods Sector. Therefore, the findings from this study may be useful for future researchers and the firms' management in order to help them deciding the dividend payout to shareholders and also could help shareholders making a good investment decision.

Keywords: Dividend Payout, Profitability, Financial Leverage, Liquidity, Growth Opportunities, Industrial Goods Sectors