

**FACTORS INFLUENCING DIVIDEND POLICY:  
EVIDENCE FROM ELECTRICITY SECTOR OF  
PAKISTAN**

**By**

**WAQAS HAIDER**

A thesis presented to Bahria University, Islamabad in partial fulfillment of the requirements for  
the degree of Master in Finance.

**January 2017**

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*I, Waqas Haider MS, Student in the Department of Management Sciences, Bahria University Islamabad. certify that the research work presented in this thesis is to the best of my knowledge my own. All sources used and any help received in the preparation of this dissertation have been acknowledged. I hereby declare that I have not submitted this material, either in whole or in part, for any other degree at this or other institution.*

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## **ACKNOWLEDGEMENTS**

First of all, I praise the Almighty Allah who enabled me to precede my work successfully. Behind my work, there are several people's effort for which I would like to express my profound gratitude.

Foremost, I express my heartiest appreciation to my thesis advisor Dr. Samreen Babar for her continuous and patient assistance, motivation and beneficial critique. I'm particularly grateful to my cooperative teachers Dr. Nadia Tahir for giving me constructive instructions during my research work.

Besides, my companions are really admissible for their company and assistance in collecting my data. Finally, I would like to profoundly appreciate and admire my parents and family for their continuous spiritual support.

**WAQAS HAIDER**

## **ABSTRACT**

One of the important decisions company is to decide about company's dividend policy. The main purpose of paying dividend is that companies want to attract more investors, satisfy existing once and maintaining a good reputation. In Pakistan there are different sectors and there are different factors which influence their dividend policy. This study has used few factor of them such as tax, liquidity, profitability, market to book value, debt to equity and cash flow. Result of study states that liquidity, profitability, market to book value and cash flow have significant impact on the dividend policy of the electricity producing companies. Whereas debt to equity and tax have not a significant impact on dividend policy of the company. Results also state that cash flow, debt to equity, tax and MV to BV have positive relationship with dividend policy of companies. The factors such as profitability and liquidity have negative relationship with the dividend policy of firms in Pakistan.

# Table of Contents

DECLARATION OF AUTHENTICATION .....	iii
ACKNOWLEDGEMENTS .....	iv
ABSTRACT.....	v
CHAPTER 1.....	1
INTRODUCTION .....	1
1.1 Power Generation and Distribution Sector in Pakistan .....	2
1.2. Problem Statement: .....	3
1.3. Significance: .....	4
1.4. Research Question:.....	4
1.5. Objectives:.....	4
CHAPTER 2.....	5
LITERATURE REVIEW .....	5
CHAPTER 3.....	11
METHODOLOGY .....	11
3.1 Source of Data: .....	11
3.2 Theoretical framework:.....	11
3.3 Operational Definition of Variables:.....	13
3.3.1. Dividend policy: .....	13
3.3.2. Cash Flows:.....	13
3.3.3. Debt to Equity:.....	13
3.3.4. Liquidity: .....	14
3.3.5. Market to Book Value:.....	14
3.3.6. Profitability:.....	14
3.3.7. Tax Rate:.....	14
3.4. Hypothesis: .....	14
3.5. Statistical Method: .....	15
CHAPTER 4.....	16
Results and Analysis .....	16
Correlation Analysis: .....	16
Regression Analysis:.....	17

<b>Table 2: Regression analysis .....</b>	<b>18</b>
<b>Table 3: Weighted statistics .....</b>	<b>22</b>
<b>CHAPTER 5.....</b>	<b>24</b>
<b>CONCLUSION.....</b>	<b>24</b>
<b>5.1. RECOMMENDATIONS:.....</b>	<b>25</b>
<b>5.2. FUTURE RESEARCH: .....</b>	<b>25</b>
<b>5.3. LIMITATIONS:.....</b>	<b>25</b>
<b>REFERENCES:.....</b>	<b>26</b>

## **List of figures:**

<b>Figure 1: Theoretical framework.....</b>	<b>12</b>
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## **List of tables:**

<b>Table 1: Correlation .....</b>	<b>16</b>
<b>Table 2: Regression analysis .....</b>	<b>18</b>
<b>Table 3: Weighted statistics .....</b>	<b>22</b>