



Bahria University

Committed to Excellence in Higher Education

MS Finance

Final Thesis

Topic:

**FACTORS AFFECTING DIVIDEND PAYOUT: EVIDENCE FROM LISTED
NON-FINANCIAL FIRMS OF PAKISTAN STOCK EXCHANGE**

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Dedication

This thesis is dedicated to my parents, teachers and all those friends who have supported me since the beginning of this thesis. I thank my parents for the interest they showed in my studies and the motivation they gave me during those trying times when I had doubts about my abilities.

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Abstract

Dividend payout policy is a mystery which is to be considered unsolved in the field of finance. Even after such a long decades of researches and investigations, scholars still not agree on the factors that influence dividend decisions of companies. This thesis is an effort in order to reveal the insight dynamics for determination of Dividend Payout with reference to non-financial firms listed in the PSX. In light of prior literature, main independent variables were identified and their relationship with dividend payout was described. The factors of earnings, size, leverage, tax, profitability and sales growth are checked their association with dividend payout. The sample of 70 non-financial firms since from 2010-2015 for the period of 6 years are selected. The multivariate regression is run on panel regression model is applied and findings reveal that earnings, leverage, profitability and tax significantly affect the dividend payout. While the size and sales growth results are insignificant. As dividend is called an unsolved puzzle, so further advancements in the research has possibility for improvements when we look in context of Pakistan Stock Market.