

IMPACT OF DIVIDEND POLICY ON STOCK PRICE

By

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Supervisor-Student Meeting Record

No.	Date	Place of Meeting	Topic Discussed	Signature of Student
5	8-4-18	Faculty I	Literature Review	Shahzaib
6	15-4-18	↳	Data Analysis	Shahzaib
7	4-5-18	↳	Critical Debate, Conclusion	Shahzaib

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I hereby certify that the above candidate's thesis has been completed to my satisfaction and, to my belief, its standard is appropriate for submission for examination. I have also conducted plagiarism test of this thesis using HEC prescribed software and found similarity index at ----- that is within the permissible limit set by the HEC for the MBA thesis. I have also found the thesis in a format recognized by the Department of Management Sciences.

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Abstract

Purpose – To examine the relationship between dividend policy and stock price in cement sector of Pakistan.

Design/methodology/approach – Descriptive analysis, regression analysis and correlation analysis has been used to explore the impact and relationship between stock price and dividend policy. For this study 3 cement companies of Sindh have been studied out of 5 cement sector companies of Sindh listed at KSE for the period of 2008-2017.

Findings The main objective of this study is to find out the impact of dividend policy on stock price. The empirical findings suggest that there is significant negative relationship between stock price and dividend yield, and insignificant negative relationship between dividend payout ratio. The study have significant positive relationship between stock price and dividend per share. The overall findings of the study have two more dependent variable i.e. stock turnover and stock volume their findings shows insignificance relationship with the dependent variables except the one variable show significance i.e. dividend per share as independent and stock turnover as independent. The results of the hypothesis testing may act as information provider to the investors and the management of the company who want to invest in the cement sector of Pakistan.

Practical implications – The study suggest that dividend policy is important in determining the stock price volatility in cement sector of Pakistan, hence is helpful to both managers and investors.

Keywords – dividend policy, dividend per share, dividend yield, payout ratio, stock price, stock volume, stock turnover

Table of Contents

1	Introduction.....	1
1.1	Introduction	1
1.2	Background of the study.....	3
1.3	Theories of dividend policy.....	5
1.3.1	Dividend irrelevance theory.....	6
1.3.2	Bird-in-hand theory.....	6
1.3.3	Agency cost and the free cash flow theory.....	6
1.3.4	Signaling proposition.....	7
1.3.5	Clientele effects of dividends theories.....	7
1.4	Cement Sector of Pakistan.....	7
1.4.1	Background of Cement Sector of Pakistan.....	9
1.5	Statement of the Problem.....	10
1.6	Objectives.....	10
1.7	Significance of the Study.....	11
1.8	Scope of study.....	11
1.9	Limitations.....	11
2	Literature review.....	12
2.1	Literature review.....	12
2.2	Conceptual framework.....	19
2.3	Definitions of variables.....	20
2.3.1	Stock price.....	20
2.3.2	Stock turnover.....	20
2.3.3	Stock volume.....	20
2.3.4	Dividend yield.....	20
2.3.5	Dividend payout ratio.....	20
2.3.6	Dividend per share.....	20
2.4	Hypothesis.....	21
3	Research methodology.....	23
3.1	Research design.....	23
3.2	Sample.....	23
3.3	Data collection.....	23
3.4	Data analysis tool.....	23
3.5	Regression model specification.....	23
4	Data integration and analysis.....	25

4.1 Descriptive statistics	25
4.2 Correlation analysis	26
4.3 Regression analysis.....	28
5 Discussion.....	34
5.1 Finding and discussion.....	34
6 Conclusion and recommendations.....	37
6.1 Conclusion.....	37
6.2 Recommendations.....	37