AN EMPIRICAL STUDY OF CORPORATE DIVIDEND POLICIES OF BANKING & IT INDUSTRIES

DR. VIJAY H. VYAS

PROFESSOR & HEAD
(MBA PROGRAMME)
ATMIYA INSTITUTE OF TECHNOLOGY & SCIENCE, RAJKOT – 360005.

ABSTRACT

The firm has to balance between retaining of profit for the growth of the company and the distribution of profit to the shareholders. It has a critical influence on the value of the firm. It has to also strike a balance between the long term financing decision (company distributing dividend in the absence of any investment opportunity) and the wealth maximization. The market price gets affected if dividends paid are less. On the other hand, retained earnings help the firm to concentrate on the growth, expansion and modernization of the firm. In this study, two banks and two IT companies are selected to study dividend policies by different firms and to understand whether dividend policies have any impact on wealth of shareholders. Dividend policy of any firm affects to a large extent affects the financial structure, flow of funds, corporate liquidity, stock prices, and growth of the company and investor’s satisfaction.

KEY WORDS: Dividend policy, wealth, net profit ratio, EPS.

REFERENCES


Websites

www.journalsondivindndpolicy.in

http://eujournal.org/index.php/esj/article/view/142