

DIVIDEND POLICY AND ITS IMPACT ON MARKET PRICE OF SHARE

(A STUDY OF NIC, MBL, NIBL, HBL, KBL)

By:

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Campus Roll No. 1228/064

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Shanker Dev Campus

Second Year Exam Roll No. 391187

Submitted to:

Office of Dean

Faculty of Management

Tribhuvan University

In partial fulfillment of the requirements for the degree of

Masters of Business Studies (M. B. S.)

Kathmandu, Nepal

April, 2011

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RECOMMENDATION

This is to certify that the thesis

Submitted by:

Keshav Raj Gyawali

Entitled by:

DIVIDEND POLICY AND ITS IMPACT ON MARKET PRICE

has been prepared as approved by this Department in the prescribed format of the faculty of Management. This thesis is forwarded for examination

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VIVA-VOCE SHEET

We have conducted the viva-voce examination of the thesis presented

By:

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DIVIDEND POLICY AND ITS IMPACT ON MARKET PRICE

And found the thesis to be the original work of the student and written according to the prescribed format. We recommend the thesis to be accepted as partial fulfillment of the requirement for Master Degree of Business Studies (M.B.S.)

Viva –Voce committee

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Member (Thesis Supervisor)

Member (Thesis Supervisor)

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DECLARATION

I hereby declare that the work reported in this thesis entitled “**DIVIDEND POLICY AND ITS IMPACT ON MARKET PRICE**” submitted to Shanker Dev Campus, Faculty of Management, Tribhuvan University, is my original work done in the form of partial fulfillment of the requirement for the Master of Business Studies under the supervision of Asso.Prof. Ruchila Pandey and Lal Parshad Aryal Lcturer of Shanker Dev Campus.

Date.....

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Research, the word denotes searching again and again for the same thing to make it clearer and clearer. It incorporates all the search works that are carried either to strengthen the previous findings or to create something new in the world.

This research as is done in the same topic previously done by some other researchers and by using similar research tools, intends either to strengthen the findings identified by those researchers or to keep its own findings against those previous findings with its own logic. Side by side it also expects some new findings during the course of research.

The research work done cannot be posted as the unique one and said that this type of work is done first time in this field. However, utmost efforts have been put upon to save it from allegations of being copy of previous research works done in the same topic.

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TABLE OF CONTENTS

Viva-Voce Sheet	
Recommendation	
Declaration	
Acknowledgements	
Table of Contents	
List of Tables	
List of Figures	
Abbreviations	
	Page No.
CHAPTER-I: INTRODUCTION	1-9
1.1 General Background	1
1.2 Statement of the problem	4
1.3 Significance of the study	7
1.4 Objective of the study	8
1.5 Organization of the Study	8
1.6 Limitations of the Study	9
CHAPTER-II: REVIEW OF LITERATURE	10-44
2.1 Conceptual framework	10
2.1.1 Introduction to Dividend	11
2.1.2 Dividend Payment Process	11
2.1.3 Forms of Dividend	13
2.1.4 Factors Affecting Dividend Policy	16
2.1.5 Theories of Dividend	19
2.1.6 Dividend Policy	21
2.2 Review of Related Studies	23
2.2.1 Review of Major International studies.	23
2.2.2 Review of Research Works in Nepalese Perspective	36
2.3 Research Gap	43

CHAPTER III: RESEARCH METHODOLOGY	45-51
3.1 Research design	45
3.2 Population and Samples	46
3.3 Methods of Data Collection	46
3.4 Data Analysis Tools	47
3.4.1 Financial Tools:	47
3.4.2 Statistical tool	48
CHAPTER IV: DATA PRESENTATION AND ANALYSIS	52-74
4.1 Analysis of Financial Indicators and Variables	53
4.1.1 Earning Per Share (EPS)	53
4.1.2 Dividend per Share (DPS)	55
4.1.3 Market Price per Share (MPS)	58
4.1.4 Dividend Payout Ratio (DPR)	60
4.2 Analysis of Statistical Indicators and Variables	63
4.2.1 Correlation Analysis	63
4.2.1.1 Correlation between DPS and MPS	63
4.2.1.2 Regression Analysis between DPS and MPS	65
4.2.1.3 Correlation between EPS and MPS	66
4.2.1.4 Regression Analysis between EPS and MPS	68
4.2.1.5 Correlation between EPS and DPS	70
4.2.1.6 Regression Analysis between EPS and DPS	71
4.3 Major Findings	73
CHAPTER-V: SUMMARY, CONCLUSIONS AND RECOMMENDATION	75-78
5.1 Summary	75
5.2 Conclusion	76
5.3 Recommendations	77
BIBLIOGRAPHY	
APPENDICES	

LIST OF TABLES

Table 4.1	:	Analysis of Earning Per Share (EPS)	53
Table 4.2	:	Dividend per share (DPS)	56
Table 4.3	:	Analysis of market price of share (MPS)	58
Table 4.4	:	Analysis of Dividend payout ratio (DPR)	61
Table 4.5	:	Correlation coefficient between DPS and MPS	63
Table 4.6	:	Regression analysis between DPS and MPS	65
Table 4.7	:	Correlation coefficient between EPS and MPS	67
Table 4.8	:	Regression Analysis between EPS and MPS	69
Table 4.9	:	Correlation coefficient between EPS and DPS	70
Table 4.10	:	Regression Analysis between EPS and DPS	72

LIST OF FIGURES

Figure 4.1: Analysis of EPS	55
Figure 4.2 : Analysis of DPS	57
Figure 4.3: Analyses of MPS	60
Figure 4.4: Analysis of DPR	62

LIST OF ABBREVIATIONS

NIC	- Nepal Industrial and Commerce Bank
MBL	- Machhapuchhre Bank Ltd.
NIBL	-Nepal Investment Bank Ltd.
HBL	-Himalayan Bank Limited
KBL	-Kumari Bank Ltd.
Ltd.	-Limited
CV	- Coefficient of Variation
DPR	- Dividend Payout Ratio
D/P Ratio	- Dividend Payout Ratio
DPS	- Dividend per Share
EPS	- Earning Per Share
FY	- Fiscal Year
MPS	- Market Price per Share
NEPSE	- Nepal Stock Exchange
NRB	- Nepal Rasta Bank
P.E.	-Probable Error
SD	-Standard Deviation
SDPS	-Stock Dividend per Share
SE	-Standard Error
SEE	-Standard Error of Estimate
SEBO	-Securities Board of Nepal