



# **EFFECT OF DIVIDEND POLICY ON STOCK PRICES**

A Thesis submitted to Department of Management Sciences in  
partial fulfillment of the requirement for the MBA degree

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**Certificate of Supervisor**

I M. Mansoor Zaki being the Supervisor of the above student, certify that the research work of the student has been completed to my satisfaction and that the thesis is in a format recognized by the department and is in accordance with the rules of the University. The thesis is appropriate for examination.

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## **EFFECT OF DIVIDEND POLICY ON STOCK PRICES**

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### **ABSTRACT**

The objective of this research is to study the effect of dividend policy on the stock prices. A sample of companies has been examined for a period of 15 years i.e. from 1995 to 2010 listed as KSE, Pakistan. The dependent variable is stock price volatility and dividend policy as independent variables e.g., dividend yield, dividend payout ratio and dividend to total assets of the firm. Dividend payout ratio has negative impact, significant relationship of stock prices and dividend yield has positive relationship with stock market prices.

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