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IMPACT OF DIVIDEND POLICY DETERMINANTS OF LISTED COMPANIES ON INDIAN CAPITAL MARKET

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ABSTRACT

The core purpose of financial management is the maximization of shareholders' wealth with three core decisions namely, dividend, financing and investment decisions. In simple words dividend is that percentage of net profit of a company which is distributed among the shareholders. The research gap we identified for this study is that, a comparison of different industries dividend policy impact on the Indian Capital Market and the samples drawn from the National stock Exchange (NSE) India. The main objective of this project is to study the influence of dividend policy on the market price of selected company's scrip in NSE. The researcher has chosen Empirical study to prove the hypothesis and 15 companies balance sheet for 10 years (2007-2016) were collected from the respected companies websites and the following ratios have been calculated to test the hypothesis, net profit ratio, gross profit ratio, earning per share, dividend yield, dividend payout ratio, return on equity and the market price of share. The analyses conducted, the parameter estimates are then viewed within AMOS graphics and it

displays the standardized parameter estimates. The regression analysis model revealed that the significant impact of the above said independent variables on the market price of share. The result shows that there is significant impact of dividend policy variables on the outcome variable market price.

KEYWORDS: *Capital Structure, Shareholders' Equity, Debt, Financial Ratios And Share Price. JEL CLASSIFICATION: G32, G35*

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