

AN EMPIRICAL STUDY OF DIVIDEND POLICY OF QUOTED COMPANIES IN NIGERIA

W. A. ADESOLA AND A. E. OKWONG

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ABSTRACT

This study attempt to evaluate the observed dividend policy of a cross section of 27 Nigeria quoted companies using theories tested to explain dividend behavior of those firms. These theories which are several and varied; even contradict each other and considerable doubt exist as to which theory best represent the observed dividend behaviour of Nigerian firms; hence the need for this study. To carry out this study a more recent data for the period (1996 – 2006) were reviewed and a model with the necessary policy variables constructed. Factor upon which dividend decisions are based are identified and the magnitude of their effect estimated. Our estimation reveals that the traditional factors are significant in explaining and predicting their dividend decision within the period under review. The result provides strong support for the explanatory or predictive power of Lintner's model. Also, factors which attempt to explain variations in share market prices were identified, and the magnitude of their effect estimated. The result confirms that share market price is a representation of market valuation of dividends.

KEYWORDS: Dividends, Quoted Companies, Dividend Theories, Share Market price

1.0 INTRODUCTION

The finance profession has long struggled to develop a simple satisfactory model of dividend determination without much success. Modigliani and Miller (1961) show that in perfect capital market with no information asymmetry and predetermined investment decision, the value of the firm's is independent of the financing decisions. Hence, a firm's financing decision including dividends, have no effect on the value of the firm, nor the distribution of wealth between classes of security holders. However, in an imperfect settings, dividend can influence shareholders wealth by providing information to investors or through wealth redistribution among claimants.

With information asymmetry, Bhattacharya (1979) demonstrates that dividends provide information about the firm's future cash flow and thus the dividend decision can change a firm value. Fama and Babiak (1968) and Jensen and Meckling (1976) demonstrated another potential real impact of financial decision transfer of wealth between classes of claimants can occur in the absence of imperfect priority rules. However, Kalay

(1982) finds that firms generally are under these limitations. The payment of dividends conveys to shareholders that the company is profitable and financially strong. An increase in payment ratio signals to shareholders a permanent or long-term increase in firms expected earnings. Accordingly, the price of share may be affected by changes in dividend policy. Dividend may offer tangible evidence of the firm's ability to generate cash, and as a result, the dividend policy of the firm affects the share price (Solomon, 1963). The market value of share is affected not because of the change in dividend but because of the information about changes in the future expected earnings conveyed through the payment (Pandey, 2000 pp.765).

It is contended that dividends are relevant because they have informational value. It is also believed that information content of dividend can go a long way to affect companies share market price by sending signals to prospective investors.

Some of the pertinent problems are: why do companies pay dividend? What actually informs the dividend policy? What are the

W. A. Adesola, Department of Computer Science, Cross River University of Technology, Calabar
A. E. Okwong, Department of Computer Science, Cross River University of Technology, Calabar

the form of dividend? Do dividend matters? Of all the theories of dividend policy, which of one them best predict dividend policy behaviour in a specific case e.g. quoted firms in Nigeria? Can the magnitude of the factors that influence dividend policy be used in predicting market share prices of the firms under review?

Answering these questions is absolutely not an easy task. Therefore, this study will seek to empirically analyse and evaluate, using conventional and non-conventional approach to investigate a number of factors related to these problems and seek how to evolve a long-term dividend policy and hence use the informational content of the dividend as declared by quoted firms.

The primary emphasis of this research work therefore is to identify the factors that influence the dividend policy of cross section of Nigerian quoted firms between 1996 and 2006 excluding 1998; to assess the stability of the result over time; and to test the relevance or applicability of dividend theories to share price behaviour in Nigeria.

2.0 THEORETICAL ISSUES AND LITERATURE REVIEW

Financing, investment and dividend decisions are the basic components of corporate policy. Financing decision requires an appropriate selection and combination of capital from available sources, investment decisions are concerned with the efficient deployment of capital funds while, dividend decision involves the periodic determination of proportion of a firms total distributable earnings that is payable to its shareholders. The larger the dividend paid, the less funds are retained for investment and the more the company will have to rely on other sources of long term funds (such as additional issues of equity and or debt capital) to finance projects.

In developed countries, the decision between paying dividend and retaining earnings has been taken seriously by both investors and management, and has been the subject of considerable research by economists in the last four decades (Lintner, 1956; Britain, 1964; Modigliani and Miller, 1961; Petit, 1976; Black and Scholes, 1974; Michael, Thaler and Womack, 1995; Dhillon and Johnson, 1994; Amibud and Murgin, 1997; Chariton and Vafeas, 1998) as cited in Adelegan(2001).

indigenization decree was promulgated most quoted firms were foreign owned? With the promulgation of the First and Second indigenization decree, foreign participation was restricted to forty per cent of the share capital. However, presently a major percentage of the sample firms in this study have foreign affiliation or investors. There is a disagreement over what type of investor is most interested in dividend. The question is whether individual investors, local investors or foreign investors are more interested in dividend than each other. The argument centered on whether investors are expecting growth or cash flow.

According to Glen et al 1995, in many countries, management believes that local individuals and institutional investors are more interested in growth and re-investment of earnings than foreign investors who are more interested in dividend. Multinational companies pay out proportionately more dividend than wholly domestic companies (Adelegan, 2001).

Dividend decision involves a trade-off between the retained earnings and issuing new shares. Over the years, the relationship between dividend policy and the value of the firm have been advanced by two school of thoughts of dividend theories. Those that claimed that dividends do not matter and those that claim they do. In summary, these theories can be grouped into two categories viz: -

Theories which consider dividend decision to be irrelevant and Theories, which consider dividend decisions to be an active variable influencing the value of the firm.

The proponents of the dividend relevance school called the traditionalist or bird-in-hand propositions or rightists offered the first explanation for the relevance of dividend payment. Graham and Dodd (1934) founded the school. Later support was offered by Lintner (1956), Gordon (1959), Brittain (1964) etc.

The model adopted in this study is greatly influenced by John Lintner's (1956) "partial adjustment model/smoothing theory" as modified by Brittain (1964) and Chariton and Vafeas (1998).

2.1 Empirical Literature review

The earliest major attempt to explain dividend behaviour of companies has been credited to John Lintner (1956) who conducted his study on American Companies in the middle of 1950s. Since then there has been an ongoing debate on dividend policy in the developed

This issues did not receive any serious attention among academic scholars in Nigeria until 1974 when Uzoaga and Alezienwa attempted to highlight the pattern of dividend policy pursued by Nigerian firms particularly since and during the period of indigenization and participation programme defined in the decree. Their study covered 52 company-years of dividend action (13 Companies for four years). They claimed that they “checked but found very little evidence” to support the classical influence that determine dividend policies in Nigeria during these period. They concluded that fear and resentment seem to have taken over from the classical forces.

However, Inanga (1977) and Soyode (1975) commented on the work of Uzoaga and Alozienwa. Inanga concluded that the problem arising from the change in dividend policy can be attributed to the share pricing policy of the Capital Issue Commission (CIC) which seemed to have ignored the classical factors that should govern the pricing of equity shares issues. This in turn made companies abandon “all the classical forces that determine dividend policy”. Soyode criticized Uzoaga and Alozienwa’s work on the ground that it glossed over some important determinants of optimal dividend policy and questioned certain conclusions made in the study because they are inadequate or a mistaken evaluation.

Furthermore, Oyejide (1976) empirically tested for company dividend policy in Nigeria using Lintner’s model as modified by Brittain. He disagreed with previous studies and concluded that “the available evidence provides a strong and unequivocal support for the conventional devices for explaining the dividend behaviour of Nigerian limited liability business organization.”.

Nyong (1990) conducted a study on dividend policy of quoted companies in Nigeria

dividend policy of cross section of Nigeria quoted companies and also to assess the magnitude of these factors in predicting the observed share prices of the companies, he observed among others that the conventional Lintner’s model performs creditably well.

Adelegan (2001) in a more recent study of the impact of growth prospect, leverage and firm size on dividend behaviour of corporate firms in Nigeria between 1984 – 1997; observed that the conventional Lintner’s model does not perform quite creditably in explaining the dividend behaviour of corporate firms for the period under review. Supports that factors that mainly influenced the dividend policy quoted firms are after tax earnings, economic policy changes (due to the partial liberation of the indigenization decree in 1989 and the subsequent simultaneous abolition of the indigenization decree of 1995), firm growth potentials and long term debts.

However, Adesola (2004) in his study of dividend policy behaviour in Nigeria using Lintner’s model as modified by Brittan between 1996 – 2000 appears to agree with Oyejide and Nyong’s view that there is substantial and unequivocal support for the Lintner’s model.

3.0 METHODOLOGY:

Data are derived from secondary sources. Pool of data were extracted from publication of the Nigerian stock exchange(NSE) factbook 2001, 2005, and 2007 editions, Best shares selection guide various issues published by Flarmark and company, SEC annual reports. The sample data used contains all the one hundred and forty-five companies quoted on the Nigerian stock exchange as at 2007. However, only annual reports of 27 companies have all the data that is required for this study. Samples cover 15 sectors of NSE.

3.1 Model Specification

The following models were built for the study:

- (a) Dividend Payment Equations
 - 1. $DIV_t = b_0 + b_1EARN_t + \mu$ I
 - 2. $DIV_t = b_0 + b_1EARN_t + b_2DIV_{t-1} + \mu$ II
 - 3. $DIV_t = b_0 + b_1GRT_t + b_2SZ_t + b_2CS_t + \mu$ III
- (b) Mean of Dividend Payment Equation
 - 1. $MDIV = b_0 + b_1MEARN + \mu$ IV
 - 2. $MDIV = b_0 + b_1MGRT + b_2MSZ + b_3MCS + \mu$ V
- (c) Share Market Price Equation
 - $SP_t = b_0 + b_1DIV_t + b_2PBT_t + b_3EPS_t + b_4ASSET_t + b_5EARN_t + b_6DEBT_t + b_7EQUITY_t + \mu$ VI
 - $SP_t = b_0 + b_1DIV_{t-1} + b_2PBT_{t-1} + b_3EPS_{t-1} + b_4ASSET_{t-1} + b_5EARN_{t-1} + b_6DEBT_{t-1} + b_7EQUITY_{t-1} + \mu$ VII

Where: GRT = Growth = Growth proxied by market value of equity divided by book value of Assets, SZ = Size = Size proxied by natural logarithm of total asset i.e. $\ln(\text{total Asset})$, CS = Capital structure = Debt divided by market value of equity
 b_0 , b_1 and b_2 are regression parameters, DIV_t = Dividend payment in year t, DIV_{t-1} = Dividend payment in year $t-1$, EARN_t = Total earnings in year t, GRT_t = Firm growth in year t, SZ_t = Size of firm in year t, CS_t = Capital Structure in year t
 MDIV = Mean value of Dividend Payment in (1996 – 2006)
 MEARN = Mean value of Earnings in (1996 – 2006)
 MGRT = Mean value of Growth in (1996 -2006)
 MCS = Mean value of Firm's Capital Structure in (1996 – 2006)
 SP_t = Stock price for year t, PBT_t = Profit Before tax in year t
 EPS_t = Earnings per share in year t, ASSET_t = Total Asset in year t
 DEBT_t = Debt in year t, EQUITY_t = Equity in year t
 PBT_{t-1} = Profit before tax in year $t-1$, EPS_{t-1} = Earnings per share in year $t-1$
 ASSET_{t-1} = Total Asset in year $t-1$, DEBT_{t-1} = Debt in year $t-1$
 EQUITY_{t-1} = Equity in $t-1$

4.0 PRESENTATION, ANALYSIS AND INTERPRETATION OF DATA

4.1 Presentation and Analysis

Sample data used covers the period 1996, 1997, 1999, 2000, 2001, 2002, 2003, 2004, 2005, and 2006; and the 27 companies covered span 15 sectors namely: Automobile and Tyre (Dunlop Nigeria Plc), Banking (Access Bank Nigeria Plc), Breweries (Guinness Nigeria Plc and Nigerian Breweries), Building Materials (Ashaka Cement Plc, Cement Company of Northern Nigeria), Chemical and Paints (Berger Paints Nigeria Plc), Conglomerates (Chellarams Plc, CFAO Nigeria Plc, John Holt Plc, UAC of Nigeria Plc, UNILEVER

Nigeria Plc), Construction (Julius Berger Nigeria Plc), Engineering Technology (Nigerian Wire and Cable Plc), Food Beverages and Tobacco (Cadbury Nigeria Plc, Nestle Nigeria Plc, Nigerian Bottling Company Plc), Health Care (May and Baker Nigeria Plc, Neimeth International Pharmacy Plc, Glaxo Smithkline Consumer Plc), Industrial/Domestic Product (B.O.C. Gases Plc, Nigerian Enamelware Plc), Insurance (Law Union and Rock Insurance Plc, Niger Insurance Company Plc), Petroleum Marketing (Mobil Oil Nigeria Plc, Chevron Oil Nigeria Plc), Printing and Publishing (Longman Nigeria Plc) and Textiles (United Nigeria Textile Plc).

4.2 DATA ANALYSIS

In this section therefore, we carry out the analysis of the estimated results. The analysis is on equation basis, starting with the dividend payment equation as below:

Equation 4.1

$$\text{DIV2001} = -54083.4 + .00484\text{EARN21} + 1.296\text{DIV2000}$$

(-0.546) (0.725) (14.349)*

$R^2 = 93.8\%$ $R^2(\text{adj.}) = 93\%$ F-stats = 127.755 DW = 1.504

Equation 4.2

$$\text{DIV2005} = 207648.5 + 0.004872\text{EARN25} + 0.961\text{DIV2004}$$

(0.693) (0.528) (9.961)*

$R^2 = 88.6\%$ $R^2(\text{adj.}) = 87\%$ F-stats = 54.330 DW = 2.642

Equation 4.3

$$\text{DIV2006} = -26305.3 - 0.019\text{EARN26} + 1.219\text{DIV2005}$$

(-0.063) (-1.908)*** (11.484)*

$R^2 = 95\%$ $R^2(\text{adj.}) = 93.9\%$ F-stats = 85.261 DW = 1.244

Equation 4.4

$$\text{SP2001} = 0.634 + 4.189\text{E-}06\text{DIV2001} + 9.046\text{EPS2001}$$

(0.302) (2.864)** (11.962)*

$R^2 = 90\%$ $R^2(\text{adj.}) = 88.9\%$ F-stats = 89.544 DW = 1.801

Equation 4.5

$$\text{SP2006} = -3.662 + 8.232\text{E-}07\text{DIV2006} + 22.668\text{EPS2006}$$

(-0.440) (0.469) (12.040)*

$R^2 = 95\%$ $R^2(\text{adj.}) = 93.9\%$ F-stats = 85.113 DW = 1.255

Equation 4.6

$$\text{MDIV} = -218471 + 276118.4\text{MEPS} - 0.032\text{MEARN} - 5100.005\text{MGRT} + 30970.07\text{MSZ}$$

(-0.141)	(2.205)***	(1.481)	(-0.054)	(0.265)
$R^2 = 18.6\%$	$R^2(\text{adj.}) = 3.8\%$	F-stats = 1.255	DW = 1.461	

the numbers in bracket represents t-value, while those one directly beneath the bracket represents the parameter estimates. * Indicates that the estimated coefficient is statistically significant at 1% level of significance, ** Significant at 5% level while *** indicate Significant at 10%. For convenience in analysis, the regression results are presented in three parts reflecting the three dependent variables on which they are based. The first part deals with the explanations of variations in the level of dividend across companies in 2001, 2005 and 2006. The second part considers the explanations for the variations in share prices across companies based on pooled time series and cross-sectional data set (1996 – 2006). The third part examine the explanation for the variations in mean of dividends across companies based on pool-time series and cross section data set from 1996 to 2006 to test the stability of the result over time.

(a) Dividend Payment for 2001, 2005 and 2006

Here we use three regression equations i.e. equation 4.1, 4.2 and 4.3 to explain variations in the level of dividend payment across companies in 2001, 2005 and 2006 as a case study. **Equation 4.1** hypothesize that dividend payment in the year 2001 is a function of earning in 2001 (EARN21) and pervious year dividend i.e. dividend payment lagged one (DIV 2000). Testing the economic a priori, the constant term has a negative sign instead of the expected positive sign this implies that the autonomous leverage decrease when the explanatory variables are fixed. All the other parameters estimates are correctly signed in support of the priori expectation. The parameter estimate of previous year dividend payment i.e. DIV2000 is statistically significant at one percent level of significance this means that pervious year dividend payment exerts significant influence on current dividend payment and hence, this provide a strong support for the explanatory or predictory power of lintner's model. The coefficient of multiple determinations (R^2) of 0.93 or 93% indicates that about 93 percent variations in the observed behaviour in the dependent variables is explained by the model. The remaining 7% may better be accounted for by other error term. The high R^2 indicated that the model fits the data well and is statistically robust; there is a tight fit of the model.

The F-statistic 127.755 is significant at the 1% level considering the table F-statistic ($F_{0.01, (2, 7)} = 9.55$). The calculated F-statistic is greater than the table F-statistic (i.e. $127.755 > 9.55$), therefore, it is significant at 1% level. This buttress the fact that the high R^2 is better than would have occurred by chance. Another essential test is the second-order or econometric criteria; the DW-Statistic is 1.504, the table DW at 5% level indicates the following, given $K^1 = 2$ (excluding the constant term) and sample size (n) equals 10; then $dL = 0.697$, $du = 1.64$), $4-du = 2.359$ and $4 - dL = 3.303$. Based on the decision rule, the calculated DW of 1.504 lies between the lower dL (0.697) and upper du (1.641). There is inconclusive evidence regarding the presence or absence of positive first order serial correlation.

In equation 4.2, We regress DIV payment in the year 2005 on EARN for the year 2005 and DIV payment lagged one year that is 2004. The quantitative result shows that all parameter estimates including the constant term are correctly signed. Also, in this equation just like equation 4.1, the parameter estimate of previous year dividend payment i.e. DIV2004 is the only parameter that is statistically significant and is significant at 1% level of significance. Specifically, the DIV2004 comes out with an estimated coefficient of 0.961. This means that an increase of one percent in DIV2004 will increase the dividend payment in 2005 by 0.961. And hence, a strong support for the explanatory or predictive power of Lintner's model. The coefficient of multiple determination (R^2) of 87% shows that the proportion of dividend payment explained by the regression equation is quite high; the implication of this result is that the factor that enter into the decision calculus for dividend payment in the year 2005 is previous year dividend payment i.e. DIV2004. The Adjusted R^2 is equally significant at one percent level based on the result of F-statistic of 54.330 which is greater than the table F-statistic of 9.55 at 1% level of significance. Also based on DW-Statistics test, there is no serial correlation.

In equation 4.3, We regress DIV2006 on EARN26 and DIV2005. Testing the economic a priori, the constant term and the earning for year 2006 (EARN26) are negatively signed instead of the expected positive sign. Only dividend payment lagged one year that is DIV2005 is correctly signed. All parameter estimates in the quantitative

result are statistically significant except the intercept. EARN26 is statistically significant at 10% level of significance while DIV2005 is statistically significant at 1% level of significance, specifically the EARN26 comes out with an estimated coefficient of -0.019 while DIV2005 come out with an estimated coefficient of 1.219 . This result also provides a strong support for the explanatory power of Lintner model. The proportion of dividend payment explained by the regression equation is quite high, being approximately 93.9 percent. The implication of this result is that the factors that enter into the decision calculus for dividend payment in year 2006 in order of importance include past year dividend followed by current earning. The F-statistic of 85.261 is significant at the one percent level of significance considering the table F-statistic of 9.55. i.e. ($85.261 > 9.55$) this supports the fact that the high R^2 of 93.9 percent did not occur by chance. The DW test result of 1.244 lies between the lower $dL = 0.697$ and the upper $du = 1.641$ region which suggest based on decision rule that there is inconclusive evidence regarding the presence or absence of positive first-order serial correlation.

(b) **Determinant of share market price**

Two equations are formulated in this section to assist in explaining variations in share market prices. They go beyond the descriptive nature of Linter's model to provide motivations for the payment of dividend in the first place. The interpretations of the empirical result are as given below:

In equation 4.4, We regress stock price for 2001 i.e. (SP2001) on dividend payment in the same year i.e. (DIV2001) and earnings per share in the year i.e. EPS2001. The quantitative result shows that: The constant term has the right sign (positive) and conforms to econometric a priori criteria. This means that when the independent variables or explanatory variables are zero, other factors not specified in equation 4.4 will still cause SP2001 to increase at the rate of 0.634 per cent. The quantitative result also shows that the sign of the coefficient of DIV2001 is in agreement with Gordon Model and also signaling theory of dividend policy. This implies that the realized positive relationship between stock price in 2001 and dividend payment in the same year is in line with theoretical expectation. Also, worthy of note is that the t-value of 2.864 is statistically significant at five percent two tailed test level of significance. Our estimated result of earnings per share in 2001 also indicate the relationship to be positive and statistically significant at one-percent level of

significant and hence a strong support for the explanatory or predictive power of Gordon Behavioral model and Bhattacharya's signaling theory model.

Equation 4.4 indicates that the best explanation for current share market price is current earnings per share (EPS2001) and current dividend (DIV2001). These two factors explain over 88 per cent of variations in share market price for the year under review. This is confirmed by the fact that the adjusted R^2 is statistically significant at one percent level based on the calculated f-statistic result of 89.544. The DW statistic (1.801) shows that there is no serial correlation in the residual of the model. Therefore, our estimates are reliable.

In equation 4.5, We postulate that stock price in 2006 is a function of Dividend payment in 2006 and earning per share (EPS2006) in 2006. The quantitative result shows that even though Dividend payment in 2006 indicate a positive relation, the t-value of 0.469 is not statistically significant. The implication of this is that DIV2006 has no significant influence on the determination of stock price value in 2006. Worthy of note is that our estimated result of earning per share in 2006 is statistically significant at one percent level of significance. This signifies that the most important factor in the decision calculus for stock price behavior in 2006 is earning per share. The measure of the explanatory power of the regression equation using adjusted R^2 shows that 93 percent of the variation in stock price in 2006 is explained by the regression equation. This value of adjusted R^2 when tested with F-statistic is statistically significant at one per cent level of significance. The DW test for the incidence of serial correlation shows inconclusive evidence regarding the presence or absence of positive first-order serial correlation.

(c) **Mean of Dividend Payment**

For this section, we formulate one regression equation to determine the mean of dividend payment. In equation 4.6, we regress mean of dividend on mean of earnings per share (MEPS), mean of earnings (MEARN), mean of growth (MGRT) and mean of log of asset i.e. size (MSZ). The quantitative result shows that out of the four explanatory variables, it is only mean of earnings per share that is statistically significant, being significant at 10 per cent level of significance. The relevant implication of this result is that the influence of these three explanatory variables on the dependent variable is insignificant and could be considered as not accounting for

variations in the dependent variable. The value of the adjusted R^2 of 3.8 percent implies that the equation does not give a good fit to the empirical sample data and the omitted variables might have performed better. The DW test shows inconclusive evidence regarding the presence or absence of positive first order serial correlation.

4.3 DISCUSSION OF FINDINGS

The main findings of this study are:

1. The dividend policies of quoted companies in Nigeria are significantly influenced by their earnings and previous year dividend and that because of the reluctance to cut dividends, companies only partially adjust their dividends to changes in earnings.
2. Average earning per share is the significant determinant of Average dividend payment, which confirms the fact that the most important decision calculus for payment of dividend is the current earning.
3. Growth prospect and firm size has no impact on the dividend behavior of quoted firms in Nigeria for the period under review.
4. That both current dividend and earnings per share or earnings are significant in explaining the observed differential share market prices of companies. The fact that the magnitude of the impact of earnings or earnings per share on share market prices is greater than that of dividend payment suggest that the main determinant of market share value for Nigeria firm is no longer dividend but earnings for recent data. This is inconsistent with findings by Graham, Dodd, and Cottle (1962), Nyong (1990), Adesola (2004) and this does not provide a strong empirical support for Gordon Models.
5. The Nigerian market capitalizes the estimates of cash flows receivable by shareholders as dividend and hence that share market price is a representation of market valuation of dividends.
6. The empirical result of positive and significant effect of dividend payments on share market prices for the sample of Nigerian Companies indirectly cast some doubt on the empirical validity of Modigliani and Miller's preposition of Dividend irrelevance in the context of Nigerian business environment.

5.0 CONCLUDING REMARKS

In conclusion therefore, our empirical evidence indicates that the hypotheses of Lintner/Gordon as well as that of signaling theory of Bhattacharya performs remarkably well with respect to the dividend policy of quoted companies under review. this confirms previous result as cited in Nyong(1990),Adesola(2004) that

Average earnings per share or average earnings is still the most significant determinant of average dividend payment,

We also confirm that current dividend payment and earning per share are significant in explaining the observed differential share market prices of quoted firms in Nigeria. However, recent data reveal that the magnitude of the impact of earnings or earning per share is now greater than that of current dividend payment which used to be the most significant as reported in previous studies (see Nyong 1990, Adesola 2004).

Furthermore, we also confirm that growth prospect and firm size has no significant impact on the dividend behavior of corporate firms; and this is inconsistent with the findings of Adelegan(2001).

Based on the findings from the study, we recommend as follows:

- (i) That government should assist in improving the quality and availability of secondary data bank available for research in Nigeria
- (ii) That the result of this study has at least one policy implication. The fact that dividend is still an important determinant of share market prices means that companies may increase their share market price by increase in the rate of dividend paid. In order words, there is sufficient empirical evidence to believe that a liberal dividend policy will lead to a higher average market value of common stocks than will penurious dividend policies. In effect we suggest that corporate management should follow a generous dividend policy which will maximize the long term benefits to its stockholders.
- (iii) Firms should try all their possible best in improving their total earnings from each transaction year, since recent study reveals that it now has greater impact than any other factor in determining the market share value for Nigerian firms from year 2001 till date.

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APPENDIX A: Sample quoted firms Variables

Company	Year	SP	DIV	EPS	PBT	ASSET	EARN	RETAINED EARNINGS	DEBT	EQUITY
1. AUTOMOBILE AND TYRE DUNLOP NIG PLC	1996	6.00	235,200	0.54	436,581	858,934		683366	7,508	168,000
	1997	7.20	252,000	0.69	490,282	1,048,519	3,593,033	756,519	40,000	252,000
	1999	4.00	-	0.14	43,428	1,839,236	4,091,841	926,326	660,910	1,474,993
	2000	3.91	90,720	0.28	161,290	1,212,121	4,394,247	37,098	786,832	1,546,528
	2001	3.36	90,720	0.35	204,743	1,289,733	5,439,725	79,360	533,347	1,667,478
	2002	2.70		0.16	133,438	1,200,878	6,385,274	120,879	766,425	1,526,235
	2003	2.30	-49	-0.49	-276,101	903,975	4,994,848	-296,903	-179,655	1,292,525
	2004	2.16		-0.42	-407,551	587,948	5,217,774	-316,027	-1,307,723	1,090,301
	2005	2.76		-0.27	-207,953	3,935,349	5,150,388	3,557,349	-2,380,155	4,872,776
	2006	4.16		-0.88	-696,421	6,900,327	5,084,957	2,934,827	5,365,178	8,127,686
2. (BANKING) ACCESS BANK NIG PLC	1996	0.60	10,000	0.11	28,236	1,176,203	286,551	21,979	667,167	100,000
	1997	0.71	-	0.16	41,251	1,777,256	286,551	44,934	1,195,009	100,000
	1999	0.90	54	0.06	108,187	4,877,256	541,921	18,565	2,732,604	600,000
	2000	1.35	90,000	0.11	166,594	8,434,560	1,195,616	19,620	4,400,596	841,750
	2001	1.30	-	0.06	116,081	8,027,957	1,589,555	28,314	7,108,464	919,493
	2002	1.82	-	0.02	-17,947	11,352,941	2,604,378	-26,931	9,399,157	1,943,784
	2003	3.00	135,000	0.21	810,639	22,582,040	4,367,887	146,606	20,216,683	2,365,356
	2004	3.42	300,000	0.21	951,750	31,341,507	5,515,086	27,198	28,638,677	2,702,830
	2005	2.99	-	0.06	751,033	66,918,315	7,494,855	-	52,846,391	14,071,924
	2006	6.96	-	0.05	1,119,449	174,553,866	13,360,358	442,289	145,659,980	28,893,886
3. BREWERIES) BUSINESS NIG PLC	1996	8.15	432,000	0.46	586,787	4,579,887	8,948,361	5,894	426,871	270,000
	1997	7.60	710,467	0.76	1,462,682	9,414,217	9,235,373	16,453	-	250,734
	1999	20.00	1,274,336	3.70	3,894,179	9,285,698	11,854,024	1,343,212	-	353,982
	2000	30.45	-1,699,114	4.37	4,643,251	9,285,698	14,817,218	1,395,456	-2,087,137	10,681,154
	2001	34.45	-2,123,893	5.80	5,660,054	10,681,154	19,876,755	1,981,986	-2,366,338	12,663,140
	2002	44.00	-2,654,866	5.86	5,851,413	12,663,140	29,540,004	1,494,670	-2,138,282	14,157,810
	2003	84.00	-5,604,717	9.37	9,901,668	14,157,810	38,103,096	1,031,618	-5,034,014	15,189,428
	2004	116.99	-6,194,687	6.69	11,687,494	15,189,428	47,508,486	1,718,816	-5,892,322	16,908,244
	2005	96.00	-3,539,821	4.12	6,276,167	18,227,442	47,030,812	1,319,198	-5,548,363	18,227,442
	2006	107.99	-4,719,762	6.31	11,436,771	20,947,782	53,651,781	2,720,340	-6,968,521	25,667,544
4. BREWERIES) NIGERIAN BREWERIES	1996	19.40	915,000	0.95	2,581,465	14,057,025	9,005,903	10,446,938	-	457,500
	1997	13.00	915,000	0.85	2,406,396	14,662,903	8,096,636	10,372,873	-	457,500
	1999	16.30	2,287,500	2.28	5,268,116	16,779,413	12,033,111	10,372,873	-	16,779,413
	2000	24.51	2,985,330	2.25	6,256,916	24,865,477	17,679,355	1,269,446	12,822,406	-24,865,477
	2001	35.00	4,253,827	2.40	7,489,351	25,197,125	29,738,414	281,217	13,068,092	-25,197,125
	2002	30.20	-4,253,827	1.93	10,382,429	22,935,410	42,855,103	-644,082	-10,718,921	-22,935,410
	2003	63.10	-7,940,528	1.94	10,992,047	26,186,746	56,508,797	3,192,878	-16,752,267	-26,186,746
	2004	42.80	-4,159,409	0.67	9,148,138	28,253,944	73,594,134	2,061,378	-16,511,021	-28,253,944
	2005	38.80	-4,915,666	1.09	12,897,746	34,724,241	80,130,968	3,338,891	-7,391,506	-34,724,241

(CONGLOMERATES) JOHN HOLT PLC	1997	8.50	136,000	0.67	347,000	2,095,000	6,620,000	1,804,000	68,000	195,000
	1999	3.22	-	4.55	-1,628,000	432,000	9,489,000	172,000	82,000	367,000
	2000	1.15	-	0.20	51,000	524,000	9,214,000	524,000	1,408,000	483,000
	2001	2.29	-	0.34	258,000	1,161,000	9,530,000	1,161,000	881,000	1,116,000
	2002	0.80	-	0.45	276,000	1,997,000	11,242,000	1,997,000	596,000	1,952,000
	2003	0.59	-	0.56	-133,000	1,988,000	12,071,000	1,988,000	868,000	1,971,000
	2004	0.99	39,000	0.18	245,000	2,603,000	16,385,000	2,603,000	863,000	2,603,000
2005	1.47	-	-	15,000	2,224,000	9,200,000	2,224,000	503,000	2,224,000	
2006	1.21	-	-	376,000	2,311,000	11,930,000	2,311,000	1,005,000	2,311,000	
10. (CONGLOMERATES) UAC OF NIG PLC	1996	7.40	318,000	1.23	1,158,400	7,842,400	12,107,400	244,900	20,400	868,400
	1997	10.50	272,600	0.87	584,600	8,584,200	12,861,200	126,800	25,000	817,700
	1999	3.01	-	0.03	-599,700	5,515,000	8,406,900	14,300	10,800	4,321,000
	2000	3.12	-	0.12	278,400	5,786,300	8,478,300	105,800	512,000	4,507,000
	2001	3.70	136,300	1.11	805,800	7,783,000	13,237,600	870,200	1,555,400	5,365,000
	2002	4.10	318,000	1.28	1,460,500	8,916,900	17,519,000	848,200	1,562,600	6,429,000
	2003	10.20	545,200	2.41	1,548,100	11,242,600	20,843,500	1,639,400	1,835,600	7,920,000
	2004	14.17	971,000	1.37	1,902,100	14,684,100	25,116,400	599,200	1,671,200	11,150,000
	2005	17.00	1,284,600	1.27	2,918,400	17,215,300	27,118,696	345,300	2,069,400	14,180,253
	2006	26.45	1,284,600	2.49	3,058,300	19,890,000	28,403,237	1,919,000	1,200,000	16,099,218
11. (CONGLOMERATES) UNILEVER NIGERIA PLC	1996	20.20	958,436	1.34	1,919,179	4,407,742	8,569,072	2,107,012	56,863	504,440
	1997	1.50	-	-0.13	-92,223	4,330,714	7,812,224	2,107,012	56,863	504,440
	1999	6.95	423,730	0.36	594,046	4,118,301	9,365,245	1,853,204	332,112	3,659,733
	2000	16.38	847,459	0.71	1,294,780	3,484,765	11,215,045	6,533	332,112	3,484,765
	2001	27.30	1,259,082	1.79	1,585,738	4,109,065	15,203,511	905,032	984,844	4,109,065
	2002	16.15	1,513,319	0.52	2,053,089	4,167,664	19,003,356	58,599	1,222,697	4,167,664
	2003	15.50	1,846,249	0.62	2,778,116	3,905,550	23,693,923	24,010	1,713,043	3,905,550
	2004	15.50	2,118,646	0.72	2,970,047	6,072,800	28,576,997	48,603	2,089,461	3,954,154
	2005	20.51	-	0.53	2,281,416	5,570,611	33,390,940	-	2,927,564	5,570,611
	2006	12.50	-	-	-	-	25,554,415	-	2,927,564	3,953,347
12. (CONSTRUCTION) JULIUS BERGER NIG PLC	1996	8.70	36,000	1.01	205,449	480,965	5,50,010	420,965	477,902	45,000
	1997	9.37	40,800	1.50	249,654	621,240	7,850,689	561,240	633,614	45,000
	1999	10.40	64,800	2.03	556,766	1,626,247	18,408,724	1,088,307	1,663,319	1,626,247
	2000	29.00	112,500	1.90	768,238	1,940,538	22,751,240	1,402,598	2,444,678	1,940,538
	2001	43.00	123,750	2.16	984,271	2,303,523	29,826,839	1,765,583	3,096,472	2,303,523
	2002	20.00	56,250	1.69	888,142	1,917,600	26,478,352	1,379,660	3,014,280	1,917,600
	2003	20.00	33,750	1.63	727,265	2,249,837	30,457,785	1,711,897	2,833,586	2,249,837
2004	16.40	56,250	1.72	693,628	2,581,017	29,487,173	2,043,077	3,647,207	2,581,017	
2005	21.74	210,000	2.09	1,116,120	2,997,882	39,842,586	2,422,442	6,644,133	2,997,882	
2006	46.83	-	3.73	2,204,766	4,116,929	56,900,000	3,541,489	38,364,335	-	
13. (ENGINEERING TECHNOLOGY)	1996	1.10	12,000	0.33	28,515	107,668	190,878	7,524	-	30,000
	1997	1.30	12,000	0.25	41,170	230,978	217,241	17,774	-	60,000
	1999	1.55	16,800	0.26	62,311	270,990	409,058	27,553	-	270,990

NIGERIAN WIRE AND CABLE PLC	2000	1.72	25,200	0.30	75,541	296,070	619,218	25,080	230,315	296,070
	2001	2.17	25,200	0.38	94,369	333,979	751,172	37,910	271,886	333,979
	2002	1.12	-	0.13	59,796	563,460	803,076	36,202	511,927	563,460
	2003	0.62	-	-	175,081	618,452	211,978	175,081	636,740	618,452
	2004	0.89	-	-	183,240	522,500	65,000	183,240	604,646	522,500
	2005	0.68	-	-	183,240	522,500	65,000	183,240	604,646	522,500
	2006	0.70	-	-	183,240	522,500	65,000	183,240	604,646	522,500
	1996	21.50	528,177	1.56	1,218,869	1,560,962	8,276,134	316,980	773,123	176,096
	1997	23.00	352,190	1.34	940,536	1,905,832	6,453,317	331,850	798,434	176,096
14. (FOOD / BEVERAGES AND TOBACCO) CADBURY NIG PLC	1999	14.30	528,285	1.34	1,236,913	2,435,604	8,898,107	265,752	373,260	2,491,064
	2000	19.70	581,114	2.01	1,637,205	2,622,077	10,144,899	418,265	430,053	2,616,681
	2001	32.99	959,230	2.49	2,405,720	3,308,469	13,246,408	688,021	2,830,425	3,302,398
	2002	34.85	1,125,946	3.00	3,259,866	6,865,401	16,014,709	1,123,373	505,244	6,859,572
	2003	64.75	1,313,603	3.58	3,792,506	8,243,089	20,576,177	1,367,831	595,278	8,233,855
	2004	55.00	1,601,345	2.81	3,849,273	9,459,727	22,152,651	1,207,344	1,086,759	9,446,559
	2005	65.52	1,303,154	2.71	3,853,094	10,868,170	29,454,185	1,401,333	6,932,062	10,848,768
	2006	39.74	-	-4.27	-	-	19,210,000	-	-	-
	1996	49.00	1,268,250	3.04	1,609,986	3,275,076	6,128,414	228,959	2,466,959	105,688
	1997	35.00	634,125	1.68	815,768	3,334,413	5,104,326	304,995	2,333,283	211,375
15. (FOOD/ BEVERAGES AND TOBACCO) NESTLE NIG PLC.	1999	17.10	845,500	2.96	1,616,849	3,546,710	7,724,503	763,199	1,686,266	1,161,532
	2000	49.90	1,585,313	3.80	2,227,348	4,666,674	10,027,714	809,527	2,645,870	1,288,009
	2001	64.00	2,325,125	5.98	3,625,493	6,764,401	14,146,932	1,010,639	4,306,954	1,489,121
	2002	87.00	3,170,625	7.52	4,683,388	8,829,843	19,578,894	961,250	5,629,279	1,492,576
	2003	125.00	3,699,062	7.20	5,846,923	11,910,016	24,631,949	1,103,817	8,005,041	1,597,628
	2004	149.62	3,699,062	7.26	6,100,281	13,399,870	28,500,000	1,242,648	8,464,422	1,734,059
	2005	187.01	5,284,375	10.04	7,907,848	16,875,084	34,335,891	1,261,726	7,233,743	1,752,812
	2006	235.00	5,284,375	10.71	8,197,897	18,908,215	38,422,782	5,874,750	7,325,189	6,360,492
	1996	28.70	343,456	2.74	1,856,283	4,900	17,913,483	4,365,288	1,284,273	241,870
	1997	33.90	386,992	2.49	2,000,698	5,734,673	964,106	5,150,730	2,095,953	241,870
	1999	11.40	-	0.88	-424,756	9,035,571	20,333,072	8,583,719	2,171,101	9,026,654
	2000	13.54	265,761	0.83	945,102	11,329,380	20,608,901	465,887	182,074	11,319,193
	2001	26.99	974,458	3.06	4,170,158	12,224,637	34,943,856	2,008,847	417,226	12,212,954
	2002	31.49	1,461,687	4.27	5,765,829	19,480,056	41,169,789	2,702,239	10,843,020	14,915,193
	2003	62.00	1,559,133	4.51	6,045,057	23,235,137	43,900,832	2,835,827	10,461,942	17,751,020
	2004	57.75	1,559,133	2.30	3,330,594	22,982,385	47,553,874	1,466,821	12,965,667	17,140,526
	2005	65.36	-	1.78	3,576,257	25,147,236	55,444,504	2,314,358	18,842,581	18,556,656
	2006	36.00	-	0.81	1,933,982	26,076,649	59,700,000	1,042,578	19,811,365	20,047,083
17. (HEALTH CARE) MAY AND BAKER NIG PLC	1996	3.12	9,049	0.26	53,618	135,152	587,254	56,091	45,591	22,623
	1997	4.10	40,721	0.42	82,071	401,183	676,744	72,861	42,633	67,869
	1999	3.35	47,508	1.15	178,588	554,035	860,947	191,816	76,530	477,505
	2000	4.40	20,361	0.34	60,586	503,702	937,884	-	104,590	503,702
	2001	2.50	45,246	0.64	169,593	573,450	1,055,219	-	90,802	573,450

22. (INSURANCE) LAW UNION AND ROCK INSURANCE PLC	2004	3.10	11,520	0.55	26,631	102,835	1,639,663	82,083	55,119	102,835
	2005	3.46	14,400	0.83	35,067	111,745	1,776,702	91,628	-	111,745
	2006	4.47	14,400	0.72	31,411	118,088	1,600,000	97,971	-	-
	1996	6.45	6,000	1.19	22,543	101,352	162,303	70,718	-	10,000
	1997	1.20	16,000	0.14	39,037	262,451	192,472	133,760	-	100,000
	1999	1.39	16,000	0.12	24,309	291,509	207,339	146,474	-	291,509
	2000	1.09	10,000	0.09	24,915	705,004	207,271	148,013	705,004	299,664
	2001	1.51	20,000	0.16	40,639	929,119	262,604	152,079	929,118	312,283
	2002	1.30	24,000	0.18	49,159	956,393	315,063	155,217	956,393	324,975
	2003	1.40	30,000	0.28	68,168	1,148,220	519,654	164,905	1,148,220	381,376
2004	1.29	-	-	-16,661	1,405,412	729,932	70,346	1,405,412	648,876	
2005	1.25	-	-	-	-	1,110,000	-	-	1,091,474	
2006	1.58	-	-	-	-	1,330,000	-	-	-	
1996	3.30	-	-	29,465	1,278,141	261,932	465,629	124,193	-	40,000
1997	3.10	17,000	0.06	31,414	1,255,874	276,366	465,629	186,143	-	70,000
1999	2.90	35,000	0.36	80,232	2,327,921	448,785	465,629	476,863	-	738,212
2000	6.53	72,000	0.25	113,214	2,827,753	642,570	42,477	334,280	-	770,006
2001	4.33	75,000	0.25	139,683	3,574,424	904,191	77,621	488,564	-	1,124,176
2002	2.95	105,000	0.22	176,235	5,295,776	1,269,034	106,047	920,982	-	1,181,275
2003	4.11	120,000	0.21	192,160	7,182,325	1,670,634	130,844	820,496	-	1,240,517
2004	4.04	200,000	0.25	285,332	8,248,983	2,104,629	145,763	690,364	-	1,877,980
2005	3.57	75,000	0.19	312,672	8,400,982	2,311,460	317,524	712,895	-	2,089,427
2006	3.19	-	0.18	734,196	11,154,881	3,140,000	794,084	700,030	-	5,487,465
1996	49.60	764,462	6.47	1,251,099	724,289	11,583,369	637,790	333,764	-	72,119
1997	61.90	466,571	4.97	871,871	975,519	11,627,542	889,020	147,729	-	72,119
1999	52.50	1,113,414	8.90	2,156,422	1,933,555	18,006,167	1,823,316	173,770	-	1,933,855
2000	61.00	1,113,414	1.03	529,706	1,352,080	18,920,626	908,024	333,517	-	1,018,563
2001	64.70	1,278,911	7.11	2,082,478	1,567,940	27,063,856	757,544	881,857	-	686,083
2002	64.05	474,230	2.46	830,431	1,604,560	31,508,777	575,544	918,477	-	686,083
2003	143.95	1,457,480	6.06	2,165,048	2,052,533	37,108,054	575,544	1,366,450	-	686,083
2004	184.00	1,563,000	7.32	1,985,461	2,168,713	46,546,705	551,504	1,286,162	-	882,551
2005	165.00	2,187,611	10.08	3,393,903	5,261,028	50,914,923	747,972	1,955,947	-	3,305,081
2006	178.00	2,187,611	7.15	2,535,481	4,924,024	50,810,000	3,170,502	2,090,346	-	-
1996	33.10	175,751	2.33	520,853	713,667	8,063,087	626,075	2,323,138	-	56,694
1997	35.00	151,184	-0.63	-95,294	466,944	8,444,771	371,352	3,014,194	-	75,592
1999	18.10	529,143	5.46	1,226,392	762,618	12,077,448	687,029	4,520,099	-	762,618
2000	52.00	831,511	6.75	1,532,311	950,941	17,097,552	875,349	4,199,697	-	950,941
2001	67.00	680,327	5.64	1,143,247	1,123,971	21,123,972	1,033,261	6,619,487	-	1,123,971
2002	56.01	580,546	5.59	1,553,566	1,556,674	26,977,451	1,465,964	6,584,756	-	1,556,674
2003	160.00	-	2.48	1,655,202	2,007,063	32,679,321	1,916,353	10,242,447	-	2,007,063
2004	169.00	761,966	3.25	1,314,415	2,831,506	42,391,492	1,942,546	12,762,765	-	2,831,506
2005	119.98	10,441,354	4.13	1,779,903	33,115,166	51,900,000	1,946,818	10,109,139	-	3,115,166

24.
(PETROLEUM
MARKETING)
MOBIL OIL NIG.
PLC25.
(PETROLEUM
MARKETING)
CHEVRON OIL
NIG PLC
(FORMERLY
TEXACO)

26. (PRINTING AND PUBLISHING) LONGMAN NIG PLC	2006	150.00	1,300,422	5.16	1,852,352	3,386,459	65,910,000	1,959,043	12,708,245	3,386,459
	1996	2.60	17,500	0.39	40,353	141,285	252,626	106,285	7,435	35,000
	1997	2.50	17,500	0.32	32,276	146,630	268,289	94,130	7,435	35,000
	1999	2.25	42,000	0.46	65,543	152,917	864,038	100,417	17,436	152,917
	2000	6.40	42,000	0.75	111,770	207,143	1,003,881	36,790	17,436	189,707
	2001	5.00	26,250	0.63	96,391	262,203	913,513	39,612	32,884	229,319
	2002	3.05	-36,750	0.31	77,192	263,557	680,148	9,093	29,043	234,514
	2003	3.00	-17,640	0.22	51,964	295,440	795,971	14,962	45,964	249,476
	2004	2.22	-36,750	0.43	111,892	311,862	1,051,917	26,212	36,174	275,690
	2005	3.04	-44,100	0.82	173,399	411,110	1,304,641	75,743	54,930	351,433
	2006	6.93	-	1.16	283,561	619,347	1,743,874	203,751	64,163	555,184
27. (TEXTILE) UNITED NIG PLC	1996	6.90	143,942	1.11	1,012,663	6,934,402	10,265,912	772,869	502,052	205,632
	1997	4.20	148,055	1.17	706,362	6,979,035	9,436,882	1,195,063	64,590	246,758
	1999	3.10	190,004	0.79	769,560	7,691,234	10,366,569	1,776,274	32,247	6,289,603
	2000	2.90	-	0.81	629,640	7,223,307	9,204,644	-	1,037,175	5,591,875
	2001	4.00	265,108	1.07	903,006	12,241,532	14,483,892	-	2,162,836	9,235,454
	2002	3.26	295,149	1.26	1,576,683	12,817,344	21,989,308	5,061,660	2,207,374	10,003,955
	2003	3.25	-	-	335,184	12,574,302	22,713,031	4,702,429	2,333,896	9,644,724
	2004	1.87	84,328	0.16	340,475	12,487,478	21,838,790	4,775,058	2,202,162	9,713,363
	2005	2.30	-	0.11	246,626	13,000,338	17,664,955	4,870,357	2,630,842	9,812,662
	2006	0.91	-	-0.89	-210,965	13,082,122	20,300,000	4,074,105	3,239,789	9,016,410

Source: NSE factbook 2001,2005 and 2007 editions; BSSG issue number 3 & 9.

SP = Stock Price
 DIV = Dividend Payment
 EPS = Earnings Per Share
 PBT = Profit before Tax
 EARN = Earnings
 DEBT = Total Debt

APPENDIX B: REGRESSION RESULTS

Table A: Standard Multiple Regression Result for equation 4.1

Regressor	Coefficient	Standard Error	t-ratio
(Constant)	-54083.4	99040.60	-0.546
EARN21	4.847E-02	0.007	0.725
DIV2000	1.296	0.090	14.349

Dependent Variable: DIV2001

R_Square = 0.938 Adj. R_Square = 0.930 SER = 319920.0

F_statistics = 127.755 DW-Statistics = 1.504

Source: Research results compiled from the secondary data.

Table B: Standard Multiple Regression Result for equation 4.2

Regressor	Coefficient	Standard Error	t-ratio
(Constant)	207648.5	299539.6	0.693
EARN25	4.872E-03	0.009	0.528
DIV2004	0.961	0.096	9.961

Dependent Variable: DIV2005

R_Square = 0.886 Adj. R_Square = 0.870 SER = 821590.3

F_statistics = 54.330 DW-Statistics = 2.642

Source: Research results compiled from the secondary data.

Table C: Standard Multiple Regression Result for equation 4.3

Regressor	Coefficient	Standard Error	t-ratio
(Constant)	-26305.3	416414.1	-0.063
EARN26	-1.9E-02	0.010	-1.908
DIV2005	1.219	0.106	11.484

Dependent Variable: DIV2001

R_Square = 0.950 Adj. R_Square = 0.939 SER = 900664.6

F_statistics = 85.261 DW-Statistics = 1.244

Source: Research results compiled from the secondary data.

Table D: Standard Multiple Regression Result for equation 4.4

Regressor	Coefficient	Standard Error	t-ratio
(Constant)	0.634	2.096	0.302
DIV2001	4.189E-06	0.000	2.864
EPS2001	9.046	0.756	11.962

Dependent Variable: SP2001

R_Square = 0.900 Adj. R_Square = 0.889 SER = 7.5262

F_statistics = 89.544 DW-Statistics = 1.801

Source: Research results compiled from the secondary data.

Table E: Standard Multiple Regression Result for equation 4.5

Regressor	Coefficient	Standard Error	t-ratio
(Constant)	-3.662	8.316	-0.440
DIV2006	8.22E-07	0.000	0.469
EPS2006	22.668	1.883	12.040

Dependent Variable: SP2006

R_Square = 0.950 Adj. R_Square = 0.939 SER = 19.842

F_statistics = 85.113 DW-Statistics = 1.255

Source: research results compiled from the secondary data.

Table F: Standard Multiple Regression Result for equation 4.6

Regressor	Coefficient	Standard Error	t-ratio
(Constant)	-218471	1550071	-0.141
MEPS	276118.4	125195.4	2.205
MEARN	-3.2E-02	0.021	-1.481
MGRT	-5100.005	93981.40	-0.054
MSZ	30970.07	116734.5	0.265

Dependent Variable: MDIV

R_Square = 0.186 Adj. R_Square = 0.038 SER = 832610.1

F_statistics = 1.255 DW-Statistics = 1.461

Source: research results compiled from the secondary data.