CAPITAL STRUCTURE AND DIVIDEND POLICY DECISION

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MAT. NO: SBS/2012051441

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A PROJECT WORK SUBMITTED TO THE DEPARTMENT OF ACCOUNTANCY, SCHOOL OF BUSINESS STUDIES, AUCHI POLYTECHNIC, AUCHI, EDO STATE

IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF THE HIGHER NATIONAL DIPLOMA (HND) IN ACCOUNTANCY

NOVEMBER, 2022

CERTIFICATION

We the undersigned hereby certify that this project work carried out by **Igwesi Mercy Ebere** with **Mat. No: SBS/201200381** under our supervision and that it is adequate in scope and quality in partial fulfillment of the requirements for the Award of Higher National Diploma (HND) in Accountancy.

We therefore certify that the project is adequate both in scope and quality and is submitted to the Department of Accountancy in partial fulfillment of the requirements for the award of Higher National Diploma (HND) in Accountancy.

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MR. ABUMERE, D. I. **HEAD OF DEPARTMENT**	**DATE**

DR. AKHALUMEH, P.B. **DATE**
PROJECT SUPERVISOR

MR. ABUMERE, D.I. **DATE**
HEAD OF DEPARTMENT

DEDICATION

This project is dedicated to God Almighty for his love, protection and benevolence over me throughout the period of my study.

ACKNOWLEDGEMENTS

I am thankful to **God** the Father of Light and the Giver of wisdom for making all that seemed impossible to the achievement of research.

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My profound gratitude also goes to my parents; **Mr. & Mrs. Monday Igwesi** for their unrelenting support and efforts towards ensuring my academic dream becomes a reality. I am marveled at the extent you could go just to ensure I lack nothing during my days in school and thank you mom for your continuous prayers, my back bone, I love you both endlessly. I will not fail to acknowledge my brothers and sisters for the support and love they contributed in one way or the other to the success of my education and this project work; **Emeka Igwesi, Chidinma Igwesi** and **Victory Igwesi**. Thank you all for all you did and God bless you.

Special thanks to my wonderful friends; **Cynthia, Amaka,** and **Tonia** and others who contributed positively to the success of this work, may God bless you.

Abstract

This research examines the capital structure and dividend policy. The broad objective of this study is to ascertain the relationship between retained earnings and dividend pay-out ratio in Nigerian listed companies and also to investigate the relationship between debt equity and divided pay-out ratio in Nigeria listed companies. The secondary source of data collection was adopted and data gotten from 5 firms quoted in the Nigeria Stock Exchange. The ordinary least square regression method was used to analyze the data and test the stated hypotheses. The findings revealed that retained earnings have no effect on dividend pay-out ratio in Nigerian listed companies and that gross profit margin has effect on divided per share in Nigeria listed companies. It was further recommended among others that the firms should pay as at when due the dividend accrued to the shareholders in order to reward their patronage.

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CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

The influence of debt in financing modern business organization cannot be underestimated because of its tax advantages, however, capital structure decisions influences other corporate decisions in other to add value to stakeholders, and hence an organizations may suffer increased costs and decreased financial performance if they do not adopt suitable capital structures. This decision is important not only because of the need to maximize shareholders wealth, but also important because of the need to operate in the foreseeable future and for the growth and development of the company.

Dividend policy is also considered to be one of the most important financial decisions that corporate managers encounter because of its potential implications on share prices (signaling effect), the financing of internal growth and the equity base through retentions together with its gearing and leverage (Ishaku, 2015 and Andiema & Atieno, 2016). Besides, in supports of the bird-in-hand theory of Gordon (1963) investors' desire high current dividends to meet their socioeconomic needs leading to have a high interest on the organizational dividend policy. As such dividend decisions became important because it determine what funds flow to investors and what funds are retained by the firm for future profitable investment opportunities to be finance internally. More so, dividend provides information to stakeholders concerning the company's performance, because firm investments determine future earnings and future potential dividends which may influence the cost of capital (Andiema & Atieno, 2016).

Dividend earnings decision is widely considered in the business world as a strategic in corporate finance as well as corporate performance and growth. Dividend policy directly influences the behavioural pattern of the investors i.e. shareholders. Because the purchaser of the company (shareholders) actually buys a dividend expectation, because of the dividend policy decision implication on the behavioural pattern of the shareholders be it positive or negative, the corporate world imposes the responsibility of this great task of the boardroom affair.

Dividend policy decision as a tool in the strategic corporate finance as well as corporate performance and growth affect the share price as well as cost of capital. The importance that the individual shareholder places on dividends depends on his level of wealth and performance for capital gains amongst others. In an environment with progressive personnel income taxes, the individual with more wealth will tend to proffer capital appreciation on shares than dividends. At lower level of income, the capital gain tax rate, however, the reverse is the case with increased income. The wealthy individual among the diverse shareholders may then prefer capital appreciation on his share due to the aforementioned reasons (Sudiani & Wiksuana, 2018).

An optimal capital structure exist which balance the risk of bankruptcy with the tax saving of debt. It is important to note that dividend is not a construal obligation of a firm to its shareholder or debt providers. The amount of dividend if any is rested on management best option is to use the income. The board of directors who are ultimately responsible for setting dividend policy can chose not to pay any dividend using the firms earning to acquire additional asset instead. Dividends are payments made by the corporation to its shareholders when a company earns a project or surplus and such money can be used as retained earnings. Hence the ability of the company to pay dividend can be stated to measure the sounded and profitability of a company (Kuzucu, 2016).

Financing decisions determines the capital structure of the firm and forms the source on which investment decisions are made. The third decision, dividend decision which forms the focus of this study has to do with the determination of the dividend payout adopted by the firm in deciphering the amount of cash that is given to shareholders. This decision is dependent on whether the potential investors and shareholders alike have a preference for capital gain as opposed to income.

1.2 Statement of Problem

Corporate organization, banks inclusive are faced with the problem of whether to pay a larger, small or zero percentage of their earnings as dividends. This problem is born out of the desire to satisfy the various needs of shareholders. Some shareholders have the need for income now and as such will prefer a high dividend payout ratio which other who needs to invest in the future would prefer capital gains. Due to the fact that the firm has to deal with competing interests of various shareholders, the kind of dividend policy a firm adopts could either lead to positive or negative effects on the share prices of the company. The managers are therefore unable to forecast with certainty to what extent the policy will affect their share price of their firms.

1.3 Research Questions

The following research questions will aid the researcher in carrying out this research work.

i. To what extent do retained earnings affect dividend pay-out ratio in Nigerian listed companies?

ii. To what extent do debt equity affect divided pay-out ratio in Nigeria listed companies?

iii. To what extent do gross profit margin affect pay-out ratio in Nigeria listed companies?

1.4 Objectives of the Study

The broad objective of this study is to ascertain the capital structure and dividend policy. However, the specific objectives are:

i. To ascertain the effect of retained earnings on dividend pay-out ratio in Nigerian listed companies.

ii. To investigate the effect of debt equity on divided pay-out ratio in Nigeria listed companies.

iii. To ascertain the effect of gross profit margin on dividend pay-out ratio in Nigeria listed companies.

1.5 Statement of Hypotheses

The following are the hypotheses of the study stated in their null forms:

i. Retained earnings has no significant effect on dividend pay-out ratio in Nigerian listed companies.

ii. Debt equity has no significant effect on divided pay-out ratio in Nigeria listed companies.

iii. Gross profit margin has no significant effect on pay-out ratio in Nigeria listed companies.

1.6 Significance of the Study

The Banking Sector: Dividend policy is of great importance the Board of Director because it will enable them to know, compare and understand how best to allocate dividend to its existing shareholders. Dividend policy that is favourable would make the interest of investor higher and hence existing investors will have the more and it will also attract the interest of prospective investor.

The Government: The government is the closest monitoring unit as far as the issue of dividend is concerned. The government derives revenues from dividend declared by banks. The individual investors and corporate bodies are taxed by the government. In establishing monetary or fiscal policies of a nation, the Gross National Income or Net National Income is taking into cognizance of which dividends earned is a stern post. The government should encourage a stable dividend policy that would be beneficial to both the firms and the investors because it will encourage and ensure a better standard of living through increased Net National Income.

This research work will be so useful to prospective investors and existing investors, in the sense that it will aid investors in taking appropriate decision in establishing investment interest. It will also give the banking sector and other firms the insight of how best to declare and pay dividend, since it is the major link between the investor and investment.

This research work is important as it will open new areas research work to student, the banking sector and others, including the government.

1.7 Scope of the Study

This research work is concerned with capital structure and dividend policy decisions. It seeks to know the works of shareholders/ investors to dividend declared by firms whether favourable or not. This study is limited to the application of the capital structure and dividends theory to the Nigeria investors.

1.8 Limitations of the Study

The major limitation of the study as it was with several studies in developing economies was data accessibility and accuracy. Also, there was the challenge of inappropriate measurement of variables. Another challenge faced in the course of this field work was time factor and inadequate funds.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 Conceptual Review

2.1.1 Dividend Policy

Dividend is that portion of a company's net earnings which the directors recommend to be paid to the shareholders in proportion to their shareholdings in the company. It is a pro rate payment of money by a company share capital or as a fixed amount per share. According to William (2016), dividend is referred to as a periodic cash payment that firms make to investors who holds the firms' preferred or common stock.

The dividend policy of a firm refers to the financial policies regarding paying cash dividend on the present or paying an increased dividend at a later stage. It can be said to be the trade-off between retained earnings on one hand, and cash distribution or securities on the other. The allocated amount that is undiluted is retained earnings. The retained earnings are the major sources of internal financing to a business, firm and are often the low price bargain source of finance. The opportunity cost of retained earnings therefore is the dividend payment that is forgone.

The corporate dividend policy has been the condition upon which intense theoretical modeling and empirical examination that has captured the interest of economists over the last few decades probably as a result of the position of dividend in stock valuation. These theoretical and empirical models of corporate dividend policy are divided based on the predictive ability of the effect of dividend payments on share price.

Naser (2014) specified that in emerging markets, government ownership is a major determinant of the dividend decision-making process. Gul (2016) suggested a positive association between government ownership and dividends, arguing that firms with high government ownership find it less difficult to finance investment projects, and hence, can afford to distribute more dividends. Naser (2014) added that in an emerging market, where legal protection is limited, governments have a strong desire to build up firm reputations and avoid the exploitation of minority shareholders by paying them large dividends. They further asserted that the need for such a reputation has significant effects on young stock exchanges where there is no history of the good treatment of minority outside shareholders. In addition, this need is greater when there is high uncertainty about the future cash flow of firms.

2.1.2 Gross Profit Margin

Profit is an excess of revenues over associated expenses for an activity over a period of time. Profit is calculated as total revenue less total expenses. Terms with similar meanings include earnings, income, and margin. Every business should earn sufficient profits to survive and grow over a long period of time. It is the index to the economic progress, improved national income and rising standard of living. Thus, profit is not just the reward to owners but it is also related with the interest of other segments of the society. Profitability, on the other hand means the ability to make profit from all the business activities of an organization, company, firm, or an enterprise. It shows how efficiently the management can make profit by using all the resources available in the market. According to Campello (2013), profitability is the ability of a given investment to earn a return from its use. However, the term profitability is not synonymous with efficiency. Profitability is an index of efficiency and is regarded as a measure of efficiency and management guide to greater efficiency. Though, profitability is an important yardstick for measuring efficiency, the extent of profitability cannot be taken as a final proof of efficiency. Given the importance of profitability to the construction of a corporate dividend policy, it is important to examine the components of profitability so that each component can be closely monitored by management in the course of a company's operations.

2.1.3 Retained Earnings

Retentions refer to the part of trading profits which is not distributed in the form of dividends but is retained by directors for future expansion of the company (Umer, 2012). Chang and Rhee (2013) notes that the prime idea behind earnings retention is that the more the company retains the faster it has chances for growth. Retained earnings are usually recorded under shareholders' equity on the balance sheet (Dogan & Topal, 2014). Also related with periodically retained earnings is the accumulated retained earnings, which are computed by adding net income to (or subtracting any net losses from) beginning retained earnings and subtracting any dividends paid to shareholders.

Retained earnings is the amount of net income left over for the business after it has paid out dividends to its shareholders. This amount is adjusted whenever there is an entry to the accounting records that impacts a revenue or expense account. This means that the company has been profitable over the years and its dividends to stockholders have been less than its profits. The retention ratio is also known as the retention rate of an organization (Ho, 2013).

Regarding earnings retentions Koksal (2013), stated that there is always a conflict in determining the ratio or earning to be retained. While the managers of the company want a higher earnings retention ratio, the shareholders of the company would think otherwise, as the higher the plowback ratio the more uncertain their control over their shares and finances are.

Notably, retentions are a sacrifice made by equity shareholders. According to Wang (2014), they are internal sources of finance available to an organization and have got many advantages. As internal source, retained earnings are readily available for use. Also, retentions are cheaper than external equity, do not cause ownership dilution, and have got a positive connotation as the stakeholders perceive that the company has potential investment opportunities. However, they have demerits in that retained earnings is a limited source of financing, and the fact that they have a high opportunity cost since they are a foregone dividend by equity holders.

2.1.4 Debt Equity

Assets are items of value an organization owns or controls. Profit-making firms acquire assets at a measurable cost and use them for generating earnings. The firm’s debt equity represents its strategy for earning from its asset base.

The previous literature assumed that there is a relationship between the firm's debt equity and firm's dividend policy. “Firms with more tangible assets have greater tax benefits without relying on debt, and therefore might be more inclined to use dividend policy to influence information asymmetry and agency costs”. On the contrary, it is argued that asset tangibility has an inverse relationship with dividend policy, especially in developing markets. Aivazian (2013) state “when the assets are more tangible, fewer short-term assets are available for banks to lend against.

The asset structure (tangibility), which has been widely evidenced to significantly affect capital structure, belongs to the first group, and is one of the most frequent cited factors. The larger share of tangible assets increases the liquidation value of a company. This is due to the fact that tangible assets constitute collateral for the debt as they have higher value than the intangible assets in case of bankruptcy.

2.1.5 Dividend Pay-Out Ratio

The dividend pay-out ratio is the ratio of the total amount of dividends paid out to shareholders relative to the net income of the company. Such decision is aided by the particular dividend policy the firms adopt. Scores of researchers have their take on what dividend payout ratio is. Since dividend payout is a subset of dividend, it is pertinent to capture a comprehensive meaning of dividend. Nnali, Wogboroma and Kabel (2013) perceived dividend to represent returns that are due to shareholders as a result of committing their resources into a formal organization. It could be payment made out of firm’s earning, to its shareholders in form of either cash stock. This distribution called dividend are periodic cash payment made by companies to their shareholders and it is the product of profitability. This distribution may be in form of stock dividends, in which the company issues new stocks to existing shareholders in proportion of their existing shares ownership or cash dividends, in which case, the company pays some cash amount pay-out ratio to shareholder. From the investor’s perspective, dividends are return on the commitment of financial resources; for investment purposes.

Jabbouri (2016) defined dividend Payout Ratio as the "yearly dividends paid divided by Net income after tax". Based on the aforementioned definitions, this researcher defines dividend payout as the amount that is legally prorated by the company's management from its earnings which is set aside to the shareholders in proportion to their shareholdings as a reward for their investment.

In deciding firms‟ dividend payout ratio that is, what to pay and what to reinvest, managers must put into consideration certain factors. Gul (2016) perceived that corporate dividend decision is basically interested in prorating periodic profit after tax between retained earnings and dividend. Such decision is usually a function of many factors. Frankfurter (2013) sees these factors to be; needs for ownership control, liquidity status of the firm, legal consideration, investment opportunities, access to capital market, repayment period of debt, and cost of raising additional capital. However, the interaction amongst these factors is very paramount in corporate dividend decision. Supplementing the above, are corporate profitability, leverage, size and liquidity amongst others.

The size of firm plays a crucial role in the quantum of dividend to be paid to shareholders. The expectation is that, considering the largeness of a firm, it is presumed that it must have exhausted all its potentialities within and through diversification which is associated with stability of cash flow, economies of scale and less failure in some areas. In line with the above assertion, larger firms will have enough cash at their disposal from which dividend can be paid. In the quoted conglomerates Nigerian, it is observed that firms that are larger in terms of size, pay higher dividend compared to the smaller size firms.

Firms' profitability is a significant explanatory variable of dividend payout ratio. Scores of studies have shown over time that the more profitable a firm is, the more it's likely to give out a reasonable proportion of its earnings as dividend. A firm that is making losses will not be able to settle its obligations, and the issue of dividend will not arise except if the firm has made enough profit in the past which can be used for satisfying such contemporary needs. In a broader perspective, dividend payment is a product of profitability since profitability begets dividend. Most studies have documented profitability to be the most important characteristics influencing dividend payout of firms.

Dividends are considered crucial for investors in their investment decisions. Most investors look at the returns that will be due to them if they intend to acquire the share of a company. The higher the dividends paid, the more tempted investors are to invest in such establishment. Institutional investors are no exception to the dividend drive because they would desire more returns on their investment. Institutional owners are reputable investors with huge resources and man power that will give them the required expertise to invest and monitor their investment objectively. The presence of this group of investors serves as a control mechanism in the way and manner firms‟ resources are channeled and utilized. When resources are effectively and efficiently utilized, there are prospects of high earnings. Such high earnings have significant cum positive effect on the dividend payout ratio decisions. It can be said that institutional owners influences the dividend payout ratio positively.

2.1.6 Dividend Pay-Out Ratio

At the end of every financial year, firms; be it private or public has to make a decision regarding the quantum of earnings that will go to the shareholders in the form of dividend if, there are enough earnings. Such decision is aided by the particular dividend policy the firms adopt. Scores of researchers have their take on what dividend payout ratio is. Since dividend payout is a subset of dividend, it is pertinent to capture a comprehensive meaning of dividend. Nnali, Wogboroma and Kabel (2013) perceived dividend to represent returns that are due to shareholders as a result of committing their resources into a formal organization. It could be payment made out of firm’s earning, to its shareholders in form of either cash stock. This distribution called dividend are periodic cash payment made by companies to their shareholders and it is the product of profitability. This distribution may be in form of stock dividends, in which the company issues new stocks to existing shareholders in proportion of their existing shares ownership or cash dividends, in which case, the company pays some cash amount per share to shareholder. From the investor’s perspective, dividends are return on the commitment of financial resources; for investment purposes.

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2.2 Theoretical Framework

2.2.1 Modigliani-Miller Theory

The Modigliani-Miller theorem of capital structure is not a factor in its value. Market value is determined by the present value of future earnings the theorem states. The first proposition states that under certain conditions, a firm’s debt-equity ratio does not affect its market value (1958). The second proposition (1961) establishes that a firm’s leverage has no effect on its WACC and the third proposition (1965) establishes that firm market value is independent of its dividend policy. This theory assumes that there exists a perfect market where there is information symmetry, no taxes, no bankruptcy costs and no transaction costs. The value of the firm is therefore not affected by its capital structure but rather dependent on the ability of the firm’s assets to generate income.

Under the first proposition where there are no taxes, it is assumed that investors will value the firm based on its cash flows regardless of how the firm is financed. This is because there is no benefit of interest deductibility as a result of using debt as a source of financing. Firms would therefore be indifferent to the source of capital they choose (Chon, Jung, & Chen, 2015). The second proposition where the firm's cost of capital is independent of its financial leverage assumes that the cost of equity is a linear function of the firm's debt to equity ratio. The cost of debt is considered to be cheaper than the cost of equity because creditors have a preferential claim to the firm's income and assets compared to equity holders. As a result, the more debt a company uses the greater the cost of equity but the WACC remains the same. The third proposition where the value of the firm is independent of its capital structure concludes that given a firm's investment policy, the dividend pay-out it chooses to follow will neither affect the current price of its shares nor the total return to its shareholders (Luigi & Sorin, 2016).

In the real world, the assumptions made under the Modigliani-Miller theorem of capital structure do not exist. There exists information asymmetry, taxes, transaction costs as well as bankruptcy costs. This therefore means that the results of the Modigliani-Miller theorem of capital structure may not be practical and only exist in theory. In the presence of taxes and other market imperfections, this study seeks to establish the effect of capital structure on dividend payout ratio of firms listed at NSE.

2.2.2 Transaction Cost Theory

The theory suggests that each type of transaction produces coordination costs of monitoring, controlling and managing transactions. Firms may incur costs in distributing dividends while investors may incur costs in collecting and reinvesting these payments. Moreover, both firms and investors may incur costs when, due to paying dividends, the firm has to raise external finance in order to meet investment needs. Indeed, the transaction costs incurred in having to resort to external financing is the cost of dividend in Bhattacharya's (1979) model. In contrast, however, it may be argued that dividend are beneficial as they save the transaction costs associated with selling stocks for consumption purposes. Either way, if there are additional transaction costs that are associated with paying or not paying dividends, then dividend policy should impact earnings expectations and hence share price and firm value.

Alternatively dividends may influence value if dividend policy has an impact on management's investment decisions. For example, managers may decide to forgo positive net present value investments because dividend payments exhausted internal finance and raising external funds involves transaction or other costs. According to Miller and Rock (1985) the cost of dividends may arise from cutting or distorting the stock for consumption purposes. Fama and French (2001) noted that the decline over time in the benefits of dividends may increase tendency to hold stocks via mutual funds. Holding via these funds reduces the transaction costs associated with selling stock to meet liquidity needs investment decision. However, more typically, the transaction cost theory of dividend retains the assumption of a given level of investment, and focuses on the costs of raising external funds when the firm increases its dividend payment. Transaction costs include flotation costs to the firm of raising additional external finance such as underwriter fees, administration costs, management time, and legal expenses. Further, when the firm pays dividend and then has to raise additional external finance, existing shareholders suffer dilution of control. Thus to maintain control or for other reasons, existing shareholders may subscribe to the new issue, incurring trading costs such as stamp duty and stockbrokers' commissions. Ultimately all these transaction costs are reflected in the share price and firm value.

According to Rozeff (1982) dividend should only be paid when this does not result in shortage of internal funds that are required for investment. He suggested that firms that have greater dependency on external finance would maximise shareholder wealth by adopting lower pay-out policies. Leverage, growth potential and volatility are all factors that can increase dependency on costly external funds. High levels of leverage imply high fixed costs that the firm has to ensure it can meet. Growth potential means the firm is faced with good investment opportunities for which it requires funds. Similarly earnings volatility suggests that dependency on external finance is higher because there is less certainty regarding earnings to be generated. This implies that highly leveraged, risky or growth firms should be associated with conservative pay-out policies.

2.2.3 The Signalling Theory

The signalling hypothesis is associated with propositions put forward by Miller and Rock (1985), is useful for describing behavior when two parties (individuals or organizations) have access to different information. Under such conditions, the costly payment of dividend is used by managers, to signal information about the firm's prospects to the market. According to John and Williams (1985) a firm may be temporarily under-valued when investors have to meet their liquidity needs. If investors sell their holdings when the firm is undervalued, then there is a wealth transfer from old to new shareholders.

The signalling hypothesis can also explain the preference for dividends over stock repurchases in spite of the tax advantages (Stephens & Weisbach, 2000) and it is consistent with Lintner (1956) observation that managers are typically reluctant to decrease dividend levels. However, unlike regular dividends, repurchases and special dividends can be used to signal prospects without long-term commitment to higher pay-outs. Therefore announcements of increases in regular dividends signal permanent improvements in performance, and should be interpreted as confidence in the firm on behalf of managers thus triggering a price rise. Conversely, announcements of dividend decreases should be interpreted as signalling poor performance and lack of managerial confidence and should therefore trigger drops in prices. If changes in the levels of dividend release information to the market, then firms can reduce price volatility and influence share prices by paying dividends.

2.2.4 The Dividend Irrelevance Theory

Proposed by Miller and Modigliani in 1961, it argues that in a perfect market; one with independence of investment and dividend policies of firms, perfect capital markets, no taxes, information symmetry, no transaction or flotation costs and no agency costs or contracting cost associated with stock ownership, dividend payments will not affect firm value. It holds the belief that dividends don't have any effect on a company's stock price. A dividend is typically a cash payment made from a company's profit to its shareholders as a reward for investing in the company. The reason is that in the presence of perfect market conditions, investors can create their own dividends without cost. If investors want a dividend they can simply sell off some of their shares. Equally if investors are paid a dividend, which they do not want, they can merely use the dividend to purchase additional shares in the firm. So, if investors can create their own dividend policy without incurring extra costs, dividends are indeed irrelevant.

However the irrelevancy theory only holds in a perfect market where the seven assumptions hold. Nevertheless markets are not perfect and taxes and transaction costs do exist. Even so this does not make the theory less important. The dividend irrelevance theory supplies a framework through which one can test the implications of a violation of any of the assumptions Although it is extremely difficult to prove the proposition empirically, there exists in the literature, some empirical studies that have been conducted and which provide evidence in support of the MM hypothesis. Black and Scholes (1974) examined the relationship between dividend yield and stock returns of common stocks listed on the New York Stock Exchange for the period 1936-1966 and their results showed that the dividend yield coefficient was not significant either for the entire period or for any of shorter sub-periods. The results simply revealed that neither high-yield nor low-yield dividend payout seemed to influence stock prices (market values).

2.2.5 Clientele Effects Theory

This theory states that different policies attract different types of investors and changes to the policies will cause a shift in demand for the company’s stock by investors, thereby, impacting its share price. While some investors will prefer companies that pay significant amount of their earnings in form of dividends, other group of investors may prefer the ones that retain higher proportion of their earnings. The different tax treatment of dividends and capital gains is considered as an important factor in investors having different behaviours toward dividends and capital gains. For instance, firms that pay a large amount of their earnings as dividends will attract a client that prefers high dividend, while those in high-tax bracket will prefer firms that pay low dividends (or no dividends) and favour capital gains.

2.3 Empirical Review

2.3.1 Retained Earnings and Dividend Pay-Out Ratio

Dada and Malomo (2015) critically evaluated the determinants of dividend policy of Nigerian banks. The study was based on panel data of selected Banks that are listed on the Nigerian Stock Exchange (NSE) having financial data for 2008 to 2013 that was covered in the study. The appropriate diagnostic test on the data was conducted using the data Skewness and Kurtosis test of the data distribution normality while the relationship between the variables was tested using the panel least square regression analysis, however robustness of the result was confirmed with the correlation analysis. The study revealed that dividend payment is positively related with leverage, performance, corporate governance and last year dividend while it is negatively related with firm's liquidity. The study confirms the relevance of the Agency theory to the Banks Dividend Policy while the future dividend can be predicted based on the current dividend.

Yusof and Ismail (2016) investigated the determinants of the dividend policy of public listed companies in Malaysia. The factors examined in this study include earnings, cash flows, free cash flows, debt level, growth, investment, size, largest shareholders, risk and lagged dividend. Data were obtained from the relevant databases and annual reports of the sampled companies. The study examined a total of 147 listed companies. In analyzing the data, the study used fixed and random effects, pooled least squares model, robust standard errors on fixed effects and random-effects models. The results revealed the five factors (earnings, debt, size, investment and largest shareholder) have a significant influence on dividend policy, with earnings, firm size and investment revealed to have a positive significant effect, while debt and large shareholders have a negative significant effect.

Mui and Mustapha (2016) examined the determinants of dividend policy among public-listed firms in Malaysia. Secondary data was hand-collected from the annual reports of the listed firms for a period of five years. This study employed multiple regressions to estimate the relationship between the determinants and dividend pay-out decisions. The results indicated that investment opportunity, liquidity and firm size significantly influence the dividend payout of Malaysian listed firms.

Kuzucu (2016) examined determinants of dividend Policy Turkish Listed Firms using Panel Data Analysis for eight-year (from 2006 to 2013) from the Turkish stock market (Borsa Istanbul). The results show that financial leverage, size, growth rate, age, profitability, ownership structure and P/E ratio are statistically significant. The relationship of leverage, growth rate, profitability and family control with dividends is negative, whereas the relationship of size, age and P/E ratio is positive. Therefore, firms with higher debt ratios / growth rates / higher earnings are likely to retain more of their earnings. The study found that, as a firm matures, the availability of profitable projects reduces and earnings decrease. As the investment opportunities reduce, the need for resources decreases and the firm increases dividend pay-outs to shareholders.

2.3.2 Debt Equity and Divided Pay-Out Ratio

Soondur, Maunick and Sewak (2016) explored the determinants of dividend policy of companies listed on the Stock Exchange of Mauritius. The study used a sample size of 30 companies selected from the Stock Exchange of Mauritius using the regression analysis. The fixed and the random effect model were conducted to determine the effects of earnings per share, net income, retained earnings, cash and debt to equity on the dividend policy of the listed companies operating in the Mauritian Stock Exchange and for this purpose, companies' annual reports for the period 2009-2013 were used. Moreover, two measures of the dividend policy were considered namely the dividend per share and the dividend pay-out ratio. The study attempted to provide a comparison between the dividends policies of companies listed on the official market with that listed on the DEM. The findings show there is a significant negative relationship between companies' dividend policy and their retained earnings. Furthermore, the results indicated that there was no meaningful connection between the dividend policy and a company's cash and debt to equity ratio.

Mahdzan, Zainudin and Shahri (2016) examined the determinants of the dividend policies of public listed firms in Malaysia for the period 2005 to 2009. A panel regression estimation model was used to identify the determinants of dividend policy within Malaysian firms. These determinants were then examined across eight different industries – Technology, Industrial, Consumer Noncyclical, Basic Material, Communication, Consumer Cyclical, Diversified and Energy – to investigate possible divergences in the determinants of dividend pay-outs in the context of an emerging market. The study found that firm size, leverage position, and profitability are significantly and inversely related to the dividend policy of firms in Malaysia. However, the industry-specific determinants of dividend policy displayed a number of variances that could plausibly be used as an indication of the selection of stocks in specific industries by potential investors. The results indicate that agency cost is positively related to dividend policy for the Basic Material industry. In addition, size and leverage play an important role in determining dividend pay-out for firms in the Technology and Consumer Noncyclical industries. For the Industrial sector, the size and profitability significantly affect the dividend policy of firms. However, the results failed to display any significant results for the Energy and Consumer Cyclical industries.

Pandey and Ashvini (2016) analyzed the determinants of dividend policy (DP) of Fast Moving Consumer Goods sector in India. FMCG companies included in CNX FMCG the sectorial index for National Stock Exchange of India are fifteen and twelve companies have been taken for the study. The period of study considered was ten years from 2003 to 2012. Various factors affecting DP such as dividend pay-out ratio (DPR), debt equity ratio (DER), earnings (ERN), corporate tax (CT), earnings per share (EPS) and firm size (FS) were considered for analysis. The study revealed that DPR, DER, ERN, CT had significant impact on EPS and were also good predictors of dividend pay-out in FMCG sector. Ordinary

Least Square models were used to estimate the impact of DER, DPR, ERN, FS, and EPS and on the DP. The DP of overall FMCG sector is strongly influenced by DPR, DER, EPS, and CT, which reveals that the DP of FMCG sector is significantly influenced by the selected financial variables during the period of the study. The overall regression analysis shows that the determinants of DP are significantly and positively influenced by the DPR, DER and EPS.

Echchabi and Azouzi (2016) investigated the determinants of dividend pay-out among the Tunisian listed companies and particularly to inspect the influence of the Jasmine revolution on firms' dividend policies. The study employed panel data models using pooled data from the companies listed on the Tunisian Stock Exchange from 2003 through 2012. This specific study period has been selected because it includes the Arab uprisings events which started in Tunisia at the end of 2010. The findings indicated that net cash flow and market to book value have significant influence on the dividend pay-out, while the Jasmine revolution had no significant impact on the dividend pay-out among the Tunisian listed companies. Hence, the study provided insight on the possible influence of similar events on the dividend policy and the other factors that may influence its dynamics.

2.3.3 Gross Profit Margin and Pay-Out Ratio

Trang (2012) carried out a study on the determinants of dividend policy in Vietnam, an emerging stock market that was officially established in July, 2000. The study identified whether firms' characteristics and corporate governance affect their dividend payments. Firms' characteristics included profitability, firm size, debt level, liquidity, asset structure, industry type, growth opportunities plus business risk; corporate governance comprised of management ownership, ownership concentration, and board of directors along with audit quality. The study was based on a sample of 116 companies listed on the Hochiminh Stock Exchange (HOSE) and Hanoi Stock Exchange (HNX) for the year of 2009 in Vietnam. Being similar to studies in the US, the UK, Argentina, Tunisia and Poland, it was found that, in Vietnam, profitability influences positively and business risk impacts negatively on dividend disbursement. Moreover, there are relationships between industry type as well as audit quality and dividend payments.

Nnadi, Wogboroma and Kabel (2013) examined the determinants of dividend policy in African Stock Exchanges. Using available financial data of listed firms in the 29 stock exchanges in Africa, the study found similarities in the determinants of dividend policy in African firms with those in most developed economies. In particular, agency costs were found to be the most dominant determinant of dividend policy among

African firms. The finding is non-synonymous with emerging capital markets which have a high concentration of private ownership and trading volumes. The study also found that other factors such as level of market capitalisation, age and growth of firms, as well as profitability also play key roles in the dividend policy of listed African firms.

Elmi and Muturi (2016) investigated four theories which are dividend relevance theory, dividend irrelevance theory, free cash flows hypothesis and signalling theory. Descriptive research design was applied in this research study. The population for this study was ten commercial and services firms listed in the Nigerian Stock Exchange as at 31st December 2015. Data for these companies for ten years from 2005 to 2014 was used in the study. Both primary and secondary data were applied in the study. Data was collected from the audited financial statements of the commercial and services firms, Nigerian Stock Exchange and also made use of questionnaire design to extract information from the firms and also using secondary information from Capital Markets Authority. The study applied descriptive statistics and panel data analysis model. The study used panel data analysis and applied the fixed effects model. The study found that profitability was an insignificant factor in determining dividend pay-out. The study recommended that though profitability may not hurt the ability of the firm to pay dividends in the short term, continued poor performance will definitely affect pay-out negatively.

Murekefu (2016) did a study on dividend pay-out ratio and firm performance; he found that dividend pay-out affects the performance of the firm. It also showed that the cash dividends are the most commonly used forms of dividends amongst listed firms in Nigeria. Using 25 non-financial firms listed on the Nigerian Stock Exchange between 2004 and 2013. Panel data methodology was employed and pooled Ordinary Least Squares (OLS) was used to estimate the coefficients of explanatory and control variables. This research found major factors affecting dividend pay-out of listed firms are; Profitability, leverage, patterns of past dividends pay-out. He recommended that since firm size and debt are variables that can affect the financial performance of the firm, the firm should establish policies that will ensure proper use of debt and ensuring optimal debt level for the firm.

2.4 Research Gap

None of the above reviewed studies focused on capital structure and dividend policy. Studies have focused capital structure without linking it to dividend policy. They are however few studies that have been done on capital structure and dividend policy. This study aims to fill the existing gap by studying capital structure and dividend policy of firms listed in the Nigerian Stock Exchange.

Summary of the Review

S/N	Author	Date	Objective	Method	Findings
1	Dada and Malomo	2015	Determinants of dividend policy of Nigerian banks	Skewness and Kurtosis test	Dividend payment is positively related with leverage, performance, corporate governance and last year dividend while it is negatively related with firm's liquidity.
2	Yusof and Ismail	2016	The determinants of the dividend policy of public listed companies in Malaysia	Fixed and random effects, pooled least squares model	Earnings, debt, size, investment and largest shareholder) have a significant influence on dividend policy, with earnings, firm size and investment revealed to have a positive significant effect
3	Mui and Mustapha	2016	Determinants of dividend policy among public-listed firms in Malaysia	Multiple regressions	Investment opportunity, liquidity and firm size significantly influence the dividend payout
4	Kuzucu	2016	Determinants of dividend Policy Turkish Listed Firms	Panel Data Analysis	Financial leverage, size, growth rate, age, profitability, ownership structure and P/E ratio are statistically significant.

5	Soondur, Maunick and Sewak	2016	Determinants of dividend policy of companies listed on the Stock Exchange of Mauritius	Regression analysis	There is a significant negative relationship between companies' dividend policy and their retained earnings
6	Mahdzan, Zainudin and Shahri	2016	The determinants of the dividend policies of public listed firms	Regression analysis	Firm size, leverage position, and profitability are significantly and inversely related to the dividend policy of firms
7	Pandey and Ashvini	2016	Determinants of dividend policy (DP) of Fast Moving Consumer Goods sector	Ordinary Least Square	DPR, DER, ERN, CT had significant impact on EPS
8	Echchabi and Azouzi	2016	The determinants of dividend pay-out among the Tunisian listed companies and particularly to inspect the influence of the Jasmine revolution on firms' dividend policies	Ordinary Least Square	That net cash flow and market to book value have significant influence on the dividend pay-out, while the Jasmine revolution had no significant impact on the dividend pay-out
9	Trang	2012	Determinants of dividend policy in Vietnam	Ordinary Least Square	Profitability influences positively and business risk impacts negatively on dividend

					disbursement
10	Nnadi, Wogboroma and Kabel	2013	The determinants of dividend policy in African Stock Exchanges	Regression analysis	Agency costs were found to be the most dominant determinant of dividend policy among African firms
11	Elmi and Muturi	2016	Investigating four theories which are dividend relevance theory, dividend irrelevance theory, free cash flows hypothesis and signalling theory	Panel data analysis model	Profitability was an insignificant factor in determining dividend pay-out
12	Murekefu	2016	Dividend pay-out ratio and firm performance	Ordinary Least Squares	Major factors affecting dividend pay-out of listed firms are; Profitability, leverage, patterns of past dividends pay-out

CHAPTER THREE

METHODOLOGY

3.1 Research Design

The ex-post factor research design is used in this study due to the fact that the variables cannot be manipulated by the researcher. This method was adopted to avoid bias and interference with the research process.

3.2 Population of the Study

The population of this study consists of Nigerian listed companies in Nigeria Stock Exchange as at 31st December, 2020. The population comprises of 156 firms listed in Nigeria Stock Exchange.

3.3 Sample Size and Sampling Technique

Ten (10) companies used for the analysis of the study are Nestle Nig Plc, PZ, Guinness Nig Plc, Nigeria Breweries, Unilever, Cadbury, CAP Plc, Beta Glass Plc, Berger Paints and Austin Laz & Co Plc. In selecting the sample, the study will utilize the simple random sampling technique.

3.4 Sources of Data Collection

The secondary source of data collection was used for this study where data were gathered from annual reports of selected listed companies in Nigeria. However, for the purpose of this study, 5 years (2016 – 2020) annual reports of 10 selected companies were extracted.

3.5 Method of Data Analysis

Consistently, this study used robust Ordinary Least Square (OLS) multiple regression technique of analysis using panel-data. The choice of OLS as a tool of data analysis in this aspect is informed by the effectiveness of the technique in testing relationships among theoretically related variables and estimating the effects of one variable on the other.

3.6 Model Specification

In order to test the hypotheses formulated in the study and to achieve the objectives of the research, the following model is used;

$DPO_{it} = \alpha + \beta_1 REit + \beta_2 DEit + \beta_3 GPMit + \mu_{it}$……..i

Where;

DPO_{it} = Dividend pay out

RE_{it} = Retained earnings

DE_{it} = Debt-equity

GPM_{it} = Gross profit margin

α = intercept

$\beta_1 - \beta_3$ = Coefficients and;

μ_{it} = Error term or residual

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND HYPOTHESIS TESTING

4.1 Data Presentation and Interpretation

The descriptive statistics from Table 1 indicates that the dividend pay-out (DPO) of the sample deposit money firms has an average value of 0.0389 (3.89%) with standard deviation of 0.0604, signifying that the data deviate from the mean value from both sides by 6.04%. The minimum value and maximum financial performance of the sample firms during the period are -14.44% and 26.59% return on assets respectively.

The table also indicates that the minimum and maximum values of the retained earnings (RE) are 4 and 6 members respectively, with the mean value of 5.5 and standard deviation of 0.6079. This indicated that the RE of the sampled firms deviates from the mean by 0.6079. The table shows that the 58.57% of the sample firms have valid gross profit margin, from the mean value of 0.5857 with standard deviation of 0.4962 and minimum and maximum of 0 and 1 respectively.

The description of the data collected for the study is presented and discussed in this section; the summary of the descriptive statistics of the data collected is presented in Table 1 as follows;

Table 1: Summary of Descriptive Statistics

Variables	Mean	SD	Min.	Max.	OBS
DPO	0.0382	0.0604	-0.1444	0.2659	70
RE	5.5020	0.6079	4.0000	6.0000	70
DE	0.7031	0.4616	0.0000	1.0000	70
GPM	0.5857	0.4962	0.0000	1.0000	70

Source: Computed result (2022)

However, the study employed the Shapiro Test for Normal Data to check the normality of the data. The technique test the null hypothesis (that the data is normal), that is, the variables came from a normally distributed population. It indicates that the data from DPO and RE are not normally distributed, because the P-values are statistically significant. On the other hand, the data from DE and GPM variable are normally distributed because they are not statistically significant at all levels of significance. Thus, the null hypothesis (that, the data is normally distributed) is not rejected.

Correlation Results

The summary of the Pearson correlation Coefficients of the variables of the study are presented in Table 2 as follows;

Table 2: Correlation Matrix

Variables	DPO	RE	DE	GPM
DPO	1.0000			
RE	-0.0611	1.0000		
	(0.6154)			
DE	0.8162	-0.1205	1.0000	
	(0.0000)	(0.3203)		
GPM	0.2834	0.0301	-0.0741	1.0000
	(0.0174)	(0.8048)	(0.5418)	

Source: Computed result (2022)
P-Values in Parentheses

Table 2 indicates a negative relationship between retained earnings (RE) and dividend pay-out of the sample firms, from the correlation coefficient of -0.0611, which is not statistically significant at all levels of significance (p-value of 0.6154). Although the result lacks significance, it indicates that the retained earnings during the period of the study did not improve the divided pay-out ratio. The result from the table also indicates that there is a significant positive association between debt-equity (DE) and the dividend pay-out of the sample firms during the period, from the correlation coefficient of 0.8162, which is statistically significant at 1% level of significance (p-value of 0.0000).

Moreover, the table shows a significant positive association between dividend pay-out (DPO) and gross profit margin (GPM) from the correlation coefficient of 0.2834 which is statistically significant at 5% level of significance (p-value of 0.0174). This implies that, gross profit margin significantly influence the dividend pay-out of firms under review.

Regression Results

In this section, the hypotheses formulated for the study are tested; the section begins with the discussion of the regression model summary.

Table 3: Regression Model Summary

Variables	Statistics	Prob.
R2	0.8079	
F-Statistic	846.39	0.0000
Mean VIF	1.77	
Hettest: Chi^2	5.25	0.0220
Random Effect: $Chibar^2$	0.03	0.4278

Source: Computed result (2022)

Table 3 shows that OLS model fit the study well as indicated by the Breusch and Pagan Lagrangian Multiplier Test for Random Effects, from the Chibar2 of 0.03 with p-value of 0.4278, implying that random effect regression model is not the most appropriate model for the study. The table on the other hand shows the presence of the problem of heteroskedasticity, as evidence by the Breuch Pagan/Cook-Weisberg Chi^2 of 5.25, with p-value of 0.0220; that is, the variance in the residuals is not constant. However, this is corrected using robust OLS (heteroskedasticity corrected standard errors) model. Similarly, the results from table 4 indicated the absence of perfect multicollinearity among the independent variables, because the mean Varince Inflation Factor (VIF) is 1.77.

The results from table 4 indicate that the explanatory variables of the study accounted for 80.79% of the total variations in the divided pay-out of the sample firms in Nigeria, from the coefficient of multiple determinations (R square of 0.8079). Similarly, the results from the table shows that the model is fit as indicated by the F-Statistic of 846.39 which is statistically significant at 1% significance level (as indicated by the P-value of 0.0000).

4.2 Hypotheses Testing

In this section, the analysis and test of the research hypotheses are conducted using the results of table 4.

Table 4: Robust OLS Regression Coefficients

Variables	Coefficients	T	Prob.
RE	0.0073	1.10	0.277
DE	1.3563	4.93	0.000
GPM	0.1016	3.72	0.000
CONSTANT	-0.0321	-0.93	0.355

Source: Computed result (2022)

Hypothesis One

H_O: Retained earnings has no significant effect on dividend pay-out ratio in Nigerian listed companies.

Table 4 indicated that the size of the audit committee (RE) of the sample deposit money firms in Nigeria has positive effect on the dividend pay-out of the firms, from the coefficient of 0.0073 with t-value of 1.10 which is not statistically significant at all levels of significance (p-value of 0.277). This implies that when the retained earnings is increased by one unit, dividend pay-out increases by 0.73%, but is not statistically significant at all levels. In view of this, the study failed to reject the null hypothesis one (H_0), which states that retained earnings has no significant effect on dividend pay-out ratio in Nigerian listed companies.

Hypothesis Two

H_O: Debt equity has no significant effect on divided pay-out ratio in Nigeria listed companies.

The result from Table 4 indicated that the debt-equity (DE) has significant positive effect on the dividend pay-out of the firms, from the coefficient of 1.3563 with t-value of 4.93 which is statistically significant at 1% level of significance (p-value of 0.000). This suggests that when the debt-equity is increased by one unit, dividend pay-out increases by 1.35%. Based on this, the study rejects the null hypothesis two (H_O) and accepts the alternative which states that debt equity has significant effect on divided pay-out ratio in Nigeria listed companies.

Hypothesis Three

H_O: Gross profit margin has no significant effect on pay-out ratio in Nigeria listed companies.

Table 4 indicated that the gross profit margin (GPM) has significant positive effect on the dividend pay-out ratio of the firms, from the coefficient of 0.1016 with t-value of 3.72 which is statistically significant at 1% level of significance (p-value of 0.000). This suggests that when the gross profit margin is increased by a unit, dividend pay-out increases by 0.10%, suggesting that, the higher the gross profit margin of firms, the higher the dividend pay-out and, it is statistically significant. Based on this, the study reject the null hypothesis three (H_0) and accept the alternative which states that gross profit margin has significant effect on pay-out ratio in Nigeria listed companies.

4.3 Discussion of Findings

The findings of this study revealed that retained earnings have no effect on dividend pay-out ratio in Nigerian listed companies. This is in disagreement with the findings of Yusof and Ismail (2016) whose result revealed that five factors (earnings, debt, size, investment and largest shareholder) have a significant influence on dividend policy, with earnings, firm size and investment revealed to have a positive significant effect, while debt and large shareholders have a negative significant effect.

The findings also revealed that debt equity has effect on divided pay-out ratio in Nigeria listed companies. This negates the findings of Soondur, Maunick and Sewak (2016) whose result revealed that there is no meaningful connection between the dividend policy and a company's cash and debt to equity ratio.

The findings further revealed that gross profit margin has effect on divided per share in Nigeria listed companies. This result negates the result of Elmi and Muturi (2016) whose findings revealed that profitability is an insignificant factor in determining dividend pay-out.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Summary of Findings

The following are the summary of findings of the study:

i. Retained earnings have no effect on dividend pay-out ratio in Nigerian listed companies.

ii. Debt equity has effect on divided pay-out ratio in Nigeria listed companies.

iii. Gross profit margin has effect on divided per share in Nigeria listed companies.

5.2 Conclusion

Dividend policy in Nigeria is influenced by dynamic factors mentioned in the analysis while the knowledge of the true determinants of dividend policy is necessary to proffer a long term solution to the inconclusive nature of the debate on the relevance of dividend policy to corporate performance in Nigeria.

Dividend policy has been an issue of interest in financial literature since Joint Stock Companies came into existence. Dividends are commonly defined as the distribution of earnings (past or present) in real assets among the shareholders of the firm in proportion to their ownership. Dividend policy connotes to the payout policy, which managers pursue in deciding the size and pattern of cash distribution to shareholders over time. Managements‟ primary goal is shareholders‟ wealth maximization, which translates into maximizing the value of the company as measured by the price of the company's common stock. This goal can be achieved by giving the shareholders a "fair" payment on their investments. However, the impact of firm's dividend policy on shareholders wealth is still unresolved

These dividends may take the form of cash assets, other than cash or additional shares of the corporations, stocks. The usual way of distributing dividend is in the form of cash dividend, the declaration and payment of dividend is at the discretion of the board of directors. Generally, owners of this corporation purchase their shares because they know they can count on the regular receipt of dividends. In most cases they use these regular cash inflows from dividend as a means of livelihood and for further investment.

The board of directors who are ultimately responsible for setting dividend policy can chose not to pay any dividend using the firms earning to acquire additional asset instead. Dividends are payments made by the corporation to its shareholders when a company earns a project or surplus and such money can be used as retained earnings. Hence the ability of the company to pay dividend can be stated to measure the sounded and profitability of a company

5.3 Recommendations

The following recommendations are hereby made:

i. The firms should pay as at when due the dividend accrued to the shareholders in order to reward their patronage.

ii. Companies should adopt stable dividend policies because the company which pays stable dividends will have positive impact on shareholders wealth and firms value.

iii. Corporate bodies should pay attention to dividend payout in order to maintain and sustain their shareholders and attract prospective investors.

5.4 Suggestions for Further Studies

The following areas are suggested for further studies:

- Capital structure and dividend policy decision
- Dividend policy and corporate performance in Nigerian listed firms

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