



[Summary]

Dividend decision in financial management

Subject:	Business Economics
Course:	B.A., 3rd Semester, Undergraduate
Paper No. & Title:	Paper – 303 Business Finance
Unit No. & Title:	Unit – 4 Dividend Decision
Lecture No. & Title:	Lecture – 1 Dividend decision in financial management

Summary

1. Dividend is the part of profit distributed among shareholder after deducting tax.
2. Types of dividend: cash, stock, scrip, property, and optional.
3. Dividend policy means the policy which is frame for the declaration of dividend.
4. There are various factors that affect the dividend decision they are external and internal environment of business.
5. There are four types of dividend policy: regular, irregular, stable and no dividend policy.
6. There are two types of dividend decision model: relevance model and irrelevance model.
7. Cost of capital and dividend decision is related.
8. Rate of return of any investment depends on the capital structure of the company.
9. According to walter's and gordan's model the dividend is relevant with the share price of the firm.
10. According to M.M. model the dividend is irrelevant with the share price of the firm.