

# **Dividend Decision and Value of the firm \_ an empirical study in Indian Investors**

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## **Abstract**

The term “Dividend Decision or policy” is a kind of strategy in which a firm or a company utilises to organise its dividend payments to the consumers or shareholders. In this case, some investigators recommend that the dividend policy may be inconvenient or irrelevant according to the theory, as the investor can sell a part of their shares as per the necessity of the funds or capitals of them. Furthermore, the dividend policy is attentive towards the economical guidelines in respect of providing cash dividend payments at present or contributing an onward dividend at the later phases. Simultaneously, the issuance of the dividend payment structure is chiefly concentrated on the basis of the firm’s unoccupied cash and affected through the firm’s long-term earning capacity. But, whenever the surplus amount remains and is not required by the firm, then the authority is envisaged to contribute some or all of those excess earnings in the form of cash payments of dividends or repeatedly buying the company’s share throughout a share buyback or repurchase activities. At the same time, the term “Value of the Firm” is a calculation of the firm’s entire value and frequently utilised as a more apprehensive variation to the equity finance market. Practically, the firm value not only incorporates the measurement of the market investment of a company, but also includes the short and long-term liability as well as any fund of the company’s financial report together. In short, the ‘Value of the Firm’ is a kind of reputed metric utility on behalf of the valuation of a company for the probable acquisition. The primary objectives of the endeavours here is to analyze the views of the Indian investors, corporate executives and financial analysts quintessentially which reveals the grassroots level messages to the higher corporate executives and financial analysts as well. The endeavour deals with mainly to evaluate the views of Indian investors, company executives and stock market analysts towards dividend decisions and to analyze dividend decisions and value of the firm.

**Keywords:** Dividend Decision, Value of the firm, Investors, Company executives, Stock market analysts, Respondents.

## 1. Introduction

The investor is an individual or different entity like firm who executes fund with the probability of accepting dividend returns from their investment. However, the characteristics are a kind of feature or standard belonging towards an individual, thing or atmosphere and following to point out them significantly. Simultaneously, there are so many characteristics of a good investor. But the average investor utilizes their capital and invests the rest of the amount as well. At the same time, a good investor invests his major capital and utilizes the rest amount. According to this way, some investors have acquired millions of assets whereas some investors have lost their huge amount of resources. However, the principal characteristics of a good investor have been discussed here as- a good investor must have a distinct target. At the same time, this is much essential to have a strategy to acquire the targets. Yet, the variations protect most intentionally to divert the investors from their list of items or schedules. Furthermore, the plan or course of action within a certain period of time for a definite return rate on investment is a character of a good investor. Because, they are already anxious on behalf of the changeability or variability of the market whenever the schemes are generally made to take into account on both the aspects. Secondly, knowledge is the most important thing for being a good investor. Because, it means that a good investor should contain the perfect knowledge about the market. Simultaneously, he or she must appreciate the situation or standpoint of capitals and investigate about the firm's investment technique as well as theory. At the same time, one needs to understand the place in which his or her capital is being used or invested. Moreover, a good investor experiments the development model of the firm over the periods of time from authentic origins. Besides these, a good investor must have a certain plan for going out on account of knowledge and expectation respectively. Thirdly, the right decision plays an essential role to become a good investor. A good investor understands the exact time concentrating the framework in the market. Always, they use to modernize their knowledge about operations as well as improvement together. In addition, a sound appreciation of aptitudes generally uses to facilitate the investors to take care of their schemes and agree with the investment tenure at the same moment. Simultaneously, the appreciation of present inclinations as well as market situation makes someone to become a good investor accordingly. At the same time, they understand their errors or inaccuracy and realize not to make them repeatedly. But it is not mandatory that the good investor must jump towards the propensity or leaning. Always, they should select the right one. Fourthly, the patience possesses an indispensable position on behalf of being a good investor. As per the approach, a good investor creates the asset throughout the duration of time because of his patience as well. Possibly, this is an excellent standard of a good investor. But it is absolutely true that a good investor has always trust in his own plan and program respectively. Finally, the risk aversion contains a major role on behalf of a good investor. It is always known by the good investors that there is profound risk to invest their capital. Also, they can appreciate their plan and scrutinize their desired return rate. Moreover, the risk averse is a kind of standard fabricated by sagacity, consciousness and belief together over the above spoken principal or major characteristics gradually.

However, the endeavours deals with some relevant literature review, General Information of the respondents, sample selection for the investors, an expert or stock market analyst and company executives, Stock Market reactions and concluding remarks respectively.

## 2. Literature Review

**Pettit (1972)** perceived that the dividend has a positive impact on the value of the firm. Also, the study or thesis admits the increased rate of dividend raised the stake holders' value as well as ultimately value of the firm.

**Black and Scholes (1974)** executed that the dividend policy has no effect on the value of the firm with an unfavourable tax environment where the tax on income is higher than that of capital gain as well.

**Foster and Vickery (1978)** studied the daily share price behaviour on announcement of stock dividends throughout examining the market reaction around the declaration of date as well as ex-date together. Moreover, they studied a sample of 82 companies that paid the stock dividends towards firms during period of 1972-74 gradually. In fact, they executed a positive and unexpected return subsequent to the declaration date instead of ex-date.

**Woolridge (1983)** analyzed or explained the effect of stock dividend announcements on stock returns.

**Poterba and Summers (1984)** investigated that the increase rate of dividend reduced or diminished the value of the firm when tax on income is higher than that of capital gain.

**Grinblatt et al. (1984)** examined or illustrated the stock dividends during the period of 1967-76 to study the market response or feedback as well.

**Woolridge and Ghosh (1985)** developed a theory in which they explored the dividend and stake holder's concern value negatively. But the study or analysis also reveals the increased rate of dividend and the stake holder's value is decreased by it.

**Sloan (1987)** conducted a study or analysis on the Australian share price behaviour towards the ex-date of stock dividends accordingly.

**Lasfer (1995)** discerned or viewed that the declaration of dividend puts a negative impact on the value of a firm. In this manner, the increased rate of dividend brings down to the value of the firm as usual.

**Papaioannou et al. (2000)** conjectured the influence of stock dividend distributions on the market price as well as trading volume pertaining to the companies listed on Athens Stock Exchange generally.

**Bell and Jenkinson (2002)** extended that the dividend and the value of a firm have an opposite relation towards the unfavourable tax environment in which the tax on income is higher than that of capital gain.

**Brealey et al. (2008)** executed a negative relation with the dividend and the value of the firm through an environment in which tax on income is higher than that of capital gain.

**Joshiyura (2008)** scrutinized the influence of stock dividends on stock price as well as liquidity all together. However, the study or hypothesis observed a significant, positive and abnormal

**Connelly et al. (2010)** viewed or commented that the dividends as a device of signal towards outside shareholders and they are willing to abdicate or discontinue their private benefits of control also.

**Mustafa and Al-Qudah (2011)** examined or illustrated the determinants of capital structure of Jordanian mining and extraction industries together.

**Nirmala et al. (2011)** developed in their study that the dividend and stakeholder's value are positively connected with each other. Moreover, the value is increased throughout the dividend growth rate of investors or shareholders.

**Ray (2011)** inaugurated in his study that the dividend cannot play any role on investors. Apart from these, both the dividend and stakeholder's value are not related with each other. Furthermore, the study or analysis concludes that the investors cannot gain through the stock dividends announcements positively.

**Jain (2012)** constituted that though the firms are reluctant to decrease the rate of dividend yet it pays a very little. Even, it may be nil including high growth as well as investment opportunities towards financial organizations which have a lot of investments opportunities.

**Mehta et al. (2014)** initiated a puzzle in their study. In fact, the study or thesis vindicated or instituted a positive correlation with the declaration of dividend and stakeholder's value simultaneously. Practically, the findings also manifest that the announcement of stock dividends in India reduces or diminishes the viability of returns for the short run as well as long run procedures.

**Ullah et al. (2015)** constituted that the dividend has zero effect towards the market of signal and share price gradually. Also, the study manifests that the positive signal of a payment of dividend reduces the earning capability of the firm which has a negative signalling effect.

**Yahya and Ghazali (2015)** argued or viewed that the best measure of firm's performance is shareholder's return and dividend carries a positive signal towards the market.

**Ahmad et al. (2015)** executed that the dividend payment holds a negative influence on firm's earnings or incomes.

**Donatiello et al. (2016)** established that though the stock returns have a positive signal yet the accounting-based operating measures are more effectual generally.

**Osamwonyi and Lola-Ebueku (2016)** perceived that the firm's earnings and dividend policy have a negative correlation and it may be continued for a long-term share price too.

**Baker and Kapoor (2019)** inaugurated throughout their study or analysis that the stable earnings incorporating past dividend pattern and even expected future earnings play an important or essential role in case of Indian Dividend Policy.

**Roy (2019)** study found that before taking any investment decision the managers should take care of the key factors like earning level of the firm, cash flow, financial needs of the firm, etc. of the firm.

**Dabrowska et al. (2020)** inspected through their study that the cash flow, company growth, liquidity, profitability ratio etc. have a significant role in terms of providing dividend payments.

**Mustafa Al-Sharif (2020)** reveals or exposes throughout his study or thesis that the debt ratio, net profits and the size or volume of the firm have a significant role in Islamic Banks.

**Roy (2020)** study found that the dividend decision has a positive role in Indian stock market. So the managers should take care of it to increase the stakeholders' value.

### **3. Objectives of the Study**

The term 'objectives of the study' has various meanings in the midst of humanity as well as social sciences together. At the same time, the objective may also be the hypothesis or conjecture that exactly or accurately illustrates about the practical incidents and they also may be differed from proposal, publicity, discussion and deception respectively. Hence, all these ideas of an objective research occupy some essential appearances to fulfil the research work entirely. The primary objectives of the study which was to analyze the views of the Indian investors, corporate executives and financial analysts quintessentially which reveals the grassroots level messages to the higher corporate executives and financial analysts as well. The endeavour deals with mainly to-

- evaluate the views of Indian investors, company executives and stock market analysts towards dividend decisions.
- analyze dividend decisions and value of the firm.

### **4. Primary Survey**

#### **4.1 Sample Selection for the Investors, Expert or Stock Market Analyst and Company Executives**

Practically, the sample selection is a kind of 'disposition' generated by opting the limited data on behalf of statistical assumption. Also, the disposition continues for the sake of a mistake in case of sample selection procedures where the data section is structurally ostracized by virtue of a certain idiosyncrasy. But the elimination of the section can impact on the statistical implication of the test or generate the perverted consequences. Moreover, a sample mentions to a little and attainable model of an enormous category. This is a kind of subcategory involving the features of immense citizens. Yet, the samples are utilised in statistical evaluation while the inhabitant volumes are too large on behalf of the experiment to involve all the probable inspections. Simultaneously, a sample should manifest the inhabitant as a whole without reverberating any preference towards the particular quality. Furthermore, a sample is a neutral number of reflections taken from the citizens or inhabitants. According to the basic term, a citizen is the entire number of persons, beasts, surveillance, articles or things and information of any provided matter. Hence, the sample is alternatively a section, division or inconsistency of the entire community and functions as a subsidiary or subcategory of the inhabitant. At the same time, the samples are utilised in a diversity of arrangements where the research is guided generally. Practically, the research groups, economists, scientists and government agencies or institutions are among those who utilise the samples on behalf of their thesis and evaluations at the same time. In addition, a company official is someone who controls an office in an institution or a government and performs in the movement of jurisdiction. Furthermore, a government official is an official who is tangled in common people administration or superintendence either by balloting, assignment, choosing or recruitment gradually. Besides this, a public servant is a member of ministry or authority or regulatory also. But an elected official is a person who is an official for the sake of an election. Also, the officials or official members may also be delegated as an ex-officio member and many official places may be rooted. Side by side, the present official members may be addressed as an urgent. According to Roman Antiquity, an official was the official language for any associate of the office of a high designation just an administrator.

#### 4.2 General Information of the Respondents

##### (i) **Gender (V1.3)**

Actually, the gender is a social as well as cultural formulation of what it explains to be as male or female involving the nature, assumption and attitude respectively. Moreover, it also represents the man and woman association of a given topic. Absolutely, the gender is important in a research work because of its distinct manifestation of both the male and female investment ratio together.

Gender	Frequency	Percent	Valid Percent	Cumulative Percent
Male	467	74.1	74.1	74.1
Female	163	25.9	25.9	100.0
<b>Total</b>	<b>630</b>	<b>100.0</b>	<b>100.0</b>	

From the above table, it is clear that majority of the respondents (74.1%) are male community which clearly indicates the demographical segments of the respondents and it may indicate that the men are more aware and curious about the stock market.

##### (ii) **Age (V1.5)**

After all, the age is recognized as the duration of individual life calculated through years from its birthday and generally portrayed by a particular period or dimension of spiritual or physical improvement and concerning the legitimate liability as well as efficiency at the same moment. But the wealth allocation through age acts as an essential role in creating a sound retirement skill of deposit or investment. Because, the investment on behalf of retirement is vital at any age but the same skill should not be utilized by someone in their day to day life together.

Age	Frequency	Percent	Valid Percent	Cumulative Percent
Below 25	97	15.4	15.4	15.4
25 to below 35	176	27.9	27.9	43.3
35 to below 45	165	26.2	26.2	69.5
45 to below 55	163	25.9	25.9	95.4
55 and above	29	4.6	4.6	100.0
<b>Total</b>	<b>630</b>	<b>100.0</b>	<b>100.0</b>	

Here, the above table reveals about most of the respondents (80%) are within the age bracket of 25 to below 55 years which clearly indicates the gravity of the age and it may also indicate that the age group of 25 to below 35 years, 35 to below 45 years and 45 to below 55 years respondents who are more aware and curious about the Stock Market. Despite that, the respondents from above 55 years are the lowest (4.6%) from below 25 years are remarkably high (15.4%) which clearly indicates the respondent's demographical spirit.

##### (iii) **Marital Status (V1.6)**

However, the marital status is a kind of clear choices which represent an individual's affinity with another crucial one. Simultaneously, the term is utilized in terms with the compositions or shapes, important records and miscellaneous reports to specify a human being is married or unmarried. After all, this type of status of an individual always manifests that how much responsible he or she is or not.

Marital Status	Frequency	Percent	Valid Percent	Cumulative Percent
Married	418	66.3	66.3	66.3
Unmarried	209	33.2	33.2	99.5
Others	3	0.5	0.5	100.0
<b>Total</b>	<b>630</b>	<b>100.0</b>	<b>100.0</b>	

From the above table, it is clear that majority of the respondents (66.3%) are married which clearly indicates the societal status of the respondents and it may also indicate that the married people are more aware and curious about the stock market as well.

**(iv) Educational Qualification (V1.7)**

In fact, the education is the method of simplifying and learning the achievement of awareness, techniques, standards, faiths and practices respectively whereas the qualification is the only method of modification on behalf of fulfilment or a certificate demonstrating towards that accomplishment or attainment. In addition, both the quality helps to an inventor to choose the exact profit-making company in which their capital is being invested.

Educational Qualification	Frequency	Percent	Valid Percent	Cumulative Percent
Below Graduation	2	0.3	0.3	0.3
Graduation	160	25.4	25.4	25.7
Masters and above	457	72.5	72.5	98.3
CA/CS/CMA	8	1.3	1.3	99.5
Others	3	0.5	0.5	100.0
<b>Total</b>	<b>630</b>	<b>100.0</b>	<b>100.0</b>	

From the above table, it is clear that a great chunk of the respondents (72.5%) are Masters and above which clearly indicates the gravity of the qualification Masters and above of the respondents and it may also indicate that the qualification with Masters and above respondents are more aware as well as curious about the Stock Market. Though, the respondents from Below Graduation are the lowest from the graduations yet they are remarkably high (25.4%) which clearly indicates the respondent's quality of education.

**(v) Status of Respondents (V1.8)**

Basically, a respondent is an individual who is summoned to expose a response towards contact made with one another. Obviously, the word is utilized in term of legitimate facts or state of affairs, in survey procedure and in rational governing respectively. Furthermore, the respondent's feedback is required to a company due to increase their consumer support as well as the capital improvement.

Status of Respondents	Frequency	Percent	Valid Percent	Cumulative Percent
Investor	285	45.2	45.2	45.2
Expert / Stock Market Analyst	240	38.1	38.1	83.3
Corporate Executive	105	16.7	16.7	100.0
<b>Total</b>	<b>630</b>	<b>100.0</b>	<b>100.0</b>	

The above table reveals that a great part of the respondents (45.2%) are investors which clearly indicates the category of the respondents and it may also indicate that the investors are more aware as well as curious about the Stock Market. Though, the respondents from the Corporate Executive are the lowest (16.7%) yet the Experts or Stock Market Analysts are remarkably high (38.1%) which clearly indicates the respondent's category of gravity.

**(vi) Working Sector (V1.9)**

Realistically, the working sector is best described as the kind of ownership position of the organization in which he or she works. Also, this may play a key role in terms of the investment decision.

Working Sector	Frequency	Percent	Valid Percent	Cumulative Percent
Private Sector	96	15.2	15.2	15.2
Government / Public Sector	335	53.2	53.2	68.4
Self Employed	145	23.0	23.0	91.4
Business man	11	1.7	1.7	93.2
Others	43	6.8	6.8	100.0
<b>Total</b>	<b>630</b>	<b>100.0</b>	<b>100.0</b>	

From the above table, it is clear that most of the respondents (76%) either from Government / Public Sector or Self Employed which clearly indicates the gravity of their working sectors and it may also indicate that the respondents from Government / Public Sector and Self-Employed sectors are more aware and curious about the Stock Market. Though, the respondents from the Business man are the lowest (1.7%) yet the respondents from the Private Sector are remarkably high (15%) which clearly indicates the respondent's needs, knowledge or the curiosity over the sectors gradually.

**(vii) Job experience / experience as an Expert or Analyst (V1.12)**

Usually, the job experience is a kind of experience which is an individual achievement at the time of working in particular work or employment. But the exposure is extensively utilized to explain a kind of participant's work which is generally desired for young generation as well as frequent students to receive an emotion on behalf of professional working circumstances. However, the job experience of an employee assists to the investor by providing good conduct about the investment risks, advantages and so on.

Experience	Frequency	Percent	Valid Percent	Cumulative Percent
Below 10 years	274	43.5	43.5	43.5
10 to below 15 years	116	18.4	18.4	61.9
15 to below 20 years	82	13.0	13.0	74.9
20 to below 25 years	133	21.1	21.1	96.0
25 years and above	25	4.0	4.0	100.0
<b>Total</b>	<b>630</b>	<b>100.0</b>	<b>100.0</b>	

The above table reveals that a great chunk of the respondents (43.5%) are below 10 years which clearly indicates the investment decisions in terms of the stock markets which are usually being taken within the prime life of services and it may also indicate that the juniors or having a lower experienced employee are more aware and curious about the Stock Market as well. Though, the respondents from an experience of 25 years and above are the lowest (4%) yet 20 to below 25 years



are remarkably high (21.1%) which clearly indicates the respondent's demographical curiosities, vigour and spirits together.

**(viii) Preferred Stock Exchange of the Respondents (V1.13)**

There are miscellaneous options and one should choose the most essential one. But the investors have to aware about the entire variations of investment preferences and how these can be opted for the motive of acquiring the overall destinations. If the investor receives the proper way or preferred area of interest then the maximum number of investors will invest their capital for the better return according to their preference wherever they like to invest their amount.

Preferred Stock Exchange	Frequency	Percent	Valid Percent	Cumulative Percent
Calcutta Stock Exchange	141	22.4	22.4	<b>22.4</b>
Bombay Stock Exchange	219	34.8	34.8	<b>57.1</b>
National Stock Exchange	230	36.5	36.5	<b>93.7</b>
Others	40	6.3	6.3	<b>100.0</b>
<b>Total</b>	630	100.0	100.0	

From the above table, it is clear that the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE) are preferred by a great chunk of the respondents (71.3%) which clearly indicates the gravity of both the exchanges and it may also indicate that the NSE and BSE of preferred respondents are more aware and curious about the Stock Market. Though, the respondents preferring other than NSE, BSE and CSE are the lowest yet the Calcutta Stock Exchange (CSE) is remarkably high (22.4%) which clearly indicates the respondent's preferences of CSE.

## 5. Dividend Decision and Value of the Firm

In whatever way, the transformation or variation of share price may be seen after the announcement or declaration of dividend. But such type of transformation may be involved in three directions just as the Positive direction, Negative direction and Neutral or Zero direction gradually. In terms of stock dividend, as it enhances the number of shares so it also weakens the book price per normal share and the stock value which is diminished correspondingly or suitably. Moreover, the dividends can also influence the value of their fundamental stock in a miscellaneous strategy. Whenever the dividend record of a provided stock acts a usual role in the midst of its accessibility or popularity then the declaration of dividend payments also has a certain as well as inevitable impact on market values. In fact, the dividend declaration in the short run process is extremely promoted through both the practically and conceptually at the same time. But the investors acknowledge various incidents in terms of investing capitals in the midst of certain guarantees of fund market in which the most indispensable matter is the return rate from their short run secured investment that essentially or stereotypically relies on the declaration or announcement of the dividend payment. Moreover, the declaration of dividend has an impact in the long run as well as in the midst of stock market investment. Here, the investor reacts positively throughout thinking about the more dividends in future too or long run investment. But the possible dividend growth in the long-term investment is stronger than the short-term investment. Furthermore, the lower quantity of corporate tax indicates more amounts left on behalf of the stakeholders within the organization. In most of the cases, it is observed that both the corporate tax and the stock market are inversely related with the short and long run market together. In the long run stock market, the increment in corporate tax provides the negative impact due to some reasons. In this case, the investing company is absolutely conscious

about their investment. Because, they do not know about the practical market and what will be the demand of their product. So, the negativity arises from here.

In addition, the increment of corporate dividend tax through both the short and long run gives a negative impact in the stock market as well. If the company is to pay more dividend tax in such case then it effects on the dividend payments by the company towards investors. In spite of that, this is the essential criteria of a business rules and regulations of the government.

Especially, the higher earnings before interest and tax contribute a positive impact inside the share market in terms of the short as well as the long run investment. In this case, the dividend or interest and the tax rates are not declared before getting the amount that arise particularly with the positivity. In this case, the invested capital gets increased over the period of time. Simultaneously, the chances are raised in receiving more amounts of stakes. Therefore, it influences the investors to invest more amounts in a company which is concerned to the stock market positively.

To get a concluding decision let us assume that dividend has no role in the share price. Such as-

$H_0$  = Dividend has no role in stock market

$H_1$  = Dividend has a role in the stock market

**(A) Table of Neutral**

Attributes	Frequency of the Respondents / (%)					Mean	Std. Deviation	Skewness	Kurtosis
	1	2	3	4	5				
1. Declaration of dividend has no impact in the stock market.	274 (43.5)	246 (39)	43 (6.8)	49 (7.8)	18 (2.9)	1.87	1.028	1.318	1.216
2. Change in corporate tax has no impact in the stock market.	307 (48.7)	222 (35.2)	51 (8.1)	45 (7.1)	5 (0.8)	1.76	.932	1.261	1.036
3. Change in corporate dividend tax has no impact in the stock market.	304 (48.3)	225 (35.7)	59 (9.4)	36 (5.7)	6 (1)	1.75	.912	1.263	1.221
4. Change in EBIT (Earnings Before Interest and Tax) has no impact in the stock market.	293 (46.5)	253 (40.2)	43 (6.8)	35 (5.6)	6 (1)	1.74	.881	1.351	1.729

The above descriptive statistics table depicts that the mean values of V2.3b, V2.8b, V2.13b and V2.18b are < 3 (lies 1.74 to 1.87); SD is 0.881 to 1.028 which indicates the unacceptable value. All the Skewness values are positive which indicates that the data skewed right though the Kurtosis value of the variables are less than 3, the dataset is normally distributed. Thus, the null hypothesis,  $H_0$  = 'Dividend has no role' is rejected and the alternate hypothesis  $H_1$  = 'Dividend has a role in the stock market' is accepted. So, dividend has a role in the stock market.

Now we shall move forward to measure the direction (positive/negative) of dividend in the stock market. Whether it has a positive or negative vibrates in the stock market. Let us assume that dividend negatively impacts in the share price subsequently stock market as well. Such as-

$H_0$  = Dividend has a negative role in stock market

$H_1$  = Dividend has a positive role in the stock market

**(B) Table of Negative Vibrant**

Attributes	Frequency of the Respondents / (%)					Mean	Std. Deviation	Skewness	Kurtosis
	1	2	3	4	5				
1. Investor Negatively reacts after deceleration of dividend in the short run.	197 (31.3)	318 (50.5)	56 (8.9)	51 (8.1)	8 (1.3)	1.98	.917	1.078	.996
2. Investor Negatively reacts after deceleration of dividend in the long run.	335 (53.2)	157 (24.9)	60 (9.5)	70 (11.1)	8 (1.3)	1.82	1.075	1.140	.170
3. Increase in corporate tax gives positive signal in the stock market in short run.	161 (25.6)	320 (50.8)	70 (11.1)	71 (11.3)	8 (1.3)	2.12	.959	.879	.282
4. Increase in corporate tax gives positive signal in the stock market in long run.	319 (50.6)	144 (22.9)	66 (10.5)	86 (13.7)	15 (2.4)	1.94	1.171	.982	-.292
5. Increase in corporate dividend tax gives positive signal in the stock market in short run.	143 (22.7)	329 (52.2)	71 (11.3)	80 (12.7)	7 (1.1)	2.17	.959	.821	.106
6. Increase in corporate dividend tax gives positive signal in the stock market in long run.	320 (50.8)	143 (22.7)	64 (10.2)	89 (14.1)	14 (2.2)	1.94	1.172	.973	-.335
7. Higher rate of EBIT (Earnings Before Interest and Tax) gives a negative signal in the stock market in short run.	221 (35.1)	299 (47.5)	46 (7.3)	55 (8.7)	9 (1.4)	1.94	.948	1.142	.976
8. Higher rate of EBIT (Earnings Before Interest and Tax) gives a negative signal in the stock market in long run.	362 (57.5)	154 (24.4)	47 (7.5)	57 (9)	10 (1.6)	1.73	1.040	1.386	.945

The above descriptive statistics table depicts that the mean values of all the variables are < 3 (lies 1.82 to 2.17); SD is 0.917 to 1.172 which concludes the unacceptable value. All the Skewness values are positive which indicates that the data skewed right. As the Kurtosis values of the variables are less than 3, the dataset is normally distributed.

**(C) Table of Positive Vibrant**

Attributes	Frequency of the Respondents / (%)					Mean	Std. Deviation	Skewness	Kurtosis
	1	2	3	4	5				
1. Investor Positively reacts after declaration of dividend in the short run.	15 (2.4)	24 (3.8)	56 (8.9)	338 (53.7)	197 (31.3)	4.08	.874	-1.353	2.512
2. Investor Positively reacts after declaration of dividend in the long run.	17 (2.7)	53 (8.4)	64 (10.2)	188 (29.8)	308 (48.9)	4.14	1.074	-1.213	.651
3. Increase in corporate tax gives negative signal in the stock market in short run.	14 (2.2)	45 (7.1)	68 (10.8)	397 (63)	106 (16.8)	3.85	.861	-1.224	1.880
4. Increase in corporate tax gives negative signal in the stock market in long run.	21 (3.3)	48 (7.6)	89 (14.1)	189 (30)	283 (44.9)	4.06	1.093	-1.078	.389
5. Increase in corporate dividend tax gives negative signal in the stock market in short run.	9 (1.4)	51 (8.1)	55 (8.7)	388 (61.6)	127 (20.2)	3.91	.857	-1.149	1.571

6. Increase in corporate dividend tax gives negative signal in the stock market in long run.	6 (1)	49 (7.8)	76 (12.1)	189 (30)	310 (49.2)	4.19	.988	-1.107	.402
7. Higher rate of EBIT (Earnings Before Interest and Tax) gives a positive signal in the stock market in short run.	7 (1.1)	24 (3.8)	47 (7.5)	354 (56.2)	198 (31.4)	4.13	.791	-1.242	2.553
8. Higher rate of EBIT (Earnings Before Interest and Tax) gives a positive signal in the stock market in long run.	5 (0.8)	35 (5.6)	48 (7.6)	202 (32.1)	340 (54)	4.33	.896	-1.426	1.627

The above descriptive statistics table depicts that the mean values of all the variables are greater than 3 (lies 3.85 to 4.33); SD is 0.791 to 1.074 which indicates the acceptable value. All the Skewness values are negative which indicates that the data skewed left. As the Kurtosis values of the variables are less than 3, the dataset is normally distributed. Thus, in the second assumption again, the null hypothesis ' $H_0 =$  Dividend has a negative role in the stock market' is rejected and the alternate hypothesis  $H_1 =$  Dividend has a positive role in the stock market' is accepted. So, the above study concludes that Dividend has a positive role in the stock market.

## 6. Concluding Remarks

From the above discussion it may be concluded that the dividend decision has an impact or it plays an important role towards the value of the firm. Dividend policy and value of the share are positively related with one another. So, before taking any dividend decisions, the opinions of the investors and financial analysts may also be considered by the corporate executives. Moreover, the interviews through pre-structured questionnaire with investors, company executives and stock market analysts tried to identify the influences of dividend declarations on the share price of a company enlisted under various Indian Stock Exchanges. The responses from the various respondents' categories or groups viz.- Investors, Expert or Stock Market analysts and Corporate Executives conclude that the dividend decision has a positive role in the share price and value of the firm as well. It plays an important role towards the value of the firm and investment decision taken by the investors. Finally, it is quite true that this kind of study is really worthy enough to the investors as well as the company executives towards dividend decisions.

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