

## **Impact of Firm Specific Factors on Cash Dividend Payment Decisions: Evidence from Bangladesh**

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*This study aims to explore the impact of firm specific factors on cash dividend payment decisions for a sample of 41 non financial firms listed in Dhaka Stock Exchange (DSE) in Bangladesh during 2007-2011. This study tests a null hypothesis that none of the firm specific factors namely profitability, size, liquidity, growth, earnings volatility, and managerial ownership has significant effects on cash dividend payments using fixed-effect regression model under the assumption that intercepts vary for each firm and the slope coefficients are constant across firms. Checking multicollinearity, cross-sectional dependence, autocorrelation and controlling heteroskedasticity in the regression analysis it is found that profitability has statistically significant positive effects on cash dividend payments. This study has discovered a significant negative effect of earnings volatility and managerial ownership on dividend payments which were unfolded before this study. On the other hand, size, growth and liquidity were not found to be significant explanatory variables of dividend payments. Thus, profitability, earnings volatility and managerial ownership are functioning as the key determinants of cash dividend payments in Bangladesh.*

**Keywords:** Bangladesh; Dhaka Stock Exchange (DSE); Dividend Payments; Firm Specific Factor; Listed Companies; Panel Data.