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B. Com Sem IV

* What is Dividend Decision :-

A dividend decision is a financial decision that involves how much of a company's profits should be paid out to shareholders. The remaining profits are then reinvested back into the company.

A company's dividend policy is influenced by a number of factors, including -

- Liquidity - The company's ability to pay dividends.
- Repayment needs - The company's need to repay debts.
- Expected return - The rate of return that shareholders expect.
- Earnings stability - The consistency of the company's earnings.

The goal of a company's dividend policy is to maximize the value of the company for its shareholders.

Dividends can be paid in a number of ways, including :-

- Cash dividends - Common form of dividend payment.
- Stock dividends - Instead of cash, companies pay out additional shares to shareholders.
- Property dividends - Companies distribute non-cash assets such as real estate or inventory to shareholders.