Research Journal of Finance and Accounting
ISSN 2222-1697 (Paper) ISSN 2222-2847 (Online)
Vol.7, No.3, 2016

The Study and Test Dividend Policy Based on Models Ohlson: Case Iran Market

Jalil Rahimi
Shiraz Municipality ICT Organization

Abstract
This study investigates the effects of dividend policy on market value. empirically the research data is collected from 65 firms in the Tehran Security Exchange (TSE) during 2005-2014.multiple regressions technique is used for examining the stated hypitheses. It is used for, three Ohlson equity valuation models. The first model is based on permanent earning and the second model is based on expected future earnings and, finally, the third model is based on current earnings.The relationship between earnings and dividends has content information for evaluation of the companies. In order to examine the hypotheses, data is collected from the annual reports of the companies using official bulletins of the Tehran stock exchange, mainly, through Novin software, Tadbir Pardaz software, and stock sites such as www.rdis.ir & www.irbourse.com. The results indicate that based on the models, debt, permanent income and, the net operating cash flows, debt and investment, , investments and debt are associated with stock prices, significantly and positively and all samples are selected, .It also confirms that the results of the comparison of three models, anatomical features and the ability of the models to predict the market value are more important than the other two models.This research provided a good chance to examine the effects of dividend policy on company's market value. Meanwhile, it took into consideration whether other control mechanisms such as firm's size have any effects on this relationship.
Keywords:dividend policy, the company's market value, equity valuation models Ohlson

1. INTRODUCTION

Most researches on securities valuation focus on net income and book value (composition of them as the main factors determining the value (price), less dividend policy and its relation to the stock market.

Ohlson (1995) model of equity valuation was expanded based on the theoretical framework of the dividend Modigliani and Miller (1961). He claimed that when dividends are paid, book value of equity decreases. However, no impact is reported on current earnings. Therefore, the current market value of the company's dividend policy is not affected. Consequently, recently, equity valuation models based on Ohlson(1995) ordered to investigate the broader issues related to assess interest rate, risk and the relationship between earnings and stock price. In this study, three models of equity valuation have been stated based on Ohlson (1995). The first-ordered model, based on permanent earning, the second model is based on earnings from present discounted value in expected future . Finally, the third model is based on current earning. The permanent earning hypothesis uses dividend adjustments. The permanent earning hypothesis components form the present discounted value of expected future earnings, are represented by the permanent earning, without considering the volatile components of earnings and dividends that are used to adjust quickly. Gordon dividend growth model is based on accounting data. He (1962) believed, stock dividends affect recommendations to increase the value of observational management that companies must have for a high rate of dividend payment. And the relationship between stock prices and earnings components of the permanent, components of the discounted value of expected future earning and the current earnings components which are now being investigated, in the present study, to determine the predictability and Anatomical Model that are empirically examined. Features of this model are as follows:
Model 1:It considers dividend as a fraction of the permanent component of earnings.
Model 2: It considers dividend as a fraction of the present discounted value of expected future earnings.
Model 3:It considers dividend as a proportion of the current earnings.

2. LITERATURE REVIEW

Gordon (1959) argued that dividend policy affects the company's cost of capital and this supports the view that the higher rates of paid dividends, cover more cost of capital

Modigliani and Miller(1961)Texted analysis of capital to draw the policy to pay dividends. They argued that as long as the company's cash flow distribution is stable and there is no tax effect, choosing a policy of paying dividends on the stock market value has no effect. In their analysis, there was the increased profits from the sale of shares of new stock supply.(Ohlson ,1995), There was also the residual income valuation model based on earnings, book value of assets and development rights to owners of capital. Ohlson**'s** model under the framework of the theory is developed in relation to dividends. He claimed dividends are paid, current book value of equity will be reduced, but it does not affect current earnings. The claims concerning that his theory of dividends Modigliani and Miller(1961) is consistent. Barclay,(1995) after numerous studies, three factors will be discussed as determinants of corporate dividend policy; (1) the amount of investment opportunities, (2) the effects of a

updates and changes in cash dividends (3) firm size. In their model, the cash dividend yield on the dividend policy is intended as a substitute variable. Bar&Callen (1996)' dynamic data, the model Ohlson discovered and found that earnings, book value of assets, equity and dividend, in a period of time, the dynamic information in connection with the evaluation of the equity are important.

Lee& Frankel (1998) found that, if the estimated market value of companies is Ohlson evaluation model and the investment decisions are taken, a higher efficiency can be occupied for periods of one, two or three more years. Lo& Lys(2000)studied Ohlson literary model, and showed that the evaluation model developed by Ohlson on the accounting items have an impact on financial information and market research.

Other research and theories was conducted about the determinants of dividend policy by(Beiner, 2001) to test this model that had presented in previous research. His research makes clear that the dividend yield on Swiss companies are associated with a dividend yield profits each year.This is consistent with the theory of smoothing. Meanwhile, investment opportunities and firm size, the Swiss company has an inverse relationship with income distribution.

Yun-sheng & et al (2005) were investigated three model of equity valuation models Ohlson, the relationship between earnings, dividends and dividend information content in the evaluation of the company. Experimental results of their research developed for the three models shows that, the Model 2 anatomical features and the ability are better to predict stock price. Also, all three models, book value of equity, debt and investments price of stock are related to each other for the total sample.

Balachandrak & &et al (2007) Reducing the impact of dividends on the wealth of shareholders and the stock price reaction to dividend cuts and the end of the period looked Australian companies. They found that the market reaction to dividend cuts is more negative during periods of declining profits stock at the end of the year. They also showed the amount of dividends reduces the risk of company's profitability and changes in corporate profitability.

(Fairchild ,2008) A stock dividend signals the complex relationship between a stock dividend, motivated managers and it shows the value of the company.The research results show that the stock dividend a signal of current earning provides, and affects the ability to participate in a new investment project.. He also received signals into higher dividends on investment because of the condition and treat hair, and higher quality signal is lower than the dividend shares.

Harris and et al (2008) divided the discounted dividend model (DDM) [1]or the Gordon growth model began. They also estimated the intrinsic value of equity model that is used to estimate the return on equity where reviewed. They showed the DDM model between P/E multiple in a market with market growth rate relationship exists.

Priestley & et al (2009), smoothing it into dividends and it were investigated predictability. The results showed that, if the stock splits is in a smoothing company there is predictability in a sample of the limits. Also it is possible to predict, dividend growth stocks in companies that profit sharing is a smooth coat in them to get rid of that less dividend smoothing.

Booth & et al (2009), examined how the imperative of market power on dividend policy affects the market measured by means of three criteria: 1. Fayndl and Hrchymn the index 2. The basic firms of imported jackets. 3.Learner indices were used. Results showed that the market positively on the ability to pay dividends and dividend decisions also affect the amount of dividends. They found the impact on market structure decisions, where dividend stocks, is a commercial risk.

Basel Al-Najjar & et al (2010), examined the relationship between time deposits and corporate dividend policy in a broad sample of 400 companies for the period 1991 -2008 . Their investigation shows that deposit, the dividend, leverage, growth; size, risk, and profit potential are influenced. It also showed that when both variables are divided into bonds and dividends they are simultaneously monitored by the impact of any criteria.

(Mazna Ramli , 2010) examined the impact of policies on distribution of profits and ownership structure, in companies in Malaysia in a time period 2002 - 2006. His research shows that companies that benefit more from the shareholders have split the shares of large and has increased; and the importance of the dividend to shareholders will be higher in the company of great importance in the distribution of profits.

Dimitar Rafailo & et al (2011), examined the impact of the company's characterizes on dividend decisions. The results showed that dividend policy depends on the life cycle of a conflict of interest between minority and majority shareholders.

3. RESEARCH HYPOTHESES

in fact This hypothesis, is the reconnaissance of those financial variables that affect the company's market value. Corporate dividend policy has been used to reflect the same variables. These variables are permanent components

[1] . Dividend discount model

of earnings (book value of equity, debt, investments, financial assets and permanent earning), the present discounted value of the components expected future earnings (book value of equity, debt and investment, and net operating cash flow) and components current earnings (book value of equity, investment and financial assets and liabilities) .
Hypotheses of this study are as follows:

3.1. The first of hypotheses: There is a significant relationship between the company's market value and companies which considers dividend as a fraction of the permanent component of earning**.**

3.2. The second of hypotheses: There is a significant relationship between the company's market value and companies which considers dividend as a fraction of the present discounted value of expected future earnings.
The third of hypotheses: There is a significant relationship between the company's market value and companies which consider dividend as the proportion of the current earnings**.**

4. VARIABLES DEFINITIONS

4.1. Dependent variable:

Market value of Stock: Last value traded (market) is the common stock at the end of the fiscal period. The value of statistics and information is available on scholarships. Such as www.rdis.ir &www.irbourse.com.

4.2. Independent variables:

The independent variables investigated financial assets, permanent earnings, book value of equity, investments, debt and net operating cash flow of the balance sheet data, income statement and operating cash flows of the companies listed in Tehran Stock Exchange during 2003-2010. Data and information are collected from the annual reports of the official bulletins of the Tehran stock exchange, market information, stock organization library, Novin software, Tadbir Pardaz software, and stock sites suchaswww.rdis.ir&www.irbourse.com.
Independent variables of this study are calculated:
Financial assets: a simple measure of net of financial obligations (**FA** $_t$)[1] is the first operational assets, the operating assets (**OA** $_t$)[2], subtracting the book value of equity, cash and short-term securities, plus short-term and long-term debt and minority rights are calculated, Morton & schafere, (2000). from the book value of equity, the entire net operating assets (OA $_t$) and net of financial obligations (**FA** $_t$) is the net result of financial obligations (**FA** $_t$), the difference can be achieved from between the net book value of operating assets of the owners of capital Feltham & Ohlson(1995).
FA $_t$ is calculated and defined as follows:

$$\boldsymbol{NOA = OA - OL = Cash - OL} \qquad \textbf{(1)}$$

OA =Operating assets
OL =Operating liabilities
A= Total assets
Cash= Short-term investments + cash

$$\boldsymbol{FA_t = NOA - Y_i} \qquad (2)$$

FA $_t$= financial assets
Y_i= Book value of equity
Permanent income: Income before items by discontinued operations minus the unexpected and the annual adjustments of the tax Morton & Hong (1999). This value can be easily calculated based on data and information exchange.
Book value of equity: shares of the Company's offices, is based on historical cost at the end of the fiscal period. The balance sheet value of companies is available listed on the Stock Exchange Audited Financial Statements.
Investment: Is additional investment is include long- term and short-term investment.
Liabilities: Total liabilities include current liabilities, long-term liabilities, other liabilities and a reverse is calculated.
Operating net cash flows: Total received minus total cash payments of cash from operations or net assets during a period to be determined Feltham & Ohlson (1995). If the value of corporate cash flows, presented in the Audited Financial Statements is available in stock.
These Variables are summarized in the table (1).

[1] . financial assets
[2] . Operating assets

(Table 1)
Description of the variables

Names of the Variables	Proxies	Calculations
P_i	market value of Stock	Last value traded (market) is the common stock at the end of the fiscal period.
FA $_t$	financial assets	Net of operating assets- Book value of equity
$X^{P}_{i,t}$	permanent earning	Income before items by discontinued operations minus the unexpected and the annual adjustments of the tax
$Y_{i,t}$	Book value of equity	shares of the Company's offices at the end of the fiscal period, is based on historical
$L_{i,t}$	Investment	Additional Investment
$B_{i,t}$	Liabilities	Total liabilities(current liabilities+long-term liabilities+other liabilities+ reveres)
$C_{i,t}$	Operating net cash flow	Total received - total cash payments of cash

5. METHODS OF DATA ANALYSIS

In this study, the multiple regressions are used for data analysis. Initial data was inserted in Excel spreadsheet and SPSS software was applied to analyze the data statistically. Also Rahavard Novin software, Tadbir Pardaz software, stock organization library and stock sites such as www.rdis.ir & www.irbourse.com were used.

6. RESEARCH METHOD AND REGRESSION MODEL

Considering that the aim of this study was to examine the relationship between stock prices and earning's components of the permanent, components of the discounted value of expected future earning and the current earning's components that as a share dividend policy is to replace the variables, and attention to three groups of variables and assumptions about the research mentioned in the same way it was prior to the model, and the overall study group for each of the following research was decisive. First of all variables in the model study in a multiple regression model tested general form it is as: follows

$$P_i = C_0 + C_1 FA_{i,t} + C_2 X_{i,t} + C_3 Y_{i,t} + C_4 B_{i,t} + C_5 L_{i,t} + \varepsilon_{i,t} \quad (3)$$

In the Model 2:

$$pi = h_0 + h_1 C_{i,t} + h_2 Y_{i,t} + h_3 B_{i,t} + h_4 L_{i,t} + \varepsilon_{i,3t} (4)$$

In the Model 3:

$$pi = k_0 + k_1 FA_{i,t} + k_2 Y_{i,t} + k_3 B_{i,t} + k_4 L_{i,t} + \varepsilon_{i,3t} (5)$$

7. SAMPLE SELECTION

The sample was chosen from the firms listed on the Tehran stock exchange (TSE), from 2003 to 2012, using the following criteria:

1). Firms were listed in TSE during 2005-2014.
2). Data was available for all the years under the study.
3). The companies didn't have changed the fiscal year for the period studied.
4). Banks, Insurance and Investment firms were not considered in this study.

The data used in the analysis were collected from the annual reports of the official bulletins of the Tehran stock exchange. The final sample contains 65 firms.

8. DATA ANALYSIS

Pearson Correlation Coefficient and Multivariate Regression were used to analyze data.
H_0=normal
H_1= Data is abnormal

Table (2)
One-sample Kolmogorov-Smirnov Test

		DIV
N		650
Normal parameters[a.b]	Mean	.946394
	Std. Deviation	1.0424150
Most Extreme Differences	Absolute	.074
	Positive	.074
	Negative	-.070
Kolmogorov-Smirnov Z		1.212
Asymp. Sig. (2-tailed)		.106

a. Test distribution is normal.
b. Calculated from data.

Following the table (II), Sig = 0.106>0.05. Thus results show that data is normal.

8.1. Companies which considers dividend as a fraction of the permanent component of earning.
Testing Results of the first group hypothesis:

Table (3)
Variables Entered

Model	Variables Entered	Adjusted R Square	Durbin-Watson	Method
1	$B_{i,t}$	0.584		Step wise
2	$FA_{i,t}$	0.674		Step wise
3	$X_{i,t}^{P}$	0.804	1.862	Step wise

A total optimum model was used to predict the stock prices considering dividend as a fraction of the permanent component of earning. We entered variables into the model respectively. 3 models were defined and finally the last model (3) including 3 variables was defined as an optimum model for predicting the performance. As a result, the regression model came as the followings:

$$P_i = C_0 + C_1 FA_{i,t} + C_2 X_{i,t} + C_3 B_{i,t} + \varepsilon_{i,t} \quad (6)$$

Table (4)
Excluded Variables

model	Variable	Beta ln	t	Sig	Partial Correlation	VIf
1	$L_{i,t}$	-0.041	-1.949	0.52	-0.92	1.002
2	$Y_{i,t}$	-0.024	-1.144	0.253	-0.054	1.001

As it is seen, Li, t significance level is equal to 0.52> 0.05, therefore, this variable was not entering the model. Also $Y_{i,t}$ significance level is equal to 0.253> 0.05, therefore, this variable was not entering the model.

Presenting total optimum model based on model 3 (T-test)
Optimum model was model 3, which had a more determination coefficient than the previous ones. In fact, when most variables were beside each other, they could present a more precise prediction of the stock prices and in the first group hypothesis, the optimum model was 3.

Table (5)
Coefficients of model 3

Model4	Unstandardized Coefficients		Standardized Coefficients	t	Sig	VIF
	B	Stl. Erro	Beta			
Constant	770.595	120.795		6.379	0.000	
$B_{i,t}$	0.016	0.010	0.759	21.889	0.000	2.756
$FA_{i,t}$	-0.224	0.221	-0.856	-21.382	0.000	3.669
$X_{i,t}^{P}$	0.050	0.567	0.817	18.915	0.000	4.268

The optimal regression model was written as the following:

$$Pi = 770.595 + 0.016\,Bi - 0.224FA + 0.05XP(7)$$

According to the statistical results of the first group hypothesis to test the research, the first group, debts and permanent earning are positive and have a significant impact on the company's market value while financial assets impact is negative and significant. So if the dividend is based on a proportion of permanent earning, it can be argued that increasing the debts and permanent earning, the company's market value will increase. . Meanwhile, based on Table (3) the results of group tests, suggest that, three independent variables of the study have a significant relationship with the company's market value (F= @. /000), which together offer a 80% (AdjR ^{2} = (802) Explains the behavior of the dependent variable.

8.2. Companies which considers dividend as a fraction of the present discounted value of expected future earnings.

Testing Results of the second group hypothesis:

Table (6)

Variables Entered

Model	Variables Entered	Adjusted R Square	Durbin-watson	Method
1	$L_{i,t}$	0.782		Step wise
2	$B_{i,t}$	0.926		Step wise
3	$C_{i,t}$	0.928	1.995	Step wise

A total optimum model was used to predict the stock prices while considering dividend as a fraction of the **present** discounted value of expected future earnings. We entered variables into the model respectively. 3 models were defined and finally the last model (3) including 3 variables was defined as an optimum model to predict the performance. As a result, the regression model came as the followings:

$$pi = h_0 + h_1 C_{i,t} + h_3 B_{i,t} + h_4 L_{i,t} + \varepsilon_{i,3t} (8)$$

Table (7)

Excluded Variables

model	Variable	Beta ln	t	Sig	Partial Correlation	VIf
1	$\boldsymbol{Y_{i,t}}$	-0.013	-0.998	0.319	-0.47	1.004

As it is seen,$\boldsymbol{Y_{i,t}}$ significance level is equal to 0.319> 0.05, therefore, this variable was not entering the model.

Presenting total optimum model based on model 3 (T-test)

Optimum model was model 3, which had a more determination coefficient than the previous ones. In fact, when most variables were beside each other, they could present a more precise prediction of the stock prices and in the second group hypothesis, the optimum model was model 3.

Table (8)

Coefficients of model 3

Model3	Unstandardized Coefficients		Standardized Coefficients	t	Sig	VIf
	B	Stl. Erro	Beta			
Constant	1042.553	84.123		12.393	0.000	
$L_{i,t}$	0.004	0.032	0.681	38.442	0.000	1.946
$B_{i,t}$	0. 23	0.430	0.362	18.174	0.000	2.458
$C_{i,t}$	0.001	0.670	0.090	3.617	0.000	3.811

The optimal regression model was written as the following:

$$Pi = 1024.533 + 0.004Li + 0.23Bi + 0.001Ci (9)$$

According to the results of statistics the second group hypothesis to test the research, the second group, Liabilities, Investment and operating net cash flow have a positive and significant impact on the company's market value. So if the dividend is based on a proportion of the present discounted value of expected future earnings, it can be argued that increasing the Liabilities, Investment and Operating net cash flow, the company's market value will increase. . Meanwhile, based on table (6) the second group test suggeststhat ,three independent variables have a significant relationship with the company's market value (F= @. /000), which together offer a 92% (AdjR ^{2} = .928) Explains the behavior of the dependent variable.

8.3. Companies which consider dividend as a fraction of the current earning

Testing Results of the third group hypothesis:

Table (9)

Variables Entered

Model	Variables Entered	Adjusted R Square	Durbin-watson	Method
1	$Y_{i,t}$	0.686		Step wise
2	$B_{i,t}$	0.737		Step wise
3	$L_{i,t}$	0.823	2.102	Step wise

A total optimum model was used to predict the stock prices while considers dividend as a fraction of the present discounted value of expected future earnings. We entered variables into the model respectively. 3 models were defined and finally the last model (3) including 3 variables was defined as an optimum model to predict the performance. As a result, the regression model came as the followings:

$$pi = k_0 + k_1 Y_{i,t} + k_2 B_{i,t} + k_3 L_{i,t} + \varepsilon_{i,3t} (10)$$

Table (10)

Excluded Variables

model	Variable	Beta ln	t	Sig	Partial Correlation	VIf
1	$FA_{i,t}$	0.035	1.689	0.092	0.80	1.073

As it is seen, $FA_{i,t}$ significance level is equal to 0.092> 0.05, therefore, this variable was not entering the model.

Presenting total optimum model based on model 3 (T-test)

Optimum model was model 3, which had a more determination coefficient than the previous ones. In fact, when most variables were beside each other, they could present a more precise prediction of the stock prices and in the third group hypothesis, the optimum model was model3.

Table (11)

Coefficients of model 3

Model3	Unstandardized Coefficients		Standardized Coefficients	t	Sig	VIF
	B	Stl. Erro	Beta			
Constant	1389.166	166.533		8.342	0.000	
$Y_{i,t}$	-0.030	0.215	-0.395	-5.405	0.000	13.602
$B_{i,t}$	0.111	0.512	0.685	18.425	0.000	3.513
$L_{i,t}$	0.69	0.334	0.843	14.794	0.000	8.250

The optimal regression model was written as the following:

$$Pi = 1389.166 - .030Yi + 0.111Bi + 0.069Li (11)$$

According to the statistical results of the second group hypothesis to test the research, the second group, Liabilities and Investment have a positive and significant impact on the company's market value while Book value of equity 's impact is negative and significant. So if the dividend is based on a proportion of the present discounted value of expected future earnings, it can be argued that increasing the Liabilities and Investment, the company's market value will increase. . Meanwhile, based on Table (9) the results of tests group l the third suggests that the,three independent variables have a significant relationship with the company's market value (F= @. /000), which together offer an 82% (AdjR ^{2} = .823) Explains the behavior of the dependent variable.

9. Conclusion

In this study, the effect of dividend policy has been assessed on company market value of companies listed in Tehran Stock Exchange. In this regard, three models was reviewed of equity valuation models Ohlson, the relationship between earnings, dividends and dividend information content of the evaluation. According to the results of statistical models to test the research, the first model, the Liabilities and permanent earning standing in the market value of the company were extremely positive and significant, while financial assets were negative and significant. Thus, while the proportion of dividend earning is permanent, it can be claimed that the increase in Liabilities and permanent earning would increase the company's market value. In the second model, Liabilities ,the net operating cash flow and Investment on market value of the company were positive and significant. So when the dividend is based on a proportion of the present discounted value of expected future earning, it confirms this

with the increase in Liabilities ,the net operating cash flow and Investment, and the company's market value will increase. And finally, the third model, the relationship between the significant and positive market value and Investment Company, and Liabilities showed that the company's book value of equity is negative and significant. Thus it can be concluded that when the dividend is based on the proportion of current earning, with the increase in Liabilities investments the company's market value will increase. These results are consistent with the results of the, Yun-sheng & et al (2005) study, that reviewed ". The relationship between dividend policy and equity valuation models" were not experimental results of their research. It says that for the three models developed, all three models, book value of equity, Liabilities and investment were mainly positive and the stock price for the total sample are related.

And it also confirms the results of comparing the three models show that, the anatomical features of the second model's ability to predict market value are more than the other models. Such a conclusion is also consistent with the results of the Yun-sheng & et al (2005) study that reviewed "The relationship between dividend policy and equity valuation models, also found, anatomical features and the ability of the model to predict the market value to be more than the other two models.

References

1-Balachandrak&vidanapathirana (Augst 2007) " The Impact of Dividend Reduction on Shareholders Wealth ",at: www.ssrn.com
2-Barclay, M. J. et., (Winter 1995) ."The Determinants of Corporate Leverage and Dividend Policies" , Journal af Applied Corporate Finance,1,207-224
3-Basil Al-Najjar& Yacine Belghitar(December , 2010)" Corporate Cash Holdings and Dividend Payments: Evidence from Simultaneous Analysis" Managerial and Decision Economics, ,at: www.ssrn.com
4-Beiner Stefan (June 2001) ," Theories and Determinants af Dividend Policy available", at : www.sbf.unisg.ch
5-Booth Laurence &zhou jun (February, 2009) " market power and dividend policy ",at: www.ssrn.com
6-Chen long & priestley Richard (june, 2009) " dividend soothing and predict ability " ,at: www.ssrn.com
7-Dimitar Rafailov&Mirena Trifonova(September, 2011)" The Effect of Firm Characteristics on Dividend Decisions of Bulgarian Companies", at: www.ssrn.com
8-Fairchild Richard (August, 2008) " dividend policy signaling and free cash flow", at: www.ssrn.com
9-Franke,R., and M.CLee,(1998) "Accounting valuation, Market Expectation, and cross-sectional Stock Returns," Journal of Accounting and Economics, 25,283-319
10- Gordon.M.J. ,*(* 1959*).*" Dividends,Earnings, and Stock pricos," Review of Economic studies, 41,99-105
11-Lo,K.,and T.Lys, (2000),"The ohlson Model: contribution to valuation Theory, Limitations, and Epirical Application," Journal of Accounting, Auditing &Finance,15,337-367
12-Nathasa Mazna Ramli(February 2010)" Ownership Structure and Dividend Policy: Evidence from Malaysian Companies" International Review of Business Research Papers , 6, 170-180.
13-Ohson,J.A,(1995) ," Earning , Book value and Dividend in Equity valuation " contemporary Accounting Research, 11,661-687
14-Robert s . Harris &Kenneth M. Eades(october2008) "The Dividend Dicount Model" ,at: www.ssrn.com
15-Yi-Mienlih, Yun-sheng HSU, Wood Liao,(2005), "The Relationship between Dividend policy and Equity Valuation Mode" at: www.ssrn.com

APPENDIX
First group hypothesis:
Table (1)

Model Summary[d]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.764[a]	.584	.583	3606.03550	
2	.806[b]	.649	.647	3315.04402	
3	.897[c]	.805	.804	2472.12994	1.862

a. Predictors: (Constant), Bi
b. Predictors: (Constant), Bi, FA
c. Predictors: (Constant), Bi, FA, XP
d. Dependent Variable: Pi

ANOVA[d]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8.17E+09	1	8168542466	628.181	.000[a]
	Residual	5.83E+09	448	13003492.06		
	Total	1.40E+10	449			
2	Regression	9.08E+09	2	4540896439	413.203	.000[b]
	Residual	4.91E+09	447	10989516.85		
	Total	1.40E+10	449			
3	Regression	1.13E+10	3	3756136902	614.609	.000[c]
	Residual	2.73E+09	446	6111426.462		
	Total	1.40E+10	449			

a. Predictors: (Constant), Bi
b. Predictors: (Constant), Bi, FA
c. Predictors: (Constant), Bi, FA, XP
d. Dependent Variable: Pi

Table (3)

Residuals Statistics[a]

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	-2252.0671	79604.852	1848.6179	5009.65898	450
Residual	-15700.22	26149.961	.0000	2463.85732	450
Std. Predicted Value	-.819	15.521	.000	1.000	450
Std. Residual	-6.351	10.578	.000	.997	450

a. Dependent Variable: Pi

Second group hypothesis:

Table(4)

Model Summary[d]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.884[a]	.782	.782	3002.75317	
2	.963[b]	.926	.926	1746.84244	
3	.964[c]	.929	.928	1723.54814	1.995

a. Predictors: (Constant), Li

b. Predictors: (Constant), Li, Bi

c. Predictors: (Constant), Li, Bi, Ci

d. Dependent Variable: Pi

Table(5)

Residuals Statistics[a]

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	1041.2042	73333.289	2439.0013	6193.46497	447
Residual	-16987.70	14397.905	.0000	1717.74168	447
Std. Predicted Value	-.226	11.447	.000	1.000	447
Std. Residual	-9.856	8.354	.000	.997	447

a. Dependent Variable: Pi

thrid group hypothesis:

Table(6)

Model Summary[d]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.829[a]	.687	.686	4555.49242	
2	.859[b]	.739	.737	4165.52548	
3	.908[c]	.825	.823	3415.51691	2.102

a. Predictors: (Constant), Yi

b. Predictors: (Constant), Yi, Bi

c. Predictors: (Constant), Yi, Bi, Li

d. Dependent Variable: Pi

Table(7)

ANOVA[d]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.04E+10	1	2.037E+10	981.694	.000[a]
	Residual	9.30E+09	448	20752511.16		
	Total	2.97E+10	449			
2	Regression	2.19E+10	2	1.096E+10	631.457	.000[b]
	Residual	7.76E+09	447	17351602.49		
	Total	2.97E+10	449			
3	Regression	2.45E+10	3	8155602161	699.106	.000[c]
	Residual	5.20E+09	446	11665755.76		
	Total	2.97E+10	449			

a. Predictors: (Constant), Yi

b. Predictors: (Constant), Yi, Bi

c. Predictors: (Constant), Yi, Bi, Li

d. Dependent Variable: Pi

Table(8)

Residuals Statistics[a]

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	402.6832	74736.992	3055.4441	7381.85437	450
Residual	-22248.52	28273.992	.0000	3404.08737	450
Std. Predicted Value	-.359	9.711	.000	1.000	450
Std. Residual	-6.514	8.278	.000	.997	450

a. Dependent Variable: Pi