

Dividend Policy and its Impact on Stock Prices: An Empirical Study on Selected Indian Steel Companies

Dr. Manish Guha

Assistant Professor of Commerce

Sambhu Nath College, Labpur, Birbhum, India

emmmjee@gmail.com

Abstract: *Dividend decision is a very decisive judgment for any firm as it will impacted on several factors like stock prices, future development, debt repayments etc. in this particular paper it has been tested whether EPS and DPS has any significant effect on MPS or not. For that fifteen companies are chosen on the basis of market capitalization basis and there after correlation and regression analysis has been done to see the effect of EPS and DPS on MPS. Finally after all analysis it was found that ther was a positive correlation between EPS and DPS with MPS but not significantly and on the other side by regression analysis it was fond that approximately twenty two percent variations in MPS explained by EPS and DPS and rest due to residual term*

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