

**A Study on Impact of Determinants of Dividend Policy on Stock Prices of
Selected Public Sector Banks in India**

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ABSTRACT

This paper focuses on the relationship between the determinants of dividend policy and the market price of shares. For this purpose, the researchers have considered 07 public sector banks for five years span of time from the year 2014-15 to 2018-19. Karl Pearson's correlation and multiple regression analysis with all assumptions have been applied with the use of SPSS and Excel. The profitability (ROE & EPS), Liquidity (Current Ratio), Leverage (Total Debt to Total Assets Ratio), Size (LN of Total Assets), Dividend Policy (DPS, DPO & DY), and Risk(P/E Ratio) have considered as explanatory variables and Closing Market Price of Share is taken as the dependent variable to examine the relationship between two variables. The result of multiple linear regression analysis shows the significant positive impact of liquidity, size, and leverage on the market price of shares, positive but insignificant relationship between profitability, risk and dividend policy with market price of shares and growth has an insignificant relationship with market price of shares of selected PSBs.

Keywords: Determinants of Dividend Policy, Dividend Policy, Market Price of Shares