Revista Publicando, 5 No 14. (2). 2017, 40-58. ISSN 1390-9304

The moderating effect of institutional ownership on the relationship between information asymmetry and dividend policy in Tehran Stock Exchange

Leila Javadi Zaher[1], Raheleh Homayouni Rad[2], Esmaeil Ebrahimi[3]

1. **Department of Accounting, Hashtgerd Branch, Islamic Azad University, Alborz, Iran. leilajavadi121@yahoo.com**
2. **Department of Accounting, Hashtgerd Branch, Islamic Azad University, Alborz, Iran (responsible author)**
3. **Department of Accounting, Hashtgerd Branch, Islamic Azad University, Alborz, Iran**

Abstract At the end of each fiscal year, the percentage of profits reported by the companies is divided between shareholders, how much dividends can be divided and how they will be distributed is an issue that matters to institutional stakeholders. Therefore, the purpose of this study is to investigate the effect of moderating institutional ownership on the relationship between information asymmetry and dividend policy in Tehran Stock Exchange. In this research, the financial information of 120 companies listed in Tehran Stock Exchange during the period of 2011-2017 has been investigated. To do this research, multivariate regression method has been used using panel data. The present research has two hypotheses that the results of the analysis of the first hypothesis of the research indicate its confirmation, this indicates that there is a negative and significant relationship between information asymmetry and dividend policy. At the level of assurance, 95% of the second hypothesis can be considered as verified. This indicates that institutional ownership has a moderating effect on the relationship between information asymmetry and dividend policy.

Keywords: dividend, institutional ownership, information asymmetry.

Received: 20-12-2017
Approved: 20-03-2018

Introduction

Dividend policy has always been one of the most controversial financial issues , so that has attracted the interest of the economists of this century and more than past five decades .In general , the relationship between dividend and earnings per share represents the company's dividend policy (Qalibaf,2007). Knowledge of the determinants of dividend-profit policy while providing a clear picture of corporate liquidity distribution power , also provides an opportunity to estimate their future behavior. There are always a conflict over the issue of the dividend between managers and major shareholders on one side and thousands of small investors on the other hand . Small investors are more likely expected to receive more cash returns out of their investment and intend to receive the returns in cash . On the other hand, major shareholders are expected to develop and maintain profits in the company . As a result, the stock price of the company will increase in this way (Sadeghi Sharif and Bahadori 2009).

The dividend policy means how many profits are divided between shareholders by managers and how much they hold as the retained earnings.In other words, the dividend policy is called the distribution of profits to the shareholders or accumulation of profits in the company. Retained earnings is considered as one of the most important and most convenient financing tools , the investors also want annual dividend from their investments .Retained earnings or dividend is both acceptable, but contradictory (Biabani and Kazemi, 2013) There are two notions in the models of dividends and the corporation profits. The first concept implies that there is a significant relationship between market response and dividend change .. The second concept of dividend models emphasizes that the changes of dividend contains information about the company's future profits. Managers use the dividend Changes to communicate with the market about cash flows (Shabahang & Nourbakhsh Langroudi , 2006). Both the concepts of signaling models emphasize that the dividend has information content and can provide important information especially Profitability and stock market response, and companies have a lot of incentives for smoothing the

Received: 20-12-2017
Approved: 20-03-2018

dividend , therefore, determining the factors affecting the stability and smoothing of dividend si so importance (Talaneh and Mortezaie Shemirani,2011) During the recent years , Iran has suffered numerous financial crises, especially in 2011 , the average exchange rate in the Tehran market was significantly higher than in the previous year, from 11050 to 22500 (Atefi Manesh and Setarez, 2012) , The crisis in the year 2011 had significant effects on sales, profitability, and financing in corporates, and can affect the dividend policies, so it is important to do some researches on dividend in such circumstances. Information asymmetry between managers and shareholders is one of the reasons for the smoothing of profits . Due to this theory , the managers who always consider the risk of dismiss , are trying to smooth the dividend so that shareholders' expectations do not go up and they can preserve the level of dividend when the condition is not convenient. Based on the theory of financial constraints , some companies consider the domestic financing cheaper than external financing , so they try to not divide their surplus funds. Companies with high cost of financing , even when they have a high growth, are less willing to distribute higher dividends and so proceed the dividend smoothing (Bates and et al. 2009) . The belief in the power of capital's effect is the smoothing of dividend dividends (Betz et al Institutional investors are important on stock prices. Because institutional investors may monopolized the price to realize their intended transactions . Thus , true investors and other liquidity providers will be stayed far from the investments with their portfolio positions . Basically, the available information at the time of the transaction is the price determinant.

Institutional investors They have more information than others because of the potential influence , so they purchase the shares with better performace . Institutional ownership or institutional investors consider some variables including the company life, stock returns, fluctuations in stock prices as cautiopnary custom . For this reason, institutional ownership can be expected to be linked the company's lifetime , shares return positively and linked to the price fluctuation negatively. In most studies, variables such as the size of the company, the price of each share and the stock return are considered as the variables that have a positive relationship with institutional ownership . Finally , institutional ownership can play a critical role to determining how much

Received: 20-12-2017
Approved: 20-03-2018

dividends can be divided and how they will be influenced in the information assymetry and decision of investors . Therefore, the purpose of this study is to investigate the effect of moderating institutional ownership on the relationship between information asymmetry and dividend policy in Tehran Stock Exchange .

An overview of the research background

Foreign research

Lin et al., (2017) research entitled "The Relationship Between Information Asymmetry, Dividend Politics , and institutional ownership "examines the relationship between information asymmetry, dividend policy and institutional ownership in Chinese companies during the years 2003 to 2012. Their research results indicate that companies with high information asymmetry pay less cash dividends. The results of their research also show that companies with a permanent control system but with a lack of High symmetry, will pay more profitable than companies without a permanent internal control system. Yarram and Dollery (2015) study entitled " Corporate Governance and Financial Policies investigated the relationship of the board composition combined with the sustainability of Australian corporate dividend behavior. Their research sample includes 910 companies from the Australian Stock Exchange in the period from 2004 to 2009 which were investigated using both the regression Binary methods and linear regression. The results of the binary regression test showed that the composition of the board does not have a significant effect on the sustainability of the profit-sharing behavior. But the results of the regression test showed that the size of the board of directors and the independence of the board had a significant effect with the stability of dividebd behavior . Ajideand Aderemi (2014) in a research entitled "the impact of dividend Management in Nigeria " , have discussed this matter using 10 non-financial companies . After statistical analysis by linear regression, they concluded that there was a significant and inverse relationship between the two above vriables . Abu Khalaf (2013) research entitled "contriburors influences dividend smoothing by using the linear regression and GARCH method in Jordan during the research period up to 2012 . He found some evidences to support the agency theory as a dividend smoothing factor, but in theory of sending messages as a part of the

Received: 20-12-2017
Approved: 20-03-2018

theory of representation has yielded the contradictory results. Chen and et.al (2012) research named :|" the dividend smoothing and anticipating the dividend " in New York Exchange market using panel data & liner regression in 1946-2012 concluded that the dividend smoothing will decrease the anticipating it , because the smooting will separate the relation between dividend and its fluctuation and these fluctuations is basis os anticipating and the companies repurchase their shares and they will smoth their interst . Gonzalez et al. (2010), in a research entitled " Dividend Policy and Ownership Structure in Latin America " investigated the Relationship Between Dividend and Ownership Structure for the six Latin American countries. Their research results indicate the U-shaped relationship between ownership concentration and dividends. This means that when ownership concentration is low, there is a negative effect on dividend and, when ownership concentration is high, there is a positive impact on the dividend .

National Researchs:

Qalibaf Asl and Wali Zadeh (2006), research entitled "The Relationship between the Dividend Policy with Information Asymmetry and stock liquidity "examines the relationship between dividend policy and information asymmetry Stock liquidity in the Tehran Stock Exchange considering the characteristics of the size of the company, Company risk, growth opportunities and profitability as control variables. The results of this research indicate that there is a positive and significant relationship between stock liquidity and dividend policy. Also, the results of the research show that there is a significant inverse relationship between dividend and information asymmetry. Barati et al. (2016) studied the relationship between efficiency of stock prices, information asymmetry and return of investment in listed companies of Tehran stock exchange. Inthis regard, the financial information of 116 companies admited in Tehran Stock Exchange is extracted by systematic method as a statistical sample of research, and has been reviewed during the period 2011 to 2015. The empirical evidence obtained from the hypothesis implies that there is an inverse and meaningful relationship between information asymmetry and the delayed reaction of stock prices . Thereby, with the increase of information asymmetry, the delayed response to

Received: 20-12-2017
Approved: 20-03-2018

the stock price will be decreased. Baghebani et al. (2005), in their research sought to investigate the relationship between the ownership structure and the Information asymmetry and transparency of financial information; in this regard, the proposed range of the sale & purchase price and ownership percentage of institutional investors as well as major indicators of ownership structure and lack of rating variables which informed by Tehran Stock Exchange,are considered as a criterion for the separation of Companies with high & low levels of financial transparency. The results of this research indicate the existence of a meaningful relationship between the structure of institutional ownership and the information asymmetry as well as the transparency of financial information l. Farajpour (2014) study investigated the role of Information Asymmetry and Ownership perecentage of Institutional Investors on the Profit Management of Companies listed in Tehran Stock Exchange. Empirical findings indicate that information asymmetry and ownership percentage of institutional investors has a significant relationship with profit management. Furthermore, the research findings show that the negative significant relationship between information asymmetric and earnings management variables. Sedaghat Jahanabad and colleagues (2013), studied the impact of Dividend policy on the relationship between information asymmetry and capital expenditure in companies listed on the Stock Exchange. The results of their research indicate that information asymmetry has a significant negative impact on the sensitivity of capital expenditure to stock prices. Also Wong test results shows that the impact of information asymmetry on the sensitivity of capital expenditure will increase the level of profitability in stock price.

Theoretical Principals and Research Hypotheses

Dividend policy is one of the most important issues in financial management, because dividend indicates the major corporate cash payments and one of the most important options and decisions that managers is considered. The manager must decide how much the company profits reinvest in the form of retained earning in the company again (Hu and Liu ,2006). It is important the the shareholders follow up the news about dividends and dividend changes over the past years, That's why there are many theories and views on this regard .

Received: 20-12-2017
Approved: 20-03-2018

One of these theories suggest that dividend changes informed to financial stockholders and financial analysts about the company's financial position, so dividend changes are resulted of some causes and the market intend to discover these causes (Liljeblom and Maury , 2015). Ther are two concepts in the model of the signalingl between dividends and corporate profits. The first concept implies that there is a significant relationship between market response and dividend changes. The second concept of the dividends models emphasizes that the dividend changes contain information about future business profits. Managers use the dividend changes to Communicate with the market about cash flows (Shabahang and Nourbakhsh Langrody, 2006) . Both the concepts of signaling models emphasize that dividends has information and can provide important information such as profitability and response Stock market(Kighir and et al.2015)

Theories show that information assymetry may lead to a market failure, and this caused the tendency to invest less or more effectively and in fact leads to inefficiencies at the macro and micro levels. Understanding how this concept works , will helps to solve it more efficiency . Two factors affecting

Market inefficiencies are inappropriate choice and moral risk. Inappropriate selection is considered as the first factor of Information asymmetry and is occured when one or more parties are in an actual or potential transaction, which provide an informational advantage than the other parties. This provoke the policy makers to focus on the integration of information among users of the financial statements .

The moral risk is the second factor of the information asymmetry, based on which each one of the parties in real or potential commercial exchanges are able to observe their actions in executing or violating the terms, While the other parties are not able to observe another action (Scott, 2009) Moral risks invok the policy makers to execute the mandatory laws and regulations in the area of debts and lawswits in order to better control the performance of parties to contracts and exchanges. Given these factors, it is difficult to collect information and to eliminate the information asymetry

Received: 20-12-2017
Approved: 20-03-2018

in practice, and the gathering of evidence of the existence and importance of information assymetry, especially in credit markets, is not possible easily . (Carlane and Zainman, 2006). In fact, there is information symmetry is existed when the managers and the market has the same information about the company. Otherwise, managers have informed more confidential information about the market because of more and appropriate information about the company before the market. The dividend policy of companies is important for investors, analysts and economists to consider this issue (Nazari et al., 2012). Given the foregoing, it can be said that based on the concept of information asymmetry, the managers have more information about cash flows, investments opportunities, and in general, the company's future prospects and real value of company than the outsourced investors. In general, information asymmetry is divided to information gaps, quality, reporting perception, and value. Whatever the scope is greater, the value gap followed by the distance between the exchange rates of corporate securities is enjoyed the intrinsic value which they will lead more likely to the inappropriate economic and financial decisions by Investors (Khane and Ghajavand , 2012). Therefore, the following hypothesis can be raised

Hypothesis 1: There is a significant relationship between information asymmetry and dividend policy . The ownership structure is firmly dominanted in corporate governance. Determination of ownership type and structure and thecomposition of company's shareholders is a tool for controlling and enforcing ther corporate governance. This dimension of governance in different form of dimensions is the deretminant of the type of ownership of the company, such as the distribution of ownership, the concentration of ownership, the presence of minority shareholders in the composition of the company and their percentage of ownership can be reviewed . Also, the combination of shareholders of companies is followed up a different model, such as institutional shareholders, ownership management, private and public shareholders. One of the effective external control mechanism with the growing dominance of corporate governance is the emergence of institutional investors (Hasas Yegane et al., 2012) so it can be said:

Received: 20-12-2017
Approved: 20-03-2018

Hypothesis 2: Institutional ownership has moderating effect on the relationship between information asymmetry and dividend policy In the conceptual model, the relationships between research variables can be seen better in the form of hypotheses

Figure 1. Conceptual model of research

4. Research method

This is an applied research purposedly. It is an experimental study based on the procedure of research and applicable (decision-making) , and it is a pure research in terms of the research nature . Due to data nature, this is quantitative research and research methodology is also descriptive and retrospective mehtod . In this research, the inductive and retrospective method is used is regard to the time of research . Also, given the past information of the companies is used in this research , so it is a retrospective study . This research is classified as positive study theoretically. In another perspective, this research is a quasi-empirical research in the field of market capitalism

In this research, a statistical society consists of companies listed to the Tehran Stock Exchange and the research sample with 123 participants were considered due to the following constraints and limitations :

- Not removed from the list of companies listed to the Stock Exchange.
-All required information for companies is available from 2009 to 2016.
-The end of fiscal year is the end of March.
- Their fiscal year has not changed since 2009 to 2016.
- Shares of companies have been transacted on the stock exchange during each of the years of the research period
- have not long interruption above three months
-Not included among the intermediary, financial and insurance companies.

Different books, articles published in prestigious journals, and Latin articles were used to collect data on theoretical concepts and research literature. Also the contents of newspapers and websites have also been used. To collect data about institutional ownership, information asymmetry, and dividend policy , the place of maintaining the financial statements in the Stock Exchange were

Received: 20-12-2017
Approved: 20-03-2018

refered and the required information is reviewed using the documents of financial statements and, in some cases, using a compact disc (including factual information) website of stock exchange or using databases of "Raheed Novin" and "Tadbir Pardaz" which was clollected for 8 years from 2009-2016

The collected data is first stored in spreadsheet format and then by transferring these data to Eviews and Excel software, these data were analyzed through regression and the results are provided using correlation analysis . To investigate the research hypotheses, the Dourbin Watson model was used using regular least squares regression or generalized least squares regression, as well as F Limer and Hausman tests have been used to determine the type of combined data. Also the t- test was used to determine the significance of the relationship between the independent variables with the dependent variable and also F test for the significance test of the general relationship of regression equations .

5. Research findings

5.1 . The results of descriptive studies :

In Table 1, some of the concepts of descriptive statistics of variables, including mean, median, minimum observations, maximum Observations and standard deviation are presented. The results show that the average information asymmetry of companies is about 75%, and the average dividend is 65 units , which has a relatively high fluctuation due to standard deviation 27.7 .

Table 1. Descriptive statistics of research variables

5.2 . Investigation of Correlation Coefficients of Research Variables :

A correlation test has been used to investigate the initial relationship between variables. According to the results of Table 2 , theer is relationship between variables and can be discussed it as a closer look at this relation . For example, the results obtained from the correlation coefficient show that there is positive significant relations beween the institutional ownership and information asymmetry at the level 95% confidence . While , there is a negative and significant correlation between information asymmetry and tendency toward the dividend payment .

Received: 20-12-2017
Approved: 20-03-2018

Table 2. Correlation coefficients of research variables

5.3 Results of the research hypothesis test:

Before estimating models, it is necessary to specify the estimation method (combined or tabular) , so F lemmer test is used. To determine which model shall be used , Hausman test has been used. As shown in Table 3, the probability of F lemmer in two models is less than 5%. Therefore, to estimate these models, the panel method is used. Considering that the probability of the Hausman test of both research models is less than 5%, then the constant effect model has been used to estimate these models.

Table 3. Results of F Lemer test and Hausman test

To test the first hypothesis, the results of table 4 are used. The probability value (or significant level F) is 0.0000 and since this value is less than 0.05 , The zero assumption is rejected at the 95 % confidence level, which meanes the model is meaningful. value of Dourbin Watson statistic is 2.00, which shows this lack of self-correlation of errors. The results of the adjusted coefficient indicate that approximately 99% of the dependent variables are explained based on the Independent and controllable variables of the model. The results show that at the level of confidence 95%, the variables are rejected due to the zero hypothesis , and the variables are meaningful in the model. In general , the results show that the coefficient of information asymmetry variable is (0.44553) which indicate the negative correlation of information asymmetry with dividend, which according to t-test , the information asymmetry variable is significant at 95% confidence level, considering the above mentioned , the first hypothesis of the study to be confirmed at a confidence level of 95%. This reflects there is a negative and significant relationship between information asymmetry and dividend policy.

Table 4. Results of 1st research model estimation

$Divi, = \alpha i,t + \beta 1 ASYi,t + \beta 2 Sizei,t + \beta 3 M/Bi,t + \beta 4 AGi,t + \beta 5 PMi,t + \varepsilon i,t$

In order to test this hypothesis, the results of model estimation presented in Table 5 are used. The probability value (or significant level F) is 0.0000 and since this value is less than 0.05 , The zero

Received: 20-12-2017
Approved: 20-03-2018

assumption is rejected at the 95 % confidence level, which meanes the model is meaningful. value of Dourbin Watson statistic is 1.863 which shows this lack of self-correlation of errors. The results of the adjusted coefficient indicate that approximately 37% of the dependent variables are explained based on the Independent and controllable variables of the model. The results show that at the level of confidence 95%, the variables except book value in market and the assets growth , are rejected due to the zero hypothesis , and the variables are meaningful in the model. In general, the results show that the institutional variable and information asymmetry variable (OWN * ASY,) was 1.015881 which indicates the moderating effect of the institutional ownership and information asymmetry on the intensity of dividends . With respect to the t-statistic, the variable coefficient in institutional ownership and information asymmetry is at the confidence level 95% , so the second hypothesis of the research is confirmed at the confidence level 95% . This implies that institutional ownership has a moderating effect on the relationship between information asymmetry and dividend policy.

Table 5. Results of the second model estimation

$$Div_{i,t}=\alpha_{i,t}+\beta 1ASY_{i,t}+\beta 2OWN_{i,t}+\beta 3(OWN_{i,t}\times ASY_{i,t})+\beta 4Size_{i,t}+\beta 5M/B_{i,t}+\beta 6AG_{i,t}+\beta 5PM_{i,t}+\varepsilon_{i,t})$$

Conclusion

In general, the results of the first hypothesis indicate the negative correlation between information asymmetry and dividend. This reflects the negative and significant relationship between information asymmetry and dividend policy. Awareness of the determinants of dividend policy while provides a clear picture of the ability to distribute liquidity to companies, also provides an opportunity to estimate their future behavior of them . Always there is contrast between managers and major shareholders on one hand and thousands of small investors on the other hand over the issue of dividend. The small investors aims to invest more for receiving the cash benefits and are willing to receive their stock returns in cash. On the other hand, major shareholders are willing to maintain profits in the company . As a result, the stock price of the company will increase in this

Received: 20-12-2017
Approved: 20-03-2018

way. Anyway, because the beneficial and effective information is the basis for the decision-making of shareholders for investment, the more asymmetric information is greater between managers , shareholders and financial markets, companies are used more dividends for signalling in capital markets. The results of this research show there is a direct relationship between the information asymmetry and the dividend policy which is consistent with the dividend policy and the signing of the system. To ensure the accuracy of the results ,other factors such as company size, profitability, market value to book value, asset growth on dividend earnings were investigated, which ultimately concluded that there was a meaningful relationship between information asymmetry and dividend, so the hypothesis can be confirmed. The second hypothesis reflects the moderating effect of the institutional ownership and information asymmetry on dividend intensity , which indicates that institutional ownership has a moderating effect on the relationship between information asymmetry and dividend policy. At the end of each fiscal year, the percentage of reported dividend will be divided by companies between shareholders. Qalibaf Asl and Wali Zadeh (2006), research entitled "The Relationship between the Dividend Policy with Information Asymmetry and stock liquidity "examines the relationship between dividend policy and information asymmetry Stock liquidity in the Tehran Stock Exchange considering the characteristics of the size of the company, Company risk, growth opportunities and profitability as control variables. The results of this research indicates that there is a positive and significant relationship between stock liquidity and dividend policy. Lin et al., (2017) research entitled "The Relationship Between Information Asymmetry, Dividend Politics, and institutional ownership "examines the relationship between information asymmetry, dividend policy and institutional ownership in Chinese companies during the years 2003 to 2012. Their research results indicate that companies with high information asymmetry pay less cash dividends. The results of their research also show that companies with a permanent control system but with a lack of High symmetry, will pay more profitable than companies without a permanent internal control system

Dividend policy is an important factor is determinant in decision making of potential and current shareholders, and shareholders are seeking to identify ways to predict dividend policies and factors

Received: 20-12-2017
Approved: 20-03-2018

affecting it In other words , price intelligence efficiency is considered a valuable public good, because all market participants benefit from more efficient prices. It is important to believe in the power of the institutional shareholders on stock prices . First, institutional investors may be monopolized the price for realization of their intended transactions , so the real investors and other suppliers don't consider the liquidity from their portfolio investments (liquidity hypothesis). Secondly, basically the information available at the time of the transaction is determinaqnt of the price and the institutional investors have better information than others through their potential influence (hypothesis of conscious Exchange conscious).

According to the conscious exchange hypothesis, there is positive relation between changes in institutional ownership and the rate of returns and the institutional investors are more successful in predicting intermediate returns. Institutional investors, by virtue of information advantage, are buying stocks that have better performanc than a stock they sells. Institutional Investors often consider some company variables include company life, stock returns, stock price fluctuations. Considering the importance of institutional investors, it can be expected that institutional ownership has a positive relation to the company life & returns and also associated with fluctuations in prices negatively. Institutional investors, due to their special and dominant position, are looking for high-value, high-value equity firms. In addition, they have high turnover volumes and frequencies The exchange is far more than real investors, compared to the cost of the exchange, which is the difference in price . The supply and demand for stocks with low liquidity or under-pricing will be more sensitive. In most researches, company size, price per share and stock returns are commonly used as liquidity variables. If the Institutional investors request high liquidity stocks and high market prices , this can increase wealth of Shareholders. While the stock has good returns, it also affects the dividend policy of the company and the corporations can have a smoother divided , so the smoth dividend distribution will attract more investors. Institutional investors, because of their potential influence, can affect the management decisions in the dividend distribution, how much dividend will be distributed and how much to be invested in projects that have a positive return, and this creates a cycle . Finally, the second hypothesis is confirmed the

Received: 20-12-2017
Approved: 20-03-2018

moderating effect of institutional ownership on the relationship between information asymmetry and dividend policy.

Suggestions for future research:

Due to fisr hypothesis , it is suggested the exchange market has forced the companies to inform their dividend policy to the shareholders at the beginning of the fiscal year , so that the managers couldnot manipulate the dividend policy during the year as a tool for manipulating the stock price and information asymetry. According to Hypothesis two, the financial analysts are suggested to concentrate on the institutional ownership more for anticipating the dividends of next periods . Since the managers may have more information about the real value of company than the shareholders and the market information may lead to the dividend policy , so the investors must consider the available information when they chose the investment portfolio .

References :

AAthari S A, Adaoglu C, Eralp Bektas E, (2016), Investor protection and dividend policy: The case of Islamic and conventional banks, Emerging Markets Review, In Press

Abdelsalam, O; EL-Masry, A, & Elsegini, S." (2008). Board Composition, Ownership structure and dividend policies in an emerging Market". Journal of Managerial Finance. Vol. 34, No. 12, pp. 953-964.

Abu Khalaf, B. K. (2013). "Dividend smoothness, determinants and impact of dividend announcements on share prices: empirical evidence from Jordan" (Doctoral dissertation, Heriot-Watt University).

Aivazian, V., Booth, l. and Cleary, S. (2003), “Do emerging market firms follow different dividend policies from US firms?”, Journal of Financial Research, Vol. 26 No. 3

Ajide, F.M. and Aderemi, A.A. (2014). The Effects of Earnings Management on Dividend policy in Nigeria: An Empirical Note. The SIJ Transactions on Industrial, Financial & Business Management (IFBM), 2 (3), 145-152.

AL-Deehani T.M.(2003), Determinants of Dividend policy: The Kuwwait, Journal of Economic &Administrative sciences, Case of Vol 19,Nol 2

Received: 20-12-2017
Approved: 20-03-2018

Al-Najjar B,(2009), "Dividend behaviour and smoothing new evidence from Jordanian panel data", Studies in Economics and Finance, Vol. 26 Iss: 3, pp.182 – 197

Al-Najjar, B. and Belghitar, Y. (2012). The information content of cashflows in the context of dividend smoothing. Economic Issues, 17 (2), 57-70.

Andres, C., Betzer, A., Goergen, M. and Renneboog, L. (2009). Dividend policy of German firms: a panel data analysis of partial adjustment models. The Journal of Empirical Finance, 16 (2), 175-187.

Bichara, L. (2008). "Institutional Ownership and Dividend Policy: A Framework based on tax clientele, information signals and Agency costs". Ph. D Dissertation. University of North Texas.

Chaya, J. B., & Suh, J. (2009). Payout policy and cash-flow uncertainty. Journal of

Chen, L., Da, Z., & Priestley, R. (2012). "Dividend smoothing and predictability". Management Science, 58(10), 1834-1853.

Chowdhury.R.H Maung.M, Zhang.J. (2014). Information content of dividends: a case of an emerging financial market, Studies in Economics and Finance, Vol. 31 No. 3, pp. 272-290

Farinha, J. (2003)." Divided Policy, Corporate Governance and the Managerial Entrenchment Hypothesis: An Empirical Analysis". Journal of Business Finance & Accounting. Vol. 30, pp. 1173-1209. Financial Economics, 93, 88–107.

Frankfuter,G.M, Wood,B.Jr.(2002).” Dividend policy theories and their empirical tests”,Intertnational Review of Financial Analysis, Vol 11pp.111-38

González, M,. Molina, C.A & Pablo,E. (2010)." Dividend Policy and Ownership Structure in Latin America". Universidad de los Andes (UNIANDES),Vol 21,pp 1-20.

Guo, W,. Ni, J. (2008)." Institutional Ownership and Firm’s Dividend Policy, Corporate Ownership & Control". Vol. 5, No. 2, pp. 128-136.

Guo, W,. Ni, J. (2008)." Institutional Ownership and Firm’s Dividend Policy". Corporate Ownership & Control. Vol. 5, No. 2, pp. 128-136.

Received: 20-12-2017
Approved: 20-03-2018

Guttman, I., Kadan, O. and Kandel, E. (2001). A theory of dividend smoothing 1, Working Paper, Graduate School of Business, Stanford University.

Hafeez A, Attiya YJ. (2009),"The Determinants of Dividend Policy in Pakistan".International Research Journal of Finance and Economics. Vol. 25, pp. 148-171.

Harada, K,. Nguyen, P. (2006)." Ownership Concentration, agency conflicts, and dividend policy in Japan". Working paper. [Online]. www.ssrn.com.

Helen, k,. Kevin, Z,. & Hao. (2002)." The link between Divided policy and Institutional Ownership". Journal of Corporate Finance. pp.105-122.

Hendriksen, Eldon S. and Mchael F.Van Breda. (1992). Accounting Theory, Irwin.

Hu, Y. Liu, S. (2006),"Empirical Analysis of Cash Dividend Payment in Chinese Listed Companies".Nature Sci. Vol 3(1), pp. 65-70.

Jelinek, K. (2007). The effect of leverage increase on earning management. Journal of Business and Economic Studies, 13, 24-46.

Jensen, M. (1986). Agency costs of free cash flow, corporate finance and takeovers. American economic review, 76(2), 323- 329.

Jensen, M. C. and W. H. Meckling (1976). “Theory of the firm: managerial behavior, agency costs and ownership structure”. Journal of Financial Economics,Vol. 3, pp.305–360.

Jeong, J. (2013). "Determinants of dividend smoothing in emerging market: The case of Korea", Emerging markets review, Vol. 17, pp. 76-88.

Jones, S. & Sharma, R. (2001). The Impact of free cash flow, financial leverage and accounting regulation on earnings management in Australia old and new economics. Journal of Managerial Finance, 27(12), 18-39.

Kanwer,A, (2003)” The determinants corporate dividend polices in pakestan” The Lahore Journal of Economics, 20(2), PP 77-98

Khalid S, Rehman M, (2015), Determination of Factors effecting the Dividend policy of Organizations, International Journal of Information, Business and Management, Vol. 7, No.3, 310-328

Received: 20-12-2017
Approved: 20-03-2018

Kighir AE, Omar NH, Mohamed N. (2015). Corporate cash flow and dividends smoothing: a panel data analysis at Bursa Malaysia. Journal of Financial Reporting and Accounting, 13 (1), 2-19.

Kouki, M,. Guizani, M. (2009)." Ownership Structure and Dividend Policy: Evidence from the Tunisian Stock Market". European Journal of Scientific Research. Vol. 25, No.1, PP. 42-53.

Kumar, J. (2003)." Does Ownership Structure Influence Firm value? Evidence form India. Working paper. [Online]. www.ssrn.com.

Lambrecht, B. and Myers, S. (2012). "A Lintner Model of Payout and Managerial Rents", The Journal of Finance, Vol. 67, No. 5, pp. 1761-1810.

Leary, M., & Michaely, R. (2011). "Determinants of dividend smoothing: empirical evidence". Review of Financial Studies, 24.10: 3197-3249

Lee, T.A. (1983). Funds statements and cash flow analysis, Investment Analyst, 13-21.

Li, K., Zhao, X. (2008). Asymmetric Information and Dividend Policy, Financial Management, Volume 37, Number 4 , pp. 673-694(22)

Liljeblom, E., and Maury, B, (2015), Shareholder Protection, Ownership, and Dividends: Russian Evidence, Journal of Emerging MarketsFinance and Trade,6,1-20

Lin, T,. Chen, Y,. & Tsai, H. (2017)." The relationship among information asymmetry, dividend and ownership structure". Finance research letter. 20. Pp.1-12.

Lintner, J. (1956). Distribution of incomes of corporations among retained earnings, and taxes. American Economic Review, 46 (2), 97-113.

Mancinelli, L,. Ozkan, A. (2006)." Ownership structure and Dividend Policy: Evidence from Italian Firms". The European journal of Finance. Vol. 12, No. 3, pp. 265-282.

Michaelly, R., Roberts, M., 2012. "Corporate dividend policies: lessons from private firms". Rev. Financ. Stud. 25, 711–746.

Miller, M.H. and Modigliani, F. (1961). Dividend policy, growth and valuation of shares. Journal of Business, 34 (4), 411-433.

Received: 20-12-2017
Approved: 20-03-2018

Rozycki, J. J. (1997). 'A tax motivation for smoothing dividends'. The Quarterly Review of Economics and Finance, 37(2), 563-578.

Shinozaki S and Uchida K,(2014),"Ownership Structure, Tax Regime, and Dividend Smoothing: International Evidence, Midwest Finance Association 2013 Annual Meeting Paper. Available at SSRN: http://ssrn.com/abstract=2139897

Shinozaki, S and Uchida, K, (2014),"Ownership Structure, Tax Regime, and Dividend Smoothing: International Evidence". Available at SSRN: http://ssrn.com/abstract=2139897

Stolowy Herve and Gaetan Breton. (2000). "A Framework for the Classification of Accounts manipulations". available on https://hal-hec.archives-ouvertes.fr/hal-00597249

Stouraitis, A,. Wu, L. (2004)." The Impact of Ownership Structure on the Dividend Policy of Japanese Firms with Free Cash Flow Problem". Working paper. [Online].

Trumm,K,(2004)" Determinants of dividend policy on Stonian interprises" Working paper university of tartu.

Tucker, J. W and Zarovin, P. A. (2006). Does income smoothing improve earnings in formativeness. The Accounting Review, 81(1), 252-270.

Walter, J.E. (1963), "Dividend Policy; its' Influence on the Value of the Enterprise". Journal of Finance, Vol. 18, pp.280-291.

Yarram S.R, Dollery B, (2015), Corporate governance and financial policies: influence of board characteristics on the dividend policy of Australian firms: Managerial Finance, Vol. 41 Iss: 3, pp.267 – 285

Received: 20-12-2017
Approved: 20-03-2018