# Module: Dividends and Dividend Policy

## Topics

This module includes the following five topics:

Topic 1: Types of Dividends and Dividend Payment

Topic 2: Implementing Stock Repurchases

Topic 3: Relevance of Dividend Policy

Topic 4: Applying Dividend Theories

Topic 5: Developing an Appropriate Dividend Policy

## Topic 1: Types of Dividends and Dividend Payment

This topic discusses the types of dividends and how they are distributed. It includes how dividends and capital gains are taxed by different classes of investors.

### Readings

### Introduction, Sections 1.1 and 1.2

#### **Learning Problems**

#### Stock Transactions

#### Answer Keys

Stock Transactions

## Topic 2: Implementing Stock Repurchases

This topic discusses why stock repurchases are an effective alternative to dividends and how they are implemented in practice.

### Readings

### Section 1.3

### Learning Problems

There are no learning problems for this topic.

## Topic 3: Relevance of Dividend Policy

This topic explains why dividend policy is relevant to a company and its investors.

### Readings

### Section 1.4

#### **Learning Problems**

#### Factors Influencing Dividend Decision

#### Answer Keys

Factors Influencing Dividend Decisions

## Topic 4: Applying Dividend Theories

This topic discusses different theories that influence what dividend policy a company adopts.

### Readings

### Section 1.5

#### **Learning Problems**

#### Different Dividend Policies

#### Answer Keys

Different Dividend Policies

## Topic 5: Developing an Appropriate Dividend Policy

This topic discusses how to develop an appropriate dividend policy and current industry practices.

**Readings**

### Sections 1.6 and 1.7

#### **Learning Problems**

Dividend Policy for a Mature Firm

Dividend Policy for a Growth Firm

Change in Dividend Policy

#### Answer Keys

Dividend Policy for a Mature Firm

Dividend Policy for a Growth Firm

Change in Dividend Policy

## Module Summary

In this module, you have had the opportunity to learn about the mechanics of earnings distribution and how to design an appropriate dividend policy that meets a company’s financial needs and the expectations of the stock market.