CHAPTER – 3

RESEARCH METHODOLOGY
RESEARCH METHODOLOGY

- Introduction
- Problem Identification
- Objectives of the study
- Survey of the existing literature
- Scope of the Study
- Hypothesis
- Research Sample design
- Limitations of the study
- Reference
Introduction:

Corporate governance is concerned with ways in which all parties interested in the well-being of the firm (the stakeholders) attempt to ensure that managers and other insiders take measures or adopt mechanisms that safeguard the interests of the stakeholders. Such measures are necessitated by the separation of ownership from management, an increasingly vital feature of the modern firm. A typical firm is characterized by numerous owners having no management function, and managers with no equity interest in the firm. Shareholders, or owners of equity, are generally large in number, and an average shareholder controls a minute proportion of the shares of the firm. This gives rise to the tendency for such a shareholder to take no interest in the monitoring of managers, who, left to themselves, may pursue interests different from those of the owners of equity. For example, the managers might take steps to increase the size of the firm and, often, their pay, although that may not necessarily raise the firm’s profit, the major concern of the shareholder.

Dividend Policy decision:

Dividend decision is the major decision area of financial management. A firm is to decide what portion of earnings would be distributed to the shareholders by way of dividend and what portion of the same would be retained in the firm for its future growth. Both dividend and retention are desirable but they are conflicting to each other. A finance manager should be able to formulate a suitable dividend policy, which will satisfy the shareholders without hampering future progress of the firm. It is common that higher the earnings, higher will be the amount of dividend and vice-versa.

The Association between dividend policy and corporate governance

As a result, the quality of corporate governance should have an effect on dividend policy. Jiraporn et al (2011) their empirical evidence shows a positive association between dividend payouts and corporate governance quality, dividend payouts is not only statistically significant but also economically large. In other words, firms with stronger governance are more likely to pay dividends, and likewise, dividend payers tend to pay larger dividends (Chae, et al 2009). The outcome are robust to controlling for a large number of firm-specific characteristics, including firm size, leverage, profitability, growth opportunities, possible tax effect, corporate
life cycle and repurchase activity. Opler and Titman (1984), Bradley et al. (1984), Titman and Wessels (1988) and Myers’ (1977) found a negative relationship between leverage and other proxies for growth opportunities (La Porta et al 2000 b). In addition the empirical results of Titman and Wessels (1988), Friend and Lang (1988) and Wald (1999) Proves that firms with a lower leverage level associated with higher profitability. Firms that initiate (omit) dividend payments have positive (negative) earnings (profitability) changes both before and after the dividend policy change, (Healy and Palepu, 1988). the theoretical and the empirical results show that in countries with strong investor protection, there is a stronger negative relationship between growth opportunities and dividend payouts La Porta et al (2000) (b) in addition its associated

**Problem Identification:**

Presence of good corporate governance increases the brand value and image of the firm in the capital market. A good corporate governance practice enhances the creditability and market price of the share also. A good corporate governance practice removes the managerial limitations and incompetency and increases the quality of the decisions of the CEO. And Quality of managerial decision has the best impact on the firm which increases the profit and profitability. Good practices of corporate governance can also increases the operational efficiency and motivational level of managers and worker. This is how good corporate governance practices indirectly have an impact on the dividend decisions. Many times manager may devise wrong divided policy which leads to market price of the share towards downwards. Apart from these different components of corporate governance like age, firm size, board size, leverage, CEOstatus, foreignCEO and sector of firms. Here researcher has tried to measure the impact of corporate governance on dividend policy decision.

**Survey of the existing literature**

Review of the literature is very important to study the selected topic. Because review of the literature gives basic ideas about the research methodology and concluding remarks of the other
research relevant to the selected topic. Following are the review of the literature available for this topic.

1. **Husam-Aldin Nizar Al-Malkawi** (2008) worked on *Factors Influencing Corporate Dividend Decision: Evidence from Jordanian Panel Data* in his research he examined the determinants of corporate dividend decisions of publicly quoted companies in Jordan as a case study of an emerging market. The analysis is based on 15-year unbalanced panel data with 1137 firm-year observations covering the period between 1989 and 2003. The study develops five research hypotheses and used the general-to-specific modeling approach to choose between the competing hypotheses. We estimate the determinants for a given firm to pay dividends to its shareholders through Probit modeling. The factors that affect dividend policy in developed stock markets seem to apply for this emerging market. For example, factors such as size, profitability, and age increase the likelihood to pay dividends. Financial leverage decreases the probability to pay dividends. Taken together, the findings provide support for the agency costs hypothesis and are broadly consistent with the pecking order hypothesis.

2. **Oskar Kowalewski, Ivan Stetsyuk and Oleksandr Talavera** (2007) *Does Corporate Governance Affect Dividend Policy? Evidence from Poland* worked on the determinants of the dividend policy in Poland. Second, we test whether corporate governance practices determine the dividend policy in the non-financial companies listed on Warsaw Stock Exchange. We compose, for the first time, quantitative measures on the quality of the corporate governance for 110 non-financial listed companies. Our results suggest that large and more profitable companies have a higher dividend payout ratio. Conversely, concentrated share ownership as well as the deviation from the one-share one-vote principle leads to a reduction of the payout dividend ratio. This result suggests that dividends may signal the severity of conflicts between controlling owners and minority shareholders. While, we find support for the free cash flow hypothesis we document that dividends in Poland have less of a signaling role than in the developed capital markets. We present also that riskier and more indebted firms prefer to pay lower
dividends. The findings are based on the period 1998-2004. Finally, our results demonstrate that an increase in the TDI or its subindices that represent corporate governance practices brings about a statistically significant increase in the dividend payout ratio. Moreover, the estimates prove to be significant after the inclusion of performance and control variables.

3. **Black (1976)** finds no convincing explanation of why companies pay cash dividends to their shareholders. Since that introduction of the “dividend puzzle,” a voluminous amount of research offers alternative and appealing approaches to solve it. Most of them are rooted in information asymmetries between firm insiders and outsiders, ownership and controlling structures and suggest that firms may indicate their future profitability by paying dividends.


5. **Morad Abdel-Halim & Adel Bino (2008) CORPORATE GOVERNANCE AND DIVIDEND POLICY: AN EMPIRICAL INVESTIGATION OF JORDANIAN NON-FINANCIAL CORPORATIONS** his study aims at investigating the relationship between dividend policy and the corporate governance mechanism, measured by firm’s ownership structure, of non-financial corporations listed on Amman Stock Exchange. Based on a sample of 110 corporations over the period 2004-2008 and using several econometric models with different specification that account for firm-specific unobservable variables and controls for the impact of other confounding factors, the results show a significant negative relationship between firm’s dividend payout ratio and its capitals owned by block holders. This may indicate that large shareholders may be expropriating the rights of minority shareholders and benefiting from the firm through other means other than the payment of dividends. Also, the results show that there is a negative relationship between dividend payout ratio and sales growth.

6. **Klaus Gugler, B. Burcin Yurtoglu (2002)** wrote on “Corporate governance and dividend pay-out policy in Germany” A new explanation of why dividends may be informative is put forward in this paper. We evidence that dividends signal the severity of the conflict between the large, controlling owner and small, outside
shareholders. Accordingly, dividend change announcements provide new information about this conflict. To test the rent extraction hypothesis and discriminate it from the cash flow signaling explanation, we utilize information on the ownership and control structure of the firm. We analyze 736 dividend change announcements in Germany over the period 1992–1998 and significantly larger negative wealth effects in the order of two percentage points for companies where the ownership and control structure makes the expropriation of minority shareholders more likely than for other firms. The rent extraction hypothesis also has implications for the levels of dividends paid. We find larger holdings of the largest owner to reduce, while larger holdings of the second largest shareholder to increase the dividend pay-out ratio. Deviations from the one-share-one-vote rule due to pyramidal and cross-ownership structures are also associated with larger negative wealth effects and lower pay-out ratios. Finally, using Lintner’s (American Economic Review 46 (2) (1956) 97–113) model of dividend determination we are corroborating results. The presence of a second largest shareholder with a considerable equity stake makes a crucial difference in the governance of the firm. Our results call for better minority shareholder rights protection and increased transparency in the course of European Capital Market Reform.

7. **Grossman and Hart (1980)** point out that the dividend payouts mitigate agency conflicts by reducing the amount of free cash flow available to managers, who do not necessarily act in the best interests of shareholders. In line with that,

8. **Jensen (1986)** argues that a company with substantial free cash flows is inclined to adopt investment projects with negative net present values. If managers increase the amount of dividend, all else being equal, it reduces the amount of free cash flows, thereby mitigating the free cash flow problem. Thus, dividend payouts may help control agency problems by getting rid of the excess cash that otherwise could result in unprofitable projects. Furthermore,

9. **Easterbrook (1984)** argues that dividends help alleviate agency conflicts by exposing firms to more frequent monitoring by the primary capital markets because paying dividends increases the probability that new common stock has to be issued more often. This, in turn, leads to an investigation of management by investment banks,
security exchanges, and capital suppliers. The importance of monitoring by investment banks has been recognized in literature.

10. **Shleifer and Vishny (1986) and Allen, Bernardo, and Welch (2000)** note that institutional investors prefer to own shares of firms making regular dividend payments, and argue that large institutional investors are more willing and able to monitor corporate management than are smaller and diffuse owners. As a result, corporate dividend policies can be tailored to attract institutional investors, who in turn may introduce corporate governance practices.

11. **La Porta, Lopez-de-Silanes, Shleifer, and Vishny (2002)**, hereafter referred to as LLSV, outline and test two agency models of dividends. First, the outcome model suggests that dividends are paid because minority shareholders pressure corporate insiders to disgorge cash. Second, the substitution model predicts that firms with weak shareholder rights need to establish a reputation for not exploiting shareholders. Hence, these companies pay dividends more generously than do firms with strong shareholder rights. In other words, dividends substitute for minority shareholder rights. The results of LLSV (2000) on a cross section study of 4,000 companies from 33 countries with different levels of minority shareholder rights support the outcome agency model of dividends. Accordingly, it is reasonable that outside minority shareholders prefer dividends over retained earnings.

12. **Bebczuk (2005)** states that the testable prediction of this theoretical body is that dividend disbursements will be the higher the better are the corporate governance practices in the company. In this case corporate governments reflect the power of minority shareholders in the company

13. **Ayub Mehar (2002)** corporate governance and dividend policy wrote on the Long-term return behavior of dividend-changing firms has been investigated in the study and it is estimated that 23 percent only incremental profits are transformed into dividend. The remaining profits are utilized for the additional investment. It is also concluded that concentration of ownership is also an important factor of the dividend payments. The results support the hypothesis that companies start to pay dividends after a certain level of growth. At the earlier stage companies concentrate on retained earnings. The Ordinary Least Square (OLS) technique has been applied in the study
and the model has been estimated through the pooled data of annual audited accounts of 180 listed companies of the Karachi Stock Exchange.

14. Uwalomwa UWUIGBE and Jimoh JAFARU (2012), this study basically investigates the relationship between the financial performance and dividend payout among listed firms’ in Nigeria. It also looks at the relationship between ownership structure, size of firms and the dividend payouts. The annual reports for the period 2006-2010 were utilized as the main source of data collection for the 50 sampled firms. The regression analysis method was employed as a statistical technique for analyzing the data collected. We find that there is a significant positive association between the performance of firms and the dividend payout of the sampled firms in Nigeria. The study also revealed that ownership structure and firm’s size has a significant impact of the dividend payout of firms too.

15. Shisia, Adam, Sang, William, Sirma, Kiplimo and Maundu, Caleb Nzioka (2014) wrote on “ASSESSMENT OF DIVIDEND POLICY ON FINANCIAL PERFORMANCE OF TELECOMMUNICATION COMPANIES QUOTED AT THE NAIROBI SECURITIES EXCHANGE” this study was to find out the effect of dividend policy on financial performance of companies quoted at the Nairobi Securities Exchange (NSE). The study sourced data from secondary sources. Random sampling technique was adopted in this study. A sample of 30 listed companies at NSE was used. A regression relationship was generated to show the extent to which each independent variable influenced the dependent variable. A correlation analysis was also performed to find how the variables are related to each other in the model. The study concluded that there is a significant relationship between dividend pay-out ratio and dividend per share. It further indicated that the relationship is not only significant but also direct such that a unit change in dividend per share is followed by a unit positive change in retained earnings. The study also found out that the performance of returns on equity is higher than the performance of all the other variables as given in the trends. The trends illustrated that returns on equity recorded a constant performance while that of dividend pay-out ratio recorded
a decreasing trend though that of dividend per share showed more upwards and downwards trends in most cases.

Objective of the study

The purpose of this study is to examine the effect of corporate governance on dividend policy in India, after controlling the influence of the other variables likely to impact on dividend policy. The specific objectives for the study are as follow.

1. To study dividend policy of sample firms.
2. To analyze the corporate governance practices of sample firms.
3. To establish the relation between corporate governance and dividend policy.
4. To establish the relation between Firms’ Profitability and dividend policy.
5. To establish the relation between Firms’ leverage and dividend policy.
6. To establish relationship between firm size and the dividend payout
7. To measure the impact of different variables of corporate governance on dividend policy

Therefore the research questions have been answered are;

- What is the effect of corporate governance on dividend policy?
- What is the effect of firms’ profitability on dividend policy?
- What is the effect of firms’ leverage on dividend policy?

Statement of problem:

The statement of problem is “Corporate Governance and Dividend Payout: Evidence from Indian firms.”

Scope of the study:

The scope of the research on this topic is very wide because this is very importance issue in the field of corporate management. A good corporate governance practice has created values in the
firm across glob. The merely presence of good corporate governance in management has
attracted investors in capital market. The scope of our study is concerned researcher has
covered BSE-30 companies of Indian. BSE-30 companies represent the trend of the economy
of the country. Index of capital market is made up from these 30 companies. These 30
companies have very large capitalization which has been impacted by good practice of
corporate governance. All stockholders, government, bankers, creditors, employees, foreign
investors and supplies are interested in those firms which have good practice of corporate
governance

Hypothesis:

Hypothesis is predictive statement about any phenomena to be occurred. Here researcher has
collected parametric data, which have more than two variables. Therefore researcher has used
one way ANOVA to test the mean of more than two variables. Researcher has formulated
following hypothesis to test the significant difference between the selected variables.

1. **Null hypothesis**: There is no significance difference among the PE ratio of
BSE-30 Companies
2. **Alternative Hypothesis**: There is a significance difference among the PE ratio of
selected BSE -30 Companies
3. **Null hypothesis**: There is no significance difference among the ROA ratio of
selected BSE -30 Companies
4. **Alternative Hypothesis**: There is a significance difference among the ROA ratio of
selected BSE -30 Companies
5. **Null hypothesis**: There is no significance difference among the RONW of selected
BSE -30 Companies
6. **Alternative Hypothesis**: There is a significance difference among the RONW of
selected BSE -30 Companies
7. **Null hypothesis**: There is no significance difference among the Tobin's Q of
selected BSE -30 Companies
8. **Alternative Hypothesis**: There is a significance difference among the Tobin's Q of
selected BSE -30 Companies
9. **Null hypothesis**: There is no significance difference among the **BOARDSIZE** of selected BSE -30 Companies

10. **Alternative Hypothesis**: There is a significance difference among the **BOARDSIZE** of selected BSE -30 Companies

11. **Null hypothesis**: There is no significance difference among the OUTSIDE DIRECTOR of selected BSE -30 Companies

12. **Alternative Hypothesis**: There is a significance difference among the OUTSIDE DIRECTOR of selected BSE -30 Companies

13. **Null hypothesis**: There is no significance difference among the LEVERAGE of selected BSE -30 Companies

14. **Alternative Hypothesis**: There is a significance difference among the LEVERAGE of selected BSE -30 Companies

15. **Null hypothesis**: There is no significance difference among the NET SALES of selected BSE -30 Companies

16. **Alternative Hypothesis**: There is a significance difference among the NET SALES of selected BSE -30 Companies

17. **Null hypothesis**: There is no significance difference among the **CEOSTATUS** of selected BSE -30 Companies

18. **Alternative Hypothesis**: There is a significance difference among the **CEOSTATUS** of selected BSE -30 Companies

19. **Null hypothesis**: There is no significance difference among the **DIRSHARE** of selected BSE -30 Companies

20. **Alternative Hypothesis**: There is a significance difference among the **DIRSHARE** of selected BSE -30 Companies

21. **Null hypothesis**: There is no significance difference among the FOREIGNCEO of selected BSE -30 Companies

22. **Alternative Hypothesis**: There is a significance difference among the FOREIGNCEO of selected BSE -30 Companies

23. **Null hypothesis**: There is no significance difference among the **Age of All Companies** of selected BSE -30 Companies
24. **Alternative Hypothesis**: There is a significance difference among the **Age of All Companies** of selected BSE -30 Companies

**Model Building:**

Researcher has developed a model of multiple regressions to examine the impact of corporate governance on dividend policy decisions. Here dividend policy decisions means to distribution of dividend or not to distribution of dividend. Corporate governance practice brings transparency in the system which increases the morality and confidence of all stakeholders. Therefore stakeholder like equity shareholder, preference share holders and debenture holders are always looking for earnings in the term of dividend and interest. It is said that good practice of corporate governance increases the profitability and enforce the dividend distribution decision. Here to check the effect of different independent variable of governorate governance on divined payout ratio. The following model has been made

\[
\text{DPR} = a + b_1 \text{PER} + b_2 \text{ROA} + b_3 \text{RONW} + b_4 \text{Tobin’Q} + b_5 \text{Dirshare} + b_6 \text{Boardsize} + b_7 \text{Outside} + b_8 \text{Concent} + b_9 \text{DL} + b_{10} \text{Firma size} + b_{11} \text{CEOstatus} + b_{12} \text{Age} + e
\]
Definition of Variables

✓ PE Ratio: it is defined as Ratio of share price to earnings per share.
✓ ROA: it is defined as Net profit as a percentage of the total assets.
✓ ROE: it is defined as Net profit as a percentage of equity value.
✓ Tobin’s Q: it is defined as Year-end market capitalization divided by the book value of total assets. And the sum of the market value of equity and the book value of debt divided by the book value of total assets.
✓ Directors shareholding: it is defined as Total number of shares owned by directors of a given firm as a percentage of the outstanding shares of the firm (the higher percentage, the greater the Director shareholding).
✓ Board size: it is defined as Number of directors on the board.
✓ Number of outside directors on board: it is defines Proportion of outside directors sitting on board
✓ Ownership concentration: it is defined as the proportion of shares owned by the largest shareholders divided by the number of largest shareholders.
✓ Leverage: it is defined the ratio of debt to share capital.
✓ Firm size in terms of total assets owned; it is defines Firm size in terms of total assets owned
✓ CEO status: A dummy variable, taking a value of 0 for firms with CEO as Chair, and 1 otherwise
✓ Foreign CEO: it is a dummy variable taking a value of 0 for firms foreign CEO with India CEOs and 1 otherwise.

Dependent variables

✓ DPR: it is defined as dividend paid to shareholders in a particular year. And it has the formula of Amount of dividend/ Equity share capital*100
<table>
<thead>
<tr>
<th>Sr.No.</th>
<th>Name of the Companies</th>
<th>Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Axis Bank Ltd</td>
<td>Banks - Private Sector</td>
</tr>
<tr>
<td>2</td>
<td>Bajaj Auto Ltd</td>
<td>Automobiles - Scooters and 3-Wheelers</td>
</tr>
<tr>
<td>3</td>
<td>Bharat Heavy Electricals Ltd</td>
<td>Electric Equipment - General – Large</td>
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<tr>
<td>4</td>
<td>Bharti Airtel Ltd</td>
<td>Telecommunications - Service Provider</td>
</tr>
<tr>
<td>5</td>
<td>Cipla Ltd/India</td>
<td>Pharmaceuticals - Indian - Bulk Drugs &amp; Formln Lrg</td>
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<tr>
<td>6</td>
<td>Coal India Ltd</td>
<td>Mining / Minerals</td>
</tr>
<tr>
<td>7</td>
<td>Dr Reddy's Laboratories Ltd</td>
<td>Pharmaceuticals - Indian - Bulk Drugs &amp; Formln Lrg</td>
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<tr>
<td>8</td>
<td>Gail India Ltd</td>
<td>Gas Distribution</td>
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<td>9</td>
<td>HDFC Bank Ltd</td>
<td>Banks - Private Sector</td>
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<tr>
<td>10</td>
<td>Hero Moto Corp Ltd</td>
<td>Automobiles - Motorcycles / Mopeds</td>
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<tr>
<td>11</td>
<td>Hindalco Industries Ltd</td>
<td>Aluminium</td>
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<tr>
<td>12</td>
<td>Hindustan Unilever Ltd</td>
<td>Personal Care – Multinational</td>
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<tr>
<td>13</td>
<td>Housing Development Finance Corp</td>
<td>Finance - Housing – Large</td>
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<tr>
<td>14</td>
<td>ICICI Bank Ltd</td>
<td>Banks - Private Sector</td>
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<tr>
<td>15</td>
<td>Infosys Ltd</td>
<td>Computers - Software – Large</td>
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<td>16</td>
<td>ITC Ltd</td>
<td>Cigarettes</td>
</tr>
<tr>
<td>17</td>
<td>Larsen &amp; Toubro Ltd</td>
<td>Engineering - Turnkey Services</td>
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<td>18</td>
<td>Mahindra &amp; Mahindra Ltd</td>
<td>Automobiles – Tractors</td>
</tr>
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<td>19</td>
<td>Maruti Suzuki India Ltd</td>
<td>Automobiles - passenger cars</td>
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<tr>
<td>20</td>
<td>NTPC Ltd</td>
<td>Power Generation And Supply</td>
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<tr>
<td>21</td>
<td>Oil &amp; Natural Gas Corp Ltd</td>
<td>Oil Exploration / Allied Services</td>
</tr>
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<td>22</td>
<td>Reliance Industries Ltd</td>
<td>Refineries</td>
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<tr>
<td>23</td>
<td>Sesa Sterlite Ltd</td>
<td>Mining / Minerals</td>
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<td>24</td>
<td>State Bank of India</td>
<td>Banks - Public Sector</td>
</tr>
<tr>
<td>25</td>
<td>Sun Pharmaceutical Industries Ltd</td>
<td>Pharmaceuticals - Indian - Bulk Drugs &amp; Formln Lrg</td>
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<td>26</td>
<td>Tata Consultancy Services Ltd</td>
<td>Computers - Software – Large</td>
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<tr>
<td>27</td>
<td>Tata Motors Ltd</td>
<td>Automobiles - LCVs/HCVs</td>
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<td>28</td>
<td>Tata Power Co Ltd</td>
<td>Power Generation And Supply</td>
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<td>29</td>
<td>Tata Steel Ltd</td>
<td>Steel – Large</td>
</tr>
<tr>
<td>30</td>
<td>Wipro Ltd</td>
<td>Computers - Software – Large</td>
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</table>

Sample design:
Researcher has selected sample conveniently from the Indian stock market. Researcher has selected BSE-30 companies of Indian. The capitalization of BSE-30 companies is very high compared to other companies. Moreover these are standard companies of Indian, where corporate governance practice exists. The name of the selected sample with their sector are given below

**Types of research:**

In finance research secondary data has been used. Therefore the type of research is Analytical research.

**Sources of data:**

Annual reports of selected companies, bseindia.com site, capitaline database, prowess database and journal, magazines and books have been used.

**Time period:**

The time period of the study has been 2008-02012.

**Tools for analysis:**

Accounting ratio has been used.

**Statistical tools:**

Data has been analyzed with use of different statistical tools like mean, standard deviation, coefficient of variance ANOVA test, Regression model and correlation coefficient.
Outline Chapter Plan
The following chapters have been made for the research study.

Chapter-1

**Conceptual framework of corporate governance and dividend policy:** this chapter has included meaning of corporate governance, The concept, structure, and process, Definition, Key points of corporate governance, Code of corporate governance, Challenges faced by Corporate governance, Objective of corporate governance, Responsibility statement, Trends in corporate governance, Corporate governance: A suggestive code, Corporate governance policies and corporate Governance: An evolutionary process, and Role of SEBI in corporate governance. Introduction of dividend policy, Meaning of dividend, Kinds of dividends, Meaning of dividend policy, Objectives of dividend policy, Essentials of a sound dividend policy, Types of dividend policy, factor affecting dividend policy, Models of dividend policy – Walter models, Gordon Model and Modigliani and miller model and conclusion

Chapter-2

**Overview of Bombay Stock Exchange Ltd. and Brief profile of BSE-30 companies:**
This chapter has explained about Bombay Stock Exchange Ltd, Vision, Corporate Social Responsibility, BSE 30, Capital Market, Overview Primary Market and Secondary Market, Emerging Trend of Indian Capital Market, and Brief Profile of BSE-30 companies

Chapter-3

**Research Methodology:**
This chapter explained about Introduction -Problem Identification – Survey of Existing Literature- Statement of Problem – Objectives of the study-Hypothesis – Universe of Study – Sampling Design –Period of Study- Data collection and data analysis - Tools and techniques for analysis corporate governance and Dividend policy– Limitations of the study.
Chapter-4

**Data Analysis:**

This chapter included Ratio or selected variables of corporate governance and its Classification and tabulation- Process of data - Charts of respective variables of corporate governance-ANOVA test of selected variable and analysis and interpretation of data.

Chapter--5

**Summary, Findings and Suggestions:**

This chapter has been related to Chapter wise summary of main points of entire research work-important Findings and suggestions relevant to policy maker regarding the impact of corporate governance on dividend policy decision.

**Limitation of the study**

1. This study is based on secondary data and secondary data has its own limitations.
2. The time period of the study is only five years. Researcher may have taken more than five years to have accurate result. But it could not be done because of timing constraints.
3. Researcher has evaluated 14 parameters but it may be more than that for further research.
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