

KAKARAPARTI BHAVANARAYANA COLLEGE (AUTONOMOUS)  
(Sponsored by S.K.P.V.V. Hindu High Schools' Committee)  
Kothapeta, Vijayawada-1  
A College with Potential for Excellence(CPE)

ISO:9001-2015

NAAC“A++” Grade in Cycle4

**PG DEPARTMENT OF BUSINESS  
ADMINISTRATION  
(MBA)**



**VIRTUAL GUEST LECTURE ON  
“DIVIDEND POLICY”**

**26.06.2024**



## INVITATION

ISO 9001-2015

NAAC 'A++' GRADE in Cycle 4

**K. B. N. COLLEGE** (Autonomous)

(Sponsored by: S.K.P.V.V. Hindu High Schools Committee)  
Kothapet, VIJAYAWADA -1.

**A College with Potential for Excellence (CPE-UGC)**

The PG Department of Business Administration cordially invite your  
gracious presence to programme

**VIRTUAL GUEST LECTURE**

**ON**

**“DIVIDEND POLICY”**

Date & Time :Wednesday, 26th June 2024 at 11:00 am

Resource Person

**Dr.M.LOKANADHA REDDY**

Professor, REVA Business School  
REVA University  
Bangalore

**ORGANIZED BY:**  
**PG DEPARTMENT OF**  
**BUSINESS ADMINISTRATION**  
**K.B.N COLLEGE – PG CENTRE**



# **K.B.N COLLEGE : PG COLLEGE**

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Kothapeta, VIJAYAWADA – 520 001.

ISO 9001-2015 CERTIFIED INSTITUTION

NACC A ++in cycle 4

## **PG DEPARTMENT OF BUSINESS ADMINISTRATION (MBA Programmes)**

### **GUEST LECTURE REPORT**

A Guest Lecture is organised on 26-06.2024 by MBA Department for MBA First year students (2023 – 2025 batch). The resource person Dr.M.Lokanadha Reddy, have 15 years of teaching experience and works in different colleges.

#### **Objectives :**

intricacies of dividend policy

details such as frequency, timing, and amount of dividend payments.

Factors influencing this policy

#### **REVEALS of RESOURCE PERSON**

The expert delved into the intricacies of dividend policy, which dictates how a company distributes dividends to its shareholders. This policy specifies crucial details such as frequency, timing, and amount of dividend payments. Various types of dividend policies exist, including stable, constant, and residual, each with its own approach to dividend distribution.

Factors influencing this policy include profitability, historical dividend payments, growth strategies, industry trends, and financial resources availability. Understanding these elements and the patterns of dividend distribution empowers investors to make informed decisions aimed at optimizing returns.

Additionally, the dividend policy plays a pivotal role in determining the dividend pay-out ratio of a company. This ratio is computed by dividing the annual dividend per share by the Earnings Per Share (EPS), providing a key metric for assessing how much of its earnings a company distributes to shareholders as dividends.

- **Stock dividends:** Dividends can be given in the form of granting additional shares to existing shareholders.
- **Cash dividends:** The company pays a fixed amount per share to its shareholders.

**Property dividends:** These can include shares of a subsidiary company as dividends

1. **Bird-in-the-Hand Theory:** This suggests that investors prefer to receive dividends now rather than in the future because future dividends are uncertain.
2. **Tax Preference Theory:** This theory suggests that investors prefer capital gains over dividends because capital gains are taxed at a lower rate than dividends.
3. **Agency Cost Theory:** Dividends are a way for managers to signal their confidence in the firm's future prospects to investors. By paying dividends,

managers show they have enough cash to meet current obligations and still have money left to distribute to shareholders.

4. **Information Signalling Theory:** Firms that pay higher dividends are seen as having more stable earnings and better growth prospects, which can lead to higher stock prices and lower capital costs.

5. **Clientele Effect Theory:** This theory suggests that different investors prefer different dividend policies. For example, income-oriented investors may prefer high dividend pay-outs, while growth-oriented investors may prefer low or no dividend pay-outs. Therefore, firms may adopt different dividend policies to attract and retain different types of investors.

#### **OUTCOME:**

Students enlightened on the present corporate practices on dividend distribution.

- The impact of dividend policy on the stock price behaviour is analysed
- The relevant and irrelevant theories of dividend is discussed
- Students enabled to answer the types of dividends
- Students learned dividend theories and policies

A total 80 students from MBA first year (2023 – 25 batch ) had attended the programme.

Bindu Madhavi from MBA first year had proposed vote of thanks.

## PHOTOS

