

12/13/14

Internship Report on

**IMPACT OF CORPORATE DIVIDEND ANNOUNCEMENT ON STOCK  
RETURNS; A STUDY CONDUCTED AT STOCKHOUSE, SIRSI**

**BY**

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**Submitted to**

**VISVESVARAYA TECHNOLOGICAL UNIVERSITY, BELGUM**

*In partial fulfillment of the requirements for the award of the degree of*

**MASTERS OF BUSINESS ADMINISTRATION**

*Under the guidance of*

**INTERNAL GUIDE**

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**Associate Professor**

**Department of MBA.**

**A.L.E.T, Mijar, Moodbidri.**

**EXTERNAL GUIDE**

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**Department of MBA**

**Alva's Institute of Engineering and Technology**

**Shobhavana Campus, Mijar, Moodbidri**

**2015-2017**



**STOCKHOUSE**  
Financial Services

Reg. No : UKK-FB-2010-11

**Date: 10<sup>th</sup> March 2017**

**TO WHOM SO EVER IT MAY CONCERN**

This is to certify that Mr. **SACHIN N** bearing **USN-4LV15MBA16**, an MBA student from **ALVA'S INSTITUTE OF ENGINEERING AND TECHNOLOGY, SHOBHAVANA CAMPUS, MIJAR, MOODBIDRI** has successfully completed his internship and project report on **"IMPACT OF CORPORATE DIVIDEND ANNOUNCEMENT ON STOCK RETURNS"** in our Organization at **STOCKHOUSE, Sirsi** for 10 weeks, from 02/January/2017 to 10/March/2017.

During the period of his internship program with us, he was found punctual and inquisitive.

We wish him every success in life.

**STOCKHOUSE**  
**For STOCK HOUSE**  
  
**Authorized Signatory**

**Manager**



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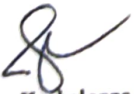
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**Date: 10-May-2017**

### **Certificate**

This is certified that **Mr. Sachin N** bearing **USN 4LV15MBA16** is a bonafide student of Master of Business Administration course of the Institute (2015-17), affiliated to Vishvesvaraya Technological University, Belgaum.

The internship report on **Impact Of Corporate Dividend Announcement on Stock Returns: A Study Conducted at Stockhouse, Sirsi** is prepared by him under the guidance of **Dr. Kushalappa S**, Associate Professor, Department of MBA in partial fulfillment of the requirements for the award of the degree of Master of Business Administration of Vishvesvaraya Technological University, Belgaum, Karnataka.

  
**Dr. Kushalappa S.**  
Project Guide

  
**Prof. P. Ramakrishna Chadaga**  
Dean - MBA

  
**Dr. Peter Fernandes**  
Principal

## DECLARATION

I, **Sachin N**, hereby declare that the internship report entitled “**Impact Of Corporate Dividend Announcement On Stock Returns: A Study Conducted at Stockhouse, Sirsi**” prepared by me under the guidance of **Dr. Kushalappa S, Associate Professor**, Department of Business Administration, Alva's Institute of Engineering and Technology and External assistance by **Mr. Shivanand Gunaga, Stockhouse, Sirsi, Karnataka**.

I also declare that this internship work is towards the partial fulfillment of the university regulation for the award of the degree of Masters of Business Administration by of Vishvesvaraya Technological University, Belgaum.

I have undergone a summer project for a period of 10 weeks. I further declare that this project is based on the original study undertaken by me and has not been submitted for the award of any degree/diploma from any other University/ Institution.



Signature of the student.

Place: Mijar

Date: 10 /May/2017

## ACKNOWLEDGEMENT

For the completion of any task in an efficient and effective way within the period of given time, the assistance and hard work of many people are complementary. There is a pleasure to acknowledge to those many people whose timely support went a long way in the completion of project report.

Hereby I make a humble effort to place on record, my sense of gratitude and sincerity to all my well-wishers for the help I received for the successful completion of my project report.

First and foremost, I acknowledge my deepest gratitude to **Dr. M Mohan Alva**, Chairmen, Alva's Education Foundation, Moodbidri.

I acknowledge my fullest gratitude to my faculty guide **Dr.Kushalappa. S** (Associate Professor), Department of Business Administration, for his regular supervision and valuable suggestions.

I am deeply indebted to **Mr. Shivanand Gunaga** (Branch manager), **Stock House, Sirsi, Karnataka** for granting permission, providing required information related the project and for their valuable guideline.

It's my privilege to thank our principal **Dr. Peter Fernandes** for giving me the opportunity to take up this project. At the outset I would like to acknowledge my gratitude to **Dr.Ramakrishna Chadaga**, Dean of Department of Business Administration. My profound gratitude to all the faculty members of the Department of Business Administration, Alva's Institute of Engineering and Technology, Mijar, Moodbidri.

Finally I extend my gratitude to my parents and family members for the continual encouragement and blessings and also my friends for their support to finish my project successfully.

**Sachin N**

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## EXECUTIVE SUMMARY

Dividend is the most familiar and easily understood corporate action. It is also the most common type of corporate action. A dividend is a distribution of cash to shareholders in proportion to their equity holding. Typically, a company will pay an interim dividend and a final dividend. An interim dividend is a dividend payment that is announced during the release of a company's half year announcement of the profits while a final dividend is announced during the full year announcement of the profits. The importance of dividends naturally varies from one company to another and there are also cultural differences in attitudes to dividends from one country to another.

The main aim of the study was to examine the interim dividend payout among the different listed companies in BSE. The main objective of the study was impact of dividend announcement on shareholders wealth and compares the performance of the stocks during pre and post dividend announcement period among different industries. To meet the objectives of the study, I have been selected two industries and thereafter 466 companies have been selected. This study takes into historical interim dividend payout of during one year from 1 January 2016 to 31 December 2016. Tools used in study is AAR, CAAR, T test, Descriptive statistics, Correlation, Paired comparison t test, One Way ANOVA, Wilcoxon signed rank test. It can be concluded that interim dividend has no significant impact on the behaviour of stock prices movements.