

Independent study title	IMPACT OF STOCK LIQUIDITY ON DIVIDEND PAYOUTS
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ABSTRACT

This paper studies on the impact of stock liquidity on dividend payouts for the matched 155 Thai and Japanese listed firms of sample period 2009-2015. The paired t-test shows Thai sample firms have higher dividend payouts but lower stock liquidity than Japanese sample firms. Tobit regression shows a significant positive and a negative impact of stock liquidity on dividend payouts in Thai firms and a negative impact of stock liquidity on dividend payouts in Japanese firms. In addition, a change in stock liquidity of Japanese firms affects dividend payouts at a higher level than Thai firms for all the liquidity variables in this study except turnover ratio. Result from difference-in-difference regression also supports that Thai firms have higher dividend payouts than Japanese firms. The evidence also shows that firm managers take stock liquidity in both previous and current periods into their dividend payment decision.

Keywords: Dividend, Dividend payouts, Stock Liquidity