# Abstract

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### MEASURING INVESTORS' PREFERENCES, ATTITUDES, and PERCEPTIONS TOWARD DIVIDENDS "An Empirical Study on the Egyptian Stock Market"

The behavior and attitude of investors toward dividend-paying stocks is one of the most important issues of behavioral finance and as well as for the Egyptian Stock Market. A lot of researches has been conducted by well-known researchers and provided the theories and empirical evidences regarding the determinants of investor attitudes toward dividends. However, a complete profile of the preferences of the Egyptian investors in this regard is not yet available. The objective of the study is to find evidence of dividend clienteles in the Egyptian Stock Market by finding the correlations among dividend preferences and the different demographic and other characteristics of investors. This is achieved by using a sample of 270 Egyptian investors who provided data related to their dividend preferences. Moreover, it aims at testing theories that have previously been built concerning investor perceptions about dividends, specifically in the Egyptian Stock Market. It was found that investors in Egypt prefer to receive dividends. If the company cannot pay cash dividends, they prefer to receive stock dividends compared to not receiving dividends at all. Furthermore, it was found that investors partly want dividends because of transaction costs. Transaction costs were also found to be the reason why investors prefer stock dividends over cash dividends. The results are also consistent with the uncertainty resolution theory, partially consistent with the free cash flow theory (consistent only in down markets), but inconsistent with the agency theories. Moreover, no support was found for the signaling theory, and the theories of behavioral finance, stock repurchase, and stock dividends as stock splits.