

## ABSTRACT

Dividend policy is an essential and broadly used tool for allocation of value of a company to shareholders. In Tanzania, there is a disagreement on the determinants of dividend policy across different sectors which makes dividend policy decisions differ from company to company from one economy to another and from one stock market to another and non-financial companies because most of the studies have based on financial sectors on which is given highly supervision by the central bank. This study analyzed the determinants of dividends policy of the Non-Financial Companies Listed at the Dar es Salaam Stock Exchange (DSE) covering the period of 2008 to 2018 as of the availability of data. The study extracted secondary data from annual reports and audited financial statements of the non-financial companies and was inserted on excel. Purposive sampling technique was applied to select all eight non-financial companies listed at the Dar es Salaam stock exchange (DSE). Dividend Yield was the measure of dividend policy while ROA and Liquidity were the predictor variables. The characteristics of dividend policy were identified by using qualitative data based on the empirical study. The fixed effect model was applied to unbalanced panel data and the dividend yield was regressed against the ROA and Liquidity. The findings of the study show that ROA as the measure of profitability has a positive significant influencing factor in determining the dividend payment for the listed companies. The results imply that ROA is the most crucial factor influencing the dividend payment. The results also demonstrate that liquidity has positive insignificant relationship with the dividend payment. Also, the dividend yield is the best measurement of the dividend policy of the listed companies than the dividend payout. According to the results, some additional questions need to be answered in future studies. More variables should be selected and more companies should be included in further research to the effect of each method of measuring the dividend policy. For instance, the influence of firm size, leverage, inflation, business risk, corporate tax and capital structure on dividend yield and dividend payout. Additional the same study can be investigated in other sectors for instance mining sector, Telecommunication sector, manufacturing sectors, and even the banking sector. It is also recommended that Management should consider profitability in determining the dividend payment of the listed companies. The findings suggest that dividend policy is still a puzzle with pieces that just do not fit together.

