

14th week assignment

- Explain the assumption interests in the Dividends do not matter school:
- * Dividend Policy irrelevance / Dividend payments don't affect stock price.
 - * Informational irrelevance: Dividends convey no information about future earnings
 - * Capital market efficiency: Investors can create homemade dividends by selling shares.
 - * Dividends signal commitment to pay out cash
 - * Information asymmetry exists: dividends convey information
 - * Transaction costs, taxes and other factors affect homemade dividends