**15TH WEEK ASSIGNMENT AND ACTIVITIES**

**ASSIGNMENT**

1 What do managers believe about dividend policy?

2. Draw the reason: The life cycle view of dividends suggests that dividend policy should change as a firm progress through the life cycle. In particular, growth companies should not be expected to pay dividends. Explain why?

3 Explain a note on sticky dividends.

**ACTIVITIES**

Companies are far more reluctant to cut dividends than to increase them. Why might this be the case? What are the implications for financial markets when firms announce that they will be cutting dividends? Explain