

The Relationship between Investment and Dividend in a Condition of Cash Flow Uncertainly: Evidence from Iran

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Abstract : The aim of this study was to investigate the relationship between dividends and investment in a condition of cash flow uncertainty. Previous studies have also found some evidence that there is N-shaped relationship between dividends and investment given different levels of cash uncertainly. Thus, this study examines this relationship over the period 2009-2014 in Tehran Stock Exchange (TSE). Based on our sample and new variables, we found reverse N-shaped relationship in different levels of cash flow uncertainly. This shape was descending in cash flow certainly and uncertainly but it is ascending in medial position.

Keywords : dividends, investment, nonlinear relationship, uncertainty of cash flow

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