: Relationship between Growth Opportunities and Cost of Representation with Profit Dividend on Minimum Legislation

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Abstract The description and explanation of companies' profit-sharing policy and its determinants is one of the biggest challenges that has always been addressed by the thinkers of financial economics field; numerous researchers, after several decades investigating and studying in this regard, still have not been able to understand all the factors affecting the company's profit-sharing policy and how to interact between these factors. This is how many financial theories have dealt with explaining and describing this issue. Therefore, the present research was done with the purpose of investigating the relationship between growth opportunities and cost of representation with excess shared profit on the minimum legal in 109 companies admitted to the stock exchange in the period (91-96). In this regard, the independent variables of the research include growth opportunities and cost of representation, that the cost of representation variable has been evaluated by three variables free cash flows, the ratio of general and administrative costs, and asset circulation. The research findings briefly show that there is a meaningful relationship between growth opportunities and excess shared profit on the minimum legal of companies; and, on the other hand, there is a meaningful relationship between the costs of representation on the basis of assets circulation variable and the excess shared profit on the minimum legal of companies. Recent research findings also indicate that free cash flow and the ratio of general and administrative cost variables are not a reliable criterion for measuring the cost of companies' representation. Keywords: growth opportunities, cost of representation, Profit dividend.

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