

The purpose of this study is to determine the factors which effect dividend yield and dividend payout ratio by taking 27 oil and gas companies which are listed on Karachi Stock Exchange (KSE) and Lahore Stock Exchange (LSE). This study provides empirical analysis of the effect of factors (earning per share, profitability, stock prices, firm size, lagged value of dividend, market to book value and financial leverage) on dividend yields, dividend payout ratio.

The results from this analysis provide strong support that factors market to book value and financial leverage has negative relationship with dividend yield and dividend payout ratio. The results also demonstrate that profitability, earning per share, firm size, stock price and lagged value of dividend have positive relationship with dividend yield and dividend payout ratio. A major part of these results reveal that stock price, profitability and firm size have great effect on dividend yield and dividend payout ratio.