

**Sound dividend policy** is a long term **policy** that aims in maximization of shareholders wealth. While determining such a **policy** investment opportunity of the firm, its present economic status and investor preferences should be given due weight age.

### **Essentials of a Sound Dividend Policy**

Lower **Dividends** in Initial Stage: When the company is at the beginning stage and earns little profit, it should still provide **dividends** to the shareholders, though less.

A stock dividend is a dividend payment to shareholders that is made in shares rather than as cash. For example, a company might issue a stock dividend of 5%, which will require it to issue 0.05 shares for every share owned by existing shareholders, so the owner of 100 shares would receive 5 additional shares

**Lease Financing** or **Leasing** is a process where one party (lessor) transfers the right of economic use of an asset to another party (lessee). ... Lessee is the party who takes the asset or equipment for a specified period and has to pay **lease** rentals throughout the **lease** period.

### Venture Capital

**Venture capital** is a form of private equity and a type of financing that investors provide to startup companies and small businesses that are believed to have long-term growth potential.

**Venture capital** generally comes from well-off investors, investment banks and any other **financial** institutions.

A **dividend** is the distribution of a portion of the company's earnings, decided and managed by the company's board of directors, and paid to a class of its shareholders.

**Dividends** are payments made by publicly-listed companies as a reward to investors for putting their money into the venture.