



Dividend Yield

Dividend yield means the percentage of dividend that you have earned with respect to the price of the share. It can be simply put $(\text{amount of dividend} / \text{share price}) \times 100$. For eg: A company pays out a dividend of Rs.4 per share in a year having a share price of Rs.200. In this case, the dividend yield would be $(4/200) \times 100 = 2\%$. Dividend Yield is not calculated with respect to face value but it is derived taking into consideration share price.



Now I am clear regarding dividend yield.

