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A NEW FINANCIAL POLICY AT SWEDISH MATCH



Introduction

Swedish Match is a global company that has specialty in manufacture and sales of tobacco goods especially smokeless tobacco products, cigars, and matches. The company has been labeled as a global company of immense financial strength prevalent in the global market.



Financial Policy

There is a possibility to shift the financial policy of Swedish Match in order to maximize the value of the company for the shareholders. These concerns are predicting the right proportions of debt and equity, deciding on right amounts of dividends to pay and considering the merits of share repurchases.



Dividend Policy

An issue that will continuously challenge Swedish Match is to arrive at the right dividend payout ratio that will be satisfactory to the shareholders while at the same time make available adequate funds to meet its future needs for growth and operation



Conclusion

It shows when an organisation is putting in place their financial policy, it has to do it in a way that will harness the benefits of shareholders and enhance the corporation's strategic development. Therefore, due to the risk associated with capital allocation Swedish match needs to make good choices to ensure long term profitability and dominance in the markets.



The background is a detailed historical painting of a harbor. In the foreground, several large wooden sailing ships with multiple masts and white sails are docked or moving through the water. To the left, there are smaller, simpler boats. In the middle ground, a large city with numerous buildings, domes, and minarets is situated on a hillside overlooking the water. The sky is filled with soft, golden-brown clouds, suggesting a sunset or sunrise. The overall style is that of a classical oil painting.

Resource

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