CAPITAL STRUCTURE AND FIRM’S PERFORMANCE OF PROPERTY COMPANIES: EVIDENCE FROM BURSA MALAYSIA

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Submitted in Partial Fulfilment of the Requirement for the Bachelor of Business Administration with Honours (Finance)

FACULTY OF BUSINESS AND MANAGEMENT
UNIVERSITY TEKNOLOGI MARA
SEGAMAT, JOHOR

DECEMBER 2016
Hereby, declare that:

✓ This work has not previously been accepted in substance for any degree, locally or overseas and is not being concurrently submitted for this degree or any other degrees.

✓ This project-paper is the result of my independent work and investigation, except where otherwise stated.

✓ All verbatim extracts has been distinguished by quotation marks and sources of my information have been specifically acknowledges.

Signature: ___________________       Date: ___________________
31st December 2016

Miss Nurulashikin Binti Romli  
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Universiti Teknologi MARA  
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JOHOR DARUL TAKZIM

Dear Miss,

Subject: Letter of Submission

Attached is the project paper entitled “Capital Structure and Firm’s Performance of Property Companies: Evidence from Bursa Malaysia” to fulfill the requirement as needed by the Faculty of Business and Management, Universiti Teknologi MARA.

Thank you.

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ABSTRACT

The paper investigates the relationship between capital structure and firm performance. The investigations are performed by using panel data approach. A sample size of 17 listed Malaysian companies on Bursa Malaysia Berhad has been taken to analyse the relationship between leverage and firm performance. A period of 10 years from 2006-2015 data has been considered to analyse the leverage effect. The study uses two performance measures (including return on asset and Tobin’s Q as dependent variables. Capital structure is measured using long-term debt, short-term debt, total debt and growth. Size is a control variable.

In this study, the capital structure is contemplated in terms debt and equity. The relationship between capital structure and firm performance has received a vast amount of attention from researchers who are trying to figure out the relationship. This is because it represents one of the most debateable issues in the field of finance. The data will be only focusing on property sector. Thus, the findings of the study would enhance the literature on capital structure and its relevant for the Malaysia listed companies in taking its capital structure decisions.

Keywords: Capital Structure, Firm’s Performing, Property, Return on Asset, Tobin’s Q