DETERMINANTS OF CAPITAL STRUCTURE
OF
FOOD INDUSTRY IN MALAYSIA

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BACHELOR OF BUSINESS ADMINISTRATION
(HONS) FINANCE
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JOHOR

DECEMBER 2016
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Submitted in Partial Fulfillment
of the Requirement for the
Bachelor of Business Administration (Hons) Finance

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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 of any other degrees.

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

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

Signature: ____________________________ Date: ____________________________
LETTER OF SUBMISSION

5th January 2017

Pn. Suzana Binti Hassan
Faculty of Business Management
UniversitiTeknologi MARA
85009 SEGAMAT
JOHOR DARUL TAKZIM

Dear Madam,

SUBMISSION OF PROJECT PAPER

Attached is the project titled “DETERMINANTS OF CAPITAL STRUCTURE ON FOOD INDUSTRY IN MALAYSIA” to fulfill the requirement as needed by the Faculty of Business Management, UniversitiTeknologi, MARA.

Thank you.

Yours sincerely,

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ABSTRACT

This paper involve in finding the determination of capital structure of food industry in Malaysia. The findings found in previous studies cannot represent overall determinants of Malaysia firms’ capital structure because different sector have different firm characteristics. Therefore, this research can create new knowledge on food producer sector firm capital structure determinants and fulfill the existing gap. It is include two types of variables. First is dependent variable which involved capital structure and measured by using debt ratio. Second is independent variables which are involve return on equity (ROE), return on assets (ROA), liquidity, profitability, size of firm and growth opportunity. As sample of this research it is include 64 observations during the period 2008 until 2015. It is also involve 8 firms that involved in food industry in Malaysia and listed in the Bursa Malaysia. It is used three model regression whish are Pooled OLS, Fixed Effect Model and Random Effect Model. A software package named STATA will be used in order to get the finding answers in analyzing the related data. Several test will be involve in this observation such as F-statistic, Brauch and Pagan Lagrangian Multiplier test and Hausman test.