



THE IMPACT OF CAPITAL STRUCTURE TOWARDS
PROFITABILITY : EVIDENCE FROM PLANTATION SECTOR
IN MALAYSIA.

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CHAPTER 1: INTRODUCTION

ABSTRACT

This study has aimed to investigate the determinants of capital structure for plantation listed companies listed in Bursa Malaysia. The data recovered from 20 plantation companies over the period 2010 to 2017. The independent variables used in this study are leverage, liquidity and tangibility while the dependent variable is profitability. The data is gathered from secondary data which are DataStream and annual report of the listed companies. The main finding in this study indicates that the only tangibility has the positive relationship with the profitability while leverage and liquidity has the negative relationship with the profitability.

1.1 Background Study

Capital structure is the most and crucial among the store related decisions in corporate financing. Chooses of capital structure will rapid the level of obligation and value used to endowing association's activity. Subsidizing are required to do by any organizations keeping in mind the end goal to budgetary action as step by step operational costs and venture cost.

We all in all careful that authorization of the sensible capital structure of the organizations and association is to control the cost of capital and despite change the association and company's benefit. Financing for the association and firms can be gathered from inside source as held advantage and sponsoring makes from outside sources as the issuance of new offers and obligation.