

## UNIVERSITI TEKNOLOGI MARA

# THE DETERMINANT OF MALAYSIA TECHNOLOGY COMPANY PROFITABILITY

## NUR ATIKAH BINTI ISMAIL 2020974393

Final Year Project submitted in fulfillment of the requirements for degree of Bachelor of Business Administration (Hons) Investment Management

Faculty of Business and Management

**FEBRUARY 2022** 

#### **ABSTRACT**

This research aims to identify the determinants of Malaysia's Technology company profitability. Technology is essential not only for the economy, but also for dealing with advanced development. Every year, technological advancements have increased the importance of the technology sector in every country, making it a critical business platform. One of the industries that is seeing an uptick in customer trust is technology. When there is an Industrial Revolution (IR) 4.0, technology-related industries seem to be revolute. Furthermore, Covid-19 has increased the role of the technology in the fight against the pandemic. It allows the IT industry to continue to flourish in the face of the pandemic. The relationship between return on current ratio, debt-equity ratio, and net working capital is analysed using Return on Asset (ROA). The data for this analysis came from the annual reports of the sampled companies as well as Refinitive Eikon. This research is based on secondary data from five (5) technology companies that were listed on Bursa Malaysia between 2010 and 2020. D&O, FRONTKN, MYEG, PENTA, and VITROX are the technological companies chosen for this study. The expected findings for this research are that all the independent variables are significant to the dependent variables.

#### **ACKNOWLEDGEMENT**

First and foremost, I want to express my gratitude to Almighty Allah for allowing me to complete the research on time. The success and completion of this research study required a lot of help and support from a lot of people, and I was fortunate to be able to do so throughout my research. I owe everything I've accomplished to their direction and assistance, for which I am grateful.

I'd like to thank my advisor, Puan Norhasniza Mohd Hasan Abdullah, for guiding me from the beginning and during the full process of performing this research project.

Finally, I would like to thank my parents and other family members for their help in every way, as well as all those who participated directly and indirectly in the completion of this study paper. Without sharing knowledge, participation, collaboration, sacrifice, and encouragement that was shared between us along the way, my research study report would not have been a possibility.

## TABLE OF CONTENT

		Page
AUTHOR'S DECLARATION		
ABSTRACT		
ACKNOWLEDGEMENT		
TABLE OF CONTENT		
LIST OF TABLES		
LIST OF FIGURES		
LIST OF SYMBOLS		
LIST OF ABBREVIATIONS		
CHAPTER ONE INTRODUCTION		
1.1	Introduction	1
1.2	Background of the study	2
1.3	Problem Statement	3
1.4	Research Question	4
1.5	Research Question	4
1.6	Significance of Study	5
1.7	Scope of the Study	5
1.8	Limitations of the Study	5
1.9	Definition of Key Terms	6
1.10	Summary	6
CHA	7	
2.1	Introduction	7
2.2	Literature Review on Topic	7
2.3	Literature Review on Net Working Capital	8
2.4	Literature Review on Current Ratio	8
2.5	Literature Review on Debt-Equity Ratio	9

2.6	Conc	ceptual Research Framework		
2.7	Sumn	Summary		
CHA	PTER	THREE RESEARCH METHODOLOGY	11	
3.1	Introduction			
3.2	Samp	ling	11	
3.3	Data Collection			
	3.3.1	Annual Report	12	
	3.3.2	Refinitive Eikon	12	
	3.3.3	Bursa Malaysia	13	
3.4	Varial	bles	13	
	3.4.1	Dependent Variable	14	
	3.4.2	Independent Variable	14	
3.5	Resea	rch Design	15	
	3.5.1	Purpose of the Study	15	
	3.5.2	Types of Investigation	15	
	3.5.3	Researcher Interference	15	
	3.5.4	Study Setting	16	
	3.5.5	Unit of Analysis	16	
	3.5.6	Time Horizon	16	
3.6	Hypot	Hypothesis Statement		
	3.6.1	Net Working Capital	17	
	3.6.2	Current Ratio	17	
	3.6.3	Debt Equity Ratio	17	
3.7	Research Methodology			
	3.7.1	Descriptive Analysis	18	
	3.7.2	Assumption Test	19	
		3.7.2.1 Correlation Analysis	19	
		3.7.2.2 Covariance Test	19	
		3.7.2.3 Multicollinearity Test	20	
		3.7.2.4 Heteroskedasticity Test	20	
		3.7.2.5 Residual Cross-Section	20	