



**CAPITAL STRUCTURE AND FIRM PERFORMANCE: THE
EVIDENCE ON MALAYSIA'S LISTED REAL ESTATE INVESTMENT
AND SERVICES SECTOR**

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ABSTRACT

Capital structure is one of the most important issues for firms in order to achieve better financial and market performance. The main objective of this study is to examine the relationship between capital structure and firm performance. The investigation includes 40 Real Estate Investment and Services firms listed on Bursa Malaysia for the period of 2011-2015 using panel data analysis. The study utilize short term debt (STD), long term debt (LTD), total debt to total asset (TDTA) and total debt to total equity (TDTE) as proxies of financial leverage for independent variables. Return on asset (ROA) is used as proxies of firm performance for dependent variable. Firm size was used as control variable in the study. The data was obtained through secondary data. This study used regression analysis and descriptive statistics to come out with the results. Therefore, the empirical result finds that STD and TDTA has a significant negative relationship with ROA, meanwhile LTD, TDTE and Size have a positive relationship with ROA. However, only TDTA and Size of a firm have a significant relationship to return on assets of a firm.