



**A COMPARISON BETWEEN TRADITIONAL AND ECONOMIC PERFORMANCE
MEASURES FOR CREATING SHAREHOLDER'S VALUE: A STUDY ON
MALAYSIA PLANTATIONS LISTED COMPANIES**

DG SITI ASMANIRAH BINTI AWANG ISMAIL

2013249316

**BACHELOR OF BUSINESS ADMINISTRATION
WITH HONOURS (FINANCE)
FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA
KOTA KINABALU, SABAH**

DEC 2016

ACKNOWLEDGEMENTS

To finish this thesis, I have received assistance from many people around me particularly my advisor, Madam Siti Rahayu Bile. I might want to express gratitude toward her on account of her direction and consistent bolster, I can finish my thesis. I know each oversight that I have made along this study and she generally there to right me. Without backing and precious, I would have face part of unsettled issue and it influencing my study. On account of her and may Allah favor her.

Besides, I would like to give appreciation to my family. Thank you to my greatest father and my mother, who always give support in my study and willing to provide money for me to accomplish my study and my beloved one. I would like to dedicate this study for them with hope that they will feel proud and with the result of my study.

I realize that many people involve and help to finish this study accomplish especially my classmate. We always exchange our knowledge and opinion so that our thesis can be as perfect as it can. Without them, it will be hard for me to finish this thesis.

Lastly, I would like to thank Assoc. Prof Dr. Imbarine Bujang for the knowledge that he has given me especially during my subject which is MGT 646, Quantitative Research Methods. The subject helps me a lot in completing this study. With all of the knowledge and encouragement that he gave during class makes me feel excited and interested to learn more in research area.

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ABSTRACT

This study is conducted to investigate the superiorities of the economic value performance and traditional performance measure for the shareholders wealth maximization. Due to the weaknesses of the traditional measure of performance such as the earning per share, return on equity and return on asset to measure stockholder creation, the value based measure was created. Using a sample of 10 plantations listed companies in main board of Bursa Malaysia and using a panel data for the period of 2011 to 2015. Fixed effect, Random effect and Pooled OLS test are performed and Random effects are accepted. The finding of the study revealed that there is positive and significant relationship between economic values added (EVA) and shareholders wealth maximization.

Keywords: Shareholder wealth maximization, creating shareholder value, economic value added, earning per share, return on equity, return on asset