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**THE RELATIONSHIP BETWEEN CAPITAL STRUCTURE  
AND FIRM'S VALUE ON MALAYSIAN  
MANUFACTURING FIRMS**

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## ABSTRACT

This research paper investigates the relationship between the capital structure and firm's performance. This study gives us an opportunity to test the impact of the capital structures on firms' performance in Malaysia. This paper focusing on the manufacturing firms which include consumers and industrials sectors. It measured by the return on asset (ROA) and return on equity (ROE) as firm's performance and capital structure such as short term debt (STD), long term debt (LTD) and total debt (TD). This study is done by using 22 firms as sample in order to get the data within year 2011 to 2015 which gathered from Kuala Lumpur Stock Exchange (KLCE). Panel regression method is used for the data analysis. Result shows that LTD and TD is significant with dependent variables but no significant impact with STD.

*Keywords: capital structure, firm's performance, panel regression*