



**INVESTIGATING OF SHARE PRICE FOR
LISTED TECHNOLOGY COMPANIES
IN MALAYSIA**

**ARVIANA MODOLDOP
2017684216**

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

DECEMBER 2019

ACKNOWLEDGEMENT

Firstly, I thank to God for giving me the opportunity to continue on my Bachelor level of education and for completing this long and challenging journey successfully. My gratitude and thanks go to my supervisor DR Sitti Syamsiar Binti Hj.Muharram.

My appreciation goes to the Library Universiti Teknologi MARA and staff of this Library because provided the facilities and assistance during completing this report. Special thanks to my colleagues and friends for helping me with this this.

Finally, this study is dedicated to my beloved dear father and mother for the vision and determination to educate me. This piece of victory is dedicated to both of you and all family members.

TABLE OF CONTENTS

	Page
TITLE PAGE	i
DECLARATION OF ORIGINAL WORK	ii
LETTER OF SUBMISSION	iii
ACKNOWLEDGEMENT	iv
TABLE OF CONTENTS	v
LIST OF FIGURES	viii
LIST OF TABLES	ix
LIST OF ABBREVIATIONS	x
ABSTRACT	xi
CHAPTER ONE: INTRODUCTION	1-10
1.1 Introduction	1-2
1.2 Background of Study	2-5
1.3 Problem Statement	5-6
1.4 Research Objective	7
1.5 Significance of Study	7-8
1.5.1 Practical Contribution	7-8
1.5.2 Academic Perspective	8
1.6 Scope of Study	8
1.7 Limitation of the Study	8-9
1.8 Definition of Terms	9-10
1.8.1 Share Price	9
1.8.2 Book Value	9
1.8.3 Earnings	9
1.8.4 Intellectual Capital	9-10
1.9 Chapter Summary	10
CHAPTER TWO: LITERATURE REVIEW	11-25
2.1 Introduction	11

2.2 Underpinning Theories	11-14
2.2.1 Ohlson Model (1995)	11-13
2.2.2 Resources Dependence	14
2.3 Dependent Variable – Share Price	14-15
2.4 Independent Variables	16-19
2.4.1 Book Value	16-17
2.4.2 Earnings	17-18
2.4.3 Intellectual Capital	18-19
2.5 Empirical Research	19-22
2.5.1 Relationship between Book Value and Share Price	19-20
2.5.2 Relationship between Earnings and Share Price	20-21
2.5.3 Relationship between Intellectual Capital and Share Price	21-22
2.6 Conceptual Framework	22-25
2.7 Hypothesis	25
2.8 Chapter Summary	25
 CHAPTER THREE: RESEARCH METHODOLOGY	 26-38
3.1 Introduction	26
3.2 Research Design	26
3.3 Sampling Design	26-27
3.3.1 Sampling Technique	26-27
3.3.2 Target Population	27
3.3.3 Sampling Size	27
3.4 Research Flow	27-29
3.5 Data Collection	29
3.6 Survey Instrument/Modelling	30-32
3.7 Data Analysis	33-38
3.7.1 Descriptive Analysis	33
3.7.2 Estimation Procedures	33-35
3.7.3 Diagnostic Test	35-36
3.7.4 Panel Regression Method Selection	36-38
3.8 Chapter Summary	38

ABSTRACT

This study is to examine the relationship between book value, earnings, and intellectual capital towards share price, and which of the variables/s gives/give more impact to share price valuation. The core idea of this study is that fundamental of Ohlson (1995) and Resource Dependence Theory (RDT) is a factor and applicable in calculating the share price in Malaysia. The data are obtained from publish annual report from Bursa Malaysia and journal article. The sample cover about eleven years, in the period of year of 2008 until 2018. This study conducts the regression panel data analysis to precise whether fundamental theory of Olson (1995) book value and earnings and other theory RDT intellectual capital has a relationship to the share price. The results imply that book value, earnings and intellectual capital give relevant value in establishing the share price for Technology Companies listed in Bursa Malaysia, however only book value and earnings are gives more impact in changing of share price value. This study give advantage to the investors, policymaker, and other researchers who currently use or planning to use Ohlson (1995) and intellectual capital in share price valuation.

Keywords

Ohlson (1995), Resource Dependence Theory, Book Value, Earnings, Intellectual Capital, Share Price, Technology Companies, Malaysia