



THE DETERMINANTS OF CAPITAL STRUCTURE WITH FIRMS' FINANCIAL
LEVERAGE: IN VIEW OF TRADING SERVICE SECTOR LISTED IN BURSA
MALAYSIA

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ABSTRACT

INTRODUCTION

1.1 BACKGROUND OF THE STUDY

There were plenty of studies regarding the theory of capital structure. However, researchers still unable to determine which theory are the most accurate and relevant as to reality bites. Therefore, in this paper, the researcher analyze what factors that can be taken as determinants of capital structure and to see which is the most highly influence upon firm's capital structure in measure of leverage. The researcher analyzes 100 companies from trading services sector listed in Bursa Malaysia in 5 years period from 2005 to 2009. By using the cross-sectional study, the researcher applies the general leverage model which commonly used by other researchers in order to measure the leverage for their studies. The results had shown some arguments upon theories that already existed in corporate financing theories.

Keywords: *Capital Structure, Determinants, Leverage*