



**THE DETERMINANTS OF CAPITAL STRUCTURE OF
FINANCIAL COMPANIES IN MALAYSIA**

AIDA BINTI ABD RAZAK

2016629388

**BACHELOR OF BUSINESS ADMINISTRATION
WITH HONOURS (FINANCE)
FACULTY OF BUSINESS MANAGEMENT
UNIVERSITY TECHNOLOGY MARA (TERENGGANU)**

JANUARY 2019

TABLE OF CONTENT

CONTENT	PAGE
LETTER OF SUBMISSION	i
DECLARATION OF ORIGINAL PAPER	ii
ACKNOWLEDGEMENT	iii
TABLE OF CONTENT	iv-vi
ABSTRACT	vii
 CHAPTER ONE: INTRODUCTION	
1.0 Background of the Study	1-5
1.1 Problem Statement	5-6
1.2 Objective of the Study	6
1.3 Scope of the Study	7
1.4 Limitation of the Study	7
1.5 Significance of the Study	8
1.6 Definition of Term	9
 CHAPTER TWO: LITERATURE REVIEW	
2.0 Introduction	10
2.1 Literature Review	
2.1.1 Dependent Variable	10-11
2.1.2 Independent Variables	11-13

4.2	Summary of the Chapter	31
-----	------------------------	----

CHAPTER FIVE: CONCLUSIONS AND RECOMMENDATIONS

5.0	Introduction	32
5.1	Conclusion	32
5.2	Recommendation	33

REFERENCES	34-36
------------	-------

APPENDICES	37-40
------------	-------

ACKNOWLEDGEMENT

In the name of Allah, the Most Gracious and the Most Merciful. Alhamdulillah, all praises to Allah for the strengths and His blessing in completing this research. This research project has been carried out to meet the academic requirements of University Technology of Mara for the completion of the Bachelor Of Business Administration With Honours (Finance).

Next, most special, I would like to express my greatest gratitude towards my dear advisor, Madam Noorazlina binti Ahmad, who always help and guide me throughout completing the task given. Her ideas, comments, guides and patience cause me to be able conduct this research successfully. Furthermore, I also would like to thank my second advisor, Madam Rokiah binti Muda for her support, comments and advice before final submission.

Finally, I would like to express my sincere appreciation to my family, friends and classmate who always share uncounted useful information and provide me with a lot of help that encourage me to complete my final year project.

ABSTRACT

The purpose of this study is to determine the factors that influence capital structure in top 10 publicly listed financial companies in Malaysia. This study adopt panel data with four independent variables such as profitability, growth of total asset, size of firm and effective tax rate were used to analyse the important determinants of capital structure of top 10 publicly listed financial companies in Malaysia. The period of all data are selected from 2007 until 2017 total up to 11 years. The final result of this study shows that profitability are negative but significant relationship with capital structure. And the rest independent variables such as growth of total asset, size of firm and effective tax rate are positive relationship with capital structure.