



**THE DETERMINANTS OF CAPITAL STRUCTURE FOR OIL AND GAS
COMPANY IN MALAYSIA**

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BACHELOR OF BUSINESS ADMINISTRATION

WITH HONOURS (FINANCE)

FACULTY OF BUSINESS MANAGEMENT

UNIVERSITI TEKNOLOGI MARA

MALACCA CITY CAMPUS

JANUARY 2018

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**Submitted in Partial Fulfilment of the
Requirement for the
Bachelor of Business Administration with Honours (Finance)**

FACULTY OF BUSINESS MANAGEMENT

UNIVERSITI TEKNOLOGI MARA

MALACCA CITY CAMPUS

JANUARY 2018

DECLARATION OF ORIGINAL WORK



BACHELOR OF BUSINESS ADMINISTRATION

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FACULTY OF BUSINESS MANAGEMENT

UNIVERSITY TEKNOLOGI MARA

“DECLARATION OF ORIGINAL WORK”

I, Syed Afiq Syaamil Bin Syed Khalid, (I/C Number: 940530-01-6457)

Hereby, declare that:

- This work has not previously been accepted in substance for degree, locally or overseas and is not being concurrently submitted for this degree or any other degrees.
- This project-paper is the result of my independent work and investigation, except where otherwise stated.
- All verbatim extracts have been distinguished by quotation marks and sources of my information have been specifically acknowledged.

Signature: _____

(Syed Afiq Syaamil Bin Syed Khalid)

Date: _____

LETTER OF SUBMISSION

12th January 2018

Head of Program

Bachelor of Business Administration Honours (Finance)

Faculty of Business Management

Universiti Teknologi Mara

Kampus Bandaraya Melaka

110 Off Jalan Hang Tuah

753000 Melaka

Dear Sir/Madam,

SUBMISSION OF FINAL PROJECT PAPER

Attached is the project paper titled “**THE DETERMINANTS OF CAPITAL STRUCTURE FOR OIL AND GAS COMPANY IN MALAYSIA**” to fulfil the requirement as needed by the Faculty of Business Management, Universiti Teknologi Mara.

Thank you.

Sincerely,

Syed Afiq Syaamil Bin Syed Khalid

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Bachelor of Business Administration Honours (Finance)

ABSTRACT

The purpose of this study is to investigate the determinants of capital structure for oil and gas company in Malaysia. The data was collected from first quarter 1996 until fourth quarter 2016. The four independent variables that had been used which are size of company (SIZE), profitability (PROF), financial strength (FIN) and company risk (RISK). This study applies Ordinary Least Square (OLS) methods in order to define the statistical relationship among the variables. There are steps involved in the research begin with ordinary least square methods and proceed with Unit Root tests, Descriptive Statistic, Multiple Linear Regressions Model and Diagnostic Tests. The results show that profitability (PROF) has a positive significant relationship while financial strength (FIN) has a negative significant relationship with capital structure of oil and gas company in Malaysia. However, size of company (SIZE) and company risk (RISK) have insignificant relationship towards capital structure of oil and gas company in Malaysia.