



**DETERMINANTS OF CAPITAL STRUCTURE:
AN EMPIRICAL ANALYSIS OF LISTED NON-FINANCIAL
FIRMS IN MALAYSIA**

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JOHOR

DECEMBER 2015

DECLARATION OF ORIGINAL WORK



**BACHELOR OF BUSINESS ADMINISTRATION (HONS) FINANCE
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“DECLARATION OF ORIGINAL WORK”

I, Nur Tiara Edzyan Binti Mohd Kamal, (I/C Number: 921213-10-5874)

Hereby, declare that,

- This work has not previously been accepted in substance for any 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: _____

Date: _____

LETTER OF SUBMISSION

7th December 2014

Mrs. Nur Liyana Mohamed Yousop

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Faculty of Business and Management

UITM Johor, Segamat, Johor

Box 527, 85000 Segamat

Johor, Malaysia.

Dear Sir/ Madam,

SUBMISSION OF PROJECT PAPER

Attached is the project paper titled “**Determinants of Capital Structure**” to fulfil the requirement as needed by the Faculty of Business Management, Universiti Teknologi MARA.

Thank you.

Yours sincerely

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(NUR TIARA EDZYAN BINTI MOHD KAMAL)

Bachelor of Business Administration (Hons) Finance

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**Submitted in Partial Fulfilment of the
Requirement for the
Bachelor of Business Administration
(Hons.) Finance**

**FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA,
JOHOR**

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ABSTRACT

Capital structure explained the mix of securities and financing sources used by corporations to finance real investment. Capital structure is one of the most important effective measures on the valuation and direction of economic enterprises in the capital markets. Capital structure can be influenced by internal and external factors. The internal factors that affect company capital structure can be controlled by managers and it is essential for managers to identify the determinants that can affect capital structure. Finance managers decisions on choosing the best capital structure are important because it will affect the company performance and shareholders wealth. This paper purpose is to examine the determinants of capital structure. This study is conducted to investigate the relationship between the factors of capital structure which are capital intensity (CI), tangibility (TANG), profitability (PFT), and firm size (FS) towards capital structure. The capital structure will be measured by debt ratio, long term debt and short term debt. This study is using secondary data and panel data analysis. The data is obtained from annual report of listed non-financial company in Malaysia. The annual report will be obtained from Bursa Malaysia for six selected listed non-financial firms in Malaysia. The data is collected for five years from 2008 to 2012.