



**THE IMPACT OF FINANCIAL DEVELOPMENT ON
CORPORATE FINANCE OF
EMERGING MARKET**

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SEGAMAT, JOHOR.**

JANUARY 2017

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

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DECLARATION OF ORIGINAL WORK

NUR KHAIRINA AIDA BINTI KAMARUDDIN

2013658518

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

1st January 2017

Sir Syamsyul Bin Samsudin
Faculty of Business Management
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JOHOR DARUL TAKZIM

Dear Madam,

SUBMISSION OF PROJECT PAPER

Attached is the project paper titled “**THE IMPACT OF FINANCIAL DEVELOPMENT ON CORPORATE FINANCE IN EMERGING MARKET**” to fulfill the requirement as needed by the Faculty of Business Management, Universiti Teknologi MARA.

Thank you.

Yours sincerely,

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Bachelor of Business Administration (Hons) Finance

ABSTRACT

This paper is to study the effects of financial development on corporate financing of emerging market firms to ascertain whether have relationship or any impact in the financial market on the available choice of financing of firms. The dependent variable for this study is Capital Structure which is measure by Debt to GDP. The independent variables is Bank Credit defined as the ratio of bank assets to gross domestic product (GDP) divided by the ratio of market capitalization to GDP; Private Credit is domestic credit to the private sector as a percentage of GDP; Stock Market Development is stock market capitalization to GDP; Profitability is using return on equity; and M3 defined as ratio of liquid liabilities to GDP. Panel data were used to run the regression in this study. The sample under the study consists of 17 emerging market which measure for 9 years from 2006 to 2014 and used secondary data for this study. Data are collected from The World Bank website. This study will use the E-view 8 software to test and analyze the data that had been collected. The analysis that will be use to analyze the data is Descriptive analysis, Stationary test, Normality test, Correlation analysis and Regression analysis. Also use Test on assumption to test the data.