CAPITAL STRUCTURE AND PROFITABILITY OF PROPERTY FIRM IN MALAYSIA

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2014294882

BACHELOR OF BUSINESS ADMINISTRATION

(HONS) FINANCE

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SEGAMAT, JOHOR.

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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 ORIGANAL WORK

NURUL NADIAH BINTI ABDUL RAHMAN **2014294882**

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

Puan Ruziah binti Abd Latif

Faculty of Business Management

Universiti Teknologi MARA

85009, Segamat

JOHOR DARUL TAKZIM

Dear Madam,

SUBMISSION OF PROJECT PAPER

Attached is the project paper titled **"CAPITAL STRUCTURE AND PROFITABILITY OF PROPERTY FIRM IN MALAYSIA"** to fulfil the requirement as needed by the Faculty of Business Management, Universiti Teknologi MARA.

Thank You.

Yours sincerely,

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NURUL NADIAH BINTI ABDUL RAHMAN 2014294882

Bachelor of Business Administration (Hons) Finance

ABSTRACT

The aim of this report to go over the profitability and capital construction of property firms in Malaysia. By using secondary data, the empirical analysis of this study is confined to 6 property firms in Malaysia that listed on Bursa Malaysia with 11 year period of 2005 until 2015. Regarding to the study, the variables that be used returns on assets as a dependent variable, while total debt to equity, long term debt to equity, pre-tax profit margin and net profit margin as independent variables. The sources of these variables are from Datastream and the annual report of the property firms in Malaysia.

This case of study using panel data, therefore the pool Ordinary Least Square (OLS) had been taken to determine the Coefficient of Determination (R-Squared), T-Test and F-Test to predict the relationship of the variables and to analyze the significant. It is found that all the independent variables which are totally debt to equity, long term debt to equity, pre-tax profit margin and net profit margin have a positive significant relationship to the return on asset as a dependent variable.