

**UNIVERSITI TEKNOLOGI MARA**

**THE IMPACT OF CAPITAL  
STRUCTURE ON FINANCIAL  
PERFORMANCE OF COMPANIES  
LISTED IN BURSA MALAYSIA**

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Thesis submitted in fulfillment  
of the requirements for the degree of  
**Bachelor of Business Administration**  
**(Investment Management)**

**Faculty of Business Administration**

**December 2017**

## AUTHOR'S DECLARATION

I declare that the work in this thesis was carried out in accordance with the regulations of Universiti Teknologi MARA, Johor Branch, Segamat Campus. It is original and is the results of my own work, unless otherwise indicated or acknowledged as referenced work. This thesis has not been submitted to any other academic institution or non-academic institution for any degree or qualification.

I, hereby, acknowledge that I have been supplied with the Academic Rules and Regulations for Undergraduate, Universiti Teknologi MARA Johor Branch, Segamat Campus regulating the conduct of my study and research.


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Faculty : Business Administration

Thesis : The Impact of Capital Structure on Financial  
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## LETTER OF SUBMISSION

21 December 2017

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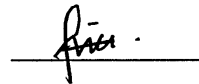
Dear Madam,

### SUBMISSION OF PROJECT PAPER

Attached is the research report title “The Impact of Capital Structure on Financial Performance of Companies Listed at the Bursa Malaysia Stock Exchange” to fulfil the requirement as needed by the Faculty of Business Management, Universiti Teknologi MARA.

Thank you.

Yours sincerely



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## ABSTRACT

This study is to look at the influence of the capital structure on the financial performance of companies listed at the Bursa Malaysia Stock Exchange. The sample of the study about was ten companies from industrial sector. The firm's overall performance (the dependent variable) was measured by way of return on asset (ROA), return on equity (ROE) and incomes per share (EPS) whilst capital structure (the independent variable) was measured with the aid of short term debt to total asset (STDTA) and long term debt to total asset (LTDTA). This study covered a period of 11 years (2006-2016). Comprehensive earnings and financial role had been analyzed in this study and the extracted data used to be analyzed via using eviews9 statistical software. (STDTA) negatively and significantly affect the performance in case of ROA and ROE. While in case of EPS, (STDTA) also negatively but impact was insignificant. Based on the results above, (LTDTA) negatively and significantly affect the firm performance ROA. Besides that, (LTDTA) also shows negative but insignificant in case of ROE. Lastly, the capital structure (LTDTA) had a positive and significant impact on firm performance which measured by EPS.

Keywords: ROA, ROE, EPS, STDTA, LTDTA, financial performance, capital structure.

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