



**A STUDY ON DETERMINANTS OF PROFITABILITY
OF MCIS SAFETY GLASS SDN BHD**

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**BACHELOR OF BUSINESS ADMINISTRATION
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UNIVERSITI TEKNOLOGI MARA
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**A STUDY ON FACTOR THAT INFLUENCE PROFITABILITY OF
MCIS SAFETY GLASS SDN BHD**

SITI NURBASRAH BINTI NAZRAN

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

**FACULTY OF BUSINESS MANAGEMENT
UTM BANDARAYA MELAKA**

2011



DECLARATION OF ORIGINAL WORK

**BACHELOR OF BUSINESS ADMINISTRATION (HONS)
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BANDARAYA MELAKA**

“DECLARATION OF ORIGINAL WORK”

I, Siti Nurbasrah binti Nazran, (880119-05-5390)
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

Date

The Head of Program
Bachelor of Business Administration (Hons) Finance
Faculty of Business Management
Universiti Teknologi MARA
Kampus Bandaraya Melaka

Dear Sir,

SUBMISSION OF PROJECT PAPER

Attached is the project paper titled “FACTOR THAT INFLUENCE PROFITABILITY OF MCIS SAFETY GLASS SDN. BHD.” To fulfil the requirement as needed by the Faculty of Business Management, Universiti Teknologi MARA

Thank you

Yours sincerely

SITI NURBASRAH BINTI NAZRAN
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CHAPTER 1

1.9 INTRODUCTION

1.10 Abstract

This paper looks at financial statement variable that likely have an impact on firm profitability. Researcher collect firm financial data from recent years and test for factors affecting company's Return on Assets. Researcher concentrate on two factors which are internal factors and external factors. Researcher find evidence that firm's debt to equity and liquidity are all significant in determining ROA. Furthermore, Researcher found evidence that inflation rate and interest rate from external factors were also relatively significant.

1.11 Background of Study

Understanding profit of company is important for certain people especially for a manager and researcher. In this study, Researcher will focus on Determinants of profitability of company (MCIS Safety Glass Sdn. Bhd.) as tool to identify factor that influence profit. This paper will focus on Return on Assets and factor that influence it. Basically researcher refer to annual report of MCIS Safety Glass as a references and also from previous research. Other than that, finding information on internet and magazine are tools used in this study.

This research can be divided into 2 area which is internal factor and external factor whereby internal factor is in the organization which include liquidity (current ratio) and debt to equity while external factor is outside environment such as interest rate and inflation rate.