



اُونِيُوَرَسِيْتِي تِيكْنُوْلُوْجِي مَارَا

**UNIVERSITI TEKNOLOGI MARA
KAMPUS KOTA BHARU, KELANTAN**

**A STUDY OF RELATIONSHIP OF DEBT RATIO,
RETURN ON ASSET & RETURN ON EQUITY
ON TNB FINANCIAL EFFICIENCY**

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APRIL 2011

DECLARATION OF ORIGINAL WORK



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- 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.
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- All verbatim extract have been distinguish by quotation marks and sources of my information have been specifically acknowledgement.

Signature: _____ Date: _____

ACKNOWLEDGEMENT

In the name of Allah, Most Gracious, Most Merciful

Praise to Allah S.W.T. the Lord of the universe, for his wisdom, strength and blessings to complete this project paper. Peace and blessings of Allah be upon His Messenger, Muhammad S.A.W.

First and foremost, the author would like to take an opportunity to neither express thanks to both respectable advisors, Prof. Madya Mohd Nor bin Shapiin and En. Nasser bin Abdul Majid, who have made a significant contribution, support and giving their great analytical skills, helpful comments, guidance and suggestions for the completion of this research.

Alhamdulillah, with the submission of this project paper, I have fulfilled a partial fulfillment to the requirement for the Bachelor in Business Administration (Honors) (Finance).

Special gratitude to my beloved family who has encourages and gives support to me from the beginning in every possible way.

Finally, I also give my deepest thanks to all my friends, who have always, be by my side through thick and thin, for the support and help. My very special thanks also go to all peoples who have directly or indirectly helping me in completing this thesis.

Thank you very much.

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ABSTRACT

The purpose of this paper is to study of relationship of debt ratio, return on asset and return on equity on TNB financial efficiency. Three ratio are used in determine the financial efficiency . The first objective is researcher want to study on determinants of TNB financial efficiency, second is to identify the relationship between profit of the company with independent variables (debt ratio, return on asset, return on equity) and third is to give the suggestion how to improve the efficiency at TNB's management. The data was get from secondary data which is from the company annual report about 10 years and also get from informal interview by top management of TNB Tanah Merah. The Statistical Procedure of Social System (SPSS) are used in key in the data. From this program multiple linear regressions, correlation of coefficient (R), coefficient of determination (R^2), Durbin Watson, and T- statistic are used in analysis. All the data are used in yearly from year 2001 to year 2010. This result indicates that all variables are having significant relationship with the dependent variable which are debt ratio, return on asset, and return on equity.