

**FACTORS INFLUENCING THE FINANCING DECISION:  
MULTINATIONAL COMPANY (MNC) LISTED IN  
BURSA MALAYSIA**

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JOHOR**

**MAY 2007**



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**Submitted In Partial Fulfillment  
Of The Requirement For The  
Bachelor Of Business Administration  
(Hons) Finance**

**FACULTY OF BUSINESS MANAGEMENT  
UNIVERSITI TEKNOLOGI MARA, JOHOR**

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(HONS) FINANCE  
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JOHOR**

**"DECLARATION OF ORIGINAL WORK"**

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I, NORHAIRIAH BT HUSAIN, (I/C Number: 840609-01-6080)

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: 11 MAY 2007

## LETTER OF SUBMISSION

3<sup>rd</sup> MAY 2007

En. Khairuddin B. Mohd Sali @ Salleh  
Advisor FIN 660  
Faculty of Business Management  
Universiti Teknologi MARA  
85009 Segamat  
Johor Darul Takzim

Dear Sir,

### SUBMISSION OF PROJECT PAPER

Attached is the project paper titled "Factors Influencing The Financing Decision: Multinational Company (MNC) Listed In Bursa Malaysia" to fulfill the requirement as needed by the Faculty of Business Management, University Teknologi MARA.

Thank you

Yours sincerely,



(NORHAIRIAH HUSAIN)

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## **ABSTRACT**

This study focuses on the factors that influencing the financing decision for Multinational Companies listed in Bursa Malaysia from the year 2001 to 2005. According to encyclopedia, business enterprise with manufacturing, sales, or service subsidiaries in one or more foreign countries, is known as a transnational or international corporation. Typically, a multinational corporation develops new products in its native country and manufactures them abroad, often in Third World nations, thus gaining trade advantages and economies of labor and materials.

The study is used 39 selected companies that comprises of Industrial Product sector listed in Main Board. The objective or purpose of this study is to determine factors that are influencing financing decision. The selected indicators to be independent variables in this research are growth of company, profitability, ownership, and size of company. Meanwhile, for the dependent variable is the financing decision represent by debt ratio of the company. These factors have been considered to be the indicators as according to the past researches done by other researchers.

This research was using Multiple Regressions where this method is an estimation of the parameter of an equation with more than one independent variable. The purpose is to show the relationship between dependent variable (debt) and the independent variables, which are growth of company, profitability, ownership, and size of company. The test is success to reject null hypothesis.