



**THE RELATIONSHIP BETWEEN FIRM
INVESTMENT AND FINANCIAL STATUS**

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DECLARATION OF ORIGINAL WORK



**BACHELOR OF BUSINESS ADMINISTRATION
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“DECLARATION OF ORIGINAL WORK”

I, Mohd Fadli Bin Sukor Sani, (I/C Number: 840110015505)

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: *Fadli*

Date: 4 MAY 2007

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Thank you.

ABSTRACT

This study focuses on the relationship between firm investment and financial status. The objective or purpose of this study is about to investigate whether there is significantly related to each other between and financial status. Firm investment invests pooled funds on behalf of its clients and managers must state their specific objectives and their choice of investments.

To determine the significant relationship between firm investment and financial status, this study using more than one hundred companies which have been listed in Bursa Malaysia. This study will be test by runs some agreed research method in a sample of selected few listed companies in the main board for a period of ten years data. This study will examine the regression and correlation between these two variables. The data analysis will be compute by using the selected ratios and A Fazzari, Hubbard, and Petersen (1988) formula. There are some previous researchers have concluded that the firm investment decision are shown to be directly related to the financial factors but the investment decision of firm with high creditworthiness are extremely sensitive to the availability of internal funds. There are also some of them says oppositely which there is negative effect. This study also can be use by the investors as their guideline to know the positive and significant relationship in making the investment decisions.