



**FACULTY OF BUSINESS MANAGEMENT
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**ROLES OF FINANCIAL RATIOS TO PREDICT STOCK RETURN:
A STUDY ON MALAYSIAN CONSTRUCTION COMPANIES**

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LETTER OF SUBMISSION

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The Head of Program
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Dear Sir,

SUBMISSION OF FINANCE PROJECT PAPER

I, Nasiha Binti Hashim, UiTM matrix no. 2014788181 hereby is submitting the project paper titled “Financial as the Predictor of Stock Return: A Study On Malaysia Construction Companies” as a requirement for subject FIN 672.

I hope that this project paper will meet your expectation and university`s requirement.

Thank you.

Yours sincerely,

(NASIHA BINTI HASHIM)

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ABSTRACT

Financial ratios have been used extensively by many researchers as variables to measure the prediction on stock return in many countries. So, this study is to know how financial ratios will affect the prediction on stock return in Malaysia Construction Companies that have been listed in Bursa Malaysia. The data is collected from datastream which consist of 108 construction companies in Malaysia during the year 2011-2015 (5 years). The data has been run using Eviews 9.5 software and the data is analyzed through descriptive test, normality test, stationary test, pooled least square, autocorrelation, fixed effect and also random effect respectively. In summary, the result showed that only return on assets has significant relationship with stock return while debt to equity, dividend yield, earnings yield and book to market value are not significantly influenced the prediction on stock return.

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