

TITLE PAGE



UNIVERSITI TEKNOLOGI MARA

**PREDICTING CORPORATE FAILURE ON
PUBLIC LISTED COMPANIES IN MALAYSIAN STOCK
MARKET**

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CAWANGAN KELANTAN**

JUNE 2013

DECLARATION OF ORIGINAL WORK



BACHELOR OF BUSINESS ADMINISTRATION WITH HONOURS (FINANCE)

FACULTY OF BUSINESS MANAGEMENT

UNIVERSITI TEKNOLOGI MARA

I, NUR KAMALIAH BT AZIS, (I/C Number:)

Hereby, declare that:

1. 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.
2. This project-paper is the result of my independent work and investigation, except where otherwise stated.
3. All verbatim extracts have been distinguished by quotation marks and sources of my information have been specifically acknowledged.

Signature:

Date:

LETTER OF TRANSMITTAL

Bachelor of Business Administration (Hons) Finance
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June 2013

Head of Faculty
Faculty of Business Management
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15050, Kelantan

Dear Sir/Madam,

SUBMISSION OF RESEARCH PROJECT PAPER

Attached is the copy of Project Paper entitled “**PREDICTING CORPORATE FAILURE ON PUBLIC LISTED COMPANIES IN MALAYSIA STOCK MARKET**” to fulfill the requirement as needed by the Faculty of Business Management, Universiti Teknologi Mara.

Thank you.

Yours Sincerely,

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NUR KAMALIAH BT AZIS
2010809858

ACKNOWLEDGEMENT

In the name of Allah S.W.T, the Most Gracious and Most Merciful Alhamdulillah, grateful to the mighty God, Allah s.w.t for giving me the strength and opportunity to complete this final report in completing my degree.

In the process of conducting this study, the researcher owed to many individuals for their significant ideas and guidance. Special thanks to the researcher's parents and family for their endless support in any ways; financially and emotionally during the production of this study.

The researcher is truly indebted to the advisors; Sir Md Khairu Amin Ismail (first advisor) and Madam Syukurriah binti Idrus (second advisor) for their guidance, patience, advice and encouragement in preparing and finishing the report. A thousand thank you to them for their endless supports.

Finally, may Allah S.W.T bless all the related parties involved in the success of this study either directly or indirectly.

Thank you.

ABSTRACT

This study is worked on developing a best model to predict corporate failure amongst public listed companies in Malaysia. The sample used in this study was selected from the companies listed on Bursa Malaysia. The total number of companies selected is 100 from all different sectors available in Bursa Malaysia. The sample comprises of two different grouped of companies which is 50 distressed (PN17) companies and 50 non-distressed (Non-PN17) companies from the period 2010 to 2012. According to the findings, the result shows that three of the variables are significant except for liquidity ratio which is not significant. In short, the results of the study suggest that financial leverage ratio, profitability ratio and activity ratio have significant influences on corporate failure in Malaysia. Therefore, this suggest that the financial ratio analysis plays an important role in supporting the operations of financial institutions.