

**UNIVERSITI TEKNOLOGI MARA**

**WHICH IS BETTER INDICATOR OF STOCK  
RETURN? PRICE SALES,  
DEBT EQUITY, BOOK MARKET  
AND FIRM SIZE.  
EVIDENCE FROM MALAYSIA SELECTED  
COMPANY**

**MUHAMMAD FIRDAUS BIN  
MOHD ROSTAN  
(2016825808)**

**BBA HONS FINANCE**

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# DECLARATION OF ORIGINAL WORK



**BACHELOR OF BUSINESS MANAGEMENT  
WITH HONOURS (FINANCE)  
FACULTY OF BUSINESS MANAGEMENT  
UNIVERSITI TEKNOLOGI MARA  
“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.
- 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.

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## **ABSTRACT**

Financial variables are a useful indicator for future stock returns. In the USA market between 1963 and 1990, the book to market value has more explanatory power for future stock returns. But some studies argue that sales to price ratio and debt to equity explain future stock returns better than the book to market value. The main objective of this study is to see which financial variable explains stock returns better than the others. In this study, the three financial variables which are debt to equity, book to market value of equity and sale to price used to measure the stock return of certain companies in Malaysia. The study includes ten companies of different sectors in Malaysia which listed on the Bursa Stock Exchange Kuala Lumpur. The regression technique employed to see the relationship between stock returns and financial variables. The finding found that book to market value of equity is the best indicator for stock returns in the Malaysian stock market for the studied period 2014-2019. Hence, the findings will assist the retail investors' decision making in selecting stock into their portfolio.