



UNIVERSITI TEKNOLOGI MARA

**DETERMINANTS PRICE EARNINGS RATIO OF
SERVICES SECTOR IN MALAYSIA**

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Final Year Project Paper submitted in fulfillment
of the requirements for the degree of
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AUTHOR'S DECLARATION

I declare that this final project report entitled "*Determinants Price Earnings Ratio of Services Sector in Malaysia*" is the outcome of my own research except the cited in the reference. This report was follow according to the guideline of Universiti Teknologi MARA and not concurrently submitted to any other academic institution or non-academic institution for any degree or other qualification.

I, hereby, acknowledge that I have been supplied with the Academic Rules and Regulations for Undergraduate, Universiti Teknologi MARA, regulating the conduct of my study and research.


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ABSTRACT

This purpose of the research is to know what factors that determine the price earnings ratio of services sector that listed in Bursa Malaysia. The service sector is an important part of the economy which it is the primary driver of the economic. The activities in the services sector include retail, banks, hotels, real estate, education, health, social work, computer services, recreation, media, communications, electricity, gas and water supply. This research investigates the degree of correlation of the five determinants which are dividend payout ratio, return on equity, operating profit margin, debt to assets and corporate size while price earnings ratio as dependent variable. The data were obtained from secondary data which gathered from annual report of the companies. The study examines ten services companies listed in Bursa Malaysia over period of years from 2012-2017 annually. The study examines the determinants of price earnings ratio by using ordinary least square regression analysis. On the findings, there are three variables significant effect price earnings ratio which are dividend payout ratio, operating profit margin and company size proxy of total assets. While the other two variables are not significant effect price earnings ratio.

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