



UNIVERSITI TEKNOLOGI MARA

**FACTORS THAT AFFECTING
DEBT FINANCING OF SHARIAH
COMPLIANT COMPANIES IN
MALAYSIA**

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Thesis submitted in fulfillment
of the requirements for the degree of
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(Hons) (Finance)

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AUTHOR'S DECLARATION

I declare that the work in this project paper was carried out in accordance with the regulations of Universiti Teknologi MARA. It is original and is the result of my own work, unless otherwise indicated or acknowledged as referenced work. This thesis has not been submitted to any other academic institution or non-academic institution for any degree of qualifications.

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


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ABSTRACT

The purpose of this study is to examine the factors that affecting debt financing decision among Shariah compliance companies in Malaysia. Besides, the research design that been applied in this study is conclusive research. Under conclusive research, the causal research is chosen as the purpose of this study is to identify what are the factors that affecting debt financing decision. Hence, all the data collected from the financial statements will be analyzed through the Microsoft Excel. In addition, this study discover that all the independent variables which refer to the profitability and liquidity have positive relationship with the dependent variable which is the factors that affecting debt financing of Shariah compliance companies in Malaysia. While the corporation tax rates has a negative relationship with the debt financing. There are also several limitations of study that occur in conducting this research such as the difficulty in collecting the data, precision of data and lack of information from the previous studies. This paper could give benefit for the company that practicing debt financing in their capital expenditure. Thus, this paper is novel in providing insights into factors that influencing debt financing of Shariah compliance companies in Malaysia. The paper type is research paper.

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