



**UNIVERSITI TEKNOLOGI MARA**

**THE DETERMINANTS OF FINANCIAL DISTRESS  
FOR MULTINATIONAL COMPANIES IN RETAIL  
INDUSTRY**

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degree of  
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## AUTHOR'S DECLARATION

I declare that the work in this final year project paper was carried out in accordance with the regulations of Universiti Teknologi MARA. It is original and is the results 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 or 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.

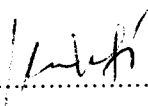
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## **ABSTRACT**

Financial distress happens when the firms unable to honour its financial obligations or make payment to its creditors. A petition is filed in the court for the same where all the outstanding debts of the firm are measured and paid out if not in full from the firm's assets. Being aware about the factors that may cause financial distress for the firms may help them to be more careful and focus to maintain their financial performance to avoid from being bankrupt. The problem that should be solved is the increase of financial distress among multinational companies. This is a serious problem that may affect the development of economy in worldwide. Most of the companies become bankruptcy because of their failure in financial management and facing financial distress. Financial ratios are very import and cause a big impact to the performance of company. This study uses the collection of data from secondary data. The data obtained from the annual report of the multinational companies and Thomson Reuters. The variables being measured in this study are long term debt to equity ratio as dependent variable to measure the financial distress. Next, return on asset ratio, current ratio, size and earnings growth ratio will be used as the independent variables. The study is expected to find a negative relationship with all the five independent variables with the dependent variable included in this study.

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