THE IMPACT OF COMPANY SPECIFIC FACTORS ON CAPITAL STRUCTURE: EVIDENCE FROM MALAYSIAN AGRICULTURE LISTED COMPANIES

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ABSTRACT

The motivation behind this paper is to look at the determinants of capital structure for Malaysian listed company. There are several determinant that may contribute to capital structure decision. Furthermore, this paper focuses only three main factors of Malaysian firms and tries to explain their effect on capital structure. The subordinate variable is association's influence proportion and autonomous variables consist of tangibility, profitability and business risk. This paper uses the secondary information of 8 Malaysian listed companies on Bursa Malaysia for the period of 10 years from 2008 to 2017. Finding shows that tangibility is the most important determinant of capital structure for Malaysian companies and after that profitability and business risk. Result of theory testing dependent on connection between independent and dependent variables are completely in accordance with pecking order hypothesis, while it mostly supports trade of theory in short, capital structure of Malaysian firms specific in agriculture is totally clarified by pecking request hypothesis of capital structure.