



THE RELATIONSHIP BETWEEN MARKET VALUE ADDED WITH
MARKETABILITY RATIO, PROFITABILITY RATIO AND SHARE
PRICE: FROM THE MALAYSIAN PERSPECTIVE

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ABSTRACT

The relationship between the marketability and profitability ratio and the share price towards are tested in this research. In order to determine their relationship, it is concern towards maintain good management towards their financial activities. Nowadays, most of the analysts believe that any firms and business should create higher number of returns than the cost of capitals and equities to achieve and generate value. In this research, we examined the relationship between the value creation of the business and firms that listed in the Bursa Malaysia Stock Exchange towards its value creation in terms of accounting of the selected firms in the Bursa Malaysia Stock Exchange by using the technique of panel data. The performance criterion in the terms of economic was measure by Market Value Added (MVA). The most fundamental of decision-making factors that might be included for investors and business are their Earning per Share (EPS) and Dividend per Share (DPS) of the shareholders and also their Return on Assets (ROA) and Return on Equity (ROE). The share price was determine if there is a relationship with the MVA since it has the effect with any announcement made by any firms towards their share price that will affected the attraction of the shareholder towards the firms. Hence, the data was collected from 20 companies from Malaysia that listed in the Bursa Malaysia Stock Exchange for the years 2010 until 2014 according to the information available. The results of this study showed that there is only the ROA and share price had significant relationship with the MVA.

Keywords: Market Value Added, Earning per Share, Dividend per Share, Return on Asset, Return on Equity and Share Price.