



EFFECT OF THE LIQUIDITY, LEVERAGE AND COMPANY SIZE ON COMPANY OF
PROFITABILITY TOWARDS FOOD AND BEVERAGE SECTOR IN MALAYSIA

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ABSTRACT

The purpose of the study was to establish the relationship between liquidity, leverage and company size on profitability of companies listed at the Bursa Malaysia towards the food and beverage sector. Specifically the study sought to establish the effect of liquidity, leverage and company size on profitability of companies listed Bursa Malaysia. This study was carried out on all the 30 listed companies between 2013 until 2017 in the sector of food and beverage in Malaysia. The leverage was measured using debt equity ratio, liquidity is current ratio, and while for company size is total asset where for this 3 variable is measure by independent variable. Profitability was a dependent variable which measure by return on assets. The variables were tested using stata se analysis. Descriptive statistics were computed for the listed companies and the main characteristics of the study variables. The findings revealed that the relationship between leverage and profitability was positively significant relationship. There was a insignificant relationship between liquidity and profitability while the relation between company size and profitability also show the insignificant relationship. The study not only contributes to understanding the link between liquidity, leverage, company size and profitability of the firm but at the same time confirms the findings of previous studies that have found a significant link between liquidity, leverage, company size and profitability.

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TABLE OF CONTENT

CONTENT	PAGE
CHAPTER 1 :	
1.0 INTRODUCTION	6
1.1: RESEARCH BACKGROUND	6
1.2: PROBLEM STATEMENT	7-8
1.3 : RESEARCH QUESTION	8
1.4: RESEARCH OBJECTIVES	8-9
1.5: SIGNIFICANCE OF STUDY	9-10
1.6: LIMITATION OF STUDY	10
1.7 DEFINITION OF TERMS	11-12
1.8: SUMMARY OF CHAPTER 1	12
CHAPTER 2 :	
2.0: INTRODUCTION	13
2.1: THEORY ASSOCIATED TO THIS STUDY	13-15
2.3 Findings related in the study	15-19
2.4: CONCEPTUAL FRAMEWORK	20
2.5: SUMMARY OF CHAPTER 2	21
CHAPTER 3 :	
3.0: INTRODUCTION	22
3.1: SCOPE OF STUDY	22
3.2 : Empirical model	22-23
3.3 : DATA COLLECTION	23-24
3.4: Research Design	24-25
3.5: Data Analysis Techniques	25-28
3.6: HYPOTHESIS STATEMENT	28
3.7: RESEARCH FLOW	29-30
CHAPTER 4 :	
4.0: INTRODUCTION	31

4.1: DESCRIPTIVE STATISTIC	31-32
4.2: UNIT ROOT TEST	32-33
4.3: CORRELATION COEFFICIENT	33-34
4.4: BREUSCH-PAGAN LAGRANGE MULTIPLIER	34
4.5: HAUSMAN TEST	34-35
4.6: DIAGNOSTIC CHECKS	35-36
4.7: REGRESSION TEST	36
4.8: HYPOTHESES TESTING	37
CHAPTER 5 :	
5.0: Introduction	38
5.1: Statistical Results	38
5.2: Conclusion	38
5.3: RECOMMENDATIONS	39
5.4: SUMMARY OF CHAPTER 5	39
REFERENCE	40-44
APPENDICES	
APPENDIX 1	45-56
APPENDIX 2	57-62