



THE EMERGENCE OF CAPM HYBRID MODEL AGAINST
TRADITIONAL CAPM : EVIDENCE FROM
MALAYSIAN FINANCE INDUSTRY

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ABSTRACT

This research paper will investigate the frontier between CAPM and the CAPM Hybrid. For CAPM Hybrid, Bond Yield is used as a proxy of risk free rate instead of using treasury-bills as what's been practiced in the traditional CAPM. The data on KLCI, bond yield rate and treasury bills will be collected from Bursa Malaysia from the year 2009 to 2014. For the purpose of conducting a panel data analysis, 7 companies from banking industry will be selected by using a stratified random sampling. Various tests such as Root Mean Square Error (RMSE) and Mean Absolute Error (MAE), Paired Sample T Test, Unit root, multicollinearity, serial correlation and heteroscedasticity test will be taken to detect the econometric problem within the datasets.

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