



**THE RELATIONSHIP BETWEEN
PRICE EARNING RATIO AND STOCK
RETURN; PLANTATION SECTOR**

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Yours truly,

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ORGANIZATION OF THE STUDY

In this project paper, it was divided into five chapters.

Chapter 1: Introduction

This chapter briefly explains the areas of the study. It contains the background, problem statement, objective, and scope of study limitation, hypotheses and definition of term.

Chapter 2: Literature Review

This chapter covers a review of previous studies that are relevant to the purpose of this research in order to provide a better understanding.

Chapter 3: Research Methodology

This chapter explain how the research been done. It is contains of sample, related terms and method used in this study.

Chapter 4: Data Analysis and Findings

In this chapter, calculation will be made based on the method that has been choosing in research methodology.

Chapter 5: Conclusion and Recommendations

This is a final stage where the conclusion is derived from this chapter. This study will be concluded and summarized. Besides that, it is also provides a certain recommendation that will give a benefit to the other researcher.

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ABSTRACT

This research paper studied the relationship and performance of Malaysian stock return with their different level of Price earning ratio in term of different portfolio construction. The yearly data collected from 2003 to 2006 by using 43 companies under plantation sector are selected based on P/E information. The objective of this study are to know the relationship, compare and rank the performance of these three portfolio construct and also to see whether they outperform or underperformed as compare to it different level of P/E ratio. Three portfolios are constructed into the Lowest P/E ratio, Average P/E ratio and Highest P/E ratio. The performances of these portfolios are measured using Coefficient of Variation. The result showed that there is no relationship between Lowest, Average and Highest PE Ratio and stock return.