STOCK PERFORMANCE OF TELECOMMUNICATION SECTOR IN MALAYSIA

NUR AIN BINTI ABU KASIM
2013413366

BACHELOR OF BUSINESS ADMINISTRATION
(HONS) FINANCE
FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA
SEGAMAT, JOHOR.

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ABSTRACT

This research paper aims to study the factors that influence stock price performance of telecommunication sector and also the relationship between variables. There are many factors that would lead to the fluctuation of stock price either direct or indirect. Therefore, this research will be focus on the factors that affect stock price of telecommunication sector in Malaysia. One of the telecommunication company have been chosen which is Telekom Malaysia Berhad as a sample from the population. The selected variables will be analyzed to discover the factors that affect the performance of telecommunication stock price. This research paper consists of two variables which are dependent variable and independent variable. The variables that researcher want to investigate are book value, free cash flows , earnings per share and debt ratio. The data obtained is a secondary data which collected through data stream and other related information are found in the journals, internets and other sources. The data is time series data and period of the study is from 2003 to 2015. The variables will be analyzed by using the Ordinary Least Square method and use multiple linear regression. The result shows that book value is significant and has negative relationship with stock price. Free cash flow and earnings per share shows negative relationship with stock price while debt ratio shows positive relationship with stock price performance.

Keywords: book value, free cash flow, earnings per share and debt ratio

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