



**STUDY OF BETA IN ISLAMIC FINANCE: EVIDENCE  
FROM BURSA MALAYSIA**

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## **ABSTRACT**

Beta in general is a measure to volatility of securities or portfolio in comparison to the market as a whole. The higher the beta shows that the more volatile the securities should be and thus the higher the return assumes to get. Can beta be used as the risk measure and differentiate between Shari'ah Compliant and non-Shari'ah compliant companies listed in Bursa Malaysia Main Market? Therefore this study is conducted with aim to prove the beta has the potential effect to differentiate between Sharia'ah compliant and non-Shari'ah compliant company. In addition this study is using Beta Levered and Beta Unlevered as the risk measure tools. Debt over Equity as the variables to effect the movement of Beta Levered and Beta Unlevered. Therefore, the study will also find out about relationship between Debt over Equity with Beta Levered and Beta Unlevered. This research only considered data in period of 1 Jan 2015 until December 2015. Data covered two sectors from both Shari'ah compliant and non-Shari'ah compliant companies, which are consumer product and industrial product sectors.

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