

LETTER OF SUBMISSION

September 2018 – January 2019

Head of Studies,

Faculty of Business and Management,

Universiti Teknologi MARA Cawangan Terengganu,

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23000 Dungun, Terengganu.

Dear Madam,

SUBMISSION OF PROJECT PAPER (FIN672)

Enclosed here a research report entitled "**FACTORS AFFECTING PROFITABILITY OF MANUFACTURING COMPANIES: EVIDENCE IN MALAYSIA**".

I hope this report will meet your requirement and expectations of the Faculty of Business and Management. Thank you for all the guidance, and assistance you have generously rendered for the completion of this report.

Thank You.

Yours sincerely,



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Bachelor of Business Administration with Honours (Finance)

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ABSTRACT

Profitability is a widely researched topic in finance. This study is to investigate the relationship between leverage, liquidity, growth, and firm size with profitability and to determine the most significant factor affecting the profitability of the manufacturing company. Sixty manufacturing company that listed in Bursa Malaysia have been chosen for the study. The data of each variable which is getting from Eikon website was analyzed annually over a period of 10 years from 2008 until 2017 using panel data. Return on asset(ROA) is used as a dependent variable and leverage(LEV), liquidity(LIQ), growth rates(GR), firm size(FS) as an independent variable. The result shows that leverage and liquidity have a negative significant relationship with return on asset. The results also reveal that there is a positive significant impact of growth rates and firm size on return on asset. These empirical results will help investors to determine the factors that could affect the profitability and make a wise decision for future investment.

Keywords: return on asset, profitability, manufacturing.