



**THE DETERMINANTS OF FINANCIAL LEVERAGE
OF INDUSTRIAL PRODUCTS SECTOR IN MALAYSIA**

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ABSTRACT

This study was attempted to examine the determinants financial leverage of industrial product sector in Malaysia. The dependent variable in this study is debt ratio and for independent variables are firm size, profitability and tangibility. All the data was collected from Osiris and has 50 companies for 10 years period (2002-2011). All the data also based on yearly basis. Moreover, this study was tested by using Descriptive Statistic, Correlation of Coefficient Analysis, Pooled Ordinary Least Square (POLS), Breusch And Pagan Lagrangian Multiplier and Random Effect Generalized Lease Square Regression (GLS) to analyze all the data. The finding shows that profitability and tangibility is not significant with debt ratio but firm size is show a significant with debt ratio.

Key words: debt ratio, firm size, profitability, and tangibility.