



**THE DETERMINANTS OF PROFITABILITY OF INDUSTRIAL
PRODUCT SECTOR IN MALAYSIA**

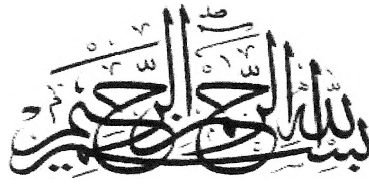
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ABSTRACT

This case study is about determinant of profitability of Industrial Product Sector firm in Malaysia where there is more advanced and developed from year to year. The researcher examine the determinants of profitability of Industrial Product Sector in Malaysia by utilizing the data of 52 companies for the year from 2002 until 2011 (10 years) covering the companies that public listed in Bursa Saham Malaysia only. By conducting panel data analysis, the researcher found that the determinants factors such as financial leverage and financial efficiency is significantly related to profitability of the firm. Financial leverage has a persistent negative relationship with the profitability of the firm. Further, financial efficiency is found to be significantly and positively related to profitability of the firm. However, the study found that the financial liquidity and size of firm has no impact in determine the profitability of the firms.

Key words: profitability, financial leverage, financial liquidity, financial efficiency and size of firm.