

**THE IMPACT OF INFLATION TOWARDS THE FINANCIAL  
PERFORMANCE OF LISTED MNCs IN MALAYSIA  
(PRODUCT INDUSTRY)**

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**APRIL 1997**

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## ACKNOWLEDGEMENT

Praised be to Allah swt, the most exalted whose me mercy and blessing have enable to complete this project paper.

In completing this project paper, first of all I would like to express my special thanks and gratitude to my respectable advisor Pn Mazila bt Md Yusuf for her comments, assistance and encouragement for me to initiate this project paper.

I extend my gratitude to En Nor Fuad Abd. Hamid, Assistant Director (Industries Division) Ministry of International Trade and Industry (MITI) for his cooperation in providing all the information needed.

Special thank are due to the librarian of MITI, MIDA, KLSE and ITM. I am indebted to all the above people for their help in getting this project under way and bringing it, at last, to a conclusion.

Lastly, to those who had provided support and encouragement during the preparation of the paper, may Allay regard them accordingly.

## **ABSTRACT**

This study was carried out to identify the impact of inflation toward the performance of the listed MNCs. The sample of 5 listed MNCs which have at least 40% foreign equity with paid-up capital of more than RM 2.5M have been selected. This study covered the period from 1986 to 1995.

Data were obtained from the Company Handbook of KLSE and companies' annual report. The methodology used were financial ratio analysis and in the process of conducting the hypothesis of the study, the researcher used the regression analysis using the computer package which is called Time Series Package (TSP).

The major conclusion drawn from this study showed that only 3 profitability ratios are effected by the inflation indicators and 2 of the inflation indicators influenced the significant profitability ratios at 95% of confident interval.

It is found that, PPI is the only inflation indicators which is insignificant. Therefore, its can be concluded that the PPI does not effect all the profitability ratios.