

**DETERMINANTS OF PRICE EARNINGS RATIO OF FOOD AND  
BEVERAGES COMPANIES LISTED IN BURSA MALAYSIA  
(2009-2013)**

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## **ABSTRACT**

Investment strategies are the most important things among investors in make decisions. A valuation tool on investment broadly has been used to make best decisions. Factors that will impact the performance of the companies should be examined to make sure investors will not make wrong decisions for future investment. This study has been conducted with a view to find out the determinants of the price earnings ratio of food and beverages companies in Malaysia which been listed in Bursa Malaysia. The specific purpose of this study is to identify the significant relationship between the price earnings ratio (PE) of the firm with the selected variables which are dividend payout ratio (DPR), cost of equity, growth in EPS and financial leverage. STATA software is using to analyze the data and multiple regressions have been used to testing the result. All the data have gathered from Bursa Malaysia Bloomberg. The data of this study covers the period from 2009 to 2013. It is strongly balance panel data. The sample consists of 18 food and beverages companies that listed in Bursa Malaysia. The result revealed that the positive and significant relationship on DPR. On other hand, the cost of equity proxy of risk and growth in EPS proxy of growth rate revealed negative and significant relationship. Only financial leverage revealed negative relationship but statistically insignificant.