

THE IMPACT OF MARKET VALUE RATIOS TOWARD STOCK PRICE: EVIDENCE FROM THE BURSA MALAYSIA STOCK EXCHANGE

MOHD HAFIZ BIN ABDUL RASID 2015884414

BACHELOR OF BUSINESS ADMINISTRATION WITH HONOURS (FINANCE) FACULTY OF BUSINESS ADMINISTRATION UNIVERSITI TEKNOLOGI MARA KOTA KINABALU SABAH

JULY 2017

ACKNOWLEDGEMENT

First and foremost, I would never have been able to complete my research without guidance from my advisors, committee members. To complete this assignment, it required a lot of guidance and assistance as I faced a lot of difficulty in understanding all the terms and process on how to get the final outcome and it is certainly not done unassisted.

My deepest appreciation goes to Dr Mohd Shamlie Bin Salisi, who gave me this opportunity to conduct this study throughout this whole semester. Without his help, expertise, and persistent help, who is will always answer to all the questions whenever I reach to him for help. In addition, I would not forget to mention Prof. Madya Dr. Imbarine Bujang, the examiner for giving me the feedback toward this research.

I would also like to thank to all the staff at Kementerian Pembangunan Perindustrian Sabah (MID) who is always permit me to seek for consultant to my advisor once a week without penalizing me and always understand my effort to complete both my internship and my research paper.

Last but not least, without the willingness of my family and friends to share their knowledge with me, I will probably still not reach the conclusion of this project. Through their support, love and encouragement I am grateful to be able to complete this assignment.

iv

TABLE OF CONTENTS

TITLE PAGE	i
DECLARATION OF ORIGINAL WORK	ii
LETTER OF SUBMISSION	iii
ACKNOWLEDGEMENT	iv
TABLE OF CONTENTS	v
LIST OF APPENDICES	viii
LIST OF FIGURE	viii
LIST OF TABLES	ix
ABBREVIATIONS	Х
ABSTRACT	xi

CHAPTER 1: INTRODUCTION

1.0 Background of study	1
1.1 Problem statement	3
1.2 Research Objective	5
1.3 Scope of study	5
1.4 Limitation of study	6
1.5 Significance of the study	7
1.6 Chapter Summary	8

CHAPTER 2: LITERATURE REVIEW

2.0 Introduction	9
2.1 Theory of Study	9
2.2 Literature Review	10
2.3 Chapter Summary	13

CHAPTER 3: DATA AND METHODOLOGY

3.0 Introduction	14
3.1 Data Description and Measurement	14
3.2 Data Collection Methods	15
3.3 Conceptual Framework	17
3.4 Research Design	18
3.5 Sampling Design	18
3.6 Data Software	19
3.7 Empirical Analysis Framework	20
3.8 Research Hypothesis	21
3.9 Procedure of Panel Data	22
3.10 Chapter Summary	25

ABSTRACT

This paper investigates the impact of market value ratios on stock price on sample companies listed in Bursa Malaysia. This study have been undertaken by different countries to identify the factors that affect the stock price. The movements of stock price is depend on internal and external factors. This study is only focus on internal factors such as dividend per share (DPS) and book value per share (BVPS) can affect on determining the stock price. The investigations consider samples that consist 5 companies whereby each of them represents 5 different sector which are consumer products sector, finance sector, trading-service sector, plantation sector and industrial products sector was randomly selected searched between the year of 2010 until 2015. Therefore, this investigation are made using the data that collected and examine through panel data. Throughout the studies shows the result for book value per share (BVPS) have no significant impact towards stock price. While only dividend per share (DPS) shows positive significant impact toward stock price.

Keywords: Stock Price, Dividend per share, Book value per share.