

# THE DETERMINANT OF FIRM'S PROFITABILITY: EVIDENCE FROM MALAYSIAN MANUFACTURING COMPANY.

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#### **ACKNOWLEGEMENT**

I would like to express my special thanks of gratitude to my advisor Dr.Mohd Shamlie Bin Salisi because assist me to complete this thesis. There are so many problems I have to deal with in order to complete my research properly and well. Without his guidance and continues support, my thesis might be incomplete. Thanks also to Dr.Imbarine Bin Bujang for being our second examiner during the presentation. He also has been teaching us an on subject MGT 646 Quantitative Research Method. We get our basic knowledge of research during his class and also during the poster war. He assists me, detects the entire mistake I have done and corrected me whatever problem in my research paper.

Not to forget to my parents and family whose supported me all the time on whatever I have done in my study. They always give me encouragement and help during completing my thesis. I would like to dedicate this study to them. Hope that they will proud and satisfied with my achievement.

Last but not least, special thanks to my classmate and other friends whose help me a lot. We keep exchanging our ideas, information and knowledge to make sure our thesis is complete. We help each other, especially on the hardest part and willing to spend time together in order to make sure that we able to settle the problem arise and complete our thesis well. I hope that the success with us together.

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**ABSTRACT** 

This study attempted to investigate the determinants of a company's profitability based

on manufacturing in sector in Malaysia. The dependent variable of this study is

profitability and the independent variables are growth, fixed asset, financial leverage and

working capital. This study used the return on asset to measure profitability of company,

asset value to measure growth, fixed asset to total asset to measure fixed asset, total

liabilities to market value of equity used to measure financial leverage and current ratio to

measure the working capital.

This study will involve 15 manufacturing companies that listed in Bursa Saham

Malaysia during period of 2010 to 2016. The empirical evidence found that there is a

positive significant relationship between fixed asset, working capital and profitability.

Meanwhile, financial leverage and growth have negative but insignificant relationship

with profitability.

Keywords: Profitability, Growth, Fixed asset, Financial leverage, Working capital

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