THE COMPARISON OF EXPECTED RETURN BETWEEN INDUSTRIAL AND CONSUMER SECTORS IN MALAYSIA BY USING THE CAPM

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JUNE 2015

ACKNOWLEDGEMENT

Alhamdulillah, gestures of recognition to Allah the Al-Mighty for the quality, learning and gift conceded to me to finish this research thesis. First of all I would like to express my appreciation and gratefulness to my solid and committed advisor, Dr. Rozita @ Uji Mohamed. This because of her guide, information, and the suggestion in helping me to do my research. With the guide from my advisor and other lectures, I can finish this research on time.

Next, my thankfulness goes to my beloved mother and father, also to my family that give me support by contributing cash and guidance. They also support me to finish my study in the degree. Besides, a very thankful to my classmates that helps me doing this research. They suggest an idea on how I should complete this research. It is my please to mention some of them which is Dr. Imbarine Bujang and class BM222 6A1.

Last but not least, special thanks to Lembaga Tabung Haji Negeri Sabah for the cooperation on letting me do my research. The staffs also give me some suggestion and information. Not forget also to UiTM Sabah that allows me to use the facility at UiTM. The experience work with these incredible people will not be forgotten.

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ABSTRACT

The purpose of this study is to analyse the Capital Assets Pricing Model (CAPM) in the recovery period. The factors that been investigate is expected return and risk using CAP Model. The data that been used in this study is yearly data. The data is in Bursa Malaysia data and the data is for six years which is from 2009 until 2014. The data will be test using CAPM itself and it will substitute into it. Besides, the findings of this result show that the CAP Model can provide accurate results on the expected return (ER) when applied on the Industrial and Consumer companies. The methodology was implemented on the two various groups which are a high risk group and the low risk group and the high risk group is Industrial sector. In addition, the findings of this study also demonstrate that the model is valid and its applications can be tested in all the listed Industrial and Consumer companies to clarify the accurate expected returns.