



**DETERMINANT OF DUPONT MODEL TOWARDS RETURN
ON EQUITY OF FINANCE SECTOR: EVIDENCE FROM
BURSA MALAYSIA**

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Abstract:

Towards this end, the Bank plays a crucial role in the development of a progressive and inclusive 32 Financial Institution that listed in Finance Sector in Bursa Malaysia which are entails preserving the core foundations of financial stability at all times, ensuring effective and efficient financial intermediation, and contributing towards economic growth and development. DuPont Model can be used to access return on equity of the financial sector. As per year 2017, there are 32 Financial institution listed on Bursa Malaysia. The aims of this research work is by using determinant of DuPont Model towards return on equity of Finance Sector and investigate most important factor towards return on equity. The investigation will be based on 32 Finance institutions that listed in Bursa Malaysia covering the period from 2007 until 2016. In this study, return on equity is the dependent variable to determine the relationship towards independent variable namely net profit margin (NPM), total asset turnover (TATO), equity multiplier (EQM) STATA Method will be used. The result from this study found that, net profit margin and total asset turnover are the significant on return on equity of Financial Sector.

Keywords: Profitability, DuPont Identity, Finance Sectors, Return on Equity.