



**THE RELATIONSHIP BETWEEN THE CASH FLOWS AND FIRM
FINANCIAL PERFORMANCE OF PUBLIC LISTED COMPANIES:
EVIDENCE FROM MALAYSIA**

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ABSTRACT

Cash flow is an important activities that can affect the firm financial performance, hence it is very important to identifies and evaluate which of the activities give positive impact towards the companies in Malaysia. Nowadays a firm should aware with the cash flow activities because it relate with the daily business operation. Therefore, this paper is want to examines the relationship between the three major activities of cash flow towards the firm financial performance of pubis listed companies in Malaysia. Whereby this paper is want to extent whether cash flow from operation, cash flow from financing or cash flow from investing that give high profitability to firm financial performance based on different background of the companies. Thus there were 260 of public listed companies selected randomly for six years' time of period. The data was obtained from Datastream and annual report of the companies and multiple regressions was used to test and analyse the relationship of variables. As the result, there is relationship between the cash flow and firm financial performance. These findings are consistent with the studies that conducted by the previous researchers, where the studies found out cash flow from operating activities has significant relationship towards the firm financial performnace.

Keywords: Cash Flows, Firm Financial Performance