A STUDY ON

THE FACTORS INFLUENCING FIRMS LEVERAGE PERFORMANCES

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APRIL 2011

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"DECLARATION OF ORIGINAL WORK"

I, NUR HANIS BINTI MOHD SAFNI.

Hereby, declare that,

- This work has not previously been accepted in substance for any degree, locally or overseas and is not being concurrently submitted for this degree or any others degrees

- This project paper is the result of my independent work and investigation, except where otherwise stated

- All verbalism extract have been distinguished by quotation marks and source of my information have been specifically acknowledged.

Signature: ……………………….			Date: ………………….

ACKNOWLEDGEMENT

In the name of Allah s.w.t, the Most Gracious, the Most Merciful. Alhamdulillah, all thanks and praises to Allah s.w.t for making thing possible, for giving me the strength, spiritual and healthy physical also inspiration to complete this project paper accordingly.

First of all, I would like to place my sense of gratitude to my advisor, Puan Shahreena Binti Daud for her valuable guidance and advice, continuous support and encouragement provided to me throughout the completion of this project paper. May Allah s.w.t bless her and her family.

I also would like to thanked my supervisor Puan Elena Chen Yen Chi, Encik Azhar Hamidi, Cik Che Rahimah Abd Rahim and all Bursa Malaysia Berhad, Investigation Department staffs for their great cooperation and supports in sharing ideas with me in order to complete my project paper and also for their patient assistance during my internship from 22 November 2010 until 11 April 2011. This training is absolutely beneficial for me. All your supports and cooperation are much remembered and appreciated.

I would like to dedicate my deepest gratitude to my beloved parents Encik   and Puan   for their blessing, understanding, unconditional

love, trust, and support morally and financially. May Allah bless our family.

To all my friends and colleagues who have endures with me directly or indirectly the pressure and strin of completing all this research, I bid you my utmost appreciation. May Allah grant of you with greatest blessing.

ABSTRACT

There are many research have been conducted in order to investigate the relationship effects of the leverage performance towards stock price movement. This study is attempt to extend the body of knowledge by analyzing the factors that influence the leverage performance of the company by using industry, firm size and inflation rate in Malaysian market as the independent variables. The Single Linear Regression (SLR) and Multiple Linear Regression (MLR) approaches have been applied to measure the significant relationship between industry, firm size, inflation rate and leverage performance from 2005 until 2009. The result shows that all the variables have a significant relationship with the leverage performance in Malaysian market. Thus, the result from this research has some potential to be used by the market analyst for predicting stock price movement of the chosen company in this country based on the firms leverage performances.

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