DETERMINANTS OF CAPITAL STRUCTURE

OF

FOOD INDUSTRY IN MALAYSIA

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2014105361

BACHELOR OF BUSINESS ADMINISTRATION

(HONS) FINANCE

FACULTY OF BUSINESS MANAGEMENT

UNIVERSITI TEKNOLOGI MARA (UiTM) SEGAMAT

JOHOR

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Submitted in Partial Fulfillment

of the Requirement for the

Bachelor of Business Administration (Hons) Finance

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DECLARATION OF ORIGINAL WORK

NINA BAIZURAH BINTI MD SOM **2014105361**

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 of any other degrees.
- ✓ This project paper is the result of my independent work and investigation, except where otherwise stated.
- ✓ All verbatim extracts have been distinguished by quotation marks and sources of my information have been specifically acknowledgement.

Signature: _____ Date: _____

LETTER OF SUBMISSION

5th January 2017

Pn. Suzana Binti Hassan

Faculty of Business Management

UniversitiTeknologi MARA

85009 SEGAMAT

JOHOR DARUL TAKZIM

Dear Madam,

SUBMISSION OF PROJECT PAPER

Attached is the project titled "DETERMINANTS OF CAPITAL STRUCTURE ON FOOD INDUSTRY IN MALAYSIA" to fulfill the requirement as needed by the Faculty of Business Management, UniversitiTeknologi, MARA.

Thank you.

Yours sincerely,

……..

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Bachelor of Business Administration (Hons) Finance

ABSTRACT

This paper involve in finding the determination of capital structure of food industry in Malaysia. The findings found in previous studies cannot represent overall determinants of Malaysia firms' capital structure because different sector have different firm characteristics. Therefore, this research can create new knowledge on food producer sector firm capital structure determinants and fulfill the existing gap. It is include two types of variables. First is dependent variable which involved capital structure and measured by using debt ratio. Second is independent variables which are involve return on equity (ROE), return on assets (ROA), liquidity, profitability, size of firm and growth opportunity. As sample of this research it is include 64 observations during the period 2008 until 2015. It is also involve 8 firms that involved in food industry in Malaysia and listed in the Bursa Malaysia. It is used three model regression whish are Pooled OLS, Fixed Effect Model and Random Effect Model. A software package named STATA will be used in order to get the finding answers in analyzing the related data. Several test will be involve in this observation such as F-statistic, Brauch and Pagan Lagrangian Multiplier test and Hausman test.