



**DETERMINANTS OF LEVERAGE: AN ANALYSIS OF
CONSUMER FIRMS LISTED IN KLSE**

WAN NUR SYAHIZAN BINTI WAN ISHAK
2007145045

BACHELOR OF BUSINESS ADMINISTRATION
(HONS) FINANCE
FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA
KAMPUS BANDARAYA MELAKA

OCTOBER 2010



**DETERMINANTS OF LEVERAGE: AN ANALYSIS OF
CONSUMER FIRMS LISTED IN KLSE**

WAN NUR SYAHIZAN BINTI WAN ISHAK
2007145045

BACHELOR OF BUSINESS ADMINISTRATION
(HONS) FINANCE
FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA
KAMPUS BANDARAYA MELAKA

OCTOBER 2010

DECLARATION OF ORIGINAL WORK



BACHELOR OF BUSINESS ADMINISTRATION
(HONS) FINANCE
FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA
KAMPUS BANDARAYA MELAKA

“DECLARATION OF ORIGINAL WORK”

I, WAN NUR SYAHIZAN BINTI WAN ISHAK, (I/C NUMBER: 850101-03-6792)

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 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 acknowledged.

Signature: _____

Date: _____

LETTER OF SUBMISSION

8th November 2010

The Head of Program
Bachelor of Business Administration (Hons) Finance
Faculty of Business Management
Universiti Teknologi MARA
Melaka

Dear Sir/Madam,

SUBMISSION OF PROJECT PAPER

Attached is the project paper Titled “DETERMINANTS OF LEVERAGE: AN ANALYSIS OF CONSUMER FIRMS LISTED IN KLSE” to fulfill the requirement as needed by the faculty of Business Management, Universiti of Teknologi Mara.

Thank you

Yours sincerely,

.....

WAN NUR SYAHIZAN BINTI WAN ISHAK
2007145045
Bachelor of Business Administration (Hons) Finance

ABSTRACT

The purpose of this research is to study the level of leverage of consumer firms. 20 consumer firms which listed in KLSE have been chosen as the in this study. The determinants of leverage are tangibility, growth, and size. The instrument of this study is case study form. The sampling has been done probability sampling. The data was analyzed using *SPSS Students version 11* for windows programs. Reliability statistic is used to measure the goodness of questionnaire being used. Descriptive statistic in terms of mean and frequency is used to analyze the determinants of leverage of consumer firms. The inference statistic that is t- test and multiple regression analysis is used to test the hypothesis. The result shows that there is a positive linear correlation between size and leverage. For growth, it shows that there is a lower positive correlation with level of leverage. The result also shows that tangibility and leverage has a weak negative correlation.