

UNIVERSITI TEKNOLOGI MARA

**THE RELATIONSHIP BETWEEN TRADING
VOLUME AND SHARES PRICE VOLATILITY**

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of the requirements for the degree of
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AUTHOR'S DECLARATION

I declare that the work in this final year project paper was carried out in accordance with the regulations of Universiti Teknologi MARA. It is original and is the results of my own work, unless otherwise indicated or acknowledged as referenced work. This thesis has not been submitted to any other academic institution or non-academic institution for any degree or qualification.

I, hereby, acknowledge that I have been supplied with the Academic Rules and Regulations for Undergraduate, Universiti Teknologi MARA, regulating the conduct of my study and research.


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ABSTRACT

Trading volume is the total quantity of share or contract of security that traded during a specified period. The share prices volatility and trading volume are two important key concepts in finance. Therefore, this study is conducted to examine the relationship between trading volume and shares price volatility by using the data from Malaysian Stock Market. The data are collected from the daily records of their respective Stock information which is taken from Eikon Thomson Reuters. The daily data taken from respective variable are annualized into 5 years from the period of year 2013 to 2017. The data on this study are analyse based on panel data analysis. The dependant variable used for this study is the share prices of several company from different sectors which are financial, technology, energy, and industrial. Meanwhile, the independent variable is the trading volume of each shares price of several company from different sectors. The method used to examine the relationship between trading volume and share price volatility is Ordinary Least Square method. The empirical result proves a positive relationship between dependant variable and independent variable included in this research. Thus, the objective is satisfied.

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