UNIVERSITI TEKNOLOGI MARA

RESEARCH REPORT

FACTORS DETERMINING CORPORATE BORROWING IN MALAYSIAN PUBLIC LISTED COMPANIES

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Kelantan.

Dear Sir,

Submission of Research Report

Attached is the project paper titled "Factors Determining Corporate Borrowing in Malaysian Public Listed Companies" to fulfill the requirement as needed by the Faculty of Business Management, Universiti Teknologi MARA.

Thank You

Yours sincerely,

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Suhailah binti Zainal Abidin

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ABSTRACT

The purpose of this study is to investigate the influence of size of firm, firm's growth rate, return on assets, tax rate, and gearing towards corporate borrowing at Malaysian companies. There are 94 public listed companies selected randomly from Bursa Malaysia main market. The period of the present study is from year 2011 until 2014. The data has been collected from various sectors such as consumer, construction, industrial, finance, plantation and properties. Corporate borrowing has been chosen as a dependent variable. While size of firm, firm's growth rate, return on assets, tax rate, and gearing have been chosen as an explanatory variables in this study. Based on the findings, there are only two (2) explanatory variables which are size of the firm and return on assets that are statistically significant towards corporate borrowing. The other three (3) explanatory variables, firm's growth rate, tax rate, and gearing are insignificant. In short, the study found that corporate borrowing can be explained by size of the firm and return on assets for the period of 2011 until 2014.

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