

TITLE PAGE



UNIVERSITI TEKNOLOGI MARA

**THE COMMON FACTORS THAT AFFECT CROSS-SECTIONAL
VARIATION IN STOCK RETURNS OF MALAYSIAN PUBLIC
LISTED COMPANIES**

NURYANI BINTI ABDUL KELAM

2011279646

FACULTY OF BUSINESS MANAGEMENT

UNIVERSITI TEKNOLOGI MARA

CAWANGAN KELANTAN

JUNE 2013

DECLARATION OF ORIGINAL WORK



FACULTY OF BUSINESS MANAGEMENT

UNIVERSITI TEKNOLOGI MARA

CAWANGAN KELANTAN

I'M NURYANI BINTI ABDUL KELAM (I/C Number:
Hereby declares that:

- This thesis is submitted in fulfillment of the requirements for the degree of Bachelor of Business Administration (Hons) Finance, in the Faculty of Business Management, Universiti Teknologi MARA.
- This represents the original work and contribution of the author, except as acknowledged by general and specific references.
- This has not been submitted for a higher degree to any other university or institution.

Signature:

Date: 6th June 2013

LETTER OF TRANSMITTAL

Bachelor of Business Administration (Hons) Finance
Faculty of Business Management
Universiti Teknologi MARA
Cawangan Kelantan
Kota Bharu Campus
15050 Kota Bharu
Kelantan

6th June

Head of Faculty
Faculty of Business Management
Universiti Teknologi MARA
Cawangan Kelantan
Kota Bharu Campus
15050 Kota Bharu
Kelantan

Dear Sir,

Submission of Research Report

Attached is the project paper titled "The Common Factors that Affect Cross-Sectional Variation in Stock Returns of Malaysian Public Listed Companies" in order to fulfill the requirement as needed by Faculty of Business Management, Universiti Teknologi MARA. Your kindness in accepting the unbounded thesis is very much appreciated.

Thank you

Yours sincerely,

.....

NURYANI BINTI ABDUL KELAM

2011279646

ACKNOWLEDGEMENT

First and foremost I praise God for His blessings upon my life. I would like to express my deepest thanks to the people who have set their differences aside and helped me tremendously and professionally in making this study a success. First of all, I would like to convey my gratitude to my practical training advisor, En. MdKhairu Amin Bin Ismail for guidance me, priceless time and advice, encouragement throughout this study. I would also like to express my deepest appreciation to my second examiner PuanSyukkuriabintidruss for her valuable advice and guidance that give me impetus to complete this thesis on time.

I would like offer my sincere thanks to my parents and siblings for their endless support throughout my life and this study. Their understanding, loving and caring are the best elements to support me throughout this period. I would also like to express my gratitude to my fellow friends for their support and kind assistance in order to completing this study. For all effort behind this successful on this study, I'm highly thankful for them because without them this thesis would ever complete.

ABSTRACT

The purpose of this study is to investigate the common factors that affect cross-sectional variation in stock returns of Malaysian public listed companies. The scope of the study consists of four factors which are firm size, market-to-book, trading volume and dividend yield. The study covers for 3 years, 2007 until 2009. All the data are collected from data stream. In addition, the study selects 100 companies by using simple random technique. The data has been collected from various sectors such as consumers' products, plantation, industrial product, trading and services, construction and property sectors. The stock returns as been chosen as dependent variable while firm size, market-to-book, trading volume and dividend yield have been chosen as explanatory variables. Based on the findings, it is found that the firm size is significant at 10%. While market-to-book also is significant to the stock returns at 10%. It is same to goes with trading volume and dividend yield that are significant at 10% level. In short, it is found that the firm size, market-to-book, trading volume and dividend yield are significant towards stock returns for the period of 2007 until 2009.