

**UNIVERSITI TEKNOLOGI MARA,
JOHOR BRANCH, SEGAMAT,
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**THE DETERMINANTS OF FIRMS'
PROFITABILITY ON PROPERTY
INDUSTRY IN MALAYSIA**

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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 thesis was carried out in accordance with the regulations of Universiti Teknologi MARA, Johor Branch, Segamat Campus. 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, Johor Branch, Segamat Campus, regulating the conduct of my study and research.

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ABSTRACT

The majority of organizations are started its businesses with seek of earning profit and providing in exchange of sufficient incomes to its shareholders. The purpose of this study is to identify the determinants of firms' profitability of property sector in Malaysia during period 2006 until 2015. Cost effective and profitable business surroundings at macro level are improved and contributed to strengthen of the business surroundings. For this reason, evaluating the factors determining firm profitability and recognition of the sources of difference in firm-level profitability has been considered as key research subjects. The variables used in this study are liquidity, financial leverage, firm size, tangibility, growth sales of firm and firms' profitability. The study applied explanatory research design. In order to answer the research question, the data was collected from 10 companies in property sector that listed on Kuala Lumpur Stock Exchange (KLSE) for 10 years using financial statement of company. The data were analysed by using Pooled Ordinary Least Square (Pooled OLS) to evaluate the relationships between the variables by Eviews. From the empirical study, it is shown that all the variables are positively influence towards firms' profitability. However, from the regression model, the studies found out that firm size have positive significant relationship towards firms' profitability; but, financial leverage and tangibility of company has negative significant relationship towards firms' profitability. Besides that, liquidity and growth sales have insignificant relationship towards firms' profitability. The study further anticipated the addition of supplementary variables to recover the strength and descriptive power of general model.

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