

UNIVERSITI TEKNOLOGI MARA

**THE IMPACT OF FINANCIAL
LEVERAGE ON FINANCIAL
PERFORMANCE: FOOD AND
BEVERAGES PRODUCER'S FIRM**

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2015152365

**BBA (Hons) Business Administration
Finance**

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Thesis submitted in fulfillment
of the requirements for the degree of
**Bachelor of Business Administration
(Finance)**

Faculty of Business Administration

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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.

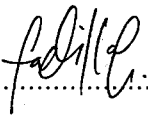
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ABSTRACT

This research is to investigate factors that influence the impact of financial leverage on financial performance of companies in Malaysia. Specifically, this paper will be focusing on ten companies that are related to food and beverages producer which are been listed at Bursa Malaysia. The dependent variable of this research would be return on asset (ROA) of the company. In addition, independent variables of the study might be debt ratio (DR), debt to equity ratio (DER), liquidity, firm size and firm age of the company. Data are pooled from year 2012 until 2016 which are 5 years all in all. This data will be collect and calculate from Thomson One and Bursa Malaysia which specifically from financial data of those companies such as income statement and balance sheet. Moreover, this research is using quantitative secondary data which considered as panel data. This paper also using multiple regression model to investigate the impact of financial leverage towards financial performance of food and beverages companies in Malaysia. Result from this study is there is a significant impact of debt ratio, debt equity ratio, liquidity and firm size. While, firm age is having not significant impact towards return on asset (ROA). However, there are only three independent variable which shows significant relationship with return on asset which are debt equity ratio, liquidity and firm size. While another two independent variable, debt ratio and firm age did not have significant relationship with return on asset (ROA).

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