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I declare that the work in this thesis was carried out in accordance with the regulations of Universiti Teknologi MARA Johor. 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 Undergaduate, Universiti Teknologi MARA Johor, regulating the conduct of my study and research.

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December 2017

LETTER OF SUBMISSION

December 2017

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Dear Dr,

SUBMISSION OF PROJECT PAPER

Attached is the research title "The Determinants of Derivative Usage: Agriculture Industries on Malaysian Firms" to fulfil the requirement as needed by the Faculty of Business Management, Universiti Teknologi MARA.

Thank you,

Yours sincerely

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ABSTRACT

There are various factors can influences derivatives in companies. In this study has present the topic of derivative usage in Malaysian firms. The derivative usage are necessary to manage interest rate, currency exchange and equity market. This study is propose to determine derivative usage by using a sample of 6 companies over the period 1999 until 2008. The research using the secondary data and quantitative approach. This research use panel data and also use dependent variable and independent variable. This research study is to investigate the factor that influences derivative usage in Malaysia firms. Besides that, the resources are collect from Bursa Malaysia and Datastream. The findings shows debt, liquidity and profitability is positive significant. Other than that, companies are more to reduce the risk and increase the profit. It is also can give opportunity the companies to involve the business trading. The big losses can give the suffered for the any companies that had in the business transaction.

Keywords: Derivative Usage, Debt, Liquidity and Profitability.

ACKNOWLEDGEMENT

I am very grateful to Allah for the good health because that was necessary to finish this report. I would to wish thanks to all whose help me to complete this research. I wish to express my sincere appreciation to my advisor Sir Kharudin bin Mohd Sali @ Salleh, whose contributed me to guide and coordinated to writing this report.

Besides that, I would like to appreciation to my parents which are Mat Akil and Khairani because always give the support and sacrifice their time to encourage me to complete this report. A special thanks to all my friends whose teach me and give the new idea to finish this report. Last but not least, thanks to staff UiTM Library because teach and guide me a new thing used the software for completed this report.

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