



UNIVERSITI TEKNOLOGI MARA

**FACTORS OF FINANCIAL DISTRESS TOWARD
MANUFACTURING COMPANIES IN MALAYSIA**

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AUTHOR'S DECLARATION

I declare that the work in this thesis was carried out in accordance the regulations of Universiti Teknologi MARA. It is original and is the results of my 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.

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ABSTRACT

A company that lead to bankruptcy, it measured by financial distress and they can't control their financial so effective and efficient. This paper is want to know the relationship between financial distresses on financial ratio. This study focuses on manufacturing company in Malaysia that listed in Bursa Malaysia from 2012 to 2017 because mostly manufacturing company has a financial crisis. Nowadays manufacturing company are not as good as before because all products can be import from outside and rarely use local product because of the quality and price. Long term debt-to-equity ratio as dependent variable while current ratio (CR), times interest earn (TIE) and return on total assets (ROA) as independent variable. It to find are they having a significant relationship with dependent variable. The ratio, they have limit their ratio based on general ratio and type of company as reference. If optimal industry ratio is more than their ratio, the company need to explore what the problem is because maybe it able to be a financial problem or can close to bankrupt. Panel analysis data is used on these studies. Overall the result shows that ICR have significant relationship rather than CR and TIE.

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