



UNIVERSITI TEKNOLOGI MARA

**DETERMINANTS OF FIRM'S PROFITABILITY
IN MALAYSIAN INDUSTRIAL SECTOR**

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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 final year project paper was carried out in accordance with the regulations of Universiti Teknologi MARA. 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, regulating the conduct of my study and research.


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ABSTRACT

This study sought to study what are the determinants of firms' profitability in Malaysia focusing on industrial sector. Basically, industrial sector can be defined as the companies that manufacture materials or components into new products for industrial use. In 2016, industry contributed approximately 35.68 percent in the gross domestic product (GDP) in Malaysia. Some examples of sectors in industry are oil and gas, electronics and electrical appliances. This study is focusing to evaluate what is the factor that influencing the firm profitability as profitability can be described as the final measure of economic success achieved by a firm in relation to the capital that has been invested. The variable that will be included in this study are working capital management, liquidity, financial leverage, and firm size. The study considered firms that have been listed in Bursa Malaysia and utilized secondary data obtained from the period 2008-2017.

Keywords: *profitability, industrial sector, liquidity, firm size, working capital, leverage*

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