



**UNIVERSITI TEKNOLOGI MARA**

**THE EFFECT OF FINANCIAL RATIO TOWARDS  
STOCK RETURN IN CONSUMER PRODCUT  
SECTOR**

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Final Year Project Paper submitted in fulfillment  
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**

Financing and accounting information from financial reports can portray firm's condition. The financial reports are affected by two factors which is firms' activities and accounting system adopted by the firms (Palepu, Healy, & Bernard, 2004). There are numerous researches in estimation of financial reports information. Some researches study accounting information in foreseeing firms' future financial performance, such as earnings and development (Ross, Westerfield, & Jordan, 2008), while other researches measure the effect of accounting information on stock price (R. Johnson & Soenen, 2003b). In conclusion, this study is about to explore the relationship between return on stock by using five categories of ordinarily used in financial ratios including profitability, leverage, asset utilization, liquidity and market value. Cumulative market adjusted return is used as proxy of stock return variable. The sample of study are top 20 of big market capital companies in consumer product sector during 2012 until 2017 which is recorded in Bursa Malaysia.

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