DETERMINANT OF CASH HOLDING LEVEL IN NON-FINANCIAL FIRMS IN MALAYSIA

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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. 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 Branch Segamat Campus, regulating the conduct of my study and research.

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ABSTRACT

Liquidity is an important financial indicator that measures whether the company has the ability to meet its short term liabilities or not without incurring undesirable loss. Due to ineffective in management cash and asset, liquidity risk may arise, which obviously one of the most challenging risk compared to other financial risks. This study investigate about the determinant of cash holding level in non-financial firm in Malaysia. Selected financial factors are used as the determinant. This study will focus on 30 non-financial firms listed under Main Board of Bursa Malaysia Berhad. The dependent variable is corporate liquidity which will be measure by the level of cash holding in non-financial firms. Five selected financial factor which are firms size, financial leverage, net working capital, return on asset and dividend yield are used as the independent variables for this study. The data from the sample of thirty (30) non-financial firms are pooled for five years (2012-2016) which collected from datastream database and the methodology is panel data analysis. The expected findings for this study are firms size, financial leverage, net working capital, return on asset and dividend have positive relationship and significant in determining level of cash holding in the non-financial firms.

TABLE OF CONTENT

LIST OF TABLE