



**UNIVERSITI TEKNOLOGI MARA**

**THE EFFECT ON INTERNATIONALIZED COMPANY  
TOWARD CAPITAL STRUCTURE:  
EVIDENCE FROM THE MANUFACTURING FIRMS IN  
MALAYSIA**

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of the requirements for the degree of  
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**Investment Management**

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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 Post Graduate, Universiti Teknologi MARA, regulating the conduct of my study and research.

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## **ABSTRACT**

In state of the business world conditions have caused business competition to become very tight, so many companies are required to internationalize. The purpose of this paper was to study the effect on internationalized manufacturing company that listed in Main Market on Bursa Malaysia toward capital structure. Four independent variables were included in this study namely firm size, profitability, company growth and tangibility. Meanwhile, the dependent variable is leverage measured by debt ratio with the formula total debt divided total assets. This study used the secondary data collected from financial statement of 16 manufacturing firms for a period from 2007 to 2011. Descriptive statistics, correlation analysis and regression analysis were used to analyse the data. The results shows that firm size are positive and have a significant relationship while profitability negatively related and insignificant with the debt ratio. The result also showed that company growth and tangibility are positive but insignificant with debt ratio.

**Keywords:** capital structure, manufacturing firms, firm size, profitability, tangibility, company growth

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