



UNIVERSITI TEKNOLOGI MARA

**IMPACT OF LIQUIDITY RATIOS ON FIRM
PROFITABILITY (CASE OF TECHNOLOGY
COMPANIES IN MALAYSIA)**

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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.

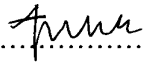
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ABSTRACT

The purpose of this study is to investigate the impact of liquidity ratios toward firm profitability. This is to make sure the firm have ability to maintain their daily operations. The data for this research consist about ten companies with the number of year are five year each. The data gather through the Thomson Reuters. The data was analysed to evaluate the impact of liquidity ratio toward firm profitability that can influence the company performance. The liquidity ratios consist of current ratio, quick ratio, and liquid ratio while the profitability ratios consist of return on asset. The final result show that only one variables which is liquid ratio that are significant with the return on assets while the other two variables known as current ratio and quick ratio are not significant with the return on assets. The levels of profitability of the company have attracted the intention of stakeholder. The supplier of good for the company will check the company liquidity performance to know whether the company able to pay their obligations toward their employee before making any transaction. Thus, the company need to pay full attention about the company liquidity performance due to the effect of toward company profit and the portion of dividend for the shareholder.

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Table of Contents

AUTHOR'S DECLARATION	iii
ABSTRACT	iv
ACKNOWLEDGEMENT	v
LIST OF TABLES	viii
LIST OF FIGURES	ix
LIST OF SYMBOLS	x
LIST OF ABBREVIATIONS	xi
CHAPTER ONE INTRODUCTION	1
1.1 Introduction	1
1.2 Research Background	1
1.3 Problem Statement	3
1.4 Research Questions	4
1.5 Research Objectives	4
1.6 Significance of the Study	4
1.7 Scope of the Study	5
1.8 Limitation of the Study	5
1.9 Definition of Key Terms	6
1.10 Summary	6
CHAPTER TWO LITERATURE REVIEW	7
2.1 Introduction	7
2.2 Literature Review on Current Ratio	8
2.3 Literature Review on Acid-test ratio	9
2.4 Literature Review on liquid ratio	10
2.5 Research Framework	11
2.6 Summary	12
CHAPTER THREE RESEARCH METHODOLOGY	13
3.1 Introduction	13