THE INFLUENCE OF MACROECONOMIC DETERMINANTS ON CORPORATE FINANCIAL DISTRESS COMPANIES IN MALAYSIA

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"DECLARATION OF ORIGINAL WORK"

I, **NUR FASIHAH BINTI ZAMHURI**, (I/C Number: **951020-02-6042**)

Hereby, declare that:

- This work has not previously been accepted in substance for any degree, locally or overseas, and is not being concurrently submitted for this degree or any other degree.

- This project paper is the result of my independent work and investigation, except where otherwise stated.

- All verbatim extract has been distinguished by quotation marks and sources of my information have been specifically acknowledged.

Signature: _____ Date: ___06 JANUARY 2020____

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ABSTRACT

The purpose of this research is to contribute to the finance literature by providing further evidence on the influence of macroeconomic variables on corporate financial distress. This research is novel given the fact that not many researchers have been done on selected PN17 listed companies. In this study are investigate the relationship between selected macroeconomic variables including interest rate (INT), inflation rate (INF), gross domestic product rate (GDP) and exchange rate (ER) towards the corporate financial distress in selected PN17 listed companies in Malaysia. This study used panel data where three (3) PN17 listed companies in Malaysia which are MAA Group Berhad, Malaysia Pacific Corporation Berhad and EKA Noodles Berhad within 10 years from 2008 to 2018. Fixed-effects (within) regression with cluster option had been selected as a final test in this study using STATA S.E 14.0. The finding of this study indicates that interest rate (INT) is a significant positive relationship, inflation rate (INF) are a significant negative relationship toward corporate financial distress in Malaysia.