



**A QUANTITATIVE ANALYSIS OF FIRMS' PROFITABILITY DETERMINANT:  
EVIDENCE FROM CONSUMER INDUSTRY IN MALAYSIA**

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**DECEMBER 2015**

## ACKNOWLEDGEMENTS

Assalamualaikum w.b.t,

First and foremost, I would like to express my gratitude towards Allah SWT the Almighty for shower His Blessing From the beginning until I have completed my project paper in which need to fulfill the graduation requirement of Bachelor of Business Administration (Hons) Finance.

My deepest appreciation and warmest gratitude to each one of those individuals who aided amid my paper. I would never have possessed the capacity to complete without the direction, advices and support. Their kindness is much indeed appreciated.

I would like to record my appreciation to my supervisor, Mr. Shamlie bin Salisi for the valuable assistance, advices and guidance. Additionally, he has taken the pain to go through our thesis and makes correction as needed. He astounding persistence and direction has given an amazing result in doing my thesis. I am genuinely admired the time and exertion from you.

To wrap things up, I want to extend my gratitude to my family for their support and everyone who was important to make successful realization to my dissertation.

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## ABSTRACT

This research paper attempts to investigate the determinant of firm profitability from consumer industry in Malaysia. For this purpose, 20 companies which is consumer industry that have listed in Bursa Malaysia were used and tested using panel data regression model as tool embedded in STATA Software over the period of 2005 until 2014 in relation to firm profitability. The profitability ratio of Return on Asset (ROA) is used as a financial indicator to measure firm profitability is a dependent variable and for independent variable that been use is total asset (TA) have been use as indicator of size, while liquidity will be measure by current ratio (CR), leverage will be measure by debt equity ratio (DER) and lastly persistency of profitability will be measure by the lagged of ROA ( $P_{t-1}$ ). According to the result of the study, this research indicates that firm size are important determinant of firm profitability with positive relation. While liquidity, leverage and persistency had a negative relation on firm profitability.