



THE DETERMINANTS OF PROFITABILITY ON CONSUMER PRODUCT COMPANIES:

EVIDENCE FROM MALAYSIA

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I wish my writing about the determinants of profitability on consumer product companies in Malaysia can give the readers some information or input about the importance of the issue being highlighted.

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ABSTRACT

This paper is to identify the factors that affect profitability on consumer profitability on consumer product companies in Malaysia from the year 2012 until 2017 which contains a yearly data set of 192 observations. The issues that have been highlighted here is the fallen of the profitability on consumer product companies that cause the impact of retail trade index fall between the year of 2013 until 2016. This paper employs Pooled Generalized Least Square Method (PGLS) in order to get the final result. For the diagnostic checking, there is multicollinearity and existence of heteroscedasticity problem. Thus, to eliminate the problems, panel data test is used in this paper. The results indicate that current ratio, quick ratio and size of firm have significant relationship with return on asset while debt ratio and tax rate are not significant with the profitability.