



**CORPORATE SOCIAL RESPONSIBILITY AND FIRM
CHARACTERISTICS: A STUDY ON LISTED COMPANIES IN
BURSA MALAYSIA**

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JUNE 2016

ACKNOWLEDGEMENT

First of all, I would like to thank Allah S.W.T for giving me strength either mentally and physically, ideas and enough time to complete this challenging thesis final year project. A million thanks to my thesis advisor, Dr Ahmad Razi bin Ramli for his guidance, supervision and support to me in completing this research especially in writing this research paper. In addition, special thanks to Sir Syamsul Samsudin for his guidance and advice in completing this research paper.

Furthermore, I would also like to give my appreciation for the kindness of the staff of Yayasan Negeri Sembilan, who gave me permission to use the facilities in completing the research paper during my internship. And not to forget, I would like to extend my appreciation to my friends and everyone whom willingly assisted me in order for me to complete this research paper. Last but not least, a special thanks to my beloved parents for their unconditional supports and blessing.

Thank you.

ABSTRACT

Briefly, corporate social responsibility is a key to sustainability of a firm for its long term success and its goodwill. A study conducted in Taiwan shows a positive relationship between firm characteristics and corporate social responsibility. Other studies carried out in the United States, Europe and the Asia-Pacific Region had indicated the negative relationship. However, a study within Australia companies had both positive and negative relationships between firm characteristics and corporate social responsibility. The main issue for this research to investigate the relationship of CSR practices on the firm characteristics among listed companies in Bursa Malaysia. The firm characteristics are represented by financial ratios which are profitability and leverage ratios respectively. Firm size also include as a firm characteristic that represented by log of total assets. Corporate social responsibility is used as the dependent variable in this study. The independent variables are firm characteristics which include firm size, profitability and leverage ratio. Firm size is a variable that explains in corporate social responsibility expenditure. Does the size matter towards firms contribution in corporate social responsibility?. Profitability is a variable that show concern of the firm towards corporate social responsibility. The profitability represented by the return on asset. Leverage is a variable that also explain the expenditure of corporate social responsibility. Do the level of debt of the firm give an effect on firms' social responsibility contribution?. Debt to equity represents the leverage variable. The result shows that firm size to have a positive relationship with social contribution. While the other two variables, profitability and leverage have a negative relationship with corporate social responsibility.

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