



**THE DETERMINANT OF PROFITABILITY OF
TELECOMMUNICATION INDUSTRY IN MALAYSIA
AND SOUTH KOREA**

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ABSTRACT

Basically, the study is about the factors determining the profitability of telecommunication industry. In this study, a panel data set of Malaysia and South Korea listed telecommunication companies was used for examining the determinants of profitability. For this purpose, there are 30 observations of 6 companies for each listed companies over the period of 2011 – 2015. Return on asset was used as a measure for profitability as dependent variable. While for financial leverage ratio, debt ratio, working capital, and fixed asset ratio considered as independent variables. Based on the findings, there is a positive significant relation between return on asset with financial leverage ratio whereas working capital and fixed asset ratio show a negative significant relation with return on asset. Nevertheless, debt ratio show an insignificant impact on return on asset.