



**THE FACTORS THAT AFFECTS THE PERFORMANCES OF  
FIRMS IN MALAYSIA CONSTRUCTION INDUSTRY**

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## ABSTRACT

The purpose of this paper to investigates the factors that affect the performances of firms in Malaysia construction industry. It is observed that investors are highly interested in the performance of firms listed in the Bursa Malaysia Stock Exchange. Empirical evidence gives little indication of identifying the casual relationship between financial structure of a firm and its firm performances. This investigation has been performed using panel data procedure for a sample of Malaysian listed companies on the Bursa Malaysia Stock Exchange which focus on the firms in the construction industry. The data of construction firms has been gathered from annual reports and data stream in order to test the hypothesis regression model is applied. This research also investigates the independent variables which are net profit margin (NPM), debt ratio (DR), quick ratio (QR) and operating margin (OPM) of the company as a significant factors and positive impact on performances of the firms. Findings of this study suggest that firm's performances are significantly affected by their financial position.

## Table of Contents

DECLARATION OF ORIGINAL WORK.....	ii
LETTER OF SUBMISSION.....	iii
ACKNOWLEDGEMENT.....	iv
LIST OF TABLE.....	v
ABSTRACT.....	vi
CHAPTER ONE.....	1
INTRODUCTION.....	1
1.0 CHAPTER DESCRIPTION.....	1
1.2 BACKGROUND OF STUDY.....	2
1.3 PROBLEM STATEMENT.....	4
1.4 RESEARCH QUESTIONS.....	7
1.4.1 Main Research Question.....	8
1.4.2 Specific Research Question.....	8
1.5 RESEARCH OBJECTIVES.....	8
1.5.1 Main Research Objectives.....	9
1.5.2 Specific Research Objectives.....	9
1.6 SCOPE OF STUDY.....	9
1.7 SIGNIFICANCE OF STUDY.....	10
1.8 LIMITATION OF THE STUDY.....	11
1.8.1 Data Reliability.....	11
1.8.2 Availability of Supporting Sources.....	12
1.9 DEFINITION TERMS.....	12
1.9.1 Return on Equity (ROE).....	12
1.9.2 Net Profit Margin (NPM).....	12
1.9.3 Total Debt Ratio.....	13
1.9.4 Quick Ratio.....	13
1.9.5 Operating Margin.....	13
1.10 SUMMARY.....	14

1.10	SUMMARY .....	14
	CHAPTER TWO.....	15
	LITERATURE REVIEW .....	15
2.1	INTRODUCTION .....	15
2.2	EMPRICAL LITERATURE.....	17
2.2.1	Firm Performances .....	17
2.2.2	Return on Equity as an Firms Performance .....	19
2.2.3	Relationship between Net Profit Margin and the Performance of Firms .....	21
2.2.4	Relationship between Debts Ratio and the Performance of Firms.....	23
2.2.5	Relationship between Quick Ratio and the Performance of Firms .....	25
2.2.6	Relationship between Operating Margin and the Performance of Firms .....	27
2.3	SUMMARY .....	28
	CHAPTER THREE.....	29
	RESEARCH METHODOLOGY .....	29
3.1	INTRODUCTION .....	29
3.2	DATA COLLECTION.....	29
3.2.1	Secondary Data.....	30
3.3	VARIABLES .....	30
3.3.1	Dependent Variables .....	31
3.3.2	Independent Variables.....	31
3.4	RESEARCH DESIGN.....	31
3.4.1	Purpose of the Study .....	32
3.4.2	Study Setting.....	32
3.4.3	Unit of Analysis.....	33
3.4.4	Time Horizon.....	33
3.5	THEORETICAL FRAMEWORK.....	33
3.6	SAMPLING DESIGN .....	34
3.6.1	Target Population .....	34
3.6.2	Sampling Size .....	35
3.6.3	Sampling Element Formula .....	35