



**THE DETERMINANTS OF FINANCIAL MISERY
IN MALAYSIAN AUTOMOTIVE SECTOR**

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ABSTRACT

The objective of this study is to identify the determinants of financial misery in Malaysian automotive sector. The dependent variable of this study is time interest earned while the independent variables are debt to capital, working capital and sales index. The type of data used in this study is panel data. The sample of study consists of 10 companies in the automotive sector and data collected cover the period from 2006 until 2016. This study employs Pooled OLS Model in order to study the relationship between debt to capital, working capital and sales index with time interest earned. An examination of several case studies revealed how those variables could affect the time interest earned. The paper discusses the relationship between the variables specifically on automotive sector in Malaysia because there are not many studies focusing on this sector.