

## DECLARATION OF ORIGINAL PAPER



**BACHELOR OF BUSINESS ADMINISTRATION WITH  
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Hereby declare that

- This work has not previously been accepted in substance for any degree, locally or overseas, and is not being concurrently submitted for this degree or any other degrees.
- The project paper is the result of our independent work and investigation, except where otherwise stated.
- All verbatim extracts have been distinguished by quotation marks and sources of my information have been specifically acknowledged.

Signature: *SHAFIRA AIDA*

Date: 27/12/2018

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## **ABSTRACT**

This study analyses the factor of firm's profitability in manufacturing sector in Malaysia. The variables such as fixed asset ratio, financial leverage ratio, liquidity, size, tax and working capital are used in this study. The data are collected from the year of 2008 to 2017 in yearly basis and containing 400 number of observations in total. The data are analyzed using Random Effect Regression Model. The result shows that fixed asset ratio, size and tax have a significant with profitability. However, financial leverage ratio, liquidity and working capital have no significant with profitability. The findings of this study have answered both objectives of this study. Furthermore, this study suggests to use more variables by using monthly basis in order to know the determinant of profitability towards company returns.

Keywords: ROA, fixed asset ratio, financial leverage ratio, liquidity, size, tax, working capital  
Random Effect Regression Model