



**THE DETERMINANTS OF PERFORMANCE OF FOOD AND BEVERAGES SECTOR IN
MALAYSIA**

EVIDENCE FROM: SHARIAH AND NON SHARIAH COMPLIANCE

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ABSTRACT

Food and beverages is a one of the sector that produced the highest demand from the consumer as compared to other sector that listed in Bursa Malaysia. In fact, food and beverages is a sub sector which is it is under the category of consumer and product services sector. Besides that, this paper is to determine the better performance for Shariah Compliance and Non Shariah Compliance in food and beverages sector in Malaysia. The period of study is in between year of 2008 to 2017 and involved 350 observations which are 270 and 80 for Shariah Compliance and Non Shariah Compliance respectively which utilized the Random Effect Model (REM). The microeconomics variables that have been used in this study is quick ratio, debt ratio, total assets, tax rate and tangibility. The data collected is by using secondary data from the sources of Thomsons Eikon Reuters. The result analysis for Shariah Compliance had revealed that quick ratio and total asset having a positive relationship with return on asset whereas the debt ratio, tax rate and tangibility indicates a negative relationship. However, the result of Non Shariah Compliance is differ from Shariah Compliance which shows that only total asset is a positive relationship while the residual independent variables is negative correlation with return on asset.

Keywords: *food and beverages, quick ratio, debt ratio, total asset, tax rate, tangibility, panel data, shariah compliance, non shariah compliance*