

Performance of Telekom Malaysia Berhad Company in Malaysia.

NURULHUDA BINTI HASHIM 2010630598

BACHELOR OF BUSINESS ADMINISTRATION
WITH HONOURS (FINANCE)
FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA (TERENGGANU)

Signature:	Date:
31B11414161	

Acknowledgement



All praise to the Almighty Allah, the most gracious, Most Merciful and Most Benevolent for giving me an opportunity to study for higher education and giving me strength and patience in completing this thesis paper.

I would like to express my gratitude to most respected advisor, Madam Zuraida Binti Mohamad for his moral support, ideas, suggestions, time and continued throughout the period of this study in order to complete this thesis paper. I also would like to thank my second examiner, Sir Johari Bin Harun for his opinion and recommendation, and all my lectures in faculty of business for their moral support.

My gratitude is also dedicated to my beloved husband, my little son, my parents, lovely family and friends who will always there for me when I needed them to support me. Their encouragement and loves help me to complete this study successfully. Thank you with all my heart and soul.

ABSTRACT

The objectives of this study to determine the relationships between independent variables such

as debt ratio, net profit margin and current ratio with the dependent variable is return on assets

of Telekom Malaysia Berhad ™ Company in Malaysia. This study incorporates a time series

dataset ranging from 1979 to 2011. The identified model hypothesizes ROA as a function of debt

ratio (DR), net profit margin (NPM), and current ratio (CR). This research is using Stata Time

Series software to run the data that gain from Osiris website with 33 years of duration. The

result shows that the DR, NPM and CR have a relationship towards ROA. In the long run

cointegrating relationship, there are four cointegrating relationship. In future, the other

researchers should consider and choose other variables for the research about this topic that

will give the real impact to the company performance.

Keywords: Debt Ratio, Net Profit Margin, Current Ratio, Return on Assets, Time Series.

TABLE OF CONTENT

CON	TENT	PAGE
ACKNOWLEDGEMENT		
ABSTRACT		
LIST OF TABLE		
LIST OF FIGURE		
СНА	PTER ONE: INTRODUCTION	
1.0	Introduction	1
1.1	Background of the Study	2-4
1.2	Problem Statement	3-4
1.3	Objective of the Study	4
1.4	Scope of the Study	4
1.5	Limitation of the Study	5
1.6	Significance of the Study	5-7
1.7	Definition of Term	7-9
СНА	PTER TWO: LITERATURE REVIEW	
2.1	Dependant Variable	10
Nuru	lhuda Binti Hashim (2013)	Page vi

2.2	Independent Variables	10-12
СНА	PTER THREE: RESEARCH METHODOLOGY	
3.1	Research Design	13-14
3.2	Method of Data Collection	14-15
3.3	Theoretical Framework	16-18
3.4	Hypothesis	18-19
3.5	Data analysis and administration	20-22
СНА	PTER FOUR: DATA ANALYSIS AND INTERPRETATION	
4.0	Introduction	23
4.1	Methodology	23-26
4.2	Result and Discussion	27-32
СНА	PTER FIVE: CONCLUSIONS AND RECOMMENDATIONS	
5.1	Conclusions	33-34
5.2	Recommendations	34-35
BIBL	LIOGRAPHY	36-37
APPENDICES		38