



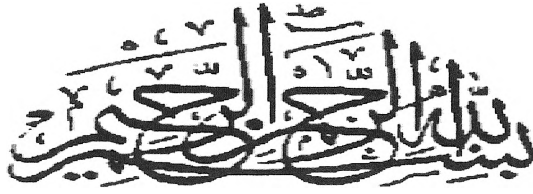
**A STUDY ON THE DETERMINANTS OF CAPITAL
STRUCTURE: EVIDENCE OF MALAYSIANS
PROPERTY COMPANIES**

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ABSTRACT

Employing the ordinary least square methodology, this study examines the capital structure determinants of 20 property companies quoted in Malaysia. The researcher interested to focus in the property sectors because this sectors is in developing phase in Malaysia and these property companies react to the economic condition in the country. Moreover, the capital structure of the property companies is still relatively under-explored area in the property literature. This study is conducted to gain a clear understanding of what factors influenced these property companies to choose their financing behavior. The objective that to be achieved by the researcher is to examine the relationship between the independent variables (PAI, SZE,GRW, EBIT, BLR) and dependent variable (TDR). Besides, we are going to investigate what factors are the most determinants of the property companies' capital structure. The empirical test reveals how the debt-equity structure of the companies is influenced by the various firm-specific attributes and macro-economic factors. In particular, the evidence shows that property asset intensity (PAI) and profitability (EBIT) of these property companies are significant determinants of corporate debt policy. In addition, the firm size (SZE), growth rate (GRW) and base lending rate (BLR) do not appear to have any significant effect on the capital structure decision of property companies.