

LETTER OF SUBMISSION

30 DECEMBER 2019

Coordinator

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Dear Sir/Madam,

SUBMISSION OF PROJECT PAPER (FIN672)

Attached is the project paper title "FACTORS INFLUENCING LIQUIDITY RISK IN CONVENTIONAL AND ISLAMIC BANKS IN MALAYSIA" to fulfill the requirement as needed by the Faculty of Business Management, Universiti Teknologi MARA.

Thank you.

Yours sincerely,

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ABSTRACT

Liquidity risk has become an important risk since the previous financial crisis happened in year 2008. Many financial institutions have taken account the risk seriously. Bank Negara Malaysia have implied Liquidity Coverage Ratio as the minimum ratio every financial institution must comply. But then, why many banks are still exposed to liquidity risk. What are the factors that affecting liquidity risk? By focusing in Malaysia from year 2008 to 2018 by using time series data, the study uses Pooled Ordinary Least Square Regression Analysis. The independent variables taken in the variables used consist of size, return on asset, capital adequacy ratio, return on equity, growth of gross domestic products and inflation rate.

TABLE OF CONTENTS

LETTER OF SUBMISSION	i
DECLARATION OF ORIGINAL WORK.....	ii
ACKNOWLEDGEMENT.....	iii
ABSTRACT.....	iv
CHAPTER ONE: INTRODUCTION.....	1
1.0 INTRODUCTION.....	1
1.1 BACKGROUND OF THE STUDY.....	2
1.2 PROBLEM STATEMENT.....	3
1.3 RESEARCH OBJECTIVES	4
1.4 SCOPE OF THE STUDY.....	4
1.5 LIMITATION OF THE STUDY.....	4
1.6 SIGNIFICANCE OF THE STUDY	5
1.7 OPERATIONAL DEFINITION	6
CHAPTER TWO: LITERATURE REVIEW.....	8
2.1 LIQUIDITY RISK	8
2.2 SIZE.....	9
2.3 RETURN ON ASSET	10
2.4 CAPITAL ADEQUACY RATIO	11
2.5 RETURN ON EQUITY	13
2.6 GROSS DOMESTIC PRODUCT	14
2.7 INFLATION	15
CONCLUSION.....	16
CHAPTER THREE: RESEARCH METHODOLOGY	18
3.1 MODEL EXPECTATION	18
3.2 ESTIMATION MODEL.....	18
3.3 CONCEPTUAL FRAMEWORK.....	19
3.4 HYPOTHESIS	20
3.5 DATA ANALYSIS.....	21
CHAPTER FOUR: DATA ANALYSIS AND INTERPRETATION	23
4.1 DESCRIPTIVE ANALYSIS	23
4.11 Liquidity Risk.....	23
4.12 Size.....	24
4.13 Return on Asset	24

4.14	Capital Adequacy Ratio	24
4.15	Return on Equity.....	24
4.16	Gross Domestic Products	25
4.17	Inflation	25
4.2	CORRELATION ANALYSIS & MULTICOLLINEARITY TEST	26
4.3	HETEROSCEDASTICITY TEST	27
4.4	POOLED ORDINARY LEAST SQUARE REGRESSION ANALYSIS	28
4.41	Size	29
4.42	Return on Asset	30
4.43	Capital Adequacy Ratio	31
4.5	RANDOM EFFECT MODEL ANALYSIS	32
4.51	Capital Adequacy Ratio	33
CHAPTER FIVE: CONCLUSION AND RECOMMENDATION.....		34
5.1	OVERALL FINDING.....	34
5.2	RECOMMENDATION	35
REFERENCE.....		36
APPENDICES.....		38

TABLE OF FIGURE

Figure 1.2	3
Figure 3.2	17
Figure 3.3	18

TABLE OF TABLE

Table 2	17
Table 4.1	23
Table 4.2	26
Table 4.21	26
Table 4.3	27
Table 4.3	28
Table 4.5	32