



**STUDY ON DETERMINANTS FACTORS
OF LEVERAGE IN PROPERTY COMPANIES LISTED ON
MAIN BOARD OF BURSA MALAYSIA**

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ABSTRACT

This research is to study the determinant factors of leverage in property companies listed in Main Board of Bursa Malaysia.

The purpose of this study is to determine the factors that explain the level of debt. It is also to contrast the different factors that can determine the level of debt in property companies listed in Main Board Bursa Malaysia. Besides that, this study is to determine whether they have influence and relationship between all the variables that are level of debt, firm size, growth of the firm and firm liquidity.

The evaluation of data is based on 5 year performance of the property companies which is from 2005 until 2009 from Main Board Bursa Malaysia.

The descriptive data, multiple regression and Pearson correlation method has been used in order to determine the relationship and influence between all stated variables, where the significance is at 5% confident level.

The result obtained, with respect to the three considered hypothesis, the analysis shows the influence of all stated variables except Growth of the firm and leverage. Therefore, it is possible to conform that larger sizes of the corporation allow a greater level of debt. In contrast, inverse relationship exists between the level of debt and the liquidity of the companies.