



UNIVERSITI TEKNOLOGI MARA

**DETERMINATION OF THE SHARE
PRICES ON
TELECOMMUNICATION
INDUSTRY LISTED IN BURSA
MALAYSIA**

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ABSTRACT

Equity investment becomes first attraction and interest to the financial manager and investor since these activities may give benefit and return to them. It is because these activities may access capital for the firm and provide return to the investors. In order to make decision on investment, a share price is one factor that will persuade the decision of the investors. Different companies in different industry have different value of share prices. Besides, share prices also become as proxies to the companies' strength and financial condition. Changes in share prices are come out from several factors in the firms. So, the purpose of this study is to analyse the factors that determine the share prices. Since, the telecommunication sector has been grown in last few years and becoming top thirty companies listed in Bursa Malaysia nowadays, this industry will be used for my study. Due to the changes share prices faced by the companies, this paper will analyse the determination of share prices by analysing historical data from year 2009-2016 on dividend payout, price earnings ratio, earning per shares, book value per share, and size of the firms. This study collects the data annually by using annual report of the companies mainly from Bursa Malaysia and Thomson Reuters Datastream. The study expected that earnings per share and price earnings ratio will have significant toward the share prices.

TABLE OF CONTENT

	Page
AUTHOR'S DECLARATION	ii
ABSTRACT	iii
ACKNOWLEDGEMENT	iv
TABLE OF CONTENT	v
LIST OF TABLES	viii
LIST OF FIGURES	ixx
LIST OF ABBREVIATIONS	x
CHAPTER ONE INTRODUCTION	1
1.1 Introduction	1
1.2 Background of Study	4
1.3 Problem Statement	7
1.4 Research Questions	9
1.5 Research Objectives	10
1.6 Significance of Study	11
1.7 Scope of Study	12
1.8 Limitation of Study	13
1.8.1 Limitations of Journals	13
1.8.2 Limitations of Constraint	13
1.9 Summary	14
CHAPTER TWO LITERATURE REVIEW	15
2.1 Introduction	15
2.2 Literature Review on Share Price	16
2.3 Literature Review on DPO	17
2.4 Literature Review on PER	19
2.5 Literature Review on BVPS	21
2.6 Literature Review on EPS	23
2.7 Literature Review on Size of Firm	25

CHAPTER ONE

INTRODUCTION

1.1 Introduction

Last four decades, telecommunication sector in Malaysia has shown massive structural improvement and transformation in term of their technological progress and industry set-up. Various innovations are created to enable human communication and interaction nowadays move faster and more capable of extending beyond time and place limits. The combination of information technology and communications also help the advancement in communication sector.

In become advancement in telecommunication, Malaysia has worked hard and putting hard effort in order to generate more advanced in telecom environments especially in developing world. In addition, nowadays, mobile market explosion has attracted people's attention.

In Malaysia, Telekom Malaysia is become a leader for telecommunication companies. It is begun as telco for fixed line, television broadcasting services and radio, and then it is also become the largest provider for broadband services in Malaysia. Through the continual innovations and transformations made by the Telekom Malaysia, its result in improvement of telecommunication sector in Malaysia. In referring to company website, Telekom Malaysia also has seen massive changes in term of their business portfolio and ownerships. TM also reaches 2.23 million subscribers for broadband. One of the recent success stories made by TM is become first high speed broadband service in Malaysia which is TM's UniFi. Launched of UniFi has been awarded Telekom Malaysia as one that has faster and lower in cost in the world.

Apart from that, advancement in mobile services companies in Malaysia also one of factors that enable telecommunication sector move forward. The major mobile services companies such as Axiata Group Berhad, Maxis Berhad, Digi.com Berhad, and Telekom Malaysia Berhad have expanded successfully nowadays and become customer's demand. This kind of companies has been success in achieving customer's demanding through fixed line, broadband, internet wireless and other communication services that enable them easily connected with other people. Each of the mobile

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