



**DETERMINANTS OF WORKING CAPITAL MANAGEMENT:  
ELECTRICAL AND ELECTRONIC INDUSTRY IN  
MALAYSIA**

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## TABLE OF CONTENTS

	<b>Page</b>
TITLE PAGE	i
DECLARATION OF ORIGINAL WORK	ii
LETTER OF SUBMISSION	iii
ACKNOWLEDGEMENT	iv
TABLE OF CONTENTS	v
LIST OF FIGURES	viii
LIST OF TABLES	ix
LIST OF ABBREVIATIONS	x
ABSTRACT	xi
<b>CHAPTER 1 INTRODUCTION</b>	
1.1 Background of the Study	1-3
1.2 Problem Statement	4-6
1.2.1 Research Objectives	6
1.3 Scope of the Study	7-8
1.4 Background of the Industry	9-10
1.5 Limitations of the Study	11
1.6 Significance of the Study	11
<b>CHAPTER 2 LITERATURE REVIEW</b>	
2.1 Determinants of Working Capital Management	12-13
2.2 Dependent Variable	14
2.2.1 Working Capital Ratio	14-15
2.3 Independent Variables	16
2.3.1 Profitability	16-17
2.3.2 Leverage	18-19
2.3.3 Firm Size	20-21
2.3.4 Operating Cash Flow	22-23
2.4 Theoretical Framework	24
2.5 Hypotheses Development	25-27

<b>CHAPTER 3</b>	<b>RESEARCH METHODOLOGY</b>	
3.1	Type of Study	28
3.2	Data Collection Method	28
3.3	The Sampling Design	29
3.4	Data Analysis	29
3.5	Multiple Regression Analysis	30
3.6	Data Analysis Technique	30
	3.6.1 Correlation Coefficient	31
	3.6.2 R-Squared	31
	3.6.3 Hypotheses Testing	32-33
	3.6.4 Pearson Correlation	34
<b>CHAPTER 4</b>	<b>FINDINGS</b>	
4.1	Introduction	35-36
4.2	Descriptive Statistics	37-38
4.3	Regression Analysis	39
4.4	Regression of Coefficient	40
	4.4.1 Profitability	40
	4.4.2 Leverage	41
	4.4.3 Firm Size	42
	4.4.4 Operating Cash Flow	43
4.5	Coefficient of Determination ( $R^2$ )	44
4.6	T-Statistics	45-47
4.7	F-Statistics	48
4.8	Pearson's Correlation	49-50
<b>CHAPTER 5</b>	<b>CONCLUSION AND RECOMMENDATIONS</b>	
5.1	Discussion of Findings	51
5.2	Conclusions	52-55
5.3	Recommendations	56-57
	<b>REFERENCES</b>	58-61
	<b>APPENDICES</b>	62-66

## LIST OF FIGURES

<b>Figure:</b>		<b>Page</b>
Figure 1.4	Total Export in Malaysia	10
Figure 2.4	Theoretical Framework	24

## **ABSTRACT**

This study attempts to find the variables that determine working capital of electrical and electronic industry in Malaysia. The sample of the study is 21 public listed companies of electrical and electronic industry in Malaysia. The dependent variable is working capital ratio, while independent variables are profitability, leverage, firm size and operating cash flow. The data is from 1999 to 2014 and they were taken through the OSIRIS database.

The data have been tested in STATA by using several methods such as descriptive analysis, Pearson correlation analysis, pooled ordinary least square analysis, fixed effect panel analysis, random effect panel analysis, Breusch and Pagan Lagrangian multiplier test and hausman test. The study found that the profitability and firm size have positive significant relationship with working capital ratio, while leverage and operating cash flow have negative significant relationship with working capital ratio. These findings are consistent with several previous studies.