



UNIVERSITI TEKNOLOGI MARA

**FACTORS AFFECTING THE SHARE PRICE OF CONSUMER
PRODUCTS COMPANIES IN
MALAYSIA**

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ABSTRACT

The purpose of this research is to determine how profitability, leverage, and dividends influence the share price of Malaysian consumer company firms. There are 10 selected consumer products companies. The sample of data were gathered for a period of 10 years starting from 2011 to 2020, resulting in a total number of observations of 100. Firm's performance was measured by using share price as a dependent variable that was mostly supported and applied by previous researchers. More ever, the factors used to test on the firm performance are return on assets, dividend per share, earnings per share, debt ratio, and debt equity ratio. which act as independent variables. The data is gathered from annual reports from Bursa Malaysia, Thomson Reuters DataStream and Refinitiv DataStream then a multiple linear regression is used in this study. In addition, econometric tests are used to observe the relationship between factors of capital structure on a firm's performance. Interactive software package E-views 11 student versions were used for testing and analysing the data collected. Using the pooling panel data regression method, the expected findings of return on assets, dividend per share, earnings per share, debt ratio, and debt equity ratio has a relationship with the firm's share price. The result based on the regression analysis on parameter significance (T-test) revealed that only Earnings Per Share has a meaningful relationship with Share Price, since the probability value is less than the 5% significance threshold. However, for the other variables such as Return On Assets, Debt Ratio, Debt Equity Ratio, and Dividend Per Share, the probability value is greater than the 5% significance level, indicating that the variables are not significant.

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CHAPTER 1: INTRODUCTION

1.1 Introduction

Over the past several years, the stock market has attracted a large number of investors and financial organisations in the investing industry. The stock market is one of the assets that pays out a dividend or returns to investors. Every dividend is distributed in accordance with market performance. Investors will get a strong dividend return that is consistent with their risk profile. An investor or financial institution will have a research department to do an analysis about the stock price of the market to be valued in order to obtain a return in the future.

Companies who participate in the stock market will announce the price of their shares. In the stock market, share prices may sometimes rise and fall in unison. According to (Nautiyal & Kavidayal, 2018), stock price fluctuations are explained by a reflection of the company's performance, which is accompanied by a favourable real economy. Other indications, such as wide stock market research, may also have an impact on the movement of share prices. One of the most crucial elements influencing an investor's choice to invest is market pricing. The price is determined by a variety of criteria, including earnings per share, dividend per share, business size, dividend yield, and others.

There are several methods for calculating share price. The basic strategy for the share price, according to (Sharma, 2011), is based on financial, environmental, and managerial considerations. A technical method may assist anticipate share price movement by looking at historical trends. It is a tricky effort to calculate the share price since the share price is responsive to different internal and external variables. Many shareholders and