



UNIVERSITI TEKNOLOGI MARA

**THE IMPACT OF LIQUIDITY ON PERFORMANCE
AND FINANCIAL EQUILIBRIUM DURING THE
PANDEMIC OF COVID 19: EVIDENCE FROM
HEALTHCARE SECTOR IN MALAYSIA**

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ABSTRACT

Begin on 18th March 2020, The Malaysian government established the Movement Control Order (MCO) as a strategy to flatten the curve of COVID-19 cases in the nation in response to the COVID-19 epidemic. The consideration given to this pandemic is because the MCO has given a significant influence on all sectors in Malaysian industry including healthcare sectors. The research objectives for this study are to investigate the influence of liquidity to financial performance of the companies in healthcare sector during the pandemic of Covid-19. Return on Asset is chosen as dependent variables while Current Ratio, Quick Ratio and Debt-to-Equity Ratio are independent variables. All the sampling is collected from 35 chosen companies under healthcare sector from Bursa Malaysia and MalaysiaStock.Biz. The consent years is from 2010 to 2020 (11 years) with annual timeframe. The study will be conducting by using Descriptive Analysis, Correlation Analysis and Panel Data Analysis.

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CHAPTER ONE

INTRODUCTION

1.1 Introduction

The world is shocked in December 2019 by the Covid-19 Pandemic. Coronavirus disease (COVID-19) is a viral infection caused by the SARS-CoV-2 virus, which was discovered in Wuhan, China. Covid-19 continues to spread across the globe, with over 233 million confirmed cases and 4.7 million reported fatalities in nearly 200 countries. Malaysia's economy was significantly impacted by this pandemic (Calvin Cheng. 2020), resulting in the depreciation of the Malaysian ringgit (MYR) and a decline in the country's gross domestic product. This epidemic had a detrimental effect on several vital industries, including energy, tourism, finance, education, and healthcare (Kumar et al. 2021).

For various time horizons, a company's financial equilibrium can be determined: the short-term, which is concerned with economic activities that must be completed in less than a year; the long-term, which is concerned with economic activities that last longer than a year (Adalsteinsson 2014; Soprano 2015). There are numerous ratios that are used in financial statement analysis which 4 main types are Profitability Ratios, Liquidity Ratios, Solvency Ratios, Valuation Ratios. It is computed using data in financial statement such by dividing one into another. All these types of ratio have their own unique way to value a company financial performance. Most people use ratio as it is a simpler way to measure company's operational efficiency, financial performance or comparisons between companies. Liquidity ratio that assesses the company's ability to meet short-term debts based on current assets are used to describe short-term financial equilibrium (Larissa. 2021).

Thus, this study is to examine the influence of liquidity to performance and financial equilibrium specifically for companies under healthcare sector in Malaysia during the pandemic of COVID-19. Other than Introduction, Literature Review and Research Methodology, this paper will have two more sections which is Results and Discussion, and Conclusions and Recommendations.