



UNIVERSITI TEKNOLOGI MARA

**THE EFFECT OF CASH FLOW ON
STOCK RETURN OF SELECTED
CONSUMER PRODUCT COMPANIES
LISTED IN BURSA MALAYSIA**

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ABSTRACT

This paper aims to find out the best indicator for stock return on Consumer Product in Malaysia listed in Bursa Malaysia. This study is to focus on stock return for Consumer Product companies in Malaysia. It is involving the relationship between independent variables and dependent variables such as Cash Flows from Operating Activities, Cash Flows from Financing Activities, Cash Flows and Investing Activities towards stock returns. This study involved the observations in which consist of 15 consumer product companies, each company starting from year 2006 to 2015.

The methodology used in this study is Regression Model with panel data sourced from Data Stream and Annual report. The interactive software package E-view 8 would be used for testing and analyzing the data collected. This study is an attempt to investigate the relationship of the chosen variables towards influencing the stock return.

A finding from previous research mostly states that Cash Flows from Operating Activities affect the stock return. The result of this research paper would provide an indicative view and could form an important basis for investors and policy makers in their investment strategies and policy decisions respectively.

Keywords: Stock Return, Cash Flow from Operating Activities, Cash Flow from Financing Activities, and Cash Flow from Investing Activities.

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CHAPTER ONE

INTRODUCTION

1.1 INTRODUCTION

It is necessary for the researcher to study the purpose and nature of research paper before conduct the research. This study divides by the five chapters. The objective of this study is to investigate the effect of the cash flow on stock return for consumer product companies' listed in Bursa Malaysia.

The dependent variable is the stock return. The independent variables are cash flow activities such as operating, financing, and investing activities .This study differ with the previous aspect which are, this study to investigate the effect of cash flow in the stock return, the sample was taken from 15 companies in Bursa Malaysia and the year different from previous paper.

The background of study would further explain the knowledge of stock return and cash flow activities. On other hand, this research covers the problem statement, objective, research question, hypothesis to be tested, and significance of study in this chapter, conclusion and recommendations.