

**INFLUENCE OF FINANCIAL RATIOS TO PREDICT PROFIT GROWTH
AT ELECTRIC UTILITY COMPANIES IN MALAYSIA FOR THE
FINANCIAL YEAR 2009-2013**

ABSTRACT

Financial ratios can be used as a tool to determine a company's profit growth in the future, for that this research is conducted to examine the influence of financial ratios against profit growth at electric utility companies in Malaysia for the financial year 2009-2013.

Variables used in this study consists of independent variables which are Current Ratio (CR), Total Assets Turnover (TAT), Debt to Equity Ratio (DER), Gross Profit Margin (GPM), Net Profit Margin (NPM), Return on Assets (ROA), and Return on Equity (ROE) as well as the dependent variable in the form of profit growth.

Objects in this research are electric utility companies in Malaysia with total population of three companies and the selected sample are all of that. For more, panel regression analysis method is used with common effect model that processed using eviews 8 application.

The upshot is that neither partially nor simultaneously the financial ratios used in this research have non-significant influence (with probability > 0.05 and $t_{calc}/F_{calc} < t_{table}/F_{table}$) in predicting profit growth at electric utility company in Malaysia for the financial year 2009-2013.

Keywords : CR, TAT, DER, GPM, NPM ROA, ROE