

**THE EFFECT OF FINANCIAL RISK AND ENTRY MODE ON
THE PERFORMANCE OF MULTINATIONAL CORPORATIONS**

By

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STATEMENT BY THE AUTHOR

I hereby declare that this submission is my own work and to the best of my knowledge, contains no material previously published or written by another person, nor material which to a substantial extent has been accepted for the award of any other degree or diploma at any educational institution, except where due acknowledgement is made in the thesis.

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ABSTRACT

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This research is conducted to find out the impact of financial risk and entry mode on firm's performance of multinational corporations ("MNC"). The sample used MNCs from five industries in Indonesia that is listed in Indonesian Stock Exchange. This study employs multiple linear regression conducted using Eviews software to answer the research question and hypotheses. The data analysis is conducted separately for each industry and for each performance indicators. The result of this analysis indicates that MNCs are subjected to financial risk significantly while Entry mode generally is not significant, although every industry is affected by different variables of firm's size factor and macroeconomic variables.

Keyword: *Financial risk, Leverage, Multinational Corporations, Entry Mode, Macroeconomic variables, industry.*

DEDICATION

I would like to dedicate this to my beloved parents, sisters and friends. Without their support, motivation, patience, and understanding throughout the process, the completion of this work would not be possible.



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