FACTORS AFFECTING BANKRUPTCY IN MALAYSIA

SYAMMEERA KHALEESA BINTI KHALID
2016668744
&
ZARUL IMRAN BIN ZULKIFLI
2016650596

BACHELOR OF BUSINESS ADMINISTRATION (HONS) FINANCE
FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA
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SYAMMEERA KHALEESA BINTI KHALID
2016668744
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ZARUL IMRAN BIN ZULKIFLI
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Submitted in Partial Fulfilment of the Requirement for the Bachelor of Business Administration with Honours (Finance)

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JANUARY 2019
DECLARATION OF ORIGINAL WORK

BACHELOR OF BUSINESS ADMINISTRATION (HONS) FINANCE

FACULTY OF BUSINESS MANAGEMENT

UNIVERSITI TEKNOLOGI MARA

“DECLARATION OF ORIGINAL WORK”

I, SYAMMEERA KHALEESA BINTI KHALID, 951231-10-5082 and
I, ZARUL IMRAN BIN ZULKIFLI, 951016-10-6365

Hereby, declare that:

• This work has not previously been accepted in substance for any degree, locally or overseas, and is not being concurrently submitted for this degree or any degrees.

• This project paper is the result of our independent work and investigation, except where otherwise stated.

• All verbatim extracts have been distinguished by quotation marks and sources of my information have been specifically acknowledged.

Signature: ………………….. Date: ………………………
Signature: ………………….. Date: ………………………
LETTER OF SUBMISSION

JANUARY 2019

Madam Zarinah binti Abu Yazid
Faculty of Business Management
Universiti Teknologi MARA (Kampus Bandaraya Melaka)
75300, Melaka.

Dear Madam,

SUBMISSION OF PROJECT PAPER

Attached is the project paper titled “FACTORS AFFECTING BANKRUPTCY IN MALAYSIA” to fulfil the requirement as needed by the Faculty of Business Management, Universiti Teknologi MARA.

Thank you.
Yours sincerely,

SYAMMEERA KHALEESA BINTI KHALID 201668744

ZARUL IMRAN BIN ZULKIFLI 2016650596

Bachelor of Business Administration (Hons) (Finance)
ABSTRACT

Personal bankruptcy is one of the main concerns by the policy maker in nowadays. The reason being is the increasing trend of bankruptcy in Malaysia will essentially became a stumbling block for Malaysia to become a “high-income status nation” by 2020. Unfortunately, the problem of bankruptcy is still increasing from year to year and this has raised the interest to study what is some of the possible relevant factors that lead to the bankruptcy. The purpose of this study is to investigate the impact of divorce rate, gross net income, lending rate, total public debt and unemployment rate on bankruptcy. This study used 30 yearly data for observations which is from 1985 until 2014. The method used for this study is Multiple Linear Regressions. This study used E-Views software in order to run all the data collected to test and analyses the results for discussions. In this study, the results show all these independent variables are significant except for marital status/ divorce rate. Based on previous studies, mostly agree that divorce rate, gross net income, lending rate, total public debt and unemployment rate plays their own roles in determined the conditions of bankruptcy.