



**THE FINANCIAL PERFORMANCE:
A CASE STUDY OF TENAGA NASIONAL BERHAD**

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APRIL 2010

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“DECLARATION OF ORIGINAL WORK”

I, Abdul Halim bin Abu Bakar, (I/C Number: 850929-14-5323)

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 any other degrees.
- This project paper is the result of my 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: _____

LETTER OF SUBMISSION

30th April 2010

The Head of Program
Bachelor of Business Administration (Hons) Finance
Faculty of Business Management
Universiti Teknologi MARA
Melaka City Campus

Dear Madam,

SUBMISSION OF PROJECT PAPER

Attached is the project paper titled “**THE FINANCIAL PERFORMANCE:
A CASE STUDY OF TENAGA NASIONAL BERHAD**” to fulfill the requirement as
needed by the Faculty of Business Management, MARA University of Technology.

Thank you

Yours sincerely,

ABDUL HALIM BIN ABU BAKAR
2007136083
Bachelor of Business Administration (Hons) Finance

THE CASE STUDY OF FINANCIAL PERFORMANCE OF TENAGA NASIONAL BERHAD

Abstract

Tenaga Nasional Berhad is the only utilities company which generates, transmits, and distributes electricity through out Peninsular Malaysia. TNB transmits the energy through its National Grid. After six decades of operation, TNB had been recognized around the globe. TNB shows an amazing performance through its financial statement. However, for the past 2 years TNB performance declined. This is may be due to the economic crisis and the increasing of the coal and oil price. As a result, the total operating expenses for TNB had been increased and therefore its total net income decreased. This report had been done to evaluate the performance of TNB. Both primary data and secondary data had been collected. Face to face interviews had been done to get more information related to the issues. Five financial year of TNB had been compared as to evaluate the performance. From the data, researcher found that starting from the year 2008, net income for the company had declined due to increasing in total operating expenses. From the tools and measurement of analysis that had been used, the company still can managed its cash and generates in high revenue for the years. Other than that, the objective of this study is to identify the gap. From the results, its shows the different method used by the company compared to the past researcher in Debt to Equity Ratio and Return on Assets. Therefore, some suggestions issued. TNB should focus more on its debts as most of their assets are finance by debts. Other than that, the biomass project should be continue in order for the company to replace the used of coal, gas and oil. Study should be done more on nuclear technology as this will help TNB boosting their performance.