THE PERFORMANCE OF PERMODALAN NASIONAL BERHAD (PNB): BASED ON THE PROFITABILITY ANALYSIS

INTAN MAIZURA BINTI ABDUL RASHID
2008290486

BACHELOR OF BUSINESS ADMINISTRATION (HONS) FINANCE
FACULTY OF BUSINESS MANAGEMENT
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I, INTAN MAIZURA BINTI ABDUL RASHID, (I/C NUMBER: 870615-30-5118)

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 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

28th October 2010

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

Dear Sir/Madam,

SUBMISSION OF PROJECT PAPER

Attached is the project paper Titled “THE PERFORMANCE OF PERMODALAN NASIONAL BERHAD (PNB): BASED ON THE PROFITABILITY ANALYSIS” to fulfill the requirement as needed by the faculty of Business Management, Universiti of Teknologi Mara.

Thank you

Yours sincerely,

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INTAN MAIZURA BINTI ABDUL RASHID
2008290486
Bachelor of Business Administration (Hons) Finance
ABSTRACT

The purpose of this study is to evaluate the financial performance of Permodalan Nasional Berhad (PNB) in term of profitability, to recognize the gap between theory and practice of company profitability management and to provide suggestions to improve the company profitability. A secondary data was used to evaluate the profitability ratios included in PNB annual reports from year 2001 until 2005. Profitability ratios consist of net profit margin, gross profit margin, operating profit margin, return on asset and return on equity. The results reveal that profitability performance of Permodalan Nasional Berhad (PNB) is not efficient due to low on sales and high on cost for the years 2001 to 2005. For better performance in future, PNB need to focus merely on operational efficiency and operational effectiveness which might directly influence the survival of a company (Chien and Song, 2004).