

UNIVERSITI PERTANIAN MALAYSIA COOPERATIVE BHD.

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TABLE OF CONTENT

	pages
acknowledgement.....	i
Table of content.....	ii
CHAPTER 1 : INTRODUCTION	
1.1 : Problem statement.....	1
1.2 : Objective of the study.....	2
1.3 : Hypothesis of the study.....	2
1.4 : Scope and limitation of the study.....	3
CHAPTER 11 : LITERATURE REVIEW	
2.1 : Incorporation and constitution.....	4
2.2 : Historical review	5
2.3 : Problem areas.....	11
CHAPTER 111: METHODOLOGY OF THE STUDY	
3.1 : Introduction.....	18
3.2 : Personal interview.....	18
3.3 : Interview questionnaires.....	19
3.4 : Problems and expectation.....	21
CHAPTER 1V : FINDINGS AND ANALYSIS	
4.1 : Findings.....	22
4.2.1 : Customers of the cooperative bookshop.....	22
4.1.2 : Staffs of the cooperative bookshop.....	27
4.1.3 : Financial standing of the cooperative	29
4.2 : Analysis.....	30
4.2.1 : Analysis on customers.....	30
4.2.2 : Analysis on staffs	32
4.2.3 : Analysis on financial standing.....	33
CHAPTER V :CONCLUSION.....	36
CHAPTER VI :RECOMMENDATION.....	43
BIBLIOGRAPHY.....	50
APPENDIXES.....	51

CHAPTER 1

INTRODUCTION

1.1. PROBLEM STATEMENT

The cooperative form of business is currently gaining popularity as a major bussiness venture. It is conducive to a situation where the no of shareholders is more than fifty one. However in term of legal obligation, it comes under the discretion of the Ministry of National and Rural Development where as the other form of business come under the discretion of the Ministry of Finance.

One of such cooperatives operating in Malaysia is the Universiti Pertanian Malaysia Cooperatives Bhd. which has been established since 1976 with the ultimate objective of venturing into business that can benefit its members. Despite its existance for over 5 years; the author feels that its achievement so far is less than encoraging in comparison to its counterparts such as University of Malaya Cooperative Bhd. This qualitative evaluation is based on the author's personal observation being in the service of the University since 1974, and also the popular talk among the other staffs of the University.

The desire to investigate further for the underlying factors that contribute to this situation prompted

the author to undertake this study.

1.2 OBJECTIVE FO THE STUDY

The general objective of this study is to investigate the possible factors that inhibit the progress of the cooperative.

Specically, this objective can be outlined as follows :

- a) To find out the efficiency of the management teams in running the UPM cooperatives.
- b) To find out the efficiency of the marketing strategy of the bussiness.
- c) To find out the efficency of the financial management of the bussiness.
- d) To recommend a possible solution, to the existing problems.

1.3 HYPOTHESIS OF THE STUDY

The author felt that the major reasons that contribute toward the unsatisfactory performance of the UPM Cooperative Bhd are :

- a) Lack of business acumen, knowledge and experience among the management officials of the cooperative.
- b) The cooperative sole business of bookshop has not been properly managed.