

**UNIVERSITI TEKNOLOGI MARA**

**AWARENESS OF ASB I-FINANCING AMONG MUAMALAT**

**STUDENTS AT UITM MACHANG CAMPUS**

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## **ABSTRACT**

Amanah Saham Bumiputera (ASB) i-Financing is a Shariah-compliant investment product designed to promote financial inclusion and enhance the economic well-being of the Bumiputera community in Malaysia. Despite its potential as a vital financial tool, awareness and understanding of this product remain limited, particularly among Muamalat students at UiTM Machang campus. This issue may stem from insufficient exposure to practical financial products and misconceptions about the features of Shariah-compliant financing. This study aims to assess students' awareness of ASB i-Financing, identify prevailing misconceptions, and propose strategies to enhance their understanding. A total of 159 Muamalat students at UiTM Machang were selected as the study sample, with data collected via structured questionnaires. The findings reveal that 92.5% of students are aware of ASB i-Financing and recognize it as a Shariah-compliant product. However, only 26.4% have actively used the product, highlighting a gap between knowledge and practical application. Factors such as financial literacy, peer influence, and understanding of Islamic finance principles were identified as significant determinants of attitudes and intentions toward using the product. This study recommends focused educational initiatives, more effective marketing strategies, and greater integration of practical Islamic finance knowledge into the curriculum to enhance awareness and utilization of Shariah-compliant financial instruments among students. These findings aim to contribute to the development of financial literacy and prepare students for professional roles in the field of Islamic finance.

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## TABLE OF CONTENTS

CONFIRMATION BY PANEL OF EXAMINERS .....	I
AUTHOR'S DECLARATION.....	II
ABSTRACT.....	III
ACKNOWLEDGEMENT.....	IV
TABLE OF CONTENTS .....	V
CHAPTER ONE .....	1
INTRODUCTION.....	1
1.0 Research Background.....	1
1.1 Problem Statements .....	4
1.2 Research Questions .....	5
1.3 Research Objective .....	6
1.4 Research Significance .....	6
CHAPTER TWO .....	8
LITERATURE REVIEW .....	8
2.0 Introduction.....	8
2.1The Concept of ASB Financing.....	9
2.2 The Regulatory And Legal Framework Governing Amanah Saham Bumiputera (Asb) .....	10
2.3 The Value Of Asb's Dividend Payment To Stockholders.....	12
2.4 Investing In Asb And Asn: A Legal Perspective .....	14
CHAPTER THREE .....	17
RESEARCH METHODOLOGY .....	17
3.0 Introduction.....	17
3.1 Research Participants.....	18
3.2 Research Design .....	19
3.3 Sampling Technique .....	21
3.4 Data Collection.....	22
3.5 Research Instruments.....	24
3.6 Data Analysis.....	25
CHAPTER FOUR.....	28
FINDINGS .....	28
4.0 Introduction.....	28

# **CHAPTER ONE**

## **INTRODUCTION**

### **1.0 Research Background**

A unit trust fund called Amanah Saham Bumiputra (ASB) was created expressly to help Malaysia's indigenous population, known as Bumiputera. This is under a broader national goal that aims to encourage Bumiputera wealth building and economic equality. Since its founding in 1990 by Permodalan Nasional Berhad (PNB), ASB has made a substantial contribution to the socioeconomic structure of Malaysia by providing Bumiputera with chances for wealth accumulation and by promoting an investment and saving culture (PNB, 2024). As a government-backed program, ASB is still an essential tool for the Bumiputera community's financial inclusion and economic advancement. The history, development, and socioeconomic effects of ASB in Malaysia are thoroughly examined in this essay. (ASNB, 2024)

The New Economic Policy (NEP), which the Malaysian government implemented in 1971 in the wake of the 1969 racial disturbances, is where ASB got its start. With the goal of eliminating poverty and narrowing the wealth gap between Bumiputera and non-Bumiputera people, the NEP served as a strategic framework (Ahmad Adib Aiman Nasharuddin, 2023). The aim of this policy was to raise Bumiputera ownership in the corporate sector from 2.4% in 1970 to 30%. The purpose of Permodalan Nasional Berhad (PNB), which was founded in 1978, was to manage several trusts and investment plans for Bumiputera. (Mohamed Sharif Bashir, 2011)

As a unit trust fund accessible only to Bumiputera investors, ASB was established on January 2, 1990, in accordance with this more general policy. The main goal of ASB was to enable the Bumiputera community to contribute to Malaysia's economic progress by offering a low-risk, high-return savings platform. ASB sought to protect investors' wealth while offering competitive returns by combining investments into a diversified portfolio. This program was a financial tactic, but it was also a component of a socio-political plan to improve the economic standing of the Bumiputera community. (Fatin 'Alia Zahri, 2024)

PNB is essential to the administration of ASB. PNB, one of the biggest fund management firms in Malaysia, has always been a reliable source of investing expertise, which has supported ASB's expansion and stability. Investments in a diverse array of assets, such as money market instruments, fixed-income securities, and Malaysian equities, are part of PNB's