



**A STUDY ON THE PRACTICE OF CREDIT POLICY BY SAPURA
SYNERGY (MALAYSIA) SDN BHD**

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“DECLARATION OF ORIGINAL WORK”

I, Muhd Redzuan Bin Abdul Hamid,

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

Signature:_____

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ABSTRACT

Sapura Synergy (Malaysia) Sdn Bhd is the one company that doing the business of IT and technology services and trading. Sapura Synergy (Malaysia) operated in Lot 5, Jalan 219, 46710 Petaling Jaya, Selangor Darul Ehsan. Sapura Synergy is a subsidiary under Sapura Technology Berhad as one of Sapura Holdings Group. This company basically provide service towards IT and generate the system in corporations. Any public or private sector required a network within their office and also a set of Personal Computer itself. Communications technology that follows the world streamlines which keep on developing in advances.

As well as other firm, Sapura Synergy also facing credit risk equally as compared to its competitor. The collection period or average collection period must be compared to competitors to see whether the credit given and customer risk is in line with the industry. A high collection period shows a high cost in extending credit to customers.

Sapura Synergy credit policy still has some weaknesses in applying the credit policy. For credit standard which selected the customer, they are normally based on the experience not based on the policy that they need to follow and all the decision are make by the management. Finding in the credit collection, the management is not enough staff to conduct the entire task in order to maintain the management of the credit policy which is required day to day management. Besides that in apply the credit collection, the management are not fully applying all the procedure. Sapura Synergy also does not apply the credit term to encourage their customer pay more early but the company applies the punishment term when their customer makes payment in late. Besides that the company does not apply the average collection period (ACP) in order to evaluate the company performance in term of collection year by year.

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