

**TESTING OF WEAK FORM EFFICIENCY ON SELECTED SHARIAH
INDEX IN BURSA MALAYSIA**

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**FACULTY OF BUSINESS MANAGEMENT
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DECLARATION OF ORIGINAL WORK



BACHELOR OF BUSINESS ADMINISTRATION (HONS) FINANCE

FACULTY OF BUSINESS MANAGEMENT

UNIVERSITI TEKNOLOGI MARA

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I, W NURFARA ANUM BINTI W MHD KAMAL, (I/C Number: 950116-14-5148)

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: _____

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LETTER OF TRANSMITTAL

January 2018

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Dear Sir / Madam,

SUBMISSION OF FINAL PROJECT PAPER

Attached is the project paper title “**TESTING OF WEAK FORM EFFICIENCY ON SELECTED SHARIAH INDEX IN BURSA MALAYSIA**” to fulfil the requirement needed by the Faculty of Business Management, Universiti Teknologi MARA.

Thank You,

Sincerely,

W NURFARA ANUM BINTI W MHD KAMAL

2015139721

Bachelor of Business Administration (Hons.) Finance

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ABSTRACT

The purpose of this study is to investigate the existence of Efficient Market Hypothesis (EMH) on selected Shariah Index in Bursa Malaysia. However, this study is only testing the weak form of EMH. The index chosen for this research is EMAS, HIJRAH, and MIDS CAP Index. The data was collected in for each index for daily basis from year 2013 to 2017. This study used Autoregressive Model to regress the past stock price with the current stock price. Tests employed for this study includes descriptive analysis, test for estimated empirical model, stationary tests and diagnostic tests. Result of this study reveals that for daily data, all the index has significant relationship which can be concluded as inefficiently weak. These results provide understanding towards investors, analysts and regulator in dealing with Efficient Market Hypotheses.