



LIQUIDITY ANALYSIS: A CASE STUDY IN CTRM AC MELAKA

ARTIQAH BT ABDUL RAZAK
2008564175

BACHELOR OF BUSINESS ADMINISTRATION (HONS) FINANCE
FACULTY OF BUSINESS MANAGEMENT
UNIVERSITY TEKNOLOGI MARA
MELAKA CITY CAMPUS

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**“LIQUIDITY ANALYSIS: A CASE STUDY OFCTRM AERO
COMPOSITES SDN BHD, BATU BERENDAM MELAKA”**

ARTIQAHT BT ABDUL RAZAK

2008564175

**Submitted in Partial Fulfillment of the Requirement for the Bachelor of
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FACULTY OF BUSINESS MANAGEMENT

UNIVERSITI TEKNOLOGI MARA BANDAR RAYA MELAKA

NONEMBER 2010

DECLARATION OF ORIGINAL WORK



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(HONS) FINANCE
FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA
MELAKA CITY CAMPUS**

“DECLARATION OF ORIGINAL WORK”

I, Artiqah bt Abdul Razak, (IC Number: 870621295454)

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 TRANSMITTAL

The Head of Program
Bachelor of Business Administration (Hons) Finance
Faculty of Business and Management
Universiti Teknologi MARA Kampus Bandaraya Melaka,
110 Off Jalan Hang Tuah,
75300 Melaka

Dear Sir,

SUBMISSION OF INDUSTRIAL TRAINING REPORT (FIN 667)

Attached is the project paper titled “**LIQUIDITY ANALYSIS: A CASE STUDY OF CTRM**”.

This study is conducted in order to fulfil the requirement needed by the faculty of Business Management Universiti Teknologi MARA.

Thank You.

Yours sincerely

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ARTIQAHT BT ABDUL RAZAK

2008564175

Bachelor of Business Administration (Hons) Finance

ABSTRACT

CTRM Aero Composites is a subsidiary of Composites Technology Research Malaysia which is located at the Batu Berendam Melaka. The main business of CTRM AC is focusing on the manufacturing of composites components for both aerospace and non-aerospace segments. Researcher have choose liquidity analysis as the topic due to certain issues concerning on CTRM AC liquidity performance of the company. The objective of this study is to analyze the liquidity performance in order to overcome the liquidity problem. Liquidity performance is part of the financial analysis .Financial analysis is the most important way for company to analyze and evaluate the performance of the company either good or worse. One of the methods is using quantitative analysis which is ratio analysis in measure the liquidity performance of CTRM AC. Among many performance indicators of a company that can be derived from financial statements, the short-term liquidity commands a great deal of attention from both investors and management. Liquidity is company's ability to satisfy obligation using assets that are most readily converted into cash. Assets that may be converted into cash in short time period referred to liquid assets or current assets. Current assets are often referred to as working capital, since its represent the sources need to finance day to day operation. In finding, researchers found that CTRM AC has liquidity problem especially in managing account receivable and payable. These studies suggest steps to be taken in order to overcome this liquidity problem. The managing the working capital such as inventory, receivable and payable need appropriate strategies to avoiding company having liquidity problem. Researcher also found the weaknesses of the company plus the solution towards that problem