



**THE CAPITAL BUDGETING TECHNIQUES PRACTICES ON  
TNB: A CASE STUDY OF TNB BANDA KABA MELAKA**

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**APRIL 2010**

## **DECLARATION OF ORIGINAL WORK**



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### **“DECLARATION OF ORIGINAL WORK”**

I, Mohd Razif Bin Karim, (I/C Number: 860824-46-5493)

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 SUBMISSION

MAY 2010

The Head of Program  
Bachelor of Business Administration (Hons) Finance  
Faculty of Business Management  
Universiti Teknologi MARA  
Kampus Bandar Melaka

Dear Sir,

### SUBMISSION OF PROJECT PAPER

Attached is the project paper titled “**A STUDY ON THE CAPITAL BUDGETING TECHNIQUES PRACTICES**” to fulfill the requirement as needed by the Faculty of Business Management, Universiti Teknologi MARA.

Thank you

Yours sincerely

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## “ THE CAPITAL BUDGETING TECHNIQUES PRACTICES ON TNB BANDA KABA”

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### **ABSTRACT**

This case study is capital budgeting techniques practices toward TNB Banda Kaba. The techniques in the study have seven techniques. There are payback period, discounted payback period, net present value, average/accounting rate of return, internal rate of return, profitability index, and modified rate of return. But at TNB Banda Kaba only use five techniques. There are payback period, discounted payback period, average/accounting rate of return, internal rate of return, and net present value. Two techniques are not concerned in the TNB Banda Kaba in their capital budgeting practices.

Alternative capital budgeting techniques are usually presented as a set of somewhat unrelated methods for the acceptance or rejection of a project. Under this study capital budgeting techniques, the types of project must be take consideration because it also give effected to decision making in project. The types are independent project and mutually exclusive project. For this case of study, TNB Banda Kaba use the independent project where they will accept all project because TNB is a company that generates, transmits, and distributes electricity to consumer.

In this case of study, the source of information collects from the secondary data and primary data. The secondary data such as journal, articles, books, published text and primary data is interview and search website.

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