TESTING OF WEAK FORM EFFICIENCY ON BURSA MALAYSIA'S SELECTED INDUSTRIES

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FACULTY OF BUSINESS MANGEMENT

UNIVERSITI TEKNOLOGI MARA

KAMPUS BANDARAYA MELAKA

JANUARY 2017

DECLARATION OF ORIGINAL WORK

BACHELOR OF BUSINESS ADMINISTRATION (HONS.) FINANCE

FACULTY OF BUSINESS MANAGEMENT

UNIVERSITI TEKNOLOGI MARA

"DECLARATION OF ORIGINAL WORK'

I, MUHAMMAD ADIB AKMAL BIN NOOR AZLAN, (I/C Number: 930508-10-5323)

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

January 2017

Dr. Fahmi bin Abdul Rahim

Bachelor of Business Administration (Hons) Finance,

Faculty of Business Management,

UniversitiTeknologi MARA, Melaka City Campus,

110 Off Jalan Hang Tuah, 75300 Melaka.

Dear Sir / Madam,

SUBMISSION OF FINAL PROJECT PAPER

Attached is the project paper title **"TESTING OF WEAK FORM EFFICIENCY ON BURSA MALAYSIA'S SELECTED INDUSTRIES"** to fulfil the requirement needed by the Faculty of Business Management, Universiti Teknologi MARA.

Thank You,

Sincerely,

MUHAMMAD ADIB AKMAL BIN NOOR AZLAN

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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) in Bursa Malaysia's selected industries. However, this study is only testing the weak form of EMH. The industries chosen for this research is Construction, Consumer, Industrial and Tin and Mining industry. The data was collected in for each industry for daily, weekly and monthly basis from year 2011 to 2015. 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 of the industries has significant relationship which can be concluded as inefficiently weak. Meanwhile, for weekly data only consumer industry is inefficiently weak and for monthly data only industrial industry is inefficiently weak. All the other data for other industries can be concluded as efficiently weak. These results provide understanding towards investors, analysts and regulator in dealing with Efficient Market Hypotheses.