

UNIVERSITI TEKNOLOGI MARA

**FACTORS INFLUENCING THE COMMUNITY IN
SHAH ALAM TO TRUST ZAKAT INSTITUTIONS**

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Final Year Project Paper submitted in fulfillment
of the requirements for the degree of
**Bachelor of Business Administration
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AUTHOR'S DECLARATION

I declare that the work in this final year project paper was carried out in accordance with the regulations of Universiti Teknologi MARA. It is original and is the results of my own work, unless otherwise indicated or acknowledged as referenced work. This thesis has not been submitted to any other academic institution or non-academic institution for any degree or qualification.

I, hereby, acknowledge that I have been supplied with the Academic Rules and Regulations for Undergraduate, Universiti Teknologi MARA, regulating the conduct of my study and research.


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ABSTRACT

Zakat is the third pillars in Islam and it is an obligation for Muslims to pay zakat. It can be defined as a system that can lessen poverty with the purpose of reducing the gap between the poor and the rich. The zakat collection will be used to distribute to the eligible recipients of zakat. Since zakat involve a large number of individuals, an authority, institutions or management is needed to manage the zakat collection. The authority is given the trust by Muslims in collecting and distributing the zakat collection according to sharia. The trust of zakat payers has helped the survival of zakat institutions as well as in increasing collection of zakat fund. This study aims to figure out the factors influencing the zakat payers to trust zakat institutions in Shah Alam. This paper provides a brief explanation on zakat, the factors that influence the zakat payers to trust zakat institutions, how the research methodology is used and the findings of the study. The important contribution of this study is that those factors identified could be useful in planning or strategizing in increasing participation of zakat in the future.

Key words: Zakat, Trust, board capital, disclosure practice, stakeholder management

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