

**QUALITY AWARDS AND MARKET REACTIONS:  
THE CASE OF MALAYSIA**

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**Submitted in Partial Fulfillment  
of the Requirement for the  
Bachelor of Business Administration  
(Hons) Finance**

**FACULTY OF BUSINESS MANAGEMENT  
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## **LETTER OF SUBMISSION**

22 October 2007

The Programme Coordinator  
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Universiti Teknologi MARA  
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Johor.

Dear Sir,

### **SUBMISSION OF PROJECT PAPER**

Attached is the project paper titled "QUALITY AWARDS AND MARKET REACTIONS: THE CASE OF MALAYSIA" to fulfill the requirement as needed by the Faculty of Business Management, University Teknologi MARA

Thank you

Yours sincerely

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**DECLARATION OF ORIGINAL WORK**



**BACHELOR OF BUSINESS ADMINISTRATION  
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**“DECLARATION OF ORIGINAL WORK”**

I, Hasnizahanim Binti Masilan, (I/C Number: 841225016174)

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: 22 October 2007

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## ABSTRACT

The purpose of this study is to identify the effect of quality award announcement on the stock performance in Malaysia from the year of 1996 until 2006. Quality Management Excellence Award (QMEA) has been chosen as the type of quality award. Three methodologies are used in this study which consists of Event Study Methodology, Capital Assets Pricing Model (CAPM) and Treynor & Jensen's Index. The data used in this study consist of the data from Bursa Malaysia Composite Index (BMCI), Treasury Bills, Beta of the stocks and also daily closing prices of companies winning the Quality Management Excellence Award (QMEA) from the year of 1996 until 2006.

It was found that the results were consistent with findings of previous researches, suggesting the absence of abnormal returns for winner companies. The evidence suggests that the stock market is semi-strong efficient with respect to the effect announcement of winning the Quality Management Excellence Award (QMEA) on its recipients.