



**APPLIED BUSINESS PROJECT  
(MBA 795)**

**A STUDY OF FINANCIAL AND OPERATIONAL  
PERFORMANCE OF QUSHAI ENTERPRISE**

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## EXECUTIVE SUMMARY

Initial investigation has identified certain weaknesses and limitations in Qushai Enterprise's operations which justify the need for this study. The purpose of this study is to evaluate Qushai Enterprise business operation and performance. Specifically the study has the following objectives:

1. To analyse financial performance of Qushai Enterprise
2. To analyse operational efficiencies

The findings indicate that Qushai Enterprise did not have a proper financial management to monitor its day to day operations. Specific weaknesses were identified include:

1. No proper cash flow management
2. No proper credit management for its account receivables
3. No proper asset inventory management

The project was carried out through survey using structured questionnaires, face to face interview with the manager and employees, site visit to the company's operation venue and office. Analysis of secondary data was from sources such as bills, invoices, statements of account and bank statements of the company.

Based on the findings of the study several recommendations have been proposed.

The major areas are:

1. Cash Flow Management.
2. Credit Management.
3. Operation Management.

# CHAPTER 1

## INTRODUCTION

### 1.0 AN OVERVIEW OF THE FOOD CATERING INDUSTRY

The hospitality industry includes all establishments that provide food and beverages service to the public. Catering businesses have become one of the fastest growing segments of the food service industry not only in Malaysia but internationally. Changing population demographics and lifestyles in Malaysia and in Sarawak in particular have been a primary force behind this growth. Two income families, extended weekends and the increasing size of population nationwide, are a few of the major influences contributing to this growth trend. The result is an increased demand for professional food preparation and service to both small and large group gatherings in wide variety of settings.

The catering industry is divided into two fundamentally different disciplines: facility catering and outside or off-premises catering. A facility is a hotel, banquet hall, conference centre, or other venue that has space an organization can use. Facility catering, therefore is the discipline in which a facility provides food, beverages and logistical support to an organization or customers that needs function space at that facility. Function space is the term used to describe the meeting rooms, ballrooms, exhibition halls, and other banquet spaces a facility makes available to organizations for various uses. In contrast to facility catering,

## CHAPTER 2

### LITERATURE REVIEW

#### 2.0 Preamble

Today the competition in the food catering industry is getting intense. Power & Barrows (1999) says that the food service industry is trying to attract customer's attention by using new concepts such as advertisement, locations and service. The main objectives in the food industries are all the same, i.e. to offer customers the products and services that they want at a reasonable profit. However, most important of all is to satisfy existing consumers and to bring in potential customers.

National Restaurant Association, USA (1990) states that in order to prosper in the economic and social conditions the industry players must adapt and change rapidly. The foodservice sector, the catering service in particular can be grouped based on the products they offer, the market segment that they serve and the conditions under which they operate. All the conditions mentioned above are subjected to the changing demands placed on the food service industry. As the public becomes more and more sophisticated and become more aware of food, demands placed on the industry will rise.