UNIVERSITI TEKNOLOGI MARA

A STUDY ON THE AWARENESS LEVEL OF STOCK TRADING BUMIPUTERA AMONG

SITI FAQIHAH BINTI RASEDI

Thesis submitted in fulfillment of the requirements for the degree of **Bachelor in Muamalat (Hons.)**

Faculty Academic of Contemporary Islamic Studies

January 2019

AUTHOR'S DECLARATION

I declare that the work in this thesis 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 Post Graduate, Universiti Teknologi MARA, regulating the conduct of my study and research.

Name of Student : Siti Faqihah Binti Rasedi

Student I.D. No. : 2015408876

Programme : Bachelor in Muamalat - IC210

Faculty : Academic of Contemporary Islamic Studies

Thesis : A Study on The Awareness Level of Stock Trading

among Bumiputera

Signature of Student :

Date : 14 January 2019

ABSTRACT

Generally, people realized that investment is one of the ways to increase savings and stock trading have been widely develop in Malaysia stock market. However, the question is that do the Bumiputera as a whole able to access to the stock trading, especially to those who are in the lower income group. The study also proposed to examined the awareness level and participation of Bumiputeras community in stock trading and observing the opportunities it can brought to them as an alternative in balancing their financial growth, increase their welfare and reduce poverty. Besides, this study also aims to study their level of understanding on investment concept in stock trading. The data for this research is collected by distributing questionnaires among the Bumiputeras community as the sample research which only focusing at the area of Desa Pinggiran, Kajang. The sampling method involved in the research is stratified random as the questionnaires are distributed in different time in one same place. All the data is successfully collected and analyzed by descriptive statistic. The study found that, even though the Bumiputera do have general knowledge on the concept of investment, their direct involvement and accessibility to it are limited. The two main factors that hinder their ability to invest in Islamic stock trading are low financial literacy and exposure to the stock trading. As a whole, the Bumiputera participation in the Islamic stock trading is low and very limited. These phenomena are obvious when most of them are not able to maintain and increase their initial investment value.

Keywords: Awareness, Bumiputera, Stock Trading.

ACKNOWLEDGEMENT

Firstly, I wish to thank Allah for giving me the opportunity to embark on my degree and for completing this long and challenging journey successfully. My gratitude and thanks go to my supervisor Miss Nurul'Ain Mohd for constantly give me guidance in completing my thesis.

My appreciation goes to the CEO and staff members of the iSaham Sdn. Bhd. who provided the facilities and assistance during sampling. Special thanks to my colleagues and friends for helping me with this project.

Not to forget my parents, Rasedi bin Teh and Nik Morni Nik Mohd Amin for financially, physically, and mentally non-stop supporting me from the beginning of this journey. This piece of victory is dedicated to both of you. Alhamdulilah.

TABLE OF CONTENTS

| | Page | | |
|---|-------------------------|---------------------------|---|
| CONFIRMATION BY PANEL OF EXAMINATION | ii | | |
| AUTHOR'S DECLARATION | iii | | |
| ABSTRACT | V | | |
| ACKNOWLEDGEMENT | iv | | |
| TABLE OF CONTENTS | vi | | |
| LIST OF TABLES LIST OF DIAGRAMS LIST OF FIGURES LIST OF ABBREVIATION/NOMENCLATURE | ix xi xii xiii | | |
| | | CHAPTER ONE: INTRODUCTION | 1 |
| | | 1.1 Background Study | 1 |
| | | 1.2 Problem Statement | 2 |
| 1.3 Research Objectives | 4 | | |
| 1.4 Research Questions | 4 | | |
| 1.5 Operational Definition | 4 | | |
| 1.5.1 Definition of stock | 4 | | |
| 1.5.2 Definition of Bumiputera | 5 | | |
| 1.6 Significance of The Research | 5 | | |
| 1.7 Conclusion | 6 | | |
| CHAPTER TWO: LITERATURE REVIEW | 7 | | |
| 2.1 Introduction | 7 | | |
| 2.2 Investment Concept in Stock Trading | 8 | | |
| 2.2.1 Investment Concept in Stock Trading | 9 | | |
| 2.2.2 Concept of Islamic stock Trading | 9 | | |
| 2.3 Awareness Among Bumiputera Participation in Stock Trading | 11 | | |
| 2.3.1 Lack of Financial Literacy | 11 | | |
| 2.3.2 Lack of Educational Exposure | 13 | | |