PORTFOLIO ANALYSIS

OPTIMIZATION OF MIX OF RETURNS

SITI AFZAN CHE ALI
2000223663

BBA (HONS) FINANCE
FACULTY OF BUSINESS AND MANAGEMENT
UNIVERSITI TEKNOLOGI MARA
KELANTAN

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LETTER OF TRANSMITTAL

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The Head of Program
Bachelor of Business Administration (Honors) Finance
School Of Business and Management
Universiti Teknologi Mara
Machang Campus
18500 Machang
Kelantan Darul Naim.

Sir,

SUBMISSION OF PROJECT PAPER (FIN 650)

Attached is the project paper titled **"OPTIMIZATION OF MIX OF RETURNS"**to fulfill the requirement as needed by the School of Business and Management, Universiti Teknologi Mara.

I do hope that this project will meet your requirement and can give benefits to the students in the future, InsyaAllah.

Thank you.

Yours truly,

SITI AFZAN CHE ALI

2000223663

Faculty of Business and Management.

ACKNOWLEDGEMENT

Bismillahirahmanirahim....

In the name of ALLAH, The Merciful, The Beneficent

Glory to Allah S.W.T, the most gracious, the most merciful and peace to upon his messenger Holy Prophet Muhammad S.A.W the worship belongs to only Allah S.W.T.

First and foremost, Alhamdulillah at last this report is ready on the day it is due finish. Whilst accepting full responsibility for the contents of this work, it would be churlish not to acknowledged the debt I owe to all those who directly and indirectly contributed to this writing. It has a most fruitful experience to have been able to do this research.

Here, I would like to express my greatest sincere to my advisor, **En. Mohd Nor Shapiin,** for being very patient, helping me to get some ideas regarding my topic and also to his valuable advise and encouragement. A very thank you to you, sir.

I would also like to thank to my entire friends, namely Suriati, Haiyu ,Hasliza, Baharina, Ajah and my entire class who worked, studied, played and prayed together in the name of Allah, the Compassionate, the Beneficent and the Merciful.

A very special thanks to librarians of Universiti Teknologi Mara, Machang campus and various learned members of the faculty who really helping me in searching and collecting data in preparing this project paper.

Last but not least, a special gratitude to my beloved parent who inspired me into pursuing the university, Mohd Faridzal Nik Wil who has behind supporting and encouraging me. To the rest of the family members, saying 'thank you' seems not enough but thanks anyway.

ABSTRACT

This project paper study on the selection of the optimum portfolio by using the Simple Sharpe Optimization Model, in respect to the financial and trading counters listed in Main Board of Kuala Lumpur Stock Exchange (KLSE).

The objectives of the study are mainly to look at the construction of optimum portfolios and evaluate the portfolio's performance. Reviews of the related literature are discussed within the study scope.

Data are collected on the monthly basis for a period from January 1997 to December 2001. There are ten (10) counters in two (2) sectors will be selected as a sample.

When the research is done, the conclusion would show the construction of the optimum portfolio and how the portfolio will maximize the investor's wealth.