



**FACTOR AFFECTING OF THE PROBABILITY OF
CREDIT CARD DEFAULT:
THE CASE OF GOVERNMENT SERVANT IN
JOHOR BAHRU**

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PROJECT PAPER ABSTRACT FORM

Name of student: Muhamad Izudin bin R.Azeman

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Research Title : Factors Affecting the Probability of Credit Card

Default : The Case of Government Servant in Johor Bahru

Abstract of the topic (brief outline of what you intend to do):

In Malaysia banking sector, the issue of default payment on financing has become a major issue emphases by most of the banking in Malaysia. The bad effect of default payment on financing among customer is when it turns into Non-performing loan. One of the causes of the default payment is credit card usage. Credit card debt has become one of the most common problems in the Malaysia. The total amount uses by consumer in their transactions that will end up with payment default and will be threatened and give impact to the economy should be seriously focused. The purpose of this study is to determine the factor that bringing the default payment in credit card debt among government servant in Johor Bahru. This research has taken a 100 respondent that consist from the customer in Malaysia Banking sector. In order to accomplish this survey, SPSS system with multiple regression, structured questionnaire and convenience sampling will be used to analyze the result.

Advisor 1: _____

Initial & Chop:

Advisor 2: _____

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Chapter 1

Introduction

1.0 Introduction of Study

The way we pay for goods and services has been revolutionized to the various of method. The most popular method is by using the plastic payment which is credit card, debit card or charge card. Among all these card, the credit card is more focus because its encourage people to spend beyond their means and get mired in debt. According to Evans&Schamlensee,(2005) credit card enabled people to increase a better standard of living. It is support by Warren and Warren-Tyagi (2003) in their statement which is credit cards provides temporary opportunities for people to continue their life standards when their income is not sufficient.

Credit card or plastic money is one of the system that issue by financial institution to enable their consumer for make a payment. The word of credit is meaning the ability to get a product, service or money present with the promise to pay back in future (Christine Ammer and Dean S. Ammer (1984). According to theChoo et al., 2007) a credit card can be definite as termed as “plastic money” which involves the ‘buy first pay later’ option.The extended credit must be settled within a given period, or else interest will be charged on the remaining balance. (Paxson& Wood 1998).

There is a few advantages of using credit card such as allows people to make payment in bulk or huge amount, allow people not to carry the cash, enable people to do online transaction(icc). For general economy and card holders advantages, its can eliminate the risk of stolen, credit card also can be provide the possibility of purchase and cash