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**Title of Research
Increase In Price Of Goods: Public Understanding
Towards Government Subsidy Rationalization**

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CHAPTER 1

INTRODUCTION

INCREASE IN PRICE OF GOODS: PUBLIC UNDERSTANDING TOWARDS GOVERNMENT SUBSIDY RATIONALIZATION.

1.0 Introduction

This chapter focuses on the background of the study which is on the public understanding towards government subsidy rationalization. This chapter also will discuss on the problem statement, research questions, research's objectives, scope of the study, significance of the study as well as the definition of terms or concepts

1.1 Background

Increase in price of goods nowadays has brought dissatisfaction among the community in the whole nation. In order to ease the burden of the people in the country, Malaysia was one of the countries who have given the subsidy on certain of the goods in the market. We are to study either the public or the "rakyat" know about the subsidies that are given by the government. Malaysia as one of the top subsidized country around the world has launched to reduce subsidies to capture its development goals. (Saeed, Fatimah & Roza, 2013).

Subsidy can be defined as a benefit given by the government to groups or individuals usually in the form of a cash payment or tax reduction. The subsidy is usually given to remove some type of burden and is often considered to be in the interest of the public (Investopedia, 2014). There are many forms of subsidies given out by the government, including welfare payments, housing loans, student loans and farm subsidies. For example, if

CHAPTER 2

LITERATURE REVIEW AND CONCEPTUAL FRAMEWORK

2.0 Introduction

This chapter provides a review of the literature on the public understanding on the government subsidy rationalization that consist of the income level, exposure on the subsidy, personal factors and influences perception on subsidy. This chapter also will discuss on the conceptual framework for the study.

2.1 Literature Review

Although subsidies are meant to help the recipients, the benefits may vary depending on the type of the subsidy, how well it is implemented and the affordability. (Nalishiwa Musanga Lister, 2011). Generally, the economic justification for the use of the subsidies is to support the infant industry, to offset temporal negative shocks and to protect the environment from degradation (FAO). They are meant for short term measures. While subsidies may have an economic effect on beneficiaries disengaging government from them may be difficult once started (ibid). However, governments forge ahead with implementation despite the problem. This section reviews the literature concerning use of subsidies and draws a conclusion at the end.

Apart from that, a study on Gabon, by El Said Leigh, (2006) revealed that, the richest 10% of the individuals receive about one-third of the total subsidy. Meanwhile, the poorest 30% of individuals receive only 13% of all the subsidies. This shows that the

CHAPTER 3

RESEARCH METHOD

3.0 Introduction

This chapter will explain on the research method that consists of research design, unit of analysis, sample size, sampling technique, measurement or instrumentation, data collection as well as data analysis of the study.

3.1 Research Design

Research design involves a series of rational decision-making choices relating to decision regarding the purpose for the study, location, the type it should conform to or most called as type of investigation, the extent of research interference, its temporal aspects and the level of which data will be analyzed which is unit of analysis. For this study, the researchers use a cross-sectional sample survey or most known as one-shot study in collecting data whereby the data gathered just at once which is in three weeks from 7th of November until 21st of November 2014.