FACTORS OF BANKRUPTCY IN MALAYSIA

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JANUARY 2018

ACKNOWLEDGMENTS

In the name of Allah, the Most Compassionate, the Most Merciful

Praise be to Allah the Al-Mighty for giving me the strength and patience to complete this study within the period given.

I wish to express my sincere gratitude to my advisor, Madam Zunaidah Ab Hasan and Ahmad Syaifulizan B. Zulkeefly, for their continuous encouragement, invaluable suggestions, patient guidance and supporting me with kindness, sympathy and academic enthusiasm. Their forceful comments and meticulous directions were a constant source of inspiration to our research that immensely improved the quality of this project paper.

I would like to take this opportunity to deliver my deepest indebtedness to my parents for their patience, support and guidance for this research. Not to forget, great appreciation go to the rest of our friends that help me from time to time during the research.

Great deals appreciated go to the contribution of our faculty – Faculty of Business Management (Finance). Besides that, I also would like to express our gratitude towards Malaysia Department of Statistic and Malaysia Department of Insolvency for willingly to cooperate with me by giving the information and data that I needed for this research. Apart of that, I hope that all the information and data that I have gathered here will increase the knowledge of anyone who will be accessing it regarding the study on the "Factors of Bankruptcy in Malaysia". It would be a great honour to us if it is used as reference for any other good causes.Finally, I would like to extend this appreciation to all that have directly and indirectly contributed invaluable assistance, cooperation and support in the completion of this research.

ABSTRACT

Research reported in this paper is a research on “Factors that Leads to Bankruptcy in Malaysia”. The aim of this research is to investigate the relationship of credit card rate, medical debt rate and personal debt rate to the number of bankruptcy recorded in Malaysia. The research used Autoregressive Distributed Lag (ARDL) in order to find the relationship among those independent variables to the number of bankruptcy cases in Malaysia. The quarterly rates were collected from quarter 1 in 2006 to quarter 2 in 2013.The result of this study show that credit card and medical debt have significant relationship to the number of bankruptcy. As conclusion for the studies shows that the credit card, medical debt and personal debt become are factors that contribute to the number of bankruptcy.

Keywords: bankruptcy, credit card, medical debt, personal debt, Autoregressive Distributed Lag (ARDL)

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