



**MARA INSTITUTE OF TECHNOLOGY
SCHOOL OF BUSINESS AND MANAGEMENT
SHAH ALAM**

A STUDY ON

**THE EFFECT OF ASN FUND'S SUPPLY TOWARDS THE RETURN
BEFORE AND AFTER THE FLOATING**

BY

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ABSTRACT

Everyone must have known that ASN is one of the successful unit trust scheme in Malaysia especially to the Bumiputera community. Since its establishment in April 1981, ASN scheme has experienced a tremendous growth and most of the unitholders are happy with the return distributed by ASNB. However, after ASN was start selling at open market in 1991, the scheme facing a huge reduction of its fund because most of the unitholders have transferred their investment funds to the new scheme known as ASB.

Therefore, considering the tremendous reduction of ASN funds, the study on analysing the effect of ASN funds supply towards the return distribution before and after the floating is carried out. Focusing only the dividend and bonus as the return to be analysed, the finding of the analysis has revealed a rather mixed results.

Before ASN was floated, the result obtained shows that the return is affected by the size of the fund which reflect the assumption made earlier that fund and return should have positive relationship. However, the result obtained after ASN was floated shows a rather inconsistent result which claimed that the return is not affected by the size of the fund. Somehow rather, R-Squared result shows a contradicts result which still shows the strong influenced between the fund and the return. Based on the above analysis and the support of the descriptive analysis of variables chosen, it can be concluded that the return is affected by the size of the fund and if it is not affected, the impact is mainly contributed by the abnormal economic performance.

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