

**THE IMPACT OF FINANCIAL REFORMS ON THE
PERFORMANCE
OF DISCOUNT HOUSES (PROFITABILITY)**

PREPARED BY :

NORZAMBIAH BT RASLI

ADVANCED DIPLOMA IN BUSINESS STUDIES (FINANCE)

INSTITUT TEKNOLOGI MARA

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ABSTRACT

This project paper is mainly focusing on the performance of discount houses in Malaysia after the financial reform in October 1, 1991. The traditional function of discount houses as a keeper of liquidity is no longer exist. It is believed that the discount houses would not only be a great opportunity to create wealth but eventually manage to turn the companies to a brighter and make them still afloat in the financial system.

Thus in order to examine the performance of the discount houses, ratio analysis especially profitability ratio have been conducted for five years and 1991 is used as a point of changing. It was noted that performance of the discount houses were improved after the financial reforms. Factor such as interest rates has a great impact on the performance of the discount houses.

The performance of discount houses improve if the Kuala Lumpur Options and Financial Futures Exchange (KLOFFE) operate soon. More financial reforms should be execute to make the discount houses compete with other financial intermediaries in our financial system.

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