

A Study On
The Implementation Of Capital Budgeting Techniques
By Bumiputra Companies (Class B) In Selangor

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❧ **EXECUTIVE SUMMARY** ❧

This research paper present the outcomes of (Class B) Bumiputra construction companies which employ capital budgeting techniques in their decision making process. Seven companies were selected from the population, two companies employ capital budgeting techniques and the other five do not. Project selected were projects from the year 1994, and 1995. The area of the study is in Selangor and Class B Bumiputra companies. The costs of projects range from RM2 million to RM8 million.

The main conclusion from this research , companies which employ capital budgeting techniques are getting higher profit then the companies which do not. This is because companies using the techniques are in a better position of knowing the return of the investment.

The other test from the study was to know success rate in getting projects in tendering. The result from the study success rate was low. This is because the owner have the authority to select and award the project to company which suits them.

Capital budgeting techniques are power tools in a decision process and, in the future it will be used by most companies in making decision in the construction company. This is because of the higher profits.

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