

FBM

UITM
CAWANGAN KEDAH

Insights



UiTM Cawangan Kedah



UNIVERSITI
TEKNOLOGI
MARA

Faculty of Business
and Management

UiTM *di hatiku*

VOLUME 6

2022

eISSN 2716-599X



772716 599000

e-ISSN 2716-599X

FBM INSIGHTS

Faculty of Business and Management

Universiti Teknologi MARA Cawangan Kedah

e-ISSN 2716-599X

The editorial board would like to express their heartfelt appreciation for the contributions made by the authors, co-authors and all who were involved in the publication of this bulletin.

Published by : Faculty of Business and Management,
Universiti Teknologi MARA Cawangan Kedah

Published date : 10th November 2022

Copyright @ 2022 Universiti Teknologi MARA Cawangan Kedah, Malaysia.

All rights reserved. No part of this publication may be reproduced, copied, stored in any retrieval system or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior permission from the Rector, Universiti Teknologi MARA Cawangan Kedah, Kampus Sungai Petani, 08400 Merbok, Kedah, Malaysia.

The views, opinions, and technical recommendations expressed by the contributors and authors are entirely their own and do not necessarily reflect the views of the editors, the publisher and the university.

FBM INSIGHTS EDITORIAL BOARD

Advisor

Dr. Yanti Aspha Ameira binti Mustapha, Universiti Teknologi MARA Cawangan Kedah

Chief Editor

Dr. Zuraidah binti Mohamed Isa, Universiti Teknologi MARA Cawangan Kedah

Dr. Norhidayah binti Ali, Universiti Teknologi MARA Cawangan Kedah

Managing Editor

Dr. Azyyati binti Anuar, Universiti Teknologi MARA Cawangan Kedah

Puan Nurul Hayani binti Abd Rahman, Universiti Teknologi MARA Cawangan Kedah

Editors

Dr. Dahlia binti Ibrahim, Universiti Teknologi MARA Cawangan Kedah

Dr. Nur Zainie binti Abd Hamid, Universiti Teknologi MARA Cawangan Kedah

Dr. Roziyana binti Jafri, Universiti Teknologi MARA Cawangan Kedah

Puan Rosliza binti Md. Zani, Universiti Teknologi MARA Cawangan Kedah

Puan Najah binti Mokhtar, Universiti Teknologi MARA Cawangan Kedah

Puan Yong Azrina binti Ali Akbar, Universiti Teknologi MARA Cawangan Kedah

Puan Hanani binti Hussin, Universiti Teknologi MARA Cawangan Kedah

Puan Shakirah binti Mohd Saad, Universiti Teknologi MARA Cawangan Kedah

Encik Mohd Radzi bin Mohd Khir, Universiti Teknologi MARA Cawangan Kedah

Puan Wan Shahrul Aziah binti Wan Mahamad, Universiti Teknologi MARA Cawangan Kedah

Manuscript Editor

Cik Nurul Izzati binti Idrus, Universiti Teknologi MARA Cawangan Kedah

Puan Nurfaznim binti Shuib, Universiti Teknologi MARA Cawangan Kedah

Secretary

Puan Intan Nazrenee binti Ahmad, Universiti Teknologi MARA Cawangan Kedah

Puan Syahrul Nadwani binti Abdul Rahman, Universiti Teknologi MARA Cawangan Kedah

Technical Board

Dr. Afida binti Ahmad, Universiti Teknologi MARA Cawangan Kedah

Graphic Designer

Dr. Shafilla binti Subri, Universiti Teknologi MARA Cawangan Kedah

RECTOR'S MESSAGE



Congratulations Faculty of Business and Management of Universiti Teknologi MARA Cawangan Kedah, Kampus Sungai Petani on the publication of the 6th Volume of FBM Insights!

I am very pleased to know that there are more than 40 authors and more emerging issues are being presented in this latest volume of FBM Insights. This portrays that UiTM Kedah Branch is actively involved in disseminating business related information and knowledge to the public.

I hope this bulletin can provide an opportunity for the Faculty of Business and Management staff to produce more academic materials and develop their skills in academic and creative writing. Furthermore, more initiatives should be launched to support this life-long process.

Again, well done to the Faculty of Business and Management and those who were involved directly and indirectly with the publishing of FBM Insights Vol.6. I wish FBM Insights all the best and continue to grow and move rapidly forward in the future.

Prof. Dr. Roshima Haji Said
Rector
Universiti Teknologi MARA (UiTM)
Cawangan Kedah



السلام عليكم ورحمة الله وبركاته

Assalamualaikum warahmatullahi wabarakatuh

Welcome to the 6th Edition of FBM Insights 2022. This edition boasts 40 articles by the academics of Faculty of Business and Management UiTM Kedah Campus. The topics involved a broad range of business and management knowledge. Congratulations to all authors for your endless support and valuable contribution to the newsletter.

FBM Insights was mooted in 2020 and it came about with the intention to encourage and improve research writing activities among the lecturers of UiTM Kedah's Business and Management Faculty. As the editions progressed, the support from the academics has not faltered. I hope the support continues in editions to come.

I would like to congratulate the editors and the committee for the hard work and perseverance in managing the newsletter. All the best to everyone and thank you again.

Dr. Yanti Aspha Ameira Mustapha
FBM Insights Advisor

TABLE OF CONTENTS

	Editorial board	iii
	Rector’s message.....	iv
	From the desk of the head of faculty.....	v
1.	GHOST KITCHEN <i>Yong Azrina Ali Akbar, Wan Shahrul Aziah Wan Mahamad & Ramli Saad</i>	1
2	BANKRUPTCY OH BANKRUPTCY: THE MALAYSIANS’ SCENARIO <i>Anita Abu Hassan, Abdul Majeed Ahmad & Mohd Syazrul Hafizi Husin</i>	4
3	ENTREPRENEURS AND PASSION FOR BUSINESS <i>Nurul Hayani Abd Rahman, Rabitah Harun & Nurul Fazila Abd Rahman</i>	7
4	BUILDING AN OMNICHANNEL IN RETAILING <i>Muhammad Hanif Abdul Gafar & Nor Amira Mohd Ali</i>	9
5	THE DOWNSIDE OF OMNICHANNEL <i>Nor Amira Mohd Ali & Muhammad Hanif Abdul Gafar</i>	11
6	MAKING SENSE OF GOLD INVESTMENT <i>Dahlia Ibrahim & Zuraidah Mohamed Isa</i>	13
7	THE STRATEGIC ROLES OF CULTURE TO FOREIGN CORPORATIONS IN MALAYSIA <i>Khairul Azfar Adzahar, Mohd Fazil Jamaludin & Mohd Shafiz Sahran</i>	15
8	BITCOIN: A FUTURE CURRENCY? <i>Muhammad Zarunnaim Haji Wahab</i>	17
9	ALL YOU NEED TO KNOW ABOUT NFTs <i>Mohd Fazil Jamaludin, Mohd Shafiz Sahran & Khairul Azfar Adzahar</i>	20
10	A GLIMPSE INTO THE TYPOLOGIES OF SENIOR ENTREPRENEURS <i>Marlina Muhamad, Fariza Hanis Abd Razak & Haryani Haron</i>	22
11	THE MONEY MULE SYNDICATE <i>Mohd Shafiz Sahran, Mohd Fazil Jamaludin & Khairul Azfar Adzahar</i>	26
12	REINFORCEMENT THEORY ANALYSIS ON TRAINING AND DEVELOPMENT <i>Baderisang Mohamed, Mohd Sukor Md. Yusoff & Nur Azmina Salimi Uzair</i>	29
13	TECHNOLOGY ANXIETY IN CONSUMER PURCHASE BEHAVIOUR <i>Syahida Abd Aziz & Roziyana Jafri</i>	31
14	THE CHALLENGES OF ONLINE SHOPPING <i>Baderisang Mohamed, Mohd Sukor Md. Yusoff & Fatin Hanani Rooslan</i>	36
15	THE FUTURE OF MONEY: CRYPTOCURRENCY IS THE WAY TO GO IN MALAYSIA <i>Zuraidah Mohamed Isa, Dahlia Ibrahim & Mohamad Hanif Abu Hassan</i>	40

BANKRUPTCY OH BANKRUPTCY: THE MALAYSIANS' SCENARIO

Anita Abu Hassan

Faculty of Business and Management, Universiti Teknologi MARA, Cawangan Kedah
anita.397@uitm.edu.my

Abdul Majeed Ahmad

Faculty of Business and Management, Universiti Teknologi MARA, Cawangan Kedah
majeed054@uitm.edu.my

Mohd Syazrul Hafizi Husin

College of Creative Art, Universiti Teknologi MARA, Cawangan Kedah
syazrul529@uitm.edu.my

Bankruptcy. A dreaded term for everyone, especially those in the financial world. Bankruptcy is a word that is used to indicate the financial status of an individual and is a legal recognition given to someone who fails to pay their debts on time. In Malaysia, bankruptcy affairs are handled solely by the Malaysian Department of Insolvency (MDI). The individual's ability to enter into any contract will be revoked once he or she is declared bankrupt. As a result, a bankrupt would be unable to get employment, open a bank account, or even sign any document for oneself amongst others. They are also forbidden from leaving the country. It is the harshest penalty indeed for a person who does not follow through on a repayment commitment.

However, there is slight leniency for the affected person. The bankrupt may engage in certain activities that are typically banned on them with the approval of the Director-General of MDI. For the legislative framework on bankruptcy, the first bankruptcy law was enacted in 1967 and further revised in 1988. The act was renamed the Insolvency Act 1967 in October 2017, with changes in several essential features. Changes to the law are made in accordance with the changes in the banking system, products or services offered by the financial institutions, and the lifestyle of the Malaysian. This paper attempts to discuss the scenario of Malaysians' bankruptcy cases based on data obtained from 2016 to 2021. The number of bankruptcy cases by cause is illustrated below.

Table 1.0
The number of bankruptcy cases by cause from 2016 to 2021

Bankruptcy Category	2016	2017	2018	2019	2020	2021	Total
Personal Loan	6,133	5,496	4,636	5,706	4,457	3,267	29,695
Hire Purchase	4,500	4,102	3,392	1,543	1,006	690	15,233
Business Loan	1,989	1,679	1,424	1,846	1,223	1,202	9,363
Housing Loan	2,359	2,675	1,982	1,138	583	459	9,196
Credit Card	2,247	1,773	1,811	880	600	438	7,749
Other Borrowings	414	383	1,770	425	91	126	3,209
Corporate Guarantor	628	806	626	221	114	118	2,513
Social Guarantor	1,033	1,002	540	15	2	0	2,592
Income tax debt	281	303	275	261	158	147	1,425
EPF Contributions	0	0	0	0	105	92	197
Study Loans	4	8	26	16	12	15	81
Total	19,588	18,227	16,482	12,051	8,351	6,554	81,253

Source: Malaysia Department of Insolvency (2021)

According to the above statistics, personal loans led the top five credit facilities that caused bankruptcy cases with a total of 29,695 cases, followed by hire purchases with 15,233 cases,

business loans in third place with 9,363 cases, housing loans in fourth place with 9,196 cases, and credit cards in fifth place with 7,749 cases. If we observe the number of cases year by year, the numbers are greatly reduced from 2016 to 2021. This would significantly indicate that there were substantial measures to prevent bankruptcy from spiralling over.

Years ago, bankruptcy caused by credit cards among Malaysian youths was a hotly debated matter in the country. To control this from going worse, Bank Negara Malaysia (BNM) has taken a proactive measure to curb the rise of the cases. One of the measures is by creating a more stringent standard for banks to adhere to when granting credit cards to financial customers. The requirement for minimum yearly income has raised from RM18,000 to RM24,000, and individuals earning RM36,000 or less can only hold credit cards from two issuers (Bank Negara Malaysia, 2019). Years have passed, and if we analyze the Malaysian bankruptcy trend during the last six years, we can see that nearly a total of 30,000 Malaysians have been declared bankrupt as a result of personal loans. Although the number of cases year by year has gone down tremendously, this total figure is highly startling and unsettling. Personal loans are mostly granted solely based on a clean or unsecured basis for the purpose of private consumption and by far are considered the most attractive credit facilities for financial consumers. There is no requirement for additional collateral, such as property, and there are no restrictions on how the fund can be used. Individual earnings are used to determine the eligibility and approval of the facility, which takes into consideration current and prospective financial responsibilities.

Over the years, banks have developed new products and introduced new loan packages to meet the needs and demands of financial consumers as their lifestyles have changed. Whether the loan is secured; such as a hire purchase or a housing loan, or unsecured; such as a personal loan, the processing officer rigorously adheres to all eligibility requirements, evaluation procedures, and credit verification of existing liabilities repayment status. A clean or unsecured loan is deemed as high risk by the banks since it is not backed by any collateral that the bank can use to reclaim the loan amount if the borrower has difficulty repaying the loan. Looking at this, the personal loan is viewed to have a stringent approval process. Despite this, thousands of cases of bankruptcy are still reported each year. Therefore, it is worthwhile to investigate whether there is an issue with the bank's loan packaging, processing, or perhaps the evaluation process. However, obtaining that information can be challenging as it goes back to the bank's internal processing and evaluation procedures, which are private and confidential.

For more than 50 years, the minimum amount required to file for bankruptcy has progressively increased. It started at RM1,000 in 1967, then it grew to RM2,000 in 1976, then to RM10,000 in 1992, and finally to RM30,000 in 2003. Years after the increment, the threshold was increased to RM50,000, and in 2020, given the state of insolvency in the country, the amount was doubled to RM100,000 (Malaysian Department of Insolvency, 2021). The changes in the minimum threshold have led to a positive result. It has reduced the number of recorded bankruptcy cases from nearly 20,000 in 2016 to only 8,351 in 2020. Cases fell even more in 2021, with only 6,554 cases reported. The reduction in the number strongly implies a favourable financial position for financial consumers. While raising the minimum threshold has provided some positive solutions to several insolvency issues to a certain extent, there is also a troubling issue to consider. Debts owed by households are escalating. Hence, would it be possible to genuinely reverse the trend of bankruptcy by raising the bankruptcy filing threshold? Or is this just a short-lived fad?

The years 2020 and 2021 came with unprecedented challenges for both the banking industry and the borrowers due to COVID-19. Many people were suffering from loss of income due to lockdown measures implemented to curb the spread of the deathly virus. It was foreseen that majority of people might face a difficult time repaying their debts on time due to unemployment and loss of income. Therefore, the government introduced a moratorium exercise to manage the risk of non-repayment of the credit facilities by the borrowers. The first phase of the compulsory six-month moratorium makes its debut in April 2020 and the subsequent second phase of the voluntary moratorium started in July 2021. Although the authorities have not yet reported any evidence on this, we cannot deny that the implementation of the 2-year moratoriums is possibly

one of the factors contributing to the lower number of bankruptcy cases filed in 2020 and 2021. The efficacy of the moratorium's execution thus far has resulted in a favourable scenario in Malaysia's borrowing landscape. Many borrowing accounts have survived from being classified as doubtful or non-performing due to the deferment of borrowing repayment to them under the COVID-19 moratorium. The moratorium is a temporary measure that is meant to avoid unfavourable financial conditions from leading to an increase in non-performing loans, which would result in an increase in bankruptcy filings. Now all economic sectors have resumed as usual. Movement restrictions and halts to economic activity are no longer present in the nation. Thus, it is unlikely for us to see another round of moratorium in the near term. Will there be a resurgence of bankruptcies in the absence of the moratorium? Will the moratorium be reintroduced at a certain point of time in the future? Some questions for us to ponder upon.

Bankruptcy is a very serious matter. An increase in the number of cases would indicate a severe credit concern. It also reflects a rise in household debt. The consumers' ability to make their monthly payments may be significantly impacted if there is any change in their income. Now that COVID-19 is less of a critical threat to citizens, the country is currently dealing with another severe problem: a rise in the cost of consumer goods, especially food. The dramatic increase in food prices would have a significant impact on a person's overall monthly expenses and progressively reduce that person's capacity to pay obligations. Given the situation, it is no surprise that bankruptcy cases increase in the upcoming years. We do, however, positively anticipate a continuation of the downward trend in bankruptcy filings looking at the current trend. Nonetheless, future statistics will most certainly lead us to a new path or provide us with a new perspective. Or who knows, perhaps it would provide us with a definite answer?

REFERENCES

- Bank Negara Malaysia. (2019, July 2). *Credit Card*. <https://www.bnm.gov.my/documents/20124/938039/PD+Credit+Card.pdf>
- Malaysian Department of Insolvency. (2021). *Bankruptcy Statistic 2021*. Malaysia Department of Prime Minister. <https://www.mdi.gov.my/index.php/legislation/bankruptcy/1828-bankruptcy-statistic-202>
- Malaysian Department of Insolvency. (2021). *Pindaan Akta Kebankrapan 1967*. Malaysia Department of Prime Minister. <https://www.mdi.gov.my/index.php/ms/public/amending-acts>