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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.

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RECTOR'S MESSAGE

A heartiest congratulation is extended to the Faculty of Business and Management, Universiti Teknologi MARA Cawangan Kedah, Kampus Sungai Petani, on the publication of the seventh volume of FBM Insights.

This most recent volume of FBM Insights covers 25 emerging issues related to microcredit, micromanagement, marketing, consumer behaviour, social media, disability, dark tourism, and food security. This compilation demonstrates UiTM Cawangan Kedah's commitment to disseminate business-related information and relevant content to a wider audience.

I believe that this bulletin is an apt platform for members of the Faculty of Business and Management to produce more academic materials which can benefit the faculty members themselves and also other people at large. Such an initiative is indeed laudable since as academicians, writing to share information is definitely crucial to our personal and professional development.

Again, I would like to congratulate the Faculty of Business and Management and all individuals involved in the publication of FBM Insights volume 7. May FBM Insights continue to grow from strength to strength in the future.

Sincerely,

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

FROM THE DESK OF THE HEAD OF FACULTY

 Assalamualaikum w.b.t

Welcome to the 7th Edition of FBM Insights 2023. This edition presents 25 articles by the academics of Faculty of Business and Management UiTM Kedah Campus. The topics involved a broad range of business and management knowledge, including matters relating to Covid 19, entrepreneurship, microfinance, and gold investing. Congratulations to all authors for your endless support and valuable contribution to the newsletter.

FBM Insights was created in the year 2020 with the aspiration to inculcate the scholarly writing culture among FBM UiTM Kedah's lecturers. Thank you to the Almighty, this bulletin still receives a positive response for each of its editions. It is our hope this continues and that FBM Insights will one day progress to another level.

Publish or perish, one phrase that all academics must embrace. The importance of academic publication is evident when it is included in several of the university's Key Performance Index (KPI). We need to strive to produce scholarly work. I hope FBM Insights can become a small steppingstone for all FBM academics of UiTM Kedah, in our efforts to improve our publications numbers.

Congratulations again to all authors. Heartiest congratulations to the bulletin's editorial board who worked hard in making FBM Insights what it is today. I wish everyone the best and keep up the excellent work.

Dr. Yanti Aspha Ameira Mustapha
FBM Insights Advisor

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INVESTING IN GOLD: A HEDGE AGAINST INFLATION

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During ancient time, society equated gold with gods and kings as an honor and a way of glorification. As such, gold played a very important element in culturing elite status, power, and beauty among the people. Intrinsically, gold carries values which are sought after by everyone. Its unique density that can be easily melted, formed, and measured, gave rise to its being used as a natural trading medium, replacing the barter system. As of today, gold still is a commodity that rises in values albeit its price volatility. To prove this point, in 1969, the average closing price of gold spot stood at USD41.10 per ounce and now, the price has gone up to USD1878.34 per ounce (Gold prices-100 year historical chart, n.d.). A rise of over 4470 percent in a span of 54 years yielded to an average of 82.77 percent rise in value per year (Gold prices-100 year historical chart, n.d). Due to gold's soaring value, it is a popular talk among investors that gold is the answer to hedging against inflation. This brief article will share why gold is thought to be one mechanism in the combat against today's rising inflation.

According to Maxwell (2022), many people consider gold to be a hedge against inflation since its price tends to rise against inflation. He further agreed that gold can be used to stabilize one's investment portfolio. For thousand years, gold is considered a valuable commodity. It is an easy buy and whoever owns gold need not worry of the dividend's payments and earnings report because the main purpose of keeping gold is to store value for its owners for long term. As such, gold becomes an attraction during inflation, and concerns about an expected recession may make this a good time to invest in gold.

Looking at Malaysia as an example, this country had witnessed fluctuations of the consumer price inflation rate between -1.1% and 17.3% over the past 61 years, where an inflation rate was calculated at 2.5% in 2021. At the beginning of 2022, a product that cost MYR100 in 1960 has risen to MYR577.83, with a hike of 477.83 percent (Inflation rates in Malaysia, n.d.). In addition, Bank Negara Malaysia had increased its overnight interest rate to 3.0% in January 2023, and is expected to rise again (Abdul Jamal, 2023). Despite this, it does not keep up with the rate of inflation. Rothan (2020) opined that commodities like gold may outperform some conventional financial assets when the inflation rate exceeds the rate of increases in interest rates, as is the case right now. People look to gold and other safe and stable investments when the value of a currency drops as they try to protect themselves from inflation. As a matter of fact, World Gold Council (2020) pointed out that gold plays an important role as a tactical inflation hedge and long-term strategic asset.

In view of the above, Ruff and Childers (2011) stated that gold can act as a reliable inflation hedge by taking into account its sensitivity and relation to customer price index (CPI).Gold is frequently regarded as an inflation hedge that guards against the decline in buying power for investors. To demonstrate how the yellow metal retains value over time, the nominal price of gold is frequently adjusted for the CPI. More than three decades ago, the price of gold as a percentage of the CPI has averaged of 3.6 since 1972. At present, the gold-to-CPI ratio as of is 6.5 (Duggan, 2022). Even World Gold Council (2020) reported that for a long-term portfolio diversifier, gold stands out as a crucial portfolio component. It has a proven track record of serving as a helpful hedge and contributing to overall risk management. Furthermore, gold is a "real" asset backed by high inflation that is lacked of credit or default risks in comparison to financial assets. It has outperformed over the past 20 years in terms of cumulative and annual returns.

In short, the topic of gold as an inflation hedge is still up for dispute. To put things in perspective, even if gold has a spotty history as an inflation hedge, it may still be worthwhile to include a small amount of it in everyone's portfolio. Due to its historically low or even negative correlation to both stocks and bonds, gold may be a useful instrument for diversification. For instance, during the early 2020 market sell-off brought on by the COVID-19 pandemic, gold prices performed reasonably well. In fact, investors as a whole are buying more gold. It is impossible to forecast whether the price of gold will rise or fall, and it is possible that it will not stick to historical patterns like other asset classes have. However, many investors view gold as a hedge due to its previous performance in inflationary environments. Therefore, it is advised that individuals who want to protect the value of their assets think about investing in gold before its price soars.

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