



THE DELIVERY MECHANISM SYSTEM OF MICROCREDIT PROGRAM AND MICRO
ENTERPRISE PERFORMANCE

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DECEMBER 2019

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ACKNOWLEDGEMENT

The completion of this research paper could not have been done without the participation and assistance of so many people whose names may not all be enumerated. Their contribution are sincerely appreciated and gratefully acknowledged.

First of all, I would like to thanks my advisor which is Dr Rosman Mahmood because he has guide and give me so many advices from the beginning of the research and until this research paper completed. He also helps me in suggesting ideas and also guide me regarding my research. In addition, even though he is busy he will allocate a bit of his time to meet and guide me. Without his guidance and patience, this research will be hard to complete. His guidance is very helpful in completing my research paper.

To all my friends who in one way or another shared their support, either morally and physically, thank you.

Lastly, I would like to thanks to my beloved family that always support me physically, mentally and financially in completing my study without them behind my back I might not get to where I am now.

Above all, to the Great Almighty, the author of knowledge and wisdom, for his countless love.

ABSTRACT

The research is to study the delivery mechanism system and the performances of the microenterprise in Kelantan. The study used primary data collected from a total of 161 respondents who are involved in microenterprise and currently used micro financing services under Amanah Ikhtiar Malaysia. The objective of the study is to examine the relationship between modes of financing, operational efficiency, entrepreneurship development and monitoring and supervision with the micro enterprises performance and to improve the delivery mechanism of microcredit programs. The previous study by Mahmood and Mohd Rosli (2013) and Mahmood et al (2015) shows a positive relationship between modes of financing, operational efficiency, entrepreneurship development and monitoring and supervision. Using a multiple regression method the result show that operational efficiency, entrepreneurship development and monitoring and supervision are significant at $p < 0.01$. Meanwhile modes of financing is not significant with the business performances and not consistent with previous findings in the literature review.