



**“FACTORS EXPLAINING OUTSTANDING DEBT: THE  
CASE FOR POS MALAYSIA BERHAD NEGERI  
SEMBILAN**

**NUR HUWAINA BINTI YUNUS  
2007137407**

**BACHELOR OF BUSINESS ADMINISTRATION  
(HONS) FINANCE  
FACULTY OF BUSINESS MANAGEMENT  
UNIVERSITI TEKNOLOGI MARA  
MELAKA CITY CAMPUS**

**NOVEMBER 2009**



**BACHELOR OF BUSINESS ADMINISTRATION (HONS) FINANCE  
FACULTY OF BUSINESS MANAGEMENT  
UNIVERSITI TEKNOLOGI MARA  
KAMPUS BANDARAYA MELAKA**

**“DECLARATION OF ORIGINAL WORK”**

I, Nur Huwaina Binti Yunus, (I/C Number: 830310-14-5428)

Hereby, declare that:

- This work has not previously been accepted in substance for any degree, locally or overseas and is not being concurrently submitted for this degree or any other degrees.
- This project paper is the result of my independent work and investigation, except where otherwise stated.
- All verbatim extracts have been distinguished by quotation marks and sources of my information have been specifically acknowledged.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

## LETTER OF SUBMISSION

02 November 2009

The Head of Program  
Bachelor of Business Administration (Hons) Finance  
Faculty of Business Management  
Universiti Teknologi MARA  
Kampus Bandaraya Melaka  
110 Off Jalan Hang Tuah  
75300 Melaka

Dear Madam,

### **SUBMISSION OF PROJECT PAPER (FIN 667)**

Attached is the project paper title "FACTORS EXPLAINING OUTSTANDING DEBT: THE CASE FOR POS MALAYSIA BERHAD NEGERI SEMBILAN" to fulfill the requirement as needed by the Faculty of the Business Management, Universiti Teknologi MARA.

Thank you.

Yours sincerely,

.....

NUR HUWAINA BINTI YUNUS  
2007137407  
Bachelor of Business Administration (Hons) Finance

## **ABSTRACT**

This study provides an analysis regarding to the “Factors Explaining Outstanding Debt: The Case for Pos Malaysia Berhad Negeri Sembilan” The purpose of this case study is to understand the concepts and elements of debt so it will help to determine the factors that contribute outstanding debts in Pos Malaysia Berhad Negeri Sembilan. At the end of this case study, participants will be able to identify appropriate techniques on collecting outstanding debts and understanding trade credit functions in helping the firms to success. In Pos Malaysia Berhad Negeri Sembilan, the collection of outstanding debt is very important as it show how effective and efficient does finance departments employees works in handling this problems. This study also tries to answer what are the effects that may arise in the delayed to collect debt from the customers. In order to analyze the issues, the data that have been use to collect the data are from primary and secondary sources.

## TABLE OF CONTENTS

### Contents

	<i>Page</i>
<b>ACKNOWLEDGEMENTS</b>	<b>v</b>
<b>TABLE OF CONTENTS</b>	<b>vi</b>
<b>ABSTARCT</b>	<b>viii</b>
<b>1. INTRODUCTION</b>	<b>1</b>
<b>1.1 Background of Company</b>	<b>1</b>
<b>a) Pos Malaysia Berhad</b>	<b>2</b>
<b>b) Pos Malaysia Berhad Negeri Sembilan</b>	<b>3</b>
<b>1.2 Issue</b>	<b>4</b>
<b>1.3 Purpose of The Study</b>	<b>5</b>
<b>2. LITERATURE REVIEW</b>	<b>6</b>
<b>2.1 Trade Credit as a Form of Financing</b>	<b>7</b>
<b>2.2 The Usage and Cost of Debt</b>	<b>10</b>
<b>2.3 Debt Repayment</b>	<b>13</b>
<b>2.4 The Problem of Debt Collection</b>	<b>15</b>
<b>2.5 Credit Analysis</b>	<b>17</b>
<b>2.6 Debt Management</b>	<b>18</b>
<b>3. RESEARCH METHODOLOGY</b>	<b>19</b>
<b>3.1 Research Methodology</b>	<b>19</b>
<b>3.2 Research Design</b>	<b>19</b>
<b>3.3 The Data Collection</b>	<b>19</b>
<b>a) Primary Data</b>	<b>19</b>
<b>b) Secondary Data</b>	<b>20</b>