

UNIVERSITI TEKNOLOGI MARA

**SUSTAINABILITY OF SUKUK AND
CONVENTIONAL BOND DURING FINANCIAL
CRISIS IN THE PERSPECTIVE OF MALAYSIA**

**ATHIRAH BT SHAZALI
2016653418**

Final Year Project Paper submitted in fulfilment of the requirements
for the degree of **Bachelor of Business Administration**
(Investment Management)

Faculty of Business and Management

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AUTHOR'S DECLARATION

I declare that the work in this final year project paper was carried out in accordance with the regulations of Universiti Teknologi MARA. It is original and is the results of my own work, unless otherwise indicated or acknowledged as referenced work. This thesis has not been submitted to any other academic institution or non-academic institution for any degree or qualification.

I, hereby, acknowledge that I have been supplied with the Academic Rules and Regulations for Undergraduate, Universiti Teknologi MARA, regulating the conduct of my study and research.

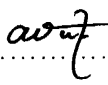
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ABSTRACT

This paper attempts to identify the relationship of exchange rate, inflation, gross domestic product, between bond and sukuk index during the financial crisis in respective of Malaysia. This research paper uses quarterly basis time between 2006 until 2016. These variables use quarterly data of 44 samples of observation. The purpose of this research paper to determine which macroeconomic variables are the most significant with the bond and sukuk performance in Malaysia. The existence of relationship between macroeconomic variables and bond and sukuk growth is tested using multiple regression. The methodology used in this study is normality test, serial correlation test, heteroskedasticity test, and functionality test. The findings reveal that there is negative significant relationship between inflation and performance of conventional bond and sukuk. Thus, sukuk and bond does consider inflation rate as a driving force.

ACKNOWLEDGEMENT

Firstly, I want to show my gratitude to the almighty Allah S.W.T for establishing me to complete this research paper successfully.

Secondly, I wanted to use this opportunity to acknowledge my deepest thanks and gratitude to my research advisor Madam Rabiatal Alawiyah, whose expertise, consistent guidance, ample time spent and consistent advices that helped this study into success. In addition, special thanks to Dr.Roslina Hj. Mohamad Shafi for her guidance and advice towards the completion of this research.

Finally, my appreciation is also for my parents, whose guidance and love are with me in whatever I pursue and not to forget for always being there for me. Finally, for dear friends and office colleagues for their kindness, moral support, understanding that keep me motivated along the way to complete my research study. Thank you.