



**A STUDY ON THE CREDIT POLICY PRACTICE  
BY PROFESSIONAL SERVICES DEVELOPMENT  
CORPORATION(PSDC) IN ACCOUNT  
RECEIVABLE MANAGEMENT**

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**BACHELOR OF BUSINESS ADMINISTRATION  
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**NOVEMBER 2010**

**A STUDY ON THE CREDIT POLICY PRACTICE IN  
ACCOUNT RECEIVABLE MANAGEMENT**

**SITI NADRAH BINTI SH MOHD AFANDI  
2008564849**

**A graduation Exercise Submitted to the  
Faculty of Business Management  
Universiti Teknologi MARA, Bandaraya Melaka  
As a Partial Fulfillment of the requirement  
For Bachelor of Business Administration (Hons)  
Finance**

**NOVEMBER 2010**

**DECLARATION OF ORIGINAL WORK**



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

I, **SITI NADRAH BINTI SH MOHD AFANDI** (I/C Number: 870422-04-5372)

Hereby, declared that,

- This work has not previously been accepted in substance for any degree, locally or overseas, and not being currently 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 has been distinguished by quotation marks and sources of my information have been specifically acknowledged.

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

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

November 2010

Madam Noraizan Binti Mohamed  
Coordinator  
Bachelor of Business Administration (Hons) Finance  
Faculty of Business Management  
Universiti Teknologi MARA  
75300 Melaka

Dear Madam,

**SUBMISSION OF PROJECT PAPER (FIN667)**

With reference to the above matter, I am a student of BBA (hons) Finance would like to hand in my project paper entitled "A study on the Credit Policy Practice in Account Receivable Management" to fulfill the requirement as needed by the Faculty of Business Management, Universiti Teknologi MARA.

Thank you

Yours sincerely,

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(SITI NADRAH BINTI SH MOHD AFANDI)  
2008564849  
BBA (hons) Finance

## **ABSTRACT**

Professional Services Development Corporation Sdn Bhd (PSDC) is company that serve world class professional service providers trough promoting professional overseas, building the capacity and capability of our professionals, advocating for professionals and provision of an information centre on and for professionals. PSDC in Malaysia is operated at level 24, Maju Tower, 1001 Jln Sultan Ismail, 50250 Kuala Lumpur. PSDC also was incorporated by Minister of Finance Incorporated (MOF Inc) as a private limited company and also established to accelerate the capacity of Malaysian professional service providers. As we can see from the other firm, PSDC also facing a problem about credit risk equally as compared to its competitor. This is why the credit policy is need in any recognized firm to maintain and generate their business as well to keep the cash flow move. A high collection period shows a high cost in extending credit to customer. PSDC Sdn Bhd has some weakness in implement the credit policy to the company. Usually they not will grant the credit to their customer without know about the financial background of the company. Furthermore, for credit collection policy, PSDC Sdn Bhd have not enough staff to control and sometimes some cases are keep own settlement even they pay late or sometimes not paid at all. In addition, the company should attract their customer by apply the credit term because it also can benefit the customer also to pay by giving a discount when they pay within the period. Other than that, the company does not apply the average collection period (ACP) in order to evaluate the company performance in term of collection year by year.