



UNIVERSITI TEKNOLOGI MARA

**THE DETERMINANTS OF MICROCREDIT LOANS
REPAYMENT PROBLEM AT BANK SIMPANAN
NASIONAL (BSN) KOTA BHARU**

SURIANI BINTI MOHAMAD

2011751065

**BACHELOR OF BUSINESS ADMINISTRATION
(HONS) FINANCE**

**FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA
KELANTAN**

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ABSTRACT

The microcredit loans are able to improve the economic and social status of the poor since it provides a working opportunity. Apart of the challenges in offering the microcredit loan, the micro finance institutions also having challenge with loan repayment. The aim of this paper is to investigate the determinants of microcredit loans repayment problem at Bank Simpanan Nasional (BSN) Kota Bharu. The primary data used in this study is gathered through a survey on 100 borrowers from BSN Micro Finance in Kota Bharu. By using Multiple Regression Analysis and Pearson Correlations are employed to identify whether the three determinants have relationship with loans repayment problem. The findings show that all the three determinants; borrower characteristics, business characteristics and microcredit loan characteristics have positive relationship with loans repayment problem. Meanwhile, the business characteristics have the greatest impact towards the loans repayment problem among the three independent variables.

TABLE OF CONTENTS

Declaration of Original Work	i
Letter of Submission	ii
Acknowledgement	iii
Table of Contents	iv-vi
List of Tables	vii
List of Figures	viii
Abstract	ix
CHAPTER 1: INTRODUCTION	
1.0 Background of Study	1-2
1.1 Microcredit Programmes in Malaysia	3-4
1.1.1 Overview of Bank Simpanan Nasional (BSN)	4
1.1.2 BSN's Micro Finance	4-5
1.2 Problem Statement	5-6
1.3 Research Objective	6-7
1.4 Hypothesis	7-8
1.5 Significance of Study	8
1.5.1 Researcher	8
1.5.2 Future Researcher	8
1.5.3 Banker	8
1.5.4 Public	8
1.6 Definition of Term	8
1.6.1 Loan Repayment	9
1.6.2 Borrower Characteristics	9
1.6.3 Business Characteristics	9
1.6.4 Microcredit Loan Characteristics	9
CHAPTER 2: LITERATURE REVIEW	
2.0 Introduction	10
2.1 Loans Repayment	10-11
2.2 Borrower Characteristics	11-13

2.3	Business Characteristics	13-14
2.4	Microcredit Loan Characteristics	14-15
2.5	Theoretical Framework	16

CHAPTER 3: RESEARCH METHODOLOGY

3.0	Introduction	17
3.1	Research Design	17
3.2	Data Collection	18
	3.2.1 Primary Data	18
	3.2.2 Questionnaires	18
	3.2.3 Secondary Data	18
3.3	Estimation Technique	18-19
3.4	Questionnaire Design	19
3.5	Sampling Design	20
	3.5.1 Population	20
	3.5.2 Sampling Size and Technique	20
3.6	Procedure of Data Analysis	21
	3.6.1 Statistical Procedure of Social System (SPSS)	21
	3.6.2 Reliability Test	21-22
	3.6.3 Descriptive Analysis	22
	3.6.3.1 Frequency Analysis	23
	3.6.4 Regression Analysis	23
	3.6.4.1 Coefficient Correlation (R)	23-24
	3.6.4.2 Coefficient Correlation (R^2)	24-25
3.7	Scope of Study	25
3.8	Limitation of Study	26
	3.8.1 Time Constraint	26
	3.8.2 Lack of Experience	26
	3.8.3 Lack of Data and Information	26

CHAPTER 4: DATA ANALYSIS

4.0	Introduction	27
4.1	Frequency Analysis	27-29
4.2	Reliability Analysis	30-31