

**THE LONG RUN PERFORMANCE OF INITIAL PUBLIC OFFERING:
FOCUSED IN MESDAQ MARKET**

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**Submitted in Partial Fulfillment of the Requirement for the
Bachelor of Business Administration (Hons) Finance**

**FACULTY OF BUSINESS MANAGEMENT
MARA UNIVERSITY OF TECHNOLOGY
JOHOR**

MAY 2008

DECLARATION OF ORIGINAL WORK



**BACHELOR OF BUSINESS ADMINISTRATION (HONS)
FINANCE FACULTY OF BUSINESS MANAGEMENT
MARA UNIVERSITY OF TECHNOLOGY
JOHOR**

“DECLARATION OF ORIGINAL WORK”

I, HILME SHAKILAH BINTI SHUKOR, (850729-01-5946)

Hereby, declare that,

- This work has not previously been accepted in substance for any degree, locally or overseas and 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: May 2008

LETTER OF TRANSMITTAL

Faculty of Business and Management
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May 2008

Rabiatul Alawiyah Bt. Zainal Abidin
The Head of Program
Bachelor of Business Administration (Hons) Finance
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85000 Segamat
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Dear Madam,

THE LONG RUN PERFORMANCE OF INITIAL PUBLIC OFFERING: FOCUSED IN MESDAQ MARKET

I'm required to do a project paper on the above topic. I hereby submitted this report and I really hope that this work will fulfill the requirement for the Bachelor of Business Administration (Hons) Finance.

Thank you.

Yours sincerely,

(HILME SHAKILAH BINTI SHUKOR)
(2006851076)
Bachelor of Business Administration (Hons) Finance

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ABSTRACT

This study had focused on the long run performance of initial public offering in Malaysia from June 2002 to December 2006. This is analyzed by looking the monthly stock price on 48 IPO's companies that listed in Mesdaq Market of Bursa Malaysia. Bursa Malaysia Composite Index will be used as a benchmark in evaluating share price performance. The objective of this research is to determine the long term performance of IPOs. This in order to find out whether IPO is under perform or over perform the market for the long run. Buy and Hold Abnormal Return has been used to determine the long term performance of IPOs.

According to the analysis for the period Jun 2002 to December 2006, it is indicated that Malaysia IPO did under perform the benchmark in such magnitude that this resulted on average in a negative long run performance for the entire sample period. The t-statistic shows that BHARs are not significant at the 5 % level. It is because due to subsequent long-run abnormal return that to be quite negative.