# BANKRUPTCY: ROLES OF MALAYSIA DEPARTMENT OF INSOLVENCY (MDI) IN FINANCIAL MANAGEMENT

#### MUHAMMAD HAKIM BIN HASBULLAH

Academic Writing submitted in partial fulfillment of the requirements for the **Diploma in Muamalat** 

**Academy of Contemporary Islamic Studies** 

January 2019

#### **AUTHOR'S DECLARATION**

I declare that the work in this academy writing was carried out in accordance with regulations of University Teknologi MARA. It is original and is the result of my own work, unless otherwise indicated or acknowledge as referenced work. This academic writing 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 Under Graduate, University Teknologi MARA, regulating the conduct of my study and research.

Name of Student : Muhammad Hakim Bin Hasbullah

Student I.D. No. : 2016679218

Programme : Diploma in Muamalat –IC110

Faculty : Academy of Contemporary Islamic

Studies

Academic Writing Title : Bankruptcy: Roles of Malaysia

Department of Insolvency

Signature of Student : .....

Date : January 2019

### **ABSTRACT**

In Malaysia, the cases of bankruptcy is a normal scenario right now because the cases is increasing year by year. Now days, the trend of bankruptcy faced by young generations has become one of the major concern to the government. This academic project is about, "The roles of Malaysia Department of Insolvency in financial management". This academic project aims to conduct a detail research about the factors of bankruptcy among people. Besides that, this research intends to determine the function of Malaysia Department of Insolvency (Mdi) in order to achieve their goal regarded the bankruptcy cases. Other than that, this research aim to determine the challenges faced by Malaysia Department of Insolvency (Mdi). The research used a qualitative approach and data was collected from interview. The method in collecting data was directly get form the primary source which is Malaysia Department of Insolvency (Mdi). In addition, Issues that arise in this study are an increase in the number of cases of bankruptcy constantly occurring from time to time. Therefore, this study is conducted to know the roles of Malaysia Department of Insolvency (Mdi) in facing bankruptcy issues in society. In fact, at the end of the study, some suggestions are also mentioned in the role of the Malaysia Department of Insolvency (Mdi). Hence a proposal to raise public awareness about bankruptcy.

Keywords: bankruptcy, insolvency, public awareness

## TABLE OF CONTENT

TOPIC	PAGES
AUTHOR'S DECLARATION	i
ABSTRACT	ii
ACKNOWLEDGMENT LIST OF TABLES	
CHAPTER 1: INTRODUCTION	1
1.1 Research Background	1
1.2 Problem Statement	2
1.3 Research Question	3
1.4 Research Objective	4
1.5 Significance of Research	4
1.6 Limitation of Research	5
CHAPTER 2 : LITERATURE REVIEW	6
2.1 Introduction	6
2.2 Definition of Bankruptcy	6
2.3 Type of Bankruptcy	7
2.4 Bankruptcy In Islam	8
2.5 Regulation About Bankruptcy	10
2.5.1 The Changes Of Bankruptcy Law In Malaysia	12
2.6 Establishment Of Malaysia Department of Insolvency	14
2.7 Function Of Malaysia Department Of Insolvency (Mdi)	15
2.8 Literatures Review	17
2.8.1 Usage of Credit Cards Beyond Limit: A Case Study	17
of Younger Generations in Malaysia	

	2.8.2 Bankruptcy among Young Executives in Malaysia	18
	2.8.3 Factors Effecting Towards Personal Bankruptcy a	19
	among Residents: Case Study in Klang Valley,	
	Malaysia	
	2.8.4 Factors Affecting Bankruptcy: The Case Of Malaysia	19
	2.8.5 Bankruptcy Laws In Malaysia: Liability and	20
	Protection To Guarantee	
	2.9 Summary	21
CHAPTER 3	3 : RESEARCH METHODOLOGY	22
	3.1 Introduction	22
	3.2 Research Method	22
	3.3 Research Design	23
	3.4 Data Collection	23
	3.5 Interview Method	23
	3.6 Library Research	24
	3.7 Data Analysis	24
	3.8 Conclusion	24
CHAPTER 4	4: FINDING AND ANALYSIS	25
	4.1 Introduction	25
	4.2 Finding	25
	4.2.1 Step Taken By The Malaysia Department Of Insolvency (Mdi) To Solve The Bankruptcy Cases	25
	4.2.2 The Malaysia Department of Insolvency (Mdi) Play A Roles To Awake The Awareness About Bankruptcy To Society	27
	4.2.3 The Factors That Cause People To Bankruptcy	28