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“Factors that influence the level of bankruptcy among credit card holders”

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Dear Sir,

SUBMISSION OF PROJECT PAPER (FIN 667)

It is with great pleasure that I present you my thesis entitle “**THE FACTORS THAT INFLUENCE THE LEVEL OF BANKRUPTCY AMONG CREDIT CARD HOLDERS**” for your kind evaluation as required by the Faculty of Business Management, UiTM.

Your kindness in accepting the unbounded thesis is highly appreciated.

Thank you.

Yours Sincerely,

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ACKNOWLEDGEMENT



“In the name of Allah, the Merciful, the Beneficent. Praise be to Allah”

Glory to Allah SWT, The Most Gracious, The Most Merciful and Peace upon his messenger The Holy Prophet Muhammad SAW. All the worship belongs to only Allah. I seek refuge with God from the wickedness within and from the evil deeds. Praise also to Allah S. W. T. for giving me the courage, time and knowledge in completing this project paper.

First and foremost, my deepest gratitude and appreciation goes to my respected project advisor Madam Nadia Farleena binti Mohd Aznan, who has made a significant contribution and provided me with continuous guidance and useful comments at all stages of this project paper.

I am also greatly indebted to other UiTM lecturer, especially to Associate Professor Mohammad Jais Atan who is the second advisor to this project. My gratitude is also extended to the staffs of the Department of Insolvency Malaysia and also to those who directly or indirectly helped me complete this project by providing the required valuable information preparing this thesis.

I would also like to express my utmost gratefulness and appreciation to my friends and colleagues for contributing ideas and giving suggestions in the course of doing this thesis.

Last but not least, I would also like to extend my heartiest thank you to my beloved parents and my family for their encouragement and morale support.

God blesses everybody

Thank you.

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ABSTRACT

The aim of this study is to examine the factors that influence the level of bankruptcy among credit card holders. There are three factors that have been studied, which are gross domestic product, interest rate and inflation rate. The researcher took data for a period of 11 years starting from the year 2001 until 2011 from Data Stream. By using Simple Linear Regression Model, this study attempts to identify the most variable that most influences the level of bankruptcy among credit card holders. The findings come out from the study show that, there are significant relationship between gross domestic product, interest rate and inflation rate with the level of bankruptcy among credit card holders. In order to curb with this problem, the government should tighten the rules for the issuance of credit cards and stop advertisements for credit cards that are not transparent about the costs involved, thus seducing consumers to sign up for them.