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**MAJLIS AMANAH RAKYAT (MARA):  
A STUDY ON BUMIPUTERA ENTREPRENEUR'S AWARENESS OF THE  
BUSINESS FINANCING SCHEMES OFFERED BY THE ORGANIZATION  
WITHIN KAPIT DIVISION**

**By**

**TIMELOW ANAK JAUK  
UiTM No. 99546496**



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## ABSTRACT

The aim of this project paper is to find out the reason(s) for the low number of applications under the Business Financing Scheme received by the Majlis Amanah Rakyat (MARA) Office in Kapit for the period from June 1996 to December 2001 as compared to similar claims received by other Majlis Amanah Rakyat (MARA) offices throughout Sarawak. In addition to that, this project will also study on the Bumiputera Entrepreneur's awareness of the Business Financing Scheme provided by the Organization within Kapit Division.

The main objectives of this study are to study the level of awareness among the Bumiputera Entrepreneurs in Kapit Division in respect of the Business Financing Scheme provided by the Majlis Amanah Rakyat (MARA) and how the Bumiputera Entrepreneurs becomes aware of such scheme. In addition to that, the objective is to determine a more effective type(s) of promotional tool(s) to be employed in carrying out the promotion of the services provided by the Organization.

Prior to writing this project paper, a survey was conducted from 17<sup>th</sup> June, 2002 to 26<sup>th</sup> June, 2002 through the use of questionnaires and personal interviews on the public within Kapit Division. Desk research on the Organization's reports, magazines, newspaper cuttings and web surfing were also carried out.

The findings of this project clearly show that 100% of the Bumiputera Entrepreneurs within Kapit Division are fully aware of the existence of the Business Financing Scheme provided by the Organization. Nevertheless, the findings found out that the majority of the Bumiputera Entrepreneurs are aware of the existence of the Majlis Amanah Rakyat (MARA) these findings also show that the Organization is doing very well in promoting its services to the public, though there are rooms for further improvement.

It was also found that the interest among the Bumiputera Entrepreneurs concerning the Business Financing Scheme is increasing steadily based on the personal interviews being conducted. Nevertheless, there is a need to take a more proactive promotional approach which recommends the Organization, among others, to creates more seminars and courses on the subject. The project also recommended increasing the number of MARA staff to be stationed within Kapit Division. Among other recommendation is to suggest that MARA gives more option on security and Guarantor needed.

## 1.1 Background of the Study

This project is carried out to find the reason(s) for such low applications of Business Financing Schemes provided by the Majlis Amanah Rakyat (MARA) Office in Kapit for the period from May 1996 to December 2001. In addition to that, this project is submitted as a partial fulfillment for the requirement of the Bachelor In Business Administration (Marketing) (Hons.) and therefore this study is merely for academic purposes only. A descriptive research approach is used to study on the awareness of the Bumiputera entrepreneurs concerning the Business Financing schemes provided by the Majlis Amanah Rakyat (MARA) within the Kapit Division, Sarawak.

The Majlis Amanah Rakyat (MARA), or the Council of Trust For the Indigenous People, is being selected due to the fact of its major responsibility is to produce trained manpower who have a high level of skill and expertise needed to establish a Bumiputera Commercial and Industrial Community (BCIC). In a situation where the economy is strong and fast developing, MARA continued to play her role in various sectors, meeting goals entrusted which is to increase the number of Bumiputera entrepreneurs. In its attempt to increase the number of qualified entrepreneurs, MARA continued to train more than 7,000 entrepreneurs. With the co-operation of various research, financial and training institutions, various courses were given with the aim of developing small and medium size industrial and commercial (SMI) projects.

## **Introduction Of MARA's Business Financing Schemes**

MARA or Council of Trust for the indigenous people was established as a result of the first Bumiputera Economic Congress that was held in Kuala Lumpur in 1965. Prior to the congress, MARA was known as Rural and Industrial Development Authority (RIDA). MARA later was incorporated as a statutory body by Majlis Amanah Rakyat Act, No. 20 in 1966 and entrusted with the responsibility to promote, stimulate, facilitate and undertake economic and social development in the country, particularly in rural areas. (MARA Annual Report 1999, Pg. 4)

Through the provision of the Islamic Financial facilities, this program aimed at increasing the number of Bumiputera entrepreneurs as well as expediting the level of their enterprises and entrepreneurial initiatives mainly in small and medium scale industries.( MARA Annual Report 1999, Pg. 15)

### **Financing Scheme**

#### **The financing schemes offered are:**

- i. General Financing
- ii. Entrepreneur creation Financing
- iii. Contract Financing
- iv. Fixed Facilities Contract
- v. Small Scales Financing
- vi. Technical Entrepreneur Financing