

PAC 555

CURRENCY CRISIS :

THE IMPACT ON SMALL TRADERS

A paper submitted in partial fulfilment of
the requirements for the degree of Bachelor
of Accountancy (Honours)

BY

MAHADI BIN IBEREHIM @ IBRAHIM

96598404

FACULTY OF ACCOUNTANCY, ITM

September, 1998

ACKNOWLEDGEMENT

In the name of Allah s.w.t., Most Gracious and Most Merciful. First of all, I would like to thank to Allah s.w.t. exalted is He for the excellence in His creation for His Mercy which exist are bestowed in abundance upon humanity.

This project paper could not have been available without the assistance of many people. The completion of this project paper would not have been possible without the constructive comments, expertise, understanding, criticism and guidance given by my helpful advisor, *En. Hassan bin Hussin*. My special gratitude goes to him.

I'm specially indebted to *Puan Norazamina Mohamad*, a coordinator of PAC 555 for providing me with some valuable and reliable information to the completion of this project paper. A special thanks also goes to my second examiner, *En. Shatari bin Abdul Ghafar* for the comments and criticism which is useful in the presentation of my project paper.

I would also like to convey my gratitude to all *small traders* involved for their cooperation and patience in providing me with the valuable information via the questionnaires distributed.

ABSTRACT

This study was undertaken to comply with the Bachelor of Accountancy (Hons) requirement under the subject code PAC 555. The research is about “**Currency Crisis : The Impact On Small Traders**”

This study was prepared with the intention of highlighting the impact and factors as a result of currency crisis towards the small traders. It also emphasize on how the movement of the small traders activities to overcome the crisis. It also to ensure that whether their method of overcoming the currency crisis would help them a lot in improving the situation or scenario as a whole.

From the questionnaires replied, it showed that the currency crisis gave a significant effects to the business especially to the small traders, even it was not that bad. An alternative from these findings, it was concluded that with better techniques of controlling the currency crisis which helps in producing a better implementation to overcome the problems.

TABLE OF CONTENTS

	Pages
Acknowledgement	i
Abstract	iii
Table of Contents	iv
1.0 INTRODUCTION	
1.1 Definition of Small Traders	1
1.2 Malaysia Economy in 1997	3
1.3 Objective	6
2.0 LITERATURE REVIEW	
2.1 Causes of The Crisis	7
2.2 The Implication of The Currency Crisis to The Economy	13
2.3 The Implication of The Currency Crisis to The Small Traders	16
3.0 RESEARCH METHODOLOGY	18
4.0 FINDINGS AND ANALYSIS	
4.1 The Analysis of Respondents' Profile	
4.1.1 The Age of Respondents	21
4.1.2 Gender of Respondents	22
4.1.3 The Status of Marriage	23
4.1.4 Race of Respondents	24
4.1.5 The Education Level of Respondents	25

4.1.6	The Business Life	26
4.1.7	The Capital Employed	27
4.1.8	The Source of Financing	28
4.1.9	The Types of Business	29
4.1.10	Number of Employees	30
4.2	The Analysis of The Currency Crisis	
4.2.1	The Knowledge of The Currency Crisis	31
4.2.2	The Sources of Knowledge of The Currency Crisis	32
4.2.3	The Implication of Currency Crisis To The Business	33
	4.2.3.1 The Evaluation of Effects To The Business	34
	4.2.3.2 The Aspects That The Currency Crisis Affected The Business	35
	4.2.3.3 The Cross Tabulation between The Evaluation of Effects To The Business and Capital Employed	36
	4.2.3.4 The Cross Tabulation between The Evaluation of Effects To The Business and Sources of Financing	37
	4.2.3.5 The Forms of Effects To The Business	38
4.2.4	The Currency Crisis and Outsiders	39