

THE STUDY OF THE ACCOUNTING TREATMENT OF STOCKS IN THE MALAYSIAN CONSTRUCTION INDUSTRY

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ABSTRACT

This research is a study on the accounting treatment of stocks in the Malaysian construction industry. The construction sector represents the economic barometer of a nation's economy. In Malaysia, the construction industry in reality contribute more than what is perceived by many.

It is necessary to study the accounting treatment of stocks, especially during these times since the construction companies are tied down with a large amount of stocks. With the economy recovering, stocks will then form a major part of the asset of the business and also constitute a large amount of the expenses. This in turn will have an impact on the asset and profit figure.

In addition, the researchers will discuss the theoretical foundation to the research. Definition on stocks, long-term contracts and other related term are given. The different standards such as IAS, MAS and SSAP involved in the treatment of stocks are also identified.

Furthermore, the method in collecting the primary data an secondary data in this research are also discussed. This basically covered questionnaires and interviews. It also shows the process in acquiring the data and the limitations of using this data. For data analysis, the Excel programmed will be used and the information will be presented by using descriptive statistics such as tabulation forms, bar charts and pie charts.

Besides, the results from the interview and questionnaires will be analyzed. Different types of visual aids were generated for a better understanding of the analysis, in this research, PPC Glomac Sdn. Bhd. And Lankhorst Bhd. are chosen as the research subjects.

Finally, an overview of the research conducted and the findings gained is presented. The impact of the findings will also be assessed. Recommendations are supplied to the relevant parties in order for the m to take the appropriate actions in relation to the accounting treatment of stocks in the industry.