

PRIVATIZATION OF HOSTELS IN LOCAL UNIVERSITIES IN MALAYSIA (CASE STUDY-UNIVERSITY PUTRA MALAYSIA)

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ABSTRACT

This dissertation identifies that the privatization policy implemented in Malaysia would be carried in the future to help increase economic growth in the country which is been affected by the economic crisis. Many privatized projects have been delayed due to the economic crisis. Therefore, the government must assess each project carefully before accepting them in the future. There are different investment appraisal methods that can be used to assess these projects. This dissertation has been prepared to give a better understanding of why privatization projects such as the project in this study is a good investment for both government and private sector.

The content of this dissertation has been attained through various ways: (1) intensive reading an article from various sources such as reference books, magazines, and journals. (2) By obtaining some of the information from Internet. (3) By distributing questionnaires to student staying in the existing hostels in UPM. (4) By conducting interviews with the officer in charge of the project. (5) By conducting interviews with the students staying in hostels in the local universities.

The findings indicate that government should use many analyses before accepting a proposal to privatize it, because private sectors are finding it difficult to obtained loans from financial institution. Most projects get delayed and over budget due to over or under estimations of the investments by the managers involved.

This dissertation concludes that the government should introduce certain new procedures and steps to analyze a project carefully. Among the recommendations on how to improve this situation are such as the following. The government can set up a performance audits so that the project can be reviewed constantly, set up a particular criteria for the private sector in preparing a proposal, work along together with the private sector to overcome any problems and so on.