

Abstract

Lack of information and control have been identified as major causes of corporate collapse, particularly in the aspect of debtors management and credit control (**Argenti,1976**). Credit squeeze where during period of tight money, credit will be rationed out to those who are thought to be the best risks – as happened during the financial crisis since 1997, in which Malaysian corporations suffered deteriorated bad debts level, slow debts pile up and leading to cash-flow crisis and corporate restructuring. Have the past lessons being learned ?

This study reviewed practical applications of the **Malaysian Management Accounting Guideline No. 3 – Accounts Receivable** issued by the Malaysian Institute of Accountants (MIA) on three Kuala Lumpur Stock Exchange (KLSE) listed companies and one unlisted trading company – as a benchmark comparisons, **on credit control and management**.

This study found that all the three KLSE-listed companies **have no formal credit policy and procedures**. Information technology (IT) was not extensively used in credit control, third party debts collection agency and factoring have not been used by these three listed companies in Malaysia.

There is a need for Malaysian companies especially KLSE-listed companies to formalise their credit policy and procedures and emphasize on its importance. Use of IT, outsourcing of collections and alternate means of financing and collaterals should be further explored.