TABLE OF CONTENTS

ABSTRACT i
ACKNOWLEDGEMENT ii
TABLE OF CONTENTS iii
LIST OF FIGURES ix
LIST OF TABLES x

CHAPTER 1 INTRODUCTION

1.1 OVERVIEW 1
1.2 EDUCATION REFORMS IN MALAYSIA 4
   1.2.1 RURAL-URBAN DIFFERENCE IN EDUCATION 6
1.3 OBJECTIVES OF THE STUDY 8
1.4 SIGNIFICANCE OF THE STUDY 9
1.5 ORGANIZATION OF THE STUDY 9

CHAPTER 2 LITERATURE REVIEW

2.1 SCOPE OF REVIEW 11
2.2 CONCEPTUAL AND METHODOLOGICAL ISSUES 13
2.3 STUDIES IN DEVELOPED COUNTRIES 15
CHAPTER 3  THEORETICAL BACKGROUND

3.1  ECONOMICS OF EDUCATION: THEORY OF PRODUCTION  26
    3.1.1  JOINT EDUCATIONAL PRODUCTION  29

3.2  THE IMPORTANCE OF MARGINAL ANALYSIS  31
    3.2.1  MARGINAL PRODUCT (MP) AND MARGINAL ELASTICITY (ME)  32
    3.2.2  MARGINAL RATE OF TECHNICAL SUBSTITUTION (MRTS)  33
    3.2.3  MARGINAL RATE OF OUTPUT TRANSFORMATION (MRT)  34

3.3  SUMMARY  35

CHAPTER 4  RESEARCH METHODOLOGY

4.1  INTRODUCTION  36

4.2  DATA DESCRIPTION  36
    4.2.1  SCHOOL DATA  40
    4.2.2  STUDENT DATA  41

4.3  MEASUREMENT OF THE VARIABLES  43
6.3 SIMPLE REGRESSION ANALYSIS

6.4 PEARSON PRODUCT-MOMENT CORRELATION

6.4.1 CORRELATION BETWEEN INDEPENDENT VARIABLES

6.4.2 CORRELATION BETWEEN DEPENDENT VARIABLES

6.4.3 CORRELATION BETWEEN INDEPENDENT AND DEPENDENT VARIABLES

6.5 CANONICAL CORRELATION ANALYSIS

6.6 SENSITIVITY ANALYSIS

6.7 DIAGNOSTIC CHECKING

6.7.1 NORMALITY

6.7.2 OUTLIERS

6.7.3 MULTICOLLINEARITY

6.7.4 LINEARITY

6.8 THE MARGINAL ANALYSIS

6.9 SUMMARY OF MAIN FINDINGS

CHAPTER 7 CONCLUSION

7.1 MAIN FINDINGS

7.2 POLICY IMPLICATIONS

7.3 LIMITATIONS OF THE STUDY

7.4 FUTURE RESEARCH
BIBLIOGRAPHY

APPENDIX A – SURAT PEKELILING IKHTISAS BIL. 1/2004

APPENDIX B – PERMISSION LETTER FROM BAHAGIAN PERANCANGAN DAN PENYELIDIKAN DASAR PENDIDIKAN, KEMENTERIAN PENDIDIKAN MALAYSIA.

APPENDIX C – DETAILS OF PER CAPITA GRANT FOR MALAYSIAN SCHOOLS