“THE RELATIONSHIP BETWEEN MACROECONOMIC FACTORS TOWARDS ECONOMIC GROWTH IN MALAYSIA”

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UNIVERSITI TEKNOLOGI MARA

KAMPUS BANDARAYA MELAKA

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Submitted in Partial Fulfilment of the Requirement for the Bachelor of Business Administration With Honours (Finance)

FACULTY OF BUSINESS AND MANAGEMENT
UNIVERSITI TEKNOLOGI MARA
KAMPUS BANDARAYA MELAKA
MELAKA

JULY 2016
DECLARATION OF ORIGINAL WORK

BACHELOR OF BUSINESS ADMINISTRATION
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FACULTY OF BUSINESS AND MANAGEMENT
UNIVERSITI TEKNOLOGY MARA
KAMPUS BANDARAYA MELAKA
MELAKA

‘DECLARATION OF ORIGINAL WORK’

I, AINUL SYAZANA BINTI MOHAMAD HAMIDI, (I/C Number: 931019-10-5714)
I, NUR NADZIRAH BINTI ZULKIFLI, (I/C Number: 931116-14-6390)

Hereby, declare that:

- This work has not previously been accepted in substance for any degree, locally or overseas and is not being concurrently submitted for this degree or any other degrees.

- This project paper is the result of my independent work and investigation, except where otherwise stated.

- All verbatim extracts have been distinguished by quotation marks and sources of my information have been specifically acknowledged.

Signature: ________________________   Date: _____________________

Signature: ________________________   Date: _________________ ___
LETTER OF SUBMISSION

13th July 2016

MADAM KHAIZIE SAZIMAH BINTI AHMAD

Lecturer

Faculty of Business Management

Universiti Teknologi MARA

40450 Melaka

Dear Madam,

SUBMISSION OF PROJECT PAPER

Attached is the project paper titled "THE RELATIONSHIP BETWEEN MACROECONOMIC FACTORS TOWARDS ECONOMIC GROWTH IN MALAYSIA" to fulfill the requirement as needed by the Faculty of Business and Management, University Teknologi MARA.

Thank you.

Yours Sincerely,

AINUL SYAZANA BINTI MOHAMAD HAMIDI
2014465002
Bachelor of Business Administration (Hons) (Finance)

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ABSTRACT

This paper studies the relationship between foreign direct investment, inflation rate, export and exchange rate on economic growth in Malaysia during the period from 1984-2014. All the variables seem to have relationship with economic growth. Unit root test and diagnostic test were being used to test whether it is stationary or non-stationary. The analyses are conducted using multiple linear regression to get the results. Foreign direct investment and export show a positively relationship towards economic growth, therefore, it is perfectly significant. The multiple linear regression results show that all the independent variables were significant relationship towards dependent relationship since the F-value and P-value were 8.428080 and 0.000169 respectively. The null hypothesis has been rejected because the F-statistic is statistically significant at 1% significant level. Based on the result, exchange rate is the most factors that give impact on economic growth.