



**ESTIMATING THE DOMESTIC DETERMINANTS OF
FOREIGN DIRECT INVESTMENT FLOWS IN
MALAYSIA: EVIDENCE FROM COINTEGRATION**

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2012250836

BACHELOR OF BUSINESS ADMINISTRATION

(HONS) FINANCE

FACULTY OF BUSINESS MANAGEMENT

UNIVERSITI TEKNOLOGI MARA

JOHOR

DECEMBER 2014

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DIRECT INVESTMENT FLOWS IN MALAYSIA: EVIDENCE FROM
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**Submitted in Partial Fulfillment
of the Requirement for the
Bachelor of Business Administration
(Hons) Finance**

**FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA,
JOHOR**

DECEMBER 2014

LETTER OF SUBMISSION

7th December 2014

Department of Finance
Scholl of Business and Management
UiTM Johor, Segamat, Johor
Box 527, 85000 Segamat
Johor, Malaysia.

Dear Sir/Madam,

SUBMISSION OF PROJECT PAPER

Attached is the project paper titled “**Estimating the Domestic Determinants of Foreign Direct Investment Flows in Malaysia: Evidence from Cointegration**” to fulfill the requirement as needed by the Faculty of Business Management, UniversitiTeknologi MARA.

Thank you.

Yours sincerely

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Bachelor of Business Administration (Hons) Finance

DECLARATION OF ORIGINAL WORK



BACHELOR OF BUSINESS ADMINISTRATION

(HONS) FINANCE

FACULTY OF BUSINESS MANAGEMENT

UNIVERSITI TEKNOLOGI MARA

JOHOR

“DECLARATION OF ORIGINAL WORK”

I, Siti Nabila Binti Amran,

(I/C Number: 910606 – 10 – 5862)

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: _____

1.0 CHAPTER 1: INTRODUCTION

1.1 INTRODUCTION

Chapter 1 covers the brief introductions on the topic that researcher choose to do in this study, starting from the big picture narrowing down to the field for the researcher focused on. First of all, some studies have been done on Foreign Direct Investment (FDI) which defining and explaining on how it will work. The effect that FDI cause to a country will also be discuss in this section. After that, the study is narrowed down to the chosen country which is Malaysia. In this section, problem statement regarding the FDI in Malaysia and the independent variable which is exchange rate, inflation rate, economic growth, export of good& services and FDI China will also be introduced. This chapter will discuss briefly on the background of the study, problem statement, research questions, research objectives, and significant of study. Here, an explanation of the dependent and independent variables is provided and this study is to discover the relationship of the variables mentioned.

This research will involve formulation of research questions related to the theoretical framework of our research. There are two types of research questions. First is the main research question and second are specific research questions. The main research question is related to the dependent variable that is the nexus or center of our research study. The specific research questions are aimed at supporting the validity of the outcome of the main research question. Furthermore, in this research the objective is divided into two. First is the main research objective and second are the specific research objectives. Under the topic significant of study, the importance and contribution of the research will also be discussed.