THE DETERMINANTS OF CRIME RATES
IN MALAYSIA

AMIERRA MAHMUDA BINTI MAHMUD

2012857972

Submitted in Partial Fulfillment
of the Requirement for the
Bachelor of Business Administration (Hons) Finance

FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA
SEGAMAT, JOHOR.

JUNE 2015
DECLARATION OF ORIGINAL WORK

BACHELOR OF BUSINESS ADMINISTRATION (HONS) FINANCE

FACULTY OF BUSINESS MANAGEMENT

UNIVERSITI TEKNOLOGI MARA

JOHOR

“DECLARATION OF ORIGINAL WORK”

Amiera Mahmuda Binti Mahmud       ( I/C Number : 920425-10-5142 )

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 :

__________________________________________  ______________________
LETTER OF SUBMISSION

21st June 2015

Mrs. Nur Liyana Bt Yousop
Mr. Syamsul Bin Samsudin
Faculty of Business Management,
Universiti Teknologi MARA,
85009 Segamat,
Johor Darul Takzim.

Dear Sir,

SUBMISSION OF PROJECT PAPER

Attached is the project paper titled “THE DETERMINANTS OF CRIME RATES IN MALAYSIA” to fulfill the requirement as needed by the Faculty of Business Management, Universiti Teknologi MARA.

Thank you.

Yours sincerely,

.............
AMIERA MAHMUDA BT MAHMUD
2012857972
Bachelor of Business Administration (Hons) Finance
ACKNOWLEDGEMENT

First and foremost, thankful to Allah s.w.t for giving me chances and strength to be able to prepare this research successfully. I also would never have been able to finish this research without the guidance from the lecturer, help from friends and support from my family members.

With a great pleasure, I would like to express my very great appreciation to my advisor, Mrs. Nur Liyana Bt Yousop and also Mr. Syamsul Bin Samsudin for the valuable guidance and constructive suggestions during the planning and development of this research paper. She inspired me greatly during my research. Thank you for her willingness to give her time so generously has been very much appreciated.

My completion of this project could not have been accomplished without the willingness and full co-operation from Royal Malaysia Police because gave me the complete crime rate data. Without the aid of their parties, I would not be able to complete this research. Big thanks to my JBM222 6A members as my classmates who always shared their opinion and great experience in completing this research.

Moreover, I would like to thank my parents for believing in me and make my research an easier task by helping me in term of financially and mentally. Last but not least, I would like to acknowledgement to all parties who help, support, time and love while preparing this research either directly or indirectly. Without all the efforts given, this research would not be a success. There are no words that could explain how grateful I am towards their effort.

Thank you.
ABSTRACT

Fear of crime in areas steadily keep increasing, the economic effect and social effects can distribute into surrounding city. Residents then, become more defensive, cautious and having low committed to their communities. The important social root of the community were decreasing and also weaken. Moreover, economics conditions also may effect the occurrence at this crime. Thus, to clarify the relationship between the economic variables and crime, this study aims to investigate the significant relationship between unemployment, inflation and population density with crime rates in Malaysia. The data of crime rate index in Malaysia for the year 1982 until 2013 (yearly basis) were obtained from Royal Malaysia Police as well as from DataStream for the dependent variables. The data of this study was being analysed by using Eviews software. The Multiple Linear Regressions were used to analyze the significant relationship between independent variables (unemployment, inflation and population density) towards dependent variable (crime rates). The findings of this study was consistent with crime rate hypothesis which indicate that the country which have high degree of unemployment, inflation and population density tend to have higher rate of crime.