FACTORS THAT INFLUENCE SAVING BEHAVIOUR IN MALAYSIA

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DECLARATION OF ORIGINAL WORK

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- 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.

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ABSTRACT

This paper aims at determining the determinants of saving behaviour in Malaysia. The variables are interest rate, inflation, consumption, income level, quantitative easing and rate of return. The sample of this study comprises of 30 observations each of the independent and dependent variables on a monthly basis for 30 years period from January 1983 to December 2013. Methodology used for this study is by using Multiple Linear Regression with time series data sourced from Department of Statistics, Ministry of Finance, and World Bank data. Therefore, econometric tests are to be conducted to know the determinants of variable such as interest rate, inflation rate, income level, consumption, quantitative easing and rate of return towards saving behaviour in Malaysia. Interactive software package E-view would be used for testing and analysing the data collected. The study is an attempt to investigate the determinants of saving behaviour in Malaysia. The results of this research paper would provide us with an indicative view and could form an important basis for investors and policy makers in their investment strategies and policy decisions respectively.
TABLE OF CONTENT

TITLE PAGE I
DECLARATION OF ORIGINAL WORK II
ACKNOWLEDGEMENT III
TABLE OF CONTENT IV
LIST OF FIGURES VIII
LIST OF TABLES IX
ABSTRACT X

CHAPTER 1 INTRODUCTION
1.1 BACKGROUND OF STUDY 2
1.2 PROBLEM STATEMENT 3
1.3 RESEARCH OBJECTIVES 7
1.4 RESEARCH QUESTIONS 7
1.5 SCOPE OF STUDY 7
1.6 SIGNIFICANCE OF STUDY 8
  1.6.1 RESEARCHER 8
  1.6.2 GOVERNMENT 8
  1.6.3 CONSUMER 8
  1.6.4 FUTURE RESEARCHER 8
1.7 LIMITATIONS OF THE STUDY 9
  1.7.1 DATA RELIABILITY AND PERIOD CONSTRAINT 9
  1.7.2 TIME CONSTRAINT 9
  1.7.3 JOURNAL AVAILABILITY 9
1.8 DEFINITION OF TERMS 10
1.9 SUMMARY 11

CHAPTER 2 LITERATURE REVIEW
2.1 SAVING 12
2.2 INCOME AND SAVING 13
2.3 INFLATION AND SAVING 15
2.4 CONSUMPTION AND SAVING 18
2.5 INTEREST RATE AND SAVING 20
2.6 QUANTITATIVE EASING AND SAVING 23
2.7 RATE OF RETURN AND SAVING 24

CHAPTER 3 METHODOLOGY
3.1 DATA COLLECTION 27
  3.1.1 SECONDARY DATA 27
    3.1.1.1 INTERNAL SOURCES 28
    3.1.1.2 EXTERNAL SOURCES 28
3.2 VARIABLES AND MEASUREMENT 29
  3.2.1 DEPENDANT VARIABLES 29
  3.2.2 INDEPENDENT VARIABLES 30
3.3 RESEARCH DESIGN 31
  3.3.1 PURPOSE OF STUDY 31
  3.3.2 TYPES OF INVESTIGATION 31
  3.3.3 RESEARCH INTERFERENCE 31
  3.3.4 STUDY SETTING 32
  3.3.5 UNIT OF ANALYSIS 32
  3.3.6 TIME HORIZON 32
  3.3.7 RESEARCH FRAMEWORK 33
3.4 SAMPLING DESIGN 34
  3.4.1 TARGET POPULATION 34
  3.4.2 SAMPLING SIZE 34
3.5 DATA ANALYSIS AND TREATMENT 34
  3.5.1 NORMALITY TEST 34
  3.5.2 MULTICOLLINEARITY TEST 34
  3.5.3 AUTOCORRELATION TEST-SERIAL CORRELATION LM TEST 35
  3.5.4 DESCRIPTIVE STATISTICS 35
  3.5.5 MULTIPLE LINEAR REGRESSIONS 35
  3.5.6 F-STATISTIC 36
  3.5.7 COEFFICIENT OF DETERMINATION (R²) 36
  3.5.8 ADJUSTED R-SQUARED 37