A STUDY ON THE FACTORS THAT STIMULATE ECONOMIC GROWTH IN MALAYSIA

MUHAMMAD SYAHIMAN BIN GHAZALLE
2014649102
KHAIRUN NISA BINTI MOHD MISPAN
2014864274

BACHELOR OF BUSINESS MANAGEMENT (HONS) FINANCE

FACULTY OF BUSINESS MANAGEMENT

UNIVERSITI TEKNOLOGI MARA

BANDARAYA MELAKA

JUNE 2016
DECLARATION OF ORIGINAL WORK

BACHELOR OF BUSINESS ADMINISTRATION (HONS) FINANCE
FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA BANDARAYA MELAKA
“DECLARATION OF ORIGINAL WORK”

I, Muhammad Syahiman Bin Ghazalle (I/C Number: 930403-10-6071) and Khairun Nisa Binti Mohd Mispan (I/C Number: 930314-10-6168)

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 our independent work and investigations, except where otherwise stated.
- All verbalism extract have been distinguished by quotation marks and sources of our information have been specifically acknowledged.

Signature: …………………………. Date: ………………………………..

Signature: …………………………. Date: ………………………………..
LETTER OF SUBMISSION

30th June 2016

MISS NURHASLINDA BINTI HASHIM

Lecturer

Bachelor of Business Administration (Hons.) Finance

Faculty of Business Management

Universiti Teknologi MARA

40450 Melaka

Dear Miss,

SUBMISSION OF PROJECT PAPER

Attached is the project paper titled “A STUDY ON THE FACTORS THAT STIMULATE ECONOMIC GROWTH IN MALAYSIA” to fulfill the requirement as needed by the Faculty of Business Management, University Teknologi MARA.

Thank you.

Yours Sincerely,

M. SYAHIMAN BIN GHAZALLE

Bachelor of Business Administration (Hons) (Finance)

2014649102

KHAIRUN NISA BINTI MOHD MISPAN

Bachelor of Business Administration (Hons) (Finance)

2014864274
TABLE OF CONTENT

<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title Page</td>
<td>i</td>
</tr>
<tr>
<td>Declaration of Original Work</td>
<td>ii</td>
</tr>
<tr>
<td>Letter of Submission</td>
<td>iii</td>
</tr>
<tr>
<td>Acknowledgement</td>
<td>iv</td>
</tr>
<tr>
<td>Table of Contents</td>
<td>v</td>
</tr>
<tr>
<td>List of Tables</td>
<td>ix</td>
</tr>
<tr>
<td>List of Figures</td>
<td>xi</td>
</tr>
<tr>
<td>List of Abbreviations</td>
<td>xiii</td>
</tr>
<tr>
<td>Abstract</td>
<td>xiii</td>
</tr>
<tr>
<td><strong>CHAPTER ONE – INTRODUCTION</strong></td>
<td></td>
</tr>
<tr>
<td>1.0 Overview</td>
<td>1</td>
</tr>
<tr>
<td>1.1 Background of Study</td>
<td>1</td>
</tr>
<tr>
<td>1.2 Problem Statement</td>
<td>5</td>
</tr>
<tr>
<td>1.3 Research Objectives</td>
<td>8</td>
</tr>
<tr>
<td>1.4 Research Questions</td>
<td>9</td>
</tr>
<tr>
<td>1.5 Significant of Study</td>
<td>10</td>
</tr>
<tr>
<td>1.6 Scope of Study</td>
<td>12</td>
</tr>
<tr>
<td>1.7 Limitations of Study</td>
<td>12</td>
</tr>
<tr>
<td>1.8 Definition of Term</td>
<td>13</td>
</tr>
</tbody>
</table>
LIST OF ABBREVIATIONS

EXR : Export Revenue
GCE : Government Consumption
GFI : Gross Fixed Investment
PBD : Public Debt
PCE : Private Consumption
ECG : Economic Growth

ABSTRACT

The purpose of this study is to investigate the factors that stimulate economic growth which are export revenue, government consumption, gross fixed investment, public debt and private consumption in Malaysia. The data was collected in quarterly basis from year 1996 to 2013. This study used Single Linear Regression and Multiple Linear Regression in order to determine the relationship among these variables. Based on the result, it reveals that for all independent variables which are export revenue, government consumption, gross fixed investment and private consumption have a significant positive relationship towards economic growth which represented by gross domestic product. Meanwhile, the result for public debt has a same existing literature that found a negative relationship towards economic growth.