



**DETERMINANTS OF EXCHANGE RATE IN MALAYSIA**

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**JANUARY 2020**

**DECLARATION OF ORIGINAL WORK**



**BACHELOR OF BUSINESS ADMINISTRATION  
WITH HONOURS (FINANCE)  
FACULTY OF BUSINESS MANAGEMENT  
UNIVERSITI TEKNOLOGI MARA  
“DECLARATION OF ORIGINAL WORK”**

I am Nur Farhanis Syafiqah Binti Muhamad Fazli (IC Number: 960729-14-5326).

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**

Bachelor of Business Administration (Hons) Finance  
Faculty Business Administration  
Universiti Teknologi Mara Kampus Bandaraya Melaka  
110 Off Jalan Hang Tuah  
75300 Melaka

Dear Madam,

**SUBMISSION OF PROJECT PAPER**

**DETERMINANTS OF FOREIGN DIRECT INVESTMENT IN MALAYSIA**

I am required to do a project paper on the above topic. I hereby submitted this report and I really hope that this work will fulfil the requirement for the Bachelor of Business Administration (Hons) Finance.

Thank you,

Yours sincerely,

.....

Nur Farhanis Syafiqah binti Muhamad Fazli

2017607862

Bachelor of Business Administration (Hons) Finance

## TABLE OF CONTENTS

	<b>Page</b>
TITLE PAGE	i
DECLARATION OF ORIGINAL WORK	ii
LETTER OF TRANSMITTAL	iii
ACKNOWLEDGMENT	iv
TABLE OF CONTENTS	v-viii
LIST OF FIGURES	ix
LIST OF TABLES	x
LIST OF ABBREVIATIONS	xi
ABSTRACT	xii
<b>CHAPTER 1 INTRODUCTION</b>	
1.1 Background of Study	1-2
1.2 Problem statement	2-7
1.3 Research Objective	8
1.4 Research Questions	8
1.5 Scope of Study	8
1.6 Significance of Study	9
1.7 Definition of Terms	9-11
1.8 Conclusion	11

## **ABSTRACT**

The purpose of this study is to examine the determinants of Exchange Rate (EXR) in Malaysia. The determinants with Interest Rate (INT), Inflation (INF), Balance of Payment (BOP), Foreign Direct Investment (FDI) and Government Debt (GVD). The study was using time series data from 2009 to 2018 quarterly. Multiple linear regression model has been used in this study. The result shows that Inflation Rate and Government Debt have positive and negative significant relationship towards Exchange Rate in Malaysia. Meanwhile, there is insignificant relationship between Interest Rate, Balance of Payment, and Foreign Direct Investment on Exchange Rate in Malaysia. It means Interest Rate, Balance of Payment, and Foreign Direct Investment has no significant effect on Foreign direct investment in Malaysia. Thus, other researcher can used more than 40 observation in future to get more accurate result that depends on Malaysia's condition.