A STUDY ON DETERMINANTS OF ISLAMIC SAVING DEPOSIT IN MALAYSIAN BANKING SYSTEM

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KAMPUS BANDARAYA MELAKA

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A graduation Exercise Submitted to the
Faculty of Business Management
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As a Partial Fulfillment of the requirement
For Bachelor of Business Administration
(Hons)
Finance

NOVEMBER 2010

DECLARATION OF ORIGINAL WORK

BACHELOR OF BUSINESS ADMNISTRATION (HONS) FINANCE
FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA
BANDARAYA MELAKA

I**, NURUL NISA BINTI KULOP ALANG** (I/C Number: 870806-05-5254)

Hereby, declared that,

- This work has not previously been accepted in substance for any degree, locally or overseas, and not being currently 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 has been distinguished by quotation marks and sources of my information have been specifically acknowledged.

Signature:_____   Date:_____

LETTER OF SUBMISSION

November 2010

Madam Noraizan Binti Mohamed

Coordinator

Bachelor of Business Administration (Hons) Finance

Faculty of Business Management

Universiti Teknologi MARA

75300 Melaka

Dear Madam,

SUBMISSION OF PROJECT PAPER (FIN667)

With reference to the above matter, I am a student of BBA (hons) Finance would like to hand in my project paper entitled "A Study on Determinants of Islamic Savings Deposit in Malaysian Banking System" to fulfill the requirement as needed by the Faculty of Business Management, Universiti Teknologi MARA.

Thank you

Yours sincerely,

_____

(NURUL NISA BINTI KULOP ALANG)

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BBA (hons) Finance

ABSTRACT

This study is measuring the determinants of Islamic savings deposit in Islamic banking system within 5 years period beginning from 2005 until 2009. Data analysis for this study was done through Statistical Package for Social Science (SPSS) Program in order to analyze and interpret the findings. The main indicator towards measuring the determinants of Islamic savings deposit in Islamic banking system is using the regression analysis. The regression analysis is comprises of 1) Coefficient of determination (R^2), 2) F-Statistic, 3) Coefficients, 4) T-Statistic and 5) Durbin-Watson. The results of the study show the determinants of savings deposit in Islamic banking system are different which the money supplies has a significant relationship and has a positive relationship with the balance in Islamic savings account. This proves by the results from the SPSS program used. Overall, the researcher can consider that most of the result gathered in this study is significant.