A STUDY ON FACTORS INFLUENCING PRODUCTION OF COCOA IN MALAYSIA

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Dear Madam,

SUBMISSION OF BUSINESS ECONOMICS PROJECT PAPER (ECO663)

Attached is the project paper entitled a study on **"Factors influencing production of cocoa in Malaysia"** which submitted to fulfill the requirement by the Faculty of Business Management. I would like to thank all for advices, guidance and support given in the completion of this project paper.

Thank you.

Yours sincerely,

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In the Name of Allah, the Most Beneficent, the Most Merciful

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ABSTRACT

The topic selected was entitled as "Factors Influencing Production of Cocoa in Malaysia". In this study, the time series data used over 30 year data period. The data was collected from Department of Statistics, Malaysia (DOS) and Food and Agriculture Organization (FAOstat). The objectives of this study are to determine the relationship between independent and the dependent variable, to identify the variable that give most impact to the cocoa production in Malaysia during the studied time period of year 1982 to 2011 and to analyze the significance of the independent variables towards dependent variable.

The result from various analysis done showed that there is a positive relationship between number of workers and import of cocoa towards the production of cocoa in Malaysia, while planted area showed a negative relationship. Multiple regression method used resulting that the most influential independent variable is number of workers due of the largest number of coefficient value. Only the number of workers are significantly influenced the cocoa production in Malaysia Meanwhile, two other variables does not significantly affected the production of cocoa in Malaysia. But then, this model still can be accepted because of the high value of F-statistic. Furthermore, this study fulfils the objective of this project paper which is to identify the factors that influence the production of cocoa in Malaysia.