



**DETERMINANTS OF THE MICROFINANCE GROWTH IN SELECTED
COUNTRIES**

NURAFARINA BINTI RAZALI

2016718379

NURUL AMIRAH BINTI AHMAD

2016565591

GROUP : BM242 6E

BACHELOR OF BUSINESS ADMINISTRATION WITH HONOURS (FINANCE)

FACULTY OF BUSINESS MANAGEMENT

UNIVERSITY TEKNOLOGI MARA MELAKA

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DECLARATION OF ORIGINAL WORK



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

I, NURAFARINA BINTI RAZALI, 961109-04-5548

Hereby, declare that the project work entitled “Determinants Of The Microfinance Growth In Selected Countries” is a record of original and independant research work that has been carried out by me and my partner, Nurul Amirah Binti Ahmad (960401-04-5268) during our final semester Degree study. This work has been submitted to Universiti Teknologi MARA under the supervision of Puan Wan Musyirah Binti Wan Ismail, Lecturer of Finance in Universiti Teknologi MARA. This project paper has not been submitted or presented to any other universities for a similar or any other degree award.

Signature:

Date:

DECLARATION OF ORIGINAL WORK



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Signature:

Date:

LETTER OF SUBMISSION

22nd December 2018

WAN MUSYIRAH BINTI WAN ISMAIL

Lecturer

Bachelor of Business Administration (Hons.) Finance

Faculty of Business Management

Universiti Teknologi MARA Bandaraya Melaka

110 Off Jalan hang Tuah

75300 Melaka

Dear Madam,

SUBMISSION OF PROJECT PAPER

Attached is the project paper titled “**DETERMINANTS OF THE MICROFINANCE GROWTH IN SELECTED COUNTRIES**” to fulfil the requirement as needed by the Faculty of Business Management, Universiti Teknologi MARA.

Thank you.

Yours sincerely,

NURAFARINA BINTI RAZALI

2016718379

Bachelor of Business Administration with Honours Finance

ABSTRACT

This study uses the data series of variable Interest rate, Inflation rate, Number of Microfinance Borrowers and Foreign Direct Investment (FDI) to measure the relationship of these five Economics variables towards the Microfinance growth. In addition, this study tries to investigate the best model to use among Panel Regression Fixed Effect, Panel Regression Random Effect and Pooled OLS Test. This study also applies a panel data procedure and the sample of this study is taken by yearly from year 2004 until 2016 in 9 selected countries which are Brazil, Bolivia, Bangladesh, Mexico, Moldova, Ukraine, Nigeria, Nicaragua and South Africa.

The findings of this study show there is a significant negative relationship between Microfinance growth and Interest rate. There is a significant positive relationship between Microfinance growth and Inflation rate. There is a significant negative relationship between Microfinance growth and Number of Microfinance Borrowers. Lastly, there is a significant positive relationship between Microfinance growth and Foreign Direct Investment (FDI).