COMPARATIVE STUDY OF MACROECONOMIC VARIABLES TOWARDS UNEMPLOYMENT IN MALAYSIA AND THAILAND

1996-2015

NORHAFIZAH BINTI ABDUL MALEK

2014352445

BACHELOR OF BUSINESS ADMINISTRATION

(HONS) FINANCE

FACULTY OF BUSINESS MANAGEMENT

UNIVERSITY TEKNOLOGI MARA

SEGAMAT, JOHOR

DECEMBER 2016

COMPARATIVE STUDY OF MACROECONOMIC VARIABLES TOWARDS
UNEMPLOYMENT IN MALAYSIA AND THAILAND

(1996-2015)

By:

NORHAFIZAH BINTI ABDUL MALEK

(2014352445)

Submitted in Partial Fulfillment

of the Requirement for the

Bachelor of Business Administration (Hons) Finance

FACULTY OF BUSINESS MANAGEMENT

UNIVERSITI TEKNOLOGI MARA

SEGAMAT, JOHOR

DECEMBER 2016

BACHELOR OF BUSINESS ADMINISTRATION (HONS) FINANCE
FACULTY OF BUSINESS MANAGEMENT
UNIVERSITY TEKNOLOGI MARA
SEGAMAT, JOHOR

DECLARATION OF ORIGINAL WORK

NORHAFIZAH BINTI ABDUL MALEK   **2014352445**

Hereby, declare that,

(a) 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.

(b) This project paper is the result of my independent work and investigation, except where otherwise stated.

(c) All verbatim extracts have been distinguished by quotation marks and sources of my information have been specifically acknowledged.

Signed…………………………………………………

Date…………………………………………………..

LETTER OF SUBMISSION

5ᵗʰ January 2017

Madam NorsalizaBinti Abu Bakar

Faculty of Business Management

University Teknologi MARA

85009 SEGAMAT

JOHOR DARUL TAKZIM

Dear Madam,

SUBMISSION OF PROJECT PAPER

Attached is the project paper titled **"COMPARATIVE STUDY OF MACROECONOMIC VARIABLES TOWARDS UNEMPLOYMENT IN MALAYSIA AND THAILAND"** to fulfil the requirement as needed by the Faculty of Business Management, UniversitiTeknologi MARA.

Thank you.

Yours sincerely,

....

NORHAFIZAH BINTI ABDUL MALEK

2014352445

Bachelor of Business Administration (Hons) Finance

ABSTRACT

Unemployment is a key macroeconomic indicator that will determine the health of an economy. Unemployment can be defined as a phenomenon that occurs when a person who is actively searching for employment is unable to find work especially fresh graduates. Unemployment is considered as a problem due to its give various impact to the society. For example, if there is high unemployment in some countries, the possibility of people to involve in crime will also be high. This is because people who are unemployed tend to do the crime in order to support themselves to live in the country. There are several sources of data that are used to complete this research such as electronic sources which can be collected from the e-sources that can be found in the web of library UniversitiTeknologi Mara (UiTM) such as Datastream, World Bank data and database online that have been subscribe by UiTM. Besides that, journals and articles are also sources of the data which can be found in ScienceDirect, Emerald Premium and Proquest. In addition, the data and some information also can be found in the Internet which used as a supporting material.The result of analysis will be obtained through research by using Stata for interpreting data, Microsoft Excel for combining data, and Google to search supporting documents. Method that will apply is Multiple Linear Regressions (Panel Data). Fixed Effect Model was used to determine the relationship between unemployment with Gross Domestic Product, Interest Rate, Inflation Rate and Exchange Rate. In order to run Fixed Effect Model, we must run the f-test for fixed effect and Breusch Pagan LM test first. Then, we can decide to run Fixed Effect Model by using Least Square Dummy Variable (LSDV). The result in LSDV will be used to indicate the relationship of unemployment with GDP, interest rate, inflation rate and exchange rate. It means that all the independent variable in this study will influence the unemployment rate in both countries, Malaysia and Thailand. Any movement in all the independent variable will effected the unemployment in both countries.