



**A CASE STUDY OF MALAYSIA:
THE IMPACT OF EXCHANGE RATE CHANGES ON THE
PRICE OF IMPORTED PRODUCT AND ON TRADE
(1996-2005)**

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UITM, JOHOR**

APRIL 2007

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ON TRADE
(1996-2005)**

NOOR HABIBAH BT MOHD HARUDIN

**Submitted in Partial Fulfillment
of the Requirement for the
Bachelor of Business Administration
(Hons) Finance**

**FACULTY OF BUSINESS MANAGEMENT
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**BACHELOR OF BUSINESS ADMINISTRATION
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FACULTY OF BUSINESS MANAGEMENT
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“DECLARATION OF ORIGINAL WORK”

I, NOOR HABIBAH BT MOHD HARUDIN, (I/C Number: 840715105052)

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: 4 MEI 2007

LETTER OF SUBMISSION

4 Mei 2007

Mr. Muhamad Sukor Bin Jaafar
Finance Department
Faculty of Business Management
Universiti Teknologi MARA
85009 Segamat
Johor.

Dear Sir,

SUBMISSION OF PROJECT PAPER

Attached is the project paper titled "**A CASE STUDY OF MALAYSIA:
THE IMPACT OF EXCHANGE RATE CHANGES ON THE PRICE OF
IMPORTED PRODUCT AND ON TRADE IN SUCH PRODUCT (1996-2005)**"
to fulfill the requirement as needed by the Faculty of Business
Management, University Teknologi MARA

Thank you

Yours sincerely,



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ABSTRACT

This study is identifying the correlation between exchange rate and the price of imported product. It is also considering the effect on the changes or movement of exchange rate to trade of imported product. Furthermore, this research also examines the way that exchange rate can influencing the trade flows of imported product.

The data for this research is mostly based on the BNM Annual Report and BNM and BNM Monthly Statistical Bulletin. This study also have concentrated on three indicators, which are exchange rate, total price for imported product in Malaysia and trade balance from year 1996 to 2005 that base on yearly basis.

This study will use the methods that come from Excel and SPSS. The methods that will be use for this research are the Simple Linear Regression, and Determination of Coefficient.

From the finding result in this research, there have show that the exchange rate is really can effect the import price but it is not strongly effect the trading of imported product. As a conclusion, it means that the exchange rate have the impact on the price imported product and import trading.