



إِنَّمَا نَقَدُّ لَكُمْ لَوْ كُنَّا قَائِمِينَ

**UNIVERSITI TEKNOLOGI MARA**

**CAWANGAN KELANTAN**

**RELATIONSHIP BETWEEN DETERMINANTS OF ECONOMIC DEVELOPMENT AND  
ECONOMIC GROWTH IN MALAYSIA**

**ENCIK AHMAD BUKHARI BIN MOHD YASIN**

**ADVISOR**

**ENCIK MOHAMAD HANIF BIN BAHRUDIN**

**SECOND EXAMINER**

**PREPARED BY:**

**NURURL SYAHIRA BINTI ZAWAWI**

**2011249558**

**BACHELOR OF BUSINESS ADMINISTRATION (HONS) FINANCE**

**FACULTY OF BUSINESS MANAGEMENT**

**UNIVERSITI TEKNOLOGI MARA (UiTM)**

**KOTA BHARU, KELANTAN.**

**JUNE 2013**



**UNIVERSITI TEKNOLOGI MARA  
CAWANGAN KELANTAN**

**BACHELOR OF BUSINESS ADMINISTRATION (HONS) FINANCE  
FACULTY OF BUSINESS MANAGEMENT  
UNIVERSITI TEKNOLOGI MARA (UiTM)  
KOTA BHARU, KELANTAN.**

---

**DECLARATION OF ORIGINAL WORK**

I declared that the work in this thesis was carried out in accordance with the regulations of Universiti Teknologi MARA (UiTM). It is original and the result is on my own study, unless otherwise indicated or acknowledged as referenced work. The topic has not been submitted to any other academic institutions or non-academic institutions for any other degree or qualifications.

In the event that my thesis be found to violate the conditions mentioned above, I voluntarily waive the right of conferment of my degree and agree be subjected to the disciplinary rules and regulations of Universiti Teknologi MARA (UiTM).

Name : NURUL SYAHIRA BINTI ZAWAWI

ID No. : 2011249558

Thesis Title : RELATIONSHIP BETWEEN DETERMINANTS OF ECONOMIC  
DEVELOPMENT AND ECONOMIC GROWTH IN MALAYSIA

Signature : .....

Date : .....

**LETTER OF TRANSMITTAL**

Nurul Syahira binti Zawawi  
Bachelor of Business Administration (Hons.) Finance  
Universiti Teknologi MARA (UiTM)  
Kampus Kota Bharu, 15050 Kota Bharu,  
Kelantan Darul Naim.

July 2013

---

Head of Program  
Bachelor of Business Administration (Hons.) Finance  
Faculty of Business Management  
Universiti Teknologi MARA (UiTM)  
Kampus Kota Bharu, 15050 Kota Bharu,  
Kelantan Darul Naim.

Dear Sir,

**SUBMISSION OF FINANCE PROJECT PAPER**

Attached is the copy of Finance Project Paper entitled “Relationship between Determinants of Economic Development and Economic Growth in Malaysia” to fulfill the requirement as needed by the faculty of Business Management, University Teknologi MARA (UiTM).

Thank you.

Yours faithfully,

.....

NURUL SYAHIRA BINTI ZAWAWI  
2011249558  
Bachelor of Business Administration (Hons.) Finance

## **ACKNOWLEDGEMENT**

**“In the name of Allah the Most Gracious, the Most Merciful”**

Praise to Allah S.W.T the lord of universe, for His wisdom, strength and a blessing that has made me able to complete this project paper. Peace and blessings of Allah be upon on his messenger, Muhammad S.A.W

First and foremost, I would like to thank my respectable advisor Mr Ahmad Bukhari bin Mohd Yasin who made a significant contribution and provided me with his great analytical skills, kindness and timely responses to the completion of this research.

My special thanks also go to my second advisor, Mr Mohamad Hanif bin Baharudin, who had given me the knowledge that I need in fulfilling the requirement of my study. Both have given me the encouragement and hope for me to be more successful.

Last but not least, thanks a lot to my beloved parents and my family for their encouragement and moral support. This gratitude and appreciation also goes to many individuals who had responded to my initial request for material such as librarians of UiTM Kelantan, Kota Bharu campus. I also would like to express my utmost gratefulness and appreciation to my friends and colleagues for contributing ideas and giving suggestions. Once again to all of the above, I would like to thank you and may Allah bless everybody.

## **ABSTRACT**

This study is undertaken to examine the relationship between inflation, industrial production, unemployment and economic growth by using time series data on Malaysia for 19 year on quarterly basis. The objective of this study is to identify whether this factors affect economic growth in Malaysia. All the data used is in quarterly basis ranged from the year 1994 to year 2012. The method used is Multiple Linear Regression Analysis in order to determine the relationship between the three variables. Thus, the findings indicate that unemployment and industrial production is the variables associated with economic growth in Malaysia. Meanwhile, inflation had no significant relationship with economic growth in Malaysia. These finding suggest that the government should take into account that unemployment and industrial production had given impact in determining the economic growth in Malaysia and do take necessary actions in order to have stable economy.