

UNIVERSITI TEKNOLOGI MARA

**FACTOR THAT INFLUENCE INCOME
INEQUALITY**

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Final Year Project Paper submitted in fulfillment
of the requirements for the degree of
**Bachelor of Business Administration
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AUTHOR'S DECLARATION

I declare that the work in this final year project paper was carried out in accordance with the regulations of Universiti Teknologi MARA. It is original and is the results of my own work, unless otherwise indicated or acknowledged as referenced work. This thesis has not been submitted to any other academic institution or non-academic institution for any degree or qualification.

I, hereby, acknowledge that I have been supplied with the Academic Rules and Regulations for Undergraduate, Universiti Teknologi MARA, regulating the conduct of my study and research.


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ABSTRACT

This study examines the factor that influences the income inequality in the economic variable which is gross domestic product (GDP), macroeconomic variable which is inflation and unemployment and also in term of demographic variable which is population. Countries for this study is only three countries that come from Central America which is Costa Rica, Honduras and Panama. This study uses collection of data from secondary data. All data collected are come from the World Bank Data 16 years period from the year 2001 to 2016. The method of panel data that has been adopted in this research was so carefully designed as to go well with the area of inquiry. The descriptive analysis, correlation analysis, regression analysis and test on assumption tools have been employed to evaluate the relationship between income inequality and other four variables stated. This study it's necessary for the government, economies policy within the American countries to examine the ideal means by which social security reform and income redistribution policy can be coordinated to address the expansion of income inequality occurring in the context of the aging of American society. Moreover, this study also contributes the knowledge and understanding to the top management executives, policy makers and other decision makers in deciding what factors that will bring the impact on income inequality in American countries.

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