UNIVERSITI TEKNOLOGI MARA

THE ECONOMIC FACTORS AFFECTING THE HOUSEHOLD CONSUMPTION EXPENDITURE IN THE UNITED KINGDOM

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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 the Universiti Teknologi MARA. It is original and it is the results of my own work, unless otherwise indicated or acknowledge as reference work. This thesis has not been submitted to any other academic institution or non-academic institution of 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.

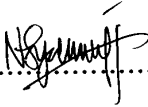Name of Student   :   Nur Syahirah Hannah Binti Izham Akmal

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ABSTRACT

Things are not exactly hunky dory when it comes to the economy. However, it cannot be all bad news as a slump in the economy encourages other markets to rise. Technically, there is a systemic rise and fall in the economy. The real economic phenomenon can also be known as the business cycle. It is characterized by the downward and upward movement of gross domestic product (GDP) over time in an economy. A period of excessively high GDP is often referred to as a "boom', while the following period of economic decline is known as the "bust". Therefore, this is also called the boom-bust cycle. Consumption, in economics, is the use of goods and services by households. Neoclassical economists generally consider consumption to be the final purpose of economic activity, and thus the level of consumption per person is viewed as a central measure of an economy's productive success. The higher the household consumption expenditure, the higher the economy's productive success. However, the scenario does not seems to happen during crisis as household are not keen to make consumptions due to several factors. In this research studies, it will determine the factors that contribute to the changes of household consumption expenditure during crisis. The Household Final Consumption Expenditure will act as the dependent variable. Meanwhile, the independent variables are Adjusted Net National Income Per Capita, Taxes on Goods and Services, Inflation Rate, Lending Rate as well as the Unemployment Rate. This study collects the data anually by using the Worldbank Data.

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