



**UNIVERSITI TEKNOLOGI MARA**

**FACTORS AFFECTING PROPERTY INDEX IN  
BURSA MALAYSIA**

**NUR HIDAYAH BINTI IDZNIROSDIN  
2015686502**

Final Year Project Paper submitted in fulfillment  
of the requirements for the degree of  
**Bachelor of Business Administration**  
**(Finance)**

**Faculty of Business and Management**

**June 2018**

## 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 it 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.

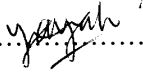
Name of Student : Nur Hidayah binti Idznirosdin

Student I.D. No. : 2015686502

Programme : Bachelor of Business and Administration (Hons)  
Finance.

Faculty : Business and Management

Thesis : Factors affecting property index in Bursa Malaysia.

Signature of Student :  .....

Date : June 2018

## **ABSTRACT**

In Bursa Malaysia, shares been issued and traded which comes from various company of different industry and performance of Bursa will be affected if the index in Kuala Lumpur Composite Index(KLCI) been affected by declining performance listed companies especially those companies that traded and issued largest share as finance , telecommunication, energy and property company. Recently, Real Estate Investment(REIT) in Bursa to attract more investors which lead curiosity towards on value and guarantee on investing .Therefore, research of Factors affecting property index in Bursa Malaysia been conducted to find causes changes of property index. By having property index as dependent variable while independent variable are interest rate, exchange rate and money supply as macroeconomic factors that affect value of property and directly affecting property index. Data been collected from world bank and global financial data which having 36 observation from 1980-2015 and using time series analysis, E-views will be used for analysing.

## **TABLES OF CONTENT**

<b>AUTHOR'S DECLARATION</b>	<b>III</b>
<b>ABSTRACT</b>	<b>IV</b>
<b>ACKNOWLEDGEMENT</b>	<b>V</b>
<b>TABLE OF CONTENT</b>	<b>VI - VIII</b>
<b>LIST OF TABLES</b>	<b>IX</b>
<b>LIST OF FIGURES</b>	<b>X</b>
<b>LIST OF SYMBOL</b>	<b>XI</b>
<b>LIST OF ABBREVIATIONS</b>	<b>XII</b>
<b>CHAPTER ONE INTRODUCTION</b>	<b>12</b>
1.1 Introduction	12
1.2 Research Background	13 - 14
1.3 Problem Statement	15 - 16
1.4 Research Question	17
1.5 Research Objectives	17
1.6 Significance of the Study	18
1.7 Scope of Study	18
1.8 Limitations of the Study	19
1.9 Definition of Key Terms	19
1.10 Summary	19
<b>CHAPTER TWO LITERATURE VIEW</b>	<b>22</b>
2.1 Introduction	21
2.2 Literature Review on Topic	22 - 23
2.3 Literature Review on Interest Rate	22 - 23
2.4 Literature Review on Exchange Rate	24 - 25
2.5 Literature review on money supply	26
2.6 Research framework	27
2.7 Summary	28

## LIST OF TABLES

<b>Tables</b>	<b>Title</b>	<b>Page</b>
Table 2.7.1	Summary of Literature Review	26
Table 3.4	Variable	28
Table 4.1	Descriptive Analysis	34
Table 4.2	Correlation Analysis	36
Table 4.3	Regression Analysis	37
Table 4.5	Serial Correlation	41
Table 4.6	Heteroskedacity Test(white)	41
Table 4.7	Multicollinearity	42
Table 4.8	Ramsey Test	42