# UNIVERSITI TEKNOLOGI MARA

# THE DETERMINANTS OF HEALTH EXPENDITURE IN HIGH INCOME COUNTRIES FOR THE YEAR 2014

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

**Faculty of Business and Management**

**December 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 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

Health expenditure is a platform where a country should not feel like it is a burden because it can give good impact to the country if the government itself could handle it properly. Also, health expenditure could not be the causes of any bankruptcy. In fact, it is actually one of the reason a country could generate profit. This paper examines the health expenditure in high income countries over the period of year 2014. The dependent variable of this research is health expenditure (HE) using four independent variables which are Gross Domestic Product (GDP), Out-of-Pocket (OOP), population 65 year and above (POP), and life expectancy (LE). These independent variables are used to see whether there is significant or insignificant relationship with health expenditure. These high income countries are used to examine because the countries contribute high health expenditure especially in GDP. The data is collected from World Development Indicators (WDI) with the different countries from high income countries and the data that had been used in this research is quantitative secondary data and the data structure is cross sectional data. This paper used ordinary least squares (OLS) method which is a method to minimize an error. The findings indicate that the independent variable for GDP and LE have positive relationship with HE and GDP is the higher level impact in health expenditure. The results of all the study suggest that greater government spending can provide better overall health expenditure

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# LIST OF SYMBOLS

**Symbols**

$\beta_0$          Constant number of equation

$\beta$          Coefficient beta value

$\epsilon$          Error term