THE RELATIONSHIP BETWEEN MALAYSIAN GOVERNMENT SECURITIES WITH SELECTED MACROECONOMIC VARIABLES

NERAELLEYA BT ABD GHANI
2005374615

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FACULTY OF BUSINESS MANAGEMENT
UITM, JOHOR

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ABSTRACT

This study seeks to find out the relationship between amount of outstanding Malaysian Government Securities (MGS) with Gross Domestic Product (GDP), Base Lending Rate (BLR), Consumer Price Index (CPI) and tax revenue. By using secondary data which collected from Bursa Malaysia and Bank Negara Malaysia (BNM), the findings indicate that amount of outstanding MGS have a significant relationship with all selected macroeconomic variables.

This study will be used the Multiple Regression Model for the statistical tool. The statistical software that has been used to analyze the data is the Statistical Package for Social Science (SPSS).

The result shows that GDP, BLR, CPI and Tax revenue have a significant relationship with the amount of outstanding MGS. The findings indicate that CPI and BLR have an inverse relationship with the amount of outstanding MGS. The findings also showed that GDP and tax revenue have positive relationship with the amount of outstanding MGS. Besides, the study is also seeks to examine the strong of the relationship between the independent and dependent variables. The results show that CPI and GDP is the strongest relationship with the amount of outstanding among the independent variables. This was followed by BLR and tax revenue.