



**THE FACTOR INFLUENCE OF CURRENT DEPOSIT
IN COMMERCIAL BANK (MALAYSIA)**

**NUR SUHADAH BINTI KAMISAN
2014261394**

**BACHELOR OF BUSINESS ADMINISTRATION
(HONS) FINANCE
FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA
SEGAMAT, JOHOR.**

JUNE 2016

ACKNOWLEDGEMENT

Foremost, “All praise and thanks to Allah, the Lord of existence for providing me with the mental and physical faculties as well as other positive attributes notably perseverance to complete this challenging research paper. Special mention goes to my research advisor Madam Azurah binti Md Kamdari for his guidance, supervision and support. His constructive comments and suggestions greatly assist in the successful completion of this project paper. In addition, special thanks to Sir Syamsul Bin Samsuddin for his guidance and support throughout the process of making this research paper.

I also would to express my deepest indebtedness to my parents, [REDACTED] [REDACTED] as always there right beside me patiently. May Allah reward them with his highest blessings.

Last but not least, I would like to extend my appreciation to my friends as sources of motivated and assisted in one way or another in order for me to complete this research paper. May Allah also reward their understanding, kindness and moral support during the testing time undertook to complete this assignment.

Thank you.

ABSTRACT

This research paper examines the influence of current deposit in Malaysian commercial bank. The objective of this research paper are o examined the relationship between rate of interest and current deposit, to investigate whether Kuala Lumpur Composite Index (KLCI) influences to current deposit, to study and examined whether Consumer Price Index (CPI) gives an impact to current deposit, and to study whether Money Supply (M3) has relation with current deposit. Current deposit is act as main dependent variable with KLCI, Interest Rate, Consumer Price Index (CPI) and Money Supply (M3) as independent variable. This research paper use secondary data. All the input is collect from monthly bulletin in BNM and data stream. The data is collect from 2000 until 2015 and have 192 observations. Any other sources like journal and book is use as a references. Both relationships are measured by using time series design that allows assess the impact of treatment overtime. The data collected will input into spreadsheet and exported to E-Views. Moreover, the hypothesis will test by using regressions analysis, descriptive analysis, and correlation analysis to explain variance in the independent variable.

Keyword: Current Deposit, Interest Rate, Consumer Price Index, Broad Money, and KLCI

TABLE OF CONTENT

TITLE	PAGE
CHAPTER 1 : INTRODUCTION	1
1.1 Overview / Background of study	1-4
1.2 Problem statement	4-7
1.3 Research question	8
1.4 Research objectives	8-9
1.5 Significant of study	9
1.6 Scope of study	9
2.0 CHAPTER 2 : LITERATURE REVIEW	10
2.1 Introduction	10
2.2 LR on Topic	10-12
2.3 LR on Current Deposit	12-14
2.4 LR on Interest Rate of Saving	14-16
2.5 LR on Consumer Price Index	16-18
2.6 LR on Broad Money	18-19
2.7 LR on Kuala Lumpur Composite Index	20-21
2.8 Summary	21-22
CHAPTER 3 : RESEARCH METHODOLOGY	23
3.1 Introduction	23

3.2 Sample and data	24
3.2.1 Population and sample	24
3.2.2 Data collection	24-25
3.2.3 Variables	25
3.2.4 Dependent variable	25
3.2.5 Independent variable	26-27
3.3 Theoretical framework	27-30
3.4 Statistic / econometric method	30
3.4.1 Stationary test	30
3.4.2 Descriptive Analysis	30-31
3.4.3 Normality test	31
3.4.4 Correlation analysis	31-32
3.4.5 Regression analysis	32-34
3.4.6 Test on Assumption	34
3.4.6.1 Normality test	34
3.4.6.2 Autocorrelation	35
3.4.6.3 Heteroscedasticity	35
3.4.6.4 Multicollinerity	36
3.4.6.5 RAMSEY	36
CHAPTER 4: FINDING AND DATA ANALYSIS	37
4.1 Introduction	37
4.2 Finding 1- Descriptive analysis	37-39
4.3 Finding 2 - Stationary test	39-40