DECLARATION OF ORIGINAL WORK

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Hereby declare that:

- This work has not previously been accepted in substance for any degree, any locally or overseas, and is not being concurrently submitted for this degree or any other degrees.
- The project paper is the result of our independent work and investigation, except where otherwise stated.
- All verbatim extracts have been distinguished by quotation marks and sources of my information have been specifically acknowledged.

Signature : _____ Date: 27/12/2018

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I am making this paper project not only for marks but to also increase my knowledge and I hope that this paper project will give a benefit in the future.

ABSTRACT

This research paper examines the factors affecting exchange rate in Malaysia by using gross domestic product, import, export, inflation and foreign direct investment as selected variables. As for 38 number of observation which is from 1980 to 2017, this research applied time series analysis method and Ordinary Least Square (OLS) analyze the data and determine of the affecting of selective variables towards exchange rate. The result from this research indicates that GDP (MYR), import, inflation are positively significant with the exchange rate. Meanwhile, for GDP (USD) and export are negatively significant with the exchange rate. For FDI, the result shows that there is negatively insignificant between FDI and the exchange rate.