

DECLARATION OF ORIGINAL WORK



**BACHELOR OF BUSINESS ADMINISTRATION
WITH HONOURS (FINANCE)
FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA (TERENGGANU)**

I, NUR FATHIHA BINTI MOHD NAZRI,

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: 11/1/2018

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Abstract

This research is to identify the factors that influence unemployment rate and to determine the relationship between growth rate, population growth rate, foreign direct investment, exchange rate with unemployment. Unemployment rate in Malaysia started fluctuating from 1982 to 2015. Economic recession becomes labor supply has exceeded labor demand. This study has used Ordinary Least Square (OLS) Method for determining the results and using the time series data from period of 1982 to 2015 (34 years) has been done. The data collected from data stream, index mundi and global economic. The finding of this paper indicates that positive and insignificant relationship between population growth rate with unemployment rate while negative and significant relationship between gross domestic product growth rate and foreign direct investment. Exchange rate has found to be negative and insignificant with unemployment rate in Malaysia. For further studies, more variable can be including in this topic which is inflation, literacy rate, government spending and trade openness. This will help to get different result and give more explanation for the determinants factor for Malaysian unemployment.

Keywords: Unemployment rate, GDP growth rate, population growth rate, foreign direct investment, exchange rate