DECLARATION OF ORIGINAL WORK

BACHELOR OF BUSINESS ADMINISTRATION
(HONS) (ISLAMIC BANKING)
FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA
'DECLARATION OF ORIGINAL WORK'

I , **SITI NUR NADHIRA BT MUHAMMAD NAFIZON,**

Hereby, declare that :

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

Signature :

Date : 4 JULY 2013

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ABSTRACT

This study is to investigate the macroeconomic factors that influence the General takaful contribution in Malaysia. This study is to examine Malaysia takaful by collecting data from Department of Statistics Malaysia, Economic Intelligent Unit and International Monetary Fund Statistic. Used the time series data for the period of 1985 until 2004. The study has been done using time series analysis available in STATA software. This study also employs the Cointegration test and Vector Error Correction Model (VECM) to see whether General takaful contribution has short-run and long-run run relationship with all the economic variables. This study found that two independent variables which are GDP and Stock market are significant in long run relationship. This paper also highlight the relationship among the variables when GDP is positive relationship, while inflation and stock market have negative relationship with General takaful contribution. While, to answer the objective of this study, GDP is the most dominant variable.

Keywords : General takaful, GDP, inflation, stock market.