DETERMINANTS OF MACROECONOMICS FACTORS TOWARD NON-PERFORMING LOANS IN MALAYSIA

NUR IRMA SHAFFANI BINTI ABDULLAH

2017843856

BACHELOR OF BUSINESS ADMINISTRATION

WITH HONOURS (FINANCE)

FACULTY OF BUSINESS MANAGEMENT

UNIVERSITI TEKNOLOGI MARA (MELAKA)

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ABSTRACT

The aim of this study is to investigate the macroeconomic factors that contribute to the non-performing loan in Malaysia. The variables used to examine the relationship with the non-performing loan (NPL) are interest rate(INT), unemployment rate(UER), money supply (MS) and inflation rate(INF). The data were collected from databases derived from Bank Negara Malaysia, data stream and Department of Statictics Malaysia on quarterly basis from 2010 to 2018. In the process of findings there are fewtypes of analysis were tested using E-views Version 9.5, such as unit root test, descriptive analysis, correlation analysis, single linear regression,multiple linear regression and more. However, this result was not sufficient to be used since there are few diagnostic problems such as autocorrelation problem, heteroskedasticity problem and others. For future research, it is suggested that the researcher should think an advanced method to clean up all the problem, get the easier data and others.

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