

**THE INFLUENCE OF UNEMPLOYMENT RATE, EXCHANGE RATE, AND
INTEREST RATE TOWARDS INFLATION RATE IN MALAYSIA**

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2015208652

A graduation Exercise Submitted to the

Faculty of Business Management

University Technology Mara, Malacca City Campus

As a partial fulfilment of the requirement

For Bachelor of Business Administration with Honours(Finance)

JULY 2017

DECLARATION OF ORIGINAL WORK



BACHELOR OF BUSINESS ADMINISTRATION

(HONS) FINANCE

FACULTY OF BUSINESS MANAGEMENT

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MELAKA

“DECLARATION OF ORIGINAL WORKS”

I, NURFARAHIN BINTI ABU HASAN,

Hereby, declare that,

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

Signature:

Date:

ACKNOWLEDGMENTS

In the name of Allah, the Most Compassionate, the Most Merciful

Praise be to Allah the Almighty for giving me the strength and patience to complete this study within the period given.

I wish to express my sincere gratitude to my advisor, Madam Shahreena binti Daud, for her continues encouragement, invaluable suggestions, patient guidance and supporting me with kindness, sympathy and academic enthusiasm. Her forceful comments and meticulous directions were a constant source of inspiration to my research that immensely improved the quality of this project paper.

I also would like to take this opportunity to deliver my deepest indebted to my parents for their patience, support and guidance for this research.

Not to forget, great appreciation goes to the rest of my friends that help me from time to time during the research. The whole research really brought us together to appreciate the true value of friendship and respect of each other.

Great deals, appreciated go to the contribution of my faculty - Faculty of Business Management (Finance). Apart from that, I hope that all the information and data that I have gathered here will increase the knowledge of anyone who will be accessing it regarding the study on the "The Influence between Unemployment Rate, Exchange Rate, and Interest Rate towards Inflation Rate in Malaysia". It would be a great honor to us if it is used as a reference or for any other good cause.

Finally, I would like to extend this appreciation to all that have directly and indirectly contributed invaluable assistance, cooperation and support in the completion of this research.

ABSTRACT

The aim of this study is to identify the relationship between selected microeconomics determinants with inflation rate in Malaysia. The study used Single Linear Regression and Multiple Linear Regression in order to find the relationship between unemployment rate, exchange rate, and interest rate towards inflation rate. The quarterly data was collected from 2007 until 2016. From the result, it reveals that exchange rate and interest rate have positive significant relationships which means that there are effects towards inflation rate while unemployment rate has no relationship with inflation rate. These results further understanding of the relationship between unemployment rate, exchange rate, and interest rate towards inflation rate thus this study should be useful for policy makers, industries, and investors.

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