



اُونِيُوَرْسِيْتِي تِيكْنُوْلُوْجِي مَارَا
UNIVERSITI
TEKNOLOGI
MARA

GOVERNMENT EXPENDITURE COMPONENTS THAT AFFECTS ECONOMIC GROWTH
IN MALAYSIA

NURAIDA IDORA BINTI M RAMLEE

2015144533

BACHELOR OF BUSINESS ADMINISTRATION (HONS) FINANCE

FACULTY OF BUSINESS MANAGEMENT

UNIVERSITI TEKNOLOGI MARA

MALACCA CITY CAMPUS

JULY 2018

DECLARATION OF ORIGINAL WORK



BACHELOR OF BUSINESS ADMINISTRATION (HONS) FINANCE

FACULTY OF BUSINESS MANAGEMENT

UNIVERSITI TEKNOLOGI MARA

“DECLARATION OF ORIGINAL WORK”

I, NURAIDA IDORA BINTI M RAMLEE,

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 degree.
- This project-paper is the result of my 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: _____
(Nuraida Idora Binti M Ramlee)

Date: _____

ACKNOWLEDGEMENT

All praises to Allah S.W.T for giving me the strengths, courages, inspirations and patience for completing this study without any obstacles and managed to complete it within the time period given. All the goodness comes from Allah S.W.T.

I would like to dedicate and express a sincere gratitude to Puan Rohaiza Binti Kamis who is an advisor for her supervision, guidance, encouragement, opinion, ideas, time and patience in order to provide a better insight regarding this study. Her ideas and constructive criticism provided helped me to have a better and in-depth knowledge, perception and information for this topic. Not to forget, I would like to give a big honor to PM DR Halimahton Borhan as my second examiner for further checking.

Not only that, special thanks also given to those who involved directly or indirectly for the help and cooperation given in obtaining information or knowledge regarding this topic. I would also like to give special appreciation to my beloved family especially my parents who never give up in supporting me to do this research paper in term of moral and material, patience, understanding and sacrifices until this study is fully done. Not to forget, to my friends who were always there to provide related guidance, voluntarily lending their time and help for this study.

Last but not least, a big thanks to Bank Rakyat Cawangan Kuala Pilah for giving me the opportunity to do my practical training which provides me a lot of new experiences and knowledge on working environment. This opportunity helps me to improve my skills and will be useful in future.

Thank you very much.

ABSTRACT

This study is an effort to investigate the government expenditure components that affects economic growth in Malaysia for a period of 30 years from year 1987 to 2016. There were four government expenditure components had been listed which are Education Expenditure (ED), Health Expenditure (HE), Defense and Security Expenditure (DS) and last but not least Social Services Expenditure (SS) as independent variables and Economic Growth (GDP) as dependent variable. This study used 30 secondary data for each variables from year 1987 to 2016 on yearly basis. This study used Eviews9 software as a statistical tool for the purpose of the data analysis. All of the results obtained portrayed all of the variables which are ED, HE, DS and SS towards GDP. This study would be beneficial to the researcher, to the public, and policy makers in order for them to shape the future of a country without wasting any resources.

TABLE OF CONTENTS

CONTENT	PAGE
TITLE PAGE	
DECLARATION OF ORIGINAL WORK	
LETTER OF SUBMISSION	
ACKNOWLEDGEMENT	i
TABLE OF CONTENTS	ii-vi
LIST OF TABLES	vii
LIST OF FIGURE	vii
LIST OF ABBREVIATIONS	viii
ABSTRACT	viii

CHAPTER 1 INTRODUCTION

1.0	INTRODUCTION	1
1.1	BACKGROUND OF STUDY	2-5
1.2	PROBLEM STATEMENT	6-10
1.3	RESEARCH QUESTIONS	11
1.4	RESEARCH OBJECTIVES	12
1.4.1	General	12
1.4.2	Specific	12
1.5	SIGNIFICANCE OF STUDY	13-14
1.5.1	To the Researcher	13
1.5.2	To the Public	13