



**DETERMINANTS OF HOUSEHOLD DEBT IN ASIA PACIFIC REGION USING PANEL  
DATA ANALYSIS**

**ATIQAH BINTI AZLAN**

**2017690086**

**BACHELOR OF BUSINESS ADMINISTRATION WITH HONOURS (FINANCE)**

**FACULTY OF BUSINESS MANAGEMENT**

**UNIVERSITI TEKNOLOGI MARA**

**BANDARAYA MELAKA**

**JANUARY 2020**

## DECLARATION OF ORIGINAL WORK



BACHELOR OF BUSINESS ADMINISTRATION WITH HONOURS (FINANCE)

FACULTY OF BUSINESS MANAGEMENT

UNIVERSITI TEKNOLOGI MARA

### “DECLARATION OF ORIGINAL WORK”

I, ATIQAH BINTI AZLAN

Here by, 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 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: 6 January 2020

## ACKNOWLEDGEMENT

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

Praise to be Allah the Al-Mighty for giving us the strength, courage, patience and ability in order to complete our research paper within the time given.

This research project has been successfully concluded with assistant and support from countless authorities. I would like to take this opportunity to thank everyone, either intentionally lend a helping hand to complete this research project.

First of all, I will dedicate my appreciation to Universiti Teknologi Mara Campus Bandaraya Melaka (UiTM) for giving this opportunity to conduct this research. This research will bring benefit to myself as a part of learning process, experience as well as exploring the knowledge on Households Debt. Next, I would like to express the greatest attitude to my advisor, Puan Aqilah Nadiah Md Sahiq, lecturer from Department of Business (Finance) UiTM. I am very grateful for her patience and kind to answer all our queries and doubts. Also, she assisted us by providing clear direction, advices as well as commitments to our hesitation throughout this research project. Puan Aqilah Nadiah has allotted her valuable time to guide us when need arises.

Second, I would like to express our thankfulness to our coordinator, Miss Hayati and Miss Fariha for giving us constructive and clear guidelines to commerce and conclude this research project. Not forgetting our second examiner, Puan Rohaiza Kamis who had given us useful advices and comments on this paper. Last but not least, we also would like to thank our parents and friends who help along in giving us full support and in any other manner during the progress of this research project.

## ABSTRACT

Households Debt cases rising each year in every countries. The purpose of this study is to identify the determinants of Households Debt (more specifically Lending Interest Rate, GDP Growth, Urban Population, Tertiary Enrolment and Tax Revenue). Does these variables gives a big impact to Households Debt ? The data was collected on yearly basis form 1988 until 2018 which is 30 years of period and to test whether these variables are significant or not significant towards Households Debt. The relationships of these variables and Households Debt will be tested using Panel Regression Random Effect Model. Secondary data from reliable sources will be gathered.

## TABLE OF CONTENTS

TITLE PAGE	i
DECLARATION OF ORIGINAL WORK	ii
LETTER OF TRANSMITTAL	iii
ACKNOWLEDGEMENT	iv
TABLE OF CONTENTS	v
LIST OF DIAGRAMS	viii
LIST OF TABLES	ix
LIST OF ABBREVIATIONS	x
ABSTRACT	xi

## CHAPTER 1: INTRODUCTION

1.1	Background of study	1-2
1.2	Problem Statement	2-3
1.3	Research Objectives	4
	1.3.1 General Objectives	
	1.3.2 Specific Objectives	
1.4	Research Question	4
1.5	Significance of Study	5
1.6	Scope of Study	5
1.7	Limitations of Study	5
1.8	Definition of Terms	6
	1.8.1 Household Debt	
	1.8.2 Lending Interest Rate	
	1.8.3 Gross Domestic Product Growth	
	1.8.4 Urban Population	
	1.8.5 Tertiary Enrolment	
	1.8.6 Tax Revenue	
1.9	Conclusion	7