



**HOW INDIRECT TAX CONTRIBUTE TO
GROSS NATIONAL PRODUCT (GNP)**

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JAN 2013

ACKNOWLEDGEMENTS

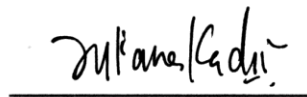
This study would not have been possible without the guidance and the help of several individuals who in one way or another contributed and extended their valuable assistance in the preparation and completion of this study.

First and foremost, my utmost gratitude to Dr Zulkifli and Hj Mustaffa whose sincerity and encouragement I will never forget. They have been my inspiration as I hurdle all the obstacles in the completion this research work.

My colleagues and staff in the Economics Department and UiTM for the use of facilities in the library and moral support from them.

Much gratitude also goes to Research Management Institute UiTM (RMI) who provided the grant.

Last but not the least; I would like to thank my family for giving birth to me at the first place and supporting me spiritually throughout my life.

A handwritten signature in black ink, reading 'Juliana Mohd Abdul Kadir', written over a horizontal line.

(Juliana Mohd Abdul Kadir)

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**RELATIONSHIP BETWEEN INDIRECT TAX TO
GROSS NATIONAL PRODUCT (GNP)**

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Abstract

The purpose of this study is to investigate different types of Indirect Taxes that effect to GNP by using Multiple Regression. Besides that, this research also would like to study which one of the variable that will become the leader and the follower between each other. This research will answer the question with applying Granger Causality Test. The data that have been used are GNP and Indirect Taxes in the case of Malaysia in 2000-2008 quarterly. GNP is dependent variable to the indirect taxes. We have found that different taxes respond differently to the GNP with the largest responses by import duties and excise duties.

Field of Research: Economics Growth, Indirect Taxes and Malaysia

CHAPTER 1

INTRODUCTION

1.0 Introduction

This chapter introduces an overview of the research study, with a focus on the synergy between Indirect Taxes and Gross National Product (GNP). It covers background of study, problem statement, objective of study, significant of study, hypothesis, limitation of study and definition of terms.

1.1 Background of Study

This paper investigates the effect of Indirect Taxes on GNP in Malaysia between 2001 and 2008. Specifically, this investigation has two purposes; to test the relationship between Indirect Taxes and GNP and to study which one of the variables will become the leader and the follower between each other. Figure 1.1 presents theoretical framework of this research.