



The Pattern of Credit Card Usage in Malaysia

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ABSTRACT

Credit cards and bank loans encourage people to spend beyond their capacity and eventually make it difficult for them to manage their personal finances. When people have their own credit card they must get ready to pay the debt that they make when they using the credit card. This study was conducted to analyze the relationship between the inflation, interest rate, and unemployment with the pattern of credit card usage in Malaysia using the time series analysis methods, namely Johansen cointegration technique, error correction model, and unit root test. The finding shows that the in short term, only the unemployment have a significant result with the credit card usage in Malaysia. In the long term, all of the independent variables have a significant result, all variables are interest rate, unemployment and the inflation. The conclusion that the researcher made is, in the short term only the unemployment will affect the number of credit card usage, and for the long term interest rate, unemployment and the inflation will affect the number of credit card in Malaysia.