



**“THE RELATIONSHIP BETWEEN MACROECONOMIC FACTORS TOWARDS  
ECONOMIC GROWTH IN MALAYSIA”**

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

**FACULTY OF BUSINESS AND MANAGEMENT**

**UNIVERSITI TEKNOLOGI MARA**

**KAMPUS BANDARAYA MELAKA**

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**JULY 2016**

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**AINUL SYAZANA BINTI MOHAMAD HAMIDI**

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**Submitted in Partial Fulfilment of the Requirement for the  
Bachelor of Business Administration With Honours (Finance)**

**FACULTY OF BUSINESS AND MANAGEMENT  
UNIVERSITI TEKNOLOGI MARA  
KAMPUS BANDARAYA MELAKA  
MELAKA**

**JULY 2016**

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**DECLARATION OF ORIGINAL WORK**



**BACHELOR OF BUSINESS ADMINISTRATION  
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KAMPUS BANDARAYA MELAKA  
MELAKA**

**‘DECLARATION OF ORIGINAL WORK’**

I, AINUL SYAZANA BINTI MOHAMAD HAMIDI,  
I, NUR NADZIRAH BINTI ZULKIFLI,

(I/C Number: 931019-10-5714)  
(I/C Number: 931116-14-6390)

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 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: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**LETTER OF SUBMISSION**

13<sup>th</sup> July 2016

MADAM KHAIZIE SAZIMAH BINTI AHMAD

Lecturer

Faculty of Business Management

Universiti Teknologi MARA

40450 Melaka

Dear Madam,

**SUBMISSION OF PROJECT PAPER**

Attached is the project paper titled “**THE RELATIONSHIP BETWEEN MACROECONOMIC FACTORS TOWARDS ECONOMIC GROWTH IN MALAYSIA**” to fulfill the requirement as needed by the Faculty of Business and Management, University Teknologi MARA.

Thank you.

Yours Sincerely,

**AINUL SYAZANA BINTI MOHAMAD HAMIDI**

2014465002

Bachelor of Business Administration

(Hons) (Finance)

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## ABSTRACT

This paper studies the relationship between foreign direct investment, inflation rate, export and exchange rate on economic growth in Malaysia during the period from 1984-2014. All the variables seem to have relationship with economic growth. Unit root test and diagnostic test were being used to test whether it is stationary or non-stationary. The analyses are conducted using multiple linear regression to get the results. Foreign direct investment and export show a positively relationship towards economic growth, therefore, it is perfectly significant. The multiple linear regression results show that all the independent variables were significant relationship towards dependent relationship since the F-value and P-value were 8.428080 and 0.000169 respectively. The null hypothesis has been rejected because the F-statistic is statistically significant at 1% significant level. Based on the result, exchange rate is the most factors that give impact on economic growth.