



اُونِيُوَرْسِيْتِي تِيكْنُوْلُوْجِي مَارَا  
UNIVERSITI  
TEKNOLOGI  
MARA

**THE RELATIONSHIP BETWEEN MACROECONOMIC  
VARIABLES AND ECONOMIC GROWTH IN  
MALAYSIA**

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**BACHELOR OF BUSINESS ADMINISTRATION**

**(HONS) FINANCE**

**FACULTY OF BUSINESS MANAGEMENT**

**UNIVERSITI TEKNOLOGI MARA**

**JOHOR**

**DECEMBER 2014**

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**Submitted in Partial Fulfillment  
of the Requirement for the  
Bachelor of Business Administration  
(Hons) Finance**

**FACULTY OF BUSINESS MANAGEMENT  
UNIVERSITI TEKNOLOGI MARA,  
JOHOR**

**DECEMBER 2014**

**DECLARATION OF ORIGINAL WORK**



**BACHELOR OF BUSINESS ADMINISTRATION**

**(HONS) FINANCE**

**FACULTY OF BUSINESS MANAGEMENT**

**UNIVERSITI TEKNOLOGI MARA**

**JOHOR**

**“DECLARATION OF ORIGINAL WORK”**

I, Faznur Faizren Binti Musa, (I/C Number: 911027 – 01 – 6166)

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: \_\_\_\_\_

## LETTER OF SUBMISSION

7 December 2014

Syamsul Syamsudin

Department of Finance

School of Business and Management

UiTM Johor, Segamat, Johor

Box 527, 85000 Segamat

Johor, Malaysia.

Dear Sir,

### **SUBMISSION OF PROJECT PAPER**

Attached is the project paper titled “**The Relationship between Macroeconomic Variables and Economic Growth in Malaysia**” to fulfill the requirement as needed by the Faculty of Business Management, Universiti Teknologi MARA.

Thank you.

Yours sincerely

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Bachelor of Business Administration (Hons) Finance

## **ABSTRACT**

This paper aims at examining the relationship between macroeconomic variables, namely consumption expenditure (CE), foreign direct investment (FDI), government expenditure (GE), export (X), and exchange rate (ER) with the economic growth in Malaysia. Economic growth is the indicator in which we can see on how well and developed a country is. It can measure in terms of the gross domestic product (GDP). This study will focus on the economic growth in Malaysia. The sample of this study comprises of 30 observations each of the independent and dependent variables on a yearly basis over 30 years period from the year 1984 to 2013. The dependent variable for this study is gross domestic product as it represents economic growth and the independent variables are consumption expenditure, foreign direct investment, government expenditure, export and exchange rate. Methodology used for this study is by using E-view software. The findings and results of this research paper would provide us with an indicative view and could form an important basis for policy makers to promote economic growth.