



**RISING HOUSEHOLD DEBT IN MALAYSIA:
MACROECONOMICS DETERMINANT**

ALYAA AMANINA BINTI AZHAR

2014789979

BACHELOR OF BUSINESS ADMINISTRATION

(HONS) FINANCE

FACULTY OF BUSINESS MANAGEMENT

UNIVERSITI TEKNOLOGI MARA

SEGAMAT, JOHOR.

DECEMBER 2016

**RISING HOUSEHOLD DEBT IN MALAYSIA:
MACROECONOMICS DETERMINANT**

**ALYAA AMANINA BINTI AZHAR
2014789979**

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

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

DECEMBER 2016

DECLARATION OF ORIGINAL WORK



**BACHELOR OF BUSINESS ADMINISTRATION
(HONS) FINANCE
FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA
SEGAMAT, JOHOR.**

“DECLARATION OF ORIGINAL WORK”

I, ALYAA AMANINA BINTI AZHAR, 930201015390

Hereby, declare that,

- This work has not previously been accepted in substances for any degree, locally or overseas and is not being concurrently submitted for this degree or any degree.
- This project paper is the result of my independent work and investigation, except otherwise stated.
- All verbatim extracts have been distinguished by quotation marks and sources of my information have been specifically acknowledged

Signature :

Date: 30 December 2016

LETTER OF SUBMISSION

30 December 2016

Sir Syamsul bin Samsudin
Bachelor of Business Administration (Hons) Finance
Faculty of Business Management
Universiti Teknologi MARA
85009 Segamat
Johor.

Dear Sir,

SUBMISSION OF PROJECT PAPER

Attached is the project paper title “**RIISING HOUSEHOLD DEBT IN MALAYSIA: MACROECONOMICS DETERMINANT**” to fulfill the requirement as needed by the Faculty of Business Management, Universiti Teknologi MARA.

Thank you.

Yours sincerely,

ALYAA AMANINA BINTI AZHAR
2014789979
Bachelor of Business Administration (Hons) Finance

ABSTRACT

Household debt of Malaysia keep growing year by year. This situation can give big impact to the economic system if the debt reach at one point of level that can't be controlled. High in household debt is not only affected to the economy, but also affected on the financial stability. The main reason why households is taking on loan is to fulfil their expenditure and dependence on future income, the attitude and behaviour of the individual himself, low in the cost of borrowing that give opportunity to household to borrow, easy to get credit facilities which boosts spending on credit, increase in cost of living and increase in housing price, and continued economic growth. All this reasons made household feel comfortable in taking on loan. The objective of this study is to find the factors that affect the household debt in Malaysia. The variables selected is from macroeconomic variables. The data are taken from the year 1985 to 2015. Multiple Regression test are used in this study resulting consumer price index and lending interest rate are significant with household debt.