



**DETERMINANTS OF EXTERNAL DEBT IN MALAYSIA**

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**BACHELOR OF BUSINESS ADMINISTRATION**

**WITH HONOURS (FINANCE)**

**FACULTY OF BUSINESS MANAGEMENT**

**UNIVERSITI TEKNOLOGI MARA**

**MELAKA**

**JANUARY 2019**

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

**FACULTY OF BUSINESS MANAGEMENT  
UNIVERSITI TEKNOLOGI MARA  
MELAKA**

**JANUARY 2019**

**DECLARATION OF ORIGINAL WORK**



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“DECLARATION OF ORIGINAL WORK”**

I, Rina Zulaikha Binti Zulkefli, (I/C Number: 960812595088 )

Hereby, declare that:

- This work has not previously been accepted in substance for any degree, locally and 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 TRANSMITTAL**

Miss Nur Hayati Binti Abd Rahman  
Lecturer of UiTM Melaka City Campus  
Faculty of Business & Management  
University Technology MARA  
City Campus, Melaka.

Dear Miss,

### **SUBMISSION OF PROJECT PAPER (FIN672)**

Attached is the project titled “Determinants of External Debt in Malaysia” to fulfill the requirement needed by the Faculty of Business Management, University Technology MARA (UiTM).

Yours sincerely,

Rina Zulaikha Binti Zulkefli

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## ABSTRACT

This paper examined on the factors of external debt with the variables of corruption, interest payments and military expenditure in Malaysia. This paper involved in a time series data which include solely one Asian country that is Malaysia for the period of 2007 until 2016 in a quarterly data. Secondary sources of data for all variables have been used and utilized data are extracted from the Transparency International and World Bank while the data were analyzed using EViews10's through Descriptive Statistics test, Ordinary Least Square (OLS) regression model, Diagnostic Test and Stationary test. Based on the final results, among all the variables the study concluded, there is only one variable that is significant to the dependent variable which is the lag variable of external debt whilst other variables such as corruption, interest payments and military expenditure did not give any significant impact towards external debt.

Keywords: External Debt, Corruption, Interest Payments, Military Expenditure, Asian Country, Malaysia