

UNIVERSITI TEKNOLOGI MARA

**FINANCIAL DEVELOPMENT AND
INTERNATIONAL TRADE
TOWARDS ECONOMIC GROWTH**

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2015140177**

**BBA (Hons) Business Administration
Finance**

December 2017

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Thesis submitted in fulfillment
of the requirements for the degree of
**Bachelor of Business Administration
(Finance)**

Faculty of Business Management

December 2017

AUTHOR'S DECLARATION

I declare that the work in this thesis was carried out in accordance with the regulations of Universiti Teknologi MARA, Johor Branch, Segamat Campus. It is original and is the results of my own work, unless otherwise indicated or acknowledged as referenced work. This thesis has not been submitted to any other academic institution or non-academic institution for any degree or qualification.

I, hereby, acknowledge that I have been supplied with the Academic Rules and Regulations for Undergraduate, Universiti Teknologi MARA, Johor Branch, Segamat Campus regulating the conduct of my study and research.


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ABSTRACT

The global economy in the world is having an incredibly growing. It is also affecting economic growth in Malaysia. In relation to that, Malaysia economy in terms of real GDP per capita has also grown tremendously from time to time. In addition, the financial developments in the country also being develop and the international trade of the country also encourage exports and imports of the goods and services. These encourage development seem to indicate that there is a relationship between financial development, international trade and economic growth. Thus, the aim of the study is to investigate the relationship between financial developments, international trade toward economic growth in Malaysia starting from year 1960 until 2016. The data contain 57 of observations. The dependent variable in this study is gross domestic product per capita (constant local currency) while the independent variable are broad money and domestic credit to private sector as indicator for financial development and also exports of goods and services and imports of goods and services are taking as indicator for international trade. Based on previous research, the expected finding for financial development and international trade is positive relationship towards the economic growth. This study applied Ordinary Least Square (OLS) test as a method in regression.

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