



**THE DETERMINANTS OF EXCHANGE RATE : CASE OF
MALAYSIA**

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JULY 2016

DECLARATION OF ORIGINAL WORK



**BACHELOR OF BUSINESS ADMINISTRATION
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MELAKA
“DECLARATION OF ORIGINAL WORKS”**

We, Muhammad Abdul Afiq bin Abdul Mutalib (920311045233) and Muhammad Asyraf bin Mohd Rosli (941208036147),

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 others degrees.
- This project paper is the result of my independent work and investigations, except where otherwise stated.
- All verbalism extract have been distinguished by quotation and sources of my information have been specifically acknowledge.

Signature:

Muhammad Abdul Afiq bin Abdul Mutalib

Date:.....

Signature:

Muhammad Asyraf bin Mohd Rosli

Date:

LETTER OF SUBMISSION

12th July 2016

Head of Program,

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Dear Sir / Madam,

SUBMISSION OF PROJECT PAPER

Attached is the project paper titled “**THE DETERMINANTS OF EXCHANGE RATE : CASE OF MALAYSIA**” to fulfil the requirement as needed by the Faculty of Business Management, University Technology Mara.

Thank you.

Yours sincerely,

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ABSTRACT

The aim of this study is to investigate the relationship between External Debt, Oil price, Inflation Rate and GDP to the Exchange rate of Malaysia. The study used Simple Linear Regression and Multiple Linear Regression in order to find the relationship among those markets. The yearly data is collected from 1980 until 2015. From the result, it reveals that GDP and External Debt have a negative relationship towards Exchange Rate. But, only GDP has a significant relationship towards exchange rate. The other variables, Oil Price and Inflation Rate have a insignificant positive relationship to the Exchange Rate. These results further our understanding of the relationship between the macroeconomics variables should be useful for regulator, investor and speculator.