



A STUDY ON DETERMINANT TOWARDS SAVING BEHAVIOR IN MALAYSIA

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KAMPUS BANDARAYA MELAKA

JULY 2016



BACHELOR OF BUSINESS ADMINISTRATION WITH HONOURS (FINANCE)

FACULTY OF BUSINESS MANAGEMENT

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“DECLARATION OF ORIGINAL WORK”

We, Nur Syahirah Binti Saifuddin (I/C Number: 930417016018) and Nur Diana Binti Jamaludin, (I/C Number: 931205055132)

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.

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Letter of Transmittal

July 2016

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Dear Sir/Madam,

Submission of Final Project Paper

Attached is the project paper title “A Study on Determinant towards Saving Behavior in Malaysia” to fulfill the requirement needed by the Faculty of Business Administration, Universiti Teknologi MARA.

Thank You,

Sincerely,

(Nur Syahirah Binti Saifuddin) (Nur Diana Binti Jamaludin)

Bachelor of Business Administration (Hons) Finance

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ABSTRACT

This project paper entitled “The Determinant of Saving Behaviours in Malaysia” was conducted from February 2016 until June 2016. The researchers came out with this project paper to investigate the determinant of saving behavior in Malaysia. The dependent variable of the study is saving while independent variables are interest rate, inflation rate, household consumption and income level. The study was conducted in Malaysia and used 34 years period of data. This study used time series data and also applied Multiple Linear Regression method in order to study the existence of relationship between those variables. The result of this study found that interest rate, household consumption and income level has positive significant relationship with saving while inflation rate do not have significant relationship with saving.