



DETERMINANT OF EXCHANGE RATE IN MALAYSIA

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BACHELOR OF BUSINESS ADMINISTRATION

WITH HONOURS (FINANCE)

FACULTY OF BUSINESS MANAGEMENT

UNIVERSITI TEKNOLOGI MARA

MALACCA CITY CAMPUS

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DECLARATION OF ORIGINAL WORK



**BACHELOR OF BUSINESS ADMINISTRATION
WITH HONOURS (FINANCE)
FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA
"DECLARATION OF ORIGINAL WORK"**

I, **WAN MUHAMMAD FIRDAUS BIN WAN AMAN**, (I/C Number: 921231-04-5465)

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.

Signature: _____

Date: _____

LETTER OF SUBMISSION

7th January 2016

Head of Faculty of Business Management

Universiti Teknologi Mara Melaka

Kampus Bandaraya Melaka

110 Off Jalan Hang Tuah

75300 Melaka Bandaraya Bersejarah

Dear Sir/Madam,

SUBMISSION OF PROJECT PAPER

Attached is the project paper titled “**DETERMINANT OF EXCHANGE RATE IN MALAYSIA**” to fulfill the requirement as needed by the Faculty of Business Management, Universiti Teknologi Mara.

Thank you.

Yours sincerely,

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WAN MUHAMMAD FIRDAUS BIN WAN AMAN

2013783245

Bachelor of Business Administration (Finance)

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ABSTRACT

This paper investigates the factors that stimulate and maintain economic growth. The research is to analyze the relationship of the exchange rate, inflation rate, interest rate and money supply in Malaysia for 35 years from the period 1980 to 2014. The relationship is examined by undertaking regression analysis using time series data from 1980 to 2014 that collected from International Financial Statistics. The purpose of the study is to see the relationship and effect among the selected variables whether the relationship is positive or negative by using Multiple Linear Regression, the model are tested by using E-Views software. From the result of Multiple Linear Regression, the study shows that inflation rate has no significant effect towards exchange rate in Malaysia. Meanwhile, interest rate and money supply has a significant relationship towards exchange rate in Malaysia.