



**DETERMINANTS THAT INFLUENCING
INFLATION RATE IN MALAYSIA
(1988 – 2018)**

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KAMPUS BANDARAYA MELAKA

JANUARY 2020

DECLARATION OF ORIGINAL WORK



BACHELOR OF BUSINESS ADMINISTRATION

WITH HONORS (FINANCE)

FACULTY OF BUSINESS & MANAGEMENT

UNIVERSITI TEKNOLOGI MARA

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I, IZWIN BINTI SAIFULLIZAN, 960210-14-6226

Hereby, declare that:

- i. 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.
- ii. This project-paper is the result of my independent work and investigation, except where otherwise stated.
- iii. All verbatim extracts have been distinguished by quotation marks and sources of my information have been specifically acknowledged.

Signature:

Date:14/01/2020

LETTER OF SUBMISSION

14 January 2020

MADAM ZUNAIDAH BINTI ABU HASAN

Senior Lecturer

Bachelor of Business Administration with Honours (Finance)

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40450 Melaka

Dear Madam,

SUBMISSION OF PROJECT PAPER

DETERMINANTS THAT INFLUENCING INFLATION RATE IN MALAYSIA

With reference to the above matter, I would like to hand in my project entitled

“DETERMINANTS THAT INFLUENCING INFLATION RATE IN MALAYSIA”

to fulfill the requirement as needed by the Business & Management, Universiti Teknologi Mara. Thank You.

Yours Sincerely,

(Izwin Binti Saifullizan)

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ABSTRACT

The aim of this study is to investigate the relationship between selected macroeconomic determinants with inflation rate in Malaysia. The study used model of Multiple Linear Regression in order to find the relationship between gross domestic product rate, unemployment rate, exchange rate and interest rate towards inflation rate. The annually data was collected from 1988 until 2018. From the result, it reveals that gross domestic product rate and unemployment rate has negative insignificant relationship toward inflation rate while exchange rate and interest rate has negative significant relationship towards inflation rate. These results further our discussion of the relationship between gross domestic product rate, unemployment rate, exchange rate and interest rate towards inflation rate thus this study should be useful for public, industries and policymakers.