

UNIVERSITI TEKNOLOGI MARA

**FACTORS THAT AFFECTING INFLATION RATE
IN UNITED STATES**

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Final Year Project Paper submitted in fulfillment
of the requirements for the degree of
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AUTHOR'S DECLARATION

I declare that the work in this final year project paper was carried out in accordance with the regulations of Universiti Teknologi MARA. 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.

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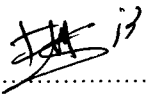
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ABSTRACT

Inflation is one of important serious matter that needs to be focus on. The aim of this factor is to determine the factors that affecting inflation rate in United States. This research has been conducted by collecting and searching data from the articles, annual report and trusted sites. The period of this study is 30 years which is from 1987 until 2016 which only focus in United States. In this research, unit root test, descriptive statistic, correlation analysis and multiple linear regressions are run to investigate the relationship between independent variable and the dependent variable, which is between, unemployment rate, household consumption, crude oil prices and money supply. From this study, household consumption and brent crude oil has positive significant relationship with inflation rate. While, for unemployment rate and money supply, there are negative significant relationship with inflation rate.

Keywords: Inflation Rate, Unemployment Rate, Household Consumption, Crude Oil Prices, Money Supply

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TABLE OF CONTENTS

	Page
AUTHOR'S DECLARATION	Error! Bookmark not defined.
ABSTRACT	iii
ACKNOWLEDGEMENT	iv
TABLE OF CONTENT	v-vi
LIST OF TABLES	viii
LIST OF FIGURES	viii
LIST OF SYMBOLS	ix
LIST OF ABBREVIATIONS	x
 CHAPTER ONE INTRODUCTION	 1
1.1 Introduction	1
1.2 Research Background	1-5
1.3 Problem Statement	6
1.4 Research Questions	7
1.5 Research Objectives	7
1.6 Significance of the Study	7
1.7 Scope of the Study	8
1.8 Limitation of the Study	8
1.9 Definition of Key Terms	9
1.10 Summary	10
 CHAPTER TWO LITERATURE REVIEW	 11
2.1 Introduction	11
2.2 Inflation Rate	11-12
2.3 Unemployment Rate	13-14
2.4 Household Consumption	15-16
2.5 Crude Oil Prices	17-18
2.6 Money Supply	19-20
2.7 Research Framework	21
2.8 Hypothesis Statement	22