

**UNIVERSITI TEKNOLOGI MARA**

**THE DETERMINANTS OF ECONOMIC GROWTH IN  
DEVELOPED COUNTRIES: CASE IN UNITED  
STATES**

**KHAIRUNNISHA BINTI ABD MALEK  
2016668534**

Final Year Project Paper submitted in fulfillment  
of the requirements for the degree of  
**Bachelor of Business Administration  
(Finance)**

**Faculty of Business and Management**

**December 2018**

## 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.

I, hereby, acknowledge that I have been supplied with the Academic Rules and Regulations for Undergraduate, Universiti Teknologi MARA, regulating the conduct of my study and research.

Name of Student : Khairunnisha binti Abd Malek

Student I.D. No. : 2016668534

Programme : Bachelor of Business and Administration (Hons)  
Finance.

Faculty : Business and Management

Thesis : The Determinants of Economic Growth in Developed  
Countries: Case in United States

Signature of Student : .....

Date : December 2018

## **ABSTRACT**

Economic growth is a standout amongst the most imperative indicators of a solid economy. Increase in GDP implies higher profitability, which prompts more individuals being employed. Consequently, all nations need positive economic growth. This makes economic growth the most analysed economic indicator. Although economic growth is important to the economy, there are certain issues that can affect economic growth which are inflation rate, foreign direct investment and remittances that should still be taken into consideration. Thus, a further research and study is needed to examine and identify more about these factors. This research aim is to determine which of these three factors that actually played an important role towards economic growth in developed country of United States. This research is based on data obtained from World Bank Indicators and the data for this study are analysed based on time series data. The sample consists of 35 observations from 1982 until 2016. The data was analysed to evaluate and determine which factors that influence economic growth successfully. It is hope that the study can contribute to the improvement of economic growth in United States and be a great sample to other countries.

## **ACKNOWLEDGEMENT**

Assalamualaikum w.b.t,

Alhamdulillah, praise to the Almighty Allah s.w.t., I am very grateful to be able to prepare this research successfully. I would never have been able to complete the research without the guidance from the lecturers, help from my friends and support from the family.

I would like to express the highest appreciation and thankfulness to this lecturer, Madam Nor Haliza binti Hamzah who is the research advisor for her patience, and especially for her excellent guidance and kindness in providing useful advice to help me. As for Dr Tan Yan Ling, she is the one who taught me the research methodology subject.

Big thanks to my classmates, JBM 242 5C members who always shared opinions and knowledge among us. I am also would like to acknowledge all other parties that have been helping in preparation of this research either directly or indirectly.

Last but not least, special thanks to my parents and family who always support especially morally and financially not just for the period of this research but also for the whole years of study. Without their encouragement, I would not have been able to finish this research paper.

## TABLE OF CONTENTS

	<b>Page</b>
<i>AUTHOR'S DECLARATION</i>	
<i>ABSTRACT</i>	
<i>ACKNOWLEDGEMENT</i>	
<i>TABLE OF CONTENT</i>	<i>i-ii</i>
<i>LIST OF TABLES</i>	<i>v</i>
<i>LIST OF FIGURES</i>	<i>vi</i>
<i>LIST OF SYMBOLS</i>	<i>vii</i>
<i>LIST OF ABBREVIATIONS</i>	<i>viii</i>
<b>CHAPTER ONE INTRODUCTION</b>	<b>1</b>
1.1 Introduction	1
1.2 Background of the Study	1
1.2.1 Background of the United States	1
1.2.2 Background of Economic Growth in United States	2
1.3 Problem Statement	4-4
1.4 Research Questions	4
1.5 Research Objectives	4
1.6 Significance of the Study	4
1.7 Scope of the Study	5
1.8 Limitations of the Study	5-6
1.9 Definition of Key Terms	7
1.9.1 Economic Growth	7
1.9.2 Inflation	7
1.9.3 Foreign Direct Investment	7
1.9.4 Remittances	7
1.10 Summary	7