

**THE IMPACT OF MACROECONOMIC VARIABLES  
TOWARDS UNEMPLOYMENT RATE: A STUDY ON  
MALAYSIA AND SINGAPORE FROM THE YEAR  
1986-2006**

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**Submitted in Partial Fulfillment  
Of the Requirement for the  
Bachelor of Business Administration  
(Hons) Finance**

**FACULTY OF BUSINESS MANAGEMENT  
UITM JOHOR**

**OCTOBER 2007**

## LETTER OF SUBMISSION

22 OCTOBER 2007

The Programme Coordinator  
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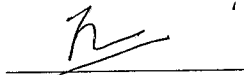
Dear Sir,

### SUBMISSION OF PROJECT PAPER

Attached is the project paper titled "THE IMPACT OF MACROECONOMIC VARIABLES TOWARDS UNEMPLOYMENT RATE: A STUDY ON MALAYSIA AND SINGAPORE FROM THE YEAR 1986-2006 " to fulfill the requirement as needed by the Faculty of Business Management, Universiti Teknologi MARA

Thank you

Yours sincerely



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**"DECLARATION OF ORIGINAL WORK"**

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(HONS) FINANCE  
FACULTY OF BUSINESS MANAGEMENT  
UNIVERSITI TEKNOLOGI MARA  
JOHOR**

I, Sahida Binti Abdul Satar , (I/C Number :840413-08-6538)

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: 23 OCTOBER 2007

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SAHIDA BINTI ABDUL SATAR

## **ABSTRACT**

This study aim to examine the impact of macroeconomic variables on unemployment rate in Malaysia and Singapore. This studies will examine how macroeconomic variables such as GDP, FDI, and population (growth rate) will give effect to unemployment rate in both country. This studies involved by comparing the different level of unemployment rate in Malaysia and Singapore that are influence by these macroeconomic variables. For this purpose a Multiple Linear Regression Model and Anova will be used. This study includes data from the year 1986 - 2006.

Based on the analysis , it show that FDI has a significant effect towards unemployment rate in Malaysia while other two macroeconomic variables such as GDP and Population has no significance effect towards overall unemployment rate in Malaysia. The result also showed that GDP and FDI has a significance effect towards unemployment rate in Singapore.