



**FINANCIAL DEVELOPMENT AND ECONOMIC
PERFORMANCE: MALAYSIAN EXPERIENCE**

**LATIFAH BINTI ABDULLAH
2004116062**

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

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**FINANCIAL DEVELOPMENT AND ECONOMIC
PERFORMANCE: MALAYSIAN EXPERIENCE**

LATIFAH BINTI ABDULLAH

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

**FACULTY OF BUSINESS MANAGEMENT
UITM, JOHOR**

NOVEMBER 2006

LETTER OF SUBMISSION

8 November 2006

Encik Muhammad Sukor bin Jaafar
The Program Coordinator
Bachelor of Business Administration (Hons) Finance
Faculty of Business Management
Universiti Teknologi MARA
85009 Segamat
Johor.

Dear Sir,

SUBMISSION OF PROJECT PAPER

Attached is the project paper titled "FINANCIAL DEVELOPMENT AND ECONOMIC PERFORMANCE: MALAYSIA EXPERIENCE" to fulfill the requirement as needed by the Faculty of Business Management of Universiti Teknologi MARA.

Thank you.

Yours sincerely,



LATIFAH BINTI ABDULLAH

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Bachelor of Business Administration (Hons) Finance



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FACULTY OF BUSINESS MANAGEMENT
UNIVERSITY TEKNOLOGI MARA
JOHOR**

“DECLARATION OF ORIGINAL WORK”

I, LATIFAH BINTI ABDULLAH, (I/C Number: 830930-02-5742),

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: 8 Nov. 2006

ABSTRACT

The purpose of this study is to examine the correlation between financial development and economic performance based on Malaysian experience during year 1971 to 2000. It will highlight about financial development as well as about financial development features then will cover about economic performance in this nation. By do some analyzing on the factors that contributes towards this matter, an assumption can be conclude in the end.

Financial development generally leads to economic growth which suggests that financial deepening has yielded a more prosperous economy. This shows that financial development stimulates economic growth and, simultaneously, economic growth propels financial development. Financial deepening contributes more to the causal relationships in the developing countries which implies that the developing countries have more room for financial and economic improvement. Here also find that financial development enhances growth through a more rapid capital accumulation and technological change.