



UNIVERSITY TEKNOLOGI MARA (UITM SABAH)

THE EFFECT OF GOVERNMENT EXPENDITURE  
COMPONENTS TOWARDS ECONOMY GROWTH

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## DECLARATION OF ORIGINAL WORK



BACHELOR OF BUSINESS ADMINISTRATION  
WITH HONOURS (BUSINESS ECONOMICS)  
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ACKNOWLEDGEMENT

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## **ABSTRACT**

Main purpose of this study is to identify the impact of government expenditure on economic growth in some developed and developing countries. Consequently, main objective is to analyze whether government expenditures components causes economic growth in some chosen countries or vice versa. The study completely based on secondary data. The methodology being quantitative that includes econometrical techniques panel fixed effects model in the context of panel with 37 observations in each country, totaling to 370 observations from 2004 to 2014. The model used is the random affects to pool the data since the p value for hausman test is above 0.05. As with the above methodology, the study found t mix outcome. Thus, the result show there is positive relationship between military expenditure towards economy growth and negative relationship between health expenditure and general final consumption expenditure towards economy growth.