



**THE IMPACT OF MACROECONOMIC VARIABLES TOWARDS STANDARD OF
LIVING IN MALAYSIA**

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DECLARATION OF ORIGINAL WORK



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ABSTRACT

The purpose of this paper is to determine the impact of macroeconomic variables towards standard of living in Malaysia from year 1976 until 2015. This will involve independent variables such as population, gross domestic product, taxes, unemployment and household consumption. Meanwhile, the problem of this study is to identify the relationship macroeconomic variables on the consumer price index. In addition, the results after regress the data using Ordinary Least Square (OLS) shows that only gross domestic product and household consumption has insignificant relationship on consumer price index. Lastly, Granger Causality test will recognize the variables either has a short run or long run relationship in this study. The results shows that Maximum-Eigen test have been choose rather than test statistic results because Max –Eigen is more dominant in the test results. There a short run relationship exist then proceed using VAR to run the data.