



اُنِيُوَرَسِيْتِي تِيكَنُولُوْجِي مَارَا

UNIVERSITI TEKNOLOGI MARA
CAWANGAN KELANTAN

**A STUDY ON THE RELATIONSHIP BETWEEN
GROSS DOMESTIC PRODUCT (GDP), INFLATION RATE
(CPI) AND INTEREST RATE (BLR) TOWARDS PROTON
CAR SALES IN MALAYSIA**

RESEARCHER:

HANUM DZULIASREEN BT. DZULKIPLY

2003362631

Thesis submitted to the School of Business Management

MARA university of Technology

In fulfillment of the Bachelor Of Business

Administration (HONS) Finance

OCTOBER 2006



اٰنور سببى تىكولوگى مارا
UNIVERSITI TEKNOLOGI MARA
CAWANGAN KELANTAN

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

DECLARATION OF ORIGINALITY OF WORK

I, **HANUM DZULIASREEN BT DZULKIPLY** I/C NUMBER **820125-03-5332**

Hereby, declare that:

- I. 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.
- II. This project paper is the result of my independent work and investigation, except where the otherwise stated.
- III. All verbatim extracts has been distinguish by quotation mark and sources or my information have been specifically acknowledged.

Signature: 

Date: 15/11/2006



ABSTRACT

This project paper is to determine the relationship between Proton car sales and its independent variables which are the gross domestic product (GDP), inflation rate (CP) and interest rate (BLR). This study uses the Simple Linear Regression Model in order to analyze their relationship. This study is conducted for 9 years in a quarterly basis from the year 1997 to the year 2005. Based on the finding from the Simple Linear Regression Model, the F- Statistic values show that the models are reliable and valid for forecasting purposes. The results also show that there are no significant relationship between gross domestic product (GDP) and inflation rate (CPI) towards Proton car sales. Meanwhile, for the interest rate (BLR) it shows there is a significant relationship between interest rate (BLR) towards Proton car sales. This research study is being analyzed and interpreted using the Statistical Packages for Social Sciences (SPSS) Software, Version 14.0.



TABLE OF CONTENTS	PAGES
DECLARATION OF WORK	i
LETTER OF TRANSMITTAL	ii
ACKNOWLEDGEMENT	iii
ABSTRACT	iv
ABBREVIATIONS OF TERMS	v
LIST OF TABLES	vi
TABLE OF CONTENTS	ix
CHAPTER 1: INTRODUCTION	
1.1 Background of the Study	1
1.1.1. An overview of Proton Company	1
1.1.2. Towards the Incorporation of Proton	5
1.1.3. Proton Cars' Models	10
1.2 Problem Statement	17
1.3 Objective of the Study	18
1.4 Significance of the Study	19
1.4.1 The researcher	19
1.4.2 Other Researcher	19
1.4.3 The Banker	20
1.4.4 The Government	20
1.4.5 The Automotive Industry	20
1.5 Scope of the Study	21
1.6 Limitations of the Study	22
1.6.1 Limited Sources	22
1.6.2 Cost and Time Constrain	22
1.6.3 Reliability and Accuracy of Data	23



1.7 Definition of Terms	24
CHAPTER 2: LITERATURE REVIEW	
2.0 Literature Review	25
2.0.1 Gross Domestic Product (GDP)	25
2.0.2 Inflation Rate (CPI)	30
2.0.3 Interest Rate (BLR)	33
2.1 Theoretical Framework	35
2.1.1 Gross Domestic Product (GDP)	35
2.1.2 Inflation Rate (CPI)	36
2.1.3 Interest Rate (BLR)	36
2.1 Schematic Diagram of the Theoretical Framework	37
CHAPTER 3: RESEARCH METHODOLOGY	
3.0 Research Methodology	38
3.1 Data Collection Method	38
3.1.1 Secondary Data	38
3.2 Method for Analyzing Data	40
3.2.1 The Regression Model	40
3.2.1.1 Simple Regression Model	40
3.2.1.2 Coefficient of Multiple Determination (R^2)	41
3.2.1.3 Durbin-Watson Statistic	42
3.2.1.4 F-Statistics	42
3.2.1.5 T-Statistics	43
3.3 The Hypothesis	44