



اُونِيُوَرَسِيْتِي تِيكْنُولُوْجِي مَارَا  
UNIVERSITI TEKNOLOGI MARA  
CAWANGAN KELANTAN

**“EFFECTS OF FLUCTUATION OIL PRICE TOWARDS  
CONSUMER”**

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**BACHELOR OF BUSINESS ADMINISTRATION (HONS) (FINANCE)**  
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**DECLARATION OF ORIGINAL WORK**

I, **SITI AISHAH BT MOHD NORDIN**, I/C Number: **880518-03-5442** hereby declares 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 from secondary data, except otherwise stated.
- All verbatim extracts have been distinguished by quotations marks and sources of my information have been specifically acknowledged.

Signature: \_\_\_\_\_

Date: 2<sup>nd</sup> May 2011



## ACKNOWLEDGEMENT

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### ***“In the name of Allah, the Merciful, the Beneficent”***

Alhamdulillah, Glory to ALLAH S.W.T., the most Gracious and the most Merciful is upon his messenger Holy Prophet Muhammad S.A.W. I am very grateful to Almighty Allah S.W.T for giving me strength and opportunity to complete this final project paper. Without His Grace and Mercifulness, this project paper may not be complete on time.

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Last but not least, I would like to thank to those, who I have not mentioned, but contributed throughout this research whether directly or indirectly. Thank you for your generous time and cooperation. Lastly my special acknowledgement goes to Universiti Teknologi MARA for granting me the opportunity to pursue my study in this Bachelor in Business Administration (Hons) (Finance). I appreciate all of your help and will not forget you all. Thank you.

## LETTER OF SUBMISSION

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Dear Sir,

### **SUBMISSION OF PROJECT PAPER (FIN 667)**

Attached is the project paper entitled “**STUDY ON THE EFFECTS OF FLUCTUATION OIL PRICE TOWARDS CONSUMER**” to fulfill the requirement as needed by the Faculty of Business Management, Universiti Teknologi MARA.

Thank you.

Yours Faithfully,

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## ABSTRACT

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**Purpose** – Fluctuations of oil price and petroleum products have had different effects on great economic variables. The aim of this paper is to investigate the effect of oil price fluctuation on the consumer's income level, cost of goods and services and consumer inflation in Malaysia.

**Design/methodology/approach** – The effects of oil volatility and fluctuation give good and bad impacts to consumer. Use exploratory design in order to answer all why and what questions for this study. All data had been run into SPSS software and data was used during the period 1990-2009. Besides that, oil price from Ron97 are used as a sample because it ore fluctuate and depends on global market price.

**Findings** – While research results support previous studies about the relationship between the consumer's income levels, cost of goods and services and consumer inflation. There are significant relationship between consumer's income level, cost of goods and services and oil price. Therefore, the relationship between consumer inflation and oil price is insignificant.

**Research limitations/implications** – The paper has considered oil price fluctuation on all industries in Malaysia. There a have complication during getting all the data because there are low accuracy of the figure. Besides that, this study will give good implications to other researcher as a reference.

**Originality/value** – So far, several studies have been conducted in different countries regarding the subject of the study.

**Keywords** Malaysia, Fluctuation Oil Price, Consumer's Income Level, Cost of Goods and Services, Consumer Inflation

**Paper type** Research paper