



**DETERMINANTS OF INCOME INEQUALITY BY STATE IN  
MALAYSIA**

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## DECLARATION OF ORIGINAL WORK



**BACHELOR OF BUSINESS ADMINISTRATION (HONS.) ECONOMY  
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## ABSTRACT

*The aim of this study is the determinants income inequality in Malaysia.. This study used internal determinants are like GDP, unemployment, inflation, population and education. Secondary data was collected from from the year 1988 to 2017. Time series analysis data is conducted to examine the determinants. Researcher focus on Augmented Dickey Fuller (ADF) test and Phillips- Perron (PP) test for unit root test. Another method that been condutedt by researcher in this study is Ordinary Least Square (OLS), Autocorrelation, Heteroskedasticity and Multicollinearity test. The estimation result shows that for high income state GDP and inflation has significant relationship with GDPPC. For middle income state, only GDP has significant relationship with GDPPC. While for low income state, GDP and unemployment has significant relationship with GDPPC.*

**Keyword:** GDPPC, GDP, inflation, unemployment, population, education.