



UNIVERSITI TEKNOLOGI MARA

**THE DETERMINANTS OF PERSONAL SAVING:
A STUDY IN MALAYSIA**

**NORSYAMIMI BINTI CHE IBRAHIM
2009120383**

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

DECEMBER 2011

LETTER OF TRANSMITTAL

Norsyamimi Binti Che Ibrahim
Bachelor of Business Administration (Hons) Finance
Faculty of Business Management
Universiti Teknologi MARA Kelantan
Kampus Kota Bharu
15050 Kota Bharu
Kelantan

Dec 2011

The Head of Program
Bachelor of Business Administration (Hons) Finance
Faculty of Business Management
Universiti Teknologi MARA Kelantan
Kampus Kota Bharu
15050 Kota Bharu
Kelantan

Dear Madam,

**SUBMISSION OF FINANCE PROJECT PAPER (FIN 667); THE DETERMINANTS OF
PERSONAL SAVING: A STUDY IN MALAYSIA**

I'm required to do a project paper on the above topic. I hereby submitted this report and I really hope that this work will fulfill the requirement for the Bachelor of Business Administration (Hons) Finance.

Thank you.

Yours sincerely,

NORSYAMIMI BINTI CHE IBRAHIM
2009120383
Bachelor of Business Administration (Hons) Finance

ACKNOWLEDGEMENT

“In the Name of Allah the Almighty, the Merciful and the Beneficent”

Alhamdulillah to Allah S.W.T the Merciful, because without His will, I would not finished this project paper properly.

First of all, I would like to express my deepest gratitude to my advisor, Professor Madya Dr Nik Muhammad Naziman Bin Abd Rahman for his advices, comments, brilliant suggestions, knowledge and untiring supervision which beyond repayment in preparing this project paper. His constructive comments and advices have been valuable in making this project paper successfully. Not forget to my second advisor, Mr Shabsuzan Bin Zakaria for his support to complete this study. It would have been impossible without his guidance.

Secondly, I owe many thanks to my family and friends for their constant support and encouragement in making this project paper success.

Last but not least, I also would like to thanks all those who have contributed directly or indirectly efforts in my research.

TABLE OF CONTENTS

TITLE PAGE	i
DECLARATION OF ORIGINAL WORKS	iii
LETTER OF TRANSMITTAL	iv
ACKNOWLEDGEMENT	v
TABLE OF CONTENTS	vi
LIST OF TABLES	x
LIST OF FIGURE	xi
ABSTRACT	xii
 CHAPTER 1: INTRODUCTION	
1.0 INTRODUCTION.....	1
1.1 BACKGROUND OF STUDY	1
1.2 PROBLEM STATEMENT	4
1.3 RESEARCH OBJECTIVE.....	6
1.4 SCOPE OF STUDY.....	6
1.5 THEORETICAL FRAMEWORK.....	7
1.6 HYPOTHESIS STATEMENT.....	10

ABSTRACT

In this study, a number of variables that could affect personal saving are examined using regression to show how they are related to personal saving. The objectives of this study are to study the determinant relationship between terms of trade and personal saving, real GDP and personal saving, and between personal income and personal saving. Data that are collected in this study is by using the main source that is the secondary data. The empirical study was performed using the time series data of the Malaysia between the years 1970 until 2007. The result shows that personal saving is dependent on terms of trade, real GDP and personal income. Therefore, finding reveal independent variables which are terms of trade, real GDP and personal income is significant with dependent variable which is personal saving.

Dalam kajian ini, beberapa pembolehubah yang boleh menjejaskan simpanan peribadi dikaji untuk menunjukkan bagaimana ia berhubung kait diantara satu sama lain. Objektif kajian ini adalah untuk menentukan hubungan diantara perihal dagangan dan simpanan peribadi, KDNK dan simpanan peribadi, dan juga diantara pendapatan dan simpanan peribadi. Data yang dikumpul dalam kajian ini adalah menggunakan sumber utama iaitu data sekunder. Kajian empirikal dilaksana dengan menggunakan data siri masa diantara tahun 1970 hingga 2007. Keputusan menunjukkan simpanan peribadi bergantung diantara satu sama lain dengan perihal dagangan, KDNK dan pendapatan. Kesimpulannya, penemuan menunjukkan pembolehubah tak bersandar iaitu perihal dagangan, KDNK dan pendapatan adalah nyata dengan pembolehubah bersandar iaitu simpanan peribadi.