

UNIVERSITI TEKNOLOGI MARA

**MACROECONOMIC FACTORS THAT
INFLUENCE HOUSEHOLD DEBT IN MALAYSIA:
EVIDENCE FROM YEAR 2006 TO 2016**

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2016689778**

**BBA (Hons) Business Administration
Finance**

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Final Year Project Paper submitted in fulfillment
of the requirements for the degree of
**Bachelor of Business Administration
(Finance)**

Faculty of Business and Management

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AUTHOR'S DECLARATION

I declare that the work in this final year project paper was carried out in accordance with the regulations of Universiti Teknologi MARA. It is original and is the results of my own work, unless otherwise indicated or acknowledged as referenced work. This thesis has not been submitted to any other academic institution or non-academic institution for any degree or qualification.

I, hereby, acknowledge that I have been supplied with the Academic Rules and Regulations for Undergraduate, Universiti Teknologi MARA, regulating the conduct of my study and research.


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ABSTRACT

The Malaysian economy has a stable growth rate. Due to the increasing in income level and high standard of living by Malaysian citizen cause the level of household debt in Malaysia also increase. At the same time, the high cost of living also influence people to spend more in their expenses. The aim of this study is to investigate the macroeconomic factors that influence household debt in Malaysia. This study is conducted to notice out the significance of microeconomic factors such as base lending rate, house price index, gross domestic product, unemployment rate and consumer price index towards household debt in Malaysia. The result of this study shows that have a significant relationship between independent variables and dependent variable. This study will analyse the factor that influence household debt in Malaysia by analysing historical data from year 2006 until 2016 quarterly basis on base lending rate, house price index, gross domestic product, unemployment rate and consumer price index.

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