

MICROECONOMICS DETERMINANTS OF BANK FINANCING : A CASE OF ISLAMIC BANK (BANK ISLAM MALAYSIA BERHAD)

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DECLARATION OF ORIGINAL WORK



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Hereby declare that:

- This work has not previously been accepted in substance for any degree, any locally or overseas, and is not being concurrently submitted for this degree or any other degrees.
- The project paper is the result of our independent work and investigation, except where otherwise stated.
- All verbatim extracts have been distinguished by quotation marks and sources of my information have been specifically acknowledged.

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Abstract

Bank financing is an Islamic terms for bank lending or in simple word it means loan. Loan is a <u>debt</u> given to other entity at an <u>interest rate</u> with the evidenced of a <u>note</u> which specifies date of repayment. Therefore, this research is done to look for the magnitude in the determinants of bank financing. Other than that, the study also aims to study the weight of the microeconomics determinants which influence the bank financing. This study analyse the microeconomics determinants of bank financing in Islamic bank. Time series analysis method used to observe the data of Bank Islam Malaysia Berhad (BIMB) starting from 1984 until 2012. The result shows there is a relationship between asset of the bank, deposit at the bank and bank's capital with bank financing.

Keywords : Bank Financing, Asset of the bank, Deposit at the bank, Bank's capital

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