

UNIVERSITI TEKNOLOGI MARA
FAKULTI SAINS PENTADBIRAN DAN PENGAJIAN POLISI



THE SPENDING DECISION AMONG PUBLIC
AFTER THE IMPLEMENTATION OF
GOODS AND SERVICES TAX (GST)

NURUL LIYANA BINTI YAHAYA

(2013164979)

NOR SHAMIMI BINTI SHAFFI

(2013101303)

JANUARY 2016

DECLARATION

We hereby declare that the work contained in this research proposal is my own except those which have been duly identified and acknowledged.

Signed



Name : Nurul Liyana Binti Yahaya

2013164979

Signed



Name: Nur Shamimi Binti Shaffi

2013101303

ABSTRACT

The spending decision among the people or consumer always changes due to the advancement of economy. The spending decision of people changes when there are some factors affect their spending when they purchasing. There are many factors influence the spending decision among the people such as in term of quality, brand and price. Thus, this study refer to the people in area of Kota Kinabalu by see the factor listed where there are several spending decision factor that important to them and among them are price, brand, and quality. This topic had been chosen by the researchers because to see the spending decision of public after the Goods and Services Tax is applied in Malaysia country. The purpose of this topic are to examine most factor that influence the spending decision among the public after the implementation of GST and to examine the spending decision among the demographic profile. It also to see whether there is relationship between the independent and dependent variable where the independent variable in this study is referring to the price, brand and price while and whether it is relationship between the demographic profiles with the spending decision.

TABLE OF CONTENT

CHAPTER 1

INTRODUCTION

1.0	Background of Study	4
1.1	Problem Statement	5
1.2	Research Objective	6
1.3	Research Question	7
1.4	Scope of Study	8
1.5	Significant of Study	8
1.6	Definition of Term and Concept	9

CHAPTER 2

LITERATURE AND CONCEPTUAL FRAMEWORK

2.0	Introduction	11
2.1	Spending Decision	11
2.1.1	Definition of Spending Decision	
2.1.2	Stages in Spending Decision Process	
2.1.3	Spending decision before and after GST	
2.2	Brand	15
2.3	Price	17
2.4	Quality	19
2.5	Spending Decision based on demographic profile	20

CHAPTER 1

INTRODUCTION

1.0 Background of Study

The spending decisions among the peoples are changes due to the increasing the prices of goods. It may cause less spending among them because they more aware and careful in purchasing goods. The less transaction in business activities will slow the economic growth of country. Therefore, the aim of this study generally based on the factors that influence the spending decision focuses on the peoples when they do the purchasing especially after GST.

There are many groups of people among the workers either in public or private sectors and other ordinary citizen that spent their money differently among the gender, between high, middle and low income, and the status of marital either married or single. Females are likely spending more on clothes, while men tended to spend more money on entertainment and eating out. After the implementation of GST, certain price of goods and services increased. People need to spend more on their daily expenses compared to before the implementation of GST.

The peoples changed their spending decision on purchasing goods and services after the implementation of the Good Services Tax (GST) on 1st April 2015. The economic cycle influenced the spending decision especially after the implementation of GST that affecting the allocation of income of households. Usually, the lower income households will pay more taxes rates compared to peoples with higher income level. The position in organization also differentiate the level of income between those who are in lower level that received lower salary while those who are in higher level received high income.