

UNIVERSITI TEKNOLOGI MARA

**THE DETERMINANTS OF INFLATION IN
MALAYSIA**

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ABSTRACT

Inflation becomes one of the serious matters over a period of time. It can be said that, throughout the past few year, Malaysia's also was affected by the severe Asian financial crisis and sharp depreciation of the ringgit in 1997 – 1998. This study is to investigate the determinant of inflation factors that affecting growth economy of Malaysia. Data was collected in a series from year 1989 to 2018 (30 years) and cross refer to the previous researcher. This paper was run by several tests using descriptive analysis, stationary test by Augmented Dickey-Fuller (ADF) Test, correlation test, regression analysis and test on assumption. The dependent variable used in this study is Inflation (INF) with the good understanding of the independent variables which is money supply, exchange rate and unemployment rate.

Key words: Inflation, Economic growth, money supply, exchange rate, unemployment rate

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