



UNIVERSITI TEKNOLOGI MARA

**GOVERNMENT EXPENSE, TAX REVENUE AND
TOTAL TAX RATE EFFECTS ON GDP**

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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.

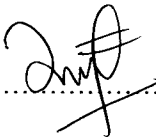
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ABSTRACT

This study provides evidence on the role of government expense, tax revenue and total tax rate for economic growth in selected Asian countries. Some researcher found positive relationship between government expense and growth, while others indicated that growth caused government spending to expand (Jiranyakul, 2007). Twenty-two states still collect less tax revenue than at their recession-era peaks, after adjusting for inflation, and most have a thinner financial cushion than they did before the last downturn (States' Fiscal Health, 2018). Issue that arise on total tax rate are the effects of an ageing population and the willingness of society to pay taxes especially to those who have gained from economic growth to support the less well-off is quite critical (Bosquet, 2000). However, the studies were mostly done pre and post crisis but only a few were done looking to be specific in the view of selected Asian countries which are Malaysia, China and Thailand. Thus, in this paper the researcher wants to study the relationship between government expense, tax revenue and total tax rate towards GDP as a proxy of economic growth. The results of the study are government expense, tax revenue and total tax rate have positive relationship towards Gross Domestic Product (GDP).

TABLE OF CONTENTS

	Page
AUTHOR'S DECLARATION	ii
ABSTRACT	iii
ACKNOWLEDGEMENT	iv
LIST OF TABLES	vii
LIST OF FIGURES	viii
CHAPTER ONE INTRODUCTION	1
1.1 Introduction	1
1.2 Research Background	2
1.3 Problem Statement	4
1.4 Research Questions	5
1.5 Research Objectives	5
1.6 Significance of the Study	6
1.7 Scope of the Study	7
1.8 Limitation of the Study	8
1.9 Definition of Key Terms	8
1.10 Summary	10
CHAPTER TWO LITERATURE REVIEW	11
2.1 Introduction	11
2.2 Theory	12
2.3 Government Expense	14
2.4 Tax Revenue	15
2.5 Total Tax Rate	16
2.6 Research Framework	17
2.7 Summary	17

LIST OF TABLES

Tables	Title	Page
Table 4.1	Summary of Descriptive Analysis	27
Table 4.2	Correlation Analysis Result	29
Table 4.3	Ramsey RESET Test Result	32
Table 4.4	Heteroscedasticity Result	33
Table 4.5	Regression Result	34
Table 4.6	Summary of Regression Result	37