



UNIVERSITI TEKNOLOGI MARA

**DETERMINANTS OF HOUSEHOLD
DEBT AMONG SIX ASIAN
COUNTRIES**

AIDA BINTI MOHAMED NYAN

Thesis submitted in fulfillment of the requirements for
the degree of **BACHELOR OF BUSINESS
ADMINISTRATION (HONS) FINANCE**

Faculty of Business and Management

JULY 2017

AUTHOR'S DECLARATION

I declare that the work in this 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 Universiti Teknologi MARA, regulating the conduct of my study and research.

Name of student : Aida Binti Mohamed Nyan
Student I.D No. : 2015635292
Programme : BBA (Hons) (Finance)
Faculty : Business and Management
Project Paper Title : The Determinants of Household Debts
Among Six Asian Countries
Signature of Student :
Date : July 2017

ABSTRACT

This research aims to identify macroeconomics determinants that may affect household debt which acts as the dependent variable for this study. The results show that all four independent variables chosen which are interest rate, inflation rate, unemployment and savings have negative relationship towards the dependent variable of household debt. Panel data is used for this research where six Asian countries; Malaysia, Indonesia, Thailand , Japan, China and Singapore are chosen with time period of 2006 until 2014 for each country. E-Views 8 is used to analyze data and interpret data which has been collected by the researcher from secondary sources such as Globaleconomics and Tradingeconomy.

TABLE OF CONTENTS

ACKNOWLEDGEMENT.....	III
ABSTRACT.....	IV
LIST OF TABLE	VIII
LIST OF FIGURE	IX
CHAPTER ONE : INTRODUCTION.....	1
1.1 INTRODUCTION.....	1
1.2 BACKGROUND OF STUDY	2
1.3 PROBLEM STATEMENT	3
1.4 RESEARCH OBJECTIVES	4
1.4.1 Main Research Objective.....	4
1.4.2 Specific Research Objectives.....	4
1.5 RESEARCH QUESTIONS	5
1.5.1 Main Research Question	5
1.5.2 Specific Research Question	5
1.6 SIGNIFICANCE OF STUDY	6
1.7 SCOPE OF STUDY.....	8
1.8 LIMITATION OF STUDY.....	9
1.9 DEFINITION OF TERMS	11
1.10 SUMMARY	12
CHAPTER TWO : LITERATURE REVIEW.....	13
2.1 INTRODUCTION	13
2.2 LITERATURE REVIEW ON HOUSEHOLD DEBT.....	14
2.3 LITERATURE REVIEW ON INTEREST RATE	15
2.4 LITERATURE REVIEW ON INFLATION RATE.....	16

LIST OF TABLE

- Table 3.1 : Expected Findings
- Table 4.1 : Descriptive Analysis
- Table 4.2 : Correlation Analysis
- Table 4.3 : Multiple Regression Analysis
- Table 4.4 : Autocorrelation Test
- Table 4.5 : Heteroskedasticity Test
- Table 4.6 : Ramsey Test
- Table 4.7 : Multicollinearity Test