

INFLATION AND MACROECONOMIC VARIABLE:
EVIDENCE FROM DEVELOPED COUNTRIES
(2008-2017)

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I, Nurnajwa Hayati binti Abdullah, matric number 2016524575,

Hereby declare that:

- i. This final year project was carried out accordance to regulation of Universiti Teknologi MARA.
- ii. This report is not been submitted to other institution for any degree or qualification.
- iii. This project paper is the result of my own work, unless otherwise indicated as referenced work.

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ABSTRACT

This project paper was carried out to find the relationship between inflation and macroeconomic variable (government spending, import, income and unemployment) from developed countries. This study was using panel data from 20 selected developed countries for the period 2008 until 2017 (10 years) only. The data was collected from The World Bank. Literature review was explained the significant and relationship between variables (inflation, government spending, import, income and unemployment). From the study, the result show that, three variables that significant to inflation which is government spending, import and income. Panel granger causality test show that there are two ways causality, one way causality and also no causality effect between all variables used.