A STUDY ON THE RELATIONSHIP BETWEEN INFLATION RATE, INTEREST RATE, POPULATION AND VALUE OF PRIZE OFFERED TO THE SALES OF SIJIL SIMPANAN PREMIUM (SSP) AT BANK SIMPANAN NASIONAL (BSN), (1980 – 2004)

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BBA (HONS) FINANCE

FACULTY OF BUSINESS MANAGEMENT

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MACHANG CAMPUS, KELANTAN

OCTOBER 2005

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(1980 – 2004)

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A Project Paper Submitted To Faculty Of Business Management In Partial Fulfillment Of The Requirement For The Bachelor Of Business Administration (HONS) Finance.

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OCTOBER 2005

LETTER OF TRANSMITTAL

Bachelor of Business Administration (Hons) Finance
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October 20, 2005

Head of Program
Bachelor of Business Administration (Hons) Finance
Faculty of Business Management
MARA UNIVERSITY OF TECHNOLOGY (UiTM)
Machang Campus,
18500 Machang,
Kelantan

Dear Sir,

SUBMISSION OF PROJECT PAPER

It is with great pleasure that I present you my project paper entitled "**A Study On The Relationship Between Inflation Rate, Interest Rate, Population And Value Of Prize Offered To The Sales Of Sijil Simpanan Premium (SSP) At Bank Simpanan Nasional (BSN), (1980 – 2004)**," for your kind evaluation as required by the Faculty of Business Management UiTM.

Your kindness in accepting the unbounded project paper is very much appreciated.

Thanks you.

Your Sincerely,

MAHERAN BINTI ABDUL GHANI (2002318412)

ACKNOWLEDGEMENT

" In the name of Allah s.w.t, The Merciful, The Benefint "

Glory to Allah S.W.T. the most gracious, the most merciful and peace is upon his messenger Holy Prophet Muhammad S.A.W. all the worship belongs to Allah only. Without the grace and help of Allah S.W.T., it would be virtually impossible for me to have the courage, endurance and spirit to complete this project paper.

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May ALLAH the almighty, Lord of the World, Bless you all

Thank you………

EXECUTIVE SUMMARY

This paper analyzes the "Relationship between Population, Inflation Rate (CPI), Value of Prize Offered and Interest Rate to the Sales of Sijil Simpanan Premium (SSP) at Bank Simpanan Nasional (BSN) (1980-2004). This type of saving certificate was introduced in 1978 and this study uses monthly data start from January 1980 until December 2004.

Multiple Regression Analysis is used to identify the relationship between dependent variable and independent variables. Finding of this study shows that the relationship between dependent variable (sales) and all the independent variables (inflation rate, interest rate, population and prize).

Based on the t-stat result, sales have an e positive relationship with population, interest rate and prize, but it has a negative relationship with inflation. When referring to the level of significant, volume of sales have a significant level with interest rate and prize, but it has a non-significant level with population and inflation. This results giving the implications for BSN customers, savers and also for academicians.