



**FACTORS THAT AFFECTING OIL PRICE IN
MALAYSIA**

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ABSTRACT

This research is to study about the Factors that Affecting Oil Price in Malaysia. There are four independent variables that have been choosing for this research. The independent variables are inflation (IF), exchange rate of currency (EC), gross domestic product (GDP) and trade balance (TB). This research use time series data between the years 1988-2016 which the total number of observation is 29 years. Multiple linear regression models have been applied to study the relationship between independent variables and dependent variable. From the empirical result off equation has shown that only inflation and trade balance significantly affects oil price. However, exchange rate of currency and gross domestic product show an insignificant relationship on oil price.

TABLE OF CONTENTS

	Page
TITLE PAGE	
DECLARATION OF ORIGINAL WORK	i
ACKNOWLEDGEMENT	ii
TABLE OF CONTENTS	iii-vi
LIST OF TABLES	vii
LIST OF FIGURES	viii
LIST OF ABBREVIATIONS	ix
LIST OF APPENDICES	xi
ABSTRACT	xii
 CHAPTER 1: RESEARCH OVERVIEW	
1.0 Research Background	1-2
1.1 Problem Statement	3-5
1.2 Limitation of study	5
1.3 Objectives	6
1.4 Research Questions	6
1.5 Hypotheses of the Study	7
1.6 Scope of study	8
1.7 Definition of term	8
1.7.1 Oil price	8-9

1.7.2	Inflation	9
1.7.3	Gross Domestic Product (GDP)	9
1.7.4	Exchange of Currency	10
1.7.5	Trade balance	10
1.8	Significance of the Study	10-11

CHAPTER 2: LITERATURE REVIEW

2.0	Introduction	12
2.1	Review of the literature	12
2.1.1	Oil price	12-14
2.1.2	Inflation	14-16
2.1.3	Exchange of currency	16-18
2.1.4	GDP	18-19
2.1.5	Trade balance	19-20
2.2	Theoretical framework	21-22

CHAPTER 3: METHODOLOGY

3.0	Research Design	23-24
3.1	Data Collection Methods	24-26
3.2	Data Processing	26
3.3	Data Analysis	27
3.3.1	Eviews	27-28
3.3.2	Multiple Linear Regressions	28-30
3.3.3	F-test Statistic	30-31
3.3.4	T-test Statistic	31-32