



THE EFFECT OF MACROECONOMIC DETERMINANTS TOWARDS  
EURO-DOLLAR EXCHANGE RATE

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## **ABSTRACT**

In this study, the research is focusing on the effect of macroeconomic determinants towards Euro-Dollar exchange rates movement. The purpose of the study is to study the relationship between dependent variable and independent variables and identify which factor has the most significant influence towards the movement of Euro-Dollar exchange rates. This study use secondary data from 1999 to 2013. The data are tested for detecting any trend influence and normality distribution using Unit Root Test and Normality Test respectively. Then, to identify the relationship between two variables (independent variables and dependent variable), the data is tested using Single Linear Regression. This study conducted to examine the macroeconomic determinants towards Euro-Dollar exchange rates such interest rate (IR), consumer price index / inflation (CPI), crude oil price (COP), gross domestic profit (GDP) and government spending (GS). In Single Linear Regression Analysis found that interest rate, consumer price index, gross domestic profit and government spending has significance towards Euro-Dollar exchange rate movement except crude oil price. However, in Multiple Linear Regression Analysis found the most significance is crude oil price.

## TABLE OF CONTENTS

	Page
DECLARATION OF ORIGINAL WORK	i
LETTER OF SUBMISSION	ii
ACKNOWLEDGEMENT	iii
LIST OF FIGURES	vii
LIST OF TABLES	viii
LIST OF ABBREVIATIONS	ix
ABSTRACT	x
CHAPTER 1 INTRODUCTION	
1.1 Background of Study	2
1.2 Problem Statement	3
1.3 Research Objectives	4
1.4 Research Questions	4
1.5 Scope of Study	4
1.6 Significance of Study	5
1.7 Limitations of Study	5
1.8 Definition of Terms	6
1.9 Conclusion	7
CHAPTER 2 LITERATURE REVIEW	
2.0 Introduction	9
2.1 Theory of Purchasing Power Parity	9
2.2 Dependent Variable: Euro-Dollar Exchange Rates	10
2.3 Independent Variable 1: Interest Rate (IR)	11
2.4 Independent Variable 2: Consumer Price Index / Inflation (CPI)	12
2.5 Independent Variable 3: Crude Oil Price (COP)	13
2.6 Independent Variable 4: Gross Domestic Profit (GDP)	14
2.7 Independent Variable 5: Government Spending (GS)	15
2.8 Theoretical Framework	17
2.9 Conclusion	18

## CHAPTER 3 METHODOLOGY

3.0	Introduction	20
3.1	Research Hypothesis	20
3.2	Research Design	21
3.3	Data Collection Method	21
3.4	Tests Consideration for Data Analysis	22
	3.4.1 Test for Stationary: Unit Root Test	22
	3.4.2 Test for Normal Distribution: Normality Test	22
	3.4.3 Single Linear Regression Model	23
	3.4.4 Multiples Linear Regression Model	23
	3.4.5 Adjusted R <sup>2</sup>	23
	3.4.6 Durbin-Watson Test	23
3.5	Conclusion	23

## CHAPTER 4 FINDINGS AND ANALYSIS

4.0	Introduction	25
4.1	Test of Stationary: Unit Root Test	25
4.2	Test for Normal Distribution: Normality Test	26
4.3	Single Linear Regression Analysis	28
	4.3.1 Interest Rate (IR)	28
	4.3.2 Consumer Price Index / Inflation (CPI)	29
	4.3.3 Crude Oil Price (COP)	30
	4.3.4 Gross Domestic Profit (GDP)	31
	4.3.5 Government Spending (GS)	33
	4.3.6 Multiple Linear Regression Analysis	34
4.4	Conclusion	35

## CHAPTER 5 CONCLUSION AND RECOMMENDATIONS

5.0	Conclusion	37
5.1	Discussion	39
5.2	Recommendations for future research	39