



BACHELOR OF BUSINESS ADMINISTRATION

(HONOURS) FINANCE

FACULTY OF BUSINESS AND MANAGEMENT

“DECLARATION OF ORIGINAL WORK”

I, **MARDHIAH MOHAMMAD**, hereby,
declared that:

- This work has not previously been accepted in substance for any degree, locally or overseas, and is not being concurrently submitted for this degree or any other degrees.
- This project paper is the result of my independent work and investigation, except where otherwise stated.
- All verbatim extracts have been distinguished by quotation marks and sources of my information have been specifically acknowledged.

Signature:

Date: 16.10.2000

ACKNOWLEDGEMENT

*Bismillahirrahmanirrahim
Praise to Allah s.w.t for blessing and empowering me to succeed
in the completion of this project paper.*

*This project paper was prepared to fulfill the graduation
requirement of bachelor of Business Administration (Hons)
Finance.*

*I would like to foremost extend my sincere gratitude to those
efforts facilitated the completion of this project paper.
Firstly I would like to convey my gratitude to my dedications and
flexible advisor, Dr Wan Mansor Wan Mahmood, for guidance,
encouragement and motivation from the beginning until the end
of preparing this project paper.*

*A special gratitude for all staff of Yayasan Sayyidatina
Khadijah ; Library of Bank Negara ; Library of Tun Abdul
Razak for giving the guidelines and information regarding the
study.*

*I would like to thanks to my colleagues for their support. A
special gratitude also to all my friends whom help me by sharing
information regarding this study.*

*Finally, a very special thanks dedicated to my beloved 'Ma' and
'Abah' and also my brothers and sisters for their prayer and
constant support from beginning until the end of my study.*

🌸 Thank You 🌸



ABSTRACT

Dear reader, ^{Recently,} nowadays the topic of foreign currency, currency exchange, the appreciation or depreciation of currency becomes fame. All parties in our country are now becoming more cautious about the impact of one particular currency towards the others, especially our Malaysian Ringgit and other foreign currencies when they are dealing with them.

Consequences of the above I am wondering whether does other country has any relationship with our currency and how strong they can influence our currency, well that is the purpose of this study, to see whether my thought is true or not.

The topic of this study is “ *Does Malaysian Ringgit has been influenced whether by the Singapore Dollar, Deutsche Mark-Germany, Japanese Yen and Hong Kong, SAR (including gross export and import)* ”. Which the data is taken on monthly basis, from January 1994 until April 2000 that is obtained from the “ *Buletin Perangkaan Bulanan Bank Negara* ”.

To interpret the result easily, the method of regression Analysis has been used as it is easily to be understood by the most finance or non finance people. The result has shown that first, there is a relationship between those selected foreign currencies. Second, the most foreign currency that give strong impact to our Malaysian Ringgit is Singapore Dollar.

And last but not least, I honestly invite you to see what is it. THANK YOU.

TABLE OF CONTENTS

ACKNOWLEDGEMENT	I
ABSTRACT	II
TABLE OF CONTENTS	III
CHAPTER 1: INTRODUCTION	1
1.1 INTRODUCTION	
1.2 PROBLEM DEFINITION	
1.3 OBJECTIVE OF THE STUDY	
1.4 SCOPE AND LIMITATION	
1.4.1 SCOPE OF STUDY	
1.4.2 LIMITATION OF STUDY	
1.5 ORGANIZATION OF STUDY	
CHAPTER 2: LITERATURE REVIEW	9
CHAPTER 3: DATA AND RESEARCH METHODOLOGY	13
3.1 DATA	
3.1.1 METHOD OF DATA COLLECTION	
3.1.2 SAMPLE OF DATA	
3.1.3 DATA ANALYSIS	
3.2 RESEARCH METHODOLOGY	
3.2.1 METHOD USED	
3.2.1.1 REGRESSION ANALYSIS AND EXCELL	

3.2.2 REGRESSION ANALYSIS

3.2.2.1 INTRODUCTION

3.2.2.2 REGRESSION LINE

3.2.2.3 T-RATIO

3.2.2.4 THE COEFFICIENT OF DETERMINATION AND ADJUSTED R^2

3.2.2.5 POINT AND INTERVAL ESTIMATES

3.2.2.6 AUTOCORRELATION

CHAPTER 4: FINDINGS

22

4.1 MALAYSIAN RINGGIT (RM) VS SINGAPORE DOLLAR (SD)

4.2 MALAYSIAN RINGGIT (RM) VS DEUTSCHE MARK-GERMANY (DM)

4.3 MALAYSIAN RINGGIT (RM) VS 100 JAPANESE YEN-JAPAN (Y)

4.4 MALAYSIAN RINGGIT (RM) VS 100 HONG KONG, SAR (HK)

4.5 MALAYSIAN RINGGIT (RM) VS SINGAPORE DOLLAR (SD) AND THE EXTERNAL TRADE (MALAYSIAN GROSS EXPORT AND IMPORT).

4.6 MALAYSIAN RINGGIT (RM) VS DEUTSCHE MARK (DM) AND THE EXTERNAL TRADE (MALAYSIAN GROSS EXPORT AND IMPORT)