



**BACHELOR OF BUSINESS ADMINISTRATION  
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**THE RELATIONSHIP BETWEEN MONEY SUPPLY AND THE  
PROPERTY PRICES (HOUSING)**

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# ABSTRACT

The purpose of the study is to determine the relationship between money supply and property prices. The study is to ascertain whether changes in the money supply have any effect on the property prices and to analyze which monetary aggregates that has the most significant impact on the property prices. Besides that, to identify whether there are any other variables that has an impact on property prices such as Kuala Lumpur Composite Index (KLCI) and National Income per Capital.

The analysis of this project paper uses monthly data on Money Supply (M1, M2, M3), property prices, indicated by Property Index, Wealth, indicated by (KLCI) and Income, indicated by National Income per Capital from the year 1991 to 1995.

The approach used to study the relationship between money supply and property prices is by using the regression model. This model is being used because it is concerned with describing and evaluating the relationship between the dependent and independent variables. The dependent variables is the property prices and the independent variables consist of money supply, wealth and income. The findings showed that there is a relationship between money supply and property prices and M3 gave the most significant impact on property prices.