



THE FACTORS THAT AFFECTING THE PRICE OF GOLD

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Abstract

According to Theloosen (n.d.), even though the gold has attracts the interest of the investor, the factors that drives the price of gold is still not completely known. There is still no valid factors that gives explanation and details on how these economic variables affect the gold price. For this reason, the research is done to identify how inflation rate, interest rate, gross domestic product and crude oil price affect the price of gold. This research use secondary data provide from Index Mundi and World Data. It provides the data from all over the world since the research involves eight countries which is Australia, Russia, Unites States, Canada, Mexico, Brazil, Indonesia and Chile . The data is using 80 observations annually from year 2006 to 2015 which is 10 years. The variables use in this research is dependent and independent variables. Price of gold is a base or dependent variable and inflation rate, interest rate, gross domestic product and crude oil price are independent variables. The data has been analysed by using Eviews 8.0 to do descriptive, unit root test, multiple regression, correlation analysis and test on assumption.

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Chapter 1

Introduction

1.1 Introduction

This chapter will discuss about the pre-information for this research to be done. These are the background of the study, the problem statement of this research, the main research objective, the research question, significant of study, scope of the study and limitation of study. The research is about The Factors Affecting The Price of Gold. It will discuss the variables use in this study. The price of gold will be the dependent variable while gross domestic product, inflation rate, interest rate and crude oil price will be the independent variable that might affect the movement of the gold price. The research objective will discuss about the purpose of this research is done. The research question provides questions to be answered, it becomes the guideline to complete this research.