



UNIVERSITI TEKNOLOGI MARA

**THE EFFECT OF GOVERNMENT
EXPENDITURE COMPONENTS
TOWARDS ECONOMIC GROWTH
IN MALAYSIA**

**NADZIRAH BINTI A MANAF
2015182327**

**BBA (Hons) Business Administration
Finance**

December 2017

ABSTRACT

The main purpose of this paper is to analyse the effect of government expenditure components towards economic growth in Malaysia over the period from 1970 to 2015. This study would like to determine how the government expenditure effect on economic growth in Malaysia through its components such as military expenditure, education expenditure and healthcare expenditure. In this study, the government expenditure has been disaggregated into development expenditure such as military expenditure, education expenditure and healthcare expenditure. This study may give some overview of policy implications to the Malaysia policymakers on optimizing the effects of government expenditure in economic growth.

ACKNOWLEDGEMENT

Assalamualaikum w.b.t,

First and foremost, we would like to take this opportunity to express thousands of thanks to my supervisor, Madam Tay Bee Hoong for all the precious advice and guidance provided. Her patience in guiding and motivating me in this project has contributed greatly to the success of this project. Besides, my appreciation goes to Coordinator of Thesis, Madam Nur Liyana Mohamed Yousup for approval my thesis topic and guidance for making this thesis. In addition, I would like to thanks Madam Norhasniza Bt Mohd Hasan Abdullah as co-advisor because gave the approval and sign the topic too. Furthermore, I would like to give my thanks to the authorities of Universiti Teknologi Mara (UiTM) for the good facilities and study environment provided throughout the completion of this project.

The guidance and support received from all the members who contributed and who are contributing to this thesis was vital for the success of the study. Finally, an honorable mention goes to my families and friends for their understandings and supports on me in every trial that came my way.

TABLE OF CONTENT

	Page
AUTHOR'S DECLARATION	ii
ABSTRACT	iii
ACKNOWLEDGEMENT	iv
TABLE OF CONTENT	v
LIST OF TABLES	viii
LIST OF FIGURES	ix
LIST OF SYMBOLS	x
LIST OF ABBREVIATIONS	xi
CHAPTER ONE INTRODUCTION	1
1.1 Introduction	1
1.2 Background of the study	2
1.3 Problem Statement	4
1.4 Research Objectives	5
1.5 Research Questions	5
1.6 Significance of Study	6
1.6.1 Future researchers	6
1.6.2 Investors	6
1.6.3 Students	7
1.7 Scope of Study	7
1.8 Limitation of Study	7
1.8.1 Lack of data available and data accuracy	7

CHAPTER ONE

INTRODUCTION

1.1 Introduction

On this chapter, it will tell further on the background of the topic itself, the macroeconomic variables that have been used and the effect if those variables are being tested towards each of the variables. Furthermore, the problem statement will tell more about the problem of the topic is. How does the dependent variable affect the independent variables which give a huge impact towards each other at the end of the research.

Besides that, the research questions are the several questions that can get when reviewing the problem statement and topics. The questions must be answered at the end of the research either it gives positive or negative result. Whereas, the research objectives are functioning as what the topic is going to do from the starting of the research until the end. In this chapter also, the significance of the topic provides details to the reader on how the study will contribute such as what the study will contribute and who will benefit from it.

The scope of the study basically means all those things that will be covered in the research project. It defines clearly the extent of content that will be covered by the means of the research in order to come to more logical conclusions and give satisfaction answers to the research

The limitations of the study are those characteristics of design or methodology that influenced the interpretation of the findings from the research of the study. It will tell the limit of the research that prevent of the study going further. Lastly, the definition of key terms is explaining the keywords that have been used in an overall of the study as to the meaning of another word, a sentence and passage.

