



THE DETERMINANTS OF MONEY DEMAND
OF SELECTED ASIAN-PASIFICS' COUNTRIES

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ABSTRACT

This study examines the determinants of money demand of selected Asian-Pacific countries. The study used trend analysis of the study with the scope of panel data method in 1995 to 2011. The study adopted Panel Least Squares method of analysis. In examining panel data stationary using the Augmented Dicker Fuller (ADF) and Phillips Perron(PP). The analysis showed that money demand, income, GDPdeflator, Real Effective Interest Rate(REER) and US Real Interest Rate (USRR) are not stationary on the level difference and significance of the first difference for all the variables. This paper also applied Hausman Test to identify whether to use Random Effects or Fixed Effects model.

Keywords: Money Demand, Income, Interest rate spread, GDP deflator, REER, USRR, ADF, PP, Hausman Test

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