



**FACTORS INFLUENCING HOUSEHOLD DEBT IN  
MALAYSIA**

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**JULY 2019**

# DECLARATION OF ORIGINAL WORK



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- 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.

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LETTER OF SUBMISSION

July 2019

Coordinator

Bachelor of Business Administration (Hons.) Finance,  
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Universiti Teknologi MARA,  
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Dear Sir/Madam,

SUBMISSION OF FINAL PROJECT PAPER

Attached is the project paper title “FACTORS INFLUENCING HOUSEHOLD DEBT IN MALAYSIA” to fulfil the requirement as needed by Faculty of Business Management, Universiti Teknologi MARA.

Thank You.

Sincerely,

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## ABSTRACT

This paper aim at finding out the factors influencing household debt in Malaysia which the household debt is monitor based on the total loans and financing from Commercials Banks and Islamic Banks. The variables are considered are gross domestic product (GDP), housing price (HP), interest rate (INT) and unemployment (UN). This study required 9 years data which is equal to 36 data by quarterly for each variable from 2010 until 2018.

Methodology used for this study is using Multiple Linear Regression with series data. Thereafter, this test is to be conducted to observe the relationship of the independent variables with dependant variable which is household debt. Interactive software package E-view would be used for testing and analyzing the data collected. This study is attempting to investigate the relationship between the independent variables with the household debt and which variables contributes most to household debt. Findings from previous study mostly show that gross domestic product (GDP), housing price, interest rate and unemployment rate have a significant role in the determination of household debt

As guidance to the past research that have been done, this study will examine the relationship between impact of independent variables and household debt.