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**GOLD INVESTMENT: HOW FAR ECONOMIC FACTOR
AFFECT TOTAL VOLUME OF GOLD INVESTMENT IN
KUWAIT FINANCE HOUSE (M) BERHAD**

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UUM
Universiti Utara Malaysia

**MASTER OF SCIENCE (BANKING)
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VOLUME OF GOLD INVESTMENT IN KUWAIT FINANCE HOUSE (M) BERHAD**

BY

NUR BADRIYAH BINTI MOKHTAR



Thesis Submitted to

School of Economics, Finance and Banking (SEFB)

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**Pusat Pengajian Ekonomi,
Kewangan dan Perbankan**

SCHOOL OF ECONOMICS, FINANCE, AND BANKING

Universiti Utara Malaysia

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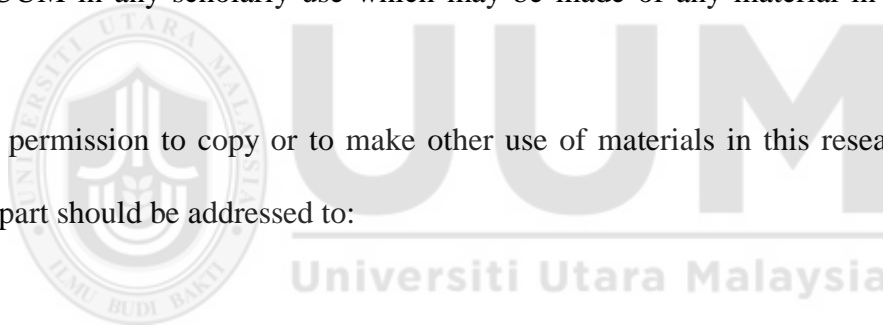
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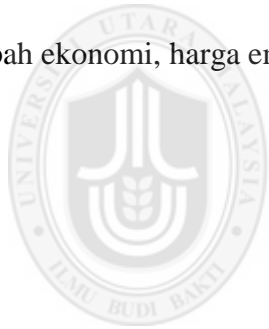
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ABSTRAK

Tujuan kertas penyelidikan ini adalah untuk menentukan kesan pemboleh ubah ekonomi terhadap jumlah pelaburan akaun emas di Kuwait Finance House (M) Berhad sepanjang tempoh 2010 hingga 2016. Kajian ini menguji hubungan di antara harga emas, pekerjaan serta kadar inflasi dan pelaburan emas. Dalam kajian ini digunakan Regression(Ordinary Least Square OLS) untuk memeriksa kesan pemboleh ubah ekonomi terhadap pelaburan akaun emas. Hasil kajian menunjukkan harga emas, pekerjaan serta inflasi mempunyai hubungan yang signifikan terhadap pelaburan akaun emas.

Kata kunci : Analisis Regresi, Kuwait Finance House (M) Berhad, pelaburan akaun emas .
pembolehubah ekonomi, harga emas , pekerjaan, inflasi



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ABSTRACT

The aim of this research paper is to determine the impact of economic variables towards gold investment account in Kuwait Finance House (M) Berhad over the period of 2010 to 2016. This research tests the relationship between gold price, employment, inflation and gold investment account. In this research applied the Regression (Ordinary Least Square, OLS) to examine the impact of economic variables on gold investment account. The findings show that gold price, employment and inflation have significant impact towards gold investment account.

Keyword: Regression Analysis, Kuwait Finance House (M) Berhad, Gold investment, economic variables, gold price, employment, inflation



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CHAPTER ONE

INTRODUCTION

1.1 Introduction

In the first chapter provides a brief discussion on the Gold investment and economic variables that giving impact towards total volume of gold investment. This chapter begins with the discussion about the background of the study and followed by the problem statement in section 1.2. Then, explanation about the research question in section 1.3 and in section 1.4 explained and discussed about the objective of the study. While, in section 1.5 discussed on scopes of the study and section 1.6 explained the contribution of the study. The organization of the study is discussed in section 1.7. Lastly, the conclusion of this chapter is explained in section 1.8.

1.1.0 Background of the Research

1.1.1 Overview Gold Investment

Since few decades, gold has been using as an asset for human. From ancient time, gold has been kept as a luxury items or a form of wealth. Gold has been used a long time ago. Hence, gold day by day are now widely recognized as a medium of exchange, or such an instrument for people for dealing in transaction. In different religious and cultural area as well, gold represented the royal and honourable features. It has aesthetic appearance which has proved it as the finest ornament above all other metal. Gold known as ‘denarius’ has been used in Islam in first era or Roman and Persian.

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APPENDIX

APPENDIX A

RELATIONSHIP BETWEEN GOLD PRICE, EMPLOYMENT AND INFLATION
TOWARDS TOTAL VOLUME OF GOLD INVESTMENT

Covariance Analysis: Ordinary

Date: 04/01/2018 Time: 21:49

Sample: 2010 2016

Included observations: 49

	LNTV	LNGP	LNEMP	LNINF
Correlation				
Probability				
LNTV	1			
LNGP	-0.4630	1		
LNEMP	0.2506	-0.0181	1	
LNINF	-0.3698	0.1892	-0.0919	1

APPENDIX B

MULTICOLLINEARITY TEST

Variance Inflation Factors

Date: 04/01/2018 Time: 21:55

Sample: 1 49

Included observations: 49

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
LNGP	0.077552	3.322896	1.037113
LNINF	0.037626	1.075729	1.045601
LNEMP	0.083915	687.8816	1.008515
<u>C</u>	<u>25.71102</u>	<u>690.9671</u>	NA

APPENDIX C

COMMON EFFECT MODEL

Dependent Variable: LNTV

Method: Panel Least Squares

Date: 04/01/2018 Time: 21:52

Sample: 2010 2016

Periods included: 6

Cross-sections included: 6

Total panel (balanced) observations: 49

Variable	Coefficient	Std. Error	t-Statistic	Prob.
LNGP	-1.1757	0.2785	-4.2217	0.0001
LNEMP	0.6639	0.2897	2.2920	0.0248
LNINF	-0.5458	0.1940	-2.8138	0.0063
C	12.3513	5.0706	2.4359	0.0173
R-squared	0.3442	Mean dependent var		22.6131
Adjusted Rsquared	0.3173	S.D. dependent var		2.0486
S.E. of regression	1.6927	Akaike info criterion		3.9411
Sum squared resid	209.1585	Schwarz criterion		4.0628
Log likelihood	-147.7308	Hannan-Quinn criter.		3.9898
F-statistic	12.7719	Durbin-Watson stat		1.548
Prob(F-statistic)	0.0000			

APPENDIX D

RELATIONSHIP BETWEEN GOLD PRICE, TOTAL EMPLOYMENT,
INFLATION, EMPLOYMENT GROWTH RATE AND TOTAL VOLUME GOLD
INVESTMENT

Covariance Analysis: Ordinary

Date: 04/01/2018 Time: 05:15

Sample: 2010 2016

Included observations: 49

Correlation					
Probability	LNTV	LNGP	LNEMP	LNINF	LNGI
LNTV	1				
LNGP	-0.4630	1			
LNEMP	0.2506	-0.0181	1		
LNINF	-0.3698	0.1892	-0.0919	1	
LNGI	-0.1641	0.3603	0.0356	0.2564	1