



Private & Confidential

BERJAYA BUSINESS SCHOOL

FINAL EXAMINATION

Student ID (in Figures) :

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Student ID (in Words) : _____

Subject Code & Name : **BBM2303 Malaysian Economy**
Semester & Year : January - April 2016
Lecturer/Examiner : Ms. Tey Sheik Kyin
Duration : 3 Hours

INSTRUCTIONS TO CANDIDATES

1. This question paper consists of 2 parts:
PART A (80 marks) : Answer ALL FIVE (5) structure type questions. Answers are to be written in the Answer Booklet provided.
PART B (20 marks) : Answer ONE (1) essay question. Answers are to be written in the Answer Booklet provided.
2. Candidates are not allowed to bring any unauthorized materials except writing equipment into the Examination Hall. Electronic dictionaries are strictly prohibited.
3. This question paper must be submitted along with all used and/or unused rough papers and/or graph paper (if any). Candidates are NOT allowed to take any examination materials out of the examination hall.
4. Only ballpoint pens are allowed to be used in answering the questions, with the exception of multiple-choice questions, where 2B pencils are to be used.

WARNING: The University Examination Board (UEB) of BERJAYA University College of Hospitality regards cheating as a most serious offence and will not hesitate to mete out the appropriate punitive actions according to the severity of the offence committed, and in accordance with the clauses stipulated in the Students' Handbook, up to and including expulsion from BERJAYA University College of Hospitality.

Total Number of pages = 4 (Including the cover page)

PART A : STRUCTURE TYPE QUESTIONS (80 MARKS)

INSTRUCTION : FIVE (5) structure type questions. Answer ALL questions in the Answer Booklet(s) provided.

Question 1

TABLE 4.1

**Federal Government Financial Position
2012 – 2014**

	RM million			Change (%)		
	2012	2013 ¹	2014 ²	2012	2013 ¹	2014 ²
Revenue	207,913	220,422	224,094	12.1	6.0	1.7
Operating expenditure	205,537	216,184	217,651	12.6	5.2	0.7
Current balance	2,376	4,238	6,443			
Gross development expenditure	46,932	45,065	44,500	1.1	-4.0	-1.3
Less: Loan recovery	2,606	1,574	949			
Net development expenditure	44,326	43,491	43,551	-2.2	-1.9	0.1
Overall balance	-41,951	-39,253	-37,108			
% of GDP	-4.5	-4.0	-3.5			

¹ Revised estimate.

² Budget estimate, excluding 2014 tax measures.

Note: Total may not add up due to rounding.

- a. How would you define the operating expenditure and development expenditure of the government? What is the example of expenditure for these categorizes? (6 marks)
- b. Based on the revenue and expenditure trend of Malaysia federal government, what is your opinion on the role of government expenditures on Malaysia economic growth? Do you think it would help to boost Malaysia economic performance? Explain why is it so? (6 marks)

[Total: 12 marks]

Question 2

- a. What are the difference with the concepts of economic development between conventional perspective and Islamic perspective? (8 marks)
- b. Discuss **TWO (2)** objectives of Malaysian New Economic Policy which was implemented during the period of 1971-1990. (10 marks)

[Total: 18 marks]

Question 3

Discuss the **THREE (3)** importance of foreign direct investment (FDI) on Malaysia economy.

(12 marks)

[Total: 12 marks]

Question 4

Due to the negative impact of the fluctuation of global commodity price, Malaysian government has implemented the diversified industries policies. Nevertheless, the government still put effort in developing the agriculture sector. Briefly discuss three advantages of doing so.

(12 marks)

[Total: 12 marks]

Question 5

Year	Population ('000)
2000	23494.9
2001	28588.6
2002	30026.0

- What is the annual percentage growth rate for Malaysia in year 2001 and 2002?
(6 marks)
- Briefly explain any **TWO (2)** factors affecting population growth.
(6 marks)
- List **THREE (3)** problem associated by high population growth.
(6 marks)
- Malaysia's 4th Prime Minister, Tun Dr Mahathir Mohamad had announced the aim of achieving a population of 70 million by the year 2100. Having a large population has its merits and demerits. Discuss the any **TWO (2)** advantages of the 70 million population policy.
(8 marks)

[Total: 26 marks]

END OF PART A

PART B : ESSAY QUESTIONS (20 MARKS)

INSTRUCTION(S) : **ONE (1)** essay question. Answer **ALL** question in the Answer Booklet(s) provided.

Question 1

“When the floating of the Thai baht sparked the financial crisis in East Asia in July 1997, a first look at the Malaysian economy would have hardly raised suspicion that it succumb to a Thai-like financial crisis. ... Malaysia had accumulated massive short-term capital inflows (mostly in the form of portfolio capital) following capital market liberalization initiatives in the early 1990s, which coincided with the rapid spread of global capital to emerging market economies. ... When the Thai baht come under speculative attack in mid-May, the ringgit also experienced heavy selling pressure. ... However, given the low foreign debt exposure of domestic financial institutions, for a while the Malaysian policymakers were able to ‘muddle through’, unlike their counterparts in Thailand and Indonesia who had to turn immediately to the IMF. ... ”

Source: Athukorala, P. (2010). Malaysian Economy in Three Crises. In: Trade and Development. The Australian National University.

Briefly discuss **FIVE (5)** efforts by Malaysia government to improve economic performance during the event in 1997/98.

(20 marks)

[Total: 20 marks]

END OF QUESTION PAPER