

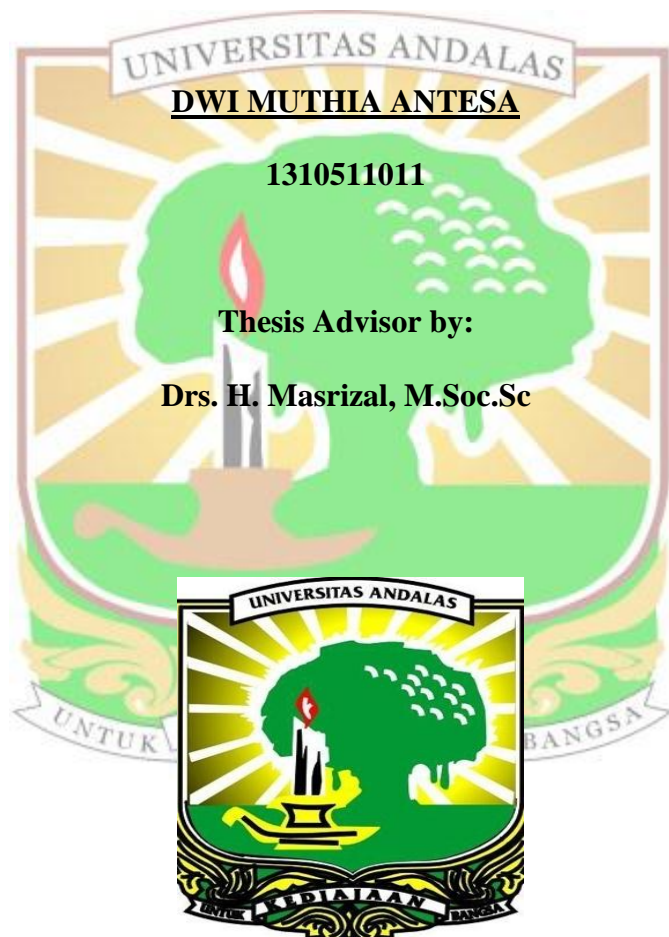
**THE IMPACT OF MONEY SUPPLY, INTEREST RATE AND
GOVERNMENT EXPENDITURE TO INFLATION IN INDONESIA**

THESIS

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THE IMPACT OF MONEY SUPPLY, INTEREST RATE AND GOVERNMENT EXPENDITURE TO INFLATION IN INDONESIA

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ABSTRACT

This research empirically analyzes the impact of money supply, interest rate, government expenditure to inflation in Indonesia by using annual time series data from 1995 – 2016. The Data obtained from Central Bank of Indonesia, Central Bureau Statistic and International Monetary Fund. Ordinary Least Square (OLS) is the method used in this research to analyse the data. The result evidenced that money supply and interest rate significantly influence the inflation in Indonesia. While, government expenditure insignificantly influence the inflation in Indonesia. Coefficient of determination (R^2) value is 0.608. It means 60.8% variation of independent variables (Money Supply, Interest Rate and Government Expenditure) influenced to Inflation in Indonesia.

Keywords: Money Supply, Interest Rate, Government Expenditure, Inflation, Ordinary Least Square

This thesis has been presented in the thesis examination and successfully passed the thesis examination on June 20th, 2017.

The abstract has been approved by the advisor and examiners:

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