

## Table of Content

Title Page .....	i
Ratification and Official Note .....	ii
Statement of Originality .....	iii
Preface .....	iv
Table of Content.....	v
List of Tables .....	vii
List of Figures .....	viii
List of Terms .....	ix
Abstract.....	x
Intisari .....	xi
<b>CHAPTER I. INTRODUCTION .....</b>	<b>1</b>
1.1. Background .....	1
1.2. Problem Statement.....	3
1.3. Research Questions .....	4
1.4. Aim of Research .....	4
1.5. Benefits of Research.....	4
1.6. Outline .....	5
<b>CHAPTER II. LITERATURE REVIEW .....</b>	<b>6</b>
2.1. Theoretical Framework .....	6
2.1.1. Monetary Policy .....	6
2.1.2. Monetary Transmission Mechanism.....	8
2.1.3. Interest Rate Channel.....	11
2.1.4. Interest Rate Pass-Through.....	13
2.2. Previous Literature.....	14
<b>CHAPTER III. RESEARCH METHODOLOGY .....</b>	<b>16</b>
3.1. Research Model .....	16

3.2. Research Variables .....	18
3.3. Data and Sources .....	20
3.4. Econometric Model .....	21
3.4.1. Seemingly Unrelated Regression .....	21
<b>CHAPTER IV. RESULTS AND DISCUSSION .....</b>	<b>24</b>
4.1. Descriptive Statistics .....	24
4.2. Diagnostic Test .....	27
4.3. Estimation Results .....	31
<b>CHAPTER V. CONCLUSION .....</b>	<b>34</b>
5.1. Conclusion.....	34
5.2. Limitations .....	35
5.3. Policy Implications .....	36
Bibliography .....	37
Appendix.....	39