

TABLE OF CONTENTS

TITLE PAGE	i
STATEMENT OF LEGALIZATION	ii
STATEMENT OF WORK'S ORIGINALITY	iii
ACKNOWLEDGEMENT	iv
TABLE OF CONTENTS	vi
LIST OF TABLES	vii
LIST OF APPENDICES	viii
ABSTRACT	ix
ABSTRAK	ix
1. INTRODUCTION	1
1.1. Background	1
1.2. Research Questions	5
1.3. Objectives of the Study	5
2. LITERATURE REVIEW	6
2.1. Theoretical Framework	6
2.2. Previous Studies	8
2.2.1. Previous Findings on Price Elasticity of Cigarette Price	8
2.2.2. Previous Findings on Crowding-Out Effect of Tobacco Consumption	10
3. DATA AND EMPIRICAL STRATEGY	13
3.1. Data	13
3.1.1. Data for Price Elasticity of Cigarette Demand	13
3.1.2. Data for Crowding-Out Effect of Tobacco Consumption	16
3.2. Empirical Model and Estimation Methods	20
3.2.1. Price Elasticity of Cigarette Demand	20
3.2.2. Crowding-Out Effect of Tobacco Consumption	21
4. RESULTS AND DISCUSSION	24
4.1. Price Elasticity of Cigarette Demand	24
4.2. Crowding-Out Effect of Tobacco Expenditure	27
5. CONCLUSION AND RECOMMENDATION	35
5.1. Conclusion	35
5.2. Recommendations	36
REFERENCES	39
APPENDICES	45