TABLE OF CONTENTS

THESIS APPROVAL ii
ORAL EXAM REPORT iii
STATEMENT OF ORIGINALITY iv
ABSTRAK v
ABSTRACT vi
ACKNOWLEDGEMENTS vii
LIST OF TABLES xii
LIST OF FIGURES xiii
LIST OF APPENDICES xiv
CHAPTER I INTRODUCTION 1
1.1 Background 1
1.2 Research Problem 7
1.3 Objective and Benefits 7
1.3.1. Objective 7
1.3.2 Benefits 8
1.4 Systematic Writing 8
CHAPTER II LITERATURE REVIEW 10
2.1 Utility Theory 10
2.2 Baumol-Tobin 13
2.3 Relationship Among Variables: Historical & Empirical Experiences 18
2.4 Summary & Conclusion of Previous Studies 20
2.5 Conceptual Framework 22
2.6 Research Hypothesis 24
CHAPTER III RESEARCH METHOD 26
3.1 Research Types and Approaches 26
3.2 Type and Source of Data 26
3.3.1 Per Capita Consumption Expenditure (CONS) 27
3.3.2 Electronic Transaction 28
3.3.3 Currency (CR) 29
3.3.4 Payment System Efficiency (EF) 29
3.4 Empirical Model 30
3.5 Method of Analysis 32
3.5.1 Stationarity Test 32
3.5.2 Optimal Lag Determination 33

3.5.3 Stability Test 34
3.5.4 Cointegration Test 34
3.5.5 Model Estimation of VAR/VECM 34
3.5.6 Impulse Response Function (IRF) 35
3.5.7 Variance Decomposition (VD) 36
3.5.8 Granger Causality Test 36
3.6 Data Processing Technique 37
CHAPTER IV RESULT DISCUSSION 38
4.1 Descriptive Analysis 38
4.2 Data Analysis 43
CHAPTER V CONCLUSION 86
5.1 Conclusion 86
5.2 Research Limitations 89
5.3 Recommendations 90
BIBLIOGRAPHY 92
APPENDIX 96

UNIVERSITAS DIPONEGORO
SEMARANG
FEB UNDIP