

ABSTRACT

Globalization in the economy, led to the development of economic systems toward a more open between countries. Open economy brings an economic impact that the international trade among countries in the world. The big difference in the currency used in both importing and exporting countries would lead to a difference in the exchange rate (exchange rate). This study aimed to discuss the effects of inflation and economic growth over the rupiah exchange rate against the US Dollar.

In this study, the independent variable is the rate of inflation, and economic growth. The dependent variable in this study is the exchange rate on the US dollar. This study aims to determine the effect of variable levels of inflation, and economic growth of the rupiah over the US Dollar period from 2005 to 2014. This research hypothesis is there is influence between variable rate of inflation, and economic growth on the exchange rate on US dollar simultaneously or partial. The population in this study is the data rate of inflation, economic growth and the exchange rate published by Bank Indonesia and the Central Statistics Agency (BPS). The data used is secondary data obtained from official data released on the website of Bank Indonesia and BPS from 2005 to 2015. The analysis method used in this research is multiple linear regression analysis previously performed classical assumption test, test the coefficient of determination (R^2), and the F test, t test.

The results showed that the rate of inflation and, Economic Growth simultaneously affect the Exchange Rate on the US Dollar. Partially, Inflation does not affect the positive direction of the Exchange Rate on the US dollar, and Economic Growth influenced by the negative direction of the Disclosure Exchange Rate on the US Dollar.

Keyword : Inflation, Economic Growth, Exchange Rate