

ABSTRACT

INFLUENCE ANALYSIS OF REVENUE REGION (PAD), THE BALANCE FUNDS AND TOTAL POPULATION IN LOCAL GOVERNMENT EXPENDITURE AT LAMPUNG PROVINCE

By

Nanang Suko Purnomo

In completing and development building, a financial issue is major problems of government, in framework of receipts and expenditures which must be done by the government for the welfare of society. The rapid population growth, increasing per capita income and standard of living is factors that become challenges for society and government. It will lead to higher government spending. On the other hand, the limited revenue sources should be sought to close the needed. This study aims to determine the influence of local revenue (PAD), the fund balance and the population toward government spending in each district at Lampung Province.

From the results of the estimation using panel by using data analysis (*Fixed Effect model*) conducted in 10 districts at Lampung province to be able to know the relationship between dependent variable is government expenditure (Y) and independent variables are income (PAD) (X_1), the fund balance (X_2) and population (X_3) which showed a significant relationship. On testing the hypothesis by using t test with a significance level of 5% can be concluded that X_1 , X_2 and X_3 has positive influence on government expenditures, it is shown by t value of each $X_1 = 5.259$, $X_2 = 3.299$, $X_3 = 5.495$, which is larger than t-table 1.943, i means that H_0 is rejected. In the F test resulted an F

Statistic 7102.637 count while the F-table with a significance level $\alpha = 5\%$, $\alpha \cdot (k-1)$ (n-k) is (5%, (3) (6)) = 4,76 with a count greater than F-table then H_0 is rejected, it means that the independent variables simultaneously and significantly affect the dependent variable. On the test results R^2 get the result as big as 0.99.

The results showed that (1) Revenue (PAD) has positive influence to the government expenditure in each district of the city, (2) the fund balance positive effect to the government expenditures in each district / city, and (3) the number of

residents affected positive effect on the amount of government spending in each district / city at Province of Lampung.

Keywords: government expenditure, revenue, fund balance, total population.

