

CHAPTER VI

CONCLUSION, SUGGESTION, AND RESEARCH LIMITATION

A. Conclusion

After analyzing and discussing the results of the research, as in the previous chapter the result found from Analysis of Money Demand in the Double Monetary System in Indonesia, it can be concluded as follows :

1. The results found in this study indicate that in the conventional sector, both M1 and M2 there is no significant value to be influenced by the variable exchange rate and also inflation. The results of this study indicate that the amount of money demanded in the conventional M1 and M2 sectors does not have a significant value to be influenced by variable interest rates. In this condition that variable Inflation, Exchange Rate, or even Interest Rate does not influenced to the M1 and M2 means that no matter how the condition of increasing or deacresing variables of Inflation, Exchange Rate and Interest will not give the impact to the Money Demand (Conventional Component).
2. In the Islamic sector M1ISL was influenced positively by inflation and M2ISL was influenced negatively by inflation. Means that if there is increasing amount on M1ISL one of the causes is because the increasing amount of inflation will make people invest their money on Giro Wadiah account. The amount of money demand contained in this sharia sector is not affected by exchange rates in the sharia sector. The Islamic money demand component contained in the M1ISL and M2ISL variables shows that Sharia Return does not affect the amount of money in M1ISL and M2ISL. However, that all those variables between M1, M2, M1ISL,

M2ISL there are not influenced by Interest Rate and Return Syariah because of the data shows that amount of money on component M1, M2, M1ISL, and M2ISL not strong enough to be influenced the Interest Rate and Return Syariah by the system of managing the amount of money on conventional ways and syariah ways, the result is both of conventional and syariah are negative means that the syariah ways still does not maximally yet to implement the Return syariah system to improve return syariah will make it better but the results showed that the demand for Islamic money contained in the M1ISL and also M2ISL variables showed a more stable result because it used the Shariah Return system, besides the application of Sharia Returns gave a positive response which more influenced the rupiah appreciation than the interest rate response to the exchange rate.

B. Suggestion

1. Having seen that the Sharia Sector is more stable than the Conventional Sector should be able to make opportunities for all Indonesian people to make more contributions in progress and welfare by using the sharia sector, because there is still a need to understand the superiority of the sharia sector that can have an impact more for Indonesia.
2. For the next researchers it is expected to be able to develop this title by using variables that affect the amount of money demanded against M1, M2 in the conventional sector and M1ISL, M2ISL in the sharia sector in addition to inflation and exchange rates such as the Gross Domestic Product (GDP) or other variables so able to get wider and more complete results.

C. Research Limitation

In this study, researchers realized that research carried out was far from perfect. There are still many shortcomings and limitations in terms of literature or theories that support this research. Although at present the conditions of the sharia sector and the application of sharia monetary have developed much better, of course, there must be a socialization of the understanding of the community that using the sharia sector will have a positive impact and towards a prosperous economy