

ABSTRACT

The advance of e-money usage level should be able to increase the velocity of money which can indirectly increase the GDP and suppress inflation rate growth. Although theoretically the use of e-money can increase the velocity of money, but in fact the advance of e-money usage level and GDP growth is still accompanied by inflation growth which has a trend to fluctuate with a tendency to increase each year which result in weakening of purchasing power and can inhibit the velocity of money. From these facts then some questions arise like how does the actual effect of e-money, inflation and GDP to the velocity of money in Indonesia either partially or simultaneously, so that this research needs to be done to answer this questions.

Through this research will be conducted the tests of the effect of e-money to velocity of money, the effect of inflation to velocity of money, the effect of GDP to velocity of money, and the effect of e-money, inflation and GDP simultaneously to the velocity of money in Indonesia periode 2010-2014 .

This research use e-money as variables X_1 , X_2 inflation as GDP as X_3 , and the velocity of money as a variable Y . The time period in this research is the period 2010-2014. The data sources in this study are the Indonesian economy 2010-2014 report published by Bank Indonesia and Indonesia's national income 2010-2014 report published by Badan Pusat Statistik (BPS). After all the data is collected, then the data analysis techniques used to analyze all of those data is multiple linear regression techniques.

After the test, we'll know that e-money significantly effects velocity of money with regression coefficient is $-3,319 \text{ E-13}$, inflation significantly effects velocity of money with regression coefficient is $2,242$, GDP significantly effects velocity of money with regression coefficient is $1,608 \text{ E-16}$, and all of independent variables are significantly effects velocity of money in Indonesia.

Based on this research results, to increase the velocity of money, all of the e-money issuers have to launch products with single EDC (Electronic Data Capture) to increase the e-money instruments interoperability. Besides, to increase the velocity of money, all of the e-money issuers also have to launch multipurposes product.

Keywords: E-money, inflation, GDP and the velocity of money