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# EFFECT OF HOUSING ON NET ERROR OMISSIONS: AN APPLICATION TO TURKEY CASE

## Abstract:

Net error and omission item, which covers the difference in balance of payment, occurs because of some statistical differences. Besides, net error and omission item represents unregistered income, in other words untaxed income in country budget. In this study, by using quarterly data for years 2000 to 2014, the effect of housing industry on money laundering will be investigated. By using quarterly data for housing licence permissions and with the help of coefficient of relations, changes in housing industry will be observed whether net error and omission item has a relation with it. Moreover, a regression model with one independent variable was created and the expressiveness of housing industry on money laundering will be also investigated. The objective is to present a brief information about data, with some statistical methods. At last, Granger Causality Test will be applied and it will be investigated whether the data affect each other.

## Keywords:

Net Error, Housing Industry, Unregistered Economy, Correlation Coefficient, Granger Causality Test

**JEL Classification:**  C58, E26, C10