

**FACTORS INFLUENCING THE UNDERSTANDING
OF FINANCIAL MANAGEMENT AMONG UMK
STUDENTS**

EKFP

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Factors Influencing the Understanding of Financial Management among UMK Students

by

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UNIVERSITI MALAYSIA KELANTAN**

2023

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LIST OF ABBREVIATIONS

Abbreviations

UMK	University Malaysia Kelantan
SPSS	Statistic Package for Social Science
PTPTN	Perbadanan Tabung Pendidikan Tinggi Nasional (National Higher Education Fund Corporation)

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ABSTRAK

Pengurusan kewangan adalah salah satu faktor terpenting dalam kehidupan kita terutamanya golongan muda. Ramai anak muda tidak sedar tentang pengurusan kewangan mereka, walaupun hakikatnya mereka akan mempunyai komitmen dan tanggungjawab tersendiri apabila memasuki alam dewasa selepas menamatkan pengajian di universiti. Terdapat tiga objektif yang akan dibincangkan terutamanya dalam kajian ini, iaitu (i) mengkaji hubungan antara pengetahuan pengurusan kewangan dan pengurusan kewangan dalam kalangan pelajar UMK (ii) mengkaji hubungan pendapatan ibu bapa dan pengurusan kewangan dalam kalangan pelajar UMK (iii) mengkaji hubungan pengaruh rakan sebaya dengan pengurusan kewangan dalam kalangan pelajar UMK. Kajian ini menggunakan kajian keratan rentas atau kajian kuantitatif. Responden sasaran ialah pelajar UMK; seramai 375 orang pelajar Universiti Malaysia Kelantan sebagai responden kajian ini. Statistik IBM digunakan untuk menganalisis data pengumpulan dan menggunakan pekali Korelasi Orang untuk menguji hipotesis yang telah ditetapkan. Hasilnya, pengetahuan tentang pengurusan kewangan, pendapatan ibu bapa dan pengaruh rakan sebaya secara positif signifikan terhadap pemahaman pengurusan kewangan dalam kalangan pelajar UMK.

Kata kunci: Pengurusan kewangan, Pengetahuan, Pendapatan ibu bapa, Pengaruh rakan sebaya, Pelajar universiti

ABSTRACT

Financial management is one of the most important factors in our lives especially young people. Many young people are unaware of their financial management, despite the fact that they will have their own commitments and responsibilities as they enter adulthood after graduating from university. There are three objectives that will be mainly discuss in this study, which is (i) to examine the relationship between knowledge of financial management and financial management among UMK students (ii) to examine the relationship between parental income and financial management among UMK students (iii) to examine the relationship between peer influence and financial management among UMK students. This study uses a cross-sectional study or quantitative study. Target respondent is UMK students; there will be to 375 students of University Malaysia Kelantan as the respondent of this research. IBM Statistic is used to analyses the collect data and utilising Person Correlation coefficient to test established hypothesis. According to the result, knowledge of financial management, parental income and peer influence are positively significant towards the understanding of financial management among UMK students.

Keywords: Financial management, Knowledge, Parental income, Peer influence, University students

CHAPTER 1

INTRODUCTION

1.1 Background of the study

In the current era of globalization, financial problems are often faced by every section of society regardless of race, religion and age. Finance can be defined as a way or method of managing something that involves money. Financial management problems often occur among university students. This is because most of the students are ignorant and less exposed to skills in financial management (Bakar, Asri, Laili, & Saad, 2019). Through an article written by Bakar et al. (2019), the financial problems faced by the students cause them to not have adequate basic necessities. This is due to the existence of confusion in identifying the goods of desire and goods of need.

Based on Husin (2021), most students are more completely dependent on loan studies to live life as a student of a public institution of higher learning, not private. This is because economic uncertainties cause students to not have more effective financial management. On average, the level of financial management among students is still at a moderate level (Rubayah, 2015). Students need to have knowledge and skills in financial management including in terms of personal savings, paying bills, investments and emergency time savings. According to news from Sinar Harian in 2020, consumer finance experts and academics expressed concern about the increase in individuals going bankrupt that year. From this shows, proper and prudent financial management skills are one skill that are very important and good to be known and learned, especially the class students following various financial problems experienced by them as forced doing various part-time jobs despite having internal funding sources studies.

Therefore, this study was conducted to find out about financial management in students of University Malaysia Kelantan and the factors that influence their financial problems.

1.2 Problem Statement

University students are known to face numerous challenges when it comes to financial management. The act of earning, saving, managing, and spending money are all about financial management. Since many people declared bankrupt are young people, this group should be exposed to various kinds of knowledge, particularly financial management. Financial management is important in order to educate people on how to spend wisely.

Students are well suited to be educated on the importance of efficiency in financial management since they will have their own commitments and responsibilities as they enter adulthood after graduating from university. Living in a life with debt and commitment must be tough if we lack financial management knowledge.

People must be wise in managing their finances to meet their needs and desires and should refrain from spending as they please to avoid future inconvenience. If we have good financial management skills, our money will be well managed and we will know how to spend adequately for expenses and no longer live in debt. Therefore, this study aims to examine the factors that influence the understanding of financial management among UMK students.

There are various factors that lead to the understanding of financial management among UMK students such as knowledge of financial management, parental income, and peer influence. Therefore, this study should be conducted to provide feedback on how students manage their finances.

1.3 Research Question

Among the questions discussed during this research are:

1. What is the relationship between knowledge of financial management and financial management among UMK students?
2. What is the relationship between parental income and financial management among UMK students?
3. What is the relationship between peer influence and financial management among UMK students?

1.4 Research Objectives

The research objectives are:

1. To examine the relationship between knowledge of financial management and financial management among UMK students.
2. To examine the relationship between parental income and financial management among UMK students.
3. To examine the relationship between peer influence and financial management among UMK students.

1.5 Scope of the Study

This study aims to investigate whether knowledge of financial management, parental income and peer influence have a significant impact on financial management among students of University Malaysia Kelantan. The dependent variable for this research is the financial management among students of University Malaysia Kelantan. While the independent variables were knowledge of financial management (1), parental income (2), and

peer influence (3). This study's sample will consist of UMK students, particularly those from Kampus Kota, Bachok and Jeli.

1.6 Significance of Study

This study can help the students to better understand the significance of financial management. This is because financial management knowledge is essential for university students because they make more financial decisions as they leave their home to further their studies. It could assist them balance their income and expenses. As a result, students with financial management knowledge will track expenses, and stick to a monthly budget so that they can live within their allowances or income.

Finance and banking industries will be able to thrive through this study because people will be more financially literate. When they are financially literate, they will naturally be able to manage their finances. As a result, they will be wiser by utilizing financial services and the banking industry to improve their economic situation while increasing their level of financial literacy. For example, making an investment can help in rising the amount of money owned and can save for the future use.

This study also helps improve public access to information, financial tools as well as resources related to financial management. As a result, people are more aware of the importance of making prudent financial decisions and developing good financial habits. Furthermore, it will contribute to the development of recovering economic growth as the knowledge of financial management has a positive impact on the financial decisions to be made.

1.7 Definition of Terms

i. Financial management

Financial management is the process of planning, arranging, directing, and regulating everyday financial activities. The effective and efficient use of financial resources can be defined as financial management. According to Wan Ahmad and Md. Sapir (2020), financial management helps an individual to plan and manage financial affairs by providing the required information, skills, and attitudes to ensure a solid financial position in the present and future.

ii. Knowledge

Knowledge is the fact or condition of knowing something with familiarity earned through experience or association. Knowledge is also a valuable condition in which a person is conscious of reality. People with knowledge can comprehend financial ideas and methods and how to apply financial knowledge to solve financial difficulties.

iii. Parental income

Income is the money they make or get instead of the money they must spend or give out. Parents usually give their children an allowance monthly or weekly so that they may spend money in their everyday lives. When both parents work, parents are more likely to offer their children an extra allowance. They do not want their child to face difficulties; thus, they endeavor to provide adequate resources for their family.

iv. Peer influence

Peer influence is described as the influence that occurs when individuals act or think in ways they might not otherwise act or think. This influence may be traced back to interactions with friends and associates (Laursen, 2018). It can have a beneficial or harmful

influence on a teenager's well-being. According to Brett and Veenstra (2021), peer influence occurs when one person influences or is influenced by another or numerous people of a similar age.

1.8 Organization of the Proposal

As a conclusion for Chapter 1, we can conclude that research is useful as it covers basic information and understanding of financial management, especially for teenagers and undergraduates students. It also includes problem statements, research questions, research objectives, the scope of study, significance of study, definition of term, and organization of the chapter.

In chapter 2, we will discuss the past study about financial management as well as the theory that will be used in the study, the statement of hypothesis and the framework of the study. Chapter 3 will review the study's research methods, including research design, data collection methods, study population, sample size, sampling techniques, research instrument development, variable measurement, and data analysis procedure.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

This chapter presents the discussion on both independent variables and dependent variables. The independent variables are knowledge of financial management, parental income and peer influence. While dependent variable is financial management among UMK students. This is because the independent variables are influencing the dependent variable. Therefore, our group will study and review the factors influencing the understanding of financial management among UMK students.

2.2 Underpinning Theory

Underpinning theory is a basic theory referred to understanding the social context of research (Mkhomazi & Iyamu, 2017). The theory is used to explain the “why” and “how” of things happen in the way they do. Through this article, the author states that the word “lens” is used for evaluation and focusing on certain features. Lenses have been used as analytical tools to assist in the interpretation and analysis of data in the research conducted. Therefore, every theory used in analytical research is very important. This is because, without a basic theory it will be considered less interesting and can be considered as an artificial study.

Theories of financial intermediation are based on transaction costs and asymmetric information. Financial theory is very important because it is able to influence the behavior of consumers in doing their spending. Most behaviors in finance are strongly influenced by social influences (Fakhry, 2016). According to Cheng (2016), states that in financial theory one can make investments and take into account whether to obtain good or bad returns. Financial behavior takes into account several social and psychological factors even though

one's financial information is accessible. Based on the article by Cheng et al. (2016), financial theory also explains the study of how human beings interpret and respond to making investments or spending.

In the financial system there are theories and models used to manage finances. Among these theories and models is the Theory Human Capital, Theory in management systems, Model in financial planning (Knight 1993), Model in decision making in resource allocation or spending, Bush management model (2010) and Sutton Model (1996). As such, through the stated theories, our group will conduct relevant research about factors influencing the understanding of financial management among UMK students.

2.3 Previous Studies

2.3.1 Financial Management among UMK students

One of the most important factors in determining an individual's financial well-being is financial management (Garman & Fogue, 2006; Joo, 2008; Xiao et al., 2009). Personal financial management, in context, entails the use of different activities to plan, manage, and control one's finances. A positive attitude toward income, loans, and investments reflects positive financial behavior (Layli, 2013). Scholars have paid close attention to the youth, particularly university students, and their financial management ability and behavior (e.g. Goldsmith & Goldsmith, 2006; Gutter et al., 2010; Joo, 2008; Norvilitis et al., 2006; Falahati & Paim, 2011; Herawati et al., 2018). In today's society, financial management of students has become a very important part of a nation's economy by generating demand for needs (Bona, 2017). Youth financial management practices have gained extensive attention from various parties, including government agencies, community organizations, and educational institutions, because the age group is regarded as a high-risk group for being involved in money troubles. Student expenses are directly related to student resources, and they are

regarded as one of the most major elements in total national spending. Furthermore, one of the major concerns of the public is the financial management of university students. According to Sorooshian & Teck (2013), this is because people are wondering how they manage their spending and debt repayment, which helps them stay afloat.

2.3.2 Knowledge of Financial Management

The ability to manage one's financial behavior is critical for success in life. Knowledge of financial management has been recognized as a key determinant of financial self - efficacy and spending habits (Falahati, Sabri, & Paim, 2012). According to Lusardi & Mitchell (2014), financial literacy is defined as the ability to process economic conditions and make informed decisions about wealth accumulation, debt management, financial planning, and pension benefits. Financial literacy has a direct and negative impact on financial behavior. It resulted in an increase in financial knowledge as a means of gaining empowerment and improving life quality (Gutter, Copur, and Garrison (2010); Robb and Woodyard (2011). As a result, when students have a better understanding of financial management, they will be able to make good financial decisions. It can be seen in their ability to manage their own personal finances and to plan better investments. Consequently, it is crucial to acquire financial literacy regardless of age. It is advised that the children get a primary financial education up to the time they are old enough to attend college. Thus, it ensures that children have the information to act appropriately as adults. This could aid in lowering the nation's insolvency rate.

2.3.3 Parental Income

Parental income is defined as money earned or received from parents. A student's lifestyle, social class, and the resources and opportunities accessible to them are all influenced by their parents' income (Nano & Istrofor, 2017). Nano (2015) stated that parental

income influences university students' behaviors about personal finance. Similarly, according to Prasetyo et al. (2021), the income of parents has a significant impact on the fulfillment of children's demands. This is supported by the study of Becker (1981) as cited in Houle (2014), parents with more financial capital can easily invest in their children's futures, including their educational attainment. High-income parents are more likely to be able to provide sufficient finances and other financial facilities to their children, such as savings, investments, and insurance (Arsanti & Riyadi, 2018 as cited in Prasetyo, 2021). However, a study by Nano & Istrofor (2017) states that higher parental income is associated with an inadequate financial attitude. This is because students with higher parental income may believe that money comes easily and they can buy whatever they want, contrary to students from low parental income who are more likely to have a positive financial attitude (Nano, 2015). Students from low parental income may have experienced difficulties early in life and learned that money is important (Nano, 2015). In addition, Nano & Istrofor (2017) also mention that parents who discuss financial matters with their children have a positive impact on their economic behavior and develop good habits for their future adulthood.

2.3.4 Peer Influence

Peer influence is described as situations where one individual affects, or is affected by, one other or multiple others of a similar age (Laursen & Veenstra, 2021). Peer influence is also one of the most influential factors to affect students' saving behavior (Kadir et al., 2021). This is because peer influence was found to be the most important factor in shaping good and bad attitudes in terms of social distance and physicality of Generation Y (Ogonowski et al., 2014 as cited in Kadir et al., 2021). Similarly, according to Putri & Wijaya (2020), parents, peers, and the media may all help students, particularly university students, enhance their financial capabilities. This is supported by a study conducted by Jamal et al.

(2015) as reported in Kadir et al. (2021), which discovered that peer influence can affect students' financial behavior and ability to save. It can be proven that peer influence has a substantial impact on their friends' saving behavior and motivates them to only spend on necessities and needs in order to avoid overspending (Kadir et al., 2021). Furthermore, Duflo & Saez (2002) and Abdul Jamal et al. (2015) as cited in Noor Zaihan (2016) state that friends have a crucial role in giving advice to each other and in the traditional finance claims that more information leads to better long-term savings decisions. Montandon (2014) as cited in Kadir et al. (2021) also mentioned that Generation Y is easily convinced by their peers when making decisions. According to Noor Zaihan (2016), involvement in spending activities, leisure time, and discussing money management issues with peers can influence students' saving behavior. This is due to the fact that having peer educators who share similar characteristics as students may have the most influence (Putri & Wijaya, 2020).

2.4 Hypothesis Statement

A hypothesis is an accurate, verifiable prediction of the result of the study produced by the researchers. It is stated right at the start of research. According to Toledo et al. (2011), the research hypothesis contributes to the solution of the research problems. A hypothesis is compact, well stated, and deals with the main problems. The term hypothesis denotes a hypothetical connection between the independent and dependent variables. Hypothesis is written in two forms, the null hypothesis (H_0) and the alternative hypothesis (H_1). The null hypothesis is supported by a probability that cannot be validated. The alternative hypothesis derived by unbiased analysis of the rejection of the null hypothesis, which leads to the acceptance of the alternative hypothesis (Toledo et al., 2011). It is essential to know whether financial management is significantly correlated with financial management knowledge,

parental income, and peer influence. Therefore, this study attempts to test the following hypothesis:

1. **H₀** : There is a significant relationship between the knowledge of financial management and financial management among UMK students.

H₁ : There is no relationship between the knowledge of financial management and financial management among UMK students.

2. **H₀** : There is a significant relationship between parental income and financial management among UMK students.

H₂ : There is no relationship between parental income and financial management among UMK students.

3. **H₀** : There is a significant relationship between the peer influence and financial management among UMK students.

H₃ : There is no relationship between the peer influence and financial management among UMK students.

2.5 Conceptual Framework

In Figure 2.5.1 below is a theoretical framework based on two types of variables which are Independent Variables and Dependent Variables. The Independent Variables consist of the knowledge of financial management, parental income and peer influence. The Dependent Variable consists of the financial management among University Malaysia Kelantan students.

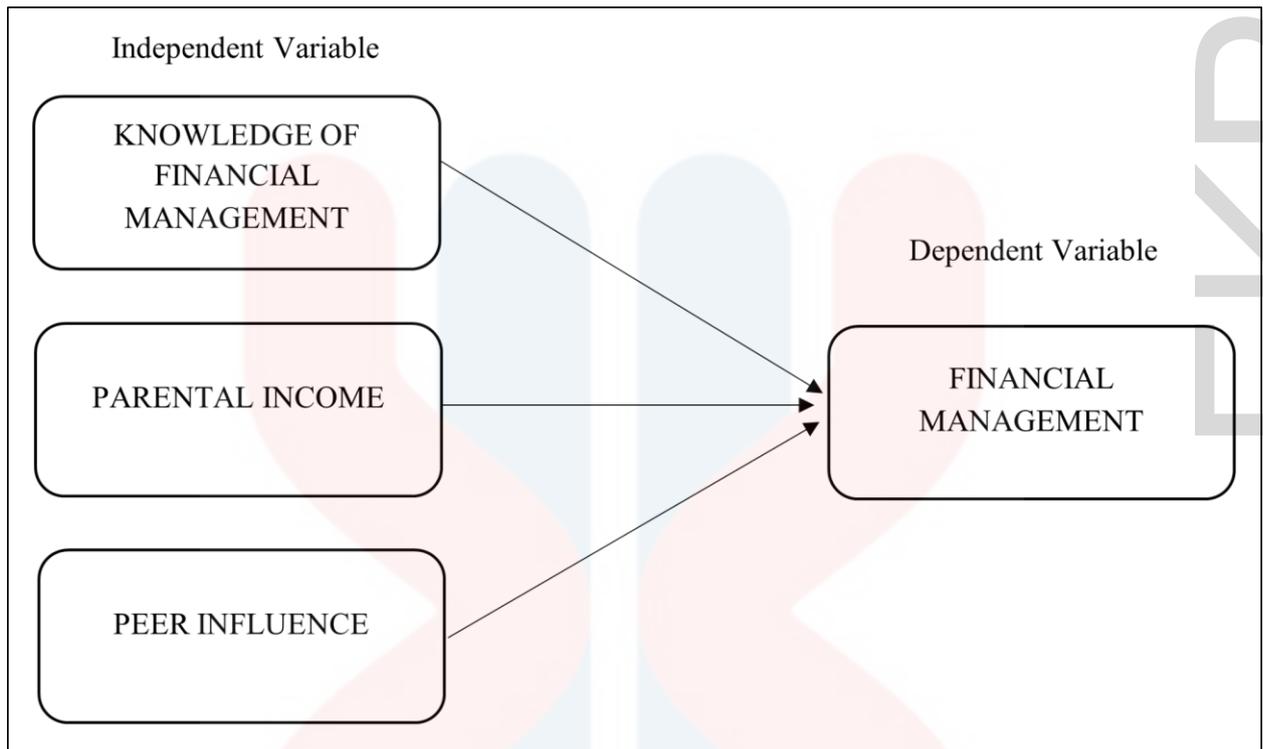


Figure 2.5.1 Theoretical framework

2.6 Summary/ Conclusion

To conclude, financial management is essential, and it has a variety of roles that may be applied in everyday life. This chapter discusses the literature review and the connection between dependent variable and independent variable. This chapter is crucial for the researcher as they could learn more about the topic. This research paper aims to determine the factors of knowledge of financial management, parental income, and peer influence among University Malaysia Kelantan students. This research will reveal the main factor that affects financial management among University Malaysia Kelantan students.

CHAPTER 3

RESEARCH METHODS

3.1 Introduction

Research methodology means the method used to obtain all the information or data used throughout the research (Mulyawan, 2021). This includes methods such as selecting, identifying, processing and analyzing a problem or issue encountered. According to Mkhomazi & Iyamu (2017), he noted that qualitative research brings itself to narrative description or known as data compiling. While quantitative data is a data that can be expressed as a number and statistic. The data were not randomly selected but they were selected thermically. Next, data assessment analysis takes place in context to help the researcher find the factors that make a difference either in terms of implementation or development or both. This is said so because the goal of data collection is very important to get good information and understanding in doing research. According to Igwenagu (2016), explains that the selection of research methods is very important to the researcher in describing the methods that will be used throughout the research. There are various advantages when doing methodology research. Among them are:

1. Tool to assist researchers throughout the research.
2. Help researchers be more critical and sanitary in doing all research.
3. Assist researchers in making decisions in dealing with problems encountered throughout the conduct of research.

Through the study conducted, this research uses a quantitative method by using data obtained through a questionnaire given to students of University Malaysia Kelantan. The quantitative method used can facilitate researchers to obtain data quickly and accurately. Questionnaires were given to 375 students of University Malaysia Kelantan to answer

questions related to factors influencing the understanding of financial management among UMK students.

3.2 Research Design

Research design is the overall plan in doing research. According to Edu (2022), states that research design is a collection of data that includes critical information taking into account the use of research methodology. This is because, the complication of information or data obtained by setting hypotheses and producing substantive findings in an orderly manner. In addition, he also stated that research design is based on theory alone where individuals will collect data, analyze, prepare and present in a way that is easy to understand. This research design is very important for researchers to make valid and reliable decisions because it is the overall plan and overall structure of the study.

3.3 Data Collection Methods

According to Kabir (2016), data collection method is the process of gathering and measuring information on variables of interest, in an established systematic fashion that enables one to answer stated research questions, test hypotheses, and evaluate outcomes. This is because the goal of collecting data is to be used as evidence and translate it into the form of analysis and allow the researcher to build a convincing and reliable answer without any problems. According to Kabir (2016) also, the data obtained are followed by the selection of samples from specific pollutants-consisting of Primary data and Secondary data. Research design differs from research methodology because research design is more focused on the whole study while research methodology is a process, tool or procedure in collecting data.

The use of primary data and secondary data has been done by our group such as the internet, articles and questionnaires. The questionnaire relating to the study's goal was

circulated to 375 undergraduates. The development of the study involved the use, much like the data collection instruments, of a formal questionnaire. The goal is student in University Malaysia Kelantan. The questionnaires have not yet been circulating to the respondent. It needs time and commitment to do this.

3.4 Study Population

Based on the University Malaysia Kelantan database, there are almost 11,413 undergraduates in this University. The population is the entire number of elements in population; N is the total number of undergraduates in University Malaysia Kelantan for this research is 11,413 students.

3.5 Sample Size

A subset of the population is referred to as a sample (Sekaran & Bougie, 2016). The sample size is determined by the number of individuals in a group. According to the data obtained from University Malaysia Kelantan, there are 11,413 of undergraduate enrolment as of March 2022. However, gathering data from the entire population is unrealistic, and therefore it is essential to define the size of the sample in order to draw a conclusion that is generalizable to the population of study. In general, a sample size of greater than 30 but less than 500 is sufficient for carrying out a research (Noor Zaihan, 2016). Krejcie and Morgan (1970) made the size decision much easier by proposing a table that provides a suitable decision model. As a result, a sample size of 375 is adequate for this study with a population of 11,413 from all faculties;

- (a) Faculty of Entrepreneurship and Business (FKP);
- (b) Faculty of Creative Technology and Heritage (FTKW);
- (c) Faculty of Veterinary Medicine (FPV);

- (d) Faculty of Agro Based Industry (FIAT);
- (e) Faculty of Earth Science (FSB);
- (f) Faculty of Hospitality, Tourism and Wellness (FHPK);
- (g) Faculty of Architecture and Ekistics (FAE);
- (h) Faculty of Bioengineering and Technology (FBKT) and;
- (i) Faculty of Language Studies and Human Development (FBI)

Table 3.1: Krejcie & Morgan Table

Table 3.1									
<i>Table for Determining Sample Size of a Known Population</i>									
N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	346
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	354
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	191	1200	291	6000	361
45	40	170	118	400	196	1300	297	7000	364
50	44	180	123	420	201	1400	302	8000	367
55	48	190	127	440	205	1500	306	9000	368
60	52	200	132	460	210	1600	310	10000	370
65	56	210	136	480	214	1700	313	15000	375
70	59	220	140	500	217	1800	317	20000	377
75	63	230	144	550	226	1900	320	30000	379
80	66	240	148	600	234	2000	322	40000	380
85	70	250	152	650	242	2200	327	50000	381
90	73	260	155	700	248	2400	331	75000	382
95	76	270	159	750	254	2600	335	100000	384

Note: N is Population Size; S is Sample Size *Source: Krejcie & Morgan, 1970*

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3.6 Sampling Techniques

From this sampling frame, simple random sampling is used. Simple random sampling is a probability sampling design in which every element of the population has an equal and known chance of being chosen as a subject (Sekaran & Bougie, 2016). Simple random sampling is an easy way to obtain reliable information in this study. This sampling strategy is the best since the results are highly generalizable to the entire population.

In determining factors influencing the understanding of financial management among university students, we should not bother to meet every student from the university. Instead of studying each student in a university, information can be obtained from a group of students using a simple random sampling process. That is, each of the 11,413 students at the University of Malaysia Kelantan would have an equal probability of being included in the sample, resulting in the most generalizable results.

3.7 Research Instrument Development

The quantitative method will be employed in this study as a tool. Questionnaire strategies for data collection fall under quantitative methodologies. When there are a large number of respondents, the data may be studied more accurately since we will know what the respondents require. Quantitative research is a study that deals with quantifiable numbers. In the collecting and analysis of data, this research technique emphasizes numbers or statistics. Scientific experiments and structured surveys are two examples of data collecting strategies for quantitative research. The nature of quantitative research is conclusive. It is objective, tangible, and quantifiable. The questions are also closed-ended, allowing responders to quickly select an answer.

The researcher will use questionnaires as research tools to acquire all necessary data for this study. The questionnaire will be delivered to 375 University Malaysia Kelantan students. The questionnaire's language selection is multilingual, both Malay and English available. The question was developed based on a prior study titled Factors Influencing UMK Students' Understanding the Financial Management – and some were added by the researcher based on the purpose and study criteria. It is divided into two sections. The first will be a demographic section in which five aspects will be discussed: gender, age, race, year of study and parents monthly income.

In the second segment, questions are centered on the dependent variable, financial management among UMK students, and the independent variables are knowledge of financial management, parental income, and peer influence on financial management among UMK students. The survey is written in English. Aside from that, the questionnaire uses a five-point Likert scale, which is 1=strongly disagree, 2= disagree, 3= neutral, 4=agree and 5= strongly agree.

The questionnaire was divided into sections A, B, C, D and E. Section A involved the researcher gathering demographic information from respondents. The other section is constructed for the independent and dependent variables. In this part, there are three independent variables which are knowledge of financial management, parental income and peer influence. And the dependent variable is between the financial management.

3.8 Measurement of the Variables

In this research, there are two variables that are dependent variable and independent variable. Financial management among UMK students is the dependent variable because its value depends on another variable. Knowledge of financial management, parental income, and peer influence are the independent variables as they are the presumed cause.

Measurement entails acquiring data in the form of numbers and assigning numbers to attributes of things necessitates the use of a scale. A scale is a tool or system for distinguishing individuals based on how they differ from one another on the variables in the study. Nominal, ordinal, interval, and ratio scales are the four basic types of scales. Interval and ratio scales are quantitative, while nominal and ordinal scales are qualitative. As a result, we can obtain more specific information on the variables when the interval or ratio scale is used instead of the other scales because the level of precision increases from the nominal to the ratio scale.

However, we must ensure that the variable is accurately measured. Validity is a term that refers to the ability to assess the accuracy of a set of measurements. There are several types of validity. When a method accurately measures what it claims to measure, it is said to be valid. When research has a high level of validity, it delivers results that correspond to real-world traits, characteristics, and variations (Middleton, 2019). It is worth noting that validity is a necessary but not sufficient requirement for a measure's goodness test. Not only should a measure be valid, but it should also be reliable. The consistency with which a method measures something is referred to as reliability. If a measurement produces consistent results, it is considered dependable (Sekaran & Bougie, 2016).

3.9 Procedure of Data Analysis

The researcher uses Statistical Package for Social Science (SPSS) to examine the data after gathering it through questionnaires. The goal of employing computer software is to help the researcher calculate data and save time. Data analysis consists of three types: reliability, descriptive, and Pearson correlation coefficient, which will be conducted to draw the result.

3.9.1 Reliability Analysis

The reliability analysis is important to measure the consistency of research's study measure. Reliability analysis is carried out to ensure the consistency of an instrument item is calculated. We use Cronbach's alpha coefficient to analyze the reliability test. The higher the reliability in a group of scale items, the higher confidence of the score obtained. The pilot test will be carried out to ascertain the outcome. The table of Cronbach's alpha below shows the internal consistency of reliability:

Table 3.2: Cronbach's coefficient of alpha

Cronbach's alpha	Internal consistency
$\alpha \geq 0.9$	Excellent
$0.9 > \alpha \geq 0.8$	Good
$0.8 > \alpha \geq 0.7$	Acceptable
$0.7 > \alpha \geq 0.6$	Questionable
$0.6 > \alpha \geq 0.5$	Poor
$0.5 > \alpha$	Unacceptable

3.9.2 Descriptive analysis

Descriptive statistics requires summarizing and arranging data in an understandable way (Narkhede, 2018). In descriptive analysis, data are statistically referred to socio-economic information that includes age, income, employment, birth, marriage status and educational level. In order to learn more about the characteristics of the population, the data in demographic analysis will be used by most researchers, government and non-government

organizations as well as the huge corporations. In addition, the researchers want to know how social factors in populations might change over time.

In this paper, we use descriptive analysis to describe the biographic (personal) data of respondents that include the age, race, parent monthly income and educational level for our research. Based on the data collected, we calculated the mean, average mean, and standard deviation.

3.9.3 Pearson correlation coefficient

The Pearson correlation coefficient is applied to determine how closely two variables are connected. Pearson correlation is calculated in the population and sample. The symbols for Pearson correlation are “p” and “r”. The correlation coefficient is applied to determine the strength of a relationship between two sets of data. Correlation has two values, which are +1 and -1. +1 indicates a strong positive relationship, showing that for every positive increase in one variable, there is a positive increase in another variable. Meanwhile, -1 means a strong negative relationship; for every positive increase in one variable, there is a negative decrease in the other variable. If the value of the correlation coefficient is 0, it indicates no relationship at all.

3.10 Summary/ Conclusion

This chapter describes the authors of the study research design. It discusses the research population and sample size, as well as the sampling procedure, data collecting tool, and data analysis. Several tests and metrics are used throughout the investigation to guarantee the validity and reliability of the research results. We discussed data analysis methodologies and procedures in this chapter. In this scenario, researchers advocate using quantitative approaches to obtain data, such as questionnaire techniques. Based on the findings, the study

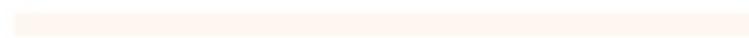
recognises the necessity of including intervening variables, such as culture, life circumstances, and religious considerations, to further understand the relationship between students and money management behavior. It might be pupils with unusual levels of financial proficiency.



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CHAPTER 4

DATA ANALYSIS AND FINDINGS

4.1 Introduction

This chapter examines the results of the data analysis processes described in the previous chapter. The tools we utilized to analyse the data collected are known as the Statistical Package for Social Science (SPSS). The reliability analysis was conducted using Cronbach's alpha. The data of respondents' demographic profile was analyzed using descriptive analysis. Multiple Linear Regression was used to predict the elements that influence cashless financial transaction intents. Finally, Pearson's correlation was utilized to assess the significance of the association between knowledge in financial management, parental income, and peer influence with understanding the financial management among UMK students.

4.2 Preliminary Analysis

The pilot test was carried out to ensure that the directions, questions, and scale items were clear. The test pilot is conducted on respondents who are also participants in the main study. This pilot test is carried out by taking any questions from surveys that the respondent has responded for the researcher to determine if there is a problem or error throughout the data gathering procedure. As a result, this pilot test was conducted on 30 of the 375 main respondents.

The problem can be avoided by conducting preliminary study. This is since the pilot test is conducted so that researchers can detect practical problems and troubleshoot them before testing on critical studies. The test pilot on 30 respondents is shown in Table 4.1 below.

Table 4.1: Case Processing Summary

Case Processing Summary			
		N	%
Cases	Valid	30	100.0
	Excluded ^a	0	.0
	Total	30	100.0

Table 4.2: Pilot Testing

Reliability Statistics			
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items	
.920	.926	22	

For table 4.2, this pilot test was conducted using 22 items of questionnaires which have been answered by 30 respondents selected from the main study. Pilot test is a study conducted by the researcher to test whether the study has been a problem or error. Therefore, to know whether the pilot test value is good or not is to see the value of Cronbach's alpha which should exceed 0.07 to allow the question questionnaires to be valid. Based on table 4.2 the value for Cronbach's alpha is 0.920 larger than 0.07 and this pointed out questionnaires for this study are valid and can be given to respondents.

4.3 Demographic Profile of Respondent

4.3.1 Gender

Table 4.3: Demographic Profile of Gender

Gender		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female / Perempuan	266	70.9	70.9	70.9
	Male / Lelaki	109	29.1	29.1	100.0
	Total	375	100.0	100.0	

Table 4.3 illustrates the number of men and women who responded to questionnaires for understanding of financial management among UMK students. The male and female gender categories who respond to these questionnaires are shown based on column frequency. A male group of 109 students answered the study's question with a proportion of 29.1%. In the meantime, 70.9% of a group of 266 females' students responded to study questions. Total from the test for demographic for this gender is 375 has answered this questionnaire's question with a 100% percentage. This shows that all respondents have been collected to answer the question of this study.

4.3.2 Age

Table 4.4: Demographic Profile of Ages

Age					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	20	38	10.1	10.1	10.1
	23	295	78.7	78.7	88.8
	26	32	8.5	8.5	97.3
	30	10	2.7	2.7	100.0
	Total	375	100.0	100.0	

Table 4.4 shows the number of respondents in terms of the number of ages according to the category set by the researcher from the age from below 20 to 30 years and above. Column frequency for table 4.6 above showed the age of 23 years old is the higher respondent responding to questionnaires for understanding of financial management among UMK students study of 295 people with a percentage of 78.7%, followed by the age number for the next category was 20 years old of 38 persons with a percentage of 10.1%, 26 years old of 32 frequency and percentage of 8.5%, subsequently the number of ages 30 years old with 10 frequency and percentage of 2, 7%. Based on the value obtained after the test is conducted it shows that groups aged 23 years old are the mostly answered the questionnaire because student at this age do not yet have the duty of dealing with many of these financial difficulties, such as property ownership, the scope of financial management in the following parts is limited.

4.3.3 Race

Table 4.5: Demographic Profile of Race

Race					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Chinese / Cina	55	14.7	14.7	14.7
	Indian / India	47	12.5	12.5	27.2
	Malay / Melayu	252	67.2	67.2	94.4
	Others / Lain-lain	21	5.6	5.6	100.0
	Total	375	100.0	100.0	

Tables 4.5 indicate the number of respondents that filled out questionnaires for this study based on race at the University Malaysia Kelantan. According to the table, the respondent's that responded to the questionnaires were Malay of 252 students with a percentage of 67.2%, followed by other race Chinese, with 55 students with a percentage of 14.7%, Indian 47 students with a percentage of 12.5%, and other race are 21 students with a percentage of 5.6%.

4.3.4 Year of Study

Table 4.6: Demographic Profile of Year of Study

Year of study					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Year 1 / Tahun 1	45	12.0	12.0	12.0
	Year 2 / Tahun 2	55	14.7	14.7	26.7
	Year 3 / Tahun 3	93	24.8	24.8	51.5
	Year 4 / Tahun 4	182	48.5	48.5	100.0
	Total	375	100.0	100.0	

In terms of year of study showed by table 4.6 above, about 182 of year 4 students (48.5%) participate in answering the questionnaire which the highest respondent recorded for this category. Followed by year 3 for the next category were 93 students with a percentage of 24.8. While 55 students answering the questionnaire from year 2 with a percentage of 14.7 and subsequently the lowest participate respondent in questionnaire with 45 frequency and percentage of 12.0%.

4.3.5 Campus

Table 4.7: Demographic Profile of Campus

Campus					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Bachok	74	19.7	19.7	19.7
	Jeli	39	10.4	10.4	30.1
	Kota	262	69.9	69.9	100.0
	Total	375	100.0	100.0	

Table 4.7 shows the number of respondents in terms number of campus according to the category set by the researcher from the column frequency for table 4.6 above showed students from Kampus Kota is the higher respondent responding to questionnaires for understanding of financial management among UMK students study of 262 students with a percentage of 69.9%, followed by campus from Bachok for the next category was 74 students with a percentage of 19.7% and subsequently from Jeli campus with 39 frequency and percentage of 10.4%.

4.3.6 Parents Monthly Income

Table 4.8: Demographic Profile of Parent's Monthly Income

Parents Monthly Income					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1000	52	13.9	13.9	13.9
	3000	128	34.1	34.1	48.0
	4000	115	30.7	30.7	78.7
	5000	58	15.5	15.5	94.1
	6000	22	5.9	5.9	100.0
	Total	375	100.0	100.0	

In terms of income showed by table 4.8 above, about 128 of the parents (34.1%) earn moderate monthly income which is RM3000. While 30.7 percent earn not more than RM4000. The percentage of parents earning more than RM5000 is 15.5% about 58 frequencies. At the same time 5.9 percent is made up for parents who earn above RM6000 per month.

4.4 Descriptive Analysis

In this research, there were three variables consisting of one dependent variable (financial management) and three independent variables (knowledge of financial management, parental income and peer influence). Descriptive analysis is a type of data analysis that is used to assist researchers in displaying, explaining, and formulating data received through surveys in a more understandable manner. As demonstrated in table 4.9, researchers utilize descriptive analysis to test data collected from respondents who answer questionnaires. This enables the researcher to view and assess the collected data. Based on table 4.9 descriptive statistics, the following questions for dependent and independent variables were answered by all 375 respondents set by the researcher.

Table 4.9: Descriptive statistics of dependent and independent variables question

Descriptive Analysis					
	N	Mean	Std. Deviation	Minimum	Maximum
Financial Management	375	20.9680	5.42317	8.00	30.00
Knowledge of Financial Management	375	19.7627	3.33987	8.00	25.00
Parental income	375	23.1413	4.40026	12.00	30.00
Peer Influence	375	19.1067	3.60842	8.00	25.00

The table 4.9 shows the minimum and maximum level for scale Likert for the entire questionnaires answered by the respondent. For the question for dependent variables namely financial management minimum scale Likert answered 8.00 and maximum is 30.00. Next question for independent variables, knowledge of financial management, parental Income, and Peer Influence with scale Likert option from respondents is minimum is 8, 12, and 8, and

maximum is 25, 30 and 25 question for independent variables. Standard deviation for each dependent and independent variable question is 5.42317 for the financial management among UMK students, 3.33987 for the knowledge of financial management, 4.40026 for the parental Income, and 3.60842 for the question of peer influence.

4.4.1 Dependent Variables

Table 4.10: Descriptive Statistics of Financial Management

Financial Management					
	N	Mean	Std. Deviation	Minimum	Maximum
I use a system or tracker to manage my expenses and avoid overspending.	375	2.84	1.550	1	5
I think I do well at making financial decisions compared to other people.	375	3.76	1.047	1	5
I am willing to take risk in investment to make more money.	375	3.23	1.422	1	5
I have experience in financial practice since childhood and it makes me understand about financial management.	375	3.97	.908	1	5
To reduce my stress, I tend to spend and celebrate my money carelessly.	375	3.02	1.378	1	5

Financial socialization and financial knowledge has an indirect effect on financial management.	375	4.15	.955	1	5
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On the table 4.10 above shows the value for each question contained in the questionnaires for dependent variables, financial management. There are six questions for these financial management and each question shows a different amount of Likert scale and some of the same. The column means the highest value is on the last question of financial socialization and financial knowledge has an indirect effect on financial management which 4.15. This demonstrates that most students understand that financial socialization has a significant impact on financial management. The lowest value for mean is on the first question as student use a system or tracker to manage my expenses and avoid overspending, 2.84. This is because students will most likely compute their expenses manually.

4.4.2 Independent Variables

Knowledge of Financial Management

Table 4.11: Descriptive Statistics of Knowledge of Financial Management

Knowledge of Financial Management			
	N	Mean	Std. Deviation
I am good at managing my money.	375	4.06	.856
I manage my bank account by myself.	375	4.47	.657
I often plan for future purchases.	375	4.13	.904
My spending habits will change based on my financial management education.	375	4.21	.881
I am unsure of how my money is being used.	375	2.89	1.429

On the table above shows the value for each question contained in the questionnaires for independent variables namely knowledge of financial management. There are five questions for this ease of entry and each question shows the amount of different Likert scale. The column of mean shows the highest value on the second question of manage my bank account by myself by 4.47. This shows that it is hassle free and easy to access it by students itself. The lowest value for the first question is the first question which students unsure of how their money is being used, by 2.89. This is because students who are living away from home for the first time may have less experience creating and maintaining to a budget. Since they require more time to study and participate in other elements of college life, they may have less time to work and earn money. Even if they have financial assistance from their family, money is limited, and they must learn to live within a budget.

Parental Income

Table 4.12: Descriptive Statistics of Parental Income

Parental Income			
	N	Mean	Std. Deviation
When my parent's income increases, I tend to purchase expensive items.	375	2.59	1.439
I value advice from my parents on my financial matters.	375	4.57	.690
My parents set a good example for me in terms of money management.	375	4.47	.756
I tend to observe and follow the way my parents manage money on my daily financial decisions.	375	4.31	.886
My parents will take control of my expenses to make sure I am not overspending.	375	3.17	1.495

On the table above shows the value for each question contained in the questionnaires for independent variables, parental income. There are five questions for this ease of manufacturing and storing and each question show the amount of Likert scale varying. The column mean shows the highest value is on the second question of 'I value advice from my parents on my financial matters', by 4.57. According to one study, 56.8% of millennials believe their parents trained them to make wise financial decisions. Next, the lowest value for mean is on the first question namely 'when my parent's income increases, I tend to purchase expensive items', by 2.59. This is since student realize instead of using the extra to spend on expensive items or save it.

Peer Influence

Table 4.13: Descriptive Statistics of Peer Influence

Peer Influence			
	N	Mean	Std. Deviation
My daily spending is influenced by my friends most of the time.	375	3.26	1.306
Some of my friends save money in savings account.	375	4.26	.957
I always enjoy my free time with my friends.	375	4.07	.964
My friends and I have a daily conversation about financial management issues.	375	3.43	1.161
I am always getting involved in money spending activities with my friends.	375	3.65	1.061
I will make sure to use the money wisely even if my friends are extravagant.	375	4.46	.769

On the table above shows the value for each question contained in the questionnaires for independent variables, peer influence. There are six questions for this ease of peer influence and each question shows the amount of Likert scale varying. The column mean shows the highest value is on the second question of 'I will make sure to use the money wisely even if my friends are extravagant', by 4.46. It can be difficult to deal with having less money than your friends. However, if students stay to their budget, communicate with their friends, and discover methods to have pleasure without spending a lot of money. While the lowest value 'My daily spending is influenced by my friends most of the time', by 3.26. This

is since student frequently believe that self-control comes from inside, but not many of their actions are influenced by their peers just as much as they are. Those students with whom they surround themselves could influence their spending habits.

4.5 Validity and Reliability Test

The Cronbach's alpha test may be done using the reliability command in SPSS to check for internal consistency. Cronbach's alpha simply provides you with an overall reliability coefficient for a set of variables (e.g., questions). In this study, Cronbach's alpha analysis was performed to assess reliability, with alpha values of 0.6 and above being acceptable.

Table 4.14: Cronbach's Coefficient of Alpha

Cronbach's alpha	Internal consistency
$0.9 \leq \alpha$	Excellent
$0.8 \leq \alpha < 0.9$	Good
$0.7 \leq \alpha < 0.8$	Acceptable
$0.6 \leq \alpha < 0.7$	Questionable
$0.5 \leq \alpha < 0.6$	Poor

Table 4.15: Cronbach's Alpha of Knowledge of Financial Management

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.712	.768	5

According to the table 4.15 show the result Cronbach's Alpha of Knowledge of Financial Management is 0.712. The closer the coefficient is to 1.0, the greater is the internal consistency of the items (variables) in the scale. Thus, the overall value of this variable considered is acceptable and has relatively high internal consistency. So the questionnaire of knowledge of financial management is appropriate to use.

Table 4.16: Cronbach's Alpha of Parental Income

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.661	.720	5

According to the table 4.16 shows the result of Cronbach's alpha for five item of Parental Income is 0.661. The closer the coefficient is to 1.0, the greater is the internal consistency of the items (variables) in the scale. Thus, the overall value of this variable considered is acceptable and has relatively high internal consistency. So, the questionnaire on awareness is appropriate to use.

Table 4.17: Cronbach's Alpha of Peer Influence

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.790	.794	6

According to the table 4.17 shows the result of Cronbach's Alpha for five item of Peer Influence measure is 0.790. The closer the coefficient is to 1.0, the greater is the internal consistency of the items (variables) in the scale. Thus, the overall value of this variable considered is acceptable and has relatively high internal consistency. So, the questionnaire on awareness is appropriate to use.

4.6 Normality Test

Normality testing was applied in this study to determine a sample either the sample was normally distributed or not. If the data was normally distributed, this study will be using a Pearson's Correlation to identify the hypotheses and if the data are not normally distributed, this study will used a Spearman's Correlation to compute the hypotheses.

Table 4.18: Result of Normality Test

	Tests of Normality					
	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
I use a system or tracker to manage my expenses and avoid	.180	375	.000	.848	375	.000

overspending.						
I think I do pretty well at making financial decisions compared to other people.	.207	375	.000	.863	375	.000
I am willing to take risk in investment to make more money.	.183	375	.000	.877	375	.000
I have experience in financial practice since childhood and it makes me understand about financial management.	.228	375	.000	.852	375	.000
To reduce my stress, I tend to spend and celebrate my money carelessly.	.221	375	.000	.877	375	.000
Financial socialization and financial knowledge has an indirect effect on financial management.	.284	375	.000	.801	375	.000
a. Lilliefors Significance Correction						

According on table 4.18 the significant value of the Shapiro-Wilk test is below 0.05 the data significantly deviate from a normal distribution. The null hypothesis for Shapiro-Wilk test indicates the data is normal, and if the p-value of the test if less than 0.05, then you reject the null hypothesis is 5% significance and conclude as the data is non-normal.

4.7 Hypotheses Testing

The Person Correlation coefficient was used in this study to determine the strength of the linear relationship between two variables. We will determine the relationship between the independent variables (IV) of knowledge of financial management, parental income and peer influence while the dependent variable (DV) of financial management among UMK students. Thus, each of these variables is measured to see how closely the two variables are related to each other.

Table 4.19: Result of the Correlation Analysis

Correlations					
		Knowledge of financial management	Parental income	Peer influence	Financial management
Knowledge of financial management	Pearson Correlation	1	.694**	.715**	.790**
	Sig. (2-tailed)		.000	.000	.000
	N	375	375	375	375
Parental income	Pearson Correlation	.694**	1	.585**	.692**
	Sig. (2-tailed)	.000		.000	.000
	N	375	375	375	375
Peer influence	Pearson Correlation	.715**	.585**	1	.720**

	Sig. (2-tailed)	.000	.000		.000
	N	375	375	375	375
Financial management	Pearson Correlation	.790**	.692**	.720**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	375	375	375	375

4.7.1 Hypothesis 1

H₁: There is a significant relationship between knowledge financial management and understanding financial management among UMK students.

According to table 4.19 shown the overall results of the correlation for each variable. Firstly, we could see the result of correlation coefficient between understanding the financial management among UMK students and knowledge financial management. The value of correlation coefficient is 0.790 indicated that there is a very strong positive correlation between knowledge financial management and understanding financial management ($r=0.790$, $N=375$, $p < .001$). Increases in the level of knowledge financial management were correlated with increase in the understanding financial management among UMK students. Therefore, the null hypothesis is rejected and H₁ is accepted.

4.7.2 Hypothesis 2

H₂: There is a significant relationship between parental income and financial management among UMK students.

Secondly, the table 4.19 shows the result of correlation coefficient between understanding the financial management among UMK students and parental income. The value of correlation coefficient is 0.692 indicated that there is a strong positive correlation between parental income and understanding the financial management among UMK students ($r= 0.692$, $N=375$, $p<.001$). Increases in the parental income were correlated with understanding the financial management among UMK students. Therefore, the null hypothesis is rejected and H_2 is accepted.

4.7.3 Hypothesis 3

H_3 : There is a significant relationship between the peer influence and financial management among UMK students.

Lastly, shows the result of correlation coefficient between understanding the financial management among UMK students and peer influence. The value of correlation coefficient is 0.720 indicated that there is a strong positive correlation between peer influence and understanding the financial management among UMK students ($r= 0.720$, $N=375$, $p<.001$). Increases in the peer influence were correlated with understanding the financial management among UMK students. Therefore, the null hypothesis is rejected and H_3 is accepted.

In conclusion, the findings indicated that the data were statistically valid and reliable. The independent variable known as knowledge financial management has a highest of correlation coefficient with understanding financial management among UMK students. So, the level of knowledge financial management influence with understanding financial management among UMK students.

4.8 Conclusion

In this topic, we have use data analysis to analyse the questionnaire received from respondents. A sample size of 375 is adequate for this study with a population of 11,413 from all faculties had been chosen for this research. Google Form has been used to distribute the questionnaire and collect responses from the participants. Following the respondents' responses, we used SPSS to evaluate the data and discovered that, according to the findings of a reliability analysis, all the study's variables are acceptable. In summary, these statistical analyses have satisfied all of the study's goals and research questions.

Table 4.20: Hypothesis of the result

	Hypothesis	Person's Correlation Result	
H1	There is a positive significant relationship between knowledge financial management and understanding financial management among UMK students.	r=0.790	Accepted
H2	There is a positive significant relationship between parental income and financial management among UMK students.	r=0.692	Accepted
H3	There is a positive significant relationship between the peer influence and financial management among UMK students	r=0.720	Accepted

CHAPTER 5

DISCUSSIONS

5.1 Introduction

In this chapter, the researchers will discuss about the research result presented in chapter four. Using the problem and past research from chapter two as a foundation, the summary of the findings was created. The researcher analyzed whether the hypotheses were accepted or rejected from the data collected. This chapter also discussed about implications, limitations, and suggestions to improve the research.

The main purpose of this research is to evaluate the relationship between the independent variables (knowledge of financial management, parental income, and peer influence) and the dependent variable (financial management) among UMK students. According to the analysis, the researchers concluded that the independent variables, which are knowledge of financial management, parental income, and peer influence, have a relationship with the dependent variable, financial management among UMK students.

5.2 Key Findings

The main objective of this study is to identify the relationship between the knowledge of financial management, parental income, and peer influence in understanding financial management among University Malaysia Kelantan students. The researchers had agreed that knowledge of financial management, parental income, and peer influence were significantly related in understanding financial management among University Malaysia Kelantan students. Table 5.1 summarizes the results regarding the objectives, which are to find the relationship between knowledge of financial management, parental income, and peer influence to the understanding of financial management among UMK students.

Table 5.1: Finding of the result

Hypothesis	Result	Finding of data analysis	Previous studies
H1: There is a significant relationship between the knowledge of financial management and financial management among UMK students.	r= 0.790** p<.001 High	H1 is accepted	According to Thi et al. (2015), the influence of education is the reason why financial knowledge has a favorable association to financial management behavior.
H2: There is a significant relationship between parental income and financial management among UMK	r= 0.692** p<.001 Substantial	H2 is accepted	Prasetyo et al. (2021) stated that the income of parents has a significant impact on the fulfillment of children's

students.			demand.
H3: There is a significant relationship between the peer influence and financial management among UMK students	$r = 0.720^{**}$ $p < .001$ High	H3 is accepted	Kadir et al. (2021) and Putri & Wijaya (2020) say that peer influence is one of the most influential factors and has a significant relationship in understanding financial management.

5.3 Discussion

A total of 375 respondents from University Malaysia Kelantan student were participated in this research. As the students are first to fourth year in university, they are believed to have sufficient knowledge and awareness of managing their own finances. According to the research, University Malaysia Kelantan students are conscious of their money management since they are educated in economics and live in a modern financial environment.

Furthermore, this research aims to investigate whether there is any connection between the independent and dependent variables. This research also examined the relationship between knowledge of financial management, parental income, and peer influence in understanding financial management among University Malaysia Kelantan students. Researchers also discuss the key finding from this study that strongly correlates with students' understanding of financial management. The Cronbach's Alpha Coefficient in this study showed a significant result, and therefore, the study's goal had been achieved.

5.3.1 Knowledge of financial management

The main finding of this research paper relates to the understanding of financial management among University Malaysia Kelantan students. Table 5.1 shows that the Pearson Correlation Coefficient has a p-value of 0.000, which is less than the alpha value (0.001). Table 5.1 also shows that knowledge of financial management has an excellent and high positive connection (0.790) among University Malaysia Kelantan students. This positive relationship indicates that the reliability elements are considered to be important in evaluating the understanding of financial management. Therefore, this significant positive relationship between knowledge of financial management and it is a factor influencing the understanding of financial management among University Malaysia Kelantan students.

This finding is in line with previous research on financial education, where youth are an essential target because they must develop financial awareness to understand the economy, manage their own money, and use credit wisely (Frączek et al., 2105). Additionally, according to the researchers, University Malaysia Kelantan is an entrepreneurial university that emphasizes finance and entrepreneurship. Students may learn money management skills and make wise financial choices in their daily life.

5.3.2 Parental Income

The Pearson Correlation Coefficient of parental income factor has shown that the p-value is 0.00, which is less than the alpha value (0.001). Parental income has a relatively positive relationship ($r = 0.692$) with understanding financial management among University Malaysia Kelantan students. Thus, there is a significant positive relationship between parental incomes to understand financial management among University Malaysia Kelantan students.

In support of this finding, Angela & Pamungkas (2021) stated that saving activities are very important to be instilled early by their parents so that good saving behaviour can be formed and developed in children from a young age to adulthood. Parents who provide their children with more encouragement and guidance are more likely to help them with prudent and desirable money management practices (Xiao et al., 2007).

The researchers believe that students who understand and are aware of money management are prudent in buying and purchasing necessities. They will also learn about dependency on debt and credit and use it in their daily lives.

5.3.3 Peer Influence

The third research question focuses on the relationship between peer influence and financial management. Accordingly, hypothesis three (H3) stated that “There is a significant

relationship between peer influence and financial management among UMK students”. Based on the findings as showed in the previous chapter, it is found that peer influence is significantly influenced financial management with peer influence variables have correlation significance value (Sig 2-tailed) of 0.000. Value $0.000 < 0.001$ which mean peer influence has a significant relationship with financial management and thus, support H3. Moreover, this study also supports the previous study of Kadir et al. (2021) and Putri & Wijaya (2020) that says peer influence is one of the most influential factors and has a significant relationship in understanding financial management.

In adolescence a student, most of them will spend their days at university and socializing. Most of the activity, they spent with their friends and peers. Hence, friends and peers are the ones who can impart financial knowledge, shape their perspective on financial, and frequently engage in financial conversation. Therefore, peer influence has a significant relationship with the financial management among students. Thus, the more UMK students are influenced by their peers, the more they understand financial management that would result in good saving behavior and investment for future funds. Consequently, in the context of UMK students, peer influence is significant factors that influence their financial management.

5.4 Implications of the Study

This study aimed to understand factors influencing the understanding of financial management among UMK students. Due to its importance, this research study may be a relevant source particularly among students, finance and banking industries and public. If the students understand how to manage their financial efficiently and effectively, it will benefit them brighter days ahead. This is because, after they have finished their studies, there are a lot of commitments including financial commitment. Furthermore, most of the students need to pay off their studies loan such as PTPTN when they leave the university and get a job. Hence, it is important for students to have a better understanding in financial management so that they can spend accordingly and save more for their future to avoid being regret for spending recklessly.

Financial management not only benefits the students but also finance and banking industries. Financial management would help in improving the profitability of the industry and provides economics stability when people become financially literate. Instance, investment can help in gaining more profit and grow more money. Last, the public access would have improved to information, financial tools as well as resources related to financial management. Therefore, people are becoming more aware of the importance making prudent financial decisions and developing good financial management. Furthermore, it will contribute to the development of recovering economic growth as the knowledge of financial management has a positive impact when making financial decisions.

5.5 Limitations of the Study

The current study did have several limitations. First off, because of time restrictions, this study is only eligible to UMK students. Researcher faced the difficulty to approach students from other campus due to lack of contact and rush to collect data from respondents. Furthermore, the data collections from the respondents were from online questionnaire of Google Form. In the meantime, data might be gathered through several interviews. The data obtained were inaccurate from the respondents as not all respondents were committed to and support this study. Some respondents did not respond to the questionnaire at all, which required the researcher to find other respondent to complete the questionnaire.

In addition, this study only focused on three independent variables which were knowledge of financial management, parental income and peer influence. However, many other factors might be related to the understanding the financial management. The researcher was limited in their ability to investigate other aspects of the studies. Despite its limitations, the results of this study nonetheless offer a foundation for further research to increase existing knowledge about the factors that are crucial for understanding financial management.

5.6 Recommendations/ Suggestion for Future Research

Based on this study, it is discovered that the findings and limitations might serve as a source of suggestions and feedback for future research. This study can be expanded to include students of other nationalities because it only focused on Malaysian students whereas UMK also enrolls students from other countries, which could affect the results. The analysis and exploration of knowledge of financial management, parental income, and peer influence as the factor of understanding the financial management will also be significant when comparing and contrasting different nationalities, ages, and groups of individuals. Therefore, via in-depth interviews, qualitative research will be a useful study that may give a deeper understanding of how knowledge of financial management, parental income, and peer influence, influence the understanding of financial management. As only three components are engaged in this study, examination of additional factors may be relevant to understanding financial management.

5.7 Conclusion

This study aims to identify factors influencing understanding financial management among University Malaysia Kelantan students. Knowledge of financial management, parental income, and peer pressure was chosen as factors that affect financial management. A total of 375 respondents participated in the questionnaire among University Malaysia Kelantan students. All the variables, objectives, and issue statements throughout this research were effectively addressed as a hypothesis. The analysis showed a significant relationship between the independent variable in understanding financial management among University Malaysia Kelantan students. The study's findings discussed in this chapter may help students better comprehend financial management and raise their knowledge of prudently handling money. Thus, the research has proven that there is a moderate impact on knowledge of financial management, parental income, and peer influence in understanding financial management among University Malaysia Kelantan students.

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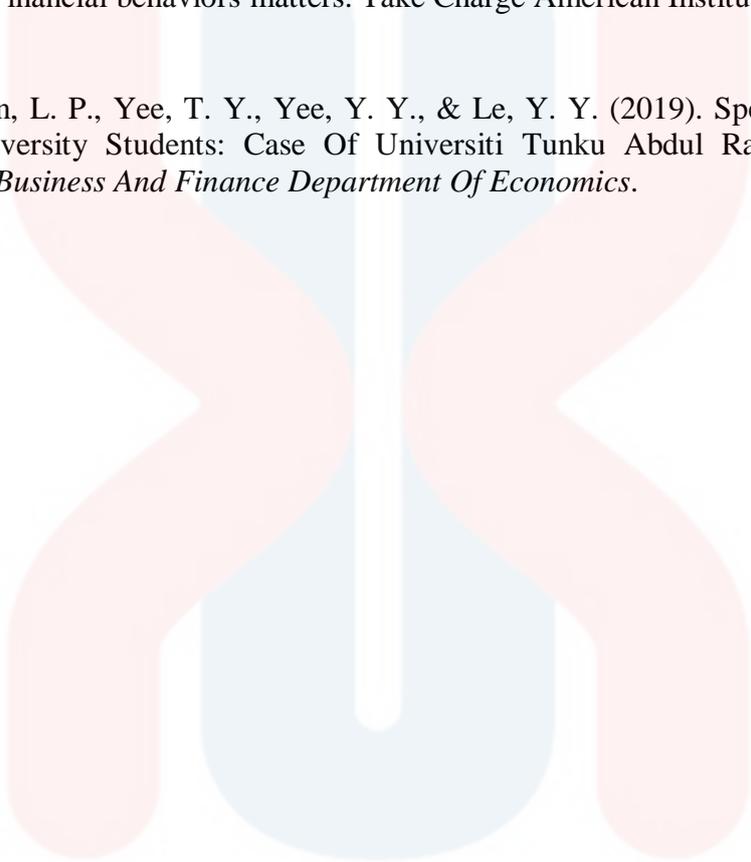
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APPENDIX A: QUESTIONNAIRE DRAFT

FACTORS INFLUENCING THE UNDERSTANDING OF FINANCIAL MANAGEMENT AMONG UMK STUDENTS

Dear respondents,

We are final year students from University Malaysia Kelantan (UMK), Faculty of Entrepreneurship & Business pursuing Degree in Bachelor of Business Administration (Islamic Banking and Finance) with Honors. We are currently conducting a research survey regarding **Factors Influencing the Understanding of Financial Management among UMK Students**.

Thank you for your participation. We really appreciate it if you kindly give us some feedback on this survey questionnaire. Your personal data will not be disclosed nor used for any other purpose than educational research. Thank you.

SECTION A: DEMOGRAPHIC BACKGROUND

Please read each statement carefully and tick (/) on your answer. Sila baca setiap kenyataan dengan teliti dan tandakan (/) pada jawapan anda.

1. Gender / Jantina

() Male / Lelaki

() Female / Perempuan

2. Age / Umur

() Below 20 year / tahun

() 20-25 year / tahun

() 26-30 year / tahun

() 30 and above year / tahun

3. Race / Bangsa

() Malay / Melayu

- Chinese / Cina
- Indian / India
- Other / Lain-lain

4. Campus / Kampus

- Kota
- Bachok
- Jeli

5. Year of study / Tahun belajar :

- Year 1 / Tahun 1
- Year 2 / Tahun 2
- Year 3 / Tahun 3
- Year 4 / Tahun 4

6. Faculty / Falkulti

- Fakulti Keusahawanan dan Perniagaan (FKP)
- Fakulti Hospitaliti, Pelancongan dan Kesejahteraan (FHPK)
- Fakulti Teknologi Kreatif dan Warisan (FTKW)
- Fakulti Senibina dan Ekistik (FAE)
- Fakulti Perubatan Veterinar (FPV)
- Fakulti Industri Asas Tani (FIAT)
- Fakulti Sains Bumi (FSB)
- Fakulti Biokejuruteraan dan Teknologi (FBKT)
- Fakulti Pengajian Bahasa dan Pembangunan Insan (FBI)

7. Parents Monthly Income / Pendapatan bulanan ibu bapa :

- Below RM1000
- RM1001 - RM3000

() RM3001 - RM4000

() RM4001 - RM5000

() Above RM5000

SECTION B: UNDERSTANDING THE FINANCIAL MANAGEMENT AMONG UMK STUDENTS

Please select only one appropriate answer / Sila pilih satu jawapan yang sesuai sahaja.

Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
1	2	3	4	5

1.	I use a system or tracker to manage my expenses and avoid overspending. / Saya menggunakan sistem atau penjejak untuk menguruskan perbelanjaan saya dan mengelakkan perbelanjaan berlebihan.	1	2	3	4	5
2.	I think I do pretty well at making financial decisions compared to other people. / Saya rasa saya cukup baik dalam membuat keputusan kewangan berbanding dengan orang lain.	1	2	3	4	5
3.	I am willing to take risk in investment to make more money. / Saya sanggup mengambil risiko dalam pelaburan untuk membuat lebih banyak wang.	1	2	3	4	5
4.	I have experience in financial practice since childhood and it makes me understand about financial management. / Saya mempunyai pengalaman dalam amalan kewangan sejak kecil dan ia membuatkan saya faham tentang pengurusan kewangan.	1	2	3	4	5
5.	To reduce my stress, I tend to spend and celebrate my money carelessly. / Untuk mengurangkan tekanan, saya cenderung untuk berbelanja dan meraikan wang saya	1	2	3	4	5

	secara sambil lewa.					
6.	Financial socialization and financial knowledge has an indirect effect on financial management. / Sosialisasi kewangan dan pengetahuan tentang kewangan memberi kesan secara tidak langsung terhadap pengurusan kewangan.	1	2	3	4	5

SECTION C: KNOWLEDGE OF FINANCIAL MANAGEMENT

1.	I am good at managing my money. / Saya pandai menguruskan wang saya.	1	2	3	4	5
2.	I manage my bank account by myself. / Saya menguruskan akaun bank saya sendiri.	1	2	3	4	5
3.	I often plan for future purchases. / Saya sering merancang untuk pembelian akan datang.	1	2	3	4	5
4.	My spending habits will change based on my financial management education. / Cara perbelanjaan saya akan berubah mengikut tahap pengetahuan saya tentang pengurusan kewangan.	1	2	3	4	5
5.	I am unsure of how my money is being used. / Saya tidak pasti bagaimana wang saya digunakan.	1	2	3	4	5

SECTION D: PARENTAL INCOME

1.	When my parent's income increases, I tend to purchase expensive items. / Apabila pendapatan ibu bapa saya meningkat, saya cenderung untuk membeli barangan yang mahal.	1	2	3	4	5
2.	I value advice from my parents on my financial matters. / Saya menghargai nasihat daripada ibu bapa saya tentang hal kewangan saya.	1	2	3	4	5
3.	My parents set a good example for me in terms of money management. / Ibu bapa saya menunjukkan contoh yang baik kepada saya dari segi pengurusan wang.	1	2	3	4	5
4.	I tend to observe and follow the way my parents manage money on my daily financial decisions. / Saya cenderung untuk memerhati dan mengikut cara ibu bapa saya menguruskan wang semasa membuat keputusan perbelanjaan seharian saya.	1	2	3	4	5
5.	My parents will take control of my expenses to make sure I am not overspending. / Ibu bapa saya akan mengawal perbelanjaan saya untuk memastikan saya tidak berbelanja secara berlebihan.	1	2	3	4	5

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SECTION E: PEER INFLUENCE

1.	My daily spending is influenced by my friends most of the time. / Perbelanjaan harian saya selalunya dipengaruhi oleh kawan-kawan saya.	1	2	3	4	5
2.	Some of my friends save money in savings account. / Beberapa kawan saya menyimpan wang dalam akaun simpanan.	1	2	3	4	5
3.	I always enjoy my free time with my friends. / Saya sentiasa menikmati masa lapang saya bersama kawan-kawan saya.	1	2	3	4	5
4.	My friends and I have a daily conversation about financial management issues. / Saya dan kawan-kawan sering berbual mengenai isu-isu pengurusan kewangan setiap hari.	1	2	3	4	5
5.	I am always getting involved in money spending activities with my friends. / Saya sentiasa terlibat dalam aktiviti membelanjakan wang bersama kawan-kawan saya.	1	2	3	4	5
6.	I will make sure to use the money wisely even if my friends are extravagant. / Saya akan memastikan wang tersebut digunakan dengan bijak walaupun kawan-kawan saya boros.	1	2	3	4	5

APPENDIX B: GANTT CHART

MONTH RESEACRH ACTIVITY	DECEMBER 2022				JANUARY 2023			
	W1	W2	W3	W4	W1	W2	W3	W4
Submission of the draft final report of the Research Project to the supervisor.								
Perform Turnitin screening.								
Review by supervisor.								
Rectification by students.								
Submission of two (2) Final Research Project reports to supervisor and examiner for assessment.								
Submission of paper and posters to examiner and supervisor.								
Poster presentation and assessment.								

APPENDIX C: TURNITIN RESULT

FINAL YEAR REPORT

ORIGINALITY REPORT

29% SIMILARITY INDEX	25% INTERNET SOURCES	9% PUBLICATIONS	14% STUDENT PAPERS
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PRIMARY SOURCES

1	discol.umk.edu.my Internet Source	10%
2	eprints.utar.edu.my Internet Source	3%
3	www.coursehero.com Internet Source	1%
4	www.majcafe.com Internet Source	1%
5	Submitted to Sunway Education Group Student Paper	1%
6	umkeprints.umk.edu.my Internet Source	1%
7	Submitted to MAHSA University Student Paper	<1%
8	media.neliti.com Internet Source	<1%

APPENDIX D :
ASSESSMENT FORM FOR FINAL YEAR RESEARCH PROJECT: RESEARCH REPORT (Weight 50%)
(COMPLETED BY SUPERVISOR AND EXAMINER)

Student's Name: Nurdiyanatul Fathihah binti Abdul Jamil

Matric No. : A19A0665

Student's Name: Nurfaezy binti Suhaimi

Matric No. : A19A0667

Student's Name: Nurhamira binti Mohamad Yusof

Matric No. : A19A0674

Student's Name: Nurin Fitriah binti Mohd Azmi

Matric No. : A19A0680

Name of Supervisor: Dr Noormariana binti Mohd Din

Name of Programme: SAB

Research Topic: Factors Influencing the Understanding of Financial Management among UMK Students

NO.	CRITERIA	PERFORMANCE LEVEL				WEIGHT	TOTAL
		POOR (1 MARK)	FAIR (2 MARKS)	GOOD (3 MARKS)	EXCELLENT (4 MARKS)		
1.	Content (10 MARKS) (Research objective and Research Methodology in accordance to comprehensive literature review) Content of report is systematic and scientific (Systematic includes Background of study, Problem Statement, Research Objective, Research Question) (Scientific refers to researchable topic)	Poorly clarified and not focused on Research objective and Research Methodology in accordance to comprehensive literature review.	Fairly defined and fairly focused on Research objective and Research Methodology in accordance to comprehensive literature review.	Good and clear of Research objective and Research Methodology in accordance to comprehensive literature review with good facts.	Strong and very clear of Research objective and Research Methodology in accordance to comprehensive literature review with very good facts.	____ x 1.25 (Max: 5)	
		Content of report is written unsystematic that not include Background of study, Problem Statement, Research Objective, Research Question and unscientific with unsearchable topic.	Content of report is written less systematic with include fairly Background of study, Problem Statement, Research Objective, Research Question and less scientific with fairly researchable topic.	Content of report is written systematic with include good Background of study, Problem Statement, Research Objective, Research Question and scientific with good researchable topic.	Content of report is written very systematic with excellent Background of study, Problem Statement, Research Objective, Research Question and scientific with very good researchable topic.		
2.	Overall report format (5) Submit according to acquired format	The report is not produced according to the specified time	The report is produced according to the specified	The report is produced on time, adheres to the format but	The report is produced on time, adheres to the format	____ x 0.25	

	MARKS)	and/ or according to the format	time but fails to adhere to the format.	with few weaknesses.	without any weaknesses.	(Max: 1)	
	Writing styles (clarity, expression of ideas and coherence)	The report is poorly written and difficult to read. Many points are not explained well. Flow of ideas is incoherent.	The report is adequately written; Some points lack clarity. Flow of ideas is less coherent.	The report is well written and easy to read; Majority of the points is well explained, and flow of ideas is coherent.	The report is written in an excellent manner and easy to read. All of the points made are crystal clear with coherent argument.	____ x 0.25 (Max: 1)	
	Technicality (Grammar, theory, logic and reasoning)	The report is grammatically, theoretically, technically and logically incorrect.	There are many errors in the report, grammatically, theoretically, technically and logically.	The report is grammatically, theoretically, technically and logically correct in most of the chapters with few weaknesses.	The report is grammatically, theoretically, technically, and logically perfect in all chapters without any weaknesses.	____ x 0.25 (Max: 1)	
	Reference list (APA Format)	No or incomplete reference list.	Incomplete reference list and/ or is not according to the format.	Complete reference list with few mistakes in format adherence.	Complete reference list according to format.	____ x 0.25 (Max: 1)	
	Format organizing (cover page, spacing, alignment, format structure, etc.)	Writing is disorganized and underdeveloped with no transitions or closure.	Writing is confused and loosely organized. Transitions are weak and closure is ineffective.	Uses correct writing format. Incorporates a coherent closure.	Writing include a strong beginning, middle, and end with clear transitions and a focused closure.	____ x 0.25 (Max: 1)	
3.	Research Findings and Discussion (20 MARKS)	Data is not adequate and irrelevant.	Data is fairly adequate and irrelevant.	Data is adequate and relevant.	Data is adequate and very relevant.	____ x 1 (Max: 4)	
		Measurement is wrong and irrelevant	Measurement is suitable and relevant but need major adjustment.	Measurement is suitable and relevant but need minor adjustment.	Measurement is excellent and very relevant.	____ x 1 (Max: 4)	
		Data analysis is inaccurate	Data analysis is fairly done but needs major modification.	Data analysis is satisfactory but needs minor modification.	Data analysis is correct and accurate.	____ x 1 (Max: 4)	
		Data analysis is not supported	Data analysis is fairly supported	Data analysis is adequately	Data analysis is strongly	____ x 1	

		with relevant output/figures/tables and etc.	with relevant output/figures/tables and etc.	supported with relevant output/figures/table and etc.	supported with relevant output/figures/table and etc.	(Max: 4)		
		Interpretation on analyzed data is wrong.	Interpretation on analyzed data is weak.	Interpretation on analyzed data is satisfactory.	Interpretation on analyzed data is excellent	___ x 1 (Max: 4)		
4.	Conclusion and Recommendations (15 MARKS)	Implication of study is not stated.	Implication of study is weak.	Implication of study is good.	Implication of study is excellent	___ x 1.25 (Max: 5)		
		Conclusion is not stated	Conclusion is weakly explained.	Conclusion is satisfactorily explained.	Conclusion is well explained.	___ x 1.25 (Max:5)		
		Recommendation is not adequate and irrelevant.	Recommendation is fairly adequate and irrelevant.	Recommendation is adequate and relevant.	Recommendation is adequate and very relevant.	___ x 1.25 (Max:5)		
	TOTAL (50 MARKS)							