

**FACTORS OF FINANCIAL LITERACY: A STUDY  
AMONG STUDENTS IN UNIVERSITY MALAYSIA  
KELANTAN (UMK) DURING PANDEMIC OF COVID-19.**

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(ISLAMIC BANKING AND FINANCE)

2022



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**FACTORS OF FINANCIAL LITERACY: A STUDY AMONG  
STUDENTS IN UNIVERSITY MALAYSIA KELANTAN  
(UMK) DURING PANDEMIC OF COVID-19**

by

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A thesis submitted in fulfilment of the requirements for the degree of  
Bachelor of Business Administration (Islamic Banking and Finance)

**Faculty of Entrepreneurship and Business  
UNIVERSITI MALAYSIA KELANTAN**

2022

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 Sesi/Session: 2021/2022  
 Semester: SEMESTER SEPTEMBER  
 Nama Program/Name of Programme: SAB  
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		Data analysis is not supported with relevant output/figures/tables and etc.	Data analysis is fairly supported with relevant output/figures/tables and etc.	Data analysis is adequately supported with relevant output/figures/table and etc.	Data analysis is strongly supported with relevant output/figures/table and etc.	___ x 1 (Max: 4)		
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## ACKNOWLEDGEMENT

We would like to thank millions of individuals and organizations for supporting us throughout our degree. First, we would like to thank our supervisor, Encik Zul Karami bin Che Musa for his patience, enthusiasm, in-depth comments, invaluable suggestions, useful information, practical advice, and relentless ideas that he has helped us a lot all the time in researching and writing the proposal of this final year research project. His high knowledge, in -depth experience and professional expertise enabled us to complete this research successfully. We thank him for his invaluable time in guiding us, answering our questions, correcting, and refining the proposal of the final year research project and not forget to thank at our course lecture Cik Siti Fariha binti Muhammad because without relentless guidance and help, this proposal would not have been possible.

We would also like to thank University Malaysia Kelantan (UMK) for accepting us as a degree program. Besides that, we are thankful for the infrastructures and facilities provided by University Malaysia Kelantan (UMK). Without those facilities, we are unable to obtain the sufficient data, journal articles and information required in conducting this research.

We thank the staff and the library of University Malaysia Kelantan (UMK) for organizing various workshops, which have helped me in improving our research and programming skills. This is because on the guidance to provide knowledge and provide relevant education on how to find materials related to our topic to complete the proposal and even his guidance during Covid-19 Pandemic we can learn to some extent to complete this task and even it can help us use it for other assignments.

Finally, we would also like to thank our group members, course mates and parents who always support and motivate us throughout this research. Their dedications are gratefully acknowledged, together with the sincere apologies to those we have inadvertently failed to mention here. Their steadfast support and encouragement are my source of strength

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## ABSTRACT

This study investigates the relationship between Financial Education, Financial Socialization, Personality Characteristic (Financial Attitude and Financial Behavior) and Financial Knowledge towards Financial Literacy among the students in University Malaysia Kelantan during pandemic Covid-19. In brand new surroundings, the potential to deal with personal finances has become increasingly more critical. The people must know about being financially literate because it is important to manage their money well. University students have faced several challenges. Most students having financial problems are alarming these days. Based upon the Theory of Planned Behavior model developed, this research aims to study the factor of financial literacy among students in University Malaysia Kelantan (UMK) during the pandemic of Covid-19. It is conducted to investigate the relationship between financial education, financial socialization, personality characteristics, and financial knowledge with the financial literacy of the student. Based on a quantitative survey and a sample of 152 respondents, data was analyzed using SPSS version 26.0. The result showed Financial Education, Financial Socialization, Personal Characteristics (Financial Attitude and Financial Behavior) and Financial Knowledge have a strong positive impact on financial literacy. The findings support the results from some earlier studies. The findings also have strong positive significant contributions to the advancement of knowledge about financial or money in financial literacy among the students and on behalf of the University Malaysia Kelantan also need to provide economic support. The findings of this study, which indicated that students at the University Malaysia Kelantan (UMK) are competent about division questions. It can be inferred that University Malaysia Kelantan students have a moderate comprehension of diversification and the time value of money. However, this study has potential limitation around study and lacking time and those limitations can be improved in the future research.

**Keywords:** *Financial literacy, Financial Education, Financial Socialization, Personality Characteristic, Financial Attitude, Financial Behavior, Financial Knowledge, University Malaysia Kelantan.*

# CHAPTER 1

## INTRODUCTION

### 1.1 BACKGROUND OF STUDY

Financial literacy refers to the combination of financial, credit, and debt management information required to make financially responsible decisions choices that affect our daily lives. Understanding how a checking account works, what using a credit card truly means, and how to prevent debt are all examples of financial literacy. Financial literacy is defined as ones' "knowledge of facts, concepts, concepts, and technological equipment which might be fundamental to being smart approximately money." (Garman & Gappinger, 2008) in the meantime, Mason, and Wilson (2000) defined financial literacy as a "which means-making method" wherein people use a mixture of competencies, resources, and contextual knowledge to technique facts and make decisions with information of the monetary effects of that choice. Financial literacy has a significant effect on families. Understanding financial words and concepts entails grasping important financial ideas essential to investing and managing finances to increase wealth and security. Individuals must be informed of the borrowing and investing options available to them. Understanding prospectuses and annual statements, as well as compound interest computations, are all part of this understanding.

Generally, the are several importance of having financial literacy. Firstly, people are better prepared for the unexpected when they have financial literacy. Financial literacy provides a valuable defense against unforeseen life catastrophes. From a modest auto repair to major surgery, unexpected or terrible events can occur, leaving families with unanticipated costs. Unexpected expenses can be handled by a financially savvy family with an emergency fund set up for just such times, rather than putting a burden on their resources due to current obligations. Secondly, Covid-19 and financial literacy. In the context of the ongoing Covid-19 Pandemic, financial literacy is especially important. Many people and families are facing higher-than-normal levels of economic uncertainty. They may be unemployed or face unexpected medical expenses. Having a clear financial strategy, including emergency funds, is more important than ever. Furthermore, financial

literacy helps to avoid scams and schemes. Another significant benefit of financial literacy is that it arms people against financial scams. Fraudsters and con artists tend to prey on those who do not have sound financial understanding, enticing them into questionable investment opportunities or selling them on credit cards with high interest rates. Financial literacy can arm people against such schemes.

In brand new surroundings, the potential to deal with personal finances has become increasingly more critical. Human beings must invest for their retirement and their kid's education over a long time. They should also make quick-term financial savings and borrowing decisions for a vacation, schooling, an emergency, a domestic, a vehicle mortgage, and other fees. They need to also manipulate their very own clinical and existence coverage necessities by (Chen & Volpe, 1998). People are more and more responsible for their very own financial protection and face more and more complex economic products. However, information shows that many humans are unprepared to make sensible economic choices (Lusardi, 2008).

People that see cash as simply a way to reap their instant goals in the ultra-modern era will in no way be properly put together for destiny, that is the biggest trouble in this contemporary age. In contrast to previous generations, brand new kids place a better emphasis on cash than preceding generations, who were less interested in the materialistic environment. they may be not able to make stable financial judgments due to a scarcity of personal finance schooling (Hira, 1993; O'Neill, 1993). The ability to understand finance is referred to as financial literacy. It refers to the gathering of skills and expertise that permits a man or woman to make educated and powerful monetary decisions. Financial literacy is more than just a measure of facts; it additionally represents the capability to actively control one's personal money from the factor of acquisition to intake (Remund, 2010). Beyond research have found that financial literacy has important implications for financial behavior, and that people with lack economic literacy are far more likely to experience debt problems (Lusardi and with Tufano 2009).

Various organizations, including college students, have expressed an interest in and commitment to developing consumer financial literacy. The purpose for that is that current monetary market activities have re-emphasized the significance of human beings being well-knowledgeable about their economic alternatives and discerning economic clients in other phrases,

being financially literate. It is critical to comprehend financial literacy among young people to build effective financial education programs (Cameron, 2014). As a result, it is important to study and identify strategies to increase people's financial literacy skills, particularly students, who are considered as the country's future generation.

In previous observe of the analysis of personal financial literacy amongst students, its miles concluded that students are lack of informed approximately non-public finance (Chen & Volpe, 1998). On the other hand, it suggests that institutions may not be providing appropriate training and that scholars are not well-versed in financial literacy. Standard research demonstrates that those with greater education levels have a higher level of financial literacy, while many studies conducted specifically for university college students have revealed that financial literacy is still low.

However, a person's attitude toward money can inevitably influence his or her financial literacy and actions. Students now have greater freedom to make their own decisions when it comes to buying and consuming goods and services (Kamaruddin & Mokhlis, 2003). However, the International Journal of Business Administration states that students must have sufficient financial information to make the best financial choices possible; otherwise, this could lead to conspicuous spending and poor financial management. Contrary to popular belief, nomicallly illiterate individuals have lower levels of ability to handle emergency expenses and income shocks (Hasler et al. 2018), and a lower propensity to withdraw deposits from distressed banks (Brown et al. 2016) and to leave the stock market before crashes (Guiso & Viviano, 2015), than the more financially conscious population.

This study presents data on students who are enrolled in a program that leads to a first-degree or higher.

## **1.2 PROBLEM STATEMENT**

Financial literacy research among university students has been fraught with difficulties. That is because of a loss of consensus at the concept of financial literacy, which has been described in several approaches with the aid of numerous resources. Individuals with higher levels of financial literacy may be more aware of the financial benefits and more likely to join in a company-

sponsored savings plan. Students that are financially literate are better able to explain their expectations. The capacity to negotiate the best alternative will substantially grow the more aware they are, from lowering interest rates on money they borrow to bringing up the goals they have for money they invest. Financial literacy has been defined as the capacity to make excellent financial decisions, (Chen & Volpe, 1998) but this definition has not outlined or described the specific factors of financial literacy being assessed.

General financial information is crucial for characters to manipulate their finances. but it comes to the question of whether someone who has widespread financial understanding will have a higher financial literacy. Is it necessary for everyone to comprehend current financial facts to elevate in finance? According to Ansong and Gyensare (2012), there is a distinctive factor of view in economic literacy among enterprise and non-commercial enterprise students. The findings talked about that commercial enterprise college students display a higher financial literacy stage than non-commercial enterprise students. Similarly, most of the non-enterprise college students, specifically science students, lack the overall financial know-how and are poor within the approach to control their finances. However, it is hard to apply the financial know-how inside the real international's financial transactions and activities.

These days the troubles of students having economic issues are alarming. With the quantity of mortgage or scholarship attained nonetheless many students fail in phrases of managing their cash and come to be having inadequate amounts at some point of their look at. The issue of excessive dwelling prices, particularly amongst college students, is frequently suggested in the news. At the end of 2015, this big hassle has been a supply of difficulty. Perbadanan Tabung Pendidikan Tinggi Negara (PTPTN) has reduced training loans, worsening the situation. In step with Astro Awani, the mortgage for IPTA students was reduced with the aid of 5% in 2014, at the same time as the loan for IPTS college students decreased by 15%. The overall discount inside the monetary loan is important, and students who take out an educational loan from PTPTN will best pay their college fees and requirements; however, they could want cash from different resources to cowl their regular prices. The hassle grew whilst some universities raised their expenses, forcing students to search for extra investment. This situation has undoubtedly stressed the students, as well as their parents and guardians, to place a high value on the issue. As the usual of living in Malaysia has progressed appreciably and inspired a changing existence, college students these



days are granted extra freedom from their parents to make their very own buying and intake choices (Kamaruddin & Mokhlis, 2003). Based on this research, the student must have sufficient financial knowledge to make the best financial decisions possible; otherwise, a prominent intake may result, which may lead to poor financial management. Poor money management can have a negative impact on a student's academic performance, mental and physical health, and even the capacity to find work after graduation (Bodvarsson and Walker, 2004 and Lyons, 2004). According to studies performed in the United States, college students are at risk of entering a downward financial cycle of debt that they will be not able to pay off at the same time as in college or once they have observed complete-time employment by Henry, 2001; Joo 2003).

As a result, it is critical to address the critical issue of financial literacy. Do these students have any financial literacy training or knowledge? How far do they manage their finances to ensure that their educational mortgage or scholarship is sufficient to keep them afloat through their studies? Therefore, this observation is performed to investigate the association between financial education, financial socialization, personal characteristics (attitudes & behaviors) and financial know-how on financial literacy of university students. Primarily based on the four variables, the researcher will pick out which variable is the most influential based on the questionnaire that the researcher will supply to the students.

### **1.3 RESEARCH QUESTION**

The following questions was formulated to meet the research objectives:

- I. Does financial education determine the relationship between financial literacy among students in University Malaysia Kelantan (UMK) during Covid-19 pandemic?
- II. Does financial socialization determine the relationship between financial literacy among students in University Malaysia Kelantan (UMK) during Covid-19 pandemic?
- III. Does personality characteristics (attitudes and behavior) determine the relationship between literacy among students in University Malaysia Kelantan (UMK) during Covid-19 pandemic?
- IV. Does financial knowledge determine the relationship between literacy among students in University Malaysia Kelantan (UMK) during Covid-19 pandemic?

## **1.4 RESEARCH OBJECTIVES**

The general objectives of the study in the research attempted to:

- I. To investigate the relationship between financial education and financial literacy among students in University Malaysia Kelantan (UMK) during Covid-19 pandemic.
- II. To analyze the relationship between financial socialization and financial literacy among students in University Malaysia Kelantan (UMK) during Covid-19 pandemic.
- III. To determine the relationship between personality characteristics (attitudes and behavior) and financial literacy among students in University Malaysia Kelantan (UMK) during Covid-19 pandemic.
- IV. To examine the relationship between financial knowledge and financial literacy among students in University Malaysia Kelantan (UMK) during Covid-19 pandemic.

## **1.5 SCOPE OF THE STUDY**

Today, financial literacy is needed to advance individual prosperity just as the country's financial flourishing (Sabitova, and Mueller, 2015). This research is conducted to investigate the factor of financial influence towards financial literacy during pandemic Covid-19 crisis, considering a few factors which are financial education, financial socialization, personality characteristics (attitudes & behaviors) and financial knowledge. Among the university students and the research is done in University Malaysia Kelantan. Our study will focus on the students at University Malaysia Kelantan as the respondents to examine their level of financial literacy. In our paper we will first present the concept of financial literacy and its different interpretations. Then we will go through the relevant literature, followed by an introduction to the methods and tools we used in our study. Then by assessing the results of the survey conducted with a questionnaire we examine how the financial education, financial socialization, personality characteristic and financial knowledge influence the student's financial literacy. Finally, based on the findings, we may summaries the inference.



## 1.6 SIGNIFICANCE OF THE STUDY

In daily life, managing your finances is a critical part of your financial security. financial literacy is significant with the students, society, and financial service industry. Firstly, it is significant to the students as it gives benefits to them. It is crucial for students to have a basic understanding of finances. Students continue to build on what they have learnt in the past as part of any educational strategy. The same can be said for your own finances. Before you spend money, you need to understand how it works, which takes time and practice. Too many students have learnt the importance of money or what it means to be drowning in debt far too late in life. Students can build a healthy connection with money through early education. They learn the value of earning, saving, and debt management, which prepares them to be financially responsible adults. They will have the knowledge they need to make informed decisions about how they will pay for education, a car, or even a mortgage, and they will understand the implications of debt build-up, budget-busting purchases, and unscrupulous lenders with excessive interest rates.

Secondly this study significant to the society. Financial literacy is crucial because it enables people to become financially self-sufficient and stable. This includes the ability to save money, differentiate between wants and needs, maintain a budget, pay bills, purchase a home, fund their children's education, and plan for retirement. Literacy enables individuals to construct a realistic roadmap that will guide them in making sound financial decisions in their daily lives. Anything that resembles credit, interest rates, or investments is daunting to those who lack financial education and puts them at a disadvantage. It is critical to understand how interest rates work, how stocks and bonds differ, and what factors affect your credit score. Aside from that, most working professionals want to know that their retirement is secure and that they will be well even if their golden years bring some unforeseen medical expenses. People with financial literacy can learn about a variety of retirement planning options.

Finally, this study is significant to financial services industry. Because the community is a key user of financial services, financial literacy is also required to advance the financial services business. Financial literacy will have a cascading effect on the use of financial products and services, potentially increasing revenues and encouraging financial firms to develop more diverse financial products and services. It is so important because a good financial industry will continue

to provide services to the community while also establishing plans to help the millions of people who will require financial education as they strive toward recovery.

## **1.7 DEFINITION OF TERM**

### **1.7.1 Financial literacy**

Financial literacy refers to the combination of knowledge, skills, attitudes, awareness, and even individual behavior needed to make sound financial decisions and ultimately achieve individual well-being (Atkinson and Messy, 2012). Financial literacy is also one of the abilities to earn personal income, the ability to make and determine decisions about spending, understand the consequences of personal decisions about current and future income and orientation in the job market (Krechovska, 2015).

### **1.7.2 Financial Education**

Education is the development of knowledge, character, and the skills of individuals (Peters, 2010). Financial education is a process where the user of financial services or investors improve their understanding for financial products, notions, and risks and on the bases of information, instructions and objective advice develop the skills and confidence in strengthening information about financial risks and occasions, make decisions on the bases of good information, are acquainted with the fact where to find help and take other effective measures for improving their wealth (OECD, 2005).

### **1.7.3 Personality Characteristics**

Personality is the integration of those systems of habits that represents an individual's characteristic adjustment to his environment (Kemp, 2015). Besides that, personality is the whole individual considered which the individual had most characteristic integration of an individual's structures, modes of interests, attitude, behavior, capacities, abilities, and aptitudes (Munn, 2015).

#### **1.7.4 Financial Behavior**

Behavior means the behavior of a person performing an action observed by others and it is influenced by culture, attitudes, emotions, values, ethics, authority, good relationships, hypnosis, persuasion, coercion, or genetics. Financial behavior refers to the action or reaction of a person in response to financial decisions (Kehiaian, 2012). Financial behavior is the financial management behavior where it is about how a person deals with money or any activity a person has managing money and maximizing the profit (Dew and Xiao, 2011).

#### **1.7.5 Financial Attitudes**

Financial attitude is an individual's way of determining characteristics that take the form of a tendency toward practices or actions toward their finances or in other words an activity in which a person tends to behave toward their finances for them to manage. This financial attitude is a pre-disposal for behaving in a particular way that is formed because of some economic and non-economic beliefs held by individuals towards the outcome of a particular behavior (Ajzen, 1991). A person's financial attitude has influenced the way a person organizes his or her financial behavior.

#### **1.7.6 Financial Socialization Agents**

Financial socialization is a process of learning and advancing values, knowledge, norms, standards, attitudes, and behaviors that promote financial viability and individual well-being (Danes, 1994). The socialization agents are encountered throughout a person's life cycle. Socialization agents include family, friends, media, and schools (Curto, 2010).

#### **1.7.7 Financial Knowledge**

Financial awareness and the understanding about the financial concepts and procedures as well as the use of this understanding to solve financial problems. It encompasses conceptual financial knowledge, procedural financial knowledge and applied financial knowledge. Financial knowledge also provides the skills and motivation to make effective financial decisions (OECD, 2016).

## 1.8 ORGANIZATION OF THE PROPOSAL

This chapter specifically focuses on the study of background, problem statement, research question and objectives, scope and limitations, significance and definition of terms used in this study. This study highlights a clear view of the factor that affects financial literacy among the students in University Malaysia Kelantan (UMK) during Covid-19 Pandemic.



## CHAPTER 2

### LITERATURE REVIEW

#### 2.1 INTRODUCTION

This chapter describes a research study which is about the scientific view to see the factor of financial literacy among students in University Malaysia Kelantan (UMK) during Covid-19 pandemic. The research is important to support concerns about the factor financial literacy among students in University Malaysia Kelantan (UMK). This chapter is discussing the review of related literature, the review by the researchers in the factor of financial literacy and theoretical framework.

#### 2.2 UNDERPINNING THEORY

##### 2.2.1 Theory of Planned Behavior (TPB)

The Theory of Planned Behavior (TPB) is a theory developed by the theory of reasoned action (TRA) in 1980 that aims to predict a person's intentions in performing a behavior at a particular time and place. However, this theory was explained by Icek Ajzen (1985) and even this theory is a psychological theory linking belief with behavior. TPB is also beneficial for all behaviors possessed by people who can exercise self-control. In fact, a key component of this model is with the intention of the behavior to be performed on the behavior influenced by the person who will perform the behavior that has the outcome and the expected evaluation of the goodness and benefits of the outcome. There is still a lot of data showing the empirical relationship between attitude variables, subjective norms, and perceived behavioral control in this theory of planned action in one's best interest.

Therefore, subjective attitudes and norms formed from TRA have made TPB add the concept of perceived behavioral control where it has added as well as created a theory of self-efficacy. According to Bandura (1997), it states that this self-efficacy will be an ability in self-regulation that contains behavioral, emotional, and even interpersonal. This is said to be so

because, throughout the level of financial literacy, this idea is as relevant as people dealing with the ability to understand microfinance. This is proven to be particularly good, and a lot of funding is still dynamic and changing more rapidly. However, self-efficacy is also influenced by different influences. However, according to Bandura (1997) also stated that self-efficacy it has involved about the knowledge of mastery, learning or modeling of representation, social reinforcement and even its condition into a physiological stimulus.

Since financial literacy is defined as a person's confidence and ability to apply financial knowledge (Huston, 2010) and make personal financial decisions (Lusardi & Mitchell, 2014) addressed by him, TPB can be used to understand how the financial literacy process works. Financial literacy is aware of which individual control is felt in decisions and makes his or her financial choices. This will indirectly make a person not to exhibit acceptable financial behavior unless the value of that behavior is felt by that person, who depends on his or her attitude and where he or she handles it. Thus, individuals are motivated to save (Abrahamse & Steg, 2009; Karlsson et al., 2004). Even so, participants' ability to save was influenced by their lack of opportunity, lack of knowledge, lack of willingness, and their attitudes toward savings and financial institutions (Abrahamse & Steg, 2009; Karlsson et al., 2004). In TPB has explained and predicted that consumers buy with behavior that are not entirely under voluntary control. This was done by including opportunities along with the necessary resources related to the control belief for which this control belief means the belief to perform a particular behavior. Where in this study, the greater the perceived behavioral control over their financial literacy behavior, the more opportunities and resources individuals think they have or feel strengths (Bulletin & Amherst, 2016). Thus, financial attitude is a strength of belief, whereas the evaluation principle of financial socialization is a function of normative opinion and motivation to comply. Whereas financial knowledge is recommended to be a clear financial literacy and control task.

## **2.3 PREVIOUS STUDIES**

### **2.3.1 Dependent variable: Financial literacy**

According to Kirsch (2001), literacy is not just the capacity developed during the years of education, but rather, a set of skills, knowledge, and strategies that individuals acquire throughout



life in different contexts and in interaction with their peers and communities. Financial literacy does not have an official definition in this way it has been described in different ways by various researchers. Mason and Wilson (2000) define financial literacy as the ability of an individual to obtain, understand and evaluate information relevant to make decisions with awareness of the likely financial consequences. In turn, Thaden and Rookey (2005) defined financial literacy as understanding financial facts, concepts, principles, and technological tools that are the key to making financial decisions. Fox, Bartholomae, and Lee (2005) described the same concept with understanding and knowledge of financial concepts.

Financial literacy is a basic concept in understanding money and its use in daily life. This includes the way income and expenditure are managed and the ability to use the common methods of exchanging and managing money. The rapidly growing literature on financial literacy finds an alarming low level of financial knowledge among young adults. During their college years, students are likely to face expenditure, savings, credit card, and student loan decisions for the first time on their own. At the same time, they are investing in their human capital, which will allow them to become better decision makers. As students enter the workforce, their lack of financial literacy could prevent them from making adequate financial decisions, such as buying a house or preparing for retirement. Financial literacy is important at several levels. It has major implications for the welfare of individuals in the management of their financial affairs. Financial literacy influences how people save, borrow, invest, and manage their financial affairs. Financial literacy also has a significant part to play in influencing financial institutions. Financial literacy is related to the well-being of individuals (Bhushan and Medury: 2013, 155). This research seeks to examine the financial literacy among university students and the significant relationship between financial literacy and Financial Education, Financial Socialization, Personality Characteristics (attitudes & behaviors) were found.

There are also many studies that investigate financial literacy. Among them, Lusardi et al. (2010) examined financial literacy among young adults. They showed that financial literacy is low; less than one-third of young adults possess basic knowledge of interest rates, inflation, and risk diversification. Financial literacy is strongly related to sociodemographic characteristics and family financial sophistication. Van Rooij et al. (2011) devised two special modules to measure



financial literacy and study its relationship to stock market participation. They found that most respondents display basic financial knowledge and have some grasp of concepts such as interest compounding, inflation, and the time value of money.

Manton et al, 2006; Chen & Volpe, 1998; Jones, 2005; this study mainly focused on the student's personal financial literacy, and there was a group of studies, in which participants answered questions related to general financial knowledge through the questionnaire survey. Besides that, we also investigate the student's demographic variable including social background, financial attitude, financial knowledge, and family sophistication (Chen & Volpe, 1998; Ibrahim, Harun, & Isa, 2009).

In a preceding have a look at of the evaluation of private financial literacy amongst students, it turned into concluded that students lack knowledge approximately private finance (Chen & Volpe, 1998). however, it suggests that there are insufficient classes supplied via the establishments and implies that college students are much less informed in financial literacy. general research displays that human having better schooling levels will have better degrees of economic literacy, even though many studies carried out specially concentrated on college students have revealed that the extent of financial literacy remains low. Aside from that, Beal and Delpachitra (2003) determined that freshman in Australia economic literacy was extraordinarily negative. constantly, this result is like Chen and Volpe (1998) who famous that even though the financial literacy is extraordinarily low, for the entire populace of better education, the individual is anticipated to get a better monetary professional information and capabilities through training than those who have been less knowledgeable.

Based on the previous article, the authors Garg and Singh (2018) analyzed the level of financial literacy among youth in the world. Based on previous studies and focusing on the impact of socio-economic and demographic factors such as age, gender, marital status, and remuneration on youth literacy. The authors found evidence that the level of financial literacy among young people is low, being a cause for concern. The authors also concluded that socio-economic, demographic, age, gender, income, marital status, and educational level influence the level of financial literacy of young people, having found an interrelationship between financial knowledge, financial attitude, and financial behavior.

According to previous research, financial literacy has a significant impact on financial behavior, and people with low financial literacy are more likely to struggle with debt management (Lusardi & Tufano, 2009). People with confined economic literacy are much less likely to plot, in step with a look at via Stango and Zinman (2007). As a result, in line with Bernanke (2006), monetary literacy is crucial for anybody, which include college students, to make prudent economic selections. Nan Morrison, President and CEO of the Council for financial schooling (CEE) said that more economic education is needed, and that monetary literacy is now not a negotiable ability in modern-day environment (Sloan, 2012). Individuals could be able to understand financial facts and make knowledgeable judgments about financial planning, asset constructing, debt, and pensions if they are financially literate (Lusardi & Mitchell, 2014). As a result, financial literacy ought to be useful to college students in making sound quick- and lengthy-time period economic selections.

### **2.3.2 Independent variables:**

#### **Independent Variable 1: Financial Education**

Financial education has attracted the attention of financial policymakers, practitioners, and scholars in recent decades. According to Peters (2010) individuals' understanding, character, and skills are developed through financial education. Financial education has been portrayed by Jing Jian Xiao and Nilton Porto (2016) as training given in different settings like secondary school, school, and the work environment and it is often cited as one of the most critical factors in ensuring proper financial literacy.

Many studies have found that those with greater education levels, particularly those with a university or college diploma, are more financially aware (Lusardi and Mitchell 2008; Cole et al. 2011). Furthermore, financial education is investigated in three different ways. The main method calculates how financial education influences people's financial literacy ratings. The ensuing strategy investigates the impact of financial education on an assortment of financial choices. The third technique calculates the impact of financial education on various long stretch financial propensities, while in this study we need to break down the Financial Education impact towards financial literacy among understudies in UMK.

Raising financial literacy and fostering desirable financial habits through financial education is thought to improve student financial capability. Numerous countries have effectively centered around financial literacy among their populations and are advancing financial literacy through financial education (Bhushan & Medury, 2013). According to the theory of life cycle saving, students decide to seek financial education based on their own cost-benefit calculations of how it will enhance their later life outcomes (Lusardi and Mitchell, 2014). Nan Morrison, President and CEO of the Council for Economic Education (CEE), said that more financial education is needed, and that financial literacy is no longer a negotiable ability in today's world (Sloan, 2012). This is because, individuals would be able to process economic data and make educated decisions about financial planning, capital creation, debt, and pensions if they have financial literacy (Lusardi and Mitchell, 2014).

According to some research, financial literacy can be improved first and foremost through education. As a result, we looked at how various facets of education affect students' financial literacy. Financial Education has a positive effect on financial literacy among students, according to an analysis of the factors that influence the financial literacy of young people studying in higher education in 2014. The most important influence was discovered to be financial education. The findings back up the results of previous research while also introducing some new concepts, such as the value of financial education. The results have made a major contribution to the development of financial literacy skills among students. It is suggested that Financial Education be considered to enhance students' financial literacy.

When Hanti (2011) looked at the relationship between financial education and financial literacy, she discovered that financial education is insufficient for providing appropriate information and improving skills because family attitudes have a greater effect on young people's potential financial behavior (for example, the tendency to invest and take risks) than formal schooling awareness. Lusardi and Mitchell (2014) further added there is little evidence that financial education is reliable. Subsequently, further examination is expected to fill the hole in the current writing.

However, Muhammad I. Albeerdy<sup>1</sup> and Behrooz Gharleghi<sup>1</sup> (2015) contend the assertion with Empirical outcomes that show there is a significant connection between education's free factors and financial education's reliant variable, but no such relationship exists between financial socialization agents and financial literacy. Financial literacy rates among Malaysian students are directly influenced by financial education. Education has been shown to have the greatest impact on university students' financial skills. Varcoe, Martin, Devitto, and Go (2005) noticed that training is a main consideration in impacting youngsters' financial mindfulness and conduct, and it is only fair to assume that education should be prioritized for a better understanding of a topic.

Thus, according to Susanna, and Giulia Zacchia (2021) have shown that the connection between financial literacy and education can be seen in the early stages of life, and it is strongly linked to mathematical capacity. Morgan and Trinh (2019), using the OECD/INFE data for Cambodia and Viet Nam, financial literacy and general education levels were found to be strongly and substantially linked to savings activity and financial inclusion, even after testing for potential financial literacy endogeneity.

According to Jamie Wagner (2019) investigated people who have gained some forms of financial education are more likely to have higher financial literacy scores than those who have not. Financial education has higher projected probabilities for those with lower education and income, implying that it is particularly important for this demographic. This study stresses the importance of providing financial education to those who, according to previous studies, are the least financially literate. Many people, on the other hand, recognize that financial education is essential for all ages to prevent costly errors that can have long-term consequences for younger people.

Financial education should be applied in the early stages of schooling. As indicated by the report, Gillen and Loeffler (2012) directed a review of understudies who took the secondary school individual accounting educational program and found that over 60% of the respondents changed their self-financial behavior and made improvements in their spending conduct in the wake of taking the financial educational plan. An investigation by Asarta, Hill, and Meszaros (2014), who utilizes the Keys to Financial Success program (in any case called keys) to check optional school

understudies' monetary capability, the Keys improved understudies' monetary mindfulness by 61% between the pre-test and follow-up test. The outcomes of a test by Varcoe et al. (2005) utilizing the Money Talks instructive arrangement in secondary schools showed that understudies are financially uneducated yet improve with rules. Danes and Haberman (2007) completed another exploration to examine effect of an individual budget instructive program expanding a youngster's monetary financial literacy schooling. The aftereffects of the investigation by Danes and Huberman (2007) detailed practically 50% of the understudies improved their financial capacities, as per the examination.

Both researchers discovered that financial education improves students' financial literacy. Taking a college personal finance course, according to Peng et al., (2007), upgrades a person's speculation abilities, which improves the probability of saving. Subsequently, financial education enables individuals to settle on astute financial choices (Vyvyan, Blue and Brimble, 2014). Most previous studies found that financial education in schools improved financial literacy. Despite the study's limitations, financial education appears to be linked to higher levels of financial literacy, especially among students.

### **Independent Variable 2: Financial Socialization**

According to Danes (1994) there is a paucity of data on children's financial socialization or the transmission of financial, attitudes, norms, or behaviors within the family. According to Ward (1974) the process of financial socialization through which individuals learn the skill, information, and attitude required to optimize their consumer position in the financial marketplace from their surroundings. Peer groups, family, schools, and the any media are the fundamental elements of student socialization, and they all happen at some time in a person's life. The focus of the ensuing conversation will be on the impact of financial socialization agents such as family, peer groups and the media on student financial literacy. According to these reports by Churchill and Moschis (1979) family financial management interaction reduces as people become older, but peer financial management communication increases. This article emphasizes the importance of these two agents over the course of an individual's life. Along with Beutler and Dickson (2008); Pinto et al (2005) by witnessing their parents, engaging in financial activities, and getting direct education, the family is acknowledged with being a primary source of socialization for children.



Based on research by Moschis (1987) The first shelter and role model for a student will always be his or her family. Teaching, reinforcement, and purposeful modelling are all ways that parents influence their children overtly and cognitively. Children have acquired information, attitudes, and motives on most issues that may be presented in consumer role education before attending school. This is to highlight that a person's financial behavior and literacy are heavily influenced by his or her family, particularly his or her parents. A parent's level of financial education will automatically be reflected in their children, and the children will inevitably try to emulate this behavior. According to socialization agents, Danes and Dunrud (1993); Moschis (1987); Rettig and Mortenson (1986) Children learn financial management skills through observation and involvement (accidental learning) as well as via explicit teaching. When parents are responsible enough to implant their financial ideas in their children, the latter will be financially educated even before enrolling in a school-based financial literacy curriculum. In a study conducted by Buijzen & Valkenburg (2003) 33% of college and high school students utilize the media or the internet to learn about money. Teenage purchase requests, brand awareness, materialistic attitudes, and financial behavior are all positively connected to the quantity of television they watch. By analyzing the study, students believe that the media may help them become more financially literate. They don't suit the conventional money management techniques taught in schools.

According to Curto (2010) that people get financial information not just via financial educational networks, but also via contacts with socialization agents such as family, friends, the media, and schools. In general, the key agents of socializing for students are family members, peer groups, school mates, and social media. According to Chan and McNeal (2006) the most significant agents of consumer socialization are parents, friends, printed media, television commercials, and in-school teaching. Throughout a person's life, they are exposed to socializing agents. According to Wagner (2015) financial social learning activities have a good association with saving and budgeting. The study by Wagner (2015) also found that increasing the frequency with which you participate in a social learning opportunity improves your financial behavior. Thus, children may easily learn any information and abilities by obtaining direct instructions through watching their parents, friends, and other family members participating in a financial activity by (Bowen, 2002). Students connect with their parents, peers, friends, and employers in social

environments. Hence, consumer experience from childhood, personal and family background, and student characteristics may all influence the development of financial literacy in students.

### **Independent Variable 3: Personality Characteristics (Attitudes & Behaviors)**

According to Thapa, B. S. (2015), financial behavior and attitude decide a student's degree of financial literacy. When evaluating the practice of financial management, financial attitude is a measure of one's state of mind that can be considered by looking at one's psychological outlook, such that it becomes a precept in finance to build and retain value in making financial decisions by (Rajna, Ezat, Al Junid, & Moshiri, 2011). Personal financial management behavior can be defined as a learning process in planning, acting in compliance with the planning, and making changes to the execution of planning that needs to be addressed in individuals or families, according to Jodi Lynne Mcfarlane Parrotta (1992).

Consumers working in an increasingly dynamic financial world need to be financially literate (Atkinson & Messy, 2012) and according to Ajzen (1991), financial attitudes are the product of a decision maker's actions, and they can be ingrained by their economic and non-economic beliefs. Attitude affects behavior through a deliberate and reasoned decision-making process, and its effect is limited to three factors. To begin with, behavior is largely dictated by individual attitudes toward something rather than by general attitudes. Second, not only behaviors but also (subjective norms), or our assumptions about what other people want us to do, affect our behavior. Finally, subjective norms and attitudes toward a behavior combine to shape a specific intention or intention to act. Controlling spending, paying my bills on time, making plans for my future finances, caring for myself and my family, and saving money are five metrics for evaluating financial literacy conduct, according to Ida and Dwinta (2010). On the other hand, attitude also denotes an evaluative statement, as well as positive and negative emotions toward things, people, and events. Individuals' financial behavior or attitude will aid them in deciding their attitude and behavior in financial matters such as financial literacy, personal financial budgeting, or how they make individual decisions on the type of investment to be made. According to Taneja (2015), attitude and behavior includes social status protection as well as personal contentment, and personal characteristics have become important topics for finance and economics scholars.



All the variables were found to be important in previous research and to have a positive relationship with financial literacy. Financial attitude has a positive impact on financial literacy, according to Jang, K., Hahn, J., and Park, H. J. (2014). Their research used a variety of models to examine the impact of financial practices on financial literacy. Both models showed a strong correlation between financial practices and financial literacy. According to the findings, financial behavior has a direct impact on financial literacy. Financial literacy is linked to financial behavior, attitude, and financial influence, according to Jorgensen, B. L. (2007). The study discovered a positive relationship between all the variables and financial literacy. As the importance of the variables grew, so did financial literacy.

In the discovery of Sabri and Falahati (2012) stated that financial literacy has a connection to financial management behavior implies that there are things that can affect that is the experience of financial expenditure, the family's position became the focus in financial education and build knowledge in the home about the significance of in achieving the welfare of life. Financial behavior is based on a variety of economic principles and theories. As the basis for the emergence of an action decision, emotions, traits, interests, and other variables inherent in humans as intellectual and social beings will interact. Previous research has found that financial behavior has a positive impact on financial literacy (Mudzingiri et al., 2018; Rai et al., 2019; Sabri et al., 2008), and the findings of this study confirm this.

Financial behavior of students who are prone to consumerism contributes to a variety of irresponsible financial behaviors, such as a lack of savings, investments, emergency fund preparation, and future budgeting, while those with strong financial literacy demonstrate proper financial management by their behavior. To be considered prosperous in terms of finances, an individual must have a high level of financial literacy and demonstrate good management behavior (Mudzingiri, Mwamba, & Keyser, 2018; Munoz-Murillo et al., 2020).

Some other studies linking financial attitude with financial literacy found that financial attitude positively affects financial literacy (Ameliawati & Setiyani, 2018), because people with a positive financial outlook will represent how their personalities carry out sound financial management activities in the future. A positive financial attitude begins with a positive financial

attitude toward the environment in which it exists. The opinion and appraisal of an individual against his personal finances are added to the attitude for it to be viewed as a state of mind. Financial behavior is based on a variety of economic principles and theories.

When Godwin (1994) analyzed, he looked at the effect of financial attitudes on financial planning by using attitudes as an independent variable, he discovered that a positive attitude toward planning was the best predictor of cash flow management and financial planning, according to Drozdeck (2005), is centered on a focused mindset, inspiration, increasing knowledge in financial, psychological profiling, and practice management while gaining professional expertise. To add, according to previous research, someone who demonstrates good financial literacy through proper financial management behavior can be considered prosperous in terms of his finances, and to be considered prosperous, an individual must have high financial literacy through proper financial management behavior (Mudzingiri, Mwamba, & Keyser, 2018; Munoz-Murillo et al., 2020). Individuals with a positive financial attitude will demonstrate how their personalities engage in sound financial management activities in the future. A positive financial attitude begins with a positive financial attitude toward the environment in which it exists. The opinion and appraisal of an individual against his personal finances are added to the attitude for it to be viewed as a state of mind. According to some research examining the relationship between financial attitude and financial literacy, financial attitude has a positive impact on financial literacy (Ameliawati & Setiyani, 2018), Bhushan and Medury (2014) concluded that the emphasis should be on developing favorable financial attitudes among the citizens of the country to improve financial literacy among generations. Khurram and Malik (2019) found a strong association between young people's attitudes toward financial planning, implying that young people are conscious of and have positive attitudes toward personal finances. Financial literacy can improve as financial conduct improves. In previous studies, researchers have only focused on two of the most used personality characteristics: financial attitude and financial behavior.

#### **Independent Variable 4: Financial Knowledge**

Financial knowledge is important since it has an impact on one's financial behavior and practices. High levels of financial knowledge, for example, are linked to improved financial habits and practices, whereas low levels of financial understanding put people at risk of financial instability and dependency (Collins, 2013; Grinstein-Weiss, Guo, Reinertson, & Russell, 2015;

Hui, Nguyen, Palameta, & Gyarmati, 2016; Xiao, Chen, & Chen, 2014). One's understanding of a financial issue is referred to as financial knowledge. People should be aware of both the micro and macroeconomic environments, as well as basic financial concepts such as saving, risk, credit, financing charges, inflation, and the valuation of customer things, to name a few. Financial knowledge, in general, is a form of expertise in financial matters.

The terms "financial knowledge" and "financial literacy" are frequently interchanged in this field of study. For example, Kempson et al. (2005) define monetary proficiency as an individual's ability to obtain, interpret, and evaluate financial information. Monetary knowledge is seen as one component of financial literacy in many situations. Financial literacy has been defined by various authors as a combination of financial knowledge, abilities, and mindsets that influence people's financial decisions (Lusardi, 2011; Lusardi and Mitchell, 2013; Xiao et al., 2014). Financial knowledge is assessed using both subjective and objective methods. People's level of comprehension of various components of financial markets and goods, such as assets, debts, savings, and investments, is assessed to determine objective financial knowledge (Leskinen & Raijas, 2006). Xiao et al. (2014) used a knowledge quiz or a numeracy test on a specific subject to assess objective financial knowledge. Lusardi and Mitchell (2014) defined three main areas to assess objective financial knowledge: (i) numeracy and the ability to perform interest rate calculations, (ii) inflation comprehension, and (iii) risk diversification comprehension. In this study, we employ the phrase "objective financial knowledge" to simplify things. Studies of financial decision-making suggest differences across the life course. For example, compared to younger adults, older adults paid more for credit services (Laibson, Agarwal, Gabaix, & Driscoll, 2009), and were more likely to file for bankruptcy (Pottow, 2011).

The best predictor of credit card debt, according to Norvilitis et al. (2006), was a lack of financial understanding. Furthermore, three research teams (Robb 2011; Shim et al. 2009, 2010) discovered that having greater financial knowledge led to better conduct (e.g., less risky use of credit cards). Although some research indicates that having a higher financial knowledge score is associated to avoiding future financial troubles (Avard et al. 2005; Braunsberger et al. 2005; Norvilitis et al. 2006; Shim et al. 2010), other studies have shown contradictory results. According to various research, having a higher level of financial awareness is associated with a higher level

of credit card debt (Borden et al. 2008; Norvilitis and MacLean 2010; Robb and Sharpe 2009). Some scholars are concerned that because students have been using credit cards for a long time, they may assume too soon that they have sufficient financial knowledge to make sound financial decisions (Braunsberger et al. 2005). Considering these contradictory findings, many experts agree that education alone is insufficient for efficient money management and is not a viable technique for reducing college credit card debt (Borden et al. 2008; Gudmunson and Danes 2011; Norvilitis et al. 2006; Norvilitis and MacLean 2010; Robb 2011; Shim et al. 2009).

Previous studies have shown that college students have insufficient knowledge to manage their personal finance effectively (Chen & Volpe, 1998). Indeed, the life and financial needs in higher education institutions today are quite different from the past. Therefore, financial management knowledge and skills are crucial at university level (Chen & Volpe, 1998). Nevertheless, exposure to financial management is limited and students face problems in their university life.

## **2.4 HYPOTHESES STATEMENT**

The research hypotheses used in this analysis were created to meet the study's goals and framework. To support the proposed hypotheses, previous empirical studies on relationships between variables are presented. The hypotheses proposed are specifically aimed at providing answers to the research questions raised in this study.

### **2.4.1 Financial Education and its relationship with Financial Literacy**

Individuals' intelligence, character, and skills are developed through education, according to Peters (2010). The impact of financial education in schools on student comprehension of personal finance and financial literacy is being studied extensively. Financial education refers to any program, experience, or ability that teaches and improves students' financial literacy by addressing financial concepts and topics (Zaimah et al., 2013). Past research has shown that financial education enables people to make their monetary choices in a superior manner (Vyvyan, Blue & Brimble, 2014). (Gulnoza Isomidinova and Jugindar Singh Kartar Singh, 2017) showed

that financial education in schools emphatically affected financial literacy. In this analysis, the following hypothesis was formulated and tested:

**H1: There is a significant positive relationship between financial education and financial literacy among students.**

#### **2.4.2 Financial socialization and its relationship with financial literacy**

Financial socialization mechanisms are the activities that a person participates in to help them develop financial skills and other information dimensions. Family, friends, education, employers, the media, and religion are common socialization agents. Individuals' financial learning and comprehension were found to be influenced by socialization agents during their developmental stages. According to Churchill and Moschis (1979), previous research shows that among family members the contact about financial administration decreases as people get older, while peer communication about financial matters increases. The family is credited with being a critical wellspring of socialization for youngsters; kids gain from their folks by watching them, engaging in financial activities, and obtaining direct guidance (Beutler & Dickson, 2008; Pinto, Parent, & Mansfield, 2005). An understudy's first refuge and role model will always be his or her family.

According to previous studies, the most significant agents of customer socialization are guardians, peers, printed media, TV ads, and in-school training (Muhammad I. Albeerdy & Behrooz Gharleghi, 2015). Previous study showed the measure of time spent watching television is emphatically connected to a person's saving behavior, materialistic mentalities, and financial attitude (Gulnoza Isomidinova and Jugindar Singh Kartar Singh, 2017). According to Ismail et al. (2011), ads that can affect saving actions are commonly placed on television, newspapers, and the Internet. According to the finding, socialization agents influence the degree of financial literacy among the younger generation. The accompanying hypothesis was created and tried in the current investigation to decide the connection between socialization specialists and financial literacy.

**H2: There is a significant positive relationship between financial socialization and financial literacy among students.**



### **2.4.3 Financial behavior and its relationship with financial literacy.**

Financial behavior refers to how people act in financial situations, with a focus on how psychology affects financial, corporate, and financial market decisions. Financial decisions are based on a few assumptions as well as concepts of economic behavior. As the basis for the emergence of an action decision, the interaction of emotions, traits, interests, and other variables inherent in humans as intelligent and social beings will interact. Mudzingiri et al., (2018); Rai et al., (2019); Sabri et al., (2008) found that financial behavior has a positive impact on financial literacy. Financial behavior has a close association with financial literacy, according to the findings of this report. As a result, the third hypothesis was developed:

**H3: There is a significant positive relationship between personality characteristics (financial behavior) and financial literacy among students.**

### **2.4.4 Financial attitude and its relationship financial literacy**

Financial attitudes are predispositions to act in such ways that are shaped because of individuals' economic and noneconomic assumptions about the outcomes of specific behaviors (Ajzen, 1991). Attitude can also be described as an evaluative comment, positive and negative feelings against things, people, and events. The person's financial behavior or attitude will help them in deciding their disposition and activities in financial matters like financial administration, individual monetary planning, and how they settle on singular venture choices. Previous research has shown that financial attitude influences financial literacy (Ameliawati & Setiyani, 2018; OECD, 2013), financial preparation (Agarwal, Amromin, Ben-David, Chomsisengphet, & Evanoff, 2015; Atkinson & Messy, 2012; Lusardi & Mitchell, 2011), and the eagerness to save (Agarwal, Amromin, Ben-David, Chomsisengphet (Agarwal et al., 2015; Atkinson & Messy, 2012). As a result, the hypothesis is formulated in this study:

**H4: There is a significant positive relationship between personality characteristics (financial attitude) and financial literacy among students.**

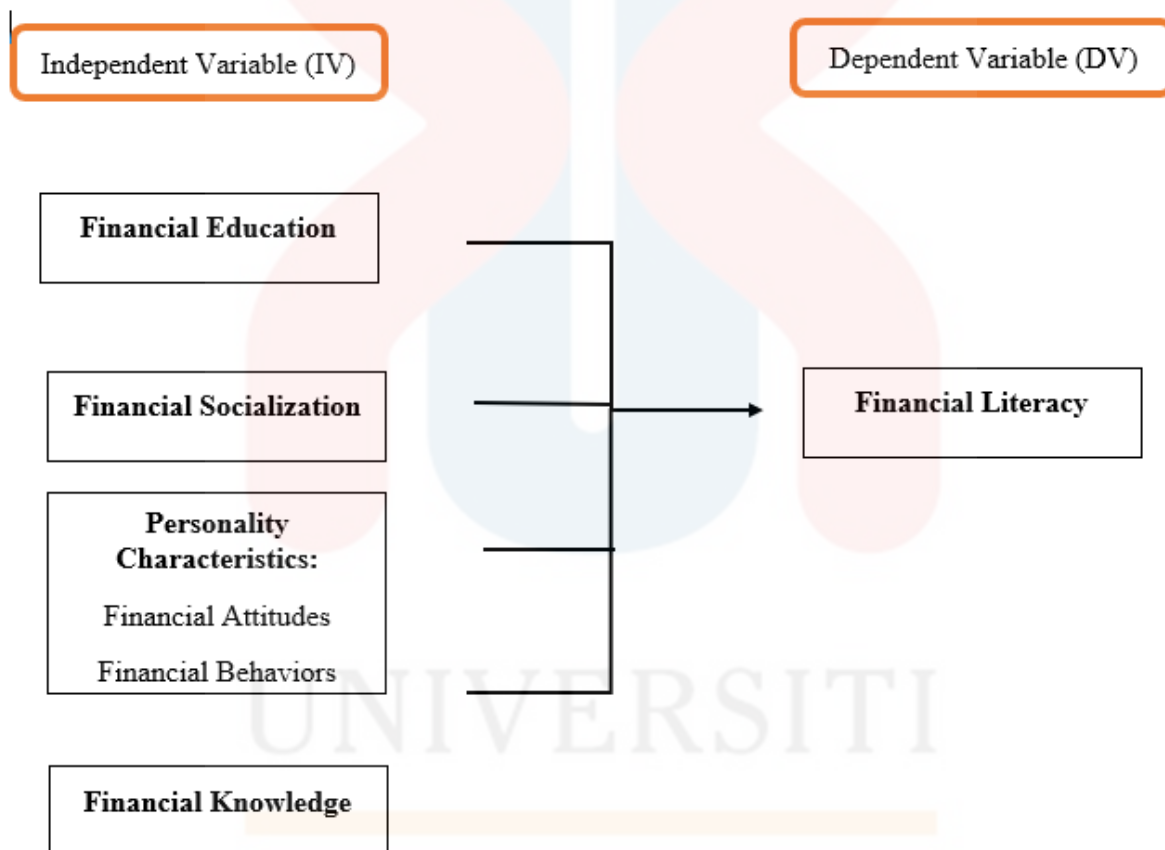
#### **2.4.5 Financial knowledge and its relationship with financial literacy.**

According to Prihartono & Asandimitra (2018), financial knowledge is described as an understanding of finance that is then applied in daily life (knowledge and ability) As is grounded, getting financial data is one of the endeavors in acquiring the future prosperity of life that is acknowledged by acting as per financial understanding acquired through proper training like school, lectures, classes on finance, or extra learning direction, and is required to be able to form financial skills and financial resources that can be used in a variety of situations implement effective and efficient financial management. Financial knowledge levels were found to have a positive relationship with financial literacy and to be a valuable predictor of an individual's financial decision (Shaharuddin et al., 2021). It occurred when people with a high degree of financial knowledge were more focused on avoiding the negative consequences of bad financial literacy on their lives.

**H5: There is a significant positive relationship between financial knowledge and financial literacy among students.**

## 2.5 CONCEPTUAL FRAMEWORK

This section presents a conceptual framework that includes two main variables namely the independent variable and the dependent variable discussed in this chapter among the factors influencing financial literacy among students during the Covid-19 Pandemic.



**Figure 2.1: The Conceptual Framework**

Figure 2.1 shows the independent variable (IV) and the dependent variable (DV) in this research. Independent variables are factors that may influence financial literacy among students during the Covid-19 Pandemic. In contrast, the dependent variable was financial literacy. There are four independent variables namely financial education, financial socialization, personality traits and financial knowledge. The picture above shows the relationship between dependent



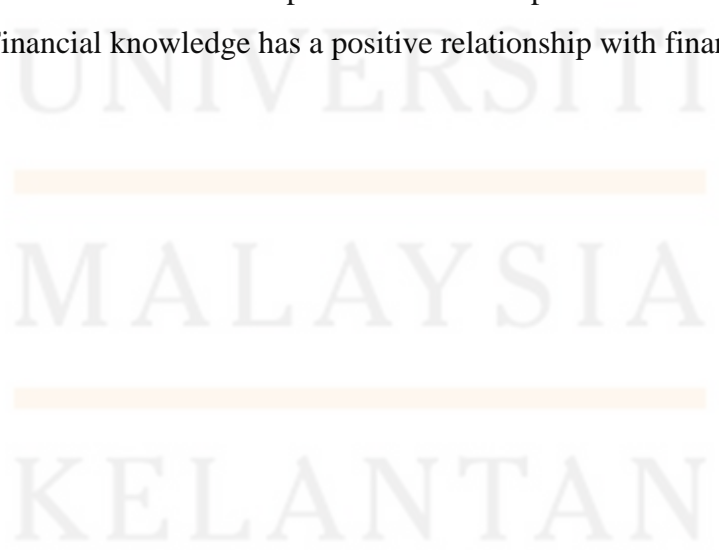
variables which is financial literacy with independent variable like financial education, financial socialization, personality characteristics and financial knowledge.

## 2.6 SUMMARY/CONCLUSION

This literature review has provided an overview of the theoretical framework that guides this research, the previous studies on the variables that shape the factors influence of financial literacy among students at University Malaysia Kelantan. Theory of Planned Behavior (TPB) was the underpinning theories that helped to clarify the criterion variables in this study. The review also identified gaps in our understanding of the financial literacy of UMK’s students. Finally, the study hypotheses were postulated. The proposed hypotheses in this study are summed up in Table 2.1.

Table 2.1: The proposed hypotheses.

No	Hypothesis	Statement
1.	H1	Financial education has a positive relationship with financial literacy.
2.	H2	financial socialization has a positive relationship with financial literacy.
3.	H3	Financial behavior has a positive relationship with financial literacy.
4.	H4	Financial attitude has a positive relationship with and financial literacy.
5.	H5	Financial knowledge has a positive relationship with financial literacy.



## **CHAPTER 3**

### **RESEARCH METHODS**

#### **3.1 INTRODUCTION**

The model from Chapter 2 is carried forward and ready for testing in this chapter. Various approaches were utilized to test the suggested research model's agreement with the hypotheses and the methodology utilized for data collection in accordance with the research questions and objectives, as well as the previous literature study. The introduction is followed by the research design in the second portion of this chapter, which is divided into nine components. The population and sampling size are discussed in the third part. The fourth section explains the Data Collection Procedure, while the fifth portion explains the Questionnaire Design. The sixth and seventh sections, respectively, cover Questionnaire Development, Instrument Reliability and Validity, and Measurement of Variables and Construct. The eighth section is entirely devoted to the data analysis strategy. The chapter's summary is included in section nine. The core data for this quantitative study was gathered through a survey.

#### **3.2 RESEARCH DESIGN**

The purpose of this study is to identify the factors that influence financial literacy among students in University Malaysia Kelantan (UMK) during the Covid-19. The research design of this study is to determine whether there is a relationship between two or more variables. Specifically, this study will investigate the relationship between dependent variables (Financial Education, Financial socialization, financial behaviour, financial attitude, and financial knowledge) and its relationship with dependent variables (Financial Literacy). Other than that, the causal effect is focused on the investigation into an issue that one variable may affect one another.

Quantitative technique is hired by means of these studies because the statistic from this approach is greater sufficient and capable of checking out at the speculation. The researcher

discovered that the quantitative method is successfully being used to determine the correlation, frequency, suggest, descriptive analysis variations between the businesses, causal comparative and so forth that is flawlessly suited with the checks carried on in this research (Castellan, 2010). Data is gathered using a quantitative method distributed through the questionnaire to the students at University Malaysia Kelantan.

This is descriptive research with a survey method. The primary data is collected using the quantitative method to test the hypotheses. The data is collected using multiple choice questionnaires that are circulated to respondents using the questionnaire technique. Questionnaires are particularly useful to collect demographic data, opinion, facts, or attitudes from respondents. Uniform design and standardization are two of the most important characteristics of a research form. The unit of analysis in a study are individuals. The questionnaires are distributed via online such as social media where this question is given to all students at University Malaysia Kelantan (UMK).

### **3.3 DATA COLLECTION METHOD**

#### **3.3.1 QUESTIONNAIRE DESIGN**

The empirical study's foundation is hypothesis testing. Predictions were developed based on previous research, and the relationship between exogenous and endogenous variables was justified. A quantitative analysis was used to generate conclusions from the acquired data, While the questionnaire was developed to assess the respondent's financial literacy by assessing their financial knowledge, financial traits, financial education, and financial socialization.

According to Roopa S, Rani MS (2012), in quantitative marketing research and social research, questionnaires are widely utilized. A questionnaire allows for the collection of quantitative data in a standardized manner, resulting in data that is internally consistent and coherent for analysis. A questionnaire's primary purpose is to assess respondents' opinions and statements. For this study, there is just one type of questionnaire available: an internet survey form. The online survey "google form" will be used. As a result, the following sections were discovered and categorized to construct the questionnaire's core structure. The questionnaire took 10-20 minutes to complete and included 32 content questions as well as 7 personal trait categories.

This study has classified all important inquiries from each overview to 6 areas (financial literacy, demographics, knowledge, socializing factors, education, and student characteristics) and erased less pertinent inquiries until every classification contained various inquiries with no duplication of subjects. Section A is related to respondents' profile which is demographics. This section contains 5 questions, covering the respondent gender, age, ethnicity, course, and marital status.

The next section (section B) consists of 6 questions about the first dependent variable which is financial education. The study intends to measure how important the education can influence respondent financial literacy.

The financial socialization was included in section C that contains 5 questions. Respondents were asked to rate items using a scale of 1-5 (1-totally disagree to 5 totally agree). For example, students were asked: How much did your life experiences, parents and friend influence you in your financial literacy. These questions will measure the influence of financial socialization in all aspects.

Section D consists of questions about the third independent variable, financial characteristics. There are 6 questions related to financial attitude and financial behaviour. Respondents were asked to rate items using a scale of 1-5 (1-totally disagree to 5 agree totally). For instance, respondents were inquired as to whether they plan and track spending, add to a bank account consistently, and if prior to marking a contract they cautiously read the substance. These inquiries will quantify the members' monetary attributes in monetary proficiency.

Section E consists of questions about the fourth independent variable. There are 5 questions on financial knowledge. In this section, respondents need to answer some questions that relate to general knowledge about financial literacy. For example, the researcher wanted to know how the respondents gain their knowledge about financial literacy.

Section F identified with the reliant variable which is financial literacy. The purpose of this component of the study is to determine how respondents feel about their intentions for financial literacy in the preceding years.

### 3.3.2 QUESTIONNAIRE DEVELOPMENT

Questionnaires are regarded to be appropriate data gathering procedures in surveys with a somewhat large sample size, according to Collis & Hussey (2003). The questions should be straightforward and easy to comprehend (Kumar, 2014). According to Krosnick and Presser (2010), instead of employing specialized phrases, language, or slang, the questionnaire should employ straightforward and familiar vocabulary. Long, double-meaning queries should be avoided, as should queries with single or double negations that could lead to misinterpretation. It was also stressed that the questionnaire's style should make it easy and fun to read, that the question sequencing should aid respondents in responding, and that the items should be precise (Babbie, 2014; Kumar et al., 2013; Kumar, 2014).

According to Pavlou (2002) questionnaires are used to collect data in similar studies. To avoid participants becoming confused, missing questions, and other concerns, the questions were categorized according to the security purpose they pertain to (Dillman, 2000). Items developed in the questionnaire were adapted from previous studies such as Siew-Yong Yew, Chen-Chen Yong, Kee-Cheok Cheong, Nai-Peng Tey (2017), Dahlia Ibrahim, Rabitah Harun, Zuraidah Mohamed Isa (2009). Based on input from a pilot study group, the questionnaire and items were then modified.

There would be no open-ended questions in the survey, and no personal information would be requested. The Likert scale was used to reflect the responses to the question set, allowing respondents to determine the level of impact the objectives had on their trust (Collis & Hussey, 2003). In the studies examined, the Likert Scale was also preferred. The questionnaire was divided into six sections, each with a different perspective of the respondent's aim. The first segment includes demographic-based measurements for basic responder background. The factors that influence financial literacy will be measured in the second through sixth sections. The intention on financial literacy is the third section.

#### 3.3.2 (a) Validity of the Instrument

The consistency and stability with which an instrument measures a concept and aids in determining a measure's "goodness" reflect the measure's dependability (Sekaran, 2006). Cronbach

Alpha is the most generally used measure of reliability coefficient, which analyses the consistency of the entire scale (Nunnally, 1979). The validity, on the other hand, is the amount to which an instrument measures what it claims to measure (Wiersma, 2000).

The supervisor's participation as a guide is critical at this point. A language specialist has been engaged as editor to proofread and examine the questionnaire in both English and Bahasa Melayu before it is sent to academic scholars for review. This researcher was able to obtain feedback on the form and phrasing of the survey instrument, as well as suggestions for modifications, to ensure that respondents could easily understand and answer the questionnaires. This method is particularly important because it allows specialists to identify any faults or defects in the questionnaire's design.

To enhance response rates, questionnaires must appear encouraging and interesting to respondents. Aside from that, this procedure aids in assessing the Malay version of the questionnaire's conciseness and consistency. Reviewers were provided a copy of the questionnaire. The study will be able to tell if the reviewers comprehended the questions this way. They were then mentioned to remark or submit suggestions on the survey's defects, just as the length, design, and configuration of the inquiries, just as the quantity of lines for reactions, question successions, and different concerns.

### **Pilot Study**

A pilot study is created by presenting the questions to a similar, but smaller sample than that which will be utilized in the actual study, and it will demonstrate how to best measure a variable, as defined for our objectives, in the field (Siraj, 2012). Before conducting the study, pilot research is used to assess the questions' reliability and validity. The presence of ambiguity in the question design may cause reliability and validity issues. Pre-testing the questionnaire prior to implementation can help to reduce the likelihood of ambiguities.

The measures chosen from previous studies on the effect that influences financial literacy could then be revised and adapted to fit the research's objectives. A pilot study was conducted to get feedback on the questionnaire design and how easy the questions were to understand. To ensure the questionnaire's usefulness, 150 questionnaires were randomly delivered to students from the



UMK Faculty of Business and Entrepreneurship for the pilot test. Pre-testing the instrument is an important stage, according to DeMaio (2004), because the results of the pre-testing will show whether the survey is successful in reaching the study's objectives. Hair, Anderson, Tatham, and Black (1998) claim that dependability measures ranging from 0 to 1 are acceptable, with values of .60 to .70 regarded as the lower limit and suggested a level of acceptability as  $>.70$ . The questionnaire was then to be revised based on this feedback before the final survey.

### 3.3.2 (b) Reliability Analysis

Reliability analyses were used in this study to determine the acceptance and validity of the questionnaire. Therefore, the respondents were randomly selected for this study who are UMK students from year 1 to year 4 from various courses. Cronbach's Alpha was used to determine whether the study was reliable or not. Cronbach Alpha which is one of the reliability tests conducted in SPSS. There are basically two alpha versions in the reliability analysis, namely the normal and standard versions. The normal version was used to measure the variables of this study for which the alpha normal version is typically used when items are scaled to produce a single score for that scale. The acceptable reliability value is .6. When the reliability result of the questionnaire is above .6 then your questionnaire is considered "reliable". In addition, the question was on a 5 -point Likert Scale with answers ranging from "Strongly agree" to "Strongly disagree". To determine whether the questionnaire can be "reliable" measure the variables. Thus, it is evident that Cronbach's Alpha has been able to measure the variables of interest accurately in this study.

<b>Indication Rating</b>	<b>Indication Rating</b>
(1) Strongly Disagree	(1) Strongly Disagree
(2) Disagree	(2) Disagree
(3) Neither agree nor disagree	(3) Neither agree nor disagree



(4) Agree	(4) Agree
(5) Strongly Agree	(5) Strongly Agree

**Table 3.1: Likert Scale**

### 3.4 POPULATION

Best and Kahn (2006) define a population as a collection of people who share at least one attribute that sets them apart from other people. The goal of our research is to find out what characteristics of financial literacy among students at University Malaysia Kelantan (UMK). Thus, the targeted population will be the Faculty of Business and Entrepreneurship with the number of 3465 undergraduates' students.

### 3.5 SAMPLE SIZE

A sample is a smaller model that may be use through a larger audience. it is miles a subset that includes a bigger percent of the populace. When some different usual population grows too huge for the sampling to comprise the ones individuals or supervisors that are achievable, samples are utilize in records evaluation. A pattern must constitute the whole populace and no longer suggest any desire for one characteristic over some other. The researcher could be capable of draw findings which might be generalizable to the target group after doing observe on the pattern. In line with Yin (2003), the man or woman is often used as the unit of evaluation in any observation regarding individuals because researchers examine people.

### 3.6 SAMPLING TECHNIQUES

This study employs opportunity sampling techniques. Simple random sampling techniques are selected for this probabilistic sampling technique. Simple random sampling does have the minimum bias and has been the maximum generalizable. Random sampling ensures that every consumer has an equal opportunity of being pick for this examine and minimizes sampling error.

Table 3.2. illustrates the sample size needed to test the hypothesis that multiple population correlations are equal to zero with a power of 0.8 (Alpha =.05) as recommended by (Green, 1991). The minimal sample size may be determined using the greatest number of paths leading toward a single construct, according to Green (1991). By referring table below, the sample size suggested four predictors is 84 and effect size ( $f^2$ ) of 0.15. A sample size of 150 respondents is suitable for this study to achieve a power of 80% and a significance level of 0.05 percent.

Table 3.2: Sample Size Required to Test the Hypothesis that the Population Multiple Correlation Equals Zero with a Power of .80 (Alpha = .05)

Number of predictors	Sample sizes based on power analysis		
	Effect size		
	Small (0.02)	Medium (0.15)	Large (0.35)
1	390	53	24
2	481	66	30
3	547	76	35
4	599	84	39
5	645	91	42
6	686	97	46
7	726	102	48
8	757	108	51
9	788	113	54
10	844	117	56
15	982	138	67
20	1060	156	77
30	1247	187	94
40	1407	213	110

### 3.7 RESEARCH INSTRUMENTS DEVELOPMENT

Self-administered questionnaires are a set of questions that are designed in order to gain information or data from the participants, and they will complete the questionnaire given without the researcher involvement in the process (Lavrakas, 2008). There will be six sections for students to answer this research. For sections A, the answer should be about the student demographic information which the details of the students include gender, age, ethnicity, income, course, marital status.

For section B mentioned about the dependent variable which is factors that financial literacy among student University Malaysia Kelantan while the questions from section C, D, E, F

include the independent variables which financial education (section C), financial socialization (section D), personality characteristics (section E) and financial knowledge (section F). The perceptual measures that are rated with five-point of Likert Scales will be included. We will use five-point Likert scales in our questionnaire, as recommended by Yoo and Gretzel (2011). Each scale item was rated at 1 with the verbal statement "strongly disagree" and 5 with the verbal statement "strongly agree." Most researchers recommend that a five-point Likert scale should be applied in this study since it would minimize the level of respondent patience and annoyance levels while also increasing the response rate and quality, (Sachdev, S. B., & Verma, H. V. ,2004). The less clear the distinction, the less accurate your participants' response. While Section C, we use dichotomous scale to give choices that are directly opposed to one another. This form of response scale does not allow the respondent to be impartial about his or her response to a question.

Table 3.3: Five-Point Likert Scale

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

Table 3.4: Overview of the Research Instruments

SECTION	VARIABLES	ITEMS	AUTHORS
A	Demographic	5	Bucher- Koenen, Lusardi, Alessie & Van Rooij (2017) Gamble, Boyle, Yu & Bennett (2014) Johnson & Sherraden (2007)
B	Financial Education	6	National Financial Capability Study (NFCS) (2012)
C	Financial Socialization	5	Siew-Yong Yew, Chen-Chen Yong, Kee-Cheok Cheong, Nai-Peng Tey (2017)
D	Personal Characteristic	6	OECD (2011)

E	Financial Knowledge	5	Dahlia Ibrahim, Rabitah Harun, Zuraidah Mohamed Isa (2009) Beata Swiecka, Eser Ye, silda ŷg, Ercan Özen and Simon Grima (MDPI) (2020)
F	Financial literacy	5	Beata Swiecka, Eser Ye, silda ŷg, Ercan Özen and Simon Grima (MDPI)
	<b>Total</b>	<b>32</b>	

**3.7.4 Dependent Variable – Financial literacy.**

Sources	Modified item
<b>Beata Swiecka, Eser Ye, silda ŷg, Ercan Özen and Simon Grima (MDPI)</b>	1. I am familiar with the term of financial literacy
	2. I am interested in increasing financial literacy.
	3. I believe that I am financially literate
	4. I believe that financial literacy is important thing in life especially during pandemic.
	5. I believe I can decide rationally how to spend my money

**3.7.5 Independent Variable**

**i. Financial Education**

Sources	Modified item
	1. I believe financial education should be developed from primary school.
	2. I have learned about financial education.

<p><b>National Financial Capability Study (NFCS) (2012)</b></p>	<p>3. I believe I can identify the type of financial management includes savings, investments debt and others</p>
	<p>4. I find information about financial matters from school</p>
	<p>5. I believe financial education will help me in the future.</p>
	<p>6. I know how to manage every expense as well as my income.</p>

**ii. Financial Socialization**

Sources	Modified item
<p><b>Siew-Yong Yew, Chen-Chen Yong, Kee-Cheok Cheong, Nai-Peng Tey (2017)</b></p>	<p>1. Parents helps me in improving financial literacy</p>
	<p>2. Life Experience helps me improve financial literacy</p>
	<p>3. My friends told me that financial literacy gives more benefit to me</p>
	<p>4. Friends helps me in improving financial literacy</p>
	<p>5. Parents discuss about financial literacy at home.</p>

**iii. Personal Characteristic**

Sources	Modified item
<p><b>OECD (2011)</b></p>	<p>1. Before buying something, I ask myself if I have paid my necessary expenses.</p>
	<p>2. Before buying something, I compare prices.</p>

	3. Before signing a financial contract, I carefully read its contents.
	4. I am careful to distinguish between necessary and unnecessary expenses.
	5. Before making a major purchase, I make sure that my savings are sufficient to cover any sudden expense.
	6. Before making online payments, I concern about the security of my data.

**iv. Financial Knowledge**

Sources	Modified item
<b>Dahlia Ibrahim, Rabitah Harun, Zuraidah Mohamed Isa (2009)</b>	1. I read to increase my financial knowledge
<b>Beata Swiecka, Eser Yeşildağ, Ercan Özen and Simon Grima (MDPI) (2020)</b>	2. I find information about financial matters from family
	3. I find information about financial matters from others source.
	4. In my opinion, the financial knowledge that I get at home and school is enough to manage my own finances
	5. I find information about financial matters from internet.



### **3.8 MEASUREMENT OF VARIABLES AND CONSTRUCT**

A measurement variable is an unfamiliar aspect that can take one or more values and measure a specific entity. The researchers will collect and analyse data to help determine the statistical inference test to examine each variable of the scale. There are four types of measurements scales which are nominal, ordinal, interval and ratio. In this survey, the measurement scales that are being used are nominal and ordinal (Likert scale). For the questionnaire, we divided it into six sections. The first section is section A which is demographic profile of the respondent's profile. Second section is section B which includes the item for dependant variables. The next section, which is section C, D, E, F is a set of question that are related to the independent variables. The questionnaire item in this study is adapted from a previous study.

#### **3.8.1 Nominal Scale**

A nominal scale is for variables that are qualitative, which means that numbers are only used to categorise or identify objects in this context. This is the most basic and least expensive type of measurement. When using a nominal scale, responses are simply named or classified. Questionnaires designed for the section A question use the nominal scale to determine each respondent's demographic profile. Gender, age, ethnicity, and course are all measured in the nominal scale based on the questionnaires to analyse the target respondents.

#### **3.8.2 Ordinal Scale**

In quantitative variables, an ordinal variable is used. It is a type of measurement variable that accepts values in a specific order or rank. Ordinal is the second level of measurement and continuation of the nominal variable. The items on this scale are arranged in descending order of satisfaction, from least to most satisfy. In contrast to nominal scales, ordinal scales allow comparisons of the degree to which the two subjects possess the dependent variable. The Likert scale was one of the most commonly used scales in this study. The five point of Likert scale are strongly disagreed (1), disagree (2), neutral (3), agree (4), and strongly agree (5). It is used to determine how strongly the statements of agree or disagree. The Likert scale was used in the questionnaire to analyse the items in section B, C, D, E and F.

### **3.9 PROCEDURES FOR DATA ANALYSIS**

Data collection can be defined as the process of collecting, measuring, as well as analysing accurate insights for research using standard validated techniques. We analysed the data obtained through a questionnaire to see the factors that affecting towards financial literacy among the students at University Malaysia Kelantan during Covid-19 Pandemic. From the research questions, we constructed a questionnaire. The data analysis plan is a road map of how we organize and analyse the data collected from 150 respondents randomly among UMK students covering from year 1 to year 4 students from various courses. So, the data is collected using a questionnaire. In interpreting the primary data, researchers will use a computer software which is Statistical programmers for Social Science (SPSS) version 26.0. This will help in reducing time and easier to calculate the data which simplifies quantitative analysis faster and easier. The data collection will be analysed with support of a table of outline.

#### **3.9.1 Descriptive Statistic**

Descriptive statistics is to provide a sample of description and to clarify the amount of data in the analysis. Thus, descriptive statistics also can provide an analysis about the responses, which will help to achieve the objectives of the study. In this study, the data set is made up of distribution of the values and it will be measured in statistics or data that will be shown in the Pie Chart at section A.

#### **3.9.2 Pearson Linear Regression**

Multiple linear regression analysis is one of the statistical techniques that can be used to analyse the relationship between a single dependent variable and more than one independent variable. Therefore, in this research, the results of the questionnaire will be interpreted to be excellent. This study was also used to analyse the relationship between the variables of each data taken by the respondents related to independent variables on financial knowledge, education, socialization and also personality characteristics collected dependent variable information on financial literacy among students at University Malaysia Kelantan during Covid- 19 Pandemic.

### 3.10 SUMMARY/CONCLUSION

Finally, the quantitative analytical methodology that will be applied in this investigation was discussed in this chapter. A survey methodology was determined to be suitable for verifying this model. A basic stage in this research is to identify financial literacy factors among UMK students based on past literature and to confirm these findings with a pilot study. Following that, data was collected through a questionnaire. For the study, a random sample of pupils was chosen. The researcher's stages begin with determining the research's goals, identifying the sample, selecting the instruments (questionnaire), and determining the data analysis method.



## CHAPTER 4

### DATA ANALYSIS AND FINDINGS

#### 4.1 INTRODUCTION

This chapter discusses and covers data analysis, including preliminary analysis, descriptive analysis, validity and reliability tests, and normality tests, hypothesis testing and also the summary of this chapter. Using the Social Science software programming statistical software package (SPSS) to analyze data to promote reading and understanding. All data analysis was used to test the questions in the probing questions to examine "Factors of Financial Literacy: A Study among Students in University Malaysia Kelantan (UMK) during Pandemic of Covid-19". Descriptive analysis will explain the predicted demographics. Validity and reliability are important to assess whether the sample collected is valid and consistent, therefore, Cronbach's alpha technology will be used for the reliability test. In the normality test, if the sample distribution is normal, then use parametric techniques for further analysis, if not normal, use non-parametric techniques.

#### 4.2 PRELIMINARY ANALYSIS

##### 4.2.1 Response Rate

The response rate is calculated by dividing the total qualified number of available responses by the number of available responses. The survey response rate is usually expressed as a number. The number of respondents is calculated by dividing the total number of surveys filed by the number of respondents (Willott, 2019). Mitchell contends that this formula primarily decides the questionnaire's effectiveness by incentivizing respondents to complete the survey, and that it conceals the instrument's potential for broad sample selection bias. A total of 152 questionnaires had been circulated in google form to 3645 students of Faculty Business and Entrepreneurship at University Malaysia Kelantan with response rate 4.17%

##### 4.2.2 Data Screening

This data was evaluated for data input accuracy, missing values, and multivariate statistical postulation abuses using SPSS version 26. All 152 surveys were usable for additional data

analysis, followed by preliminary screening procedures, which were divided into the following categories.

### 4.3 RESPONDENT PROFILE

#### 4.3.1 Gender

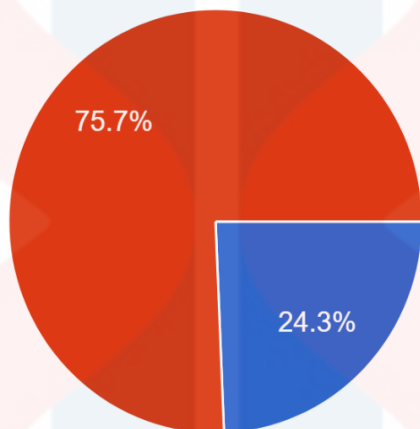


Figure 4.1: Percentage of respondents by gender

Gender	Frequency	Percentage (%)
Male	37	24.3
Female	115	75.7
Total	152	100

Table 4.1: Number of respondents by gender

The figure and table above demonstrate the percentage and number of respondents by gender in this research. 115 out of 152 respondents represented as a female which is about 75.7%, and 37 out of 152 respondents represented as male which is about 24.3%. It clearly demonstrated that most of the respondents are female.

### 4.3.2 Age

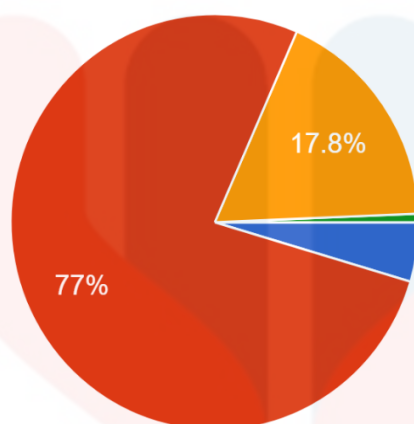


Figure 4.2: Percentage of respondents by age

Age	Frequency	Percentage (%)
18-20 years old	7	4.6
21-23 years old	117	77.0
24-26 years old	27	17.8
27-29 years old	1	0.7
Total	152	100

Table 4.2: Number of respondents by age

The figure and table above demonstrate the percentage and number of respondents by age in this research. Age is divided into 4 categories which are 18-20 years old, 21-23 years old, 24-26 years old, and 27-29 years old. The number of respondents for age range of 18-20 years old are 7 respondents (4.6%). While the number of respondents for age range of 21-23 years old are 117 respondents (77.0%) and they are the majority respondents of this research. There were only 27 respondents (17.8%) are from the age range of 24-26 years old. Besides that, the number of respondents for age range of 27-29 years old are 1 respondent (0.7%) and it is the lowest number of respondents of this research.



### 4.3.3 Race

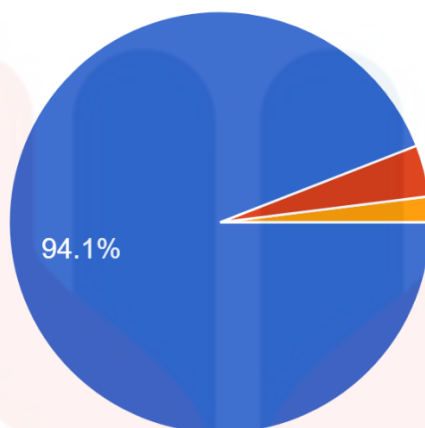


Figure 4.3: Percentage of respondents by race

Race	Frequency	Percentage (%)
Malay	143	94.1
Chinese	6	3.9
Indian	3	2.0
Total	152	100

Table 4.3: Number of respondents by race

The figure and table above demonstrate the percentage and number of respondents by race of this research. Race is divided into 3 categories which are Malay, Chinese, and Indian. For Chinese and Indian, there were 6 respondents (3.9%) and 3 respondents (2.0%) respectively. Malay represented the highest number of respondents, and they are the majority respondents of this research, which was 143 respondents (94.1%).

#### 4.3.4 Course Attend

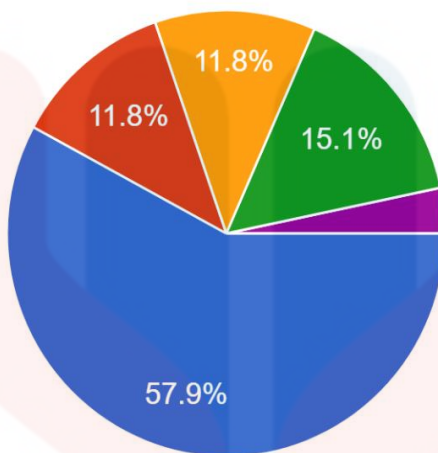


Figure 4.4: Percentage of respondents by course

Course	Frequency	Percentage (%)
SAB	88	57.9
SAL	18	11.8
SAR	23	15.1
SAK	18	11.8
SAE	5	3.3
Total	152	100

Table 4.4: Number of respondents by race

The figure and table above demonstrate the percentage and number of respondents by course of this research. Course is divided into 5 categories which are SAB, SAL, SAR, SAK and SAE. The number of respondents from SAB are 88 respondents (57.9) which is the majority respondents from this research. respectively. For SAL, SAR and SAK, there were 18 respondents (11.8%), 23 respondents (15.1%) and 18 respondents (11.8%) respectively. While the respondents from SAE

represented the lowest number of respondents, which was 5 respondents (3.3%).

#### 4.3.5 Marital Status

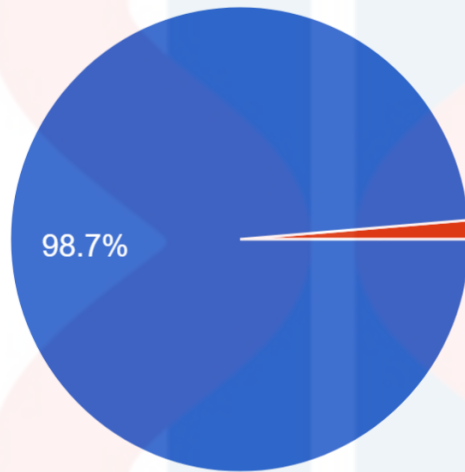


Figure 4.5: Percentage of respondents by marital status

Marital status	Frequency	Percentage (%)
Single	150	98.7
Married	2	1.3
Total	152	100

Table 4.5: Number of respondents by marital status

The figure and table above demonstrate the percentage and number of respondents by marital status of this research. 150 out of 152 respondents represented as single status which is about 98.7%, and 2 out of 152 respondents represented as married status which is about 1.3%. It is clearly demonstrated that majority of the respondents are single status.

#### 4.4 DESCRIPTIVE ANALYSIS

All of the Independent Variables and Dependent Variable were rated on a five-point Likert scale, with the following values: Strongly Disagree, Disagree, Neutral, Agree, and Strongly Agree.

##### 4.4.1 Financial Education

Financial Education				
No.	Item Description	N	Mean	Standard Deviation
1	I believe financial education should be developed from primary school.	152	4.65	0.567
2	I believe I can identify the type of financial management includes savings, investments debt and others.	152	4.44	0.735
3	I have learned about financial education.	152	4.55	0.660
4	I find information about financial matters from school.	152	4.37	0.795
5	I believe financial education will help me in the future.	152	4.63	0.548
6	I know how to manage every expense as well as my income.	152	4.48	0.700

Table 4.6: Descriptive analysis for financial education

Table 4.6 shows the descriptive analysis for financial education. It shows the mean and standard deviation of the respondent's response on the financial education variable according to the Five Likert Scale. Among the 6 questions above, question 1 has the highest mean value, which is 4.65, and question 4 has the lowest mean value which is 4.37. Besides that, among the 6 questions above, question 4 was registered as the most maximal standard deviation value, which is 0.795, and question 5 was registered as the most minimal standard deviation value which is 0.548.

#### 4.4.2 Financial Socialization

Financial Socialization				
No.	Item Description	N	Mean	Standard Deviation
1	Parents helps me in improving financial literacy.	152	4.50	0.691
2	Life experience helps me improve financial literacy.	152	4.51	0.598
3	My friends told me that financial literacy gives more benefit to me.	152	4.48	0.728
4	Friends helps me in improving financial literacy.	152	4.42	0.759
5	Parents discuss about financial literacy.	152	4.41	0.675

**Table 4.7: Descriptive analysis for financial socialization**

Table 4.7 shows the descriptive analysis for financial socialization. It shows the mean and standard deviation of the respondent's response on the financial socialization variable according to the Five Likert Scale. Among the 5 questions above, question 2 has the highest mean value, which is 4.51, and question 5 has the lowest mean value which is 4.41. Besides that, among the 4 questions above, question 1 was registered as the most maximal standard deviation value, which is 0.759, and question 2 was registered as the most minimal standard deviation value which is 0.598.

### 4.4.3 Financial Characteristics

Financial Characteristics				
No.	Item Description	N	Mean	Standard Deviation
1	Before buying something, I ask myself if I have paid my necessary expenses.	152	4.58	0.636
2	Before buying something, I compare prices.	152	4.62	0.562
3	Before signing a financial contract, I carefully read its contents.	152	4.57	0.637
4	I am careful to distinguish between necessary and unnecessary expenses.	152	4.54	0.670
5	Before making a major purchase, I make sure that my savings are sufficient to cover any sudden expense.	152	4.59	0.635
6	Before making online payments, I concern about the security of my data.	152	4.55	0.628

**Table 4.8: Descriptive analysis for financial characteristics**

Table 4.8 shows the descriptive analysis for financial characteristics. It shows the mean and standard deviation of the respondent's response on the financial characteristic variable according to the Five Likert Scale. Among the 6 questions above, question 2 has the highest mean value, which is 4.62, and question 4 has the lowest mean value which is 4.54. Besides that, among the 6 questions above, question 4 was registered as the most maximal standard deviation value, which is 0.670, and question 2 was registered as the most minimal standard deviation value which is 0.562.



#### 4.4.4 Financial Knowledge

Financial Knowledge				
No.	Item Description	N	Mean	Standard Deviation
1	I read to increase my financial knowledge.	152	4.47	0.690
2	I find information about financial matters from family.	152	4.43	0.725
3	I find information about financial matters from others source.	152	4.51	0.671
4	In my opinion, the financial knowledge that I get at home and school is enough to manage my own finances.	152	4.04	1.234
5	I find information about financial matters from internet.	152	4.49	0.690

Table 4.9: Descriptive analysis for financial knowledge

Table 4.9 shows the descriptive analysis for financial knowledge. It shows the mean and standard deviation of the respondent's response on the financial knowledge variable according to the Five Likert Scale. Among the 5 questions above, question 3 has the highest mean value, which is 4.51, and question 4 has the lowest mean value which is 4.04. Besides that, among the 5 questions above, question 4 was registered as the most maximal standard deviation value, which is 1.234, and question 3 was registered as the most minimal standard deviation value which is 0.671.

#### 4.4.5 Financial Literacy

Financial Literacy				
No.	Item Description	N	Mean	Standard Deviation
1	I am familiar with the term of financial literacy.	152	4.47	0.754
2	I am interested in increasing financial literacy.	152	4.57	0.616
3	I believe that I am financially literate.	152	4.41	0.751
4	I believe that financial literacy is important thing in life especially during pandemic.	152	4.60	0.612
5	I believe I can decide rationally how to spend my money.	152	4.47	0.754

Table 4.10: Descriptive analysis for financial literacy

Table 4.10 shows the descriptive analysis for financial literacy. It shows the mean and standard deviation of the respondent's response on the financial literacy variable according to the Five Likert Scale. Among the 5 questions above, question 4 has the highest mean value, which is 4.60, and question 3 has the lowest mean value which is 4.41. Besides that, among the 5 questions above, question 1 and 5 was registered as the most maximal standard deviation value which is 0.754 and question 4 was registered as the most minimal standard deviation value which is 0.612.

#### 4.5 VALIDITY AND RELIABILITY TEST

Reliability can be defined as a measurement of a certain spectacle which is stable and has results that can be considered consistent. It can also be related to the happenings of repeatability. A test or study is considered reliable if the repeated measurement with constant variables produces the same results.

This study has used Cronbach's alpha to measure its reliability. Cronbach's alpha is a measure of internal consistency which is expressed by a number between 0 and 1. Through this measurement, the validity and reliability of the study's questionnaire can be determined.

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

**Table 4.11: Cronbach's Alpha Coefficient Values**

Table 4.11 shows the coefficient values of Cronbach's alpha. The internal consistency is considered excellent when the value is 0.9 and above with the maximum value of 1. On the other hand, if Cronbach's alpha value is less than 0.5, it is considered unacceptable.

### 4.5.1 Reliability Results

Variables	Number of Items	Cronbach's Alpha
Financial Education	6	0.761
Financial Socialization	5	0.780
Financial Characteristics	6	0.816
Financial Knowledge	5	0.705
Financial Literacy	5	0.724

Table 4.12: Results of reliability Cronbach's Alpha for the variables.

Table 4.15 shows the results of the reliability analysis by Cronbach's Alpha for each independent and dependent variable. The reliability of four independent variables and a dependent variable was measured with Cronbach's Alpha. The researchers used Statistical Packages for Social Science (SPSS), Version 26 after collecting all of the data.

The first independent variable is Financial Education, had a total of 6 items under it with Cronbach's Alpha value of 0.761 with the internal consistency of acceptable ( $0.8 > \alpha \geq 0.7$ ). Next, second independent variables, Financial Socialization with 5 items used to test its reliability and validity. The Cronbach's Alpha value for this variable is 0.780. This value falls under the internal consistency of acceptable ( $0.8 > \alpha \geq 0.7$ ).

Meanwhile, third independent variables, Financial Characteristics had 6 items with Cronbach's Alpha value of 0.816 with the internal consistency good ( $0.9 > \alpha \geq 0.8$ ). Forth independent variables, Financial Knowledge with 5 items used to test its reliability and validity. The Cronbach's Alpha value for this variable is 0.705, showed an acceptable level ( $0.8 > \alpha \geq 0.7$ ). Furthermore, dependent variable, Financial Literacy had 5 items under it to question its reliability.

The Cronbach's Alpha result for this variable is 0.724 which is considered as acceptable in terms of the internal consistency.

In this study, all independent and dependent variables are considered reliable as they ranged in between acceptable ( $0.8 > \alpha \geq 0.7$ ) and good ( $0.9 > \alpha \geq 0.8$ ). Therefore, the results show the reliability is excellent too. As a result, it is possible to assume that all of the variables used in this study were good or outstanding, and the data are deemed appropriate for further research.

#### 4.6 NORMALITY TEST

According to Pallant (2016), the normal value for skewness and kurtosis must be within  $-2$  and  $+2$  to be adequate as a normal distribution.

Variable	Skewness	Std. Error	Kurtosis	Std. Error	Decision
Financial Education	-1.329	0.197	1.453	0.391	Normal
Financial Socialization	-1.100	0.197	0.440	0.391	Normal
Financial Characteristics	-1.405	0.197	1.558	0.391	Normal
Financial Knowledge	-0.915	0.197	0.025	0.391	Normal
Financial Literacy	-1.138	0.197	0.458	0.392	Normal

**Table 1: Skewness and Kurtosis Value**

According to the output in table above, the skewness value for financial education is  $-1.329$  and the kurtosis is  $1.453$ . For financial socialization, the skewness value is recorded as  $-1.100$  meanwhile the kurtosis value is  $0.440$ . Next, the skewness value for financial characteristics is  $-1.405$  with  $1.558$  as its kurtosis value. Furthermore, the skewness and kurtosis value for financial

knowledge is  $-0.915$  and  $0.025$ , respectively. Financial literacy has a value of  $-1.138$  for skewness and  $0.458$  for kurtosis. Overall, the result showed that all the variables in this study have a value of skewness and kurtosis between  $-2$  and  $+2$  which fell within the appropriate range. This indicated that the data in this study were normally distributed.

#### **4.7 HYPOTHESES TESTING**

Hypothesis testing suggests that  $H_0$  is rejected if p-value is smaller significant than  $0.05$  (p-value  $< 0.05$ ). The conclusion for each five hypotheses as shown below.

##### **Hypothesis 1**

$H_0$ : There is no significant positive relationship between financial education and financial literacy among students.

$H_1$ : There is a significant positive relationship between financial education and financial literacy among students.

The p-value for the relationship between financial education and financial literacy is equal to  $0.000$  which is less than  $0.05$  and the correlation value,  $r$  is equal to  $0.780$ . Thus,  $H_0$  (there is no significant positive relationship between financial education and financial literacy) is rejected and  $H_1$  is accepted. In short, there is a significant strong positive relationship between financial education and financial literacy.

##### **Hypothesis 2**

$H_0$ : There is no significant positive relationship between financial socialization and financial literacy among students.

$H_1$ : There is a significant positive relationship between financial socialization and financial literacy among students.

The p-value for the relationship between financial socialization and financial literacy is equal to  $0.000$  which is less than  $0.05$  and the correlation value,  $r$  is equal to  $0.792$ . Thus,  $H_0$  (there is no



significant positive relationship between financial socialization and financial literacy) is rejected and H1 is accepted. In short, there is a significant strong positive relationship between financial socialization and financial literacy.

### **Hypothesis 3**

H0: There is no significant positive relationship between financial characteristics and financial literacy among students.

H1: There is a significant positive relationship between financial characteristics and financial literacy among students.

The p-value for the relationship between financial characteristics and financial literacy is equal to 0.000 which is less than 0.05 and the correlation value,  $r$  is equal to 0.690. Thus, H0 (there is no significant positive relationship between financial characteristics and financial literacy) is rejected and H1 is accepted. In short, there is a significant strong positive relationship between financial characteristics and financial literacy.

### **Hypothesis 4**

H0: There is no significant positive relationship between financial knowledge and financial literacy among students.

H1: There is a significant positive relationship between financial knowledge and financial literacy among students.

The p-value for the relationship between financial knowledge and financial literacy among students is equal to 0.000 which is less than 0.05 and the correlation value,  $r$  is equal to 0.773. Thus, H0 (there is a significant positive relationship between financial knowledge and financial literacy among students.) is rejected and H1 is accepted. In short, there is a significant strong positive relationship between financial knowledge and financial literacy.

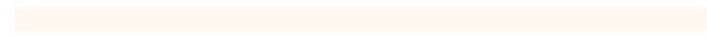
## **4.8 CONCLUSION**

In chapter 4, all tests in this study had been conducted by using the SPSS software to get the results of data analysis. The collected data are used to do for the descriptive analysis, reliability test, Pearson's Correlation Coefficient, and multiple linear regression analysis to test the relationship

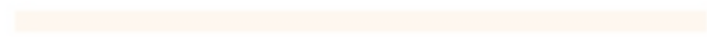
and differences for the variables and demographic profile among University of Malaysia Kelantan (UMK) City Campus students. The findings of the results for the relationship of the dependent and independent variables will be further discussed and explained in the Chapter 5.



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## CHAPTER 5

### DISCUSSION AND CONCLUSION

#### 5.1 Introduction

This chapter deeply discusses the summary of the findings, discussion, and conclusion of the study. This chapter starts with the study's recapitulation, followed by a section on the outline of the result of this research and a discussion on this study's findings. The next section presents two types of implications of the study: methodological implications and practical implications. Meanwhile, section five discussed the study's limitations and followed by section six, which deeply discusses future research's suggestion. The conclusion is then covered in section seven, which summaries the whole chapter.

#### 5.2 Key Finding

The study's inspiration emerges from the factor of financial literacy among students in University Malaysia Kelantan (UMK) during Covid-19 pandemic. The contribution of financial literacy is important whereby with higher level of financial literacy individuals may be more aware of the financial benefits and more likely to join in a company sponsored savings plan. Financially literate students are better able to articulate their expectations. The ability to negotiate the best option will significantly increase as they become more knowledgeable, from lowering interest rates on money borrowed to raising the goals they have for money invested.

A person's attitude toward money can inevitably influence his or her financial literacy and actions. Students now have greater freedom to make their own decisions when it comes to buying and consuming goods and services (Kamaruddin & Mokhlis, 2003). However, the International Journal of Business Administration states that students must have sufficient financial information to make the best financial choices possible; otherwise, this could lead to conspicuous spending and poor financial management. Contrary to popular belief, nomically illiterate individuals have lower

levels of ability to handle emergency expenses and income shocks (Hasler et al. 2018), and a lower propensity to withdraw deposits from distressed banks (Brown et al. 2016) and to leave the stock market before crashes (Guiso & Viviano, 2015), than the more financially conscious population.

This study was quantitative research intended to identify the factors that influence financial literacy among students in University Malaysia Kelantan (UMK) during the Covid-19. This study is to determine whether there is a relationship between two or more variables. Specifically, this study will investigate the relationship between dependent variables (Financial Education, Financial socialization, financial behavior, financial attitude, and financial knowledge) and its relationship with dependent variables (Financial Literacy). Other than that, the causal effect is focused on the investigation into an issue that one variable may affect one another

A sum of 150 questionnaires was distributed through google form that randomly delivered to students from the UMK Faculty of Business and Entrepreneurship, and all 150 questionnaires were usable which were later used as samples for this study. The collected data were then analysed using SPSS for descriptive analysis and collinearity assessment as well as SPSS IBM version 26 for confirmatory factor analysis and hypotheses testing. The analyses were completed dependent on the research framework, which was represented by financial literacy as the dependent variables, financial education, financial socialization, personality traits and financial knowledge.as the independent variable.

### 5.3 Discussion

Hypothesis	Reject H <sub>0</sub>	Do not reject H <sub>0</sub>
There is no significant positive relationship between financial education and financial literacy among students.	$\alpha: 0.05$ $P\text{-value} = 0.000 < 0.05$ $\gg$ There is a significant strong positive relationship.	

There is no significant positive relationship between financial socialization and financial literacy among students.	$\alpha: 0.05$ P-value = 0.000 < 0.05 ➤ There is a significant strong positive relationship.	
There is no significant positive relationship between personality characteristics and financial literacy among students.	$\alpha: 0.05$ P-value = 0.000 < 0.05 ➤ There is a significant strong positive relationship.	
There is no significant positive relationship between financial knowledge and financial literacy among students.	$\alpha: 0.05$ P-value = 0.000 < 0.05 ➤ There is a significant strong positive relationship.	

### 5.3.1 Financial Education

H1: There is a significant positive relationship between financial education and financial literacy among students.

In the previous study, according to the theory of life cycle saving, students decide to seek financial education based on their own cost-benefit calculations of how it will enhance their later life outcomes (Lusardi and Mitchell, 2014). Nan Morrison, President and CEO of the Council for Economic Education (CEE), said that more financial education is needed, and that financial literacy is no longer a negotiable ability in today's world (Sloan, 2012). Besides that, Susanna, and Giulia Zacchia (2021) said it have shown that the connection between financial literacy and

education can be seen in the early stages of life, and it is strongly linked to mathematical capacity. So, according to the result obtained from hypothesis testing in Chapter 4, it shows that financial education is significantly correlated with financial literacy and its be agree what said from the previous study about that impact of financial education towards financial literacy. The coefficient of financial education is 0.780 which shows that there is a strong positive correlation with financial literacy. The findings introduce 5 questions related to respondents' age, gender, race, course attention, and marital status that prove their financial literacy. It proves a high rate of female students, who are between 21 to 23 years old are from Malaysia attending Storage and Assembly Building courses by maintaining single status with the response rate is 76.97% of all students in that range age. Financial education has been fluctuated by using financial literacy through maintaining the relationship that proves alternative hypotheses based on using a different specified value for each variable. A significant positive relationship among financial literacy and education has been maintained that identify positive skills to enhance information dimensions. The researcher has used SPSS software and the Likert scale that introduces 5 points such as strongly disagree, disagree, neutral, agree, and strongly agree (Ibrahim, Harun, & Mohamed Isa, 2009). A lack of significant positive relationship has been provided in this hypothesis that accepts H1 and rejects H0 that proves the significant strong positive relationship between financial literacy and education. It is helpful to improve study as well as an economic condition by introducing more than 4 values in the Likert scale based on financial education and socialisation.

### **5.3.2 Financial Socialization**

H1: There is a significant positive relationship between financial socialization and financial literacy among students.

Financial socialization has a strong significant positive relationship with financial literacy. As stated in the findings from previous chapter, financial socialization variable has a correlation of 0.792 with the financial literacy variable. Our empirical results suggest that financial socialization through parents, friends, internet. In a previous study had conducted by Buijzen & Valkenburg (2003) 33% of college and high school students utilize the media or the internet to learn about money. Teenage purchase requests, brand awareness, materialistic attitudes, and financial behavior are all positively connected to the quantity of television they watch. By analysing the study, students believe that the media may help them become more financially



literate. According to (Gudmunson and Danes 2011) say one of specific context in which financial socialization occurs is in families, with parents being key. The model's family interaction and relationships component include both financial and nonfinancial interactions. So, that statement in the previous study state been agreed because from the analysis that can be proof with student had learn about money from the platform media. According to Gudmunson and Danes (2011), when the parent-child relationship is of good quality, purposeful financial socialisation is more likely to succeed (characterized by warmth, trust, mutual reciprocity, and longevity Purposive financial socialisation was described as "deliberate efforts family members employ to financially socialise one other," typically (but not always) from parent to child. Its means parent-child financial dialogue appears to be the primary purposeful form of financial socialisation like communication about money between parent(s) and child. Financial socialization introduces a process of advancing and learning values, norms, knowledge, attitudes, behaviours and standards which is effective to promote individual wellbeing and financial viability. It also allows H1 and rejects H0 by identifying the positive relationship between independent variables such as the financial characteristics of the research that accepts alternative hypotheses (Collins, 2013). The descriptive analysis introduces a value of more than 4 by strongly agreeing with the fact by asking questions to respondents. Socialization agents are generally encountered throughout the life cycle of a person and in this process media, schools, friends and family members are involved. Achieving financial wellbeing can affect the psychological, physical as well as social health of the adults that results to inability to concentrate, unsatisfactory job performance, absenteeism, lower productivity. Hence, the pandemic situation has affected psychological disturbance to the mind, attitude, characteristics, and behaviour of students based on improving their involvement in online education. Based on financial issues, University Malaysia Kelantan needs to provide economic support to their students during the pandemic for improving the education process.

### **5.3.3 Personality Characteristics (Financial Attitudes & Financial Behaviors)**

H1: There is a significant positive relationship between financial characteristics and financial literacy among students.

Previous research has found that financial behavior has a positive impact on financial literacy (Mudzingiri et al., 2018; Rai et al., 2019; Sabri et al., 2008), and the findings of this study for this variable that prove which have a strong positive relationship between Personal

Characteristics (financial behaviour and financial attitude) with financial literacy among students. This hypothesis introduces the relationship between financial attitude and literacy by accepting its positive behaviour. The hypothesis allows an alternative by accepting H1 and rejecting H0 by identifying the strong positive relationship between independent variables such as the financial characteristics of the research that accepts alternative hypotheses (Collins, 2013). Financial literacy helps to provide understanding related to increasing money to maintain daily lives and education (Ameliawati & Setiyani, 2018). Financial behaviour introduces a relationship with financial literacy that refers to the focus on the action of people in financial situations by affecting their psychology by influencing financial and corporate market decisions. It proves the presence of a positive relationship between financial literacy and the characteristics of students based on using a five-point Likert scale through enhancing a value of more than 4. This indicates the positive behaviour and characteristics of students in University Malaysia Kelantan to maintain their activities for improving their financial situation. The descriptive analysis introduces a value of more than 4 by strongly agreeing with the fact by asking questions to respondents. It has helped students to enhance their financial education by changing their behaviour to enhance participation in their universities. It enhances positive financial literacy maintenance by improving financial education, knowledge, attitude, behaviour, characteristics, and socialisation. In light of this hypothesis testing, it can possible for the researcher to retrieve major focus on the students which helps them to improve their financial conditions in upcoming situation as well. Not only can that it be effective in universities to have financial support in live of their necessities.

### **5.3.4 Financial Knowledge**

H1: There is a significant positive relationship between financial knowledge and financial literacy among students.

One of the understandings of a financial issue is referred to as financial knowledge. Previous studies have shown that college students have insufficient knowledge to manage their personal finance effectively (Chen & Volpe, 1998). So, that statement been agree which that because from the analyse for this variable that's shown this hypothesis introduces the relationship among financial knowledge and literacy that can preventability and understanding power of students in their university to enhance their skill adaptation. This can protect students in maintaining education by changing their monetary attributes and proficiency to take decisions (Chen & Volpe, 1998). It

has also rejected H0 and accepted H1 by using alternative hypotheses to improve the strong positive relationship between financial literacy and knowledge by analysing scores of more than 4 on the Likert scale. Based on this hypothesis test by maintaining the relationship between students and their university by asking them directly to gather information about financial literacy can be possible in an effective way. The research has introduced positive relationships during the pandemic COVID-19 for managing financial literacy by maintaining good interaction between students and the university. According to Thapa and Nepal (2015), college students have rudimentary financial awareness. According to Jorgensen (2007), students must have personal financial knowledge to be financially secure. They can make smart personal financial decisions since they have basic skills and information. Those who lack basic skills and knowledge, on the other hand, are unable to make sound personal financial decisions. In terms of division, kids have a high degree of knowledge (Atkinson & Messy, 2012; Thapa & Nepal, 2015). This is congruent with the findings of this study, which indicated that students at the University Malaysia Kelantan (UMK) are competent about division questions. It can be inferred that University Malaysia Kelantan students have a moderate comprehension of diversification and the time value of money.

#### **5.4 Implications of Study**

Researchers has been put their time on this research aimed at achieving the research objective. Many investigations have been done, collecting data, and run data collected to obtain required results. From this research, researchers have facing various challenges in completing this study such as lost data, collecting data, and error in getting the data result. However, this study has been completed successfully with commitment given by the researchers.

#### **5.5 Limitation of Study**

##### **5.5.1 Area of Study**

In this study, the areas that the researchers focused on obtaining data are too small. This study only confined to 150 students to represent a population of 3465 students who are majoring at UMK City Campus. Although the sample size has met the minimum criteria as proposed, it will be difficult to get some sources and less representative as the samples drawn are not large enough and not included the other course at UMK.

### **5.5.2 Lack of Time**

For this study, the researcher is student. The researcher who are students had to manage their time very well for the research, online classes, quiz, presentation, final assessment and so on. With pandemic Covid-19 situation right now, all students must study and do all their task by online at home. Then, the researchers took a long time to wait to complete the questionnaire that distributing by Google form as a survey method. It is very difficult to complete the data quickly because some of people difficult to give cooperation to answer the questions through online method.

### **5.6 Direction of future research**

Each study has its limitations, but most importantly, individual research studies generate fresh specific results that serve as the foundation for future work. As a result, this section investigates potential areas for further research. First, excerpts from earlier research studies serve as the foundation for the literature analysis and the inquiry to clarify the research questions. This study on financial literacy, on the other hand, should be explored more widely, particularly among students, so that they are more sensitive to and conscious of the necessity of effective financial management. In this instance, researchers may be forced to create a whole new research typology. It's worth noting that this constraint may point to the need for more research as a significant potential.

Second, future study should broaden the scope of the questionnaire's administration. This study solely looks at students at University Malaysia Kelantan's Faculty of Business and Entrepreneurship; it excludes students from other faculty, such as the Faculty of Hospitality and Tourism, who should also be taught basic financial management skills. To generalize the study's findings, it's also critical to broaden the scope of the research.

In Malaysia, studies on financial literacy among the 18–24-year-old age bracket, let alone those under the age of 18, are scarce. As a result, it is reasonable to advise that future study should focus on this age group under the age of 18 to increase their financial understanding and, as a result, provide them with money management skills before they begin their college careers.

## 5.7 Overall conclusion

In the realm of personal and family finances, financial literacy is a contentious issue. This research focuses on financial literacy among university students from various courses, with 3465 students from the University Malaysia Kelantan participating. Based upon the Theory of Planned Behavior model developed, this research aims to study the factor of financial literacy among student in University Malaysia Kelantan (UMK) during pandemic of Covid-19. To ensure that this study's objectives are achieved, this study proposes and validates a model consisting of seven essential variables, namely Financial Literacy (Dependent Variable), and for the (Independent variables) consist of Financial Education, Personality Characteristics, Financial Behavior, Financial Attitudes, Financial Socialization and Financial Knowledge. The proposed model successfully provides some significant findings, such as the community understanding about management of financial literacy among students in University Malaysia Kelantan. Overall, the results indicate the high statistical significance of most of the hypotheses tested.



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**APPENDIX A**  
**QUESTIONNAIRE DRAFT**

**Section A: Respondents' Profile**

1. Gender	i. Male ii. Female
2. Age	i. 18-20 ii. 21-23 iii. 24-26 iv. 27-29 v. 30 years and above
3. Ethnicity	i. Malay ii. Chinese iii. Indian iv. Others
4. Course	i. SAB ii. SAL iii. SAR iv. SAK v. SAE
5. Marital status	i. SINGLE ii. MARRIED iii. DIVORCED

## Section B: Financial Education

Items	Measured items	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1.	I believe financial education should be developed from primary school.	1	2	3	4	5
2.	I have learned about financial education.	1	2	3	4	5
3.	I believe I can identify the type of financial management includes savings, investments debt and others	1	2	3	4	5
4.	I find information about financial matters from school	1	2	3	4	5
5.	I believe financial education will help me in the future.	1	2	3	4	5
6.	I know how to manage every expense as well as my income.	1	2	3	4	5



### Section C: Financial Socialization

Items	Measured items	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1.	Parents helps me in improving financial literacy.	1	2	3	4	5
2.	Life Experience helps me improve financial literacy.	1	2	3	4	5
3.	My friends told me that financial literacy gives more benefit to me	1	2	3	4	5
4.	Friends helps me in improving financial literacy.	1	2	3	4	5
5.	Parents discuss about financial literacy at home.	1	2	3	4	5

**Section D: Financial characteristics**

Items	Measured items	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1.	Before buying something, I ask myself if I have paid my necessary expenses.	1	2	3	4	5
2.	Before buying something, I compare prices.	1	2	3	4	5
3.	Before signing a financial contract, I carefully read its contents.	1	2	3	4	5
4.	I am careful to distinguish between necessary and unnecessary	1	2	3	4	5
5.	Before making a major purchase, I make sure that my savings are sufficient to cover any sudden expense.	1	2	3	4	5
6.	Before making online payments, I concern about the security of my data.	1	2	3	4	5

**Section E: Financial Knowledge**

Items	Measured items	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1.	I read to increase my financial knowledge.	1	2	3	4	5
2.	I find information about financial matters from family	1	2	3	4	5
3.	I find information about financial matters from others source.	1	2	3	4	5
4.	In my opinion, the financial knowledge that I get at home and school is enough to manage my own finances.	1	2	3	4	5
5.	I find information about financial matters from internet.	1	2	3	4	5

## Section F: Financial literacy

Items	Measured items	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1.	I am familiar with the term of financial literacy	1	2	3	4	5
2.	I am interested in increasing financial literacy.	1	2	3	4	5
3.	I believe that I am financially literate	1	2	3	4	5
4.	I believe that financial literacy is important thing in life especially during pandemic.	1	2	3	4	5
5.	I believe I can decide rationally how to spend my money.	1	2	3	4	5

**APPENDIX B**  
**GANTT CHART**

<b>SEMESTER 6</b>																
<b>ACTIVITIES</b>		<b>W1</b>	<b>W2</b>	<b>W3</b>	<b>W4</b>	<b>W5</b>	<b>W6</b>	<b>W7</b>	<b>W8</b>	<b>W9</b>	<b>W10</b>	<b>W11</b>	<b>W12</b>	<b>W13</b>	<b>W14</b>	<b>W15</b>
1	Introduction															
2	Literature Review															
3	Research Methodology															
4	Draft of Questionnaire															
<b>SEMESTER 7</b>																
<b>ACTIVITIES</b>		<b>W1</b>	<b>W2</b>	<b>W3</b>	<b>W4</b>	<b>W5</b>	<b>W6</b>	<b>W7</b>	<b>W8</b>	<b>W9</b>	<b>W10</b>	<b>W11</b>	<b>W12</b>	<b>W13</b>	<b>W14</b>	<b>W15</b>
5	Data Collection															
6	Data Recording, Monitoring, and Analysis															
7	Discussion and Conclusion															
8	The Model Developed															
9	Report and Documentation															
10	Completion of Report and Documentation															

**APPENDIX C**  
**DESCRIPTIVE ANALYSIS**

**1. Gender**

**Statistics**

GENDER

N	Valid	152
	Missing	0

**GENDER**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	37	24.3	24.3	24.3
	Female	115	75.7	75.7	100.0
Total		152	100.0	100.0	

**2. Age**

**Statistics**

AGE

N	Valid	152
	Missing	0

**AGE**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-20 years old	7	4.6	4.6	4.6



21-23 years old	117	77.0	77.0	81.6
24-26 years old	27	17.8	17.8	99.3
27-29 years old	1	.7	.7	100.0
Total	152	100.0	100.0	

**3. Race**

**Statistics**

RACE

N	Valid	152
	Missing	0

**RACE**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Malay	143	94.1	94.1	94.1
	Chinese	6	3.9	3.9	98.0
	Indian	3	2.0	2.0	100.0
	Total	152	100.0	100.0	

**4. Marital Status**

**Statistics**

MARITAL STATUS

N	Valid	152
	Missing	0

**MARITAL STATUS**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Single	150	98.7	98.7	98.7
	Married	2	1.3	1.3	100.0
	Total	152	100.0	100.0	

**5. Course**

**Statistics**

**COURSE**

N	Valid	152
	Missing	0

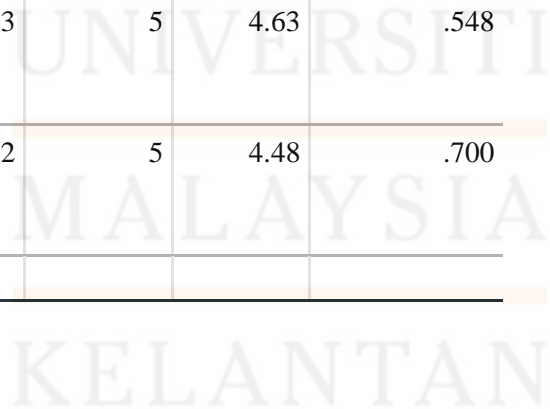
**COURSE**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SAB	88	57.9	57.9	57.9
	SAL	19	12.5	12.5	70.4
	SAR	22	14.5	14.5	84.9
	SAK	18	11.8	11.8	96.7
	SAE	5	3.3	3.3	100.0
	Total		152	100.0	100.0

KELANTAN

Financial Education (FE)

<b>Descriptive Statistics</b>					
	N	Minimum	Maximum	Mean	Std. Deviation
I believe financial education should be developed from primary school.	152	3	5	4.65	.567
I believe I can identify the type of financial management includes savings, investments debt and others.	152	2	5	4.44	.735
I have learned about financial education.	152	2	5	4.55	.660
I find information about financial matters from school.	152	2	5	4.37	.795
I believe financial education will help me in the future.	152	3	5	4.63	.548
I know how to manage every expenses as well as my income.	152	2	5	4.48	.700
Valid N (listwise)	152				



## Financial Socialization (FS)

<b>Descriptive Statistics</b>					
	N	Minimum	Maximum	Mean	Std. Deviation
Parents helps me in improving financial literacy.	152	2	5	4.50	.691
Life experience helps me improve financial literacy.	152	3	5	4.51	.598
My friends told me that financial literacy gives more benefit to me.	152	1	5	4.48	.728
Friends helps me in improving financial literacy.	152	1	5	4.42	.759
Parents discuss about financial literacy.	152	3	5	4.41	.675
Valid N (listwise)	152				

## Financial Characteristics (FC)

<b>Descriptive Statistics</b>					
	N	Minimum	Maximum	Mean	Std. Deviation
Before buying something, I ask myself if I have paid my necessary expenses.	152	2	5	4.58	.636

Before buying something, I compare prices.	152	3	5	4.62	.562
Before signing a financial contract, I carefully read its contents.	152	3	5	4.57	.637
I am careful to distinguish between neces2y and unneces2y expenses.	152	2	5	4.54	.670
Before making a major purchase, I make sure that my savings are sufficient to cover any sudden expense.	152	2	5	4.59	.635
Before making online payments, I concern about the security of my data.	152	2	5	4.55	.628
Valid N (listwise)	152				

### Financial Knowledge (FK)

#### Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
I read to increase my financial knowledge.	152	2	5	4.47	.690
I find information about financial matters from family.	152	2	5	4.43	.725

I find information about financial matters from others source.	152	3	5	4.51	.671
In my opinion, the financial knowledge that I get at home and school is enough to manage my own finances.	152	1	5	4.04	1.234
I find information about financial matters from internet.	152	2	5	4.49	.690
Valid N (listwise)	152				

Financial Literacy

**Descriptive Statistics**

	N	Minimum	Maximum	Mean	Std. Deviation
I am familiar with the term of financial literacy.	152	2	5	4.47	.754
I am interested in increasing financial literacy.	152	3	5	4.57	.616
I believe that I am financially literate.	151	2	5	4.41	.751



I believe that financial literacy is important thing in life especially during pandemic.	152	3	5	4.60	.612
I believe I can decide rationally how to spend my money.	152	2	5	4.47	.754
Valid N (listwise)	151				

### Normality test

#### Descriptive Statistics

	N	Skewness		Kurtosis	
		Statistic	Std. Error	Statistic	Std. Error
Financial Education	152	-1.329	.197	1.453	.391
Financial Socialization	152	-1.100	.197	.440	.391
Financial Characteristics	152	-1.405	.197	1.558	.391
Financial Knowledge	152	-.915	.197	.025	.391
Financial Literacy	151	-1.138	.197	.458	.392
Valid N (listwise)	151				

MALAYSIA  
KELANTAN

**RELIABILITY TEST**

Financial Education (FE)

**Reliability Statistics**

Cronbach's Alpha	N of Items
.761	6

**Scale Statistics**

Mean	Variance	Std. Deviation	N of Items
27.12	7.430	2.726	6

**Item Statistics**

	Mean	Std. Deviation	N
I believe financial education should be developed from primary school.	4.65	.567	152
I believe I can identify the type of financial management includes savings, investments debt and others.	4.44	.735	152
I have learned about financial education.	4.55	.660	152

I find information about financial matters from school.	4.37	.795	152
I believe financial education will help me in the future.	4.63	.548	152
I know how to manage every expenses as well as my income.	4.48	.700	152

Financial Socialization (FS)

**Reliability Statistics**

Cronbach's	
Alpha	N of Items
.780	5

**Scale Statistics**

Mean	Variance	Std. Deviation	N of Items
22.32	6.366	2.523	5

**Item Statistics**

Mean	Std. Deviation	N
------	----------------	---

Parents helps me in improving financial literacy.	4.50	.691	152
Life experience helps me improve financial literacy.	4.51	.598	152
My friends told me that financial literacy gives more benefit to me.	4.48	.728	152
Friends helps me in improving financial literacy.	4.42	.759	152
Parents discuss about financial literacy.	4.41	.675	152

### Financial Characteristics (FC)

#### Reliability Statistics

Cronbach's Alpha	N of Items
.816	6

#### Scale Statistics

Mean	Variance	Std. Deviation	N of Items
27.45	7.402	2.721	6

**Item Statistics**

	Mean	Std. Deviation	N
Before buying something, I ask myself if I have paid my neces2y expenses.	4.58	.636	152
Before buying something, I compare prices.	4.63	.562	152
Before signing a financial contract, I carefully read its contents.	4.57	.637	152
I am careful to distinguish between neces2y and unneces2y expenses.	4.54	.670	152
Before making a major purchase, I make sure that my savings are sufficient to cover any sudden expense.	4.59	.635	152
Before making online payments, I concern about the security of my data.	4.55	.628	152

Financial Knowledge (FK)

**Reliability Statistics**

Cronbach's Alpha	N of Items

.705	5
------	---

**Scale Statistics**

Mean	Variance	Std. Deviation	N of Items
21.95	7.912	2.813	5

**Item Statistics**

	Mean	Std. Deviation	N
I read to increase my financial knowledge.	4.47	.690	152
I find information about financial matters from family.	4.43	.725	152
I find information about financial matters from others source.	4.51	.671	152
In my opinion, the financial knowledge that I get at home and school is enough to manage my own finances.	4.04	1.234	152
I find information about financial matters from internet.	4.49	.690	152

Financial Literacy

**Reliability Statistics**

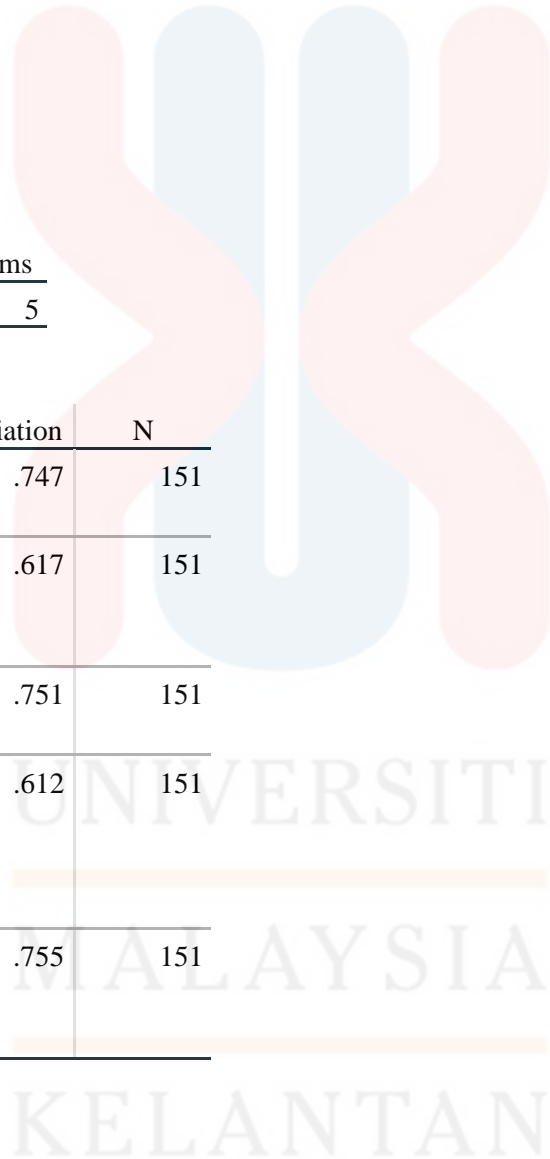
Cronbach's Alpha	N of Items
.724	5

**Scale Statistics**

Mean	Variance	Std. Deviation	N of Items
22.54	5.810	2.410	5

**Item Statistics**

	Mean	Std. Deviation	N
I am familiar with the term of financial literacy.	4.48	.747	151
I am interested in increasing financial literacy.	4.57	.617	151
I believe that I am financially literate.	4.41	.751	151
I believe that financial literacy is important thing in life especially during pandemic.	4.60	.612	151
I believe I can decide rationally how to spend my money.	4.47	.755	151





**PEARSON CORRELATION**

		Correlations				
		AVR_FE	AVR_FS	AVR_FC	AVR_FK	AVR_DV
AVR_FE	Pearson Correlation	1	.781**	.637**	.740**	.780**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	152	152	152	152	151
AVR_FS	Pearson Correlation	.781**	1	.685**	.710**	.792**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	152	152	152	152	151
AVR_FC	Pearson Correlation	.637**	.685**	1	.678**	.690**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	152	152	152	152	151
AVR_FK	Pearson Correlation	.740**	.710**	.678**	1	.773**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	152	152	152	152	151
AVR_D	Pearson Correlation	.780**	.792**	.690**	.773**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	151	151	151	151	151

\*\* . Correlation is significant at the 0.01 level (2-tailed).



## APPENDIX D

### TURNITIN

ppta

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