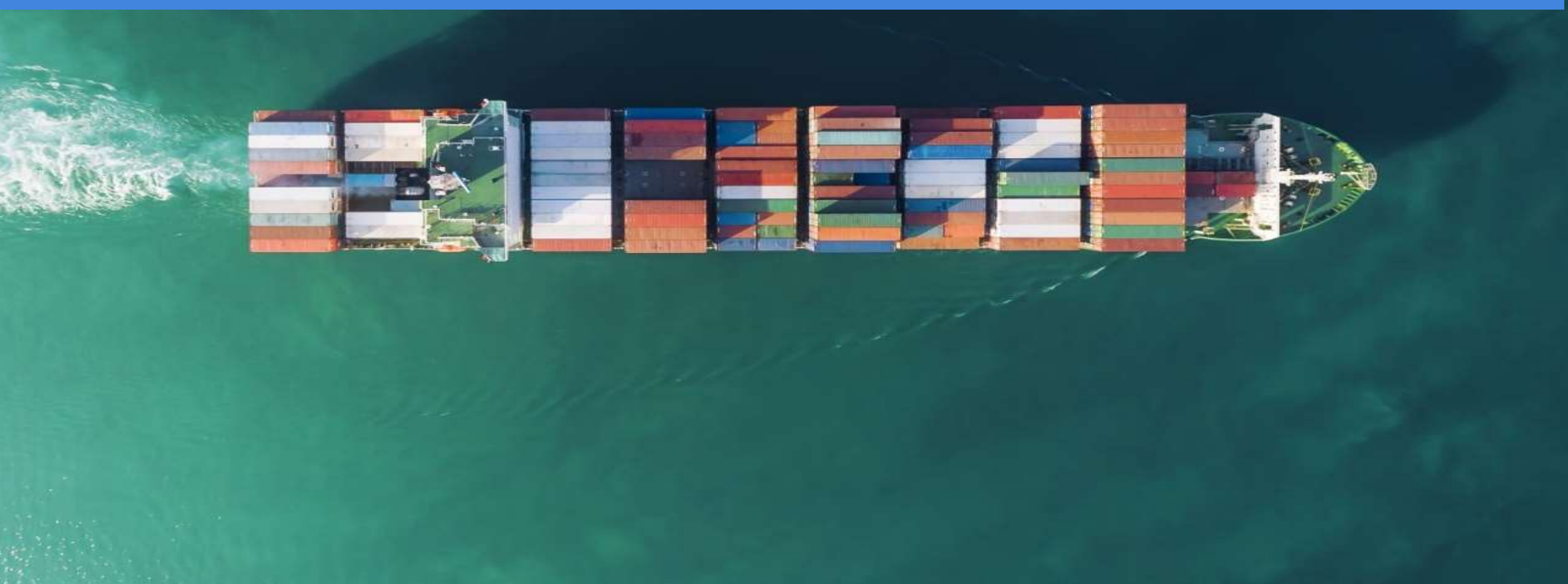


Islamic Banking and Finance Development and Malaysia Halal Economy



**The Multidisciplinary Research on the Entrepreneurship and
Business E-Colloquium 2022/2023 Colloquium**



**NURHAIZA BT NORDIN
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PREFACE

Malaysia is a leader in growing its Islamic finance sector and achieving financial inclusion among ASEAN, OIC, and other middle-income countries. Malaysia is one of the Asian nations with the fastest economic growth, and it has a well-developed Islamic finance system. On the other hand, as of 2020, Malaysia's halal economy (HE), which made up 7.5% of GDP, was significant to the country's economic development. Enhancing the competitiveness of the halal industry to take a larger proportion of the global halal market is one of the primary initiatives under the Twelfth Malaysia Plan, 2021–2025 (12MP) to promote Malaysia's economic growth.

The Multidisciplinary Research on the Entrepreneurship and Business E-Colloquium 2022/2023 Colloquium was held in as virtual on 30 January 2023 at Campus Kota, Universiti Malaysia Kelantan. It was a delightful event with all the final year undergraduate student participants had many fruitful discussions and exchanges that contributed to the success of the colloquium. 14 papers for field of development of Islamic banking and finance, halal studies and general studies for the Islamic banking and finance was presented during the colloquium. The main objective of the colloquium is to be a platform for students to present and publish their works as well as to share their research progress with their colleagues and experts.

All in all, the Multidisciplinary Research on the Entrepreneurship and Business E-Colloquium 2022/2023 Colloquium was very successful. The editors would like to express their gratitude to all participants and the committees that have helped in ensuring the smooth sailing of making the colloquium into a reality.

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Factors Influencing Bankruptcy Among Youth in Kelantan, Malaysia

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Abstract:

In Malaysia, there is a notable upright trend in the number of bankruptcies among youth cases. The bankruptcy among youth trend has become one of the major concerns to the society, especially government. The purpose of this research is to study the factors lead to bankruptcy among youth. This study provides theoretical evidence that will benefit the community like the youth, older generation, and financial institution in improving youth financial situation and lowering excessive debt among youth. In addition, it will expand the current knowledge and increase awareness of bankruptcy among youth. Thus, this research paper pursues two objectives: to provide a statistical profile of youth bankruptcy and to investigate factors affecting youth bankruptcy in Malaysia. This research tested the few factors effect on bankruptcy among youth based on Kelantan, Malaysia. The research used a quantitative approach and data was gathered from survey questionnaire. The questionnaires were distributed to 300 individuals in Kelantan, Malaysia. However, there are only 215 responses from those questionnaires. The questionnaire measurement quantifies the respondent's response with the help of five-point Likert scale. Respondents were designated to respond on the questionnaire by simple random sampling techniques. Data collected was analysed using Pearson correlation coefficient and multiple regression analysis. The data has been presented in the form of tables. There are four hypotheses used in testing this theory, which are spending behaviour, credit card usage, financial commitment, and unemployment rate. Using validity and reliability test, the result which shown results of Cronbach's Alpha for the Bankruptcy, spending behaviour, credit card Usage, financial commitment, and the unemployment rate are above 0.8. therefore, three of these variables are considered good and reliable question.

Keywords: bankruptcy, bankruptcy among youth, banking, Malaysia, youth,

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1.0 INTRODUCTION

The goal of this study is to investigate the correlation between bankruptcy among youth and the factors that contribute to it. In Malaysia, the number of bankruptcies is rapidly increasing. As of May 2021, 2,948 people were declared bankrupt by Malaysia's Department of Insolvency. Data from MDI has shown that the total of people who declared bankruptcy in Malaysia is 289,766 people. The government sees youth bankruptcy as a severe concern not just for the individual, but also for the country. Studies on the attributes of youth and bankruptcy, with an emphasis on Generation Y, have been done. Generation Y is the most recent group that has increased its participation in the labour force. According to researchers, Generation Y was born and grew up in an affluent and rising economy. When compared to earlier generations, this generation is said to have greater chances and a higher quality of work life.

Also, their credit mentality worsens the issue. Many people believe that the credit mindset of using «buy now, pay later» services are spreading among youths. According to the statistic that has been put out by C+R Research shows that 60% of consumers choose the «buy now pay later» service. The services such as Aeon Credit and JLC Credit Leasing. The idea of using a credit card can be dangerous because people will buy what they want all the time and not what they need at the time. Having a poor credit score not only will restrict a person's access to unsecured credit, but also affects the cost of secured loans such as mortgage or vehicle loans. Since future employers, insurance firms, and tenants have access to their candidates' credit reports, it also has a negative impact on employment possibilities, insurance, and rent expenses. Besides vehicle and property debts, most youths do not pay their study loans after graduating from university, which could result in a negative credit report or being banned in Malaysia.

There is proof of numerous graduates who've already violated The National Higher Education Loan Fund's contract. Secured creditors have six months from the date of the Receiving Order to deal with the bankrupt person's property under Section 8 of the Bankruptcy Act. Unsecured creditors, on the other hand, really had no authority to deal with such assets until they get a court order or are eligible to process their Proof of Debt. Moreover, bankrupt people must follow certain norms and restrictions till their obligations are paid off. According to the Bankruptcy Act of 1967, a Malaysian who is declared bankrupt must surrender all assets and belongings. Furthermore, bankrupt people really can't open bank accounts or travel overseas without the Director General of Insolvency's consent. Before being freed from bankruptcy, bankrupt people are not permitted to set up a new business or serve on the board of directors of any corporation. In addition, the bankrupt must set aside a specified proportion of his or her monthly income for debt payments. According to the Malaysia Department of Insolvency, a bankruptcy application could be filed either by the debtors or creditors if the liquidated existing debt amount is greater than RM 30,000. Therefore, Bank Negara Malaysia established two departments in April 2006 to oversee bankruptcies, known as the Department of Insolvency and Agensi Kaunseling dan Pengurusan Kredit.

1.2 RESEARCH OBJECTIVE

- To analyze the correlation between spending behaviour and bankruptcy among youth in Kelantan
- To examine the affiliation between credit card usage and bankruptcy among youth in Kelantan
- To investigate the parallel between financial commitment and bankruptcy among youth in Kelantan
- To determine the interconnection between the unemployment rate and bankruptcy among youth in Kelantan

2.0 LITERATURE REVIEW

2.1 Factor Influence Bankruptcy

Bankruptcy is a remedy for excessive financial indebtedness that may be voluntarily invoked by the debtor. Bankruptcy is the status of a debtor who has been declared incapable of paying his debts through legal proceedings (Mackevičius, Šneidere, & Tamulevičienė, 2018)¹. Although the term “bankruptcy” is sometimes used indiscriminately, the terms have different legal meanings. Insolvency in most jurisdictions means that the debtor is unable to pay his debts. According to the Malaysian Insolvency Authority, a person is bankrupt when he has been officially declared unable to pay his debts. In other words, bankruptcy is the legal status of an individual or legal entity that cannot repay its debts to its creditors. Because of the importance of the bankruptcy issue, many studies have been conducted around the world. (Bărbuță-Mișu & Madaleno, 2020)² defined a decline in the profitability of companies that leads to an increase in the probability of insolvency as a bankruptcy. It is not easy to determine exactly the reason or reasons for financial problems and bankruptcies. In many cases, several reasons lead to the phenomenon of bankruptcy. (Syan, Rom, & Hassan, 2020)³ divided the reasons for bankruptcy into external and internal reasons. External factors include economic system characteristics, competition, changes in trade and shifts in public demand, trade volatility, the financing market, and random accidents. However, internal reasons include increased credit costs, inefficient management, insufficient capital, betrayal, and fraud.

¹ Mackevičius, J., Šneidere, R., & Tamulevičienė, D. (2018). The waves of enterprises bankruptcy and the factors that determine them: the case of Latvia and Lithuania. *Entrepreneurship and sustainability issues*, 6(1), 100-114.

² Bărbuță-Mișu, N., & Madaleno, M. (2020). Assessment of bankruptcy risk of large companies: European countries evolution analysis. *Journal of Risk and Financial Management*, 13(3), 58.

³ Syan, C. L., Rom, N. A. M., & Hassan, N. M. (2020). Bankruptcy Risk among Gen Y in Klang Valley. *International Journal of Advanced Research in Education and Society*, 2(3), 32-40.

2.2 Spending Behaviour

Bona, J.T.C. (2017)⁴, because of their desire for necessities, students' spending behaviour has become a highly important aspect of a nation's economy. Students' expenses are closely related to their resources, and they are one of the most important components of a country's total spending. According to Chang, L. Y., Lim, P. M., Teo, Y. Y., Yau, Y. Y., and Yeoh, Y. L. (2019)⁵, Malaysian youth spend recklessly because they do not consider their financial abilities to meet their needs. Because they desire a luxurious lifestyle, they tend to spend money without considering the cost. According to Li Syan, C., Mohd Rom, N., and Md. Hassan, N. (2020)⁶, people with low self-esteem are more likely to acquire expensive and luxurious items in order to restore or increase their value. They also claim that having a lot of money and nice things helps them to gain social power. A lack of financial knowledge can lead to overspending. According to Bona, J.T.C. (2018)⁷, the spending habits of college students are heavily influenced by their family history. Parents have a significant impact on their children's attitudes toward money management, as well as their overall attitudes toward life. Solid financial knowledge is insufficient. Success requires a set of positive attitudes, as well as supportive parents who expect financial responsibility

2.3. Credit Card Usage

The inexpensive availability of credit cards, according to Wei, C. Y., Chin, L. K., Kuah, Y. C., and Chia, M. S. (2019)⁸, has resulted in a host of negative consequences, including compulsive spending and excessive debt. Users regard the plastic card as a boost to their self-esteem and use them to satisfy their materialistic cravings, according to the study, resulting in financial trouble and insolvency. The holder's spending habits have a direct impact on credit card usage. Individual attitudes influenced people with a higher outstanding credit balance. They are unable to manage their spending, resulting in increased credit debt and the use of multiple credit cards. Credit card users are more likely to overspend due to impulsive purchases. According to Zainudin, Mahdzan, and Yeap, (2019)⁹. young adults or Gen Y (aged 25 to 40) grew up with digital technology and the internet, and they are the largest group of internet users who shop online. This demographic is also the most vulnerable to high debt levels caused by excessive credit card use. They have a lot of money as well and were raised in a consumerist society.

⁴ Bona, J. T. C. (2017). Spending Behaviour among College Students. *Science International*. (Lahore), 29(4),749-753 ,2017

⁵ Chang, L. Y., Lim, P. M., Teo, Y. Y., Yau, Y. Y., & Yeoh, Y. L. (2019). Spending Behaviour Among University Students: Case Of Universiti Tunku Abdul Rahman (Kampar). Faculty Of Business And Finance Department Of Economics

⁶ Syan, C. L., Rom, N. A. M., & Hassan, N. M. (2020). Bankruptcy Risk among Gen Y in Klang Valley. *International Journal of Advanced Research in Education and Society*, 2(3), 32-40.

⁷ Bona, J.T.C. (2018). Factors affecting the spending behaviour of college students. *J. Journal of Fundamental and Applied Sciences*, 10, 142-152. <https://doi.org/10.4314/JFAS.V10I3S.12>

⁸ Chang, L. Y., Lim, P. M., Teo, Y. Y., Yau, Y. Y., & Yeoh, Y. L. (2019). Spending Behaviour Among University Students: Case Of Universiti Tunku Abdul Rahman (Kampar). Faculty Of Business And Finance Department Of Economics.

⁹ Zainudin, R., Mahdzan, N. S., & Yeap, M. Y. (2019). Determinants of credit card misuse among Gen Y consumers in urban Malaysia. *International Journal of Bank Marketing*, 37(5), 1350–1370. <https://doi.org/10.1108/ijbm-08-2018-0215>

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2.4 Financial Commitment

A higher financial commitment compared to income is the starting point for the accumulation of debt. Debts accumulate faster than the income they generate. Some people are not able to estimate their expenses accurately. According to Nizar (2015)¹⁰, financial commitments can pose a great threat to the economic system when they exceed a certain level. The financial commitment can lead to various pitfalls, such as the accumulation of unsustainable debt burdens, either through poor spending decisions or a lack of long-term preparation. Many researchers examined the relationship between the level of financial distress and financial knowledge and found that respondents who have low financial knowledge tend to experience high levels of financial distress. Unfortunately, AIF has found that Generation Y in Malaysia is not good at managing their financial commitments. In addition, the AIF report mentioned that Generation Y in Malaysia had a high probability of filing for bankruptcy because they experienced 38 per cent had large debts from personal loans, 47 per cent had expensive credit card bills, 75 per cent had at least one source of a long-term loan, 37 per cent had more than one long-term debt obligation, 70 per cent paid only the minimum monthly payments on their credit card obligations, and 45 per cent did not pay their debts on time.

2.5 Unemployment Rate

Unemployment is referring to the group of people who are unemployed but are actively looking for a job opportunity. Moreover, unemployment in Malaysia is significantly positively associated with personal insolvency, as people maintain their standard of living despite being unemployed. (Hassan, Jati, Yatim, & Abd Majid, 2021)¹¹ explained that defaults happen because people are unemployed, and they have difficulty maintaining their mortgage payments. When this problem occurs continuously, the cases of personal insolvency also increase. The researchers stated that in the United States of America, the same opinion is held that the lower income groups lead to bankruptcy cases because they are burdened with the responsibility of paying their debts. Sometimes consumers have a problem with fluctuating income due to inflation or unemployment. A person who has filed for bankruptcy has to deduct a certain percentage from their monthly salary to pay their outstanding debts, and they now take loans rather than savings. Unlike GDP, which may or may not directly affect individual consumers, there is a direct relationship between the unemployment rate and personal and corporate bankruptcies. For example, (Demirkan & Platt, 2009)¹² describe how the bankruptcy of a business increases the bankruptcy rate and leads to workers being laid off, which may cause some of them to file for personal bankruptcy. While this argument is not wrong, it may be incomplete.

¹⁰ Nizar, N. (2015). [PDF] Determinants of Malaysia Household Debt: Macroeconomic Perspective | Semantic Scholar. <https://www.semanticscholar.org/paper/Determinants-of-Malaysia-Household-Debt-:-Nizar/4eb2f455c1f3b44d76d1404920131761a59d7228>

¹¹ Hassan, S., Jati, M. K. K., Yatim, N. H. M., & Abd Majid, M. A. (2021) FACTORS INFLUENCING PERSONAL BANKRUPTCY AMONG YOUTH IN MALAYSIA *Advanced International Journal of Banking, Accounting and Finance*. 3. 85-91. <https://doi.org/10.35631/AIJBAF.37007>.

¹² Demirkan, S., & Platt, H. (2009). Financial Status, Corporate Governance Quality, and the Likelihood of Managers Using Discretionary Accruals. *Accounting Research Journal*, 22, 93-117. <https://doi.org/10.1108/10309610910987475>

3.0 METHODOLOGY

3.1 CONCEPTUAL FRAMEWORK

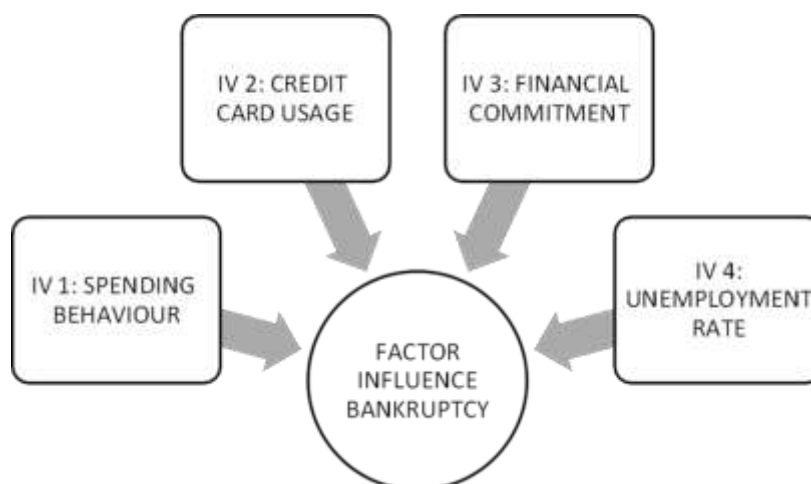


Figure 1: Conceptual Framework between Independent Variables (IVs) and Dependent Variables (DVs)

3.2 RESEARCH DESIGN

The research for this study is based on quantitative data. This study was used quantitatively as it is more objective to explore and understand the correlation between the independent variables, which are spending behaviour, credit card usage, financial commitment, and unemployment rate while the dependent variable is bankruptcy among youth. In this research, data primary and secondary are collected for the proposal while secondary data is collected through books, newspapers, journals, and websites that are related to the study of bankruptcy among youth.

3.2 DATA COLLECTION METHOD

The main method of collecting primary data is by using a questionnaire. In this study, the questionnaire used is related to the objectives of the study are distributed to 300 communities in Kelantan, especially in Kota Bharu. The progression of the research concerned the use of structured questionnaires as much as data collection tools were concerned. the questionnaire will be distributed within the time and period and will be collected back personally by the researchers once respondents have completed them.

3.3 STUDY POPULATION

In this study, different demographic backgrounds were considered to obtain a broader range of responses and perspectives. The age group of respondents in this study focuses

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on students, workers, and non-workers, those aged 15 to 30, in Malaysia, the principal law governing activities and development of youth are the Youth Societies and Youth Development Act (Amendment) 2019 (Act 668). The Act defined youth as a person not less than 15 years and not more than 30 years old. This is because they are considered the generation that prefers to use online services, and we focus on the youth in Kelantan.

3.4 SAMPLE SIZE

The larger the sample size, the smaller the error and the greater the precision of the results. In determining the required sample size of a research plan, one may predetermine the significance criterion α , and the desired degree of statistical power to be achieved. In determining the sample size for a finite population, (Krejcie & Morgan, 1970)¹³, came up with a table using the sample size formula for a finite population. To carry out our investigation, we will cover East Coast, all youth in Kelantan which is students, workers, and non-workers. The sample size will be determined by following Krejcie & Morgan (1970). For example, when the population (N) that we decided on is 1000, the potential respondents or sample are 370.

3.5 SAMPLING TECHNIQUES

In this study, researchers use simple random sampling to easily find out the outcome of the results that can be forecasted. Researchers prioritise handing out online surveys to millennials or Gen Y using Google Forms who are currently doing business, millennials who are on the verge of bankruptcy and millennials who are out of business or already bankrupt are the best samples that can be taken. The surveys are handed out to different types of millennials according to their age, gender, and business area in Kelantan.

3.6 RESEARCH INSTRUMENT DEVELOPMENT

The study of ‘Factors Influence Bankruptcy Among Youth in Malaysia’ used a quantitative technique, with primary data obtained via Google Form online questionnaire. The surveys are developed in bilingual languages, Malay, and English, to promote and facilitate the respondent's response. Therefore, the set of questionnaires is divided into two sections which are set A and B. Section A consists of respondents’ demographic profiles. Section B questions information on spending behaviour, credit card usage, financial commitment, and unemployment rate in which how they can contribute to bankruptcy among millennials in Kelantan. Participants are asked to show their level of agreement from strongly disagree to strongly agree with given questions on a metric scale. The levels of this scale are 1 = Strong Disagree, 2 = Disagree, 3 = Neutral, 4 = agree and 5 = Strongly agree.

¹³ Krejcie, R. V., & Morgan, D. W. (1970). Determining Sample Size for Research Activities. *Educational and Psychological Measurement*, 30(3), 607–610. <https://doi.org/10.1177/001316447003000308>

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3.7 MEASUREMENT OF THE VARIABLES

There are four basic types of measurement in business research. It is nominal, ordinal, interval, and ratio. For the study collecting the accuracy of the data on this bankruptcy, the researcher used a scale measurement method. This method allows the investigator to compare amounts and changes in the measured variables. In this study, the researcher used a nominal scale to distribute items to groups or categories in this study. The nominal scale allows us to classify or categorize subjects. The questionnaire for the first part of this research, the demographic profile section, used a nominal scale. The second method is to use an ordinal scale, the researcher not only categorizes the variables to describe the differences between the different categories but also arranges the categories. In the third method, researchers use an interval scale in which questions are planned to use a Five Likert Scale. To measure the variables, the researcher will use a ratio scale. This study method is to find out the level of knowledge of respondents that bankruptcy influence factor of financial commitment and unemployment rate. It allows addition, interaction, multiplication, and division of variables.

3.8 PROCEDURE FOR DATA ANALYSIS

To answer the research objectives, respondents will first be given a questionnaire to fill out. Following that, we will collect data and analyse and interpret it using a computer software tool called Statistical Package for Social Science (SPSS). The findings were then used to support the four hypotheses of the study. Reliability analysis, descriptive analysis, Spearman correlation analysis, and multiple linear regression progress were used to collect data for this study.

4.0 RESULT AND DISCUSSION

4.1 DEMOGRAPHIC PROFILE OF RESPONDENT

Gender/Factors	Male (n=59)		Female (n=156)	
	Frequency	percentage	Frequency	percentage
Age				
15-20	10	16.9%	15	9.6%
21-25	35	59.3%	108	69.2%
25-30	14	23.7%	33	21.2
Ethnicity				
Malay	39	66.1%	132	84.6%
Chinese	4	6.8%	3	1.9%
Indian	4	6.8%	9	5.8%
Others	12	20.3%	12	7.7%
Education				
SPM	7	11.9%	5	3.2%
Diploma	4	6.8%	8	5.1%
Bachelor	38	64.4%	131	84%
Master	7	11.9%	8	5.1%

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PhD	3	5.1%	4	2.6%
Marital status				
Single	45	76.3%	128	82.1%
Married	14	23.7%	27	17.3%
Divorce	0	0	1	0.6%

Table 4.3.6: Summary of the demographic profile among respondents according to gender (n=215)

4.2 VALIDITY AND RELIABILITY TEST

Based on the research by (Barbuta-Misu,2020)¹⁴, when the value of Cronbach’s alpha is 0.8 and above, it shows good internal consistency in the result of reliability test. Reliability defines a method that measure the reliability of the research is reliable or not. The result of reliability test can give the researcher better explanation whether the result can be accepted or not. This analysis also to answer the research question whether there is significant relationship or not among all the variables.

The reliability analysis using Cronbach’s Alpha can measure the stability and consistency. The stability and consistency of reliability depends on the results of Cronbach’s Alpha which is 1.0 is the better, 0.8 is consider good, 0.7 is acceptable and 0.6 is consider poor. The result of reliability test which shown results of Cronbach’s Alpha for the Bankruptcy, spending behaviour, credit card Usage, financial commitment, and the unemployment rate are above 0.8. So, the stability and consistencyof reliability each question are consider good as below:

Dependent Variable And Independent Variable	Cronbach’s Alpha	Number Of Varible Items
Bankruptcy	0.867	5
Spending behaviour	0.539	5
Credit card usage	0.645	5

¹⁴ Bărbuță-Mișu, N., & Madaleno, M. (2020). Assessment of bankruptcy risk of large companies: European countries evolution analysis. *Journal of Risk and Financial Management*, 13(3), 58.

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Financial commitment	0.836	5
Unemployment rate	0.864	5

4.3 SPEARMAN'S RHO CORRELATION ANALYSIS

The researcher will describe Spearman's Rho Correlation Analysis in this part. The discussion will go through all the factors, including spending behaviour, credit card usage, financial commitment, unemployment rate, and the dependent variable, which factor influences bankruptcy.

Table 5.1: Summary of the Result of Hypothesis Testing

Research objective	Hypothesis	Results	Supported
To analyse the correlation between spending behaviour and bankruptcy among youth in Kelantan	H1: There is significant relationship between spending behaviour and bankruptcy among youth in Kelantan	r = 0.484 P Value = 0.000 (p < 0.01)	YES
To examine the affiliation between credit card usage and bankruptcy among youth in Kelantan	H2: There is significant relationship between credit card usage and bankruptcy among youth in Kelantan	r = 0.521 P Value = 0.000 (p < 0.01)	YES
To investigate the parallel between financial commitment and bankruptcy among youth in Kelantan	H3: There is significant relationship between financial commitment and bankruptcy among youth in Kelantan	r = 0.204 P Value = 0.003 (p < 0.01)	YES

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To determine the interconnection between the unemployment rate and bankruptcy among youth in Kelantan	H4: There is significant relationship between the unemployment rate and bankruptcy among youth in Kelantan	r = 0.542 P Value = 0.000 (p = < 0.01)	YES
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4.4 DISCUSSION

4.4.1 Relationship Between Spending Behaviour and Bankruptcy Among Youth in Kelantan

Table 4.1: Relationship Between Spending Behaviour and Bankruptcy Among Youth in Kelantan

RESEARCH OBJECTIVE 1	To analyse the correlation between spending behaviour and bankruptcy among youth in Kelantan
HYPOTHESIS 1	There is significant relationship between spending behaviour and bankruptcy among youth in Kelantan

According to table 4.1, the dependent variable (youth bankruptcy) and independent variables exhibit a substantial, moderate, and positive relationship (spending behaviour). A score of 0.70 is regarded very high when analysing the strength of a relationship between variables, a score of 0.30 to 0.60 is considered moderate, and a score of less than 0.16 is considered poor. The correlation coefficient between the variables is 0.484, indicating a moderately significant relationship between the independent and dependent variables. According to this link, the bigger the spending behaviour, the higher the bankruptcy rate among Kelantan's youth.

4.4.2 Relationship Between Credit Card Usage and Bankruptcy Among Youth in Kelantan

Table 4.2 Relationship Between Credit Card Usage and Bankruptcy Among Youth in Kelantan

RESEARCH OBJECTIVE 2	To analyse the correlation between spending behaviour and bankruptcy among youth in Kelantan
HYPOTHESIS 2	There is significant relationship between spending behaviour and bankruptcy among youth in Kelantan

According to table 4.2, the dependent variable (bankruptcy among Kelantan youth) and independent variables show a considerable, moderate, and positive relationship (credit card usage). A score of 0.70 is regarded very high when analysing the strength of a relationship between variables, a score of 0.30 to 0.60 is considered moderate, and a

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score of less than 0.16 is considered poor. The correlation coefficient between the variables is 0.521, indicating a moderately significant relationship between the independent and dependent variables. This association means that the more the use of credit cards, the higher the risk of bankruptcy among Kelantan's youth.

4.4.3 Relationship Between Financial Commitment and Bankruptcy Among Youth in Kelantan

Table 4.3 Relationship Between Financial Commitment and Bankruptcy Among Youth in Kelantan

RESEARCH OBJECTIVE 3	To investigate the parallel between financial commitment and bankruptcy among youth in Kelantan
HYPOTHESIS 3	There is significant relationship between financial commitment and bankruptcy among youth in Kelantan

According to table 4.3, the dependent variable (bankruptcy among Kelantan youth) and independent factors exhibit a significant, weak, and positive relationship (financial commitment). A score of 0.70 is regarded very high when analysing the strength of a relationship between variables, a score of 0.30 to 0.60 is considered moderate, and a score of less than 0.16 is considered poor. The correlation coefficient between the variables is 0.204, showing a weakly significant relationship between the independent and dependent variables. This statement implies that the larger the financial commitment, the higher the chance of bankruptcy among youth in Kelantan.

4.4.4 Relationship Between the Unemployment Rate and Bankruptcy Among Youth in Kelantan

Table 4.4 Relationship Between the Unemployment Rate and Bankruptcy Among Youth in Kelantan

RESEARCH OBJECTIVE 4	To determine the interconnection between the unemployment rate and bankruptcy among youth in Kelantan
HYPOTHESIS 4	There is significant relationship between the unemployment rate and bankruptcy among youth in Kelantan

According to table 4.4, the dependent variable (bankruptcy among youth in Kelantan) and independent variables show a substantial, moderate, and positive relationship (unemployment rate). A score of 0.70 is regarded very high when analysing the strength of a relationship between variables, a score of 0.30 to 0.60 is considered moderate, and a score of less than 0.16 is considered poor. The correlation coefficient between the variables is 0.542, showing a moderately substantial relationship between the independent and dependent variables. This link means that the bigger the unemployment rate, the higher the number of bankruptcies among youth in Kelantan.

5.0 CONCLUSION

The increasing trend of the personal bankruptcy case in Malaysia has become one of the concerns of the policymakers as this will become a stumbling block for Malaysia to become a high-income status nation. The research purposes of this study are to identify what are the factors that will influence the youth's bankruptcy case in Malaysia. The determinants include spending behaviour, credit card usage, financial commitment, and unemployment rate. All data collected are from a questionnaire that has 215 respondents from Kelantan's population and various empirical analyses have been carried out based on the research objectives.

Based on the findings, this study shows all the hypothesis is supported by the finding. According to the result, the correlation coefficient between the variables of spending behavior is 0.484, for credit card usage variables the result is 0.521, and for unemployment rate the result is 0.542. based in the result, it shows that three variables moderately substantial relationship between the independent and dependent variables. Only the correlation coefficient between the variables financial commitment is 0.204, showing a weakly significant relationship between the independent and dependent variables. This is my because for youth are lacking financial commitment to be considered huge variable for bankruptcy because of their age.

In conclusion, the research objective, and the research questions in this study have been met and answered. The findings can provide some guidance for the youth themselves, the parents, policymakers, investor, and the consumer to increase their awareness towards the factors that lead to youth bankruptcy in Kelantan, Malaysia.

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**3rd MULTIDISCIPLINARY RESEARCH ON THE ENTREPRENEURSHIP AND
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Islamic Financial Literacy

Among Studentpreneur: A Case of UMK's Student

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Abstract:

Purpose - The main purpose of this study is to analyse the understanding of Islamic financial literacy among studentpreneurs in Universiti Malaysia Kelantan.

Design/methodology/approach - A personal interview was conduct as primary data and according to the saturated data. The approach uses the interviewers conducting detailed interviews based on guidelines that have been set. The researchers also collected the data from journals, newspapers, books, and official websites that related to Islamic financial literacy for a period of five years (2018 - 2022).

Finding - A positive conclude was found here because most studentpreneur are concerned about Islamic finance literacy. Then their levels of knowledge about Islamic finance also influenced informers to make decisions in the business. However, the knowledge about Islamic finance literacy should be more applied to Malaysians, especially to anyone who runs a business to avoid things that are forbidden in religion.

Research limitations/ implications - The study contributes to the support of research and development of Islamic financial literacy in this country and this study also offers additional explanation on the understanding of Islamic financial literacy among studentpreneurs in Universiti Malaysia Kelantan.

Originality/ value – The research is original in its use of several measurements on the understanding of Islamic financial literacy among studentpreneurs in Universiti Malaysia Kelantan.

Keywords: Behaviors, Financial literacy, Knowledge, Islamic financial literacy, and Studentpreneur,

Paper type: Research paper

1. Introduction

Financial literacy is defined as the ability to understand finance and the importance of it is undeniable to all people. Therefore, Islamic financial literacy can be defined as the ability to understand finance based on compliance that fulfilled the Shariah conditions. It should be a concerning issue to all Muslims around the world. Based on Islamic view, all the Muslims are required to know and understand more than just financial information. All the Muslims must have a highest understanding about the instrument they are using in an Islamic financial institution following Islamic law. It is because in Islamic financial literacy, Islam offers clear guidelines on how to manage financial matters appropriately. On that, Muslims must seek knowledge about Islamic financial literacy more than conventional financial literacy because they are in need to understand Islamic finance because it is a religious duty of all Muslims. Moreover, it is a serious threat to the survival of Islamic finance industry rather than individuals when Muslims itself lack literacy in Islamic finance (Nawi, et al., 2018).

Nowadays, most people using the common monetary system such as conventional financial literacy. Meanwhile it is undoubtedly sinful and prohibited for Muslims, considering they have a backbone in doing something based on religion or Shariah which is in Islamic way rather than in conventional way or normal way like other people. As the importance of Islamic financial literacy is being highlighted it has been found that financial literacy has relationship with the entrepreneur because there are found that the success of any small and medium enterprises has been related with the ability of the entrepreneurs in term of literation of managing the financial matters and it also has been found that entrepreneurs who have good financial literacy are able to sustain in the market regardless of any economic condition (Ali, Omar, Nasir & Osman, 2018).

Islamic financial literacy is used by many people to fulfil the Shariah conditions, especially the Muslims. Lack of knowledge in Islamic financial literacy will negatively affect everyone, especially studentpreneur because they need to use their finance for two different things. The studentpreneur, as a student they need to provide proper study equipment using their own finance and they also need to use their finance for growth of the business. The importance of financial literacy is even more apparent for the university-goers who are mostly financially dependent and are at an essential phase of knowledge and skill formation (Md & Ahmad, 2020). Besides, the knowledge of Islamic financial literacy also can help our generation avoid themselves and the country become poor because they misuse the finances they have and help them to not overspending when shopping. Then, one can identify his/her basic needs, wants and desires, which will boost comprehension of his/her current fiscal situation, leading to ultimate navigation towards a brighter economic footing. (Md & Ahmad, 2020).

In addition, the question here is how much studentpreneur in University Malaysia Kelantan know about knowledge of Islamic financial literacy? And how Islamic financial literacy can help studentpreneur of University Malaysia Kelantan to make decisions on their financial plan? To gain the answers from questions before, we have to propose a research paper regarding Islamic financial literacy among studentpreneur in a case of UMK's students and in our research, we have one general objective and three specific objectives to achieve at the final of the research. The general objective of the research is to study about understanding of Islamic financial literacy among studentpreneur in UMK meanwhile the three specific objectives that our research to obtain is firstly, to identify knowledge of Islamic financial literacy among studentpreneur in UMK. Secondly, to analyze the level of understanding Islamic financial literacy among studentpreneur in UMK. Thirdly, to conclude which factors that most influence the Islamic financial literacy among studentpreneur in UMK.

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In our proposed study, there will be five chapters. The first chapter starting with introduction of the study. In the second chapter, it will be focused on literature review and the proposed study will continue with research methods in chapter three. Then, data analysis and findings will be the main focus in chapter four or research and lastly, the proposed study will be concluded with discussions and conclusions of the overall research as chapter five.

2. Literature Review

In order to uncover topics in the literature review, six journals from google scholar were utilized. There are five themes which are financial knowledge, financial behaviour, perception toward Islamic financial literacy, Islamic financial awareness, and the basic concept of Islamic finance. All these themes will be discussed in the below sections.

2.1.1 Financial Knowledge

According to Hutson (2010), financial knowledge is an integral dimension of but not equivalent to financial literacy. A person's financial knowledge gives them the confidence and capacity to make sound financial decisions. Financial knowledge is a collection of skills and knowledge linked to personal finance concepts and products that has been obtained via education or experience. In contrast, Lusardi and Mitchell (2014) argued that financial knowledge can be viewed as a form of human capital investment. Those who improve their financial knowledge may expect higher expected returns on their investments. However, Sazana et al. (2018) has a different opinion that financial knowledge refers to understanding basic financial concepts of how business performance and business condition is measured using the mental model to facilitate, support or enrich decision-making. Financial knowledge is essential to construct a measure of financial competence for competitive advantage that is to stay current on financial affairs. From this study and discussion, financial knowledge is not only something to acquire and understand but also something to put into practice in everyday life.

2.1.2 Financial Behavior

Based on study Sazana et al. (2018) found that the behavior is a demonstration of any activity that is visible to others and may be observed. The way a person acts or reacts in response to external or internal influences is referred to as behavior. The action or reaction of a person in response to financial decisions is referred to as financial behavior. The first theory used in this study is the theory of planned behavior (TPB), which is to predict and understand an individual's behavior. According to this view, an individual's behavior is determined by his or her behavioral intentions. There are three factors that influence on behavioral intentions are perceived behavioral control, subjective norms, and the negative valence of attitudes about the target behavior. The second is the trans-theoretical model (TTM) of behavior change, which aims to assist individuals in achieving positive behavior and modifying negative behavior. In fact, it differs from opinion Muizzuddin et al. (2017) that state financial behavior originated from the field of psychology that highlights that the individuals cannot make decisions without being influenced by their psychological conditions and individuals are assumed to have rationality limitations. According to the findings of the afore mentioned study, financial behavior is an important part of financial management to achieve a balance in consumption and financing.

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2.1.3 Perception Toward Islamic Financial Literacy

Perception towards Islamic financial literacy from Islamic perspective, according to the study from Nawi et al. (2018), literacy is highly emphasized in Islam including in Islamic finance. There are several verses that prove the importance of the Islamic financial literacy. Among them is the first word revealed by God in the Quran (96:1) which means read, learn, and understand. People with Islamic financial literacy will understand the concept of literacy in finance whether its understanding of financial knowledge which is the technique of using applications in finance. Muslichah and Sanusi, (2019), argue that the Islamic financial literacy is influenced by attitudes. According to this study, Islamic financial literacy is a person depends on their attitude where the understanding of the religion has Islamic laws is different. However, there are contradicts from previous opinions where the perception that there can be several factors influencing Islamic financial literacy. There is a close relationship between the level of Islamic financial literacy with the several factors such as demographic factors, level of education, financial planning, and financial inclusion (Er & Mutlu, 2017). Therefore, there is a theory used in studying the relationship between a person's attitude towards Islamic finance. the theory used are the theory of planned behaviors and the theory of reasoned action (TRA). The model used is modified to include only attitudes plus some variables that influence attitudes.

2.1.4 Islamic Financial Awareness

According to the study Albaity and Rahman, (2019), If an individual has knowledge about a brand his/her brand awareness is high. This indicates that the level of awareness is closely related to the things they know. Followed to another study Muslichah and Sanusi, (2019), the same result in the Islamic financial awareness is literacy related to the knowledge about financial institutions, products and services, as well as the features, benefits, risks, rights and obligations of the financial product. This study also states that people who are literate are more likely to make financial decisions based on sufficient information. However, from a different point of view from the previous studies by Dinc et al., (2021), in an effort to increase the Islamic financial literacy among students, the courses related to Islamic economics and finance are more significant. The study showed a significant impact of specifically introduced courses on the level of Islamic financial knowledge or literacy. The theory used in Islamic financial awareness is by conducting a survey from the OECD's International Network for Financial education (INFE) which cover about a person's financial literacy. The improvement of Islamic financial literacy among consumers can make them proficient in handling finances and making financial decisions more efficiently.

2.1.5 Basic Concept of Islamic Finance

According to Nawi, et el (2018) highlighted about an importance to Muslim have knowledge and ability to understand Islamic finance concepts and inculcate good financial behavior as guided by Shariah. In Islam, everything has their own clear guidelines including in the financial matters. This study attempts to contribute towards acquiring new theoretical models, especially in suggesting items to measure the level of Islamic financial literacy and personal financial behavior. Instead, Alam and Seifzadeh, (2020) concepts that said Islamic finance remains fragmented, offering little guidance for researchers attempting to conceptualize the marketing strategies of Islamic finance. Islamic finance has very huge market demand because it can be used by Muslim and non-Muslim with the large population increase in the Muslim minority group in many countries, means this target growing aggressively. From this, the researcher can simply that Islamic finance is the tool that was developed to avoid *riba*, *gharar*, *maysir*, *non-halal* and *non-valuable*.

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2.2 Research Gap

Research gaps are important to identify the lack of information in some studies and to create new findings about that issue. Many studies have explored the aspects of financial literacy and Islamic financial literacy before. The idea can see thru this couple example from the journal paper like the research about an importance to Muslim have knowledge and ability to understand Islamic finance concepts and inculcate good financial behavior as guided by Shariah (Nawi, et al. 2018) and Sazana et al. (2018), highlighted financial knowledge refers to understanding basic financial concepts of how business performance and business condition is measured using the mental model to facilitate, support or enrich decision-making. However, on literature review the researcher can see some of the lack in the previous study because the change of time that makes some items or definitions maybe can change. The lack of research must be taken seriously because for example the lack of literacy in Islamic finance not only has an impact on individuals but also on the Islamic finance industry. The researcher will create a new study that only focuses on studentpreneur of Universiti Malaysia Kelantan. This study is to know about the knowledge, level of understanding and factors influence studentpreneur in Universiti Malaysia Kelantan pertinent to Islamic financial literacy. In addition, the researchers will seek and collect the information needed in this study and to ensure that the information on the right track when doing this research is to draw a framework as shown below.

2.3 Research Framework

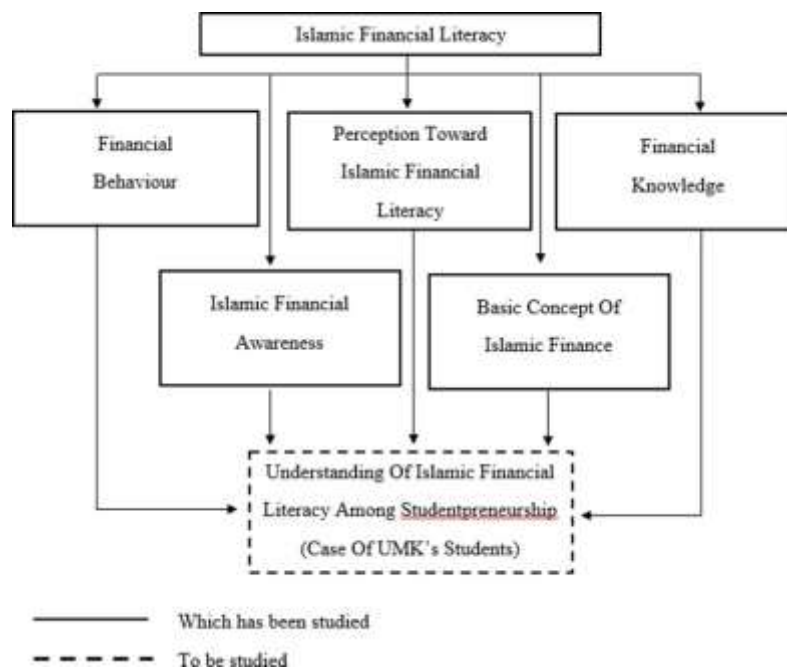


Figure 2.1: Research Framework

Islamic researchers mentioned that financial literacy must implemented in Islamic finance such as Sharia and investment transactions, the implementation of wills, orphan property management and property management in accordance with the principles outlined in Islamic teachings as well the Muslim can easily follow the Islamic financial literacy. According to Setiawati et al. (2018) have mentioned in her study, Islamic financial literacy can be defined as “*halal* literacy as a person’s ability by combining a set of knowledge, awareness, and skills to distinguish between halal and haram on products and services based on shariah law in term of financial management.

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The research framework was constructed based on the literature review from this study, as indicated in figure 2.1. The goal of the study is to analyze studentpreneurs' understanding of Islamic financial literacy in the context of UMK students because UMK students are known for having exposure to the business world, and we feel that their inclusion in our study's scope will significantly contribute to its findings. This study started when financial literacy existed, and it is divided into two types that is conventional financial literacy and Islamic financial literacy. The study is mainly focused on the Islamic financial literacy and it also because there is not much study that related to Islamic financial literacy compared to convenient financial literacy. There are other divisions within Islamic financial literacy that have been identified by various studies, including financial knowledge, financial behavior, perceptions towards Islamic financial literacy, Islamic financial awareness, and the basics concept of Islamic finance. Based on these five factors, our study will analyze the Islamic financial literacy among studentpreneur in case of UMK's students.

3. Methodology

This study uses a qualitative approach to explore the behavior, perspectives, experiences and feelings of studentpreneur at UMK towards the usage of Islamic financial literacy and emphasize the understanding of these elements. Quantitative research is commonly used in pure sciences meanwhile qualitative research methodology is more commonly used in social sciences. In this research, the researchers will use qualitative research According to Khaldi (2017), this type of research relies primarily on collecting qualitative data (i.e., non-numerical or categorical data such as words and pictures, etc.) and can be either interactive or non-interactive (i.e., whether the researcher is personally immersed in the research or not). The rationale for using a qualitative approach in this research was to explore and describe the opinion of the studentpreneur on the usage of Islamic financial literacy. It was an appropriate method to capture their opinions of them regarding the effects of the usage of Islamic banking.

The data was collected from a method that consists of primary data and secondary. Which is from personal interviews and data from journals, newspapers, books and official websites related to Islamic financial literacy. This study focuses on students from Universiti Malaysia Kelantan because most students there also majored in an entrepreneurship course. Focus groups or individual interviews that are minimal to moderately organized and open-ended are used for data collecting. Interviews were conducted after all the questions has been listed. In this study, there are 3 sections of questions, and each section contains 5 questions. The first section is about Islamic financial literacy knowledge, the second is about Islamic financial literacy understanding and the third is a determination of the factor that has the greatest influence on Islamic finance literacy. The interview UMK studentpreneur was according to the saturated data means the researcher will stop interviewing people about that question after the answers obtained cannot be further developed. In other words, the information has received the same answer repeatedly. Then, this study also used the data from secondary sources to investigate other perspectives on prior study's original issues.

This is an exploratory study which is a study conducted for a problem that has not been studied more clearly and detailed, establishes priorities, develops operational definitions and improves the final research design. According to Stuhlfauth, Knutsen, and Foss (2019) exploratory research indicates that focusing on the interaction process is one possible way of gaining an in-depth understanding of why user involvement in research is experienced as challenging. This study also uses descriptive research, it helps to offer a profile or to describe relevant aspects and the elements of the phenomena of interest to the researcher from an individual, organizational, or another perspective. Then, descriptive research was used to

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obtain a picture of studentpreneur in zthe case of University Malaysia Kelantan’s students’ opinions of Islamic financial literacy.

The data collected in this study will be analyzed using thematic analysis, content analysis and Atlas.ti software program because this study held a new nature of research. Thematic analysis is a qualitative method for identifying, analyzing, and reporting patterns within a data corpus (Scharp et al. 2018). Using this analysis in this study, the researcher was able to identify themes, ideas, and patterns of meaning that appeared repeatedly.it also can be used in analysis of primary data which is interviews and secondary data. Moreover, this study, it is helped by Atlas.ti software or a computer program that has been used by professionals and many researchers from various fields of knowledge. A study by Friese, (2018). It can help the researchers to examine features and relationships in text and enable data exchange. Reliability and validity are needed in research to evaluate the quality of research. This is a qualitative study; the researchers used a triangulation method to increase the consistency and accuracy of a measure to get valuable and valid data information. Triangulation is a technique to analyze the results of the same study using different methods of data collection. It is used for three main purposes: to enhance validity, to create a more in-depth picture of a research problem, and to interrogate different ways of understanding a research problem (Nightingale, 2020).

4. Findings

These are the collection of the information from five different informant among studentpreneurs in University Malaysia Kelantan. The first respondent is informant A, the owner of Heykookies business, informant B makes a beauty and cosmetic service business, informant C and informant D the owner of the food business, and the last one, informant E the owner of the gift box business. Through the information collected, the validity and reliability test will be led to look at whether it is valid and reliable at that point created among all the results by referring to the network view in Atlas.ti. the outcomes will be clarified in the findings from them. Also, it is related to research objectives and research questions.

4.1 Knowledge of Islamic Financial Literacy Among Studentpreneur in UMK

The results of the interview conducted, informant A pointed out that conventional financial literacy is management and planning in managing finance wisely and not bound by any conditions, while Islamic financial literacy is management and planning in managing our finances wisely but attached by halal and haram matters. This is parallel with informant D which highlights halal and haram. Informant D said Islam adders to Shariah and emphasizes sin and rewards. Informant B states that Islamic financial literacy will put more emphasis on paying zakat as it is one of the responsibilities of Muslims compared to conventional financial literacy does not emphasize matters related to donations or zakat payments. Informant C states that conventional financial literacy has received interest where Islamic finance is prohibited to accept *riba*. From these answers, the informants have the basics of financial knowledge. As suggested by Hutson (2020), financial knowledge is a collection of knowledge linked to personal finance concepts. While informant E mentions the concept of interest is the one that differentiates between these two financial literacies.

However, the informant also asked about the aspects of Islamic financial literacy. Informant A states a few aspects of Islamic financial literacy that she knows are budget, investment, loan, tax, and personal saving management. Islamic finance which governs by the Shariah (Islamic law) determines the ways of conducting all financial transactions including buying and selling, spending, saving, borrowing as well as investment and financial protection (Nawi et al. 2018). Informant B, states that the aspect of Islamic financial literacy must base on al-Quran and

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Hadith. According to informant C that aspects of Islamic financial literacy must consist of *aqidah* (belief), *ibadah* (worship), and *akhlaq* (moral) while informant D said aspects of Islamic financial literacy are complying with Islamic law such as practicing the concept of Shariah compliance and having its laws and considering the implications of sins and rewards which are also stated in the Al-Quran. Lastly Islamic financial literacy are financial management and financial planning.

Besides, all the informant prefers the Islamic financial literacy rather than conventional financial literacy with several reasons. Informant A stated that she thinks it preferable that Muslims themselves use or choose Islamic financial literacy because of her status as Muslim. Informant B states Islamic financial service is more reliable because in this Islamic financial pre-service it is quite complete in terms of paying zakat, which is in line with Muslims who are obliged to pay it meanwhile informant C stated Islamic financial literacy is that she believe the source of earning a living will be a source of their flesh and blood, so managing the business through Islamic sources is the only choice she had to choose and as a Muslims, they need to prioritize what is halal by choosing the Islamic option. According to Nawi et al. (2018), literacy in Islamic finance is crucial because it can prevent anything that leads to sin. Informant D said the reason she prefers Islamic financial literacy is that it is practicing Shariah-compliant concepts. Informant E said that she wants halal sustenance.

4.2 Level of Understanding of Islamic Financial Literacy among Studentpreneur in UMK

From the analysis made based on this interview, there are four informants who have the same opinion on the term used in Islamic finance for the legal terms of sale and purchase. All four of the informants which is informant A, B, C and E have the same opinion towards the legal term of sale and purchase is a contract (*akad*) these findings are parallel with Arsyadi, (2018) which according to Shafie's scholars "a contract of sale and purchase is not valid except with the *ijab* and *qabul* (*shighat*) spoken". While informant D said, the legal terms and conditions of sale and purchase are such that there are mature (*baligh*) sellers and buyers.

Besides, there are various types of views for each informant regarding the components used in Islamic finance. The informant A and informant E stated that the components used in Islamic finance are like takaful, which is also known as Islamic-based insurance. Meanwhile, informant B thinks that the components used in Islamic finance are the rules found in Islamic finance transactions, based on *fiqh muamalat* and informant C thinks that the components used in Islamic finance are *ijarah*, *sukuk*, *mudarabah* and *murabahah*. Informant D who thinks the components used in Islamic finance are things that comply with sharia. However, according to the study, the researcher agrees that zakat is a component used in Islamic finance to reveal a clean financial report.

Other than that, based on the interviews conducted, all the informants agreed to have used services from Islamic finance. Besides, all the informants also know about the sources of Islamic financial applications. According to informant A and informant E, the sources of Islamic financial applications are based on the al-Quran, hadith, *qiyas* and *ijma'*. According to informant D, the sources of Islamic financial applications are from the Quran and Sunnah. However, the views from informant B states that the sources of Islamic financial applications are like *ar-Rahnu* and informant C thinks that the source of Islamic financial application is *maqasid Shariah*. According to the study from Worthington, (2007) the main sources of Shariah are the Holy al-Quran, Hadith, *Sunnah*, *Ijma*, *Qiyas* and *ijtihad*.

Finally, the research analyzed that studentpreneurs among UMK students still lack knowledge in Islamic financial literacy. However, from the research conducted, all the

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informants have an awareness of Islamic finance where it has been proven that all the informants use the Islamic financial services as their banking application for the business. This is clear that according to the study Albaity and Rahman, (2019), if an individual has knowledge about a brand or his/her brand awareness is high.

4.3 Factors Islamic Financial Literacy among Studentpreneur in UMK

Based on the findings in the research, there are numerous factors that influence Islamic financial literacy. Findings from the perspective of the informant A, attending a knowledge conference with knowledgeable educators has proved that education may boost knowledge which the newfound knowledge, entrepreneurs may better manage their finances including capital and profit distribution. Informant E states that education is crucial for planning business finances and deciding which price to cost for a product. Informant D and the other informant share a similar opinion, which is that having knowledge of financial planning and management is necessary for making better decisions. They are required to understand whether the instrument they are using in an Islamic financial institution is following Islamic law (Albaity & Rahman, 2019).

Other than that, the factors can be seen in an individual's attitude towards money where it will influence the financial literacy behavior. According to informant E, a student who also runs a business, asserts that a business's ability to manage the finances is influenced by a disciplined attitude. According to informant A, to save money over the long term, a student must adopt an appropriate and honest attitude toward money management. Besides, according to informant D, frugality can encourage an individual to conduct wise financial planning or spend their earnings to improve outcomes. Rai et al. (2019) argued that education can improve personal financial attitude, thereby reducing dependence on credit cards. A person's knowledge related to finance varies, but not always someone who has good knowledge of finance can also control his financial behavior (Amir, 2021).

Additionally, some informants concur that demographic factors can affect financial planning. According to informant A and D insisted that a person's age can affect financial planning. Despite this, informant E argued that demographic characteristics have no impact on financial planning because the knowledge gained motivates a person to engage in financial planning. Informant B said there are many women using *ar-Rahnu* services which shows that many women practice planned finance. However, informant C disagrees with informant B because the socio demographic profile such as residential location, is important for financial planning.

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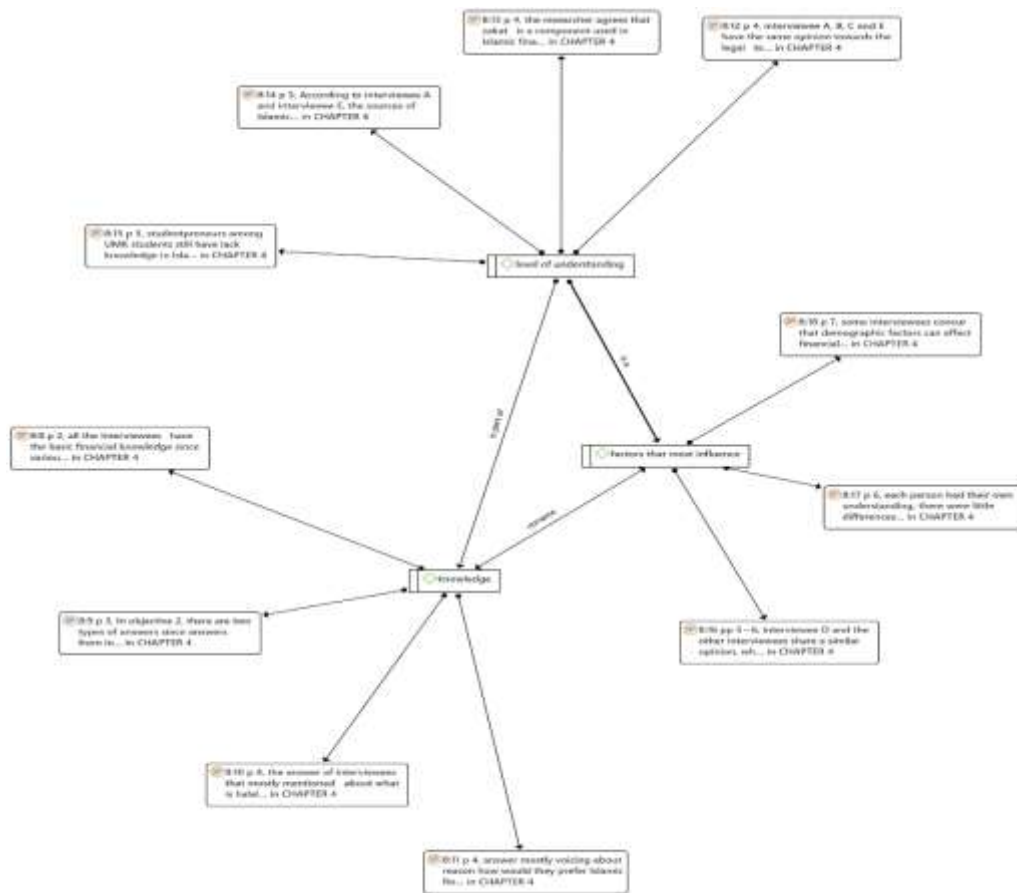


Figure 4.1: Network View of Islamic Financial Literacy Among Studentpreneur in UMK.

Researchers use qualitative research methods using Atlas.ti software as an automated research tool that helps analyze many types of data and can also create network diagrams and data visualizations. From the perspective of this network, this study selected five different University of Kelantan Malaysia students who have businesses and are known as student entrepreneurs to collect data. In terms of this network, the survey found his three themes of knowledge, understanding, and factors affecting Islamic financial literacy.

5. Conclusions

Islamic financial literacy is important to all Muslims around the world as Muslims itself must choose Islamic choice as their priority rather than other choice. It is because Muslims are different to others since Muslim must followed the things that obligated and avoid the prohibited guided by Shariah law. As a result, all Muslims must be aware of this rule in their daily lives. This study helps raise awareness among Muslims of the value of having a knowledge of Islamic finance in this modern world. After the research is conducted, we can highlight several implications of our research toward others.

Firstly, the study contributes to the support of research and development of Islamic financial literacy in this country. The economy will become more stable if the citizens have their savings even when the country was in a critical economic crisis with the use of making savings in Islamic banks or banks that follow the Shariah rules. So, the citizens will not be affected too much by the economic crisis happened. The benefits are our money value will be powerful and the value of money maybe will increase over time. Then, the country will become more stable and Islamic finance will become worthwhile from the non-Muslim perspective.

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In addition, we have summarized the proposed research to extend the knowledge about Islamic financial literacy and how they use knowledge of Islamic finance in their daily life. This research has important implications for Islamic finance and provides the basics for future comparative research related to the topic to gain knowledge of Islamic finance. The research can be a guide that allows for more detailed and better future planning not only for beginners but also for those related to it. Through these acquisitions, savings can be obtained not only from an imaginary point of view but also from a time horizon that cannot be seen physically.

Moreover, devastating errors can be avoided with knowledge of financial literacy in themselves. Financial actions that appear to be benign at the time may have long-term effects that cost people money or alter their plans. People who are financially literate are less likely to make mistakes when managing their personal resources and incomes. Moreover, people that are financially literate are more prepared for crises than the one who are not financially literate. Individuals will become more prepared for the uncertain by learning about financial literacy subjects like saving or emergency planning. Even though when one experiencing a significant unexpected bill or losing a job always has a negative financial impact, one can lessen the impact by practicing financial literacy beforehand and being prepared for emergencies.

Not only that, the proposed research also will make contribution for several organizations such as the government, bank institutions, Muslim communities, students and others. For the government, this study may provide a new idea on how governments can improve people's financial literacy and use Islamic financial literacy as a guide for all future spending as government is the agency that is very important to the country for administering economics, politics, education, etc. As a good government, they have played an important role in sprite the community about the importance of financial planning. So, the implement action or making new policies for making the right decision for the public is very necessary.

Hence, this study will help the Islamic financial system and provides a basis for future comparative research related to the topic to gain knowledge about the Islamic financial system. Iterative research will help us simplify the identification of variables associated with Sharia-based Muslim financial literacy. This will contribute to the teaching and learning process, it also includes previous theoretical efforts by applying, validating, and extending a theoretical model to manage the early stages of the innovation process in an academic environment. On the other hand, the findings also reveal that student entrepreneurs who use Islamic finance may be more intelligent and literate in financial planning for their lives than students who do not use it. The benefit of contributing through this study can be this Islamic financial education to bridge the gap between Islamic knowledge and other knowledge of the financial aspects.

Furthermore, this study also contributes to consciousness in the Muslim community about the importance of knowledge in Islamic finance literacy in this era. There are even a lot of agencies that provide services in making finance planning but some of them use method that is prohibited in Islam. As Muslims, we need to know even the basics of Islamic finance because there is a big difference between conventional finance and Islamic finance. This is also the reason why further research needs to look at more information from the community, especially Muslim communities about how much they have Islamic financial literacy to help them realize making financial planning by following Islam law is the best for them in here and hereafter

Lastly, the study will help students who have the business or more recognizable as student entrepreneurs to adopt Islamic financial knowledge, especially Islamic student entrepreneurship. As we know, it goes without saying that financial literacy is very important as personal finance education equips students with the knowledge and skills to manage money wisely for the rest of their lives. back of their lives. As entrepreneurial students master their

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financial literacy, they will enhance their ability to understand and use various financial skills, such as investing, budgeting, and personal financial management. This will greatly contribute to their financial ability. The foundation of the relationship with money is laid by financial literacy, which is a lifelong learning process. The sooner they start, the richer they will be, because education is the secret to financial success.

By the end of our research, individuals will know that they can achieve their goals with the aid of financial literacy. People can make plans that set expectations, keep them accountable for their finances, and chart a route for accomplishing seemingly impossible goals by better knowing how to budget and save money. Armed with the necessary financial information, people can approach important life decisions with more assurance, knowing they are less likely to be caught off guard or negatively impacted by unforeseen results.

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The Preliminary Study of The Factors Influencing The Financial Management Among University Malaysia Kelantan Students

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Abstract:

Finance is an important element of human life. Money is not everything, but it is necessary for survival and sustenance. Money has been universally recognized as a tool or object of value that can be used to exchange products, services and settle debts. Finance is an important thing in a person's life which to improve the quality of life and overall well-being of a person. Therefore, this study examines the relationship between financial self-efficacy, financial knowledge, money attitude, demographic, and social influence on financial management. A quantitative research design through an online survey was applied for data collection with 372 samples analysed using IBM SPSS Statistical Package for Social Science. The findings of this study indicate financial self-efficacy is the only one that has a significant effect on financial management. However, financial knowledge, money attitude, demographic and family influence does not have significant effect on financial management.

Keywords: Financial self-efficacy, Financial knowledge, Money attitude, Demographic and Family Influence

1.0 Introduction

Financial management is very important for students, especially for university students, as it can help them avoid debt, save money for the future, develop an investment strategy, establish clear financial goals, and learn how to manage their money effectively. Proper

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financial management is measured by five components of a person's ability to budget, save money, and manage expenses [1]. Therefore, the practice of financial management among students today has received attention from various parties, especially government agencies, educational bodies, and others. This aims at raising awareness among university students concerning the significance of effective financial management practices.

The knowledge of financial management practices needs to be inculcated earlier among students. [2], financial knowledge leads to developments in financial decision making and determination. This shows that good financial management practices are important for students and should not be underestimated. As a result of neglect, financial management will cause students to run into financial difficulties and become debt-ridden. Therefore, with the current, increasingly challenging economic situation, students need to manage their finances properly.

Having financial management is necessary to have a better life. The application of financial management practices should be applied from the beginning so that they are familiar with the practice and have extensive knowledge of financial management. This is because financial management among university students is also driven by their environment. Thus, better financial understanding and risk management lead to better financial decision-making as excellent financial practices lead to better future financial health.

Therefore, the study objectives are to identify the factors that influence financial management among UMK Students. These factors have been identified as influencing student financial management. By identifying the factors involved in influencing their management, they may be able to plan their financial management well. This will also cause their quality of life to be more assured when they manage their finances well.

2. Literature Review

2.1 Financial Self-Efficacy

[3] stated that financial self-efficacy is a psychological aspect that shows individual confidence in managing their finances well to achieve their financial goals. This is closely related to an individual's thinking and attitude towards financial management. Also, this means that self-efficacy is specifically related to one's expectations of the ability to encourage in certain behaviors, where as a result, expectations will differ from behavioral outcomes. Therefore, good financial efficiency management can prevent someone from being burdened with financial problems. [4], lower debt, fewer financial problems, lower financial stress, good savings management, and financial happiness have been linked to better financial self-efficacy.

2.2 Financial knowledge

Financial knowledge plays an important role of financial management. This is because financial knowledge among the public is still low. Therefore, they cannot make the best plan in managing their finances. Financial knowledge is the level of knowledge or understanding that individuals have of their personal financial concepts or principles, which individuals need as the basis for making decisions on effective financial

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management. By understanding financial concepts, a person will be able to manage their personal finances well and can also help them make the best decisions for their financial management. High financial knowledge is usually accompanied by a high level of financial well-being [5]. Financial knowledge can also influence a person's financial management behavior. This is because if a person has extensive knowledge related to financial management, they will be more likely to manage their finances well.

2.3 Money attitude

[6] money attitude can be described as a belief, way of thinking, or feeling about it. These attitudes help people use money effectively and meaningfully. The attitudes toward money play a vital role such as how the financial management will be managing for budgeting, saving, and regulating spending also will show how the financial management will go with debts level. Besides that, few researchers had been studying attitudes toward money on students which is the attitude toward money is one of the reasons the financial well-being. The influence of financial knowledge in combination with a moderate money attitude on financial management behaviour. According to the results, financial knowledge has a major moderating role in the association between money attitude and financial management behaviour and money attitude has a considerable favourable impact on financial management behaviour. A person's ability to make accurate financial decisions will depend on their level of financial literacy.

2.4 Family influence

The family influences are including the coercive interaction patterns which is the parent and child using the intense behavior to coerce the other people to follow their wants. Parents should serve as an example for their children in managing their finances because they have a significant influence on how they behave financially. [7] in other words, children with strong family ties are more likely to be future-focused and to behave responsibly with their money. [8] discovered that parents play a much bigger role in their children financial education and careers than do work experience and high school financial education. Young adults and adolescents need a strong network of social support from their parents and family members to succeed in adulthood. When parents behave responsibly with their money, they provide a good example for their kids and influence their views and conduct as youngsters grow into young people.

2.5 Demographic

Demographics also one of the factors that influence student financial management. Individuals with high knowledge may be more likely to have good financial management. Demographic aspects that will be examined in this study are age, educational level and monthly income. This is because they have extensive knowledge in financial management within themselves. However, income also affects student financial management. These demographic factors' impact on firm finance management has been the subject of a number of conflicting research. [9] a person's degree of education greatly influences their understanding of financial concepts and the tools they can use to make wise financial decisions. Additionally, a person with a greater salary has a tendency to have superior financial management skills due to their increased level of financial literacy. Age is a crucial demographic factor while managing finances since as a person gets older, their degree of maturity and mental and physical power increases. The more years of experience a person has, the older they are.

3. Methodology

3.1 Data Collection

Three hundred and seventy-two (372) students from University Malaysia Kelantan (UMK) which consists of three campuses which is Bachok, Jeli and City Campus have been respondents for this study. This Questionnaires were distributed using random sampling. The data was collected over two months and the completed questionnaires were gathered in December 2022. According to the table 1, 82.5% of the samples were female and among those, 50.3% who are respond to the questionnaires about the financial management were 19-20 years old.

Additionally, 90.1% of respondents had a STPM/Matrikulasi/Asasi in previous education level. For financial resources during studies in UMK, the majority of them (87.3%) is loan and parent. Total Expenditure allocated in one month, representing a response rate of 45.2% between RN301-RM500.

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Table 1: Demographic Profile of the Respondents

N= 372	Frequency	Percentage (%)
Gender		
Male	65	17.5
Female	307	82.5
Age (Years old)		
19-20 Years	187	50.3
21-22 Years	107	28.8
23-24 Years	69	18.5
Above 24 Years	9	2.4
Race		
Chinese	10	2.7
Indian	5	1.3
Malay	345	92.7
Other	12	3.2
Campus		
Bachok	87	23.4
Jeli	59	15.9
Kota	226	60.8
Previous Education Level		
Diploma	34	9.1
STPM/Matrikulasi/Asasi	338	90.1
Years of Study		
Year 1	203	54.6
Year 2	46	12.4
Year 3	34	9.1
Year 4	89	23.9
Financial Resources During Studies at UMK		
Guardian	7	1.9
Loan	143	38.4
Other	1	0.3
Parent	182	48.9
Scholarship	22	5.9
Yourself	17	4.6
Total Expenditure Allocated in One Month		
< RM 300	133	35.8
RM 301 – RM500	158	45.2
RM501 – RM700	50	13.4
RM701 – RM900	8	2.2
>RM901	13	3.5

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3.2 Research Questionnaire Design

The questionnaire created for the current study was inspired by earlier research and modified from the study that focused on financial management. To accommodate the various ethnic communities in Malaysia and their preferred languages, it was created in both Malay and English. A Likert scale with five possible responses from “strongly disagree” to “Strongly agree” was employed.

There are seven sections in the questionnaires. First, the section consists of financial management. Second, the question being asked in this section is about financial self-efficacy (a psychological aspect that reflects an individual’s sense of confidence). The third section consists of financial knowledge (formal education, informal sources, and real-life experiences). The fourth section is required to answer questions about money attitudes (spending, saving, and investing). The fifth section contains questions on demographics (income level and education level). The following section contains questions about family influence (parents influence financial literacy, pocket money given by parents, and financial lessons from parents), and the final section contained demographic information.

Therefore, each item for each section except the demography section was assessed using a five-point Likert scale. It ranged from strongly agree to strongly disagree. The researcher will use the data collection from the online survey or questionnaire to achieve our objective which is to identify the factors influencing the financial management among University Malaysia Kelantan Students after using all the process that needed.

4. Research Finding

4.1 Reliability Test

According to the table 2, it shows the result of reliability test for all the dependent variable and independent variables. The table shows that the Cronbach’s Alpha for all the variables is more than 0.07 except the independent variable, money attitude. However, according to [10], SPSS explained, an alpha score above 0.75 is generally taken to indicate a scale of high reliability, 0.5 to 0.75 is generally accepted as indicating a moderately reliable scale, while a figure below this generally indicates a scale of low reliability. Because of that, all the questionnaire is acceptable.

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Table 2: Result of Reliability Test

Instruments	N of Items	Cronbach's Alpha
Financial Management	5	.753
Financial Self-efficacy	5	.812
Financial Knowledge	5	.911
Money Attitude	5	.592
Demographic	4	.715
Family Influence	5	.870

4.2 Multiple Linear Regression Result

The result of multiple linear regression analysis is shown in the table 4.8, which the value of R-value is 0.713 indicating that there is a strong correlation relationship. The R Square value which is the coefficient of determination is 0.509 which indicates that 50.9% of the variation in the dependent variable, while the remaining 49.1% is from other factors that are not taken into this study.

Based on the table 3, the P values of the variable of financial knowledge, money attitudes, demographic and family influences are more than 0.05 which is, 0.074, 0.309, 0.914, and 0.178 respectively. While the P values for variable of financial self-efficacy is 0.000 which significantly influences the financial management among UMK students because the P values is less than 0.05. Whereas, the financial knowledge, money attitudes, demographic, and family influences did not significantly influence the financial management among UMK students.

Financial self-efficacy has significant influence on the financial management of UMK students. The findings of this study are supported by the findings of a previous study conducted by [11]. Financial knowledge has no significant influence on the financial management of UMK students. The findings of this study are supported by the findings of a previous study conducted by [12] [13]. Money attitudes has no significant influence on the financial management of UMK students. The result of this finding is supported by [14]. Demography has not significantly influenced the financial management among UMK students. The finding is supported by [15]. Family influence has not significantly influenced the financial management among UMK students. The results of this study are supported by the results of a previous study conducted by [16] [17].

Table 3: Result of Multiple Linear Regression Analysis

Variable	Beta Value	Std. Error	t-Value	p-value	R	R Square
Financial Management	.652	.218	2.990	.003	.713	.509
Financial Self-efficacy	.719	.048	15.131	.000		
Financial Knowledge	.048	.027	1.793	.074		
Money Attitude	.039	.038	1.019	0.309		
Demographic	.003	.025	.108	.914		
Family Influence	.044	.033	1.348	.178		

5. Conclusion

The study examines the preliminary study the factors influencing the financial management among University Malaysia Kelantan Students. Descriptive and frequency analysis were used to achieve the study's objective. The result suggest that financial self-efficacy responds to a positive factor on financial management among UMK students because they can know how to plan and manage their finances well. Financial planning also can help a person balance his income and expenses. Students need to be taught to make wise decisions about money. The basic financial skills young people acquire will help them make more accurate decisions and be less likely to fall victim to debt.

6. Limitation and Recommendation

The first problem is that it's hard to get the respondents to work with you. The questionnaire that was used for this research could only be sent out using online services like WhatsApp and Instagram. Because it's hard to get responses from respondents, the process of collecting data moves at a more snail's pace. Also, there a limited amount of time that can be spent studying, which makes it hard for researchers. Some of the people who filled out the survey didn't even read the questions that had been posted. Because of this, the study may not be as accurate or reliable as it could be.

One of these is using a more complete sample by expanding the study sample to include all public and private higher education institutions such as IPTA and IPTS in Malaysia. This can also be done by researching the factors that influence how well high school students, workers in the public and private sectors, and university students manage their money, and then comparing their financial management to that of university students. This is because financial management is an important part of living and planning for a better quality of life. In the future, the study could also look at things like peer pressure or influence, social influence, locus of control, financial literacy, and so on, which were not used in this study. This is a suggestion for how these other variables could be used in

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more research. For the purpose of this investigation, there are a number of factors that could change the results of this study.

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**The Factor Influencing Personal Financial Management Skills Among Students in
Faculty of Entrepreneurship and Business At UMK**

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Abstract:

The purpose of this research is to examine the variables that affect UMK students' personal financial management skills, specifically those of FEB students. According to statistics on individual bankruptcy by Nurul, Norazlina, Nor, and Wan (2016), there are more bankrupt individuals in Malaysia each year. In addition, the amount of debt that college students and undergraduates are bearing has dramatically increased, especially for recently graduated individuals. This is due to the fact that they must begin repaying their loan debt (PTPTN). New graduates might not have the necessary financial management skills, which could cause financial issues. Due to this distressing circumstance, they have inadequate financial planning, lack financial awareness, and are exposed to financial hazards. Additionally, when compared to the prior year, credit card bankruptcy filings and student loan defaults rose sharply in 2007. (Goi & Nee, 2008). In order to ascertain the variables influencing UMK students' personal financial management skills, this research was carried out. Financial knowledge, financial attitude, and family influence are the independent variables that affect UMK students' personal financial management skills. To collect data, 351 sets of questionnaires were given to UMK undergraduate students. Results were analysed using reliability test, Pearson, and correlation analysis. The findings indicate that FEB students have a fair amount of knowledge of basic financial products and services. Families have an impact on FEB students' high levels of personal financial management abilities. The primary conclusions of this study are that UMK students' personal financial management skills are significantly correlated with their financial knowledge, financial attitude, and family influence. There are managerial implications, this study's shortcomings, and suggestions for further research presented.

Keywords: *financial knowledge, financial attitude, family influence, personal financial management skills, bankruptcies, behaviour.*

1.0 Introduction

1.1 Background of study

Financial management knowledge is essential in this era of globalisation because financial management is involved in practically every transaction. Money is the most crucial asset to meet wants and requirements, according to Aisyah Abdul Rahman and Wajeeha Zulkifli (2016), especially for students in an increasingly competitive labour market. In light of the ever-increasing economic developments, students should have a high personal financial management skill.

Towanda Mitchell defines financial management as "handling our financial situation responsibly in order to achieve financial independence" (UMBC Money Matters Seminar, n.d)¹. It is focused on how money is managed in all facets of life. Elements of financial management include both personal and organisational management. Personal financial management assists us in managing the finances of our homes, which includes budgeting, saving, investing, debt management, and other aspects of personal money through which an individual can achieve personal goals (Bhatt, 2011)². Personal financial management, in other words, is the process of controlling income and organising expenses through a detailed financial plan. Individuals who fail to manage their personal finances owing to a lack of information are more likely to face financial difficulties and be declared bankrupt.

For most students in their first year of university, this is a significant transition period in which parental financial monitoring has switched to the students' exclusive responsibility. Students have autonomy in handling their personal finance at this stage, and they must deal with duties such as budgeting, saving, and arranging spending. This is where personal financial management skills among students come into play in terms of their ability to manage their personal financial management. This is because if students do not budget properly, they will face financial difficulties. Furthermore, there are several financial facilities available nowadays, such as loans and investment opportunities, which require students to have financial knowledge in order to ensure a right financial decision.

Lastly, personal financial management skills are necessary to protect students from incurring excessive debt. According to Nuraliani et al. (2015)³, an increasing number of young people are becoming bankrupt as a result of a significant personal financial management. One of the leading reasons of bankruptcy at a young age is a lack of financial education. So, every student should learn about money management so that they may make the most of their earnings.

1.2 Research Objective

The aim of the study is to identify the factor influencing personal financial management skills among students of the Faculty of Entrepreneurship and Business at UMK. This study was conducted objectively as follows:

1. To identify the relationship between financial knowledge and personal financial management skills among UMK students.

¹ Towanda Mitchell. (n.d). Financial Information Rights and Education: UMBC, Money Matters Seminar. (From) <http://www.umbc.edu/promise/Financial%20Management%20Seminar.htm> Retrieved 20 June 2011.

² Bimal Bhatt. (2011). Financial Management Importance. (From) <http://www.blogbuzz.com/financial-management-importance.html>. Retrieved 12 April 2012

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2. To identify the relationship between financial attitude and personal financial management skills among UMK students.
3. To identify the relationship between family influence and personal financial management skills among UMK students.

2.0 Literature Review

Financial Knowledge

Muhammad and Gharleghi (2015)³ prove that financial knowledge was strongly influenced by education. The association between education and financial literacy was beneficial. According to Grable and Joo (1999)⁴, financial education influences financial knowledge, financial behaviors, and financial attitudes. According to a study, college students were familiar with the fundamentals of money (Thapa & Nepal, 2015)⁵. Unfortunately, they had little knowledge of shared markets, bank credits, insurance, or financial statements. According to Nidar and Bestari (2012)⁶, students' personal finances were influenced by their parents' and teachers' educational attainment, and salary, as well as by the university's property insurance. Students' financial literacy in personal finance needs have been improved as a result. A university or family could make the improvement. For instance, a university could offer seminars or training on personal finance to students in several faculties. In addition, parents could impart financial knowledge regarding financial services and products.

According to Jorgensen (2007)⁷, students who want to be financially secure should have personal financial knowledge. Financial knowledge is becoming increasingly evident in today's society. It applies to everyone in the economy, not just investors. Financially literate people may have the information, abilities, and assurances needed to manage their resources wisely. Additionally, when people understand the value of the loan repayment and the consequences of default, it may foster a culture of loan repayment and support a healthy financial system (Shyamba & Kevin, 2015).

The findings of this study show that financial knowledge is one of the important factors that indicate that the model is valid and that it is important in estimating its influence on personal financial management skills among students.

Financial Attitude

³ Muhammad, I. A., & Gharleghi, B. (2015). Determinants of the financial literacy among college students in Malaysia. *International Journal of Business Administration*, 6(3), 15-24. Doi: 10.5430/ijba.v6n3p15
<http://eprints.utar.edu.my/2524/1/BF-2017-1401385.pdf>

⁴ Grable, J. E., & Joo, S. H. (1999). How to improve financial knowledge, attitudes, and behaviors among consumer science constituencies. *The Journal of Consumer Education*, 17(1999), 20-26
<http://eprints.utar.edu.my/2524/1/BF-2017-1401385.pdf>

⁵Thapa, B. S., & Nepal, S. R. (2015). Financial Literacy in Nepal: A Survey Analysis from College Students. 2nd International Conference on Economics and Finance. Kathmandu, Nepal. <http://eprints.utar.edu.my/2524/1/BF-2017-1401385.pdf>

⁶ Nidar, S. R., & Bestari, S. (2012). Personal financial literacy among university students (case study at Padjadjaran University students, Bandung, Indonesia). *World Journal of Social Sciences*, 2(4), 162-171.
<http://eprints.utar.edu.my/2524/1/BF-2017-1401385.pdf>

⁷ Jorgensen, B. L. (2007). Financial literacy of college students: Parental and peer influences. (Unpublished master's thesis). Faculty of the Virginia Polytechnic Institute and State University, Blacksburg, Virginia.
<http://eprints.utar.edu.my/2524/1/BF-2017-1401385.pdf>

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It was thought that financial attitudes could affect how people borrow money, save money, took risks, and did other things. The Organization for Economic Cooperation and Development (OECD) created a scale to gauge financial attitude in accordance with this notion. The OECD conducted a poll in order to better understand respondents' attitudes toward two important topics, namely consumption and financial planning. These two elements propensity to consume, propensity to save, and degree of belief in planning was reflected in the statements. Agarwalla, Barua, Jacob, and Varma (2012)⁸ noted that, compared to married people, young people were more inclined to engage in financial planning and practise more restraint when it went to consumption. Additionally, it was discovered that education level had a greater impact on financial behaviour and understanding than it did on financial attitude. In contrast, there was a strong correlation between income level and financial attitude. In other words, a disproportionately large proportion of respondents reported having greater incomes, and these respondents truly had a favourable attitude toward their financial planning and spending in order to meet their long-term financial objectives. A high level of financial education could also affect one's attitude and behaviour toward money. According to Albeerdy and Gharleghi's (2015)⁹ researched, there was a favourable correlation between financial attitude and personal financial management skills. In other words, financial attitude played a big role in determining how financially aware pupils were. They also mentioned that a student could had a different perspective on finances. The student would not have the motivation to manage their money effectively if they had a poor perception of money.

Previous studies have shown a positive correlation between behaviour and personal financial management skills. Their research suggests that certain behaviours may have a direct effect on their financial management skills.

Family Influence

Women who were young, had children, and had experienced marital discord were more likely to experience financial difficulty, according to Lusardi and Scheresberg (2017). According to Roy & Jain (2018), the causes of women's lowered involvement in financial decisions include a lack of financial education, fewer family discussions about money management with female family members, and a lack of knowledge of cutting-edge financial products and services. Next, Furnham and Milner (2017) examine parents' attitudes and actions toward their kids' economic socialization through allowances or pocket money.

According to the study, there is a positive correlation between family influence and personal financial management skills. Studies on college students have revealed that when family talks, students gain more knowledge and information. This will improve students' financial management skills, whether they are saving or spending. Thus, it can be concluded that the influence of parents on money management will affect the behaviour of the student.

Personal Financial Management Skills

Typically, students enter and navigate university life with insufficient knowledge of how to manage their personal funds (Chinen,2012). This can be as a result of the fact that

⁸ Agarwalla, S. K., Barua, S., Jacob, J., & Varma, J. R. (2012). A survey of financial literacy among students, young employees and the retired in India. India: Indian Institute of Management Ahmedabad. <http://eprints.utar.edu.my/2524/1/BF-2017-1401385.pdf>

⁹ Albeerdy, M. I., & Gharleghi, B. (2015). Determinants of the financial literacy among college students in Malaysia. *International Journal of Business Administration*, 6(3), 15–24. Doi: 10.5430/ijba.v6n3p15 <http://eprints.utar.edu.my/2524/1/BF-2017-1401385.pdf>

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parents are usually the main carers for students (Sabri,2010)¹⁰. While some students may graduate with respectable credit scores, sophisticated money management skills, and some level of personal wealth, others face difficulties with excessive debt, past-due accounts, and the inability to manage their financial commitments. Students may find it challenging to manage their personal finances in a consumer economy that encourages spending, with the Internet enabling the convenience of online shopping and credit cards facilitating borrowing, without financial planning expertise and knowledge (Shim,2009)¹¹. Students may thus be vulnerable to institutional financial marketing strategies, which could have an impact on their future financial security (Borden,2007).

Hypotheses Statement

Three hypotheses of this researched had been developed to study the relationship between the dependent variable, and the three independent variables which were financial knowledge, financial attitudes, and family influence.

H1: There is a significant positive relationship between financial knowledge and personal financial management skills.

H2: There is a significant positive relationship between financial attitude and personal financial management skills.

H3: There is a significant positive relationship between family influence and personal financial management skills.

¹⁰ Sabri, M.F. and MacDonald, M. (2010), "Savings behaviour and financial problems among college students: the role of financial literacy in Malaysia", *Cross-cultural Communication*, Vol. 6, No. 3, pp.103-110.
<https://dergipark.org.tr/en/download/article-file/255728>

¹¹ Shim, S., Xiao, J.J., Barber, B.L. and Lyons, A.C. (2009), "Pathways to life success: a conceptual model of financial well-being for young adults", *Journal of Applied Development Psychology*, Vol. 30, No.6, pp.708-723.
<https://dergipark.org.tr/en/download/article-file/255728>

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Research Framework

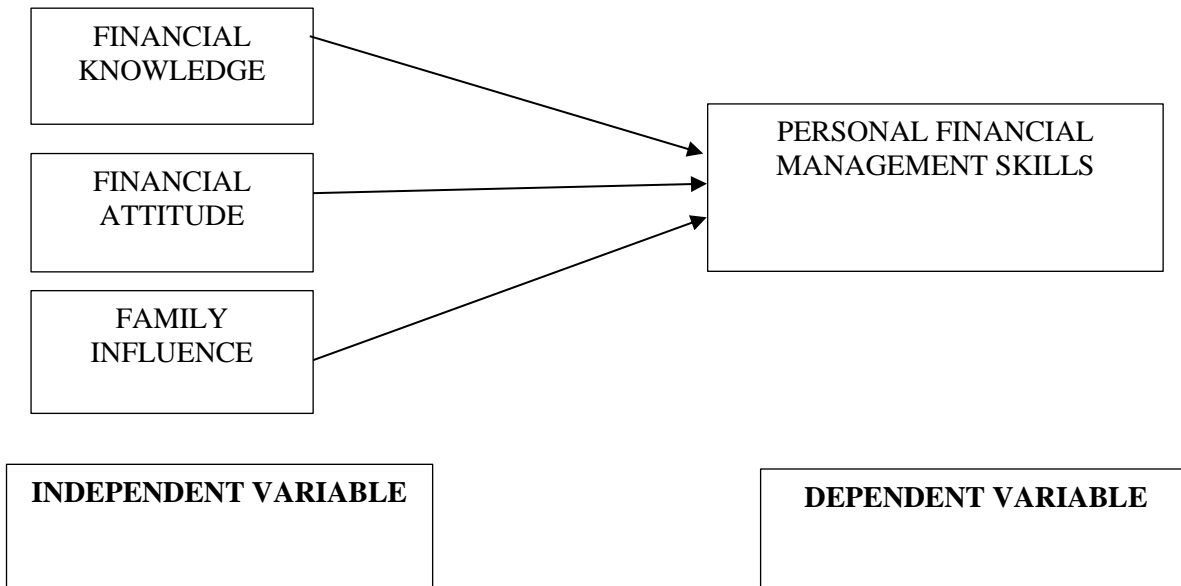


Figure 1: Research framework for the factors influencing personal financial management skills among students of the faculty of entrepreneurship and business at UMK.

3.0 Methodology

To achieve the goals of this study, several methods were used to understand the respondent's perspective on the study. The method is an online questionnaire method, which is also the primary and secondary data source in the study. Thus, to realize this study, the main data was collected using the online questionnaire approach, where a set of questions was created in the google form and sent to the target respondents using social media such as WhatsApp. Whereas, the second type of data is secondary data, which refers to material that has been collected by others for purposes other than current research. Government publications, statistical newsletters, and information published or unpublished from within and outside the organization are examples of secondary data sources. Furthermore, the study uses quantitative research methodologies.

The target respondents for this study were male and female students from the Faculty of Entrepreneurship and Business (FEB) at the University Malaysia Kelantan (UMK) in Pengkalan Chepa, Kota Bharu, Kelantan, Malaysia. There were six undergraduate student programmes offered by this faculty, which were Bachelor of Business Administration With A Honour In Islamic Banking And Finance (SAB), Bachelor Of Business Administration With A Honour In Logistics And Distributive Trade (SAL), Bachelor Of Business Administration With A Honour In Commerce (SAK), Bachelor Of Business Administration With A Honour In Retailing (SAR), and Bachelor Of Accounting With A Honour In Accounting (SAA).

The target age group ranges from 19 to 25 years old. This target group is chosen because most of the students at UMK are of such an age. We chose this field because it is more specific for us to get respondents to answer questionnaires through google forms. The sample size for the research study is appropriate to the collection of data to obtain good analysis results. The Krejcie & Morgan sample size formula were used for this study out of 3514 populations. A

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total of 351 questionnaires were distributed to students at UMK Kota Bharu to identify factors affecting financial management skills among students in the FEB at UMK.

To collect information from target respondents, the questionnaire at UMK Kota Bharu is designed and disseminated using Google Form. Five components make up the questionnaire used in the study: Parts A to E. Sections A (demographic profile), B (financial knowledge), C (financial attitude), D (family influence), and E (personal financial management skills). Section A would test factors like gender, age, education level, monthly expenditure, ranking for spending, and information sources that affect the choice of financial goods. The objective of Section B was to investigate the variables impacting UMK students' personal financial management abilities. Some theories and calculation questions in Section B assess the level of financial knowledge among UMK students. Section C was to analyse the financial behaviour whereas Section D to determine the influence of family influencing UMK students. Then, Section E made confirmation about what influences UMK students in personal management skills. Five Likert scales of questionnaires are used in this section.

Nominal data and ordinal data are two different types of variables. Both of these variables were used in studies. This approach was chosen to assist the investigation and discover more accurate data. The nominal scale is used by researchers to categorize people into specific classifications or groups, such as those used in section A. Whereas for ordinal variables, respondents were questioned about their level of ability manage personal finances, analyse financial behaviour, determine the influence of families on the knowledge of managing finances and the skill level of respondents to manage their own finances through the surrounding influences. The study used SPSS, the Statistics Package for Social Sciences. The six types of analysis or tests used in this study are Pearson correlation coefficient analysis, reliability test, normalization test, descriptive analysis, and pilot test.

4.0 Result and Discussion

4.1 Pre-Testing of The Instrument (Pilot Test)

A pilot test was conducted to test the validity and reliability of the questionnaire to make sure that the questionnaire can be used for the research. Researcher distributed questionnaires for pilot test through Google Form and collected 351 responses to be used in pilot test as data.

Table 1: Result of Reliability Test for Independent Variable and Dependent Variable

VARIABLES	Cronbach's Alpha	Number Of Item
Financial Attitude	0.769	7
Financial Knowledge	0.811	8
Family Influence	0.872	5
Personal Financial Management Skills	0.635	3

All currently conducted independent variable study has a precise Cronbach Alpha estimate of greater than 0.7, as shown in table 1 Cronbach Alpha estimates 0.635 for the dependent variable, which is personal financial management skills. 23 items that were subjected to a reliability test are included in the above table. Personal financial management abilities, a necessary variable across three items, as a result, has an alpha coefficient of 0.635. The significant coefficient alpha of Financial Attitude using 20 independent variables is 0.769. In addition, the alpha for the financial knowledge component is 0.811. The coefficient alpha for the next element, Family Influence, is 0.872. The reliability test was passed by each and every response to the variables.

4.2 Demographic Profile of Respondents

In this study, there are six questions were asked under respondents' demographic section such as gender, age, programmers, spend income, spend allowances, and prefer method saving money. This section discussed the basic analysis of demographic profile of 351 respondents who have answered the question through the Google form that has been distributed. Next, the frequency and percentage for every demographic profile of respondents were demonstrated through tables and simplified charts.

Table 2: Age of respondents

Category		Frequency	Percentage (%)	Valid Percent	Cumulative Percent
Valid	19-20 years old	13	3.7	3.7	3.7
	21-22 years old	122	34.8	34.8	38.5
	23-24 years old	201	57.3	57.3	95.7

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	25 years old and above	15	4.3	4.3	100.0
	Total	351	100	100	

Table 3: Gender of respondents

Category		Frequency	Percentage (%)	Valid Percent	Cumulative Percent
Valid	Male	122	34.8	34.8	100
	Female	229	65.2	65.2	65.2
	Total	351	100	100	

Table 4: Programmes course of respondents

Category		Frequency	Percentage (%)	Valid Percent	Cumulative Percent
Valid	SAA	27	7.7	7.7	7.7
	SAB	132	37.6	37.6	45.3
	SAE	41	11.7	11.7	57.0
	SAK	68	19.4	19.4	76.4
	SAL	43	12.3	12.3	88.6
	SAR	40	11.4	11.4	100
	Total	351	100	100	

Table 5: Spend income of respondents

Category		Frequency	Percentage (%)	Valid Percent	Cumulative Percent
Valid	RM1 – RM200	83	23.6	23.6	23.6
	RM201 – RM400	143	40.7	40.7	64.4
	RM401 – RM600	88	25.1	25.1	89.5
	RM601 and above	37	10.5	10.5	100
		351	100	100	

Table 6: Spend allowances of respondents

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Category		Frequency					Percentage (%)				
		M LS	LS	N	S	MS	ML S	LS	N	S	MS
Valid	Transportation	48	65	103	68	67	13.7	18.5	29.3	19.4	19.1
	Education	27	63	99	77	85	7.7	17.9	28.2	21.9	24.2
	Entertainment	112	66	60	63	50	31.9	18.8	17.1	17.9	14.2
	Living (rental)	41	57	56	109	88	11.7	16.2	16	31.1	25.1
	Saving	47	108	99	51	46	13.4	30.8	28.2	14.5	13.1
	Food	9	26	37	63	216	2.6	7.4	10.5	17.9	61.5
	Total		351					100			

Table 7: Savings on bank or cash of respondents

Category		Frequency (N)	Percentage (%)	Valid Percent	Cumulative Percent
Valid	Bank	285	81.2	81.2	81.2
	Cash on hand	66	18.8	18.8	100
	Total	351	100	100	

4.3 Reliability Test

This section discussed the reliability of this research's questionnaire that represents the dependent variable, personal financial management skills and independent variables which are financial Attitude, financial knowledge and family influence. In this section, Cronbach's Alpha of every question for each variable and section was analyzed and presented.

Table 8: Summary of Reliability Test

VARIABLES	Number Of Item	Cronbach's Alpha	Relationships
Financial Attitude (IV1)	7	0.769	Acceptable
Financial Knowledge (IV2)	8	0.811	Acceptable
Family Influence (IV3)	5	0.872	Acceptable
Personal Financial Management Skills (DV)	3	0.635	Questionable

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4.4 Normality Test

Table 9: Result of Normality Test

	Kolmogorov-Simonov			Shapiro- Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Financial Attitude	.093	351	.000	.945	351	.000
Financial knowledge	.063	351	.000	.977	351	.000
Family Influence	.113	351	.000	.945	351	.000
Personal Financial management skills	.139	351	.000	.958	351	.000

The SPSS system was used to evaluate and analyses the data's normality. In this research, the Shapiro-Wilk and Kolmogorov-Smirnov tests were performed to determine whether the data were normal. The two approaches to understand distribution are normal distribution and abnormal distribution. Any variables with p-value less than 0.05 had information about abnormality. According to Table 9, the Kolmogorov-Smirnova and Shapiro-Wilk tests were used to determine the normality of all the study's variables. The results of each test indicate that all significant values are less than 0.05 with a p value of 0.000, indicating that the data is abnormal since it does not follow a normal distribution.

4.5 Hypotheses Testing (Spearman Correlations Analysis)

The results of the correlation coefficient analysis indicated that independent variables in which is, Financial Attitude, financial knowledge and family influence have a correlation relationship with personal financial management skills among University Malaysia Kelantan students. The finding of the correlation between independent and dependent variables summarized and presented in each table in hypothesis result.

4.5.1 Financial Attitude

H0 = There is no significant relationship between financial attitude that influencing the personal financial management skills among University Malaysia Kelantan students.

H1 = There is significant relationship between financial attitude that influencing the personal financial management skills among University Malaysia Kelantan students.

Table 10: Spearman Correlation Coefficient Analysis

Correlations		FINANCIAL ATTITUDE	PERSONAL FINANCIAL MANAGEMENT SKILLS
FINANCIAL ATTITUDE	Pearson Correlation	1	.124*
	Sig. (2-tailed)		.020
	N	351	351

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Spearman Correlation analysis	PERSONAL FINANCIAL MANAGEMENT SKILLS	Pearson Correlation	.124*	1
		Sig. (2-tailed)	.020	
		N	351	351

4.5.2 Financial Knowledge

H0 = There is no significant relationship between financial knowledge that influencing the personal financial management skills among University Malaysia Kelantan students.

H1 = There is significant relationship between financial knowledge that influencing the personal financial management skills among University Malaysia Kelantan students.

Table 11: Spearman Correlation coefficient analysis

Correlations			FINANCIAL KNOWLEDGE	PERSONAL FINANCIAL MANAGEMENT SKILLS
Spearman Correlations Analysis	FINANCIAL KNOWLEDGE	Pearson Correlation	1	.266**
		Sig. (2-tailed)		.000
		N	351	351
	PERSONAL FINANCIAL MANAGEMENT SKILLS	Pearson Correlation	.266**	1
		Sig. (2-tailed)	.000	
		N	351	351

4.5.3 Family Influence

H0 = There is no significant relationship between family influence that influencing the personal financial management skills among University Malaysia Kelantan students.

H1 = There is significant relationship between family influence that influencing the personal financial management skills among University Malaysia Kelantan students.

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Table 12: Spearman Correlation Coefficient Analysis

Correlations			FAMILY INFLUENCE	PERSONAL FINANCIAL MANAGEMENT SKILLS
Spearman Correlation Analysis	FAMILY INFLUENCE	Pearson Correlation	1	.284**
		Sig. (2-tailed)		.000
		N	351	351
	PERSONAL FINANCIAL MANAGEMENT SKILLS	Pearson Correlation	.284**	1
		Sig. (2-tailed)	.000	
		N	351	351

5.0 Discussion and Conclusion

5.1 Implications of Study

Thus, through the overall findings of the study, several important factors need to be emphasized in matters that affect personal finance and management skills among students of the Faculty of Entrepreneurship and Business at UMK. Based on the findings of this study, we know that financial knowledge, financial attitudes, and family influences are the factors that influence personal financial management skills among students of the Faculty of Entrepreneurship and Business at UMK.

Planning for the future and achieving financial stability are two aspects of financial ability. Personal financial management skills can be improved through educational programs that take a practical approach. A successful program needs to be created based on the needs of the students and should be delivered in an integrated manner to reach a larger audience with various stages and characteristics of life. In addition, it is important to observe the program's results in order to more carefully evaluate the funding needs. In fact, the government must be more involved in education planning by increasing the financial importance of literacy in secondary schools and adult education.

The basic knowledge and skills of young adults about financial products and financial services should be improved as a key goal of educational initiatives. Additionally, it may be beneficial to impart basic knowledge and skills in financial management to graduates before they enter the labour market, so they have the necessary tools to manage their money efficiently.

5.2 Limitations of The Study

This study has encountered several limitations. The purpose of this study is to identify variables that affect students' personal financial management skills. Due to geographical limitations, only students attending the City Campus of University Malaysia Kelantan (UMK) were targeted respondents. Research is only done at UMK City Campus. Therefore, the

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findings cannot accurately reflect the level of financial literacy among students in Malaysia. Due to the narrow focus of the location on the City Campus, the reliability and accuracy of this research are limited.

In addition, 351 sets of questionnaires were randomly given to undergraduate students. This small sample size has caused the results to be limited, and it may fail to represent the high precision and satisfactory results required for this study. Since there are six programs in one entrepreneurship faculty at UMK, it is important to note that each program has its own requirements. When compared to respondents who are not from the Islamic Banking and Finance (SAB) program, respondents from the SAB program had higher financial experience. However, this study did not compare the results of SAB with non-SAB.

Next, when using the primary data methodology, the questionnaire is the instrument that makes the research the easiest for the researcher to carry out. However, if the survey questions are not written clearly, the researcher risks getting unreliable data and it will also limit the researcher to get a deeper understanding of the factors that affect personal financial management skills among students of the Faculty of Entrepreneurship and Business at UMK. As a result, as with other research that uses survey instruments, it is possible that the results will be biased.

5.3 Recommendation and Suggestions for Future Researcher

5.3.1 Recommendations to improve financial management skills among students

Based on our current findings, we recommend that people have knowledge about their personal financial management skills. First, we advise students to understand their needs and wants because students do not plan their finances according to their needs. This can help students make more important decisions.

Next, students should manage wisely and have a good budget if they want to develop their financial management skills. Their funds to ensure that they are well planned. They may use both offline and internet solutions to manage their funds.

Finally, personal financial management skills courses should be introduced to educate university students about financial planning, budgeting, savings, and investments. The course can improve financial management skills among University Malaysia Kelantan students in this study by including subjects such as financial management skills among students, which allows them to compare financial knowledge and financial attitudes.

5.3.2 Recommendations suggestions for future researchers

Here are some suggestions for individuals who may want to learn about this topic. For other researchers who want to do research on this topic, they should have more independent variables in addition to the given ones. Other researchers have found that the independent variable has a strong relationship between personal financial management skills (the dependent variable) which is important for finding data easily.

First, the current study contains several limitations that should be considered in future investigations in this topic. The key is the study sample consisting of 351 respondents who were collected from the Faculty of Entrepreneurship and Business at University Malaysia Kelantan only and that also explains why these findings cannot be used elsewhere without background financial management skills.

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Second, there are only three factors in this study, and all three are significant. However, further research is needed to look at additional factors that may explain financial management skills such as data relatedness, knowledge, and experience.

Third, while this study included important variables, future studies could include personal financial skills such as financial knowledge and financial attitudes that are useful in influencing the strong relationship between personal financial management skills. Next, studies should include more independent variables to assess people's perceptions of financial management skills. Apart from that, further research needs to look at various forms of personal financial management skills and why people do not perform well in financial management from a student's point of view.

Finally, researchers can increase the number of participants and collect data over a longer period of time. Most importantly, the small sample size (351 respondents) may have caused errors in the results. A larger sample that is comparable to the sample size and includes all specific data sets should minimize the inaccuracy of the sampling process and represent more reliable results.

5.4 Conclusions

This study has included some limitations that have been faced by researchers. However, these limitations have been supported by suggestions to improve overall student awareness in the future. The results of the Pearson correlation analysis have shown a positive relationship between the independent variables (financial knowledge, financial attitudes, and family influence) and dependent variables (factors that affect personal finance management skills among students of the Faculty of Entrepreneurship and Business at UMK). Throughout this investigation, the researchers have discovered several important factors that may affect personal finance management skills among students of the Faculty of Entrepreneurship and Business at UMK. Thus, it also helps create awareness among students of the Faculty of Entrepreneurship and Business at UMK in the importance of personal finance and management skills in daily life and the future.

Overall, the findings of this study can indirectly help provide information to the students of the Faculty of Entrepreneurship and Business at UMK to understand, examine, and take serious attention to the factors that affect personal finance and management skills. This is because without us realizing it, it can cause waste, extravagance, and irregular spending of money which will affect individual expenses in particular. Further research should be done in the future to add references.

Finally, more research is required to create a model of "financial skill" that takes into account the social, cultural, and psychological contexts that influence students' financial decision-making.

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Factors Influencing the Understanding of Financial Management among UMK Students

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Abstract:

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

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

1. INTRODUCTION

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

1.1 Problem Statement

University students are known to face numerous challenges when it comes to financial management. The act of earning, saving, managing, and spending money are all about financial management. Since many people declared bankrupt are young people, this group should be exposed to various kinds of knowledge, particularly financial management. Financial management is important to educate people on how to spend wisely. Students are well suited to be educated on the importance of efficiency in financial management since they will have their own commitments and responsibilities as they enter adulthood after graduating from university. Living in a life with debt and commitment must be tough if we lack financial management knowledge.

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from spending as they please to avoid future inconvenience. If we have good financial management skills, our money will be well managed, and we will know how to spend adequately for expenses and no longer live in debt. Therefore, this study aims to examine the factors that influence the understanding of financial management among UMK students. There are various factors that lead to the understanding of financial management among UMK students such as knowledge of financial management, parental income, and peer influence. Therefore, this study should be conducted to provide feedback on how students manage their finances.

Hence, this study aims to achieve the following objectives:

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

2. LITERATURE REVIEW

2.1 Financial Management among UMK students

Financial management can be characterized as the capacity to make wise decisions and take appropriate action in relation to the current and future use and management of money (Angela et al., 2021). This comprises the capacity to comprehend financial options, make future plans, spend prudently, handle difficulties brought on by life events, and meet challenges. Financial management is crucial in making appropriate judgments and taking appropriate action on current and future management.

Personal financial management, in context, entails the use of different activities to plan, manage, and control one's finances. A positive attitude toward income, loans, and investments reflects positive financial behavior (Layli, 2013). In today's society, financial management of students has become a very important part of a nation's economy by generating demand for needs (Bona, 2017). Youth financial management practices have gained extensive attention from various parties, including government agencies, community organizations, and educational institutions, because the age group is regarded as a high-risk group for being involved in money troubles. Student expenses are directly related to student resources, and they are regarded as one of the most major elements in total national spending.

2.2 Knowledge of Financial Management

According to Prihartono et al (2018), financial knowledge, which is an understanding of economics related to money obtained through formal education or additional learning guidance, is anticipated to be able to develop financial skills and tools that can implement money management successfully for the purpose of ensuring the welfare of life. Knowledge of financial management has been recognized as a key determinant of financial self - efficacy and spending habits (Falahati, Sabri, & Paim, 2012). People with knowledge can comprehend financial ideas and methods and how to apply financial knowledge to solve financial difficulties.

Financial literacy has a direct and negative impact on financial behavior. It resulted in an increase in financial knowledge as a means of gaining empowerment and improving life quality

(Gutter, Copur, and Garrison (2010); Robb and Woodyard (2011)). As a result, when students have a better understanding of financial management, they will be able to make good financial decisions. It can be seen in their ability to manage their own personal finances and to plan better investments. Consequently, it is crucial to acquire financial literacy regardless of age. It is advised that the children get a primary financial education up to the time they are old enough to

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attend college. Thus, it ensures that children have the information to act appropriately as adults. This could aid in lowering the nation's insolvency rate.

2.3 Parental Income

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

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

2.4 Peer Influence

Peer influence is described as situations where one individual affects, or is affected by, one other or multiple others of a similar age (Laurson & Veenstra, 2021). Peer influence is also one of the most influential factors to affect students' saving behavior (Kadir et al., 2021). This is because peer influence was found to be the most important factor in shaping good and bad attitudes in terms of social distance and physicality of Generation Y (Ogonowski et al., 2014 as cited in Kadir et al., 2021).

Similarly, according to Putri & Wijaya (2020), parents, peers, and the media may all help students, particularly university students, enhance their financial capabilities. This is supported by a study conducted by Jamal et al. (2015) as reported in Kadir et al. (2021), which discovered that peer influence can affect students' financial behavior and ability to save. It can be proven that peer influence has a substantial impact on their friends' saving behavior and motivates them to only spend on necessities and needs in order to avoid overspending (Kadir et al., 2021).

Furthermore, Duflo & Saez (2002) and Abdul Jamal et al. (2015) as cited in Noor Zaihan (2016) state that friends have a crucial role in giving advice to each other and in the traditional finance claims that more information leads to better long-term savings decisions. Montandon (2014) as cited in Kadir et al. (2021) also mentioned that Generation Y is easily convinced by their peers when making decisions. According to Noor Zaihan (2016), involvement in spending

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activities, leisure time, and discussing money management issues with peers can influence students' saving behavior. This is due to the fact that having peer educators who share similar characteristics as students may have the most influence (Putri & Wijaya, 2020).

2.5 Research Framework

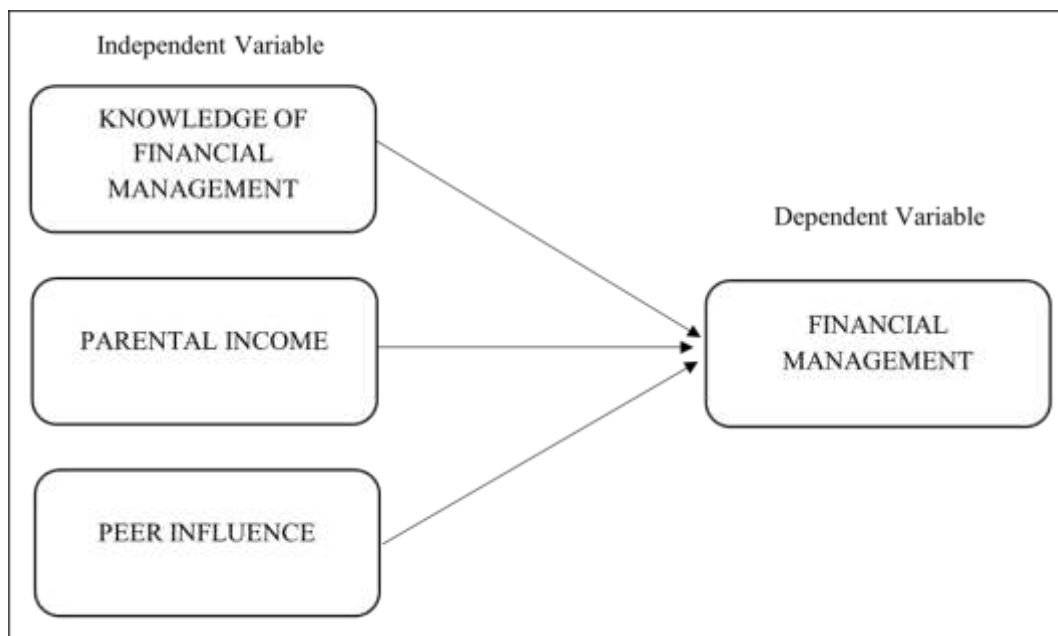


Figure 2.1: Conceptual Framework of the Factors Influencing the Understanding of Financial Management among UMK Students

Figure 2.1 above is a theoretical framework based on two types of variables which are Independent Variables and Dependent Variables. The Independent Variables consist of the knowledge of financial management, parental income and peer influence. The Dependent Variable consists of the financial management among University Malaysia Kelantan students.

Based on this discussion, the hypothesis of this study is visualized as follow:

- (H1) There is a significant positive relationship between knowledge of financial management and the understanding of financial management among University Malaysia Kelantan students.
- (H2) Parental income has a relatively positive relationship with understanding financial management among University Malaysia Kelantan students.
- (H3) Peer influence positively relationship with financial management among UMK students.

3. RESEARCH METHODS

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

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section in which five aspects will be discussed: gender, age, race, year of study and parents' monthly income.

The questionnaire was divided into sections A, B, C, D and E. Section A involved the researcher gathering demographic information from respondents. The other section is constructed for the independent and dependent variables. This questionnaire survey instrument use Likert scale model which are 1; strongly disagree, 2; disagree, 3; neutral, 4; agree and 5; strongly agree.

4. RESULT AND DISCUSSION

4.1 Preliminary Analysis

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

Table 4.1 Pilot test for 30 respondents

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

4.2 Demographic Profile

Table 4.2: Frequencies Table of Demographic Profile of Respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Gender				
Female	266	70.9	70.9	70.9
Male	109	29.1	29.1	100.0
Total	375	100.0	100.0	
Age				
	38	10.1	10.1	10.1
	295	78.7	78.7	88.8
	32	8.5	8.5	97.3
	10	2.7	2.7	100.0

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		375	100.0	100.0	
Race					
	Chinese	55	14.7	14.7	14.7
	Indian	47	12.5	12.5	27.2
	Malay	252	67.2	67.2	94.4
	Others	21	5.6	5.6	100.0
	Total	375	100.0	100.0	
Campus					
	Bachok	74	19.7	19.7	19.7
	Jeli	39	10.4	10.4	30.1
	Kota	262	69.9	69.9	100.0
	Total	375	100.0	100.0	
Year of Study					
	Year 1	45	12.0	12.0	12.0
	Year 2	55	14.7	14.7	26.7
	Year 3	93	24.8	24.8	51.5
	Year 4	182	48.5	48.5	100.0
	Total	375	100.0	100.0	
Faculty					
	FBKT	12	3.2	3.2	3.2
	FHPK	56	14.9	14.9	18.1
	FIAT	18	4.8	4.8	22.9
	FKP	193	51.5	51.5	74.4
	FBI	19	5.1	5.1	79.5
	FPV	16	4.3	4.3	83.7
	FSB	16	4.3	4.3	88.0
	FAE	21	5.6	5.6	93.6
	FTKW	24	6.4	6.4	100.0
	Total	375	100.0	100.0	
Parents Monthly Income					
	1000	52	13.9	13.9	13.9
	3000	128	34.1	34.1	48.0
	4000	115	30.7	30.7	78.7
	5000	58	15.5	15.5	94.1
	6000	22	5.9	5.9	100.0
	Total	375	100.0	100.0	

In this study, demographic profile of the respondents, which are gender, age, state, ethics, educational level, occupation, and monthly income. The total of respondents in this study is 375. It showed that 38 respondents were below 20 years old, 295 respondents were 20-25 years old, 32 respondents were 26-30 years old, 10 respondents were 30 and above years old. 48 respondents were above 40 years old. The number of female respondents is 266 while 109 respondents for male. There are 252 of Malay respondents, 55 of Chinese respondents, 47 of Indian respondents and 21 respondents are others race. According to the year of study, the most respondents are from year 4 (182), followed by 93 respondents from year 3, 55 respondents from year 2 and 45 respondents from year 1. Regarding campus, 74 respondents were from Bachok, 39 respondents were from Jeli, and 262 respondents were from Kota. For faculty, there are 12 respondents from FBKT, 56 respondents from FHPK, 18 respondents are FIAT,

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193 respondents from FKP, 19 respondents from FBI, 16 from FSB, from FAE are 21 respondents and 24 are from FTKW. In terms of parent's monthly income, 52 respondents earn below RM 1000, 128 earn between RM1001-RM3000, 115 earn between RM3001-RM4000, 58 earn between RM 4001-RM5000 and 22 earn above RM5000.

4.3 Descriptive Analysis

Table 4.3: Descriptive Statistics for Dependent Variable (DV) and Independent Variables (IV)

Variables	N	Mean	Standard Deviation
Financial Management (DV)	375	20.9680	5.42317
Knowledge of Financial Management (IV)	375	19.7627	3.33987
Parental income (IV)	375	23.1413	4.40026
Peer Influence (IV)	375	19.1067	3.60842

Table 4.3 shows the number of respondents, mean, standard deviation of the dependent variable (DV) and independent variables (IV). According to the results, the mean score for dependent variable of financial management is 20.9680, with a standard deviation of 5.42317. As for independent variables, the results indicate that the highest mean was scored by parental income which is 23.1413, with the standard deviation of 4.40026. Meanwhile, the independent variable of knowledge of financial management achieved a mean score of 19.7627 with the lowest standard deviation value of 3.33987. However, the lowest mean was scored by peer influence, which is 19.1067, with a standard deviation of 3.60842.

4.4 Reliability Test

The final test was conducted among 375 respondents. Table 4.4 illustrated the result of Cronbach's Alpha for independent variables. The Cronbach's Alpha result for these variables is acceptable.

Table 4.4: Reliability Test

Variables	Cronbach's Alpha Coefficient	Internal Consistency
Knowledge of Financial Management (IV)	.712	Acceptable
Parental income (IV)	.661	Questionable
Peer Influence (IV)	.790	Acceptable

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4.5 Normality Test

Table 4.5: Normality Test

Tests of Normality						
	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
I use a system or tracker to manage my expenses and avoid overspending.	.180	375	.000	.848	375	.000
I think I do well at making financial decisions compared to other people.	.207	375	.000	.863	375	.000
I am willing to take risk in investment to make more money.	.183	375	.000	.877	375	.000
I have experience in financial practice since childhood and it makes me understand about financial management.	.228	375	.000	.852	375	.000
To reduce my stress, I tend to spend and celebrate my money carelessly.	.221	375	.000	.877	375	.000
Financial socialization and financial knowledge have an indirect effect on financial management.	.284	375	.000	.801	375	.000
a. Lilliefors Significance Correction						

According on table 4.5, the significant value of the Shapiro-Wilk test is below 0.05 the data significantly deviate from a normal distribution. The null hypothesis for Shapiro-Wilk test indicates the data is normal, and if the p-value of the test if less than 0.05, then you reject the null hypothesis is 5% significance and conclude as the data is non-normal.

4.6 Hypothesis testing

Table 4.6: Correlation

		Knowledge of financial management	Parental income	Peer influence	Financial management
Knowledge of financial	Pearson Correlatio	1	.694**	.715**	.790**

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managemen t	n				
	Sig. (2- tailed)		.000	.000	.000
	N	375	375	375	375
Parental income	Pearson Correlatio n	.694**	1	.585**	.692**
	Sig. (2- tailed)	.000		.000	.000
	N	375	375	375	375
Peer influence	Pearson Correlatio n	.715**	.585**	1	.720**
	Sig. (2- tailed)	.000	.000		.000
	N	375	375	375	375
Financial managemen t	Pearson Correlatio n	.790**	.692**	.720**	1
	Sig. (2- tailed)	.000	.000	.000	
	N	375	375	375	375

Based on the table 4.6, the result revealed that all constructs of correlation coefficient are 0.790 indicated that there is a very strong positive correlation between knowledge financial management and understanding financial management ($r= 0.790$, $N=375$, $p < .001$). Meanwhile, the result of correlation coefficient between understanding the financial management among UMK students and parental income is 0.692. As a result, we may infer that there is a strong positive correlation between parental income and understanding the financial management among UMK students ($r= 0.692$, $N=375$, $p < .000$). Therefore, the result of correlation coefficient between understanding the financial management among UMK students and peer influence is 0.720 indicated that there is a strong positive correlation between peer influence and understanding the financial management among UMK students ($r= 0.720$, $N=375$, $p < .000$).

Table 4.7: Summary of Hypothesis Testing

Hypothesis	Correlation Results	Remarks
H ₁ : There is a significant relationship between knowledge financial management and understanding financial management among UMK students.	$r= 0.790$ $p < .001$	Supported
H ₂ : There is a significant relationship between parental income and financial management among UMK students.	$r= 0.692$ $p < .001$	Supported

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H ₃ : There is a significant relationship between the peer influence and financial management among UMK students	r= 0.720 p<.001	Supported
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Based on the Table 4.7 above, Correlation Coefficient (r) for H1(0.790), H2(0.692), H3(0.720) indicating a strong positive correlation. The outcome is accepted. The p-value is less than $p \leq 0.05$, so there is significant relationship with financial management. Therefore, the hypotheses for knowledge of financial management (H1), parental income (H2) and peer influence (H3) were accepted.

5. DISCUSSION AND CONCLUSION

5.1 Discussion

5.5.1 Hypothesis 1: There is a significant positive relationship between knowledge of financial management and the understanding of financial management among University Malaysia Kelantan students.

The result shows that the Pearson Correlation Coefficient has a p-value of 0.000, which is less than the alpha value (0.001). ($r = 0.790$, $N = 375$, $p < .001$). Thus, H1 was approved. This finding is in line with previous research on financial education, where youth are an essential target because they must develop financial awareness to understand the economy, manage their own money, and use credit wisely (Frączek et al., 2105). Additionally, according to the researchers, University Malaysia Kelantan is an entrepreneurial university that emphasizes finance and entrepreneurship. Students may learn money management skills and make wise financial choices in their daily life.

5.5.2 Hypothesis 2: Parental income has a relatively positive relationship with understanding financial management among University Malaysia Kelantan students.

The value of correlation coefficient is 0.692 indicated that there is a strong positive correlation between parental income and understanding the financial management among UMK students ($r = 0.692$, $N = 375$, $p < .001$). Increases in the parental income were correlated with understanding the financial management among UMK students. Therefore, the null hypothesis is rejected and H₂ is accepted. In support of this finding, Angela & Pamungkas (2021) stated that saving activities are very important to be instilled early by their parents so that good saving behaviour can be formed and developed in children from a young age to adulthood. Parents who provide their children with more encouragement and guidance are more likely to help them with prudent and desirable money management practices (Xiao et al., 2007). Students who understand and are aware of money management are prudent in buying and purchasing necessities. They will also learn about dependency on debt and credit and use it in their daily lives.

5.5.3 Hypothesis 3: Peer influence positively relationship with financial management among UMK students.

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

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financial management among UMK students. Therefore, the null hypothesis is rejected and H_3 is accepted. Moreover, this study also supports the previous study of Kadir et al. (2021) and Putri & Wijaya (2020) that says peer influence is one of the most influential factors and has a significant relationship in understanding financial management. In adolescence a student, most of them will spend their days at university and socializing. Most of the activity, they spent with their friends and peers. Hence, friends and peers are the ones who can impart financial knowledge, shape their perspective on financial, and frequently engage in financial conversation

5.2 Limitation of study

First off, because of time restrictions, this study is only eligible to UMK students. Researcher faced the difficulty to approach students from other campus due to lack of contact and rush to collect data from respondents. In addition, this study only focused on three independent variables which were knowledge of financial management, parental income and peer influence. However, many other factors might be related to the understanding the financial management. Despite its limitations, the results of this study nonetheless offer a foundation for further research to increase existing knowledge about the factors that are crucial for understanding financial management.

5.3 Recommendations & Suggestion for Future Research

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

5.4 Conclusion

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

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The Study on Factor Affects Financial Management Behavior Among Faculty Of Entrepreneurship And Business (FKP) Students In UMK

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ABSTRACT

The purpose of this study is to investigate the factors affecting financial management behavior among Faculty of Entrepreneurship and Business (FKP) students in UMK. Specifically, there are three research objectives: To identify how financial knowledge affects financial management behavior among FKP students in UMK? (RO1) To identify whether financial self-efficacy affects financial management behavior among business students in FKP students in UMK? RO2), To identify whether the locus of control affects financial management behavior among business students in FKP students in UMK? (RO3). The specific target audience consists of Faculty of Entrepreneurship and Business (FKP) students in University Malaysia Kelantan (UMK). Targeted population of students in the faculty amounted to 2,826 FKP students. Questionnaire consists of 2 sections which are demographic and questions on three independent variables: Financial Knowledge, Financial Self-efficacy and Locus of Control. Quantitative (survey and data collection), and Questionnaire are used to answer for research objectives. We found that financial knowledge, financial self-efficacy and locus of control as independent variables relate to each other with financial management behavior as dependent variables. It has been proven that financial management behavior affects financial knowledge, financial self-efficacy and locus of control in practicing the correct use of finance in one's daily life.

Keywords: *Financial knowledge, Financial self-efficacy, Locus of control*

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1.0 INTRODUCTION

Financial sector independence will become one of the concentrations for the nation's financial development solution. Financial management behavior has ended up an essential issue in enhancing the welfare of lifestyles. Financial management behavior is the capacity of people to play the finance role (planning, control, search, and storage) within the lengthy and brief term. Implementation of the proper sample of economic control ought to be supported through a knowledge of excellent economic technology and be capable of practice in normal lifestyles. Therefore, every student ought to practice a terrific sample of economic conduct for you to begin learning step one to make lifestyles prosperous. The majority of tertiary students in Malaysia receive a PTPTN loan, which stands for Perbadanan Tabung Pendidikan Tinggi Nasional (National Higher Education Fund Corporation) and is a government-sponsored study loan. Since the PTPTN loan is primarily intended for educational purposes, careful planning is essential to ensure that the funds are used wisely. Failure to use the loan appropriately leads to greater debt and financial issues for the students. Due to their proclivity to borrow to support their education, college students are seen as a high-risk population connected with financial insecurity. As a result, this cohort graduates with a large amount of debt before entering the labour market (Falahati & Paim, 2011).¹ Empirical research also reveals that the youth do poorly in financial management, particularly when it comes to budgeting and long-term savings planning (Jorgensen & Savla, 2010)².

In addition, college students learn how to handle their funds from their friends and family members, which occurs mostly during their early childhood years and beyond (Chuah et al., 2020)³. As a result, the shift from adolescence to adulthood necessitates that young adults have the necessary financial knowledge, abilities, beliefs, and attitudes towards personal finance (Shim et al., 2010)⁴. Furthermore, financial literacy may impact one's financial behaviour. Financial literacy is defined here as the ability of an individual to comprehend and use personal finance information (Huston, 2010, p. 306)⁵. It is therefore defined as knowledge, attitude, behaviour, and the competence to make financial judgments. Financial management behavior, in concept, pertains to the behavior includes identifying, obtaining, allocating, and using financial resources to reach a predetermined financial objective. Hence, this study endorses an examination on elements affecting financial management behavior amongst college of entrepreneurship and commercial enterprise college students in University Malaysia Kelantan. This study contains the components of financial knowledge, financial self-efficacy, and locus of manipulation into the examiner version to advantage a higher know-how of financial behavior. Besides, personal financial management may be related to financial behavior. Personal financial management is a utility of the financial management concept on the personal stage that consists of financial planning, management, and manipulation activities.

¹ Falahati, L., & Paim, L. (2011). Toward a framework of determinants of financial management and financial problems among university students. *African Journal of Business Management*, 5(22), 9600–9606

² Jorgensen, B. L., & Savla, J. (2010). Financial Literacy of Young Adults: The Importance of Parental Socialization. *Family Relations*, 59(4), 465–478. <https://doi.org/10.1111/j.1741-3729.2010.00616.x>

³ Chuah, S. C., Juliana, N. K., & Singh, J. K. (2020). Factors affecting financial management behaviour among university students. *Malaysian Journal of Consumer and Family Economics*, 25

⁴ Shim, S., Barber, B. L., Card, N. A., Xiao, J. J., & Serido, J. (2010). Financial Socialization of First-year College Students: The Roles of Parents, Work, and Education. *Journal of Youth and Adolescence*, 39(12), 1457–1470.

⁵ Huston, S. J. (2010). Measuring Financial Literacy. *Journal of Consumer Affairs*, 44(2), 296–316. <https://doi.org/10.1111/j.1745-6606.2010.01170.x>

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1.1 Research Objective

There are three objectives in this research:

RO1: To identify whether financial knowledge affects financial management behavior among FKP students in UMK.

RO2: To identify whether financial self-efficacy affects financial management behavior among business students in FKP students in UMK.

RO3: To identify whether the locus of control affects financial management behavior among business students in FKP students in UMK.

2.0 LITERATURE REVIEW

2.1 Financial Management Behavior

One of the important concepts of financial science is the behavior of financial management. So many definitions are expressed for this concept. For example, in Weston & Brigham, (1981)⁶ studies which describe the financial management behavior based on actions in determining, acquiring, allocating, and not only that, it also refers to using financial resources correctly to achieve the planned goals. Not only that, financial management behavior can be attributed to a person's financial responsibility which is how an individual manages their financial situation. The process of managing money and other assets productively is a financial responsibility. (Ida & Dwinta,2018)⁷. Meanwhile, financial management behavior refers to the use of financial resources, determining provisions and acquisitions. Halim & Setyawan, (2021)⁸ highlight the link between financial knowledge and financial management behavior is as follows: if someone has appropriate financial knowledge, excellent financial management conduct is expected.

2.2 Financial Knowledge

Financial knowledge, as defined by Hilgert et al. (2003)⁹, is an individual's understanding of finances. Financial knowledge, in principle, relates to a person's understanding of financial literacy as well as their capacity to undertake financial transactions. Following that, official education, informal resources, and life experience may all be used to gain financial understanding. Individuals with a wealth of financial knowledge of personal finances will necessarily be more responsible in resolving financial issues or problems. For example, savings and investments (Perry, 2008). Individuals with financial knowledge can make better, more informed financial decisions in their daily lives. Hilgert et al. (2003),⁹ &Howlett et al. (2008)¹⁰ According to Listiani's (2017)¹¹ results, financial knowledge has no significant influence, implying that a person possesses financial expertise but does not exercise effective financial management behavior. In contrast to Listiani's research, it is said that financial attitude has a

⁶ Weston, J. F., & Brigham, E. F. (1981). *Managerial Finance*. Holt-Saunders.

⁷ IDA, I., & DWINTA, C. Y. (2018). PENGARUH LOCUS OF CONTROL, Financial Knowledge, Income Financial Management Behavior.

⁸ Halim, M. A., & Setyawan, I. R. (2021). Determinant factors of financial management behavior among people in Jakarta during COVID-19 pandemic. *Advances in Social Science, Education and Humanities Research*.

⁹ Hilgert, M. A., Hogarth, J. M., & Beverly, S. G. (2003). Household Financial Management: The Connection between Knowledge and Behavior. *Federal Reserve Bulletin*, 89, 309–322

¹⁰ Howlett, E., Kees, J., & Kemp, E. (2008). The role of self-regulation, future orientation, and financial knowledge in long-term financial decisions. *Journal of Consumer Affairs*, 42(2), 223–242.

¹¹ *Pengaruh financial knowledge, locus of control Dan financial attitude terhadap financial management behavior pada mahasiswa*. (2017). Welcome to Perbanas Institutional Repository - Perbanas Institutional Repository. <https://eprints.perbanas.ac.id/2917/>

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strong positive influence on financial management behavior, which means that the more persons who are able to use an excellent financial attitude, the better their personal finance management. Furthermore, research data indicate that financial knowledge has a mixed influence on financial behavior. As a result, a number of studies revealed a positive relationship between financial knowledge and financial management behavior.

2.3 Financial Self-Efficacy

According to the psychological aspect, financial self-efficacy is an individual's ability to manage their finances wisely and effectively in order to achieve specific financial goals. (Rizkiawati & Asandimitra, 2018¹²). Financial efficacy was shown to have a favourable relationship with perceived behavioural control, which includes financial efficacy (Xiao et al., 2011)¹³. Thus, good financial conduct was found to have favourable connections with financial happiness and a dislike of debt. As a result, financial effectiveness (as a component of overall perceived behavioural control) was discovered to have an indirect positive relationship with financial pleasure and financial prosperity. (Jibrán Qamar et al., 2016)¹⁴. Furthermore, according to some research, increased financial self-efficacy leads to more productive financial behavior and improved well-being. Researchers like Prihartono & Asandimitra, (2018)¹⁵ more are discussing the same topic from different perspectives. If students have the terrible habit of spending once or twice a month, there will be no financial problems. Since the income earned by his parents is used early every month, he demands a remittance from his parents, so suppose he did more than very likely to have financial management problems.

2.4 Locus of Control

Sardogan et al. (2006)¹⁶ describe locus of control as the mind's control of power in good or bad situations in an individual's life. Locus of control, according to Robbins and Judge (2008)¹⁷, is the degree to which a person believes she is in charge of her own fate. According to Hillrigel et al. (2010)¹⁸, locus of control is a psychological notion that refers to an individual's belief about events that occurred within their control. It assesses generalized expectations for internal versus external reinforcement control. An individual's internal locus of control is their belief that they have influence over their lives. An individual can achieve success by working hard. An individual with an internal locus of control will see the world as predictable, and their behavior will play particular roles within that environment (Kreitner and Kinicki, 2003).¹⁹

¹² Rizkiawati, N. L., & Asandimitra, N. (2018). Pengaruh demografi, financial knowledge, financial attitude, locus of control dan financial self-efficacy terhadap financial management behavior masyarakat surabaya. *Jurnal Ilmu Manajemen*, 6(2010)

¹³ Dew, J., & Xiao, J. J. (2011). The Financial Management Behavior Scale: Development and validation. *Journal of Financial Counseling and Planning*, 22(1), 43–59

¹⁴ Jibrán Qamar, M. A., Nadeem Khemta, M. A., & Jamil, H. (2016). How Knowledge and Financial Self-Efficacy Moderate the Relationship between Money Attitudes and Personal Financial Management Behavior. *European Online Journal of Natural and Social Sciences* 2016, 5(2), 296-308.

¹⁵ Prihartono, M. R., & Asandimitra, N. (2018). Analysis factors influencing financial management behaviour. *International Journal of Academic Research in Business and Social Sciences*, 8(8). <https://doi.org/10.6007/ijarbss/v8-i8/4471>

¹⁶ Sardogan E. M., Kaygusuz, C. ve Karahan, T. F. (2006). A Human Relations Skills Training Program, University Students' Locus of Control Levels, *Mersin University Journal of the Faculty of Education*, 2 (2), 184-194.

¹⁷ Robbins, S. P., & Judge, T. A. (2008). *Essential organisational behaviour*. Upper Saddle River,

¹⁸ Hilgert, M. A., Hogarth, J. M., & Beverly, S. G. (2003). Household Financial Management: The Connection between Knowledge and Behavior. *Federal Reserve Bulletin*, 89, 309–322.

¹⁹ Kreitner, R., & Kinicki, A. (2003). *Organizational Behavior* (6th ed.). McGraw Hill/Irwin, 2003.

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2.5 Hypotheses Statement

The Hypothesis for this study is to identify factor influences financial behaviour among FKP student in UMK based on three different views of factor.

H1: There is a positive relationship between financial knowledge and financial management behavior among FKP student in UMK.

H2: There is a positive relationship between financial self-efficacy and financial management behavior among FKP student in UMK.

H3: There is a positive relationship between locus of control and financial management behavior among FKP student in UMK

2.6 Conceptual Framework

A conceptual framework is an analytic tool that can be used in a variety of situation. The researcher has used the conceptual framework to determine the outcome and statistical link between dependent and independent variables.

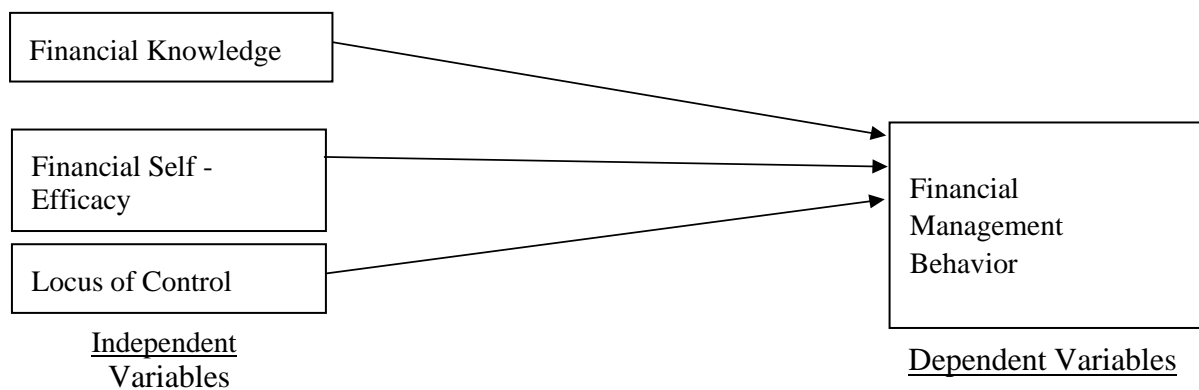


Figure 2.6 : Conceptual Framework

3.0 METHODOLOGY

This study was conducted to know what were identify factor influences financial behaviour among FKP student in UMK and this chapter includes a set of theories, concepts, ideas, and ideologies associated to a certain subject or field of study.

3.1 Research Design

the researcher would like to conduct this study in order to discover whether the hypotheses investigated factors affecting financial management behavior among Faculty of Entrepreneurship and Business (FKP) students at the University Malaysia Kelantan. The questionnaire was chosen as a data source over primary data by the researchers because it could be gathered efficiently and rapidly. It can also save costs while enhancing data quality. This will assist the researcher in identifying difficulties and determining whether or not queries based on observations have been answered. A questionnaire is a research instrument that consists of a series of questions designed to elicit useful information from respondents. The researchers will publish a questionnaire using Google Forms.

3.2 Data Collection Method

The purpose of this study was to identify factors affecting financial management behavior among students at the University Malaysia Kelantan's Faculty of Entrepreneurship and Business (FKP). Financial knowledge, financial self-efficacy, and locus of control were the underlying factors in this case. As a result, the quantitative research technique was used in this study, with a self-administered questionnaire (Appendix A) serving as the research instrument. Furthermore, the convenience sampling strategy was used in the data gathering procedure.

3.3 Population and Sample size

The target population is a group of individuals selected to answer the study and it consists of subgroups that need to be clearly stated. The Aim of this study is to discover which factors impact financial management behaviour among UMK Faculty of Entrepreneurship and Business students who are still enrolled. Only one faculty member from the UMK campus Kota, which is located in Pengkalan Chepa, Kota Bharu, will be involved. The overall population of UMK Campus Kota is 4,519 students (U.M.K., 2022), while the researchers' target population is 2,826 FKP students.

3.4 Sampling Technique

Population is known as the complete set of people. Raw number of the subject is also the population. From the population, the researcher will select the targeted sample size number to be distributed to the respondents. According to Kadam and Bhalerao (2010²⁰), a sample is a set of participants selected from the population, which is less in number but adequately represents the population from which it is drawn so that true inferences about the population can be made from the results obtained. The sample size according to Krejcie dan Morgan (1970)²¹ is a sum of 346 samples.

3.5 Research Instrument Development and Measurement of the Variable

The method used to collect quantitative data was a questionnaire. The survey questions were developed based on previous research and were changed to meet the needs of the research objective. Survey questions are very useful if they involve a large population. Questionnaire is a series of questions that address critical analysis and explanation references. The design of the

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questionnaire is a critical procedure and must guarantee that exact data are obtained from the respondents in order to answer research questions and fulfill research goals. To conduct this research, it is divided into two sections, namely section A and section B. Section A is to capture the demographic information examples include: age, gender, parent income, education, financial aid received & Ptpn receiver and saving. You can easily and effectively collect these types of information with survey questions. While section B is related to questions and answers on financial knowledge, financial self-efficacy and locus of control which are independent variables in our project study. In addition, each scale in Section A and Section B ranged from 1 (strongly disagree) to 5 (strongly agree) and also has a choice of yes or no answers as a fixed answer.

3.6 Procedure of Data Analysis

The analysis of this plan is to identify the data to be collected, the purpose of the data collected and how to analyze the data obtained. This analysis is to ensure that the desired data is collected, and all the data is used to complete the study. With the selection of appropriate research methods and statistical tools will help us get accurate and reliable results.

3.6.1 Reliability Analysis

Reliability is a test to study that extends to which the test scores obtained are consistent. The magnitude of the independent variable and the internal correctness of its dependent variable are determined by their alpha reliability in this study. The widely accepted recommendation is that 0.6-0.7 reflects an acceptable level of dependability, while 0.8 or more denotes an exceptional level.

Table 3.6.1: Rule of Thumb of Cronbach's Alpha

Coefficient Alpha Range, a	Strength of Association
>0.90	Excellent
0.80 to < 0.90	Very Good
0.70 to < 0.80	Good
0.60 to < 0.70	Moderate
0.50 to < 0.60	Poor

Source: (Hair et. al., 2003)

²⁰ Kadam, P., & Bhalerao, S. (2010). Sample size calculation. International journal of Ayurveda research, 1(1), 55–57. <https://doi.org/10.4103/0974-7788.59946>

²¹ Krejcie, R. V., & Morgan, D. W. (1970). Determining sample size for research activities. Educational and Psychological Measurement, 30(3), 607–610.

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Table 3.1 above shows the rule of thumb of Cronbach's Alpha. This table was used to analyze the reliability and consistency of the questionnaire made. Therefore, this study used Correlation Analysis to investigate the strength and the direction of the relationship as to how strong the relationship between the two variables in this study, values above 0.9 will indicate an excellent value Coefficient Alpha score between 0.80 and 0.90 are excellent. The range of 0.70 to 0.80 is good.

3.6.2 Descriptive Analysis

Descriptive statistics is a technique that is to summarize and organize the records set received due to responses and observations made both from a pattern or the whole population. The use of descriptive records in studies research can assist researchers get the consequences of measures of relevant tendency and measures of variability quickly. In this study, the researchers will examine every comment from the respondents in order that what's received is just like the studies goals that they've set.

3.6.3 Correlation Analysis

The Pearson coefficient is a kind of correlation coefficient that represents the connection among variables which might be measured at the equal programming language or ratio scale. The Pearson coefficient is represented in the equal manner as a correlation coefficient that is utilized in linear regression, ranging from -1 to +1. A price of +1 is the result of a super fine relationship among or greater variables. Positive correlations imply that each variable flows within the equal direction. Conversely, a price of -1 represents a super terrible relationship. Negative correlations imply that as one variable increases, the alternative decreases, they're inversely related. A zero indicates no correlation.

Table 3.6.2 : Rules of Thumb of Correlation Coefficient

Coefficient Range	Strength of Association
±0.91 - ±1.00	Very strong
±0.71 - ±0.90	High
±0.41 - ±0.70	Moderate
±0.21 - ±0.40	Small but definite relationship
±0.01 - ±0.20	Slight, almost negligible

Source: Samouel et. al., (2003)

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4.0 RESULT AND DISCUSSION

4.1 Preliminary Analysis

Table 4.1: The Results For Variable Reliability Statistic

Variable	Cronbach	N Of Items
Financial Knowledge	0.831	4
Financial Self-Efficacy	0.787	4
Locus Of Control	0.866	4

According to this study, the study selects 30 people at random for a pilot test. Cronbach's alpha values should ideally range from 0 to 1, however they can be negative as well. Cronbach's alpha of 0.70 or above is regarded acceptable. Meanwhile, a score of less than 0.6 is considered poor. Cronbach's alpha values are normally great and appropriate for all variables. Cronbach's alpha values for independent variables like financial knowledge, financial self-efficacy, and locus of control, on the other hand, are 0.831, 0.787, and 0.866, respectively. All of the independent variable findings were greater than 0.6, indicating that the variables were all good and had a reasonable level of internal consistency. As a result, surveys for all variables are adequate and fit for use.

4.2 Demographic profile of respondents

Table 4.2: Overall Demographic Profile Respondents (n=346)

Demographic	FREQUEN CY (N=346)	Percentage (%)
Age	18 years old	5.8
	20 years old	11.4
	22 years old	65.1
	24 years old	17.3
Gender	Female	23.3
	Male	76.7
Year Of Study	Year 1	6.6
	Year 2	9.2
	Year 3	13.5
	Year 4	70.6
Course	SAB	67.1
	SAK	7.8
	SAL	8.9
	SAR	8.4
	SAE	7.8
Financial Aid Received	Yes	81
	No	19
Parent's Monthly Income	1500	46.4
	3000	27.1
	5000	13.8
	5001	12.7
Saving	300	35.7
	500	25.9
	1000	23.1

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5000

53

15.3

Table 4.1 shows a summary of the demographic profiles of the respondents who have provided feedback. The respondents were categorized into 4 groups of age and researcher got to know the number of respondents for age 18 years was the lowest with 20 of them equal to 5.8% meanwhile the respondent of age 20 years old were 41 respondents with percentage of 11.4%. For respondent of age 22 old were 226 respondents with percentage of 65.1%. As for the respondents that aged 24, this is only 60 of them with 17.3%. There were almost 266 female and 81 male with the percentage of 76.7% and 23.3%. This have indicated that most of the respondents are female (76.7%) have response to the questionnaire. Furthermore, respondents with the highest year of study was year four almost 245 of them equal to 70.6% meanwhile the least number is year one with the frequency only 23 of them equal to 6.6%. As for year two and year 3 has the both frequency of respondent which is 32(9.2%) and 47(13.5%) respectively. For the course of respondents, the highest course group was SAB that represents 233 respondents with equal to 67.1%, followed by SAL consists of 31 respondents which is 8.9% , SAR consists of 29 respondents which is 8.4% , , SAK and SAE have same number of respondent which is 27 equal to 7.8%.

The 281 majority financial aid had received which is represents 81% from the overall sample. A total of only 66 students did not received the financial aid which was counted a 19% only. For the parent's monthly income of the respondents, the highest monthly income group was below RM 1 500 that consists of 161 respondents which is 46.4% and the lowest monthly income group is RM 5001 consists of 43 respondents only which is 12.7%. While the other two income both placed in second and third places. RM3000 was the second with the frequencies of 94 and 27.1%. Third was RM5000 with 48 frequencies and represents 13.8% from the total of respondents. Lastly, for the frequency of respondent had savings show that the highest was RM 300 which contain 124 students with the percentage of 35.7%. The lowest frequencies of saving was RM5000 with the number of 53 (15.3%). RM 500 and RM1000 both had frequencies of 89 and 80 with 25.9% and 23.1%.

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4.3 Descriptive Analysis

Table 4.3: The Overall Mean Score on Each Variable and Dimension

Statistics	Mean	Std. Deviation	N
Financial Knowledge	17.7688	2.75234	346
Financial Self efficacy	17.2977	3.02374	346
Locus of Control	17.3064	3.06525	346

The high mean scores (M=17.7688, SD=2.75234) were confirmed by independent factors. Financial Knowledge 17.7688 (SD=2.75234), Financial Self-Efficacy 17.2977 (SD=3.02374), and Locus of Control 17.3064 (SD=3.06525) were the three independent variables that rated highly fulfil mean score.

4.4 Validity and Reliability Analysis

Table 4.4: Result of Reliability Coefficient Alpha for the Independent Variables and Dependent Variable

Variables	No of Item	Cronbach's Alpha Value	Strength of Association
Financial Knowledge	4	0.861	Excellent
Financial Self-Efficacy	4	0.866	Excellent
Locus of Control	4	0.897	Excellent

Based on Table 4.4, Cronbach's Alpha analysis showed high reliability for each element. Part B which is independent variables which consists of financial knowledge, financial self-efficacy and locus of control also has high reliability. The Cronbach's Alpha value for financial knowledge is 0.861, financial self-efficacy is 0.866 and locus of control is 0.897. This indicates that the instruments in this study are very good and accepted for further analysis.

4.5 Normality Test

Table 4.5: Result of Normality Test

Tests of Normality						
	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
SAVINGS	0.403	346	0.000	0.556	346	0.000
a. Lilliefors Significance Correction						

Table 4.5 shows that the significant result of the Shapiro-Wilk Test is less than 0.05, indicating that the data deviates considerably from a normal distribution. The null hypothesis for the Shapiro-Wilk test implies that the data is normal, and if the test's p-value is less than 0.05, you reject the null hypothesis at 5% significance and conclude that the data is non-normal.

4.6 Hypothesis Testing

Table 4.6: The Pearson Correlation Result

Correlations					
		SAVINGS	FK	FSE	LC
LC	Pearson Correlation	0.711*	0.665**	0.792**	1
	Sig. (2-tailed)	0.039	0.000	0.000	
	N	346	346	346	346

Table 4.7 Result of Pearson's Correlation Coefficient

Hypothesis	Statement of Hypothesis	Significant Value	Correlation Value	Conclusion
1	There is a significant relationship between financial knowledge and financial management behaviour among FKP student in UMK.	0.039	0.711	Significant, accepted and strong positive correlation
2	There is a significant relationship between with financial self-efficacy and financial management behaviour among FKP student in UMK.	0.000	0.665	Significant, accepted and strong positive correlation
3	There is a significant relationship between locus of control and financial management behaviour among FKP student in UMK.	0.000	0.792	Significant, accepted and highest strong positive correlation

Table 4.7 shows the results of the correlation analysis conducted showing that the relationship for the relationship between financial knowledge and financial management behaviour had significant positive correlation for. For the relationship between with financial self-efficacy and financial management behaviour shows a significant positive correlation. Next, the relationship between locus of control and financial management behaviour indicates significant positive correlation. Findings shows that the relationship between financial knowledge and financial management behavior recorded a value of $r = 0.711$. The relationship between financial self-efficacy with the financial management behavior recorded a value of $r = 0.665$. Next, the relationship between locus of control and the financial management behavior recorded a value of $r = 0.792$. All r values were positive and significant at $p < 0.01$.

5.0 DISCUSSION AND CONCLUSION

Based on the findings in Chapter 4, the researchers concluded that financial knowledge, financial self-efficacy, and locus of control do impact saving (financial management behaviour) among FKP students at the UMK. The correlation coefficient of 0.836 indicates a substantial positive relationship between financial awareness and savings (Financial Management Behaviour). Increases in financial knowledge were associated with increases in financial management behaviour. As a result, the null hypothesis is rejected, whereas H1 is accepted. According to the research, there is a good association between objective financial knowledge and financial management. The correlation coefficient of 0.723 indicates a substantial positive relationship between financial self-efficacy and savings (Financial Management Behaviour). Financial self-efficacy increases were associated to financial management behaviours. As a result, the null hypothesis is rejected, whereas H2 is accepted. This evidence shows how financial self-efficacy influences saving (financial management behaviour) among (FKP) students in Universiti Malaysia Kelantan. The coefficient of association between locus of control and savings. The correlation coefficient of 0.711 indicates that there is a substantial positive relationship between locus of control and savings (Financial Management Behaviour). Increases in financial management behaviour were associated with increases in locus of control. As a result, the null hypothesis is rejected, but H3 is accepted.

This shows that the financial knowledge, financial self-efficacy and locus of control are very important in financial management behaviour to manage a matter related to finance for the person's daily life. With this skill and knowledge, every individual can manage their income well no matter the amount is small or large without this skill and knowledge it will cause poverty and financial setback of an individual and even fall into unexpected bankruptcy. In addition, this study helps and teaches about accuracy in making decisions that are more appropriate and accurate in relation to the needs and wants of a person on a daily basis. Financial self-efficacy teaches about self-control rather than borrowing from others. When you are someone who is still a student, it is unlikely that you have a source of income to clear the debt that has been borrowed, so preventing the process from happening is safer and very helpful in everyday life. This implication is very important for all people, things and other institutes. Finally, the research teaches that we should set financial limits. One way to limit your spending is to put financial limits on non-essential items. By setting those limits, it can help you from making rash decisions. By setting a suitable limit such as RM 400 per month, you can limit your spending power. Put the money into a budget that has been set or in an emergency fund and separate it from important expenses such as fuel and food.

This study is not comprehensive for all students of Universiti Malaysia Kelantan UMK which is only focused on students of the Faculty of Entrepreneurship and Business (FKP) at Universiti Malaysia Kelantan. The limitation in completing this questionnaire is that it is difficult for the researcher to find students to answer the questionnaire. It is very challenging for the researcher to ensure that the respondents give the correct answers in answering the questionnaire. If this happens, the results will be inaccurate or possibly invalid. As for recommendation for this future research, the researcher suggests this study can add increasing the number of respondents from one student faculty to many and several other faculties. Next, future researchers are also recommended to choose the right one respondent to answer the entire questionnaire that has been distributed. Furthermore, researchers should concentrate on strategies such as direct approach, which is a face-to-face strategy used during data collecting to explain questionnaire questions. In conclusion, the research and findings confirmed a favourable association between financial knowledge, financial self-efficacy, and locus of control with saving (financial management behaviour) among the Faculty of Student Entrepreneurship (FKP) at the Universiti Malaysia Kelantan.

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The Awareness of Islamic Financial Planning Among UMK Students

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Abstract:

This study focuses on religion, social influence, financial satisfaction, and attitudes towards awareness of Islamic financial planning among students at University Malaysia Kelantan (UMK). The sample consisted of 341 students. The sampling method used in this study is a non-probability sampling method that makes convenience sampling an option. Data collection for this study was done by researchers using a "Google Form" distributed online. The findings show that religion ($r = 0.739$, $p = 0.00$), social influence ($r = 0.511$, $p = 0.00$), financial satisfaction ($r = 0.407$, $p = 0.00$), and attitude ($r = 0.394$, $p = 0.00$) are factors that have a significant relationship with the level of awareness of Islamic financial planning. The results of the analysis confirm that there is a significant positive correlation between religion, social influence, financial satisfaction, attitude, and awareness of Islamic financial planning. In addition, this study has several limitations. Therefore, some suggestions are put forward for future research.

Keywords: Religion, Social Influence, Financial Satisfaction, Attitude, Awareness

1.0 INTRODUCTION

Financial planning is getting more crucial around the world as household incomes rise, people live longer, and financial goods and services become more sophisticated. The global financial situation has demonstrated the significance of financial planning and wealth management because of the unforeseen repercussions of the Covid-19 pandemic. The lack of financial awareness of financial planning concepts and products among today's youths is a concerning trend. When a person is financially literate, for example, their financial management can be cultivated to help them manage their finances more successfully.

Followed by Sumiati et al. (2021), low financial literacy has recently emerged as a global concern affecting both developed and developing countries. Financial knowledge is often low, especially among the millennial generation, which includes college students born between 1978 and 1994. Millennial's awareness of Islamic financial planning is found to be lacking, and they must be educated from the start. Young adults have a lack of financial awareness, which leads to high levels of debt, a risk of bankruptcy, and a lack of retirement planning abilities.

A young generation or millennial, particularly Malaysian students, should be aware of and have a thorough understanding of Islamic financial planning. This is because the dominant element has emerged among millennial Muslims, who are less concerned about financial preparation. Furthermore, Rahman et al. (2018) said that the professional courses linked to Islamic finance are becoming more commonly accessible in university institutions around the world.

Based on the review of previous literature, there is a lack of study discussing the awareness of Islamic financial planning among students. This research intends to improve the determinants of the millennial generation, which includes college students who want to organize their finances using Islamic financial literacy. In summary, our research will add to the growing body of knowledge about Islamic financial planning among the students. However, all students need to know about their financial planning to ensure their future is secured. Therefore, this study tries to explore the awareness of students by studying the factors that influence their awareness.

1.1 Research Objective

There are four objectives in this research:

- i. To study the relationship between religiosity and the awareness of Islamic financial planning among UMK students.
- ii. To study the relationship between social influence and the awareness of Islamic financial planning among UMK students.
- iii. To study the relationship between financial satisfaction and the awareness of Islamic financial planning among UMK students.
- iv. To study the relationship between attitude and the awareness of Islamic financial planning among UMK students.

2.0 LITERATURE REVIEW

2.1 Underpinning Theory

The Theory of Planned Behavior (TPB), developed by Icek Ajzen, is utilized in this study (Ajzen, 1991). Numerous studies pertaining to financial planning employed TPB. TPB has been employed as a theory in several research on the awareness of Islamic financial planning among students. The Theory of Planned Behavior is that expectancy such as motivation, performance, and feelings of dissatisfaction are associated with repeated failures to identify consequences and responses to behavior. There is a study from Knabe (2012), about behavioral intention that uses this theory where it is argued that a person's intention is influenced by their attitude whether positive or negative towards the behavior, by subjective norms, and by the importance of the relationship between attitudes and subjective norms. College students' financial activities, such as managing their cash, credit, and savings, were examined using data from earlier studies by Shima et al. (2007), using the Theory of Planned Behavior. Additionally, a study by Mustafa & Fikri (2011), revealed that students in higher education institutions lack the internal ability to manage their finances because the expenses they incur exceed their available resources.

2.2 The Awareness of Islamic Financial Planning

According to Chalmers and David (1997), this awareness exists when a person knows something of information available at the time so that behavioral actions can be carried out from various directions. Financial planning is the management done by a person in financial matters to ensure that the desired goal is achieved by making savings and spending prudently. Islamic financial planning is formed based on Islamic beliefs and principles. This is to ensure that every affair that is carried out is not just for the world, but for the hereafter as well. There are Muslim communities that have a lack in financial awareness. In addition, the financial planning is not a process of acquisition and accumulation of property alone. Based on the title of the study, it was found that financial literacy is insufficient in the market and people face the challenge of trying to differentiate between financial planners and product hawkers. Awareness of Islamic planning is also seen to play an important role in highlighting attitudes, religiosity, financial satisfaction, and social influence. Therefore, Muslims should set a good example to the world in managing Islamic finance better.

2.3 Religiosity

The religion that a person follows can affect the life they lead, including in financial management. This can be evidenced by studies that have been done by Renneboog et al. (2011) related to the question of whether religiosity affects household financial management or not. The results of the study found that there are differences between those who are religious and non-religious in managing their daily finances (Renneboog, L., and Spaenjers, C., 2011). An individual with religious beliefs can help them to think and make good decisions especially in relation to financial matters. A person can live a good life when the religion they hold is a guide in life. Religiosity greatly helps a person by providing various benefits to the followers of the religion in living life so that they are satisfied with the results obtained. Therefore, the stronger an individual's Islamic belief, the higher his level of knowledge of Islamic financial planning. According to Jillian Alderman et al. (2017), the religious identity of an individual can be identified through their financial management including related to household and decisions made in corporate investments that is honest actions taken by a CEO of the firm. Overall, it can be said

that religiosity explains about the personality of Muslims is based on morality which includes beliefs, external nature, social character, and manners (ethics). The basis of the Islamic personality can be seen as a full devotion to God and the religion (Islam). Thus, it can be said that religiosity is closely related to the awareness of Islamic financial planning.

H1: There is a positive and significant relationship between Awareness of Islamic Financial Planning and Religiosity among University Malaysia Kelantan Students.

2.4 Social Influence

Social influence is another factor that influences their level of awareness in relation to Islamic financial planning. According by Tajfel and Turner (1979), social influence is a central element in explanation and understanding of human behaviors. Human social uniqueness leads people to exert their influence on other's attitudes, values, and behaviors and to accept their mutual influence. This influence was manifested through social norms. Social influence is the use of social privilege by an individual or group to nudge other people or groups toward a particular attitude or behaviour. Social influence is something that can make a difference to a person whether through words, deeds, or thoughts. Arguably, this social influence happens to every human being so much that a person's life can change whether it becomes better or vice versa. This is very much related to financial planning. This kind of influence is very necessary in a person's life because it can provide them with knowledge and can make one's life more manageable. If a person's life is surrounded by social influencers who are very knowledgeable in financial planning, then their level of awareness in relation to Islamic financial planning will also increase. According to the Amin et al. (2011), the idea of social influence is discussed in terms of individual norms or normative pressure. Subjective norms are a social construct that refers to felt social pressure that influences whether or not an individual engages in an activity. They are discussed as a further factor determining behavioral intention. When regarded from this viewpoint, subjective norms are those opinions of others that the individual considers significant as to whether or not the action to be performed is proper. In this regard, it is anticipated that individuals will have more intents to engage in a behaviour the more social pressure they think there is on them to do so (Huong, 2012). Although conflicting results have emerged in the literature based on this issue, many studies conducted on Islamic finance have shown that social influence affects intentions. Likewise, also under this study, it is expected that awareness of Islamic financial planning affected by social influence.

H2: There is a positive and significant relationship between Awareness of Islamic Financial Planning and Social Influence among University Malaysia Kelantan Students.

2.5 Financial Satisfaction

According to Archuleta et al. (2013), the study they conducted found that a person's financial satisfaction can influence their anxiety about finances. This is because when individuals are satisfied with the finances they have, then they do not have to worry about their finances. Their financial problems will also be reduced without having a lot of debt to bear. Therefore, it can be said that the higher a person's satisfaction with the finances they have, the less they will worry about the problems they will face related to their finances. This can also be linked to Islamic financial planning that is when a person is satisfied with their finances, then they will become more aware of this Islamic financial planning. Moreover, one's financial satisfaction is also to free oneself from debt. That is why they will ensure that the use of finances can be managed well. This is in line with Islamic financial planning which ensures that the individual can manage finances in order to be happy in this world and the hereafter. Spending money in the right

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place can make a person's life always feel enough and the money they earn will feel blessed by God. According to Ali et al. (2015), a person's satisfaction with his finances can give a picture of their financial situation at that time. They found that this financial planning is very important when associated with an individual's financial satisfaction. Therefore, every human being needs to ensure that all their financial management and planning needs to be done in advance because we all will not know the time when we really need the use of this finance such as use in times of emergency. Financial satisfaction occurs when a person is satisfied with their financial situation at that time. This shows that they do not have to worry if they need money to get things done or buy things suddenly. According to Hira and Mugenda (1998), this financial satisfaction occurs when they can handle the use of their money in an emergency, debt payable and financial storage that is used as a habit. This is something of a preparation for the future that we do not know the circumstances ahead. Therefore, the higher a person's satisfaction with his finances, the higher the level of awareness of the Islamic financial planning.

H3: There is a positive and significant relationship between Awareness of Islamic Financial Planning and Financial Satisfaction among University Malaysia Kelantan Students.

2.6 Attitude

According to Atkins, C. (2014), a person's attitude also greatly influences in making individual financial planning decisions and financial situation. However, a person's attitude is greatly influenced by various factors which are their emotions and environment. A person with an impatient attitude tends to have a quick and sharp attitude in making good decisions because their attitude of responding through impulse rather than through rational thinking has also been proven by (Atkins, C., 2014). A person with a good attitude will often make wise financial planning (Atkins, C., 2014). To undergo good financial planning, an individual must have knowledge of the field of financial planning (Van Deventer, M., 2020). This is because knowledge is important in determining whether a person has a financial plan either for the short term or for the long term. The attitude of showing a person who has financial skills, efficiency and financial literacy influences a person's personal attitude in Islamic financial planning such as in spending and saving. In addition, a person's financial skills and capabilities in planning, controlling, managing, and determining are important in determining future financial risks. A person's attitude in managing their financial planning is also related to financial attitude. According to Magli et al. (2020), a person's attitude in financial planning is influenced by every purchase and savings made. A person's financial attitude is also identified as one of the factors of increasing high debt burden among individuals. This shows that a person's behavior in managing finances is influenced by the social and environmental involvement of the individual. Thus, an individual's awareness in financial planning can form a positive attitude in financial planning and such a positive attitude will help an individual be careful in managing their expenses by thinking about financial needs in the future.

H4: There is a positive and significant relationship between Awareness of Islamic Financial Planning and Attitude among University Malaysia Kelantan Students.

Figure 2 below presents this research framework which consist of the dependent variable and independent variables of the research. The dependent variable (dv) is the awareness of Islamic financial planning which is the main of interest or focus of this research. The main construct of this study is the behavioral intention of consumers who own and lead to the awareness of Islamic financial planning. Factors obtained from the Theory of Planned Behavior (TPB) such as Religiosity, Social Influence, Financial Satisfaction, and Attitudes are used to explain the factors that cause certain behaviors.

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There is a positive relationship between religiosity to the awareness of Islamic financial planning. Students will tend to think and make good decisions in managing financial matters because they have strong religious beliefs within them.

Social influence are significantly related to the awareness of Islamic financial planning. In this study, it is proven that students' awareness of Islamic financial planning is affected by parents' influence, and looking for a halal livelihood is an act of worship. This makes it difficult for students to fall into illegal activities in their daily lives.

Next, there is a relationship between financial satisfaction and the awareness of Islamic financial planning. This is evident when the majority of students are satisfied with the current state of their finances. This might be as a result of some respondent still not being fully committed or not spending money extravagantly.

Then, there is a positive relationship between attitude and awareness towards Islamic financial planning. This study shows that respondents do not delay their tuition payments. This attitude shows a person who is skilled in handling the financial aspect of financing the cost of learning. Therefore, individual awareness of financial planning can form a positive attitude towards financial planning and that positive attitude will help an individual be careful in managing expenses by thinking about financial needs in the future.

Independent Variables

Dependent Variable

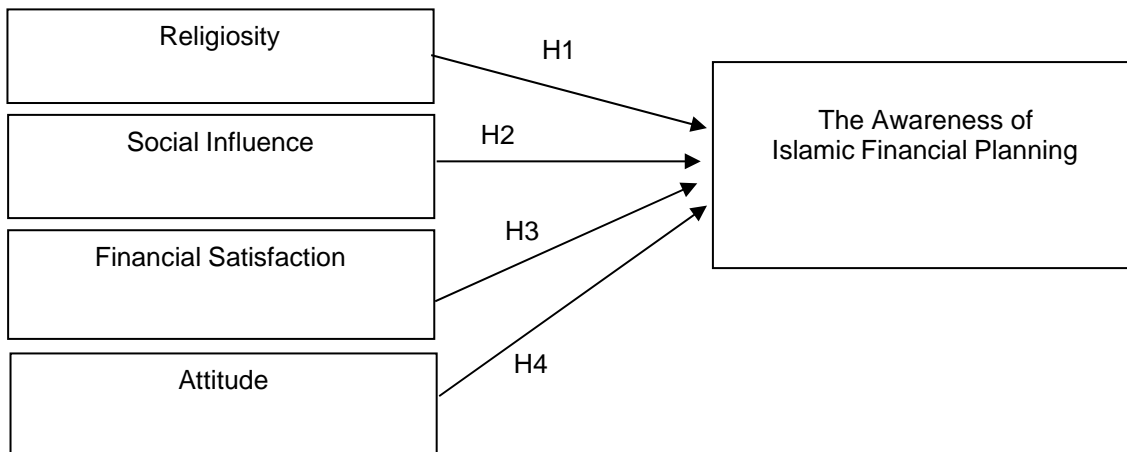


Figure 2: Conceptual Framework

3.0 METHODOLOGY

Research methodology is a core element of any study. For this research, a quantitative data collection strategy was chosen. For this study, questionnaires were used to collect data from respondents. For sampling method, convenience sampling was preferred to conduct the survey to select a group of individuals who are already available and very easy to find to be used as a sample. The sample size for this study was a total of 341 students which was determined based on the population size of 3000.

The questionnaires contain six sections. The researcher only used two of the four scales in this study, namely the nominal scale in part A and the interval scale for parts B, C, E and F. So, it can make it easier for respondents to mark the questions in the set of questionnaires. The questionnaire was administrated using Google Form and was sent to respondents for a quicker response. Section A that includes demographic profile. Meanwhile, in sections B, C, D, E and F, the researcher used an interval scale which is a 5-point Likert scale (1=Strongly Disagree, 2=Disagree, 3=Slightly Agree, 4=Agree, 5=Strongly Agree). Data collected from the questionnaires were compiled and analyzed for a list of analyses before relationships can be elicited. In order for a complete control over data collected, all the data were analyses by using Statistical Programme for Social Science (SPSS).

4.0 RESULT AND DISCUSSION

4.1 Reliability Analysis Result

Table 4.1: Result of Reliability Coefficient Alpha for the Independent Variables and Dependent Variable

Variables	No of Item	Cronbach's Alpha Value	Strength of Association
Awareness of Islamic financial Planning	4	0.856	Good
Religiosity	4	0.898	Good
Social influence	4	0.770	Acceptable
Financial satisfaction	4	0.909	Excellent
Attitude	4	0.773	Acceptable

Based on Table 4.1, Cronbach's Alpha analysis showed high reliability of each element. Cronbach's Alpha value for the dependent variable which is Islamic financial planning awareness is 0.856 has 4 questions. Part B which is an independent variable consisting of religiosity, social influence, financial satisfaction and attitude also has high trust. Cronbach's Alpha value for religion is 0.898, social influence is 0.770, financial satisfaction is 0.909 and attitude is 0.773. This shows that the instrument in this study is good and accepted for further study.

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4.2 Demographic Profile of Result

The respondents of this study are students of Universiti Malaysia Kelantan (UMK) from various faculties. The total number of respondents was 341 people out of a total population of 3,000 people. Table 4.2 shows the results of the demographic analysis of the respondents. Respondent information in this study includes information on gender, age, program, year of study, grade and material status.

Table 4.2: Demographic Profile of Respondents (n=341)

Demographic	Frequency (N=341)		Percentage %
Gender	Female	248	72.7
	Male	93	27.3
Age	≤ 20 years old	2	0.6
	≥ 25 years old	5	1.5
	21 years old	31	9.1
	22 years old	65	19.1
	23 years old	199	58.4
	24 years old	39	11.4
Programme	FSB	1	0.3
	FTKW	2	0.6
	SAB	140	41.1
	SAE	1	0.3
	SAH	3	0.9
	SAK	71	20.8
	SAL	68	19.9
	SAP	2	0.6
	SAR	42	12.3
	SAS	3	0.9
	SAW	5	1.5
	SCW	3	0.9
	Years of study	First year	1
Second year		12	3.5
Third year		73	21.4
Fourth year		225	74.8

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Grade	≤ 1.99	1	0.3
	2.50 - 2.99	19	5.6
	3.00 - 3.49	160	46.9
	3.50 - 3.69	109	32.0
	≥ 3.70	52	15.2
Marital status	Married	1	0.3
	Single	340	99.7

Table 4.2 shows a summary of the demographic profile of respondents who have provided feedback. There are almost 248 females and 93 males with a percentage of 72.7% and 27.3%. This has shown that most of the respondents are women who have a response to the questionnaire. Respondents are categorized into 6 age groups and the researcher can find out the number of respondents for the age of 20 years and below is the lowest age group which is only 2 of them equal to 0.6% while respondents aged 21 are 5 respondents with a percentage of 1.5%. For respondents aged 22 years, there were 31 respondents with a percentage of 9.1%. For respondents aged 23 years, the highest is 199 respondents with a percentage of 58.4%. While for respondents aged 24 years, there are 39 people with a percentage of 11.4%. While for respondents who are 25 years old and above, there are only 5 which is 15.2%.

Furthermore, the SAB program has the highest percentage of 140 people with a percentage of 41.1%. The second highest percentage of respondents was the SAK program with 71 people with 20.8%, followed by the SAL program with 19.9% with 68 people. The SAR program ranked fourth with 12.3%, which is a total of 42 people. For the SAW program only obtained 5 people which is 0.9% and the FTKW and SAP program only obtained 2 respondents with a percentage of 0.6. While the lowest percentage is 0.3% belonging to the FSB and SAE programs.

In addition, the fourth year had 255 responses with 74.8% which is the highest percentage. Then, 78 respondents from the third year equal to 20.8%. Only 3.5% of respondents for the second year, which is a total of 12 people. Finally, the first year has the lowest respondent which is only 1 respondent equal to 0.3%.

In the grade section, the results show that 46.9% of respondents are in the grade range of 3.00 to 3.49, which is a total of 160 respondents. Then, for grades 3.50 to 3.69, there were 109 respondents which is 32%. While for grades 2.50 to 2.99, only 5.6% obtained, which is a total of 19 respondents, and for grades 3.70 and above, 15.2% of respondents which is a total of 52 respondents. Finally, those who are single managed to gather a total of 340 respondents with 99.7%, while those who are married only 0.3% which represents 1 respondent.

4.3 Pearson's Correlation Coefficient Analysis

Table 4.3: Result of Pearson's Correlation Coefficient

Hypothesis	Statement of Hypothesis	Significant Value	Correlation Value	Conclusion
1	There is a relationship between awareness of Islamic financial planning and religiosity among UMK student.	0.000	0.739	Significant, accepted and moderately to strong correlation positive correlation
2	There is a relationship between awareness of Islamic financial planning and social influence among UMK student.	0.000	0.511	Significant, accepted and moderately to strong correlation positive correlation
3	There is a relationship between awareness of Islamic financial planning and financial satisfaction among UMK student.	0.000	0.407	Significant, accepted and fair positive correlation
4	There is a relationship between awareness of Islamic financial planning and attitude among UMK student.	0.00	0.394	Significant, accepted and fair positive correlation

Table 4.3 shows the results of the correlation analysis carried out showing that the relationship between awareness of Islamic financial planning and religiosity is a strong positive correlation. For the relationship between awareness of Islamic financial planning and social influence shows a moderate positive correlation, while the relationship between awareness of Islamic financial planning and financial satisfaction and attitude shows the lowest correlation. The findings of the study show that the relationship between awareness of Islamic financial planning and religiosity shows a value of $r = 0.739$. The relationship between awareness of Islamic financial planning and social influence $r = 0.511$. Next, the relationship between awareness of Islamic financial planning and financial satisfaction shows a value of $r = 0.407$, while awareness of Islamic financial planning and attitude shows a value of $r = 0.394$. All r values are positive and significant at $p < 0.01$.

5.0 RECOMMENDATIONS AND CONCLUSION

In conclusion, this study has proven that religiosity, social influence, financial satisfaction, and attitude are important in increasing the awareness of Islamic financial planning among UMK students. In today's world economy, students are encouraged to learn at least the basics of Islamic financial management. This is because this group is very sensitive to poor money management, which can result in financial problems and pressure on students' academic performance and personality. Therefore, students should learn the knowledge of Islamic financial management because it can help individuals in managing their daily expenses as well as, helping individuals in managing their finances wisely and according to Islamic Sharia. The questionnaire of this study was submitted to only 341 respondents and only Muslim users, so the results may be limited to the small size and culture. Therefore, for future studies, a larger sample size should be able to provide better and more general results than this study.

The study's conclusions are supported by the following suggestions for additional study. The respondents provided numerous advice and recommendations. Therefore, it is suggested to keep producing informed students with expertise in Islamic financial planning in all academic disciplines, including medicine, engineering, information technology, science, politics, and business. Students must manage, allocate, and invest in the appropriate stocks or diversify the best portfolio depending on their many hobby tapes because every key field of knowledge in this course generates money (risk appetite).

This study's scope is limited to investigating the relationship between religiosity, social influence, financial satisfaction, attitudes toward Islam, and financial planning awareness. As a result, conducting research in the field related to larger sources such as articles, books, journals, or even papers related to Islamic financial planning or financial planning is recommended. This study, in particular, is limited to the University Malaysia Kelantan, and future research can be expanded to test a broader area in order to raise awareness not only among Muslims but also among non-Muslims and to use this change as a form of da'wah (spreading Islamic knowledge). In addition, there are many improvements that need to be made in terms of writing books and articles to facilitate Islamic financial planning compared to conventional financial planning.

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The Youngster's Perception towards Governance Practices of Mosques in Malaysia

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Abstract:

The mosque is a very important and valuable institution for Muslims in Malaysia where the mosque is known as the unifying place of all Muslims to carried out various activities more than just a place of worship only. The purpose of this study is to develop youngster's perception towards governance practices of mosques in Malaysia and this study will aim to 314 youngster's in Kedah from the ages of 15 to 24 years old. The selection of youngster's as our respondents is due to the statement issued by M. Imran, M. Nizam, and Shuhaila (2020), where they stated youth who represented the whole community are seen not interested to go to the mosque due to the governance practices of the mosque that involve the behaviour of mosque committee are not friendly to the young generation. The issue caused them became discouraged and not interested in going to the mosque. Therefore, this study will develop youngster's perception towards governance practices of mosques in Malaysia in terms of many things such as the administrative management of mosques, the management activities of mosques, the facility management of mosques, the financial management of mosques including the accountability and internal control system of the mosques. The findings show the results are all in positive terms and studies found that most of the youngster's think that governance practices of mosques in Malaysia is well planned, implemented and in accordance with religious demand.

Keywords: Governance Practice, Mosque, Muslim, Perception, Youngster.

1. Introduction

Generally, the mosque is a very important and valuable institution for all Muslims in Malaysia because of the role of mosque in society such as place to carried out various activities and not just for prayer. Rohana and Sri Haritini (2012), and Utaberta Zakaryya et al. (2010), stated in their previous study which is mosque not only place for worship during the time of Prophet Muhammad S.AW, but the function of mosque can be

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expanded and turned into a congregation area, Syariah court, study center, libraries, literary center (poetry recitals), administrative center, delegation center, discussion area regarding issues involving economic affairs and trade, treasury office, dormitories and lodge for travellers, tactical discussion area, military barracks and recovery center. Based on the statement about mosque function, the member and committee must make improvement in managing the mosque based on governance practice so the mosque will be done well and efficiently. The integrity managing mosque will help the development of institutions and Muslim community. Meanwhile previous study by Jannah et al. (2020), stated the role of the mosque is not only as a place of worship, but it has a multifaceted role in the spiritual, physical, and educational development of human beings and the community. To prove the statement, the study will be conducted to examine the youngster's perception towards governance practices of mosques in Malaysia.

Nowadays, mosque play a vital role and being a centre for organization or community activities. All the responsible parties such as cleric (imam), caller of prayer (bilal), mosque keeper (siak) and others must carry out their duty to ensure the management of the mosque run smoothly without having any problems. According to Jabatan Kemajuan Islam Malaysia (2022), there was a total 6514 of mosque in Malaysia. The increasing number of mosques required the responsible party concern in governance practice in the mosque. According to Ahmad et, al. (2020), the main problems facing those in charge of mosques today is ensuring that effective and adequate governance management techniques were carried out in order for the mosque's management to be feasible and beneficial to Muslim community. Additionally, the management of governance practice need to be kept up, kept in a good shape and kept operating according to their intended use. Based on the statement by previous study, this research will conduct to determine the youngster's perception towards governance practices of mosque.

2. Literature Review

2.1 Underpinning Theory

This research was using Theory of Planned Behaviour. The theory of planned behaviour was developed to extend the theory of reasoned action (TRA). According to the statement by Ajzen and Fishbein (1980), TRA relate to voluntary behaviour as being interpretable by people's attitude towards the certain of behaviour, and subjective norms. Theory of reasoned actions was highlighted they key point of theory planned behaviour is an intention, which intention will act as a motivational dynamic in impacting people's behaviour. Meanwhile, the attitudes, and subjective norm in TRA will affect individual's intention to execute the behaviour. According to Ajzen (1991), the theory can be workable if the behaviour was under the voluntary control, the needed opportunities, and resources available such as money, time, skills and education. Therefore, the factors of perceived behaviour control in theory of planned behaviour accompanies of the original theory.

Theory planned behaviour has been applied to expect and clarify a wide range of behaviour in terms of a narrow set of constructs the attitude, subjective norms, and perceived behavioural control. The aim of knowing someone beliefs can be significant factor for determine the person's attitudes an intentions greatly depend on how behavioural control is viewed. TPB theory is an intention-based model which has been established to justify the intention of a particular individual behaviour. This theory will help committee members of mosque create a good behavioural to practice good

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governance system in their daily task also help to disciplining members to do a good management so the daily administration is in order and run smoothly according to the plan. In addition, the theory will lead the members to have subjective norms on their form to attract young peoples to join them in do a task of governance practice system with the aim of providing experience to youth.

2.2 Previous Study

2.2.1 Youngster's Perception towards Governance Practice

Youngster are the majority of today's society, thus their perception towards the governance practices will give the glory of a civilisation to the mosque institution. According to the Suhaila et al. (2008) the ability to change the youngster's negative perceptions of the mosque's function is a significant act that will benefit the youth directly. Basic convenience such public facilities like restrooms and relaxation spaces surely lead the youngster to pray in the mosque (Nor Azlina & Norafifah, 2016). Facilities are a main point according to the perception of the youth and it is theresponsible of the mosque's management in order to attract people to take part in every activity that were run by the mosque. Not just that, the youngster also agreed that by improvising speakers in the mosque will improve the interest of youngsters to attend to the mosque programme thus the management that will be in charge in this part is the facilities and internal control system management of the mosque. In a nutshell, the management activities of the mosque can also contribute by making "gotong- royong" programme before the real programme begin, this action will conducive to attract the youth in participating in the mosque programme even more (Mohd Mahzan et al. 2008).

2.2.2 Administrative Management of Mosques

Mosque are known as non-profit organization that gaining high attention as the important sector for all Muslim community. In term of administrative management, it can be in any aspect such as the process of planning, organizing, monitoring and control, motivation and guidance to all Muslim community. Shaikh Ali Mohamad Mokhtar (2003) asserts that mosques have a significant role in the administration, economy, social, security, and educational advancement of religion. According to Ahmad Atory Hussain (2002), administrative administration is a collection of tasks designed to improve and guide work and responsibilities in a methodical way. However, the majority of mosques today are badly run, which will eventually cause a management problem. Hence, the legal and administrative framework might help to the development of the mosque. Abdullah Ishak (1990), said that the institution of the mosque is not introduced to a form structured and systematic administrative management system. He also added that an effective mosque administrative management system needs to be created to restore the role of the mosque as a centre knowledge activities and guidance of the ummah. According to (Ifwan Tun Tuah, 2013), in order to empower the mosque to become the professional institution, the officers need to attend the training management and administration to add more value other than just a basic religion knowledge.

2.2.3 Management Activities of Mosques

The definition of a mosque is a place where Muslim communities can congregate. A mosque is also a centre of worship, education, and training, as well as a hub for social activities, social development, medical care, rehabilitation, and the arts (Mohd Salleh Ariff, 2009). Furthermore, the mosque institution is known as one of the centres of

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social activities of the community that can improve all social problems among the community as well as a guidance centre for all Muslim. Because of that, the mosque management should enlarge activities in the mosque to further in determine the atmosphere of the mosque. According to Jaafar Ahmad et al. (2001), the majority of the mosques in Malaysia did not wisely manage their public donation cash. The survey so revealed how the community feels about the mosque's fundraising efforts. The result shows that nowadays they were a few people coming to the mosque and making less participant in any activities that were conducted by the mosque. Despite of that, the result of the study also shows that the total income and total expenditure of the mosque institution in Perak were increasing more than 0.8 percent compare to last year. This has proved that the mosque has enough supply to run activities and services for all Muslim community.

2.2.4 Facility Management of Mosques

In general, mosques have been regarded as among the most significant institutions in the Muslim society. According to Becker (1990), facilities management is responsible for coordinating all activities related to designing, creating, and managing buildings and their systems, equipment, and furnishings in order to increase the organization's capacity to successfully compete in a rapidly changing world. Because Allia et al.(2013) claim that the best management techniques will deliver the best results to increase a mosque's performance, all mosques required good and methodical administration of the facilities. Mosques has the best chance to add value to their institution through the efficient of facilities management itself and also to determined profitability, productivity and public perception towards the institution. Well said by Sapri et al. (2013), facilities as one of organizations resources that must be organized, calculated, expressed, supervised and protected base on the organization's objectives. The reason why all the mosque should provide the excellent facilities is because the facilities that are provided will give the first impression to the community about the mosque, either it's good or bad. This also going to be the main reason why people not interested to coming and prayed at certain mosque. Last but not least, the managementof mosque should have a proper framework in order to manage the facilities systematically.

2.2.5 Financial management of Mosques

The management of the mosque is not only talking about the facilities, the administrative but also taking care of the procedures for managing the mosque's financial statement in order to manage mosque's finance. Institutions must be effectively run and governed in accordance with Islamic Law if they are to be great (Ahmad Puhad Alim and Siti Roddiah Abdullah, 2010). The analysis of study showed that there are some issues regarding the financial management and this is aligned from the previous study that were conducted by Jaafar Ahmad et al. (2001), that states thatthe mosque's financial management is still poor and incompetence. Thus, this show that as a manager that organize the financial of the mosque should be well knowledge and professional to handle the mosque's finance because lack of knowledge will lead to bad finance and more losses towards the institution itself (Jaafar Ahmad, 2001).

2.2.6 Accountability of Mosques

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According to Alim and Abdullah (Adil M.A.M et al, 2013) the management of the mosque is still deficient accountability in the accounting system. This matter will somehow affect the public trust toward the mosque institution. Plus, based on researcher Anzar D and Mukhtar (2010), the accounting is not defined as instrument of public accountability but accounting is defined as financial statement that will give a smooth financial management and known as a tool to encourage and change the perception of community toward the mosque. The implementation of accountability for the administration of the fund and the higher authority is a requirement for a mosque acting as a religious organisation. Warsono et al. (2010) claim that the management of the mosque can be held accountable for following the law or the law as determined by government and audit bodies. Finally, the donor, locals, and higher authorities are made to view the mosque's accountability.

2.2.7 Internal Control System of Mosques

Internal control system is known as the policies and procedures in order to certify the preservation of mosque institution and the sureness of financial reporting. According to financial resources of West Malaysia's (Sulaiman et al., 2008), state that in order to minimize losses, the mosque institution should initiate proper internal control system. Nevertheless, in order to make that happen, every mosque should make sure that every transaction should be verified, accepted, and recorded before the check is issued, but it is acceptable for minor expenditure and payment cash. The proper recording of financial transactions is important to ensure the relevant of internal control system of the mosque includes verifying all the transactions. Ten of West Malaysia's state that most of the mosque write down all of their transaction in the cashbook but not make sure that all financial transactions were recorded customary. This eventually will cause that some of the transaction may not be recorded at all. In conclusion, to prevent irrelevant internal control system of mosque, ensure to acknowledge all the transactions and simply recorded on the invoice rather than write down separately.

3. Methodology

3.1 Conceptual Framework

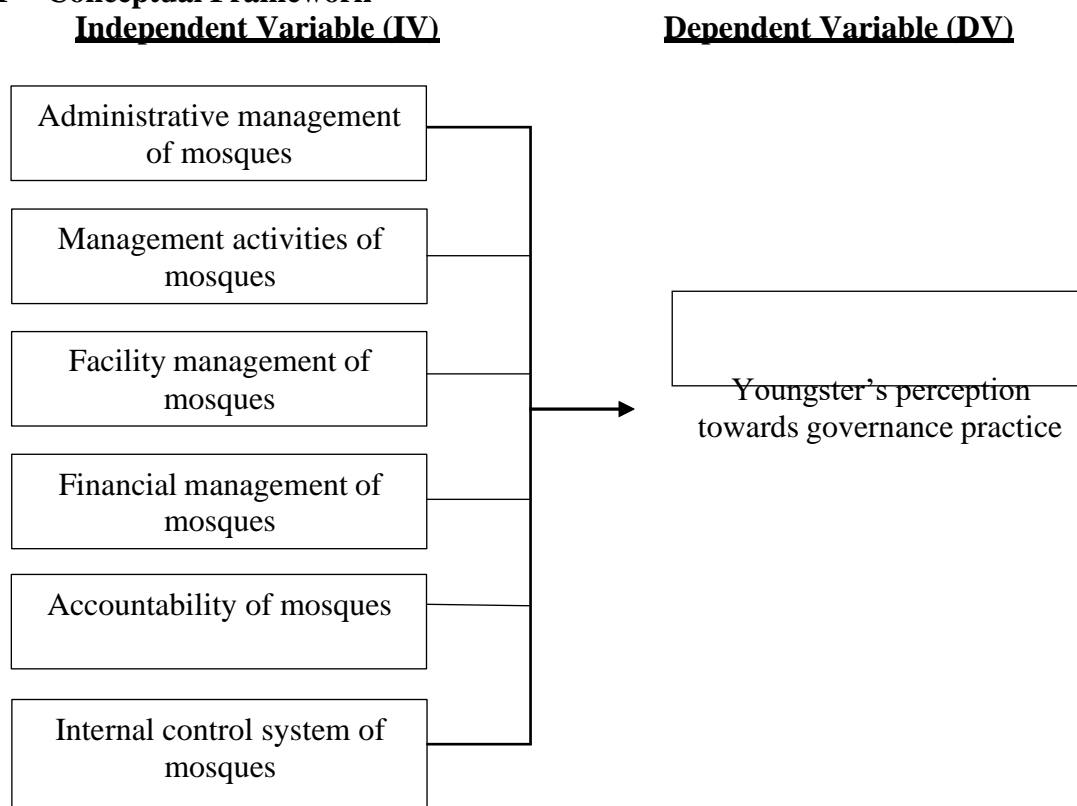


Figure 1: Research Framework on the study of the Youngster's Perception towards Governance Practices of Mosques in Malaysia adapted from Dr. Nor Adha Abd Hamid, Dr. Normazaini Saleh, Nazifah Mustaffha, Norziah Ohman, Wawarah Saidpudin, Abdul Hadi Awang (2015)

3.2 Research Design

In this research design, the researchers used a quantitative method for collecting data to help the research meet the main goals. Based on quantity terms, the research used is related to numerical data and accuracy to describe youngster's perception towards governance practice of mosque. The purpose of the quantitative method in this study is to obtain the numerical data with accuracy by conducting hypothesis testing.

3.3 Data Collection Method

This data collection was done through the publication of a questionnaire related to the objectives of the study which is youngster's perception towards governance practice of mosque with the following participation for aged 15-24 years old only. The questionnaire is about how the independent variable affect the dependent variable. To analyse the data, researcher used Likert scale in each questions excluding section A.

3.4 Sampling Design

3.4.1 Population

The population for this study is young generation in Kedah between the ages 15- 24 years old. The total of the number of youths in Kedah for this study is approximately

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495,525 respondents. The data obtained from the Zhuji World statistics in 2022. The information of all respondents will be collected through online questionnaires among youngster in Kedah.

3.4.2 Sample Size

The sample size in this study will focused on the youngsters in Kedah. The researcher will view on youngster's perception towards governance practice of mosques in Kedah. In general, our research will focus on the Malaysian Muslims only in Kedah. The researcher in this study determines the sample size by using table by Krejcie & Morgan (1970) and supposedly 382 of the questionnaires need to distribute. But due to some limitation in this study, the researcher manages distributed 314 set of questionnaires.

3.4.3 Sampling Technique

The research in the study used non-probability sampling and convenience sampling. When specific members of the population have no chance of selection or when the probability of selection cannot be accurately determined, non-probability sampling is utilized. It involves making decisions about which goods to choose based on presumptions about the population of interest. Convenience sampling where a sample is taken from a population group that is close at hand. Because they were present at the appropriate time and place, the responders were chosen. It is the most popular and practical research methodology.

3.4.4 Research Instrument

A questionnaire instrument was developed and modified based on prior study by multiple skilled researchers, as detailed below. The questionnaire is divided into three sections: part A deals with information on the respondent's background, such as the respondent's gender and state of origin; part B discusses the dependent variable; and part C deals with the independent variable. The researcher will used 5 points of Likert- scale for section B and section C only.

4. Result and Discussion

4.1 Demographic Profile of Respondents

Demographic profile of 314 respondents including their frequency in youngster's perception towards governance practice of mosque was showing in table below.

Table 1: Demographic Profile of Respondents

Variables		Frequency	Percentage
Age	15-17 years	41	13.1
	18-20 years	49	15.6
	21-23 years	174	55.4
	24 years	50	15.9

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Gender	Male	107	34.1
	Female	207	65.9
Marital Status	Single	245	78.0
	Married	62	19.7
	Divorced	7	2.2
Highest Education Attained	None	3	1.0
	Primary	21	6.7
	Secondary	75	23.9
	Tertiary	215	68.5
Employment Status	Student	185	58.9
	Part-time	20	6.4
	Full-time	56	17.8
	Self-employee	31	9.9
	Not-employee	22	7.0
Attend or Not to Mosques	Yes	271	86.3
	No	43	13.7
Frequency of Going to Mosque	Very Often	59	18.8
	Not Sure	57	18.2
	Sometimes	186	59.2
	Never	12	3.8

According to age segmentation, the data show percentage of 55.4%, are between the ages of 21-23 and make up the high of the respondents. The frequency of respondents between the ages of 15-17 is 13.1% lower percentage, while there is only a little difference between 18-20 and 24 years old, with 24 years old (15.9%) outnumbering 18-20 years old (15.6%).

According to gender segmentation, the findings show that, female respondents had the greatest percentage value of 65.9%. In contrast, men made up 34.1% of the sample size for this study.

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Based on the segmentation of respondents on marital status, the percentage was 78%, the outcome suggests that the majority of respondents are single. The marital status for divorced had the lowest percentage, 2.2% and percentage for married respondents is 17.7% participated in this study.

Based on the segmentation highest education attained. The result show respondents who's answered the survey has a tertiary education is 68.5 percent which is the highest ones. The secondary education level has percentage around 23.9%. Meanwhile, there are only 1% with none education and primary also had 6.7 percent involved in this research.

According to the data for respondent of employment status, the highest percentage value of 58.9%, the table shows that the majority of those who responded to this survey are students. In addition, respondents with a full-time employment status had the second-highest percentage value, 17.8%. In addition, the result for self-employee is 9.9% of percentage value. Meanwhile, the employment status of part-time and not-employee has only two difference of respondents where part-time percentage value 6.4% and not-employee has percentage value 7.0%.

Table above displays a percentage value of 86.3%, the majority of those who responded to the survey were mosque goers. With a percentage value of just 13.7%, did not attend the mosque in the meantime.

The table indicates that respondents was going to mosque for sometimes with the highest percentage value of 59.2%. Meanwhile, there are respondents who's never going to mosque with the lowest percentage value of 3.8%. In addition, the frequency of going to mosque for very often and not sure has only two differences of respondents where very often has percentage value 18.8% and not sure has percentage value 18.2%.

4.2 Reliability Test

Table 2 Summary of Reliability Test

Dependent Variable and Independent Variable	Cronbach's Alpha	Number of Variable Items	Interpretation
Youngster's perception toward governance practice.	0.905	5	Excellent
Administrative management of mosques.	0.887	5	Very Good
Management activities of mosques.	0.878	5	Very Good
Facility management of mosques.	0.864	5	Very Good
Financial management of mosques.	0.879	5	Very Good
Accountability of mosques.	0.913	5	Excellent

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Internal control system of mosques.	0.868	5	Very Good
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Table 2 above shows the result of reliability analysis and the indicated of Cronbach's Alpha value for youngster's perception towards governance practice, administrative management, management activities, facility management, financial management, accountability and internal control system is more than 0.70 and it is considered as reliable.

4.3 Pearson Correlation Coefficient and Multiple Regression

Table 3 Summary of Pearson Correlation Coefficient and Multiple Regression

Hypotheses	Pearson Correlation	Multiple Regression	Alternative Hypotheses
There is positive relationship between youngster's perception towards governance practice and administrative management of mosques.	0.797	.000	Accepted
There is positive relationship between youngster's perception towards governance practice and management activities of mosques.	0.774	.000	Accepted
There is positive relationship between youngster's perception towards governance practice and facility management of mosques.	0.728	.000	Accepted
There is positive relationship between youngster's perception towards governance practice and financial management of mosques.	0.717	.000	Accepted
There is positive relationship between youngster's perception towards governance practice and accountability of mosques.	0.718	.000	Accepted
There is positive relationship between youngster's perception towards governance practice and internal control system of mosques.	0.684	.000	Accepted

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Pearson correlation coefficient test is to determine the strength between two variables whether it is significant or not in order to identify which hypotheses to be accepted or rejected. Meanwhile, the multiple regression is a statistical method that can be used to analyses a single dependent variable and a number of independent variables.

According to the table, the dependent variable and independent variable have a strong and positive relationship. It can be concluded that administrative management, management activities, facility management, financial management, accountability and internal control system have a significant relationship with youngster's perception towards governance of mosque in Malaysia. Thus, all the hypotheses are accepted.

5. Conclusion

The study's findings have some implications for enhancing good governance practices, mainly in mosques. The survey has the potential to increase youth understanding of mosque governance methods. One of the most important factors in the mosque's good governance standards is the committee, which is in charge of managing all matters pertaining of the mosque. Since the majority of respondents are well educated and their views are based mostly on experience and knowledge, management must consider the viewpoint of the younger generation when making decisions about the mosque.

According to Hamid et, al. (2021), the basis success of a mosque is to see a professional and efficient administration that can place the role of mosque in a proper place and the individuals involved in the administration of mosque must have skills to administer and manage, not just appoint someone who does not have the knowledge in governance and management. The result of this research will help the relevant authority offer uniform guideline in governance of mosque.

To conclude, the result of the running data analysis corresponds to the researcher's intended outcome. The researcher discovers that the youth's perceptions of the Mosque's governance methods are recognition, willingness, and psychological standard. Research likewise find that the administrative management of mosque is the most impact variable to youngster's perception towards governance practice. The research also affects the management activities of mosque, facility management of mosque, financial management of mosque, accountability of mosque and internal control of mosque by youngsters' perceptions towards governance practices of mosque in Malaysia. Although the research focused on a small sample size, we believe that it will serve as a discussion point for future analyses of a larger population that will provide more information.

Further research can expand on the current study by extended to a states and government mosques in Malaysia and should consider other factors that might contribute the governance effectiveness. It might provide more useful suggestions for enhancing the effectiveness and efficiency of good governance practices.

6. Acknowledgments

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The Impact of Covid-19 On Education Loan Repayment Patterns in Malaysia

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Abstract:

3 February 2020 is a sacred date for Malaysia, for the existence of the first Covid-19 cases involving Malaysians. Since then, various issues and assistance have been created. Among the big issues is the repayment of education loan. Since the total amount of loans provided to students depends on loan repayment, non-repayment of student loans after graduation becomes a serious issue for the government. According to National Higher Education Fund Corporation (PTPTN), a total of 200,213 diploma and degree students graduated in 2020. Of that number, there are a large number who are facing problems in repayment due to economic restrictions implemented by the government in an effort to contain the Covid-19 epidemic. This study developed a quantitative method and run the online survey to collect data. A total 385 of university graduates participated in this research. Four variables of focus are the cost of living, attitude, integrity, and government incentives were the most important predictor of education loan repayment patterns. After finalizing the answer, the majority agreed that these four variables are the main factors that influence education loan repayment patterns in Malaysia. At the end of discussions, this research can assist policymakers to understand better specific strategies, approaches, and other relevant matters in making sure that borrowers comply with the repayment conditions while not being a burden to both government and the public.

Keywords: Attitude, Cost of Living, Education Loan Repayment Patters, Government Incentives, Integrity,

1 Introduction

The aim of this research is to determine the impact of Covid-19 on the repayment pattern of education loans in Malaysia. This research will be completed through the application of questionnaires referring to users of Islamic financial products and services as a survey and reference.

According to EXIM, the repayment period is determined from the beginning to the maturity of a transaction. Typically, repayment systems are implemented through credit cards to facilitate credit and repayment transactions. The demand for credit cards is increasing as many people begin to realize the benefits and advantages of using credit cards. Huebner, Fuchs, and Ilic (2018) strongly support the repayment system using credit cards to show the progress of society. Income levels and attitudes toward credit and debt are factors that differentiate repayment patterns for everyone (McHugh and Ranyard, 2012). However, although consumers are offered various types of benefits from the use of credit cards, they are more likely to misuse the card. Some consumers also often spend more than they should, and the main purpose of such credit card loans. Yet, while this repayment issue has always been a hot topic, those who are disciplined and continue to carry out their responsibilities by repaying debts should be commended. They are the successors to the development of PTPTN agencies. This financing or loan assistance is very helpful to Malaysians in their efforts to continue their studies at a higher level. Without education, the standard of living of the people in Malaysia, cannot be developed in line with developed countries abroad (Wan Saiful, 2020).

This study is designed to look at the dependent variable on the education financing agency, PTPTN. PTPTN was established under the National Higher Education Fund Corporation Act 1997 which came into effect on 1 July 1997 (Kian-Ming et al., 2016). There are three functions of PTPTN stated in the act. First, to manage withdrawal and repayment transactions for higher education level loans. Second, managing higher education savings schemes and third, following government instructions in performing other functions (Wan Saiful, 2020). PTPTN not only offers loans but scholarships to students who successfully graduate with class 1 honors. In 2000, a total of 88,372 loan applications were approved and this number increased to 193,922 in 2015 (Ong et.al, 2016).

The Covid-19 epidemic not only endangers human health and lives, but also affects the world economic sector. The banking sector is no exception. Borrowers began to face problems in making repayments when some of the restrictions taken by the state continued for a relatively long period of time. Worse is the situation when these borrowers lose their source of income. Among the two causes of the economic downturn were the impact of knocking abroad from the epidemic and the impact of the implementation of movement control order in curbing the epidemic (Calvin Cheng,2020). Personal consumption, investment as well as total exports decreased, while the unemployment rate increased (Croatian National Bank, 2021). However, in helping the financial issues faced by borrowers, banks or the majority of loan agencies also loosen the collection of loan repayments (Reza Nuruk Ichsan et.al, 2021). However, bank performance will also be affected due to non -current financing (Fauzi, 2018).

2 Literature Review

2.1 Introduction

In the literature review, the researchers will discuss deeper both dependent and independent variables. The dependent variable is education loan repayment patterns in Malaysia. While the independent variables are cost of living, attitude, integrity, and government incentives. In addition, this chapter will also discuss in detail regarding the dependent and independent variables, while referring to previous study and adding extra values to this research proposal to make it differ.

2.2 Underpinning Theory

This research plans to develop one theory which is The Theory of Planned Behavior in its attempt to explain the educational loan repayment behavior of university students.

2.1.1 Theory Of Planned Behavior (TPB)

The theory that will be applied in this study is the Theory of Planned Behavior (TPB). The Theory of Planned Behavior (TPB) started as the Theory of Reasoned Action in 1980 to predict an individual's intention to engage in a behavior at a specific time and place. This theory was intended to explain all behaviors over which people have the ability to exert self-control. The key component to this model is behavioral intent; behavioral intentions are influenced by the attitude about the likelihood that the behavior will have the expected outcome and the subjective evaluation of the risks and benefits of that outcome. The TPB has been used successfully to predict and explain a wide range of health behaviors and intentions including smoking, drinking, health services utilization, breastfeeding, and substance use, among others. The TPB states that behavioral achievement depends on both motivation (intention) and ability (behavioral control). It distinguishes between three types of beliefs - behavioral, normative, and control.

2.3 Previous Study

2.3.1 Cost of living

Cost of living is the amount of money needed to cover basic expenses such as housing, food, taxes, and healthcare in a certain place and time period (Caroline,2021). However, it may change due to a few factors such as how they spend their money and how they live. Numbeo (2022) stated consumer prices including rent in Kuala Lumpur are 12.4% higher than in Penang and rent prices in Kuala Lumpur are 46.3% higher than in Penang.

Education loans help a lot of students to pay for their education, however after the graduation day the education loan becomes their commitment as they need to repay. Even worse, we have to pay the education loan repayment with interest. Even after considering scholarships and grants, many students struggle to pay for college without going into debt.

Those who come from underprivileged backgrounds will be persuaded to spend their monthly income on their family rather than on other expenses like debt repayment (Shouxin and Bray, 1992). The necessity of the family's expenses was another factor in this failure. A family's expenditures, including the size of the house, its equipment, and other connected items, may rise as the number of members increases.

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H1: There is a relationship between cost of living and education loan repayment patterns in Malaysia.

2.3.2 *Attitude*

According to Kendra (2022) attitudes are often the result of experience or upbringing. They can have a powerful influence over behaviour and affect how people act in various situations. While attitudes are enduring, they can also change. Thought process and behaviour are heavily influenced by attitude. An attitude can be positive or negative, but it has a greater influence on our behaviour than we realise. How do we cultivate a helpful rather than a harmful attitude? Maintaining positive attitudes requires effort and dedication, so the most important thing we can do to improve our attitudes is to pay attention to them. By recognising our attitudes, we can begin to recognise how they influence thoughts and actions, allowing to improve the way you act and think.

The best approach to characterize borrowers who default on government-provided school loans is with a negative attitude. Even if the borrower has the means to repay the loan but lacks a sense of responsibility, it could lead to disaster for the loan. Attitude was determined to be the most significant component in the loan payback difficulty (Behrens, 1992). Kajubi (1992) mentioned that it is one's moral obligation to repay any loans they may have made.

H2: There is a relationship between attitude and education loan repayment patterns in Malaysia.

2.3.3 *Integrity*

The third independent variable is integrity. Integrity is an important foundation in the banking world. This factor helps the banking sector to gain consumer trust and grow more rapidly, along with other sectors. Integrity needs to move in tandem with other variables to produce the best results. According to Cowton (2002), the basic principles of ethical banking are integrity, responsibility, and also relationships. To make ethical banking successful, Tilak (1992) stated that banking needs to work from enacting rules and laws to their implementation. This means that creating an ethical banking sector needs to be implemented from the most basic level up to the highest level. The policy in the banking sector itself has already established an element of integrity because it involves the management of money and property of outside individuals. However, this factor needs to be applied by both parties involved, namely borrowers and lenders. In the context of this study, borrowers are important individuals in ensuring that the banking sector can continue to run well.

From the point of view of borrowers and lenders, this element of integrity needs to be applied from the beginning of the transaction, starting from the loan application. At this time, the borrower already needs to have the integrity to follow all the rules and agreements that have been agreed upon. With this, problems that arise at the next stage can be better dealt with. However, as we can see, the banking sector is very flexible and 'gives a chance' to borrowers. According to Behrens (1992), a bank needs to communicate with borrowers before imposing any further action. There are additional thoughts from Clarke and Johnston (1992), they think that it is very important for a bank to visit and follow up on borrowers to identify the issues or problems that borrowers are facing. In this way, the bank can offer an alternative way for borrowers to repay the loan. In addition, borrowers will also not be afraid and be more open to allowing the bank to help them. However, it should be noted that the alternative given by the bank is not a way out for borrowers not to repay the loan or in other words, not to bear their responsibilities as debtors.

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H3: There is a relationship between integrity and education loan repayment patterns in Malaysia.

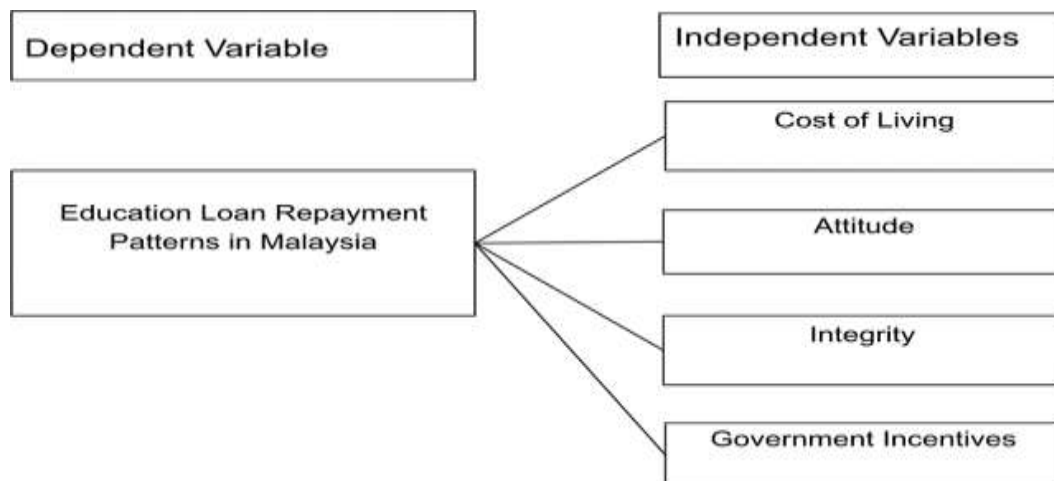
2.3.4 Government Incentives

The last independent variable is government incentives. According to the Malay Dictionary, incentive means something (in the form of material or not) that is given or offered as encouragement or encouragement. Referring to this last independent variable, government incentives are aid given by the government to the people to help those in need continue living. Among the large-scale assistance provided by the Malaysian government to the people was during the Covid-19 pandemic era. There are various forms of assistance given including flexibility to pay off education debt. This action was taken by the government to help the people in continuing their lives because the economy could not run as usual during the Covid-19 epidemic. In general, government initiatives help people to lead normal lives. There are people who had to go hungry during Covid-19 because they ran out of savings. The incentives given by the government directly lighten the burden on the people. But, indirectly, according to Bakertilly (2017), the aid that the government provides today will help the government in the future. Economic growth will help the government earn more revenue in the country and further help the government grow.

Between November 1, 2021, and February 28, 2021, a total of 367,433 PTPTN borrowers took advantage of a repayment discount incentive including a total payment of RM755.28 million with a discount of RM112.4 million. In a statement, PTPTN stated that the government had decided to offer an incentive to assist PTPTN debtors beginning on November 1, 2021 and continuing through the presentation of the Budget for 2022 on October 29, 2021. The rewards include discounts of 15% on the outstanding balance for complete repayment of the loan and discounts of 12% for paying off at least 50% of the outstanding debt in a single payment. Additionally, a 10% discount for payments made using direct debits or salary deductions is scheduled. By any measure, student loans are an important source of financing for higher education. Historically, borrowers and the government have guaranteed those loans with a promise to cover any unpaid amounts (and, in some cases, interest payments while students are in school).

H4: There is a relationship between government incentives and education loan repayment patterns in Malaysia.

2.4 Conceptual Framework



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Figure 1: Conceptual Framework Model

3 Methodology

This study developed the quantitative method and descriptive research as the research design. The questionnaire employed Likert scale with numerical values of 1 (strongly disagree), 2 (disagree), 3 (agree), 4 (strongly agree) and respectively. This research also used multiple choice question (MCQ) formats. For the data collection method, questionnaire is developed from Google form. A set of questionnaires was distributed via online platforms targeted to university graduates in Malaysia that borrowed with education loan agency while studying. This method is utilized since it is cut cost, less time consuming, and easy to spread.

For the target population, it is targeted on university graduates in Malaysia that borrowed with education loan agency while studying. According to data taken from Higher Education Statistics 2020: Ministry of Higher Education, a total of 200,213 students graduated in 2020. The number of populations is suitable for this study to investigate the repayment patterns of Malaysians. There are six category age of the respondents that provided in the questionnaire (<20 Year, 21-25 Year, 26-30 Year, 31-35 Year, 36-40 Year, >50 Year). For this study, the researcher will develop the simple random sampling. This study uses descriptive analysis, reliability test, and normality test.

4 Results

4.1 Demographic Profile of Respondents

Table 1: The demographic profile of Respondents

	NUMBER	PERCENTILE
Age		
< 20 YEARS	33	8.6
21-25 YEAR	124	32.2
26-30 YEAR	108	28.1
31-35 YEAR	43	11.2
36-40 YEAR	50	13.0
> 50 YEARS	27	7.0
Total	385	100.0
Gender		
Female	203	47.3

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Male	182	52.7
Total	385	100.0
Race		
Malay	314	81.6
Chinese	45	11.7
Indian	24	6.2
Others	2	0.5
Total	385	100.0
Marital Status		
Single	228	59.2
Married	152	39.5
Others	5	1.3
Total	385	100.0
Level of Education		
Diploma/Any certificate	102	26.5
Degree	222	57.7
Master	51	13.2
PhD	7	1.8
Others	3	0.8
Total	385	100.0
Occupation		
Government	118	30.6
Non-government	100	26.3

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Self-employed	38	9.9
Others	129	33.5
Total	385	100.0

4.2 Results of Reliability

This analysis is done to determine if the questionnaire is reliable, to do so the Cronbach Alpha value is used to test which the value needs to be 0.7 and above for the questionnaire to be reliable. The tool is used to check if there is consistency in the content of the questionnaire (Gharaibeh, 2018).

Table 2: The results of reliability for each variable

Variables	Number of Items	Cronbach's Alpha	Moderate
Reliability Analysis for Cost of Living on Education Loan Repayment Patterns	5	0.783	Good
Reliability Analysis for Attitude on Education Loan Repayment Patterns	5	0.889	Very Good
Reliability Analysis for Integrity on Education Loan Repayment Patterns	5	0.871	Very Good

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Reliability Analysis for Government Incentives on Education Loan Repayment Patterns	5	0.851	Very Good
Education Loan Repayment Patterns	5	0.894	Very Good
Overall variables	25	0.909	Excellent

4.3 Results of Hypothesis

Pearson's correlation coefficient is a test statistic that determines the statistical link, or association, between two continuous variables. In this study, the researchers performed correlation analysis to determine the link between the dependent and independent variables. Pearson correlation analysis was utilised in this study to examine the link between independent factors and dependent variables. The correlation coefficient r , according to Deborah et al. (2016), assesses the degree and direction of a linear link between two variables on a scatter plot. r always has a value between +1 and -1. A perfect uphill (positive) linear connection has an R-value of precisely +1, whereas a perfect downhill (negative) linear relationship has an R-value of exactly -1.

Table 3: The results of Pearson's correlation for each hypothesis

	HYPOTHESIS	RESULT
H1	There is a negative and significant relationship between cost of living and education loan repayment patterns in Malaysia.	-0.374
H2	There is a positive and significant relationship between attitude and education loan repayment patterns in Malaysia.	0.890
H3	There is a positive and significant relationship between integrity and education loan repayment patterns in Malaysia.	0.923
H4	There is a positive and significant relationship between	0.159

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	government incentives and education loan repayment patterns in Malaysia.	
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5 Discussion

In this study, the results shows that cost of living has a moderately negative correlation with education loan repayment patterns where $r=-0.374$ at $p<0.05$. According to (Shouxin and Bray, 1992), for those who have poor families, they will be influenced to spend their monthly salary to support their family rather than paying for other things such as loan repayment.

Secondly, the attitude towards education loan repayment patterns in Malaysia shows high positive(negative) correlation here $r=0.890$ and $p<0.05$. The research demonstrates a strong positive relationship between Malaysian loan repayment behaviours and attitudes. Even though the borrower has the ability to repay the loan, (Behrens, 1992) found that attitude was the most crucial factor in the issue. If the borrower lacks a sense of responsibility, the loan could end disastrously. As a result, the findings are consistent with earlier research by Kajubi (1992), who found that it is morally required to repay any loans.

Thirdly, the integrity and education loan repayment patterns shows high positive(negative) correlation where $r=0.923$ and $p<0.05$. According to the data, there is a strong correlation between Malaysia's loan repayment trends and its commitment to integrity. (Tilak, 1992) asserts that in order to be effective, regulations and legislation governing integrity loan recovery must be carefully drafted. Consequently, the outcomes are consistent with earlier research. According to Behrens (1992), when a loan is in default, it is crucial for the bank to get in touch with the borrower and get as much relevant data as they can.

Finally, there is a high positive(negative) correlation between incentives towards loan repayment patterns in Malaysia. According to the data, there is a strong positive association between government incentives and Malaysia's student loan repayment patterns ($r=0.159$, $p0.05$).

6 Limitation

Firstly, the limitations that exist involve the background of the respondents. Since the respondents for this study are among loan borrowers from various backgrounds of education loan lending institutions, the possibility of different response results will also be higher. For example, differences may occur due to different levels of awareness or lack of exposure from the money lending institution. This situation makes it difficult for respondents to give an opinion that there should be a question posed by the researcher.

In addition, time constraints also become the limitation of this study. As the researchers are students, the researchers had to manage their time preferably between this researcher and online classes, quizzes, presentations, assignments, and final assessments. The researcher also found it hard to collect all the data from questionnaires, which were distributed using Google form within a short time. Ultimately, the results of this study have border because the conclusions are made only based on the opinions given by some education loan lending

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institutions which cannot represent all the education loan lending institutions that have different backgrounds.

7 Recommendation

7.1.1 Theoretical

This research uses descriptive, reliability and Pearson correlation analysis which had a significant and positive relationship between cost of living (IV1), attitude (IV2), integrity (IV3) and government incentives (IV4) with education loan repayment pattern in Malaysia (DV). There are many ways that can be used by future research to influence graduated students to make education loan repayment, such as using the role of National Education Fund Corporation (PTPTN) with educational institution should educate and instil the necessary values in the students with an emphasis that repaying the loan is their responsibility, a demand to change their attitude towards such debt.

7.1.2 Methodological

A quantitative method was chosen for this study's data collection from respondents. During data collection, it was more convenient and quicker. With this method, the respondent can use social media to reach a sizable number of respondents. The individual who has previous or current experience with repaying education loans will be the targeted respondent and will be able to assist in answering the questionnaire. The researcher can test their hypotheses and determine how the variables are related using quantitative methods. Future researchers are advised to use this methodology for their research papers in the future. However, depending on the study's research purpose, future researchers should have chosen the targeted respondents earlier. It is recommended that future studies identify their respondents to make the process easier.

8 Conclusion

In conclusion, the study's goal is to investigate the relationship between cost of living, attitude, integrity, and government incentives towards the education loan repayment patterns during Covid-19. In chapter 3 has mentioned the total numbers of 382 respondents is required to answer the questionnaire. The population of respondents focused on university graduate students. Several tests were performed on the data collected from the survey in order to examine this thesis. The findings indicate that cost of living, attitude, integrity, and government incentives as independent variables in this study have a significant relationship with the education loan repayment pattern during pandemic Covid-19 in Malaysia. Furthermore, the Pearson Correlation test results show that all those independent variables, cost of living, attitude, integrity, and government incentives have relationships with education loan repayment patterns. Besides, in chapter 4 are the data analysis and findings of the results from questionnaires survey that was analysed using preliminary, descriptive, Pearson correlation, normality test, validity and reliability test. The data obtained from the questionnaire has been evaluated by a software program using Statistical Package for the Social Science (SPSS). Lastly in chapter 5 is about the summarization of the results based on data analysis. Thus, all the hypotheses such as H1, H2 and H3 are accepted. According to the results, all independent variables which are cost of living, attitude, integrity and government incentives significantly and positively influence the education loan repayment patterns during pandemic Covid-19. Last but not least, the research objective of this study is

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to examine the relationship between cost of living, attitude, integrity and government incentives towards the education loan repayment patterns during Covid-19 is answered.

9 Acknowledgement

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**Factors affecting academic achievement of undergraduate students
during Covid-19 pandemic framework**

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Abstract:

This research aims to investigate the elements influencing undergraduate students' academic performance during the Covid-19 pandemic. It focuses on students of University Malaysia Kelantan (UMK) Kota campus, Pengkalan Chepa. This study will be focused on students in the Faculty of Entrepreneurship and Business (FKP) program where it is in line with the objectives of this study. Several statistical techniques were used in this study to analyze the data and data collected by randomly distributing questionnaires to 401 undergraduate students at UMK Kota campus through an online survey. In the questionnaire, students were asked about their opinions on teaching methods, motivation, student attitudes, perceived social support and financial stability in relation to the academic achievement of undergraduate students during the Covid-19 pandemic. The questions in part A are age, race, ethnicity, gender, program, year of study, marital status, grades and parental status. The questions in Section B to Section E are related to independent variables that affect the academic achievement of undergraduate students during the pandemic. The results of this study show that all hypotheses have been supported. Teaching methods and motivation were found to have a positive relationship with the academic achievement of undergraduate students during the pandemic. This study also revealed that financial stability tends to be more or less attractive to the academic achievement of undergraduate students during the pandemic.

Keywords: academic achievements; teaching methods; motivation; student attitudes; perceived social support; financial stability.

1. Introduction

Academic achievement among undergraduate students is the primary priority because they are the future leaders who will define the path of our nation. Students' intelligence and passion are reflected in their academic performance. A good academic performance is a sign that students, teachers, and institutions have met their educational objectives. Students go to university to learn new things and improve their abilities (Mekonnen, 2016). The academic achievement of students in schools, public universities, and private institutions of higher learning is now consistently given substantial consideration by the government. This is so that this group may set the direction for leadership in the present. Therefore, it is not unexpected that the question of student academic achievement has always been up for debate and frequently grabs the media's and the general public's attention. The academic success of a student is frequently assessed in light of the abilities they possess (Razali & Raop, 2018).

Junaidi et al. (2020) Covid-19 pandemic being a very large risk and has an impact on socioeconomics. The field of education is either at the preschool level, primary level, secondary level or tertiary level. The emergence of the Covid-19 pandemic has brought new changes in various aspects especially in the learning process in Malaysia (Mahalingam & Jamaludin, 2021). Online learning during a pandemic is a new method in teaching that allows an educator-focused approach to be transformed into student-centered learning. This concept of learning also known as e-learning is an influence in the process of transformation of traditional education into a form of virtual world, both content and methods (Mohd Fairuz Jafar, 2021). Students need to adapt to the new norm that the learning process is done online. In the study of Bolatov et al. (2021) also noted the shift to online learning has affected students' academic achievement and mental health. Academic achievement has been shown to exist among university students while pursuing online learning (Benjamin et al., 2021; Oducado & Eztoque, 2021; Bolatov et al., 2021).

A study by Mahathir and Wardatul (2021), found that online learning presents challenges to students, among them students face an environment that is not conducive to learning and low levels of learning effectiveness. According to Kamarudin (2017), Academic achievement of students is tied to the learning process itself and not only to the teaching strategies used in the lecture hall. Experts in the field of research have examined a number of variables to determine the reasons for decline and issues with achieving the best academic performance for university students, including the students themselves, the lecturers' methods of teaching and learning, and the institution's support structure, among several others. Accordingly, this study aims to identify factors affecting academic achievement of undergraduate students during pandemic.

2. Literature Review

2.1 Introduction

Academic achievement was initially considered the most important outcome of the formal educational encounter, and while it undoubtedly plays an important role in students' lives, they are no longer the most important outcome. Academic achievement is a performance indicator for any education system. Academic achievement refers to the ability to demonstrate academic success in achieving intended outcomes. Many academics emphasize the importance of mental and cognitive abilities in academic success. However, intelligence alone does not guarantee academic success, and students must be aware of their learning methods. Students' learning styles refer to the ways they use to achieve, analyze, and internalize their newly learned knowledge.

Referring to previous studies, online teaching and learning is constantly evolving and plays an important role in education in Malaysia (Gunawan et al. 2020). In this epidemic era, the field of education has begun to shift toward online teaching and learning using a range of existing technologies. Online learning, teaching, and facilitating is a type of academic activity that uses digital technology and the internet to channel academic activities, and is now referred to as home teaching and learning in Malaysia.

2.2 Underpinning Theory

Dependent variables are influenced by the independent variables. Teaching method, motivation, perceived social support, and financial stability are considered influential variables in this process. Walberg's (1981) idea of educational productivity is one of the few theories of academic accomplishment that has undergone scientific testing. The psychological characteristics of certain students and their immediate psychological situations have an impact on their educational outcomes (cognitive, behavioral, and attitudinal), according to Walberg's theory of academic performance (Reynolds & Walberg, 1992).

Walberg's study further examined nine major factors that affect academic performance, including peer group, classroom atmosphere, family environment, motivation, age or developmental stage, prior success or ability of the student, as well as outside media attention (Walberg, Fraser, & Welch, 1986). The first three variables—ability, motivation, and age—reflect the qualities of the learner in the current situation. The final four factors (classroom climate, peer group, home environment, and exposure to media) describe elements of the psychological environment. Next, the fourth and fifth variables reflect instruction (amount and effectiveness) (DiPerna et al., 2002).

2.3 Previous studies

2.3.1 Students' academic achievement

Academic achievement is one of the major factors considered by employers in hiring workers especially for the fresh graduates. Thus, students have to put the greatest effort in their study to obtain good grades and to prepare themselves for future opportunities in their career at the same time to fulfill the employer's demand, Oladebinu et al., (2018). Academic accomplishment is a key metric for evaluating students' performance and educational attainment. Working memory (simultaneous information storage and manipulation; Peng et al., 2018), reasoning (the ability to solve novel and complex problems; Sternberg, Kaufman, & Grigorenko, 2008), and executive function are all important for academic performance (cognitive and social- emotional processes that underlie goal-directed behavior such as flexible thinking, self-control, and self-regulation; Best & Miller, 2010). According to Abdelrahman et al. (2020), achieving greatness in academic performance is based on the student's academic intrinsic motivation, which is essential in the learning process and human life activities. From the perspective of psychologists, learners are more than just information consumers; they must be active and deeply involved students. Modern statistical studies have shown that when students have intrinsic motivation and a genuine interest in the topic they are studying, they attain the best learning results (Cerasoli et al., 2014; DePasque and Tricomi, 2015; Ryan and Deci, 2000).

A recent study reveals a decrease in dropout rates and an improvement in students' grade point average (GPA), while research findings from another study addressing a similar phenomenon show an increase in critical-thinking abilities for students who participate in e-learning. While these findings are promising, a more extensive literature study reveals a null or even negative relationship between GPA and e-learning instruction, as well as the usage of technology in the classroom and GPA.

2.3.2 Teaching method

Universities have been obliged to do online learning due to the COVID-19 pandemic, which has required lecturers to develop creative e-learning techniques and students to be flexible and have a strong desire to study (Prasetyo, Nurtjahjanti & Ardiani, 2021). The lecture contents, psychological competencies, and technological competencies all influence students' willingness for changing. Because face-to-face engagement in the classroom is being substituted by virtually face-to-face interaction via technology, online learning is necessary (Keskin et al., 2018). The capacity to use and manage technology, information, and communication networks is known as a "digital talent" (Keskin et al., 2018). One external aspect that affects the learning process is the development of information and communication technologies in education (Alqahtani & Mohammad, 2017; Babiker, 2017; Mohammad et al., 2017). Furthermore, in order to grow as individuals, pupils need to be proactive, inventive, and creative.

There are various studies that state that the factors that contribute to students' academic achievement are due to learning methods, teachers' teaching approaches and students' own attitudes (Muhamad Shafiq & Noraini, 2018). From the aspect of student factors, academic achievement is significantly influenced by student traits such as student interest, motivation, and attitude (Aydeniz & Kaya, 2019).

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Online teaching and learning continues to grow and play an important role in education in Malaysia (Gunawan et al. 2020). The world of education in this pandemic era has begun to move towards online teaching and learning using a variety of existing applications. Online learning, teaching and facilitation is a means of academic activities that are channeled through the application of digital technology and the internet and which is now diversified as home teaching and learning in Malaysia. This channeling thing requires a channel that has writing, visual graphics, words, animation, video as well as audio. Online learning is based on computer technology resources and tools. Shirley Anne (2019) who defines online teaching and learning is face-to-face instruction that takes place by use of electronics so that students will see and listen to fellow classmates from a distance.

2.3.3 Motivation

Azar and Tanggaraju (2020) describe motivation as the eagerness and willingness to achieve something without being directed or coerced to provide it. According to him, motivation is concerned with processing and analyzing information to develop a concept or understanding of the universe. Since online learning demands students to take responsibility for their own learning, individuals will be unlikely to just attend class with some other students. It demonstrates that the online learning research conducted during the COVID-19 Pandemic resulted in certain benefits and some drawbacks. Students' motivation was impacted, whether by its advantages or downsides. Some students were unmotivated to study because of online learning, but others were tremendously driven.

Cahyani et al (2020), Rachmat et al (2020), and Simamora et al (2020) show how external elements such as surroundings, timing, and procedural supports influence how students attain their goals in their research study. Physical and psychological concerns are exacerbated when students lack drive. As a result, positive thinking, creative and innovative approaches can assist students or lecturers in overcoming these varied challenges in terms of making the way away experience more enjoyable, resulting in higher learning quality (Jaelani et al, 2020). Presently, the development of online learning is intended to lessen the strain suffered during a pandemic where students must study at home (Hadi et al, 2021). Students had instructional university facilities rather than staying at home during the pandemic COVID-19, which they couldn't supply university facilities for.

2.3.4 Perceived social support

Two distinct categories of assistance have been studied in relation to students' perceptions of their teachers' help: emotional and intellectual support (Liu et al., 2018). Perceived availability of assistance from peers, including psychological and non-psychological help, is referred to as "peer support" (Ruzek et al., 2016). Next, psychological support focuses on the concept that the peers can aid in terms of self-efficacy, self-esteem, and positive feelings, while non-psychological support covers the belief that peers may provide instrumental support via physical and informational assistance.

Due to the fact that practically all learning approaches and strategies were used online during the previous Covid-19 pandemic, Muniroh et al. (2021) made a comment on how open students were to participating in various learning situations. Additionally, he mentioned that since parents are currently giving their children their entire attention, students require strong reinforcement from family and the surrounding environment.

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One of the elements affecting pupils' academic achievement is family structure. There were seven studies that concentrated on how family dynamics, parental participation, and family history affected adolescents' academic success. According to two studies, the home environment, two studies found that parental participation affects students' academic performance, and four studies found that family background affects students' academic performance.

According to a study done in Indonesia by Tohol, Edi, and Nila (2020), a student's ability to learn is significantly influenced by the parental education level. In order to give their children a positive learning environment, resources, and support, parents who are well educated will recognise that their children's academic achievement is influenced by more than just their instructors and schools. When compared to parents who have a high level of education, parents with minimal educational backgrounds are less knowledgeable on how to educate their children.

2.3.5 Financial stability

Everyone needs money to live in this age of globalization. Particularly families that depend on financial security to satisfy their needs and desires. Financial stability is the condition in which the process of financial intermediation is efficient and there is confidence in the vital markets and financial institutions of the economy. The pandemic has severely affected the economy, and through these, the financial well-being of households. The pandemic shock is clearly least damaging to people with high levels of liquid savings or jobs that can be transferred to the virtual environment (Fox and Bartholomae 2020).

2.4 Hypotheses Statement

H1: There is a relationship between the teaching methods and the academic achievement of undergraduate students during a pandemic.

H2: There is a relationship between the motivation and academic achievement of undergraduate students during a pandemic.

H3: There is a relationship between the perceived social support and academic achievement of undergraduate students during a pandemic.

H4: There is a relationship between the financial stability and academic achievement of undergraduate students during a pandemic.

2.5 Conceptual Framework

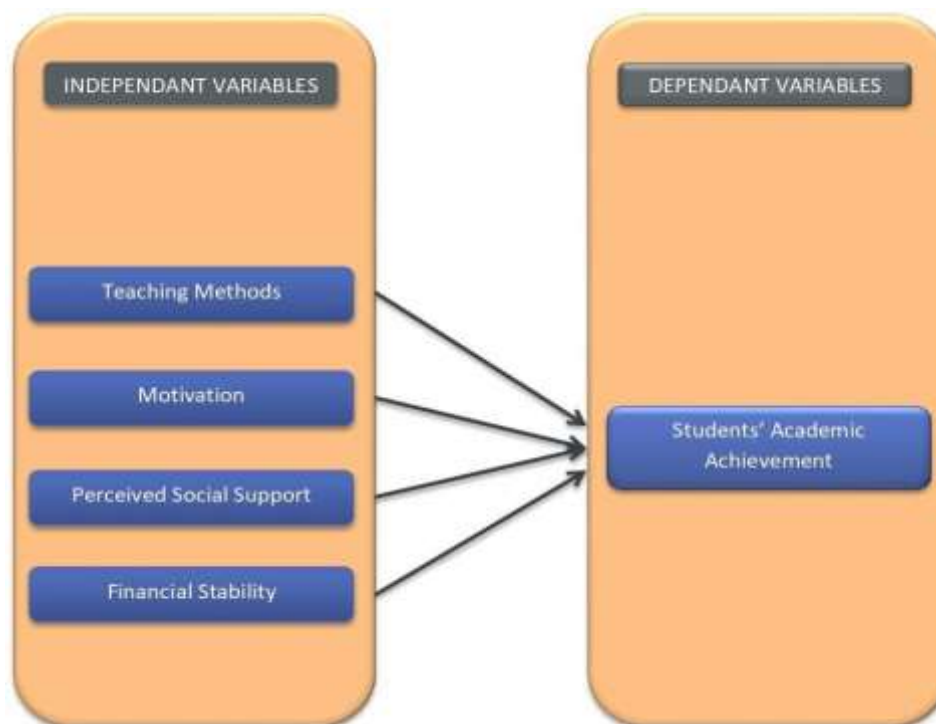
The purpose of this study is to examine the factors affecting the academic achievement of undergraduate students during the pandemic. This section describes the purpose of the theoretical framework. A conceptual framework is operationalization of the theory showing the relationship of the different constructs in a research study (Adom, 2018).

Therefore, based on the previous study, the dependent variables and independent variables for the research conducted has been determined. The dependent variable for this

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research is student academic achievement. Meanwhile, the independent variables are teaching method, motivation, perceived social support, and financial stability. This framework was adopted from two different articles. which are factors affecting undergraduate students' academic performance (Ambad, Mawardi & Mohamad, 2017) and the financial problems and academic performance among public university students in Malaysia (Norazlan, Yusuf & Al-Majdhoub, 2020)

Figure 2.1: Conceptual framework



Sources:

<http://creativecommons.org/licenses/by/4.0/legalcode> (Ambad, Mawardi & Mohamad, 2017)

<http://journale-academiauitmt.edu.my/> (Norazlan, Yusuf & Al-Majdhoub, 2020)

2.6 Summary/Conclusion

The research acknowledges that online learning provides a learning environment separate from face-to-face or classroom learning contexts. The "broadly acknowledged issues with e- learning are accessibility, cost, flexibility, learning methodology, life-long learning, and educational policy." (p. 4). There seems to be evidence that studying online could be more successful in a variety of ways for users connected to the appropriate technology. According to several studies, pupils remember 25–60% more content when studying online rather than just 8– 10% in a classroom (Bazelais, Doleck, & Lemay, 2018).

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3. Research Methodology

3.1 Introduction

According to Ahmad Mazhab Ayob (2021), the research method includes an approach for questioning how each aim or research is to be accomplished. The research technique would be a collection of knowledge and the most recent data that researchers may utilize for the survey. The research technique defines how well the scholar indicates the overall work method employed by engaging the selected data, as well as the process of acquiring data across the study's production. The methodology's objective is to assist the researcher comprehend the method's application more widely by detailing the research procedure performed.

3.2 Research Design

Research design is an essential part of research. Research design plays an important role since it acts as the structure of research. In other words, research design holds all the elements in every piece of research to ensure the research is valid and accurate (Creswell, J. W., & Creswell, 2017).

3.2.1. Research Instrument

This survey will be divided into five sections, A, B, C, D, and E, using a questionnaire as the research instrument. Section A would be about the respondent's demographics. Aside from other parts regarding concerns relating to the research's goal of preservation. In terms of alternatives, the Likert scale would be provided to enable respondents to identify the strength of their positive-to-negative sentiments about the question or statement.

3.2.2 Measurement Scale

The questionnaire is often used for large-scale surveys as it requires less time and is less expensive (Gay, 1987). In a research questionnaire, when only variable labels are significant, a nominal scale is frequently used. As a result, the interval scale would be applied in the questionnaire.

3.3. Data collection

In this study, the researcher has decided to use a quantitative approach to achieve the outlined research objectives. This quantitative survey research obtains data through the distribution and completion of questionnaires by respondents. A Google Form could be used to build the questionnaire to make it easier for respondents to answer the question. We distribute questionnaires through social media such as WhatsApp, Instagram, Facebook, and others. This questionnaire could perhaps also be administered online to reflect current pandemic challenges. We used this method to our targeted respondents who are UMK students.

3.4 Study population

University Malaysia Kelantan (UMK) students were chosen as potential respondents to participate in the survey related to factors affecting the academic

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achievement of undergraduate students during the pandemic. The data will be collected in Kelantan, specifically at the PengkalanChepa.

3.5 Sample size

The sample size of the population for this research was determined by using a published table. Researchers have decided to use the published table by (Krejcie & Morgan, 1970). According to the Faculty of Entrepreneurship and Business data, the latest total student enrolment in UMK is 3438. The researcher needed to distribute 341 sets of questionnaires because the total population is more than 3000. Table below was the published table by Krejcie and Morgan (1970) that was used for this research.

Table 3.2: Sample Size by Krejcie and Morgan (1970)

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

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

3.6 Sampling Techniques

For our study, we are presently gathering perspectives on the factors impacting students' academic achievement during pandemic COVID-19 at Malaysia's Kelantan University (UMK). We will urge University Malaysia Kelantan (UMK) students, particularly those at Kampus Kota, to take a survey on the issue. This is a simple approach to gathering data since we mainly survey students at the University Malaysia Kelantan (UMK) and do not include students from other universities.

3.7 Research Instruments Development

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This is a form or document that has been methodically created with a collection of questions specifically intended to elicit answers from respondents or research informants for the goal of gathering data or information. It is a kind of inquiry paper that comprises a well-organized and carefully constructed set of questions designed to elicit information about the nature of the topic under investigation. We choose to gather data from respondents since they can provide more precise responses and can fill out the questionnaire at their leisure.

3.7.1 Questionnaire Design

In the study, the researchers used questionnaires to collect data. The questionnaire consists of a network of questions and other indicators for the purpose of gathering information from the community of students from Universiti Malaysia Kelantan (City Campus). This study area consists of a demographic profile of respondents, an independent variable that focuses on the factors that affect the academic achievement of undergraduate students during a pandemic. This study area consists of sections A, section B, section C, section D, section E, and section F. The question consists of a demographic profile of the respondents, an independent variable that focuses on the factors that affect academic achievement during COVID-19, and a dependent variable that is the student's academic achievement. The choices answered for Section A are multiple choice. The following is an example of our questionnaire for this research:

Table 3.3: Example of Section A, Demographic Profile.

No.	Content	Options	/
1.	Gender (Jantina)	Male / Lelaki	<input type="checkbox"/>
		Female / Perempuan	<input type="checkbox"/>
2.	Race (Bangsa)	Malay	<input type="checkbox"/>
		Chinese	<input type="checkbox"/>
		Indian	<input type="checkbox"/>
		Others / Lain-lain	<input type="checkbox"/>
3.	Age (Umur)	< 20	<input type="checkbox"/>
		21 - 22	<input type="checkbox"/>
		23 - 24	<input type="checkbox"/>
		> 25	<input type="checkbox"/>
4.	Programmes (Program)	SAE	<input type="checkbox"/>
		SAK	<input type="checkbox"/>
		SAR	<input type="checkbox"/>
		SAB	<input type="checkbox"/>
		SAL	<input type="checkbox"/>

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The questions that researcher provides in this Section B until section E relate to independent variables which affect academic achievement undergraduate students during pandemic. Next, this section uses 5 points of like skills to measure respondents and how much they agree or disagree with the statement. Section F also requires respondents to answer questions about dependent variables which are the student's academic achievement.

Table 3.4: Example of Section B, The Factor of Teaching Method.

No.	Content	1	2	3	4	5
1.	I am satisfied with the easily accessible learning materials provided by the lecturers. / Saya berpuas hati dengan bahan pembelajaran mudah diakses oleh pensyarah.					
2.	I am satisfied with the amount of time I spend talking to lecturers during online. / Saya berpuas hati dengan jumlah masa yang saya luangkan untuk bercakap dengan pensyarah semasa kelas dalam talian					
3.	Lecturers gives me scientific information that helps me learn more about the subject and understand it better. /Pensyarah memberi saya maklumat saintifik yang membantu saya mengetahui lebih baik.					
4.	I am satisfied with the online learning experience from home digitally. / Saya berpuas hati dengan pengalaman pembelajaran dalam talian dari rumah secara digital					

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3.7.2 Pilot Test

According to Junyong (2017), a pilot study is the initial phase of the complete research process and is often a smaller study that aids in the design and modification of the major study. Specifically, in large-scale clinical trials, the pilot or small-scale study is often conducted prior to the main trial in order to assess its validity. Next, the purpose of the pilot study was to increase the likelihood that the main study would be successful by evaluating the variability of the participant recruitment and retention procedures, testing the face and content validity of the questions, and assessing the usability of the technology used to administer the questionnaire.

Due to this, the pilot test will aid in the reduction of questionnaire errors and the collection of accurate data during the primary data collection process. The 10 percent of our pilot test will be calculated by multiplying the total number of survey respondents (341) by 10%. Then, we will select 34 individuals from our total sample size to participate in our pilot test.

3.8 Measurements of the Variables

A measurement variable is an unknown attribute that can accept one or more values and measures a specific thing. It is frequently employed in scientific study (Inoue and Ueji, 2020). In statistics, unlike in mathematics, measuring variables can assume not only quantitative but also qualitative values. Measurement devices, algorithms, and even human judgment can be used to measure statistical variables.

The research instrument to be used in this research is a questionnaire. The types of measurement scales used in this survey questionnaire were nominal, interval and ratio while ordinal scale measurements were not used. The questions constructed are based on the objectives in the study conducted to obtain correct and accurate information. Each respondent will answer the same question as the others. The questionnaires are divided into five sections which are in Section A, B, C, D and E.

3.8.1 Nominal Scale

In our questionnaires, the nominal variable such as age (19 years old until above 25 years old), gender (male or female), race (Malay, Chinese, Indian or others), programmes (SAB, SAL, SAK, SAR, SAE), year of study (year 1, year 2, year 3, year 4), marital status (unmarried, married), grade (2.0-2.49, 2.5-2.99, 3.0-3.49, 3.5-4.0), parental marital status (together, divorce). All these questions will be categorized to determine and recognize the demographic profile for every targeted respondents.

3.8.2 Interval Scale

Arithmetic operations can also be performed on interval scale numerical values. The interval scale has no "true zero" point, so statements about the ratio of attributes in the interval scale cannot be made. Examples of interval scales include temperature scales and standardized tests. A 5-point Likert scale used in the research ranging from strongly disagree (1), disagree (2), neutral (3), agree (4) and strongly agree (5) is designed to examine how strongly the statements agree or disagree. In questionnaires, this Likert scale is used in sections B, C, D, and E.

3.8.3 Ratio Scale

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The ratio scale is one of two types of continuous scales available, the other being the interval scale. It is both an extension of the interval scale and the height of measurement scale types (Kusaeri & Suprananto, 2018). The ratio scale differs from the interval scale solely in that the ratio scale already has a zero value. This means an even number of zero also will give a meaning.

3.9 Procedure for Data Analysis

3.9.1 Data Processes and Data Analysis

The process provides valuable information and insights that reduce the risks involved in making decisions. These insights and statistics are usually displayed in charts, pictures, tables, and graphs. When discussing data analysis, the term "big data" is widely used. For massive amounts of data to be transformed into useful information, data analysis is necessary. At Universiti Malaysia Kelantan (UMK), a total of 341 sets of questionnaires will be distributed to selected students, with all data being gathered for study. Its primary purpose is to provide information on the relative frequency of survey replies.

3.9.2 Descriptive Analysis

Descriptive analysis is a sort of data analysis that helps to explain, show, or summarize data points in a constructive way so that patterns might develop that satisfy all of the data's conditions. It is one of the most crucial steps in the statistical data analysis process. It provides a conclusion on the distribution of data, assists in the detection of typos and outliers, and allows for the identification of similarities between variables, allowing the researcher to prepare for additional statistical analysis. After that, the data will be converted. Chapter 4 will provide a full explanation of the findings.

3.9.3 Reliability Test

A test's reliability refers to how regularly it assesses a characteristic (Rosaroso, 2015). Will a person's test score be the same or drastically different if he or she takes the test again? A test is said to assess a characteristic reliably if it provides similar results when repeated by the same person.

In the evaluation process, these elements are factors of chance or random measurement inaccuracy. If there were no random measurement errors, the individual would receive the same test score each time, the individual's "actual" score. The degree to which measurement errors have no effect on test scores is an indication of the test's dependability. This reliability test ensures that consistent results are obtained without bias and serves as an indicator of the measurement's reliability as well as the capacity to obtain consistent measurements over time.

3.9.4 Pearson Correlation Coefficient

The measure about which two sets of data are related is measured by correlation. The

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Pearson Correlation is the most frequent statistician's metric of correlation. The Pearson Product Moment Correlation is its full name (PPMC) (Jan Hauke, 2019). It depicts the relationship between two sets of data in a linear fashion. In simple terms, it answers the question, "Can I represent the data using a line graph?" The Pearson correlation is represented by two letters which are the Greek letter rho (ρ) for a population and the letter "r" for a sample.

3.9.5 Multiple Linear Regression Analysis

A collection of statistical techniques known as regression analysis is used to estimate the associations between a dependent variable and one or more independent variables (Gulden Kaya Uyanik, 2013). It is a useful tool for simulating the long-term relationship between variables and determining how strongly they are related. Regression analysis comes in a variety of forms, including multiple linear, nonlinear, and linear.

3.10 Summary/ Conclusion

Obtain the required outcomes of the study on the relationship between financial stability and undergraduate student academic achievement during a pandemic. Besides, there is other information that researchers want to know that has been stated in the research questions. The information will be gathered, analyzed, and discussed. The data in this study was analyzed using descriptive analysis, reliability testing, Pearson correlation coefficient, and multiple linear regression. All of these techniques will be used to analyze the data collected, and Chapter 4 will go over them in further detail.

4.0 Findings and analysis

To answer the extent to which academic achievement increased during the covid 19 pandemic, four factors were taken from writing (Ambad, Mawardi & Mohamad, 2017) and (Norazlan, Yusuf & Al-Majdhoub, 2020) obtained from data analysis, namely teaching method, motivation, perceived social support and financial stability. Many students have answered factors that can affect their academic achievement. The researchers believe that these factors can affect the academic achievement of undergraduate students. The findings of the above factors are discussed by using the SPSS method to see the extent of the effect of the factors on achievement. These factors have been discussed below.

4.1 Results of Factor Analysis and Cronbach Alpha

According to the data summary in the table, the range of the average scale for all items is 3.17 to 4.48. A summary of the Cronbach's value for each variable used in the study is also shown in the table below. Cronbach's coefficient values between 0.6 and 0.8 were considered moderate and acceptable (Khairul et al. 2018). Additionally, Cronbach's coefficient values above 0.80 indicate that a certain group of items is reliable (Khairul et al., 2018). It is clear from the description that the Cronbach's alpha values for the study's variables ranged from 0.872 to 0.956, which shows that the measurements for the variables of this study are between moderate and acceptable to reliable for the variables M and AA.

4.2 Normality Test

Based on the table below shows that the results of the analysis using Kolmogorov-Smirnov and Shapiro-Wilk normality test for all variables. The Kolmogorov Smirnov statistic takes values 0.225 - 0.262. This has 401 degrees of freedom, or the same number of data points

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while Shapiro Wilk statistic takes value 0.816 to 0.858. The p-value provided by SPSS (quoted under Sig. for Kolmogorov-Smirnov and Shapiro-Wilk) is .000 (reported as $p < .001$). Consequently, there is significant evidence against the null hypothesis that the variable has a normal distribution.

4.3 Pearson correlation coefficient analysis

The result of this analysis can be interpreted as having a high positive correlation between the value between Teaching Method (TM) and Academic Achievement (AA) which is 0.793 and the value between Motivation (M) and AA which is 0.789. This high positive correlation result means that both the TM and M variables have a significant effect on the M and AA variables. However, there are values that show a low positive correlation between Perceived Social Support (PSS) and AA which is 0.691 and between FS and AA which is only 0.719. This means that these two variables do not have a significant effect on the AA variable. In short, TM and M are more likely to help affecting academic achievement of undergraduate students during pandemic while the value between PSS and FS give a relatively low effect on AA.

4.4 Correlation Coefficient Result

Based on the results stated in the table below, it can be summarized that all the variables teaching method, motivation, perceived social support, financial stability have the most significant affecting academic achievement of undergraduate students during pandemic because these variables have a value of less than <0.05 .

4.5 Hypothesis

The following is a relevant summary of the hypothesis test results in this study. Based on the results obtained, all of the five hypotheses tested in this study were supported. The final results of the study found that it is consistent with the results of several researchers such as Friadi et al., 2015; Gbongli et al., 2019; Karim et al., 2020; Liu & Tai, 2016; Nag & Gilitwala, 2019; Trivedi, 2017 which states that TM and M were found to be positively related to academic achievement of undergraduate students during pandemic. Finally, this study also revealed that FSs tend to be more or less attractive to academic achievement of undergraduate students during pandemic.

5.0 Discussion

This study provides exposure on the factors that affect the academic achievement of undergraduate students during the pandemic through research methods. In maintaining the four factors that affect the academic achievement of undergraduate students during the pandemic, the findings of the study were found from a previous study, Ayeni (2015) who stated that teaching is a continuous process that involves changes that aim for students to achieve certain results. The result show that teaching method has a strong relationship with academic achievement ($r=0.793$), followed by motivation ($r=0.789$) and then financial stability ($r= 0.719$), and the last was perceived Social has the weakest correlation which is ($r=0.691$). Teaching method leads to the positive and strong relationship that influences academic achievement of undergraduate students during Covid-19 pandemic. Similar findings were revealed in previous studies Ambad, Mawardi & Mohamad (2017) mentioned that the

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teaching methods also determine the academic performance of the undergraduate students. Furthermore, motivation and financial stability also have positive relationships that influence academic achievement of undergraduate students during Covid-19 pandemic. However, perceived social support leads to the positive but weakest relationship in influencing academic achievement of undergraduate students during Covid-19 pandemic.

The results of this study are consistent with previous studies, appropriate teaching methods such as using new technology, engaging in structured lecture sessions, involving students fully in the learning process, and acknowledging the student's perspective is one of the characteristics that students take into account to have a positive impact on student academic performance (Ambad, Mawardi & Mohamad, 2017). Next, according to Rima et al. (2020) who conducted a study related to motivational components and found that assignment grades were among the highest contributors to academic achievement. Students who have a high level of motivation can have a good impact on their academic achievement and successfully adapt to changes in online learning (Muhammad & Kutty, 2021). This is because motivation is an important element in development and excellence and again will provide maximum input in academic achievement. Therefore, high motivation is required to continue learning and this aspect will be measured to give an overview of student motivation in browsing the online learning process throughout the Covid-19 pandemic (Ricarda et al., 2019). In addition, his study confirms previous findings that consider family and peer support to be positively correlated with academic achievement (Liang, 2022). Students who are close to family and friends and have someone to support them will be more motivated to succeed in school and achieve higher academic achievement (Ambad, et al., 2017). Parents, friends, classmates, and professors influence children's academic actions and attitudes (Legault et al., 2018). Social support increases academic motivation, (Tezci et al., 2018). Finally, previous studies show that students with insufficient finances must reduce their study hours to work part-time or have several jobs, which can affect their academic performance (Yusuf & Al-Majdhoub, 2020). Some children may confuse wants and needs. According to Ibrahim et al. (2019) said that students will spend extra money on necessities. Some spend money on things that are not important. Lack of financial aid and financial stress can affect their academic performance (Wahab, 2021).

6.0 Conclusion

Among conclusion, this study examines how learning method, motivation, perceived social support, and financial stability affect academic achievement in undergraduate students during Covid-19. The questionnaire requires 401 respondents. University Malaysia Kelantan undergraduates responded. Survey data was tested to evaluate this notion. During the COVID-19 pandemic, learning method, motivation, perceived social support, and financial stability were independent characteristics that were correlated with undergraduate academic achievement. The pearson correlation test also shows that learning method, motivation, perceived social support, and financial stability all affect academic performance. The questionnaire survey data was analysed using preliminary, descriptive, Pearson correlation, reliability, normalcy, and validity tests. Statical Package for the Social Science software assessed questionnaire data (SPSS). Summarizes data analysis results. Thus, H1, H2, H3, and H4 are valid. During the COVID-19 pandemic, all independent variables such as learning method, motivation, perceived social support, and financial stability positively affect undergraduate students' academic performance. Finally, this study examined the relationship between independent and dependent variables.

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Factors Affecting Customers' Satisfaction in Using Foodpanda Delivery Service During Covid-19 Pandemic Among Sab Students at Universiti Malaysia Kelantan

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Abstract:

The main goal of this study is to determine the factors which consist including price, ordering process, and ease of payment that affect customer satisfaction when using Foodpanda delivery services during the COVID-19 pandemic. This study used quantitative methods and convenience sampling to acquire data from 132 respondents who studied Islamic Banking and Finance at UMK City Campus in Semester 7 for Session September 2022/2023. Results revealed that the correlation value for all variables had a positive relationship towards the customers' satisfaction and was explained by the three variables which are price ($r=1.000$), ordering process ($r=0.482$), and ease of payment ($r=0.440$). Therefore, all variables significantly impact customer satisfaction with Foodpanda delivery services during the COVID-19 pandemic.

Keywords: Customer satisfaction, Foodpanda

1 Introduction

Coronavirus Disease 2019 (COVID-19) was discovered in Wuhan, China in December 2019. According to Mat Dawi et al. (2021), the disease then rapidly spread to numerous countries globally, with Malaysia being one of the first to be affected due to its close proximity to China. Many nations have established a variety of social distancing measures to fight the spread of COVID-19, ranging from unenforced suggestions to quarantine. According to the Malaysian Prime Minister's Office (2020), the Malaysian government has taken precautionary measures to prevent the virus from spreading by enacting the Movement Control Order (MCO) beginning in March 2020. However, the implementation of MCO had left an impact on all industries. Many consumers start to find other alternatives such as ordering food via online services after shops and restaurants are forced to close. It is because there is a rapid decline in customers in the food industry (Baker et al., 2020). At the beginning of MCO, there was an early sign of significant demand growth for online food delivery services due to the population being restricted to the house. Online food delivery service, Foodpanda, which is one of the leading food delivery services in Malaysia (Kamilah et al., 2020), has received a major boost in its revenue.

Foodpanda applications provide buyers with practically everything they need such as food and

beverages at the touch of a button. People do not need to go out alone to purchase food. These applications allow users to search for nearby eateries, see menus, and order food or drinks. To make purchases easier, Foodpanda provides digital payment options. Due to this new practice, several restaurants have Foodpanda applications to attract customers and enhance their brand exposure.

2 Problem Statement

Amidst the COVID-19 pandemic, food delivery services have been seen as the savior for most restaurants to stay resilient. Many people, especially university students are using Foodpanda as their option food delivery service because people are not allowed to dine at restaurants. However, some customers faced different experiences in many factors such as availability of food, customer ratings, payment method, and human interaction when using online food delivery services (See-Kwong et al., 2017). According to Ganatra et al. (2021), students' dissatisfaction with the food served in university cafes was one of the primary reasons they preferred to purchase food off-campus. The most prevalent factor is the menu or dishes offered by the cafe itself. Customer satisfaction has been deemed as a crucial role of online food delivery services. But, Foodpanda's efforts to improve its services have not been successful; there are still challenges to achieving customer satisfaction. For instance, a food delivery service like Foodpanda disregards past errors and causes them to reoccur. According to Yimie Yong in Foodtech Malaysia (2021), Foodpanda Malaysia apologized for its wastage policy amid several protests and complaints.

According to Saad (2021), future studies should concentrate on the differences in individual customer habits such as, education. In accordance with this issue, this study aims to study customer satisfaction with Foodpanda delivery applications and how students react to the application services.

3 Literature

Satisfaction is one of the responses of consumer satisfaction, it is assessed through the features of services and products. A product or service will be evaluated by the user of the service. Customer Satisfaction Theory (CSAT) is a commonly used key performance indicator.

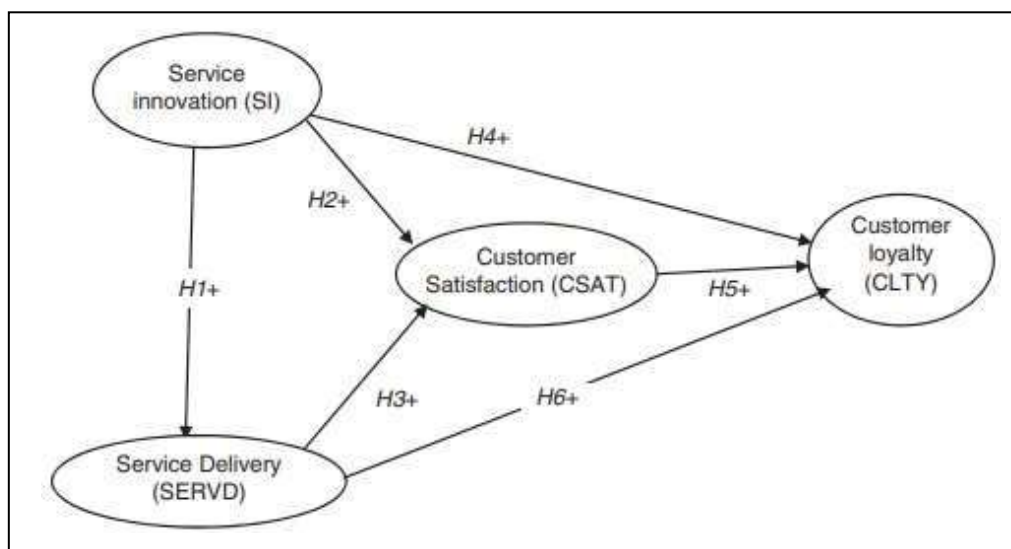


Figure 1: Model of CSAT Theory

This model has the ability of services or products to meet the needs of customer expectations

(Fornell et al., 1996). Satisfaction is an overall psychological state that represents the judgment of a customer or consumer relationship with a business, environment, product, or service. By understanding these expectations, businesses can significantly boost client brand loyalty. A conceptual model was developed to study the factors that influence online customer satisfaction among SAB students in Semester 7 Session September 2022/2023 at Universiti Malaysia Kelantan (City Campus). Price, ordering process, and ease of payment were selected as the three variables for this study.

3.1 Customer Satisfaction

Customer satisfaction is a nebulous and abstract notion with different definitions depending on the sector. The degree to which service performance meets or exceeds customers' expectations is characterized as customer satisfaction with services (Kumar, 2012; Santouridis & Trivellas, 2010). Customer experience is much more important for business sustainability because a positive consumer experience results in customer satisfaction. Since the outbreak of the COVID-19 pandemic, online food delivery services have played a critical role in our daily lives (Yusra & Agus, 2019). According to Heskett et al. (1994), customer satisfaction leads to repeat purchases, loyalty, positive word-of-mouth, and higher long-term profitability.

3.2 Price

Price is the amount of money required to purchase a product, and because people are willing to pay for a product symbolizes its value. Price is also an essential motivator for attracting customers as a product with a lower price has a reinforced influence (Khan et al., 2015). The price of a product or service is always considered in the purchasing decision. According to Aslam and Frooghi (2018), the price is a significant factor in purchasing decisions, it plays a critical role in switching from one service provider to another. People will be more likely to use online food delivery services if they are offered a promotion in addition to a low price (Prasetyo et al., 2021). Customers can save money by comparing prices across multiple internet retailers at the same time, which is impossible to do in a physical store.

H¹: There is a significant relationship between price and customer satisfaction.

3.3 Ordering process

The ordering process entails by searching for a nearby restaurant, filtering it by cuisine or any food, and selecting a delivery location or pick-up location. With the mobile application, online food ordering will create an online food menu and deliver the requested food items directly to the user's door (Jacob et al., 2019). Research shows that the ordering process has a substantial impact on customer satisfaction. Because of the ease and simplicity of food delivery applications, customers can order meals from a variety of establishments with a simple swipe on their mobile devices. Online food delivery service operators should aim for optimal ordering processes in terms of delivery speed, time, and effort (Chotigo & Kadono, 2021b).

H²: There is a significant relationship between ordering process and customer satisfaction.

3.4 Ease of payment

Based on Kenton (2020), payment is the exchange of money, products, or services for goods and services. To make purchasing more convenient for customers, the online market can recommend products and provide a variety of payment options (Salehi et al., 2012). According to Parashar and Ghadiyali (2017); Vignesh and Arun (2019), payment tools by food delivery

service are to ensure that all payment transactions made are smooth. Most customers use food delivery services also due to the ease to make payments. Ease of payment is referring to a user's ease and convenience in making payment (Maditinos & Theodoridis, 2010). In general, customers' purchasing intentions may be increased by the simplicity of the online and offline payment process.

H³: There is a significant relationship between ease of payment and customer satisfaction.

4 Methodology

This study's research approach uses a quantitative method to collect data. A questionnaire was used in this study as part of a quantitative research technique. The researchers will be able to access the relationship between the dependent variable and independent variables. The respondents are required to rate their factors of price, ordering process, and ease of payment through a 5-point Likert-type scaling range. A questionnaire is a series of pre-written questions to which respondents record answers, which are often limited to a few possibilities. This approach is typically used to collect data from a large number of individuals. Information gathered through questionnaires and surveys can be utilized in a variety of evaluation methods. Researchers conducted a study on the population of Islamic Banking and Finance students at Universiti Malaysia Kelantan (City Campus). The respondents are SAB students in Semester 7 Session September 2022/2023 of their studies. This is the batch that has faced the pandemic from the beginning of the Movement Control Order (MCO) until the MCO ended. The sample for this study is among SAB students in Semester 7 Session September 2022/2023 at Universiti Malaysia Kelantan (City Campus), which consists of 200 students in Year 4. According to Krejcie and Morgan's (1970) table, the sample size would be around 132 students. Researchers use a non-probability sampling approach in this study to choose sample units as the sample frame comprises Semester 7 Session September 2022/2023 of SAB students in UMK (City Campus), especially during the COVID-19 pandemic. Convenience sampling can collect the data from the sample using the technique of non-probability. The respondents are selected conveniently by sending the link to an online survey questionnaire in Google Form through social networking sites. IBM's Statistical Package for the Social Sciences (SPSS) version 25 was used to evaluate this survey. SPSS is the most commonly used programmed of its kind. These research studies are implemented by using descriptive, correlation, reliability, and bivariate to obtain the quality of the data. All of these analyses are done to gain and utilize the data gathered from the survey, which is to achieve research objectives. The data will be summarized and organized according to the study's categories. These include customer satisfaction, price, ordering process, and ease of payment as previously described.

5 Result

The composition of respondents was dominated by the female in terms of gender. Female respondents accounted for 67.4% (N=141), and male respondents accounted for 32.6 % (N=141). As for the age group, nearly half of the respondents, 48.9% were between 24 and 26 years old, followed by 46.8% between 21 and 23 years old. The smallest group is 2.8% of young people between 18 and 20 years old and 1.4% of those 27 years old and above. The respondents' race distribution includes Malay, Chinese, Indian, and others. In this survey, we only have Malay and Chinese as our respondents. The result indicates that Malay prefers to use Foodpanda delivery services during COVID-19 compared with Chinese, which comprises 99.3% or 140 respondents and followed by Chinese, 0.7% or 1 respondent. Regarding how frequently you order food online before the COVID-19 pandemic, Sometimes respondents

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accounted for 45.4%, followed by Rarely (34.0%) and Often (20.6%). When it comes to how frequently did you order food online during the COVID-19 pandemic, the majority of respondents for Sometimes and Often are fairly balanced, with 39.7% equivalent to 56 respondents out of 141, and Rarely 20.6% or 29 respondents.

Table 1: Demographic Data

	Frequency	Percentage (%)
Gender		
Male	46	32.6
Female	95	67.4
Age		
18-20 years old	4	2.8
21-23 years old	66	46.8
24-26 years old	69	48.9
27 years old and above	2	1.4
Race		
Malay	140	99.3
Chinese	1	0.7
Indian	-	-
Others	-	-
How frequently did you order food online before the COVID-19 pandemic?		
Often	29	20.6
Sometimes	64	45.4
Rarely	48	34.0
How frequently did you order food online during the COVID-19 pandemic?		
Often	56	39.7
Sometimes	56	39.7
Rarely	29	20.6

5.1 Descriptive Analysis with Mean and Standard Deviation

The average score of all variables is determined by the descriptive analysis of the mean and standard deviation of the dependent and independent variables, which also defines the content of the mean of the variables. All of the outcomes are evaluated using the Likert 5-point scale. The “Strongly Agree” interpretation of the mean score criteria is 4.50–5.00. 3.50–4.49 represents “Agree”, 2.50–3.49 represents “Slightly Agree”, 1.50–2.49 represents “Disagree”, and 1.00–1.49 represents “Strongly Disagree”. The average score is grouped into questions in table 2 below.

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Table 2: Average Score for Mean and Std. Deviation

Customer Satisfaction	Mean	Std. Deviation
CS1: Overall, the service provided by Foodpanda delivery service is good and satisfactory.	4.52	0.616
CS2: I am very pleased with the price placed by the Foodpanda delivery service.	3.91	0.706

CS3: I was pleased with my overall experience with the Foodpanda delivery service when I completed the ordering process.	4.34	0.674
CS4: I am satisfied with the overall experience when completing the method of payment of the Foodpanda delivery service	4.61*	0.630
Price		
P1: The delivery charge set by the Foodpanda delivery service is relevant for me.	3.96	0.769
P2: The food price placed in the Foodpanda delivery service is relevant for me.	3.94	0.868
P3: The offer of discount vouchers influences customers in choosing Foodpanda rather than other e-hailing food delivery services.	4.49	0.703
P4: I can compare the price of the same product from different stores when using the Foodpanda delivery application.	4.50*	0.661
P4: I am willing to pay more even if Foodpanda increases the delivery price.	3.09	0.982
Ordering Process		
OP1: The ordering process in the Foodpanda delivery application is convenient to use.	4.64	0.577
OP2: I quickly received help from the Foodpanda staff whenever I faced difficulties or problems with the ordering part.	3.97	0.870
OP3: The step taken to order using the Foodpanda application is easy.	4.70*	0.506
OP4: Food delivered at the estimated time by Foodpanda rider.	4.16	0.690
OP5: The tracking status for the ordering process is helpful and up-to-date.	4.40	0.608
Ease of Payment		
EOP1: It is easy to complete the payment process when using the Foodpanda delivery service	4.65	0.573
EOP2: The options that are available on payment methods are convenient.	4.66	0.545
EOP3: Contactless payment methods that Foodpanda uses during the COVID-19 pandemic to minimize risk are very easy to use.	4.74*	0.540
EOP4: Cash on delivery payment method is convenient for customers' use.	4.54	0.627
EOP5: Payment method platforms that are available on payment method options like Cash on Delivery, Credit/Debit card, and PayPal really ease the payment process.	4.71	0.515

Note: *The highest mean.

Table 2 shows the means of each variable’s question items. The question with the highest mean for Customer Satisfaction was “I am satisfied with the overall experience when completing the method of payment of the Foodpanda delivery service” which equals 4.61. Besides that, the highest mean of Price was “I can compare the price of the same product from different stores when using the Foodpanda delivery application” which equals 4.50. Furthermore, the Ordering Process was “The step taken to order using the Foodpanda application is easy” with a score of 4.70. “Contactless payment methods that Foodpanda uses during the COVID-19 pandemic to minimize risk are very easy to use”, which equals 4.74, was the last question with the highest mean for Ease of Payment.

5.2 Validity and Reliability Test

The reliability measurement demonstrates how impartially it ensures consistent measurement over time and among instrument items; values greater than 0.6 indicate that the results are acceptable (Hair et al., 2016). As indicated, all variables have a score of 0.7 and above, indicating that the data is reliable.

Table 3: Reliability Measurement

	No. of Item	Cronbach’s Alpha
Price	5	0.716
Ordering Process	5	0.759
Ease of Payment	5	0.874
Customer Satisfaction	4	0.805

The reliability measurement for the dependent variable and independent variables are shown in the table above. Cronbach’s Alpha values for the Price and Ordering Process from the five items are 0.716 and 0.759, respectively. According to Hair et al. (2016), the range is between 0.70 and 0.80, indicating that the strength of association is good. While Cronbach’s Alpha for ease of payment and customer satisfaction was based on five items and four items. As shown in the table above, the alpha coefficient was found to be 0.874 and 0.805, respectively. According to Hair et al. (2016), the range of 0.80 to 0.90 shows that the strength of association is very good. In conclusion, all of the items in the study were good and related to each other in a good way.

5.3 Spearman’s Correlation Coefficient

According to Schober et al. (2018), Spearman’s Correlation Coefficient was a statistical indicator of the strength of the monotonous (increase/decrease) relationship between a dependent variable and independent variables. Its concept is close to the Pearson Correlation. Additionally, Spearman’s Correlation Coefficient was utilized to determine if the hypothesis can be accepted or rejected.

Table 4: Spearman`s Correlation Coefficient

Variables		Price	Ordering Process	Ease of Payment	Customer Satisfaction
Price	Correlation Coefficient	1.000	.482**	.440**	.556**
	Sig. (2-tailed)	.	.000	.000	.000
	N	141	141	141	141
Ordering Process	Correlation Coefficient	.482**	1.000	.542**	.666**
	Sig. (2-tailed)	.000	.	.000	.000
	N	141	141	141	141
Ease of Payment	Correlation Coefficient	.440**	.542**	1	.526**
	Sig. (2-tailed)	.000	.000	.	.000

	N	141	141	141	141
Customer Satisfaction	Correlation Coefficient	.556**	.666**	.526**	1.000
	Sig. (2-tailed)	.000	.000	.000	.
	N	141	141	141	141

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

The table above shows the relationship between price, ordering process, and ease of payment with customer satisfaction. The coefficient of correlations for price, ordering process, and ease of payment are 1.000, .482, and .440, respectively. According to the rules of correlation coefficient size from Prion and Haerling (2014), it shows a positive correlation. Moreover, based on these results, the significant value obtained is p-value 0.000 (p-value). These results prove that the relationship between the independent variables and dependent variable have a positive relationship. As a result, H1, H2, and H3 are accepted.

6 Conclusion and Recommendation

From the results of this study, it can be interpreted that the customers' satisfaction in using Foodpanda delivery service during the COVID-19 pandemic among SAB students at UMK City Campus is influenced by the price, ordering process, and ease of payment. The studies show that this variable has a significant effect on the customers' satisfaction in using Foodpanda delivery service during the COVID-19 pandemic among SAB students at UMK City Campus. It is abundantly clear that all variables are related to the customers' satisfaction with Foodpanda's delivery services. This research has the potential to contribute to the advancement of all firms that do provide food delivery services, and it will also, in a roundabout way, improve the national income and open employability for the general community. We would urge future research that they broaden the community of consumers that utilize this service. In this setting, the researcher can approach not just students, but also workers, housewives, and anybody else where Foodpanda has a presence to become better user feedback ideas.

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Factors Influencing the Trending Halal Food Consumption Among Consumers In Malaysia

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Abstract:

Nowadays, Halal food is increasingly accepted by all groups of people in this country which is Malaysia regardless of race or religion. The main objective of this study is to determine the relationship between price, attitude, and peer influence with factors influencing the trending Halal food consumption among consumers in Malaysia. It also identifies and proves the factors influencing the trending Halal food consumption among consumers in Malaysia. A total of 228 respondents from the questionnaires distributed were collected. Additionally, using SPSS tools to get results like the Reliability and Validity Test, Descriptive Testing, Correlations, and Multiple Linear Regressions. The results show the significant level or relationship between price, attitude, and peer influence with factors influencing the trending Halal food consumption among consumers in Malaysia. To sum up, this study's findings proved that price, attitude, and peer influence are the factors influencing the trending Halal food consumption among consumers in Malaysia. The implications of this study are for business and individual consumers in Malaysia. The trending Halal food gets high acceptance from various races and religions that consider the quality and cleanliness of the food.

Keywords: *attitude, peer influence, price, the trending Halal food consumption among consumers in Malaysia.*

1. Introduction

The market for halal products is huge and rapidly growing. Halal has replaced other standards as the preferable option for Muslims and non-Muslims alike around the world, aside from religious duty and compliance. The Halal concept does not appear to interest non-Muslims even though Muslims are required to follow strict religious tenets. For a variety of reasons, both Muslims and non-Muslims may like halal food, although little is known about these motives. By examining customers' attitudes and behaviors, marketers

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can learn more about how they feel about halal products and brands.

Muslims, in particular, may be influenced by their religious beliefs in their purchasing decisions. Halal (permissible) and haram (impermissible) are terms used in Islam to describe food (prohibited). Demand for "Halal" food has risen as a result of Muslim concerns about the food they consume and the substances it contains. Halal cuisine is consumed by at least 500 million non-Muslims throughout the globe. Halal is no longer only about religion. Halal is the thorough examination of a subject, particularly in terms of economic and scientific considerations. Health, cleanliness, taste, environmental friendliness, animal welfare, and social problems all play a role in halal consumption (such as religious identity and level of culture). Non-Muslim customers are increasingly turning to Halal goods owing to ethical concerns about the treatment of animals and a general belief that Halal foods are better for you.

In this research, the researchers examine the factors influencing the trending halal food consumption among consumers in Malaysia. This study was conducted among all consumers in Malaysia, no matter what their religions are. This study was conducted to find out the level of consumers' influence in trying and selecting the trending Halal foods. This study was made to find out some of the factors that influence consumers in the selection of Halal foods that are trending nowadays. The factors are attitude, price, and peer influence toward the trending halal food consumption

This study is significant because it involves Halal foods that can be eaten by everyone whether Muslims or not. But Muslim users should not eat food that has prohibited ingredients used. Also, this study can give awareness to the consumers of Malaysia in the selection of trending Halal foods carefully so as not to be easily fooled by the trending things.

2. Literature Review

Before beginning any research report, a literature review is a must (Khurana, Haleem, & Mannan, 2019)¹. The purpose of this literature review is to provide the readers with general information or an overview of the factors that influence consumers in the selection of Halal foods that are trending nowadays.

TPB is the expansion of reasoned action theory (TRA) (Ajzen & Fishbein, 1970)² to overcome TRA's inability to detect non-willful behavior. The degree to which an individual can engage in conduct and attitude spontaneously is revealed by will control. Although TRA (Bagozzi, Wong, Abe, & Bergami, 2000)³ cannot account for voluntary activities, TPB can. According to models, individual-specific personality traits are primarily influenced by healthcare contributions to those acts. Individual attitudes or methods, subjective norms, and perceived control of the conduct can influence the intention behind attempting to engage in such activity; actual behavior is governed by varied mixtures of these three factors. TPB considers the subjective values and behaviors that influence a person's decision to buy halal food; it also reveals that consumer

¹ Kh Khurana, S., Haleem, A., & Mannan, B. (2019). Determinants for integration of sustainability with innovation for Indian manufacturing enterprises: empirical evidence in MSMEs. *Journal of Cleaner Production*, 229, 374-386.

² Ajzen, I., & Fishbein, M. (1970). The prediction of behavior from attitudinal and normative variables. *Journal of experimental social Psychology*, 6(4), 466-487.

³ Bagozzi, R. P., Wong, N., Abe, S., & Bergami, M. (2000). Cultural and situational contingencies and the theory of reasoned action: Application to fast food restaurant consumption. *Journal of consumer psychology*, 9(2), 97-106.

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purchasing goals and behaviors are influenced by perceived behavioral control (Haro, 2016)⁴.

Previous studies have proven that price affects consumer purchasing behavior studies (Al-Salamin & Al-Hassan, 2016; Aschemann-Witzel, Jensen, M., & Kulikovskaja, 2017; Huck & Wallace, 2015; Waheed, Yang, Ahmed, Rafique, & Ashfaq, 2017).⁵ Price is essential to buying and selling or a memorandum of understanding between two parties, producer and consumer. It denotes what the buyer can and should make over towards the seller to obtain what was put forward (EjyeO, 1997)⁶. Price and purchasing habits are influenced by the option selected. Other elements, such as testimonials, price sensitivity, and others, can impact the outcome of a company's lack of desire to be famous (Story & Hess, 2006)⁷.

According to (DelVecchio, Krishnan, & Smith, 2007)⁸, pricing frames influence consumers' promotional price perceptions and worth. Bring it in at a discounted price. Price has been proven to affect consumer purchasing behavior in previous studies (Al-Salamin & Al-Hassan, 2016; Aschemann-Witzel, Jensen, M., & Kulikovskaja, 2017; Huck & Wallace, 2015; Waheed, Yang, Ahmed, Rafique, & Ashfaq, 2017). Price is a provocative and emotional aspect that determines a customer's purchase intention.

When customers evaluate food and make purchasing decisions in stores, various factors come into play. These include physiological aspects like hunger and desires when shopping and sociological effects, including significant others' ideas about what to buy and how to choose food goods (Shepherd & Raats, 2006)⁹. Last but not least, the individual's household makeup and socioeconomic situation are critical contextual influences

Morris Fishbein, a physician, defines attitudes as "judgments of humans, goods, and things." (Fishbein & Ajzen, 1975)¹⁰. Estimates are formed over time and are based on an individual's experiences. As previously said, their development is shaped and molded by observation, psychology, encouragement, and expertise. People's attitudes are influenced by various factors, including friends, family, the media, colleagues, and others. It may influence how someone thinks and behaves when applied to a particular setting, such as

⁴ Haro, A. (2016). Understanding TPB model, availability, and information on consumer purchase intention for halal food. *International Journal of Business and Commerce*, 5(8), 47-56.

⁵ Al-Salamin, H., & Al-Hassan, E. (2016). The Impact of Pricing on Consumer Buying Behavior in Saudi Arabia: AlHassa Case Study *European Journal of Business and Management* 8(12), 62- 73

Aschemann-Witzel, J., Jensen, J. H., Jensen, M. H., & Kulikovskaja, V. (2017). Consumer behavior towards price reduced suboptimal foods in the supermarket and related to household food waste. *Appetite*, 116, 246-258

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Waheed, A., Yang, J., Ahmed, Z., Rafique, K., & Ashfaq, M. (2017). Is Marketing Limited I am pursuing Intentional Activities? The Concept of Marketing: A Concise Review of the Literature. *Asian Development Policy Review*, 5(1), 56-69.

⁶ Ejye O. (1997). Target pricing: a marketing management tool for pricing new cars. *Pricing Strategy and Practice*, 5(2), 61-69

⁷ Story, J., & Hess, J. (2006). Segmenting customer-brand relations: beyond the personal relationship metaphor. *Journal of Consumer Marketing*, 23(7), 406-413

⁸ DelVecchio, D., Krishnan, S., & Smith, D. C. (2007). Cents or percent? The effects of promotion framing on price expectations and choice. *Journal of marketing*, 71(3), 158-170.

⁹ Shepherd, R., & Raats, M. (Eds.). (2006). *The psychology of food choice* (Vol. 3).

¹⁰ Ajzen, I., & Fishbein, M. (1970). The prediction of behavior from attitudinal and normative variables. *Journal of experimental social Psychology*, 6(4), 466-487.

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a school, shop, or workplace. With attitudes, buyers can easily find the products or services they want without putting in much effort on their own.

How someone views a certain act of behavior reflects his or her own or their own beliefs about what could happen if it is carried out (Hill & Lynchehaun, 2002)¹¹. A person's expectation of the consequences of an activity is influenced by their attitude toward it (Ajzen, 2011)¹². For business sectors in a variety of cultures, the link between attitudes and behavioral intentions is important (Mostafa, 2007)¹³. Consumer attitudes on food consumption are the topic of this study, which represents a buyer's mental evaluation of products or services

This peer influence will affect a person's mind, thinking, and behavior (Esmail & J, 2018)¹⁴. Nowadays, the young generations are always influenced by their peers to make some life decisions. Peer influence can be either positive or otherwise, so we as a person with sanity in thinking must think deeply in making a decision that peers influence. Also, to keep following the trend which is eating the trending Halal food is one factor influenced by peers who do not want to be outdated. This shows that peer influence is vital in deciding what product to purchase (Bona, 2018)¹⁵. In addition, the findings show that peer influence is one of the positive connections in deciding to eat Halal meat (Kawata, Htay, S, & Salman, 2018)¹⁶. Thus, peer influence is the most decisive influence affecting persons' financial behavior (Jamal, et al., 2015)¹⁷. It means peer influences can affect or change a person's lifestyle.

¹¹ Hill, H., & Lynchehaun, F. (2002). Organic milk: attitudes and consumption patterns. *British Food Journal*.

¹² Ajzen, I. (2011). Design and evaluation guide dare y the theory of planned behavior. *Soc psychol Eval, Guilford Publications*, 74-100.

¹³ Mostafa, M. M. (2007). A hierarchical analysis of the green consciousness of the Egyptian consumer. *Psychology & Marketing*, 24(5), 445-473.

¹⁴ Esmail Alekam, J. M. (2018). The effect of family, peer, behavior, saving and spending behavior on financial literacy among young generations. *International Journal of Organizational Leadership*, 7, 309-323.

¹⁵ Bona, J. (2018). Factors affecting the spending behavior of college students. *Journal of Fundamental and Applied Sciences*, 10(3S), 142-152.

¹⁶ Kawata, Y., Htay, S. N. N., & Salman, A. S. (2018). Non-Muslims' acceptance of imported products with halal logo. *Journal of Islamic Marketing*, 9(1), 191-203. doi:10.1108/JIMA-02-2016-0009

¹⁷ Jamal, A. A. A., Ramlan, W. K., Karim, M., & Osman, Z. (2015). The effects of social influence and financial literacy on savings behavior: A study on students of higher learning institutions in Kota Kinabalu, Sabah. *International Journal of Business and Social Science*, 6(11), 110- 119.

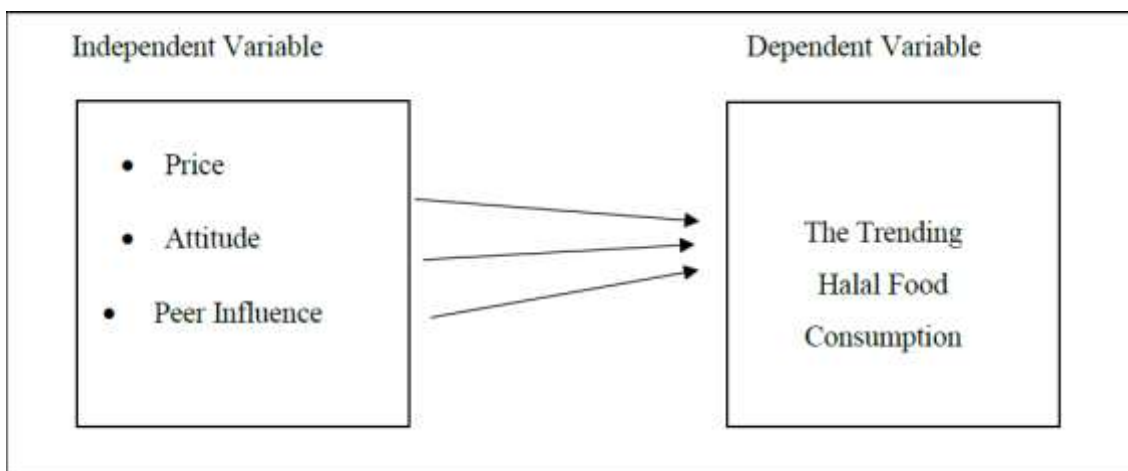


Figure 2.1: Research Framework for the Factors Influencing the Trending Halal Food Consumption among Consumers in Malaysia

Price, attitude, and peer influence are the three themes from earlier studies that are studied based on Figure 2.1 and are connected to the trend of halal food consumption among Malaysian consumers. First, the aforementioned structure describes how to research the price. Consumers nowadays do take pricing very seriously. The price of popular halal food is typically acceptable enough for everyone to purchase them, but this is not applicable for people who are prepared to spend their money on more expensive items.

Second, consumers' attitudes affect the consumption of Halal food, which is popular in Malaysia. This is said so because a person's mindset determines how behaved they will spend all of their money on popular halal food. Lastly, peer influence is the last independent variable that is used in this research. This illustrates how the people around one might influence their attitude and behaviors when it comes to popular halal food. Researchers will thus investigate these three independent variables that have an impact on consumers' use of Halal food in Malaysia.

3. Research Method

Methods used to gather data or evidence for analysis are known as research methods in the context of uncovering new information or gaining a better grasp of an issue. As a systematic process, the research employs predetermined frameworks and criteria for establishing the objective, collecting data, and disseminating the results. This includes not just the study strategy but also the tools used for collecting, measuring, and evaluating data relevant to your research goals. The descriptive research design will be used for this study. It focuses on gathering data to better comprehend the state of the world today. The behavior of a group of people can be described through descriptive research. Data must be gathered, analyzed, and presented as part of a theory-based design process. This gives a researcher the ability to describe the goals and methods of their research. This study will use the primary data collection methods, quantitative data through surveys or questionnaires, to gain all the data.

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For data analysis, researchers attempt to summarize their findings. Because of this, the study's results have been related to the study's goals and objectives. Consequently, researchers can better examine data and information and better forecast data analysis findings. Consequently, the procedure shown in Figure 3.1 below serves as a brief demonstration and application of this study's methodology.

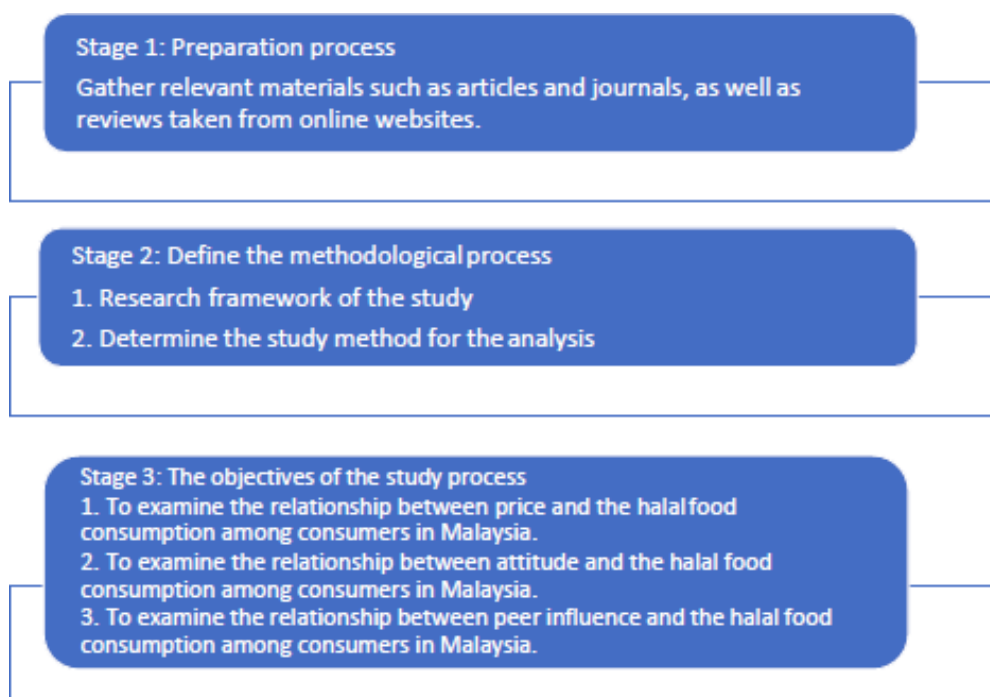


Figure 3.1: Research Procedure

Other data analysis strategies included creating and running code by the researchers in their study. Data may be coded qualitatively or quantitatively using software like NVivo or ATLAS.i or HyperRESEARCH 2.8 or Max QDA, or even just by hand. ATLAS.ti software, a computer program used primarily, but not exclusively, in qualitative research or qualitative data analysis, is also desired by researchers. ATLAS.ti keeps researchers focused on the data, regardless of the subject matter. Analysis and visualization technologies may also offer fresh interpretations of material in the form of new visualizations.

4. Research Finding

4.1 Reliability Test for Pilot Test

Thirty sets of questionnaires have been given out to the targeted respondents. Later on, we will run the SPSS program on the result of the questionnaires given after the data have been collected to be reliability assessed. The questionnaire survey will then be issued for the main study and, if any issues are found, will be revised based on the findings of the pilot test.

Table 4.1: Summary of Reliability Analysis for Pilot Test

Variables	Cronbach's Alpha	No of Items	Level of reliability
The Trending Halal Food Consumption	0.899,	5	Very Good
Price	0.881	6	Very Good
Attitude	0.942	5	Excellent
Peer Influence	0.850	5	Very Good

The researcher may move further with the study because all of the variables' Cronbach's alpha charge is above 0.7, demonstrating the high reliability of the questionnaires.

4.2 Overall Mean Score for Variables

Mean, and standard deviation scores for variables and sub-variables were developed using a 5-point Likert scale (one represents strongly disagreeing and five represents strongly agreeing).

Table 4.2: The overall Mean Score on Each Variable and Dimension

PART	DIMENSION	MEAN	STD. DEVIATION (SD)	N
B	Dependent Variable	4.518	0.739	228
	-The Trending Halal Food	4.518	0.739	228
C	Independent Variables	4.256	0.898	228
	- Price	4.231	0.885	228
	- Peer Influence	4.164	0.955	228
	- Attitude	4.374	0.855	228

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Table 4.2 stated that Price scored 4.231 (SD=0.885), Peer Influence scored 4.164 (SD=0.955), and Attitude scored 4.374 (SD=0.855), so all three independent variables combined to produce a highly satisfying mean score.

4.3 Descriptive Analysis for Independent Variables

Table 4.3: Descriptive Analysis of Price Factor

Price	N	Mean	Std. Deviation
I am sure that the trending Halal food which is sold in the market offers a reasonable and affordable price.	228	4.27	0.843
I like to share money with friends to buy the trending Halal food.	228	4.25	0.896
I have stable finances to buy the trending halal food.	228	4.21	0.867
The price and quality of every trending Halal food influence me to buy Halal food.	228	4.44	0.746
I will buy the trending Halal food even if it offers a high price.	228	3.97	1.114
I believe that the trending Halal food uses quality ingredients at reasonable prices.	228	4.25	0.842

Table 4.4: Pearson Correlations of Price

		Price	The Halal Food Consumption
Price	Pearson Correlation	1	.614**
	Sig. (2-tailed)		.000
	N	228	228
The Halal Food Consumption	Pearson Correlation	.614**	1
	Sig. (2-tailed)	.000	
	N	228	228

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

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The descriptive analysis of the Price factor is broken down into six questions according to Table 4.3. It displays the average rating given by respondents (4.44-3.97) on the price factor variable using a 5-point Likert scale. Table 4.4 shows that there is a significant relationship between price and the trending Halal food consumption among consumers in Malaysia because the p-value is 0.000 which is less than $\alpha=0.05$ and it can be generalized to the population because the significance level is below 0.1. Meanwhile, the Pearson Correlation value is 0.614 which explained the moderate level of relationship between price factor and the trending Halal food consumption among consumers in Malaysia. Therefore, the H1 is accepted.

Table 4.5: Descriptive Analysis of Peer Influence Factor

Peer Influence	N	Mean	Std. Deviation
I often buy trending halal food when invited by friends.	228	4.20	0.905
I'm always interested in buying trending halal food when I see ads on social media	228	4.22	0.894
I am always interested in buying trending halal food because getting influenced by influencers	228	4.14	0.982
I was influenced to buy trending halal food due to my family's habit of trying trending food	228	3.96	1.143
I am interested in trying halal food from other cultures that have been made using halal items.	228	4.30	0.850

Table 4.6: Pearson Correlations of Peer Influence

		Peer Influence	The Halal Food Consumption
Peer Influence	Pearson Correlation	1	.736**
	Sig. (2-tailed)		.000
	N	228	228
The Halal Food Consumption	Pearson Correlation	.736**	1
	Sig. (2-tailed)	.000	
	N	228	228

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

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Table 4.5 provides the basis for a descriptive analysis of the Peer Influence factor, which is comprised of five questions. The average rating given by respondents on a five-point Likert scale for the factor of "Peer Influence" is displayed.

Table 4.6, shows that there is a significant relationship between this independent variable which is the peer influence factor towards the dependent variable, and the trending Halal food consumption among consumers in Malaysia because the p-value is 0.000. Meanwhile, the Pearson Correlation value is 0.736 which explained the strong relationship between peer influence and the trending Halal food consumption among consumers in Malaysia. Therefore, the H3 is accepted.

Table 4.7: Descriptive Analysis of Attitude Factor

Attitude	N	Mean	Std. Deviation
I'm interested in trying other cultural foods, such as viral Korean and Japanese foods.	228	4.42	0.822
I will prioritize finding halal food.	228	4.54	0.787
I will save money to satisfy the urge to try viral food	228	4.22	0.969
I will compare various similar menus from various other vendors.	228	4.34	0.853
Food reviews on social media such as TikTok, Facebook, and others will easily influence me.	228	4.35	0.845

Table 4.8: Pearson Correlations of Attitude

		Attitude	The Halal Food Consumption
Attitude	Pearson Correlation	1	.630**
	Sig. (2-tailed)		.000
	N	228	228
The Halal Food Consumption	Pearson Correlation	.630**	1
	Sig. (2-tailed)	.000	
	N	228	228

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

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Table 4.7 provides a descriptive breakdown in the form of five questions of the Attitude factor. The average rating given by respondents on a five-point Likert scale by this variable from 4.54 to 4.22 is displayed.

Table 4.8, shows that there is a significant level between the attitude factor and dependent variable for this study which is the trending Halal food consumption among consumers in Malaysia because the p-value is 0.000, while the Pearson Correlation is 0.630 which means there is an average relationship between attitude factor and the trending Halal food consumption among consumers in Malaysia. Therefore, the H2 is accepted.

4.4 Descriptive Analysis for Dependent Variables

Table 4.9: Descriptive Analysis of the Trending Halal Food

The Trending Halal Food	N	Mean	Std. Deviation
I know that consuming halal food is very important for Muslims	228	4.71	0.591
I consider the level of cleanliness of the viral restaurant before buying food	228	4.66	0.626
I consider whether the viral shop has a halal certificate or not	228	4.52	0.771
I feel attracted to try the viral halal food in my place	228	4.49	0.730
I will try to make the viral halal food myself if the food is hard to find around my area	228	4.21	0.978

Table 4.9 provides the basis for a five-question descriptive analysis of the current trendy halal food. In this case, the trending halal food factor variable's mean score on a five-point Likert scale, which runs from 4.71 to 4.21, is displayed.

Table 4.10: Coefficients

Model		Unstandardized Coefficients		Standardized	T	Sig.
		B	Std. Error	Coefficients Beta		
1	(Constant)	1.568	.180		8.702	.000
	Price	.171	.064	.214	2.674	.008
	Attitude	-.149	.079	-.203	-1.892	.060
	Peer Influence	.652	.080	.752	8.199	.000

a. Dependent Variable: The Halal Food Consumption

First of all, table 4.10 above shows that there is a relationship between the price which is one of the factors influencing the trending Halal food consumption among consumers in Malaysia the dependent variable which is the trending Halal food consumption among consumers in Malaysia. It has a weak level of strength between the independent variable and dependent variable which is 0.171. Also, it has a positive direction between them which means the higher the price factor, the higher the trending Halal food consumption among consumers in Malaysia.

Next, table 4.10 also shows that there is a relationship between attitude factor and the trending Halal food consumption among consumers in Malaysia because the unstandardized coefficients do not show a value of 0.00. The attitude factor has a weak level of strength between the independent variable and dependent variable and it has a negative direction between them. Besides, there is a relationship between the peer influence factor towards the dependent variable which is the trending Halal food consumption among consumers in Malaysia with an average level of strength which is 0.652. In addition, it has a positive direction between peer influence and the trending Halal food consumption among consumers in Malaysia. Last but not least, there is a significant level for all the factors which are price, attitude, and peer influence towards the dependent variable because it shows all the significant levels below 0.1 (10%), H1 is accepted.

Table 4.11: Findings of the Result

Hypotheses	Results	Findings of the Data of Analysis
H1: There is a relationship between price and the trending Halal food consumption among consumers in Malaysia.	r = 0.614 p = 0.000 substantial	H1 is accepted
H2: There is a relationship between attitude and the trending Halal food consumption among consumers in Malaysia.	r = 0.630 p = 0.000 substantial	H2 is accepted
H3: There is a relationship between peer influence and the trending Halal food consumption among consumers in Malaysia.	r = 0.736 p = 0.000 substantial	H3 is accepted
H4: Price, attitude, and peer influence are the factors influencing the trending Halal food consumption among consumers in Malaysia.	Constant = 0.000 Price = 0.008 Attitude = 0.060 Peer Influence = 0.000	H4 is accepted

Table 4.11 summarizes the research conducted to answer the question, "What factors, other than price and attitude, and peer influence, are influencing the rising popularity of halal cuisine among Malaysian consumers?" The purpose of this study is to investigate the factors that are driving the rising popularity of halal food in Malaysia. These goals were settled upon to determine the sources of influence on the current state of affairs.

According to Table 4.11, the p-value of all independent variables stated is 0.00, which means there are no independent variables that affect the consumption of halal food among Malaysian consumers that are inadmissible for this study. Because all of the hypotheses presented are accepted, this research is a success.

5. Conclusion

As a growing industry, Halal food appears to receive little assistance from research and development because the field of halal appears to be relatively young. The data gathered from the survey was subjected to several tests to look into this research. The results show a significant interaction between all of the factors included in this research, which are price, attitude, and peer influence with the factors that influenced the trending halal food consumption among consumers in Malaysia. The targeted respondents filled out 228 questions, which were gathered.

The results of this study give the spotlight on the components which will affect the variables that are sustaining Malaysia's growing interest in halal food. The subjective norm of use, user satisfaction, social influences, a government program, and academics or scholars who intend to do additional future research on this topic may thus benefit in some way from it. This study has consequences for the Muslim consumer as well as for food quality, hygiene, and safety. The Holistic Halal Assurance Management System (HAMS) as the name implies, is a system that is responsible for ensuring each one of the production steps meets the legal requirement of being halal certified in terms of food safety, cleanliness, and quality (Sulaiman, Hashim, & Osmara, 2021)¹⁸.

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¹⁸ Sulaiman, N. S., Hashim, N., & Osmara, N. (2021, December). The Need for Halal Assurance Management Systems: An Analysis in Brunei Darussalam. *Journal of Halal Service Research*, 2(2).

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Muslim Perception Towards Halal Food in Kelantan

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Abstract:

This chapter describes the perception of Muslim consumers on imported Halal food. The aim of this study is to investigate Muslim consumers who buy halal food imported by examining the Halal logo, ingredients in the food, and also the packaging of the food. The study design used in this study is a qualitative method. Next, this research aims to identify whether or not Muslim consumers research halal logos, ingredients, and even packaging. It consists of university students, students, and also industry. Nonprobability sampling was chosen for data collection in this study. The interviews were distributed randomly to university students, students, and also the Islamic industry in Kelantan. The location of the sample is all the states of Kelantan. In addition, the population in this research is aimed at Muslim consumers who buy food Halal. Our respondents focused mainly on Muslim consumers who buy imported food Halal. Interviews were given to the respondents and allowed them to answer the questions we had prepared earlier. Finally, the results of the interviews will be evaluated to build the relationship of each component in the determinants answered by Muslim consumers.

Keywords: Halal Food, Halal Logo, Halal Packaging, Halal Ingredient, Muslim Customer

1.0 Introduction

The Arabic term halal means "permitted." It is the phrase or logo Halal, Guaranteed Halal, or particular to Muslim food connected with food in any form in any other term that may be used to demonstrate or interpreted as meant to show authorization to be eaten according to Islamic principles in Islamic language. It is most usually linked with eating; however, it can apply to any permissible behavior in Islam. The polar opposite of Halal is Haram, often known as non-Halal. This refers to something that is prohibited by Islamic principles. Rasulullah S.A.W also said that "Halal is clear and the Haram (unlawful) is clear. Between the two there are doubtful matters concerning which people do not know. One who avoids them in order to safeguard his deen (religion) and his honor is safe, while if someone indulges in it, he may be indulging in the unlawful" (Bukhari). This means that Halal activities or items are those that suit human requirements while also complying with Shariah regulations for health, safety, and conformity. The word Halal appears in the Quran in several places, including Muamalat, family problems and marriage, eating, and earning a living. Halal, on the other hand, is most frequently connected with eating and working.

Nowadays, many Muslims still have doubts or confidence about the issues of halal food that occur in Malaysia from the effect of the development of food technology and the diversity of imported food to meet consumer demand. Furthermore, many Malaysian consumers are now influenced in trying famous foreign foods such as Korean food, Japanese food, et cetera. So, do Muslim consumers now accept the entry of imported foods openly because they already have knowledge about halal, or are they still hesitant to buy and try because of doubt and in terms of validity of halal food either in terms of health or validity Jabatan Kemajuan Islam Malaysia (JAKIM). Therefore, this study is to examine the perception of halal food by Muslim consumers. Perception will be measured through the scope of the halal logo, ingredients, and packaging. Much previous research just studied about one element only and this research wants to combine 3 elements of Halal food from another previous study or article into one research, namely Halal Logo, Halal Ingredients, and Packaging.

1.1 Research Objectives

The objective of this study will be to explore the of perception of Muslim customer towards halal foods. More specifically, this study will attempt:

3. To investigate the perception of Muslim customers towards the Halal Logo.
4. To investigate the perception of Muslim customers towards Ingredients.
5. To investigate the perception of Muslim customers towards Packaging.

2.0 Literature Review

2.1 Underpinning Theory

Theory that attempts to explain "how" and "why" something happened is known as underpinning theory. It is not, however, written in such a way that future forecasts may be tested. Furthermore, any theoretical or background research done in the area that would aid your study and thesis is the foundation.

2.2 The Theory of Planned Behavior (TPB)

The Theory of Planned Behavior (TPB) was developed in 1980, the theory of reasoned action to forecast an individual's intention to engage in a certain behavior at a specific time and location. According to Oluase, & Abdul Latiff (2019), Theory of Planned Behavior (TPB) in three primary characteristics which is namely attitude, topic norms, and perceived behavioral control that predict a consumer's propensity to acquire any product. Although the proposed study framework does not exactly translate the TPB, it does help to explain how individual human ideas or perceptions are determined or impacted by the individual's desire to do that activity. Moreover, the information conveyed through the halal logo alone is not sufficient to determine consumers' purchasing intention. Consumers are increasingly requesting more information after realizing that the halal mark on product labels may be abused (Tan et al., 2017). In other words, the information communicated by the halal logo alone is insufficient to predict consumer purchasing intentions (Ali et al., 2017). As a result, an attitude toward conduct that stems from a collective behavioral belief such as the idea that the product is halal logo, packaging and the ingredients which can lead to positive attitudes, such as the intention to purchase.

2.3 Conceptual Framework

Figure 2.3 shows the research framework which consists of the dependent variable, the Muslim perception and the independent variables namely Halal Logo, Halal Ingredients, and Halal Packaging.

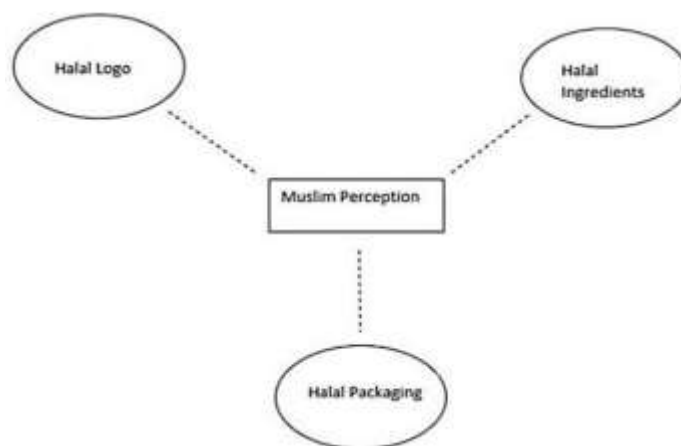


Figure 2.3 Conceptual Framework

3.0 Methodology

3.1 Research Strategy

One of the earliest research methods in the field of qualitative methodology was the use of case studies. According to the research by Starman (2013), a case study is a broad phrase for the investigation of a person, group, or phenomenon. Then, according to Yin (2013), case studies are frequently utilized for theory creation and inductive research of as-yet-undiscovered phenomena. However, it has also been suggested to evaluate deductive theories via analytical generalization. This case study is important in order to investigate further and detail the case studies phenomena. Therefore, these studies use to adopt the case studies method in order to clarify the Muslim perception of Halal food in Kelantan.

3.2 Data Collection Method.

The data collection method is a systematic process of collecting information for the desired variable. we use primary data as well as secondary data in this study. Although the methodology may vary depending on what the researcher needs to collect, it is important to guarantee that the data collected is correct and accurate. Primary data will be obtained through surveys and also known as questionnaires in interviews. The questionnaire in this interview uses two languages, namely Malay and English. In this study, we use the two languages to evaluate and collect all the necessary information about the respondents' choices, feelings, opinions, and attitudes. Questionnaires will be handed out randomly to student entrepreneurs from among Muslim students of University

Malaysia Kelantan to complete the survey or interview for researchers.

3.3 Research Instruments Development

Qualitative research focuses heavily on exploring and understanding people's experiences, interactions, behaviors or attitudes and more (Hamilton & Finley, 2019). Therefore, to collect the required data, this method should be used in studies such as semi-structured interviews or focus group discussions. This is because the method used qualitatively to collect information from respondents is a deep opinion. So, the researcher can obtain more information or details to continue the study.

An instrument is a research tool used by researchers to conduct research by collecting data, analyzing data and making decisions. Furthermore, different types of research use different instrument methods. Research instruments related to Muslim consumers will be divided into levels and addressed to the respondents, namely Muslim students of University Malaysia Kelantan (UMK). The first stage is the personal related questions of the respondent such as name, age, faculty and others. The next stage is questions related to the objectives of the study. There are three research objectives namely to investigate the views of Muslim customers on the Halal Logo, Ingredients and Packaging. This instrument is classified a primary data because the respondents involved were interviewed directly to obtain information. As a result, all information obtained will be forwarded as soon as the respondent receives and signs the consent form provided. The duration of the interview process may be expected to be 30 minutes to 1 hour depending on the interview conducted to each respondent.

This research uses the interview method because this method is a way of collecting data to gain knowledge from individuals (Glegg, 2019). Therefore, there are many reasons why interviews are used to collect data. This is because interviews are an appropriate way to obtain highly personalized data and there are always opportunities available for research (de Villiers et al., 2021). In this study, researchers used a semi-structured interview method to meet the objectives of the study. This study aims to conduct interviews with UMK Muslim students to find out their perceptions of halal food. Questions are posed to students to get their opinions.

4.0 Finding And Analysis

This chapter will present the results of the qualitative analysis of the interviews. This section will also discuss the analysis of the perception of Muslims towards halal food which was also analyzed from the collection of information by interviewing five informants among the residents of Kelantan. The informants are Najwatul Huda binti Kamaruzaman, Farhah Haziqah binti Zul Kamal, Nur Ain Nadila binti Mat Salimin, Azyan Zulaina binti Che Sub and Asma Ul Husna binti Ibrahim. In the objective of this case study, we used three themes namely Halal Logo, Halal Ingredients, and Halal Packaging. from the first theme which is Halal Logo, we found that there are three sub-themes consisting of knowledge, awareness, and also behavior. The second theme is Halal Ingredients which has three sub-themes consisting of attitude, knowledge, and behavior. Finally, the third theme is Halal Packaging, which consists of two subthemes, namely awareness, and knowledge. The objective of this case study is to the findings from

interviews about Muslim customers' perceptions of halal logos, packaging, and ingredients. The results will be explained in the findings from the respondents.

4.1 Finding For Perception Towards Halal Logo

These studies indicate theme 1 which is Halal Logo that there are three sub- themes on perception towards Halal Logo that the researcher believe it can influence people on the perception towards Halal food in Kelantan. The sub-themes concluded in the part of the interview's question which is discussed on the behavior, the level of knowledge and awareness about Halal Logo among Muslim consumers. The halal certification system and logo to ensure halal and Shariah compliant product was the big or main question that included theme 1 that has been discussed on the sub-themes.

According to first sub-themes that discussed the knowledge about Halal Logo in the concept of Halal food, the studies found that all the respondents have the same opinion which is they know about the existence of this Halal logo by getting information from the right source which is JAKIM because from the point of view of this institution it is a channel through which consumers believe the level of value of a Halal food for consumers to choose without hesitation especially imported food. According to informant 2 :

“Halal food products are products that are Halal, good and safe to eat. If a food product has the Malaysian Halal logo on it, this means that the product has been certified as Halal by the responsible authority, JAKIM”. This supported by Mohd Imran and Abid (2016) in their article which they said, *“The Malaysian Halal certification and logo are issued by a federal body and several state bodies. At the federal level, the authority for certifying the Halal products and services is the Department of Islamic Development Malaysia (Jabatan Kemajuan Islam Malaysia – JAKIM)”*.

While according to informant 1 and 3:

“The existence of a halal logo should be important especially for Muslims because through the halal logo it can help Muslims from buying products that contain ingredients that are forbidden to eat”.

“I know that Halal logo is confirmed by JAKIM”.

This perception show that it is very important for Muslim to know and identify the types of food they eat in order for them to check whether the food they buy and eat have Halal logo or not by JAKIM to make they more confident about the food is Halal. The finding of this study is in line with previous study (Afendi, 2020) on the knowledge of Halal Logo.

For the next sub-themes that discuss on the awareness towards Halal logo in concept of Halal food, the research also found that all the respondents have similar perception which Halal logo have many designs from various countries that confirm the halal level of the food which can cause confusion for Muslims if they are not aware if the type of logo is shariah compliant or has been certified by JAKIM. All the informants also alert about the type of logo that is issued because the halal logo has many designs from various countries that confirm the halal level of a food which can cause confusion for Muslims if they are not aware that the type of logo is either Shariah compliant or has been certified by JAKIM. According to informant 1,

“I am aware that there is a difference between the halal logo certified by JAKIM

and also not certified where the logo certified by JAKIM has an eight-pointed star in the middle of the circle, the Arabic word 'حلال' in the middle of the star followed by the roman writing "HALAL", the circle of the logo is written with the word "Malaysia" in the Rumi script and Malaysia in the Arabic word and Two small five-pointed stars are placed to separate the Rumi script and the Arabic word".

This statement similar with view by Taip et al. (2017) which stated that the Arabic word "حلال" placed in the middle of the star while the word "halal" in Roman letters underneath. The word "Malaysia" written in Roman and "ماليزيا" in Arabic in a circle logo and two small five-pointed star is placed to separate the Roman alphabet from the Arabic word mentioned.

Based on statement above, it shows that informant well aware of the importance of the components written in the Halal logo which explains that the respondent is able to provide the information contained in the logo through the information issued by JAKIM. This is because this awareness is important for them in convincing them to buy and eat Halal food, especially the issue of the authenticity of logos issued by foreign countries but which have been confirmed by JAKIM. According to informants 1 and 5,

"In today's modern world, various tactics are used by traders to make a profit without thinking about the impact that people, especially Muslims, will have".

"Every company that wants to produce a product must be approved by JAKIM and from there JAKIM will evaluate every essence in the product".

Researchers can be concluded that the informants have been made aware of the importance of the halal logo, especially now they still have the issue of doubting a food produced by an outside company that is attractive to Muslim consumers in Malaysia. This shows that the halal certification system and logo able to ensure halal and Shariah compliant product by JAKIM and this encourages consumers to be knowledgeable in knowing the issue of fakeness and doubts about certain foods. The finding of this study are in line with previous study (Sherwani et al., 2018) on the awareness towards Halal Logo.

The last sub theme is about behavior. According to Bray and Jeffery (2008), the behaviors that consumers take when looking for, purchasing, consuming, assessing, and discarding goods and services that they believe will meet their requirements. Consumers always show their behavior when buying and getting a desired food with more confidence if the food is indeed free of non-halal elements. As a Muslims, it is also necessary for us to obey on what the Shariah taught and avoiding all the forbidden things. According to informants 4 and 5,

"To make sure the food is free from non-halal & harmful food".

"I noticed that the halal logo has an eight-pointed star, the Arabic word 'halal', has the Roman and Arabic writing 'Malaysia'".

When choosing food, consumers will give different behaviors that indicate whether the food they want to buy has a halal logo or not. The behavior shown can convince them in buying Halal food. This is supported by several opinions from respondents 2 and 4,

"I am confident because JAKIM is an organization based on the Islamic religion as well as being responsible for issuing the Halal logo".

“Because JAKIM has been recognized by the government”.

The finding of this study are in line with previous study (Khalek, 2014) on the behavior of Halal Logo.

From the analysis, researchers conclude that all informants have the knowledge and awareness that drives their behavior perceptions toward Halal logo. By having knowledge and awareness about Halal logo, people who are still in doubt will know that the Halal logo helps consumers a lot in choosing the right halal food. Majority of consumer aware to the use of JAKIM Halal logo even if only a few consumers concerned about the use of fake Halal logo. When picking the correct Halal logo for the food stuffs, they should use great caution. Muslim consumers should keep away of goods with fake or artificial Halal logos and only select products with the JAKIM Halal logo.

4.2 Findings for Ingredient

For the second theme in this study can contribute to the literature on halal ingredients which are found in product packaging or ingredients that have been included in a product through informants who live in Kelantan in developing a responsible, positive attitude and preference towards products that are guaranteed halal by JAKIM. Furthermore, many individuals produce products in the global economy but are less scrutinized by consumers. This research is divided into sub-themes such as belief, knowledge, and behavior such as religion, attitude, and confidence in choosing a product.

The study by Wim et al. (2007) stated that various factors can influence a person's behavior such as education level, age factor, information exposure factor, and so on. Therefore, all of these can be used as indicators to study a person's behavior in making an action. Consumers have the right to make choices based on their own factors. In this study, all the informants questioned were Muslim. Therefore, they agree that halal ingredients can help all Muslims to check that the ingredients used in a product are guaranteed halal by JAKIM. So, their reaction to halal ingredients to other Muslim users is to be kind and cheerful in their differences of opinion. Religion is the main effect on halal food ingredients because Muslim consumers like to choose food with the halal logo issued by JAKIM.

The sub-themes in part D for the first question can be explained based on knowledge such as the informant's perception of halal ingredients. The study found that the five answers given by the informant were of different opinions. There is one informant who answered this questionnaire more or less with the previous article. According to informant 3:

“The ingredients used must be clean, halal, and safe to eat”. MN Kasmon (2011) in his article said that *“The preparation of halal food should be pure from haram things such as cooking equipment and the food preparation process. The use of brushes made of pig hair is illegal for the purpose of halal food processing”.*

Islam requires us to take care of every item that we use every day to ensure that it is halal and not in doubt. The preparation of ingredients is very important to encourage users who often have anxiety disorders in themselves.

This section will examine some findings such as the informant's knowledge of ingredient information in halal products. It is also worth paying attention to know that the ingredient is important thing to examine the ingredient that has been included so that the user of the product is safe and most importantly is halal. For question one, it is more

important to have knowledge such as more in-depth knowledge of ingredients. Sub-segments can be classified as follows based on their sensitivity.

As stated in the previous discussion, the informant's preference for halal ingredients is one of the most important indicators of their beliefs and behavior in examining halal ingredients found in products. This response is a value in the overall Islamic values of the informants. If the informant places high importance on identifying the product as using halal ingredients, then they tend to choose the product. On the other hand, if the informant says that these ingredients are not important to list, then they are less motivated and have weak faith in determining which one is halal and which haram. Based on the sub-themes in this study, it is explained that the informant's opinion is about the importance of the informant in examining the list of ingredients on the product. All five informants have the same opinion that it is important for them to examine the listed ingredients so as not to choose a product that has ingredients forbidden by God. Consuming halal food can cleanse the heart and keep the tongue from saying something that is not beneficial. The halal food and drink used will form flesh and blood and increase the quality of a person's outer and inner righteousness. The opinion said by informant 1:

"In my opinion, the ingredients used are important to be listed because through that people can pay attention and be careful with the ingredients used so as not to buy food that contains dangerous and illegal ingredients". Yuslina Mohamed (2019) said that, "Consumers need to know and focus on matters related to the content of a product before buying it, that is by ensuring that it is not contaminated with ingredients that are clearly not halal, for example, sourced from pigs".

Data and information about the importance of ingredients must be listed, having assessed the informant's level of confidence in every purchase of goods, it is necessary to examine the ingredients so as not to be inclined towards illegal products.

Sub-themes for the behavior of informants discussing ingredients need to be listed in order to encourage them to choose halal products. The researcher found that all five informants have the same opinion reputation that makes them choose halal food products in their lives. When the ingredients are listed in more detail, they may feel very confident and safe to buy halal food. Al-Quran and al-Sunnah have explained halal and its criteria in-depth and completely. It is the duty of a Muslim individual to find and ensure that something is truly halal before eating it. According to Yuslina Mohamed (2019) stated in her article, Allah SWT calls for humans to eat only halal and good food in (surah al-Baqarah verse 168) which means "O humanity! Eat from what is lawful and good on the earth and do not follow Satan's footsteps. He is truly your sworn enemy". The informant's behavior can be influenced by their level of thinking in choosing halal ingredients in food products. The selection of halal food ingredients is an important aspect that needs to be taken into account in the life of every Muslim consumer. Therefore, a good understanding of the aspects of halal food selection is necessary to ensure that Muslims consume food products that comply with Sharia. All five informants have the same opinion that they agree that the ingredients found in food products can encourage them to buy those products. As informant 4 said:

"Yes. Because I am a Muslim and the content of Halal food must be emphasized by me. In addition, good content in food can guarantee a healthy lifestyle" Dr. Mohammad Aizat Jamaludin & Mohd Anuar Ramli (2011) emphasized that "Choosing food that conforms to Shariah law can help good spiritual and physical development. Imam al-Ghazali said that halal food can increase the light of faith and make prayers answered and the haram food will darken the heart".

This study shows that informants from the same level of Education show a common opinion that those ingredients are what motivate them to choose products that contain Sharia-compliant ingredients. From here, we can see the beliefs and practices of all informants as Muslims in examining the ingredients in the product.

Religious belief is the most important element in influencing the informant's perception of halal ingredients found in food. The last question discusses the confidence in ingredients used in food products among Muslim consumers. As we know, the goodness of halal food products is food that is free from unclean sources starting from the preparation of raw materials, the manufacturing process, storage, cooking, manufacturing, packaging, and transportation. In short, halal food must be clean and safe to eat. This can be proven by all the informants who have faith and confidence in ingredients in food products among Muslim consumers. Based on informant 1:

"As consumers, the ingredients in food products can be trusted by Islamic consumers if the ingredients do not have any questionable elements, are guaranteed safe, and have a halal certificate from a competent authority". Minah and Noraini (2010) explained "thoyyib can refer to healthy (sufficient and balanced substances), suitable for the needs of the body, and safe (fresh, original, clean, and unquestionable content)".

Informants' beliefs can be influenced by their level of comfort and understanding of halal ingredients. Their opinion can be used as a guideline for all Muslims to make it easier for them to choose halal food carefully. The finding of this study are in line with previous study from Rosi Hasna Sari, Anis Najiha Ahmad and Betania Kartika (2022) based on the attitude towards Halal Ingredients.

Finally, organizations related to halal food need to engage in more active and intensive socialization to expand and deepen the knowledge of respondents, because this variable has a positive and significant relationship with the way and intention of choosing the right halal food. In addition, the organization also needs to increase the halal product campaign so that consumers can identify a product whether it is halal or haram. This can increase continuity for Muslim consumers who lack awareness through an insensitive attitude toward halal issues.

4.3 Findings for Perception towards Packaging

In these studies, the next theme is Halal packaging. The researcher found the two sub-theme which are knowledge and awareness will influence Muslim customers towards packaging. The sub-themes that conclude in the interview question which is in the part of the perception of Muslim towards packaging have discussed is the food packaging scepticism of Muslim customers on Halal issues.

Based on the level of the food packaging scepticism of Muslim customers on Halal issues towards packaging on the first sub-themes knowledge, the researchers found that all five respondents have the same opinion. Where, making the check up and observation towards packaging that meet the Halal criteria is important when buying or choosing the food products. According to informant 1:

"I will check the ingredients contained in the product and also the halal logo". This is supported in the article by Bukhari, Woodside and Hassan (2021) which

is “Muslim buyers show concerns about Islamic obedience when assessing attributes of a product before selection”.

However, according to the other informant which is informant 3:

“I make observations on logos and food as well as written products”.

Therefore, it is important for Muslim customers to have the knowledge and information when buying or choosing the food products to make sure every product that is in the packaging is Halal and not including any illegal things.

Furthermore, under the same sub-themes that have been discussed in this research on the level of knowledge in terms of choosing a safe food product, the research also found that the informant gives the same opinion which is safe product is to have a product that is unquestionable and confident to use. All the respondent knows to choose the right food product that does not give any doubt and negative effect. When respondents get questions about safe products, they can make confident choices. As the informant 1 said,

“I will buy it regularly and will no longer feel doubt with the food product”. This statement is supported by Bukhari, Woodside and Hassan (2021) in their article *“packaging is used for product conveyance and for safety reasons”.*

Besides, based on the researcher's knowledge, choosing a safe product that refers to the packaging is important for the Muslim customer. It is because one of the criteria that meet the Halal food refers to the Shariah law is must be secure and unharmed. Thus, the customer will not doubt towards products when there are no issues about Halal logo and will be confident when all the information that is given in the packaging is safe to use. According to the previous study, Nurhayati, Tatiek and Hendar (2019) is in line with these findings on the knowledge of Packaging.

The next sub-themes that discuss is the awareness about food packaging. The research found that all the informants have the same understanding in that question, which is that the Muslim customers know what is the food packaging that meets the requirement and it's not just a mere packaging. According to the informant 2:

“Food packaging means food that has been well packaged in accordance with the standards set by the responsible party in order to prevent the food from being exposed to foreign matter that risks contaminating or reducing the quality of the food”. Meanwhile, this statement supported by the other research in the article by Nizamuddin, Adam, Norita and Norlila (2019) said *“The process of packaging and labeling the products must be seriously concerned to produce genuine and healthy halal goods. Packaging material and containers are essential to keep the product safe and presentable. Packaging for halal food also must not be made from non-halal substances”.*

Therefore, it is important to understand and have the awareness about what is the right food packaging that Muslim customers need to know when buying some products especially for food. It is because when Muslim customers have a lack of awareness about understanding food packaging, they will not realize which one is Halal and which one is Haram because they cannot make the difference. The findings of this study have contributed with the previous study (Arlisa, 2019) on awareness which found few people not aware of the importance of understanding packaging Halal products.

Moreover, part of the perception of Muslim customers towards packaging in the

question is the shape of packaging influence in choosing food products. The research found that all the informants give the same opinion which food packaging influences them to choose food products. According to an excerpt from a conversation with informant 4:

“Yes, packaging is my first impression”

However, according to the informant 5, the respondent also gives their opinion. Where the respondent said:

“Very influential, because from the packaging we will judge the contents of the product”. These statements supported the argument by Md. Wadud, Azizul and Mohibullah (2022) that said “the packaging is also an important source of information where it can significantly influence the consumer’s product perception and purchasing decision”.

Then, it is clear that the awareness about Halal packaging also influences the customer when choosing the food product. Because the packaging will be attractive and give impact to the Muslim customer for trust and choose the better quality of foods products that meet the Halal requirements of a product. The finding in this research is related with the previous study by Arif Afendi (2020) on awareness and knowledge of that factor.

From the analysis by the whole informant in the perception of Muslim towards packaging, they have the knowledge and awareness about the food packaging will scepticism or not the Muslim customers on Halal issues. So, it is important to Muslim customers to choose the halal food in Malaysia or in other countries with the knowledge and awareness in order not to be indicated by food products that have food packaging that does not meet the legal JAKIM approval and is not safe to use.

5.0 Conclusion

The results of the study demonstrate that the concept of Muslim perception of halal food in terms of logo, packaging, and ingredients influences Muslim view of food. Individuals who are uninformed of the significance of halal cuisine would surely have a distinct view on Islamic items, making this study unique. It is responsible for introducing to Muslims information on the halal mark provided by JAKIM, substances that must be inspected, and clean packaging.

Regarding halal packaging, the respondent indicated how they purchase or select halal food products by inspecting the JAKIM-issued halal logo. Future studies can be conducted on consumers throughout Malaysia to determine if the results are comparable to those of the current study, which focused on students at University Malaysia Kelantan and local Kelantanese residents to investigate perceptions regarding knowledge, awareness, and behavior regarding the Halal Logo, ingredients, and packaging.

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The Factors Influencing Intention to Purchase Halal Cosmetic Products Among Muslim Consumers in Malaysia

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Abstract:

This study intends to examine the factors influencing intention to purchase halal cosmetics products among Muslim Consumers in Malaysia. The independent variables of this study consists of Muslim consumers' awareness, knowledge, attitude, religiosity concern and financial capability, whereas the dependent variable in this study is the intention to purchase Halal cosmetic products. A quantitative research method and a questionnaire were used as the research instrument to collect data. This study employed a convenience sampling method, and 384 respondents were evaluated in this study. Structured questionnaire was used and the data was collected using Google Forms. The data collected is analysed using Statistical Packages for Social Science Version 26 (SPSS Version 26) software based on descriptive statistics, reliability analysis, and Pearson correlation analysis. As for the result, all of the independent variables (Muslim consumer awareness, knowledge, attitude, religiosity concern and financial stability) studied in this research have a significant positive relationships with the dependent variable namely intention to purchase halal cosmetic products. In these situations, it is advised that marketers link their products to Islamic beliefs and criteria, such as a certified halal logo and ingredients, in order to foster a positive attitude among Muslim consumers. The main limitation is related to the selection of respondents, that is only Muslim respondents can answer the google form. This is because, the respondents are made up of different people, different ages and different opinions. In order for future data collection to accurately represent actual consumption patterns, it is advised that data be gathered from all states in Malaysia using a random sampling method.

Keywords: Awareness, knowledge, attitude, religiosity concern, financial stability, Halal cosmetics products

1. Introduction

Nowadays, the halal cosmetics industry is gaining the attention of the world as Muslims are more comfortable with taking halal products as part of their life (Saqib Ali et al., 2016: 40-51). Besides that, halal cosmetic products have also been construed as protecting consumers from using products that are prohibited by Shariah and are alleged to use only premium and high-quality ingredients at affordable prices. Shariah-compliant cosmetics should be able to meet severe procedural requirements in Malaysia.

The recent halal segment in the market is not only focused on the food industry but also includes the halal cosmetics industry. However, cosmetics in Malaysia demonstrate that the overall amount produced by the local sector is still low, and imported goods continue to be in great demand (Azmi Hassali et al., 2015) especially from those in middle and high income (Cosmetic and Toiletries Market Overview, 2012). It is estimated that Malaysians spent about RM6.4 billion in 2018 and is expected to increase to RM7.9 billion in 2023 on cosmetics and beauty products (GlobalData, 2019). This indicates an increasing trend in beauty products demand from year to year. However, little attention has been paid on truly understanding the purchasing behaviour of Malaysian consumers of halal cosmetics

Therefore, Malaysia has provided that the legislation, policies and standards outlined in the question of halal are based on the principles and concepts of halal found in the Qur'an and Sunnah and in accordance with the views of eminent Islamic scholars. The term halal comes from the Arabic word which means "something that is allowed or permitted by the Qur'an and Sunnah" while haram means something that is forbidden and prohibited according to the Qur'an and Sunnah (Syukri, and Mustafar, 2016). Between halal and haram there is another law called syubhah which means things that are less believed because it is not known whether it is halal or haram (Nurain, 2021). This halal concept does not only apply to food products, but also includes health products, cosmetics, pharmaceuticals, services and so on. Thus, the major focus of this research is to study the factors influencing the intention to purchase halal cosmetic products among Muslim consumers in Malaysia. Specifically, the purposes of this study are to examine the relationship between awareness, knowledge, attitude, religiosity concern, financial capability and intention to purchase halal cosmetic product among Muslim consumer in Malaysia.

2. Literature Review

Specifically, it consists of independent variables namely awareness, knowledge, attitude, religiosity, and financial capability, as well as dependent variables which is the intention to purchase Halal cosmetic products in Malaysia.

2.1 Awareness on Halal Cosmetic Products

Halal awareness is defined as the act of being concerned about something permissible in Islam (Nor Kamal & Mohammed, 2016). According to Shaari & Mohd Arifin, (2009), halal refers to a product that is permissible or permissible to Muslims, as well as a product that is accepted under Shariah Law. Consumers' purchase intentions are highly influenced by their knowledge of halal (Nor Kamal & Mohammed, 2016). According to Yunus, Rashid, Ariffin, and Rashid (2014), it is critical for all Muslims to understand and learn about the features of indication in order to distinguish between halal and non-halal foods.

2.2 Knowledge on Halal Cosmetic Products

Knowledge can be defined as awareness, consciousness, or familiarity gained via experience or learning; it can also be defined as facts, feelings, or experiences known by a person or a group of people. Knowledge, in this context, refers to the expertise and abilities obtained by a person or a group of individuals as a result of a theoretical or practical understanding of a subject (Radzi, Zahari, Muhammad, Aziz, & Ahmad, 2011). The rise in Halal cosmetics demand is also fueled by an increase in Halal awareness and information. Halal information is the most influential aspect in Muslim customers' understanding and perceptions of non-food Halal products, as well as a significant factor (Shafii & Shahwan, 2015).

2.3 Attitude on Halal Cosmetic Products

The word "attitude" comes from the Latin *aptus* language, which means "conformity" or "match". According to Peter & Olson, (2000), defines attitude as a person's full examination of an idea. In general, the definition of attitude is that it is characterised as a person's evaluation. Consumer attitudes reveal what they enjoy and don't like. Consumer confidence can be used to describe how people feel about a product's many features and benefits. Consumer attitudes are always oriented against the notion, i.e., items and actions. Consumers might have negative feelings about a variety of physical and social items, such as products, brands, models, and saleswomen, as well as other components of the marketing plan, such as a discount (Qoniatin, 2018).

2.4 Religiosity on Halal Cosmetic Products

Religiosity refers to how dedicated a person is to his or her faith, as evidenced by his or her attitude and behaviour (Ramly, Chai, & Lung, 2008). For both Muslim and non-Muslim consumers, religious conviction is the foundation of consumption choice, and it aids them in making well-informed decisions in their life (Salman & Siddiqui, 2011). On line with this, the role of religion in consumer behaviour cannot be underestimated (Sun, Goh, Fam, & Xue, 2012). Religion is important to Muslim buyers because it aids in their ability to distinguish between what is allowed and what is not. An individual's level of commitment to their own faith has a significant impact on every step of the decision-making process, from product selection to purchase and consumption. Prior study has shown that customers' product choices are influenced by their religious devotion, with people who are deeply committed to their religious principles and ideals being hesitant to buy things that are thought to be prohibited for them.

Besides, less religiously dedicated persons, on the other hand, are more likely to disregard their religious ideals and be drawn to the consumption of prohibited goods. Religion has a significant impact on an individual's total decision-making process, including their lifestyle, food consumption habits, social groupings, and life decisions. In the past, research was conducted to determine the impact of religion on Muslim consumers' propensity to purchase cosmetics. Based on the findings of these studies, it was shown that religiosity has a significant role in influencing purchase intentions among Muslim customers (Haque, Anwar, Tarofder, Ahmad, & Sharif, 2018).

2.5 Financial Capability on Halal Cosmetic Products

According to Hajipour, Gharache, Hamidizadeh, and Mohammadian (2015) found that halal cosmetics selection and purchase are linked to a person's financial situation. If a person is classified as a member of a vulnerable group at risk of financial

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hardship, then purchasing cosmetics in excess of one's needs is deemed a waste (Sapir & Shaffee). Someone who spends a lot of money on cosmetics but does not have access to information on halal cosmetics is at danger of buying fake cosmetics that harm her health and appearance (Teng & Jamaliah, 2013).

3. Methodology

3.1 Conceptual Framework

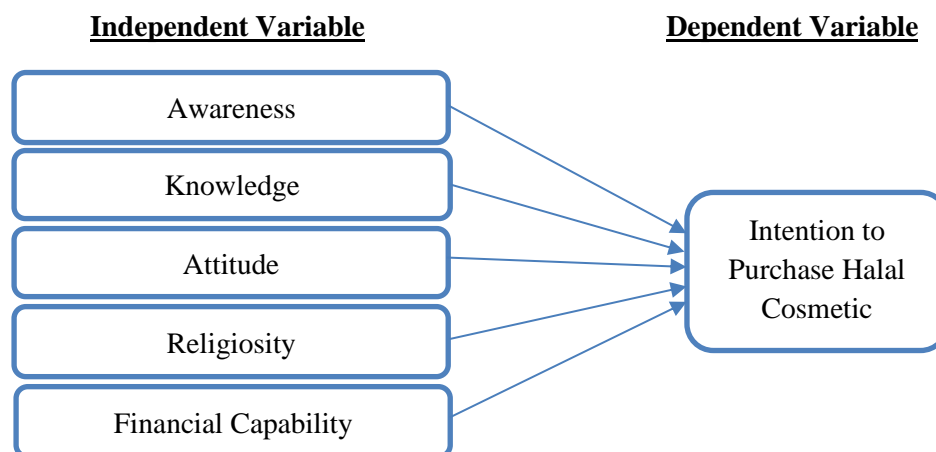


Figure 1: Conceptual framework of factors influencing intention to purchase halal cosmetic products among Muslim consumers in Malaysia.

3.2 Research Design

Research design is divided into two groups namely qualitative and quantitative. For the purpose of this study, the researcher used a quantitative method because the objective of this study is to investigate the factors influencing intention to purchase halal cosmetic products among Muslim consumers in Malaysia a quantitative methodology is applicable. Without a doubt, this is the most efficient method for collecting trustworthy data for this investigation.

3.3 Data Collection

The main tool used to collect data from respondents is a questionnaire, while secondary data comes from websites, trade publications and government publications.

3.4 Population

A population can be thought of as a group of individuals, people or items that make up a population. Muslim consumers in Malaysia have been selected as a specific location for this research. The number of respondents required is only 384 people out of the estimated 26 million Muslims in Malaysia.

3.5 Sample Size

For the sample size, we have estimated a total of 384 people, representing the total population size of 1,000,000. We use Krejcie and Morgan's table to compute sample size from a given population.

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3.6 Sampling Technique

In this study, we used a non-probability sampling method which is convenient sampling. The questionnaire is distributed via the internet (via social media platforms such as WhatsApp) using Google forms to collect all of the required data in a precise, low-cost, and timely manner.

3.7 Research Instrument

Researchers collected data for this study using the method of filling out online Google forms. It is divided into three parts. Section A is to capture the participant's socio-demographics profile while Section B focuses on measures of awareness, knowledge and attitude. The last part which is Section C is intention to purchase.

4.0 Results and Discussion

4.1 Demographic characteristics of respondents

Table 1: Demographic characteristics of respondents

	N	%		N	%
<u>Gender</u>			<u>Monthly Income</u>		
Male	119	31	Less than R M1000	213	55.5
Female	265	69	RM 1000 – RM 3000	88	22.9
			RM 3001 – RM 5000	53	13.8
<u>Age</u>			More than RM 5000	30	7.8
20 years old and below	34	8.9	<u>Occupation</u>		
21 – 30 years old	234	60.9	Student	181	47.1
31 – 40 years old	53	13.8	Employed	136	35.4
41 – 50 years old	38	9.9	Employed Part Time	43	11.2
51 years old and above	25	6.5	Unemployed	6	1.6
<u>Educational Level</u>			Retired	8	2.1
SPM	61	15.9	Self-Employed	10	2.6
STPM	23	6			
Diploma	68	17.7			
Degree	206	53.6			
Master	18	4.7			
PhD	8	2.1			

Based on the table 1 above, it can be concluded that men make up 31% of the sample, while women make up 69%. We received 384 responses to our survey; 119 men and 265 women filled out the form. In term of age, 8.9% of the sample size (34 people) are 20 or younger. Then followed the largest group of respondents by the age group of 21 - 30 years with 60.9% of 234 and 13.8% for 31 - 40 for a total of 53 people. Next, the 41-50 age group with 9.9% of 38 people and the last group of 51 years and above with a percentage of 6.5% of 25 people. Next, for educational level which is out of 384 respondents, 61 respondents, or 15.9% SPM education level, 23 respondents or 6% are in STPM education level, and 68 respondents or 17.7% are in diploma education level. The most respondents 206 people or 53.6% have a degree education while 18 people or 4.7% have a master's education level. Finally, 8 respondents or 2.1% of the PhD education level.

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About half (55.5%) of the 213 respondents have monthly incomes of less than RM 1,000, while nearly a quarter (22.9%) have monthly incomes of between RM 1,000 and RM 3,000. In addition, 30 respondents (7.8%) have a monthly income over RM 5,000, and 53 respondents (13.8%) have a monthly income of RM 3,001 to RM 5,000. Based on the questionnaire shown in table 4.1 out of 384 respondents, the most 181 respondents equal to 47.1% are students, 136 respondents equal to 35.4% are employed, and 43 respondents or 11.2% have part-time jobs. In addition, the number of respondents is small which is 6 people or 1.6% are not working while 8 people or 2.1% are retired. Finally, a total of 10 respondents or 2.6% are self-employed.

4.2 Reliability Analysis

Reliability analysis is the most important step in data analysing that need to be done by any researchers. The main purpose of reliability test is to determine the stability of the data that was gathered. The results were measured based on the range of the coefficient value which is explained as the value is higher than 0.60, it shows that the questionnaire reliable and can be accepted as the measuring tool to measure the concept intended to be measured.

Table 2: Validity and Reliability Test

Dimensions	Number of Items	Cronbach's Alpha
Awareness	6	0.929
Knowledge	5	0.940
Attitude	5	0.940
Religiosity concern	5	0.944
Financial capability	5	0.930
Intention to purchase	5	0.912

Cronbach's Alpha for the independent variable of this study, namely awareness, knowledge, attitude, religiosity concern, financial capability and intention to buy halal cosmetics among Muslims is excellent, which is. above 0.9. The values for all independent variables as depicted in the table above show that it is better and has excellent results.

4.3 Pearson's Correlation Coefficient

The Pearson's Correlation test is one of the important tests to measure the linear relationship between two variables. The objective of this test is to determine whether the correlation coefficient is statistically significant and to identify which hypothesis should be accepted and rejected.

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Table 3: Pearson Correlation Analysis between Independent and Dependent Variable

		Correlation					
		Awareness	Knowledge	Attitude	Religiosity	Financial Capability	Intention to purchase of halal cosmetic products
Awareness	Pearson Correlation	1	.820**	.862**	.757**	.816**	.843**
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000
	N	384	384	384	384	384	384
Knowledge	Pearson Correlation	.820**	1	.740**	.634**	.798**	.757**
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000
	N	384	384	384	384	384	384
Attitude	Pearson Correlation	.862**	.740**	1	.848**	.827**	.880**
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000
	N	384	384	384	384	384	384
Religiosity	Pearson Correlation	.757**	.634**	.848**	1	.699**	.846**
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000
	N	384	384	384	384	384	384
Financial Capability	Pearson Correlation	.816**	.798**	.827**	.699**	1	.829**
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000
	N	384	384	384	384	384	384
Halal Cosmetic Product	Pearson Correlation	.843**	.757**	.880**	.846**	.829**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000
	N	384	384	384	384	384	384

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

Table 4.3 above shows the complete result of Pearson Correlation analysis between the independent variables (awareness, knowledge, attitude, religiosity and financial capability) and the dependent variables (intention to purchase of halal cosmetic products).

5. Conclusion

This report looks into the relationship between variables like awareness, knowledge, attitude, religiosity concern, financial ability, and the intention to buy Halal cosmetic products in Malaysia. A research framework has been developed based on the literature that has been read. Researchers also want to know how each independent variable and the dependent variable are related to each other. It is hoped that all of the information in this study will help related parties to get benefits. In these situations, it is advised that marketers link their products to Islamic beliefs and criteria, such as a certified halal logo and ingredients, in order to foster a positive attitude among Muslim consumers. The main limitation is related to the selection of respondents, that is only Muslim respondents can answer the google form. This is because, the respondents are made up

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of different people, different ages and different opinions. In order for future data collection to accurately represent actual consumption patterns, it is advised that data be gathered from all states in Malaysia using a random sampling method.

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