

CHAPTER 10
THE RELATIONSHIP BETWEEN FINANCIAL
LITERACY AND SAVING BEHAVIOURS AMONG
STUDENTS AT UNIVERSITI MALAYSIA
KELANTAN (UMK), PENKALAN CHEPA

*Nurul Nabila Mohd Zin, Nurul Nadzirah Mohamad Nasri, Nurul Umira
Adnan, Nurulnaja Soffian and Hasannuddiin Hassan*

INTRODUCTION

Saving behaviours, as indicated by the Maps world of finance, saving behaviour is characterised as a comprehension on how individuals save in a nation. It is ordinary actualities that if individuals are saving more, the levels of their own extra cash are expanding too. Saving behaviour is characterised as ‘Saving’ was explained by Keynes (1936) as the abundance of pay over what is spent on utilization. This likewise suggests the expectation for everyday comforts of individuals will also increase. For the purpose of this study, the focus will be on the financial literacy. Financial literacy is a crucial intellectual competency and it is one of the essential life skills that are need in student degree. It can be said that university students must be expert and knowledgeable in their life on how to manage on spending the money that they will face in their future (Albeerdy & Gharleghi, 2015). In addition, financial literacy means the ability and skills of an individual to have a high knowledge to understand, analyse and organize financial matters. Low level of financial literacy can affect students make a bad financial decision making and this situation can cause into many problems such as debts and also bankruptcy.

According to Ando and Modigliani (1963), a number of studies have analysed people tendencies in saving for retirement, saving for