

CASH FLOW MANAGEMENT ON PTPTN LOAN AMONG IPTA BACHELOR  
DEGREE PROGRAM STUDENTS IN SABAH AND SARAWAK

PREPARED BY:  
CORINA JOSEPH  
TINA STEPHEN ENGGONG  
ROSMINI MOHD ARIPI

23 NOVEMBER 2004

Date : November 2004  
Project File No : 600 – UiTMKS (UPP.5/2/45/SKK)

Professor Dr. Azni Zain Ahmed  
Deputy Vice-Chancellor (Research)  
Institute of Research, Development and Commercialization (IRDC)  
MARA University of Technology (UiTM)  
40450 Shah Alam, Selangor Darul Ehsan  
Malaysia

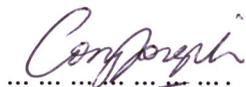
Dear Professor

**FINAL RESEARCH REPORT ON “CASH FLOW MANAGEMENT ON  
PTPTN LOAN AMONG IPTA BACHELOR DEGREE PROGRAM  
STUDENTS IN SABAH AND SARAWAK”**

With reference to the above, enclosed are three copies of the Final Research Report entitled, “CASH FLOW MANAGEMENT ON PTPTN LOAN AMONG IPTA BACHELOR DEGREE PROGRAM STUDENTS IN SABAH AND SARAWAK” by a group of researchers at UiTM Sarawak.

Thank you.

Yours sincerely



**CORINA JOSEPH**

Leader  
Research Project

## TABLE OF CONTENTS

Title page	i
Letter of submission	ii
Research team	iii
Acknowledgement	iv
Table of contents	v
List of Tables	vii
List of Figures	x
List of Appendices	xi
Abbreviation	xii
List of charts	xiii
Abstract	xv

### CHAPTER ONE : INTRODUCTION

1.0	Introduction	1
1.1	Background of project	4
1.2	Objectives of the study	5
1.3	Significance of the study	6
1.4	Scope of project	7
1.5	Definition of terms: Concepts used in objectives:	8
1.6	Organization of the report	9

### CHAPTER TWO : LITERATURE REVIEW

2.0	Introduction	10
2.1	Basis of financial aid	10
2.2	Self-efficacy	11
2.3	Knowledge	11
2.4	Financial behaviour	16
2.5	Spending behaviour	19
2.6	Money management tips for university students	21
2.7	Budget	22
2.8	Conceptual framework	28
2.9	Conclusions	31

### CHAPTER THREE : RESEARCH METHODOLOGY

3.0	Introduction	33
3.1	Sampling subjects	33
3.2	Instruments	37
3.3	Data Analysis	38
3.4	Conclusion	39

## ABSTRACT

Perbadanan Tabung Pendidikan Tinggi Nasional (PTPTN) plays an important role in helping students who are unable to pursue studies because of financial problem. Every year, a group of students were identified as the recipient based on certain guidelines. However, majority of them are having financial difficulty due to lack of knowledge on cash management practice. In order to find out the level of cash management practice among them, a study was conducted to identify factors that might affect the level of cash flow management practice among the PTPTN loan recipients. i.e. IPTA undergraduates in Sabah and Sarawak. The data were obtained from questionnaire and were statistically analyzed using SPSS. The analysis of data revealed that majority of the respondents irregularly practised cash management. As a whole, it can be concluded that financial behaviour item such as *pay bill on time* has significant relationship with gender, university course, location of university, place of students' residence and Bumiputera status. This is followed by items such as *keep ATM transaction receipts, save for large purchases, know cost of buying on credit and know about investment* which have significant relationship with any 4 determinants. However, there is no significant relationship between self-efficacy item that is *confident in making decision about cash flow* with all the 5 determinants namely gender, university course, location, place of parents' residence and Bumiputera status. Thus it can be concluded that most of our respondents are risk-averse despite practising irregular cash management practice. Some recommendation has also been made to improve the existing scenario.

## CHAPTER ONE

### INTRODUCTION

#### 1.0 Introduction

Personal financial management is among one of the most important considerations in everyone's life. A proper financial planning will help an individual to be wiser in spending and making financial decision. It will also help an individual from incurring high debt and can help avoid from being declared as bankrupt. In western countries, there have been numerous efforts taken to improve one's personal financial management such as introducing a high school financial planning subject, conducting personal finance survey, launching websites on personal finance and others. However, this aspect of individual cash management is still at its infancy stage in Malaysia.

Basically, a strong personal financial management skill should not be only confined to working people and adults, but also taught to small children. Small children should be inculcated with proper cash management attitudes at a very young ages for example, by teaching them to prepare a simple spending plan or budget, opening a saving book for them and teaching them to avoid from spending unnecessarily. This positive attitude will grow and will be applied and practised until they pursue their tertiary education. At that stage, they would be more matured especially in handling the loan received from sponsors, as university costs have grown increasingly expensive. Today, more students arrive at university with diverse financial support, background and skills. This diversity suggests that promoting financial management development is an issue that needs to be addressed in