



**FACTORS INFLUENCING PERSONAL INDEBTEDNESS IN KOTA
KINABALU, SABAH.**

NUR AIDA SUHANA BINTI YUNUS

2016631362

BACHELOR OF BUSINESS ADMINISTRATION (HONS) FINANCE

FACULTY OF BUSINESS MANAGEMENT

UNIVERSITI TEKNOLOGI MARA

KOTA KINABALU

JULY 2020

Declarations

I declare that the work in this thesis was carried out in accordance with the regulations of Universiti Teknologi MARA (UiTM). It is original and the results of my own work, unless otherwise indicated or acknowledged as referenced work. This thesis has not been submitted to any other academic institution or non-academic institution for any degree or qualification.

I, hereby, acknowledge that I have been supplied with the Academic Rules and Regulations for Postgraduates, Universiti Teknologi MARA (UiTM), regulating the conduct of my study and research.

Name of Student : Nur Aida Suhana Binti Yunus

Student I.D. No. : 2016631362

Programme : Bachelor of Business Administration (Hons) Finance

Faculty : Business Administration

Thesis Title : Factors Influencing Personal Indebtedness in Kota Kinabalu, Sabah.

Signature of Student : _____

Date : July 2020

Table of Contents

| | |
|--|----|
| Declarations..... | 1 |
| Letter of Submission | 2 |
| Acknowledgement..... | 3 |
| Table of Contents..... | 4 |
| List of Figures | 7 |
| List of Tables | 7 |
| List of Abbreviations..... | 7 |
| Preface | 8 |
| Abstract..... | 9 |
| Chapter 1 : Introduction..... | 10 |
| 1.1 Study Overview | 10 |
| 1.2 Background of the Research | 10 |
| 1.3 Problem Statement..... | 10 |
| 1.4 Research Questions | 12 |
| 1.5 Research Objectives | 12 |
| 1.6 Scope of the Study | 12 |
| 1.7 Significant of the Research..... | 13 |
| 1.8 Definition of Terms | 13 |
| 1.9 Conclusion..... | 14 |
| Chapter 2 : Literature Review..... | 15 |
| 2.1 Introduction..... | 15 |
| 2.1 Review of on the Literature | 15 |
| 2.1.1 Personal Indebtedness..... | 15 |
| 2.1.2 Materialism and debt..... | 15 |
| 2.1.3 Money management skills and debt | 16 |
| 2.1.4 Attitude towards money and debt | 17 |

List of Figures

| | |
|--|----|
| Figure 3.1: Proposed conceptual framework based on work, Adzis et al., (2017)..... | 18 |
| Figure A: Final Construct | 73 |
| Figure B: Results of Turnitin Chapter 1 to 3 | 74 |
| Figure C: Results of Turnitin Chapter 4 to 5 | 74 |

List of Tables

| | |
|--|----|
| Table 4.1: Measurement Model..... | 31 |
| Table 4.2: Discriminant Validity | 32 |
| Table 4.3: Hypothesis Testing..... | 34 |

List of Abbreviations

| | |
|-----|-----------------------------|
| TPB | Theory of Planned Behaviour |
| AVE | Average Variance Extracted |
| CR | Composite Reliability |
| MM | Materialism |
| MMS | Money Management Skills |
| ATD | Attitude Towards Debt |
| PI | Personal Indebtedness |

Abstract

This study is intended to explore the factors that influencing the personal indebtedness in Kota Kinabalu, Sabah. Previous study has linked several factors which are, material values, money management skills, and economic factors to credit card debt and student debt. Possible variables such as pursuits of materialistic attitudes, money management attributes and attitude towards debt are examined in this study to see whether they are predictors of personal indebtedness in Kota Kinabalu, Sabah.

In this study, a software known as Statistical Package for Social Science, were applied to analyse the data. Also, this study is based on questionnaire survey conducted among individuals in Malaysia. The findings suggest that attitude towards debt significantly influence the personal indebtedness in Kota Kinabalu, Sabah. Interestingly, materialism and money management skills are insignificant, implying that young adults in Kota Kinabalu, Sabah represented in this sample do not possess materialistic attitude that lead to personal indebtedness. Also, this finding suggests individuals with poor money management skill are not affected to be indebted.