



FINANCIAL MANAGEMENT PRACTICES OF PTPTN LOAN: A CASE STUDY OF
UNDERGRADUATE NON-RESIDENT STUDENTS OF UITM PERAK

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April 2009

ABSTRACT

The researchers examined the financial management practice of PTPTN loan: A case study of undergraduate non-resident students of UiTM Perak. Every year a group of students were identified as the recipient based on certain guidelines. Majority of them are having financial difficulties due to lack of knowledge on financial management practices. In order to find out the level of financial management practice among them, a study was conducted to identify the factors affecting the financial management practices among undergraduate non-resident (NR) students, the style of expending money and their knowledge and attitude towards the loan agreement. The data were obtained from questionnaire and it consists of four sections which are section A about respondent background, section B about financial management practice, section C about knowledge towards PTPTN loan and lastly, section D about factors that influence financial management on PTPTN. All of these were statistically analyzed using SPSS version 14.0 and Microsoft Excel. The analysis of data revealed that majority of the respondents irregularly practiced financial management. As a whole it can be concluded that respondents know about financial management education but they lack real practices. The key contribution of this study is two significant relationships that are relationship between gender and owned vehicle, and family income and type of loan. The study also suggests ways to improve the existing problem and provide suggestions for future research. As the conclusion, the researchers found that most of undergraduate non-resident (NR) students at UiTM Perak are not practicing good financial management or irregularly practicing financial management.

Keywords: Financial Management, Statistical Package for Social Sciences (SPSS), undergraduate Non-Resident (NR) Student, PTPTN loan.

ACKNOWLEDGEMENTS

First of all, we would like to give our praise to Allah for blessing us to complete the research even though there are numerous great challenges especially during the first stage for undertaking.

We would like to thank to the expert people who had contributed the ideas, opinion, constructive advice and useful comment into completing the project. Firstly, we would like to express eternal gratitude to Assoc. Prof. Dr. Norlida binti Md Noor, En. Ahmad Kamal bin Mohd Yusop as our supervisor, En. Razak bin Nasir and Miss Noryanne binti Amer as our co-supervisors for their kindness and their assistance. Besides that, we would like to give our special thanks to respondents at Universiti Teknologi MARA, Seri Iskandar, Perak branch in completing questionnaire.

Lastly, we would like to show our thanks to our family and other people involved in working on our research whether it was done directly or indirectly. Without their contribution and help this project might not be successfully finished.

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CHAPTER ONE

INTRODUCTION

1.0 Introduction

Personal financial management is very important and need to be considering in every individual's life either for working person or students. A proper financial planning will help them to be smart in spending and making decision when spending their money. It will also help them from facing with 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 such as introducing a high school financial planning subject, conducting personal finance, conducting personal finance survey, launching websites on personal finance and other (Corina, Tina, & Rosmini, 2004).

However, in order to achieve the proper financial management, peoples should not be only focused to working people and adults, but also taught to small children. Small children should be introduced with proper financial management attitudes from the early age 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 practice will be applied until they pursue their study at tertiary education.

Today, more students arrive at university with diverse financial support, background and skills. This diversity will support student in promoting financial