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FACTORS INFLUENCING STUDENTS' SPENDING HABITS
TOWARDS THEIR FINANCIAL KNOWLEDGE: CASE STUDY IN
UITM CAMPUS SAMARAHAN 2

NUR IZZATIE BINTI MOHAMAD SHUKORI
2022978207

SITI NURFAIZAH NIKMAN BINTI MUHAMMAD USMAN
2022786429

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ABSTRACT

A robust grasp of personal finance, budgeting, and financial planning significantly influences students' spending habits. When students possess this understanding, they tend to make informed and responsible spending choices, prioritizing needs, establishing realistic budgets, and saving for future goals. Conversely, a deficiency in financial knowledge can result in impulsive spending, accumulating debt, and experiencing financial stress. Therefore, a clear link exists between financial literacy and the capacity to manage spending effectively among students. This study aims to identify the determinants influencing spending habits of UiTM Campus Samarahan 2 students, utilizing a proposed sample size of 341. Therefore, the most dominant factors are peer influence. Factor of peer influence is the most influential factor that influences students' spending habits. There is a significant relationship between knowledge of financial management, parental income and peer influence which will influence the factors that influencing students' spending habits towards their financial knowledge and there is no significant impact on peer influence of the students across gender, between males and females. The data collected through a survey distributed via Google Form Simultaneously, the research seeks to explore the interconnection between financial management knowledge, parental income, peer influence, and the student spending habits towards their financial knowledge in Campus Samarahan 2.

ABSTRAK

Pemahaman yang kukuh tentang kewangan peribadi, belanjawan dan perancangan kewangan mempengaruhi tabiat perbelanjaan pelajar dengan ketara. Apabila pelajar mempunyai pemahaman ini, mereka cenderung untuk membuat pilihan perbelanjaan yang termaklum dan bertanggungjawab, mengutamakan keperluan, mewujudkan belanjawan yang realistik dan menyimpan untuk matlamat masa depan. Sebaliknya, kekurangan dalam pengetahuan kewangan boleh mengakibatkan perbelanjaan impulsif, terkumpul hutang, dan mengalami tekanan kewangan. Oleh itu, wujud hubungan yang jelas antara celik kewangan dan keupayaan mengurus perbelanjaan secara berkesan dalam kalangan pelajar. Kajian ini bertujuan untuk mengenal pasti faktor penentu yang mempengaruhi tabiat berbelanja pelajar UiTM Kampus Samarahan 2, menggunakan saiz sampel yang dicadangkan sebanyak 341. Oleh itu, faktor yang paling dominan adalah pengaruh rakan sebaya. Faktor pengaruh rakan sebaya merupakan faktor paling berpengaruh yang mempengaruhi tabiat berbelanja pelajar. Terdapat hubungan yang signifikan antara pengetahuan pengurusan kewangan, pendapatan ibu bapa dan pengaruh rakan sebaya yang akan mempengaruhi faktor-faktor yang mempengaruhi tabiat berbelanja pelajar terhadap pengetahuan kewangan mereka dan tidak terdapat kesan yang signifikan terhadap pengaruh rakan sebaya pelajar merentas jantina, antara lelaki dan perempuan. Data yang dikumpul melalui tinjauan yang diedarkan melalui Borang Google Pada masa yang sama, penyelidikan ini bertujuan untuk meneroka kaitan antara pengetahuan pengurusan kewangan, pendapatan ibu bapa, pengaruh rakan sebaya dan tabiat berbelanja pelajar terhadap pengetahuan kewangan mereka di Kampus Samarahan 2.

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CHAPTER 1

INTRODUCTION

1.1 CHAPTER REVIEW

This chapter focuses on the background of study which is on the factor of influencing UiTM students' spending habits towards their financial knowledge. The scope of study is focusing on the students in UiTM Kampus Samarahan 2. Section 1.1 discusses the Chapter Review, Section 1.2 Background of study, Section 1.3 the introduction, Section 1.4 explains the problem statement, Section 1.5 is Research Questions, Section 1.6 states the Research Objective. Section 1.7 states the Scope of study, Section 1.8 is on the significance of study. Section 1.9 additionally is about the definition of terms and concepts.

1.2 BACKGROUND OF STUDY

Due to the rapidly changing and competitive global business landscape, spending habits have become intertwined with people's daily lives. This has made decision-making more complicated and intricate. Students, in particular, are influenced by advertising, internet services, and the ease of online shopping, which further adds to the complexity of their choices.

Spending habits, learned from parents and influential individuals, are closely tied to students' lives, being passed down over time. In the United States, student spending is a vital part of overall consumer spending. Businesses recognize the importance of the student market due to its size and unique characteristics, as highlighted by Wong and Smith (2002). Ring (1997) found that full-time students spend $23 billion on essentials like books, tuition, food, and rent, and an extra $7 billion on nonessentials such as accessories, fashion, and entertainment.

Based on Samantha's (2014) research, most students rely on their parents (45%), jobs (40%), and loans (15%) as their sources of income. The study found that students typically spend a significant portion (around 60%-70%) of their money on activities