

UNIVERSITI TEKNOLOGI MARA

**A STUDY ON THE RELATIONSHIP BETWEEN
FINANCIAL MANAGEMENT AND LOAN
REPAYMENT**

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Final Year Project Paper submitted in fulfillment
of the requirements for the degree of
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AUTHOR'S DECLARATION

I declare that the work in this final year project paper was carried out in accordance with the regulations of Universiti Teknologi MARA. It is original and is 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 Undergraduate, Universiti Teknologi MARA, regulating the conduct of my study and research.

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ABSTRACT

Malaysia is without a doubt a country that is recognizable as a developing country, but as the country is thriving towards success, there are some issues that arise that might become as a blockage for Malaysia to be a developed country. One of the issues is that the country is facing hardships in settling its debt, as reported by Bernama “Moody’s investors’ services”, *New Straits Times* (May 14, 2018). Furthermore, the citizens of Malaysia have a big outstanding balance of debt towards their government. To narrow the scope, I would like to focus on the unpaid students’ loan. Students that are still pursuing their studies and those who have already finished their studies have problems in settling their debt. As said by Tun Dr. Mahathir, Malaysia Prime Minister, unpaid student loan amounting to RM39 billion nearly same as 1MDB debt reported by Hazlin Hassan, *New Straits Time* (August 11, 2018). In this study, my focus would be on the relationship between financial management behaviour and loan repayment. The issue here is does the factor financial management behaviour would directly affect the loan repayment decisions of an individuals. As reported by Dr Marimuthu Nadason in the *Free Malaysia Today* (August 27, 2018), said that Malaysian citizen are in serious financial problems due to many reasons and this might lead to irresponsible financial behaviour. Another issue here is what are the factors that contributed to an individual that does not performed financial management that leads to unpaid debt.

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TABLE OF CONTENT

	Page
AUTHOR'S DECLARATION	ii
ABSTRACT	iii
ACKNOWLEDGEMENT	iv
TABLE OF CONTENT	v
LIST OF TABLES	ix
LIST OF FIGURES	x
CHAPTER ONE	1
INTRODUCTION	1
1.1 Introduction	1
1.1.1 Financial Management Practices	3
1.1.2 Financial Management Practices among College Students	4
1.2 Background of Study	5
1.3 Problem Statement	6
1.4 Research Questions	7
1.5 Research Objectives	7
1.6 Significance of Study	7
1.6.1 The researcher	7
1.6.2 The Community	7
1.6.3 To future Researcher	8
1.7 Scope of Study	8
1.8 Limitations of Study	8
1.9 Definitions of Key Terms	9
1.10 Summary	9