

UNIVERSITI TEKNOLOGI MARA

**A STUDY ON FINANCIAL LITERACY AMONG
FARMER AT KAMPUNG BERTAM BARU**

ZATTY HANANIE BT MOHD SIDEK @ MOHD SAUPI

Academic Writing submitted in partial fulfillment
of the requirements for the degree of
Bachelor in Mualamat

Academy of Contemporary Islamic Studies

January 2019

AUTHOR'S DECLARATION

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

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

Name of Student : Zatty Hananie Bt Mohd Sidek @ Mohd Saupi

Student ID. No. : 2015604642

Program : Bachelor in Muamalat – IC210

Faculty : Academy Contemporary Islamic
Studies

Thesis Title : A Study on Financial Literacy among Farmer at
Kampung Bertam Baru

Signature of Student :

Date : JANUARY 2019

ABSTRACT

Financial literacy is important for it is widely known to have impact on individual financial decision making, thus, to achieve financial well-being. In today's phenomenon to reduce the rate of debt among farmer, this research attempt to study on financial literacy among farmers at Kampung Bertam Baru. Besides, the factors of financial literacy have 6 factors like budget, saving, investment, credit and debt, planning and retirement, and information and advice. Thus, this research also aims to identify the level of financial literacy, to analysis the significant difference level of financial literacy among farmer based on gender, age, marital status, race and income and to investigate the correlation factors between financial literacy and demographic among farmer. The findings show that on average the farmers display a medium high level of financial literacy. These researches are quantitative study and make the survey to farmer families at Kampung Bertam Baru. This research provides 40 questions and 155 of the respondents. The researchers used the Statistical Package for Social Science (SPSS) version 20 to analyze and interpret the data collected.

Keywords: Budget, saving, investment, credit and debt, planning and retirement, and information and advice.

ACKNOWLEDGEMENT

First of all, I would like to thank you, Allah, for guide and mercy which has enlightened me with an open heart and mind to successfully go through the obligation of seeking knowledge. Indeed, the Prophet's tradition which said about the hierarchy of man on the side of Allah's eyes, which is the highest level of man, is being knowledgeable, or knowledge seeker, or knowledge listener, or at least knowledge lover, but not others.

Under Graduate study is a very self-handled journey. Through all hurdles, I felt stronger and stronger every time I fall down. The last testament of my wise dad was "Go and seek knowledge with no end!" And it was buried in my heart forever. I started at once upon a time, with my parent who was always beside me to motivate and inspire me to achieve the highest level of knowledgeable man or Ulama.

Sincere hearted thanks go to my beloved family for always support and given the spirit to prepare this research. Then, thanks to my all friends for being very understanding and most of the time being very supportive and entertaining to reduce my stress during this research being conducted.

A deep and sincere appreciation to my wise, helpful supervisor, Ustaz Zawawi Temyati, who has enlightened me up with his priceless wisdom, inspiring advice, constructive comments and cool patience to guide me along the journey for doing this research.

Finally, thank you also recorded for all involved directly or indirectly in helping the researcher prepare this research. Thank you very much too all farmers families at Kampung Bertam Baru that involved in the process of completing this research report. May we all get blessings from Allah SWT. Amin

TABLE OF CONTENTS

CONFIRMATION BY PANEL OF EXAMINERS.....	II
ABSTRACT.....	IV
ACKNOWLEDGEMENT.....	V
TABLE OF CONTENTS	VI
LIST OF TABLES.....	IX
LIST OF FIGURES.....	X
LIST OF SYMBOLS	X
LIST OF ABBREVIATION/NOMENCLATURE.....	X
CHAPTER 1.....	1
INTRODUCTION.....	1
1.1 Introduction.....	1
1.2 Background of the Study.....	2
1.3 Problem Statement	3
1.4 Research Objectives.....	5
1.5 Research Question	5
1.6 Scope and Limitation of the Study.....	5
1.7 Significant of the Study	6
1.7.1 Significance of Researchers.....	6
1.7.2 Significant to Farmers.....	6
1.8 Conceptual Framework.....	7
1.9 Operational Definition	7
1.9.1 Farmer.....	7
1.9.2 Kampung Bertam Baru	8
1.9.3 Financial Literacy	8
1.10 Conclusion	9
CHAPTER 2.....	10
LITERATURE REVIEW	10
2.1 Introduction.....	10
2.2 The Concept of Financial Literacy.....	10
2.2.1 Financial Literacy: Measuring	11