

UNIVERSITI TEKNOLOGI MARA

**FINANCIAL MANAGEMENT BEHAVIOR
AMONG UITM SHAH ALAM STUDENT**

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ABSTRACT

Managing money or financial resources is a crucial skills someone need to acquire. With the vast development in financial sector and technology, financial management skill is a must in order to cope with various financial risk and problems. Increasing amount of bankrupt individual among young generation is the indicator that they are having financial problems. Few sources of news were highlighting this topic in their headlines to let all people especially young generation, aware of this alarming financial scenario that happened in Malaysia. Due to this situation, this research was done aiming for identifying the financial management behaviour among UiTM Shah Alam student. This research used the quantitative approach by distributing sets of questionnaires regarding their financial behaviour and their awareness towards financial literacy. 268 samples are randomly selected form the sample size of approximately 18,000 students. The data were analysed using frequency analysis and one way ANOVA analysis. The results of the survey showed that most of the students were not having a proper financial management behaviour. They were not practising a good financial management in managing their financial resources in their daily life. However, in the aspect of awareness of financial literacy, the mean is quite high. The respondents are aware of the importance of financial knowledge and the consequence of having poor financial management. But in terms of implementation of financial knowledge, the mean is low among the respondent. Recommendation for the implementation of financial education among university student are also highlighted in this research in order to assist young generation in managing their financial resources efficiently.

Keywords: bankruptcy, financial literacy, financial behaviour, financial management, financial education

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CHAPTER 1

INTRODUCTION

1.1 Research Background

Living in this millennial, financial management is an important skills everyone should possess since every single thing are related to financial management. Surviving a challenging lifestyle required a comprehensive and effective financial management skill. As much bad financial habits have been highlighted by numerous party, an action towards overcoming the financial management problems should be taken as soon as possible. According to Mohammad Fazli (2011), most of the first year university students are in critical transition period where they have to manage their financial on their own instead of parents. At this period, students are fully responsible in managing their financial since they have the autonomic power on their personal finance. They have to independently allocate their money based on their preferences by having financial planning, budgeting, savings and others. This is where the financial literacy play its role so that the student can properly manage their personal finance.

To be successful in life, it is important for younger generation to focus on building a strong financial foundation. Good financial management and wide financial knowledge will evoke responsible financial behaviour. Financial behaviour can be related to personal financial management where it is one of the applications of the concept of financial management at the individual level that comprises activities for financial planning, management, and control (Herawati, Candiasa, Yadnyana, & Suharsono, 2018). Financial management did not have a deadline or the age restriction since it can be practiced by all range of age, anytime, anywhere and anyhow.

It has been widely known that financial knowledge has a great impact on nurturing responsible financial behaviour among young generation. Both private and public sector have showed their effort in improving financial literacy among young generation by providing them the essential and necessary knowledge as well as skills which are needed by them to be a good financial manager for their own self. However,