SPENDING BEHAVIOUR AMONG UNIVERSITY STUDENTS: CASE OF UNIVERSITI TUNKU ABDUL RAHMAN (KAMPAR)

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DECLARATION

We hereby declare that:

(1) This undergraduate research project is the end result of our own work and that due acknowledgement has been given in the references to ALL sources of information be they printed, electronic, or personal.

(2) No portion of this research project has been submitted in support of any application for any other degree or qualification of this or any other university, or other institutes of learning.

(3) Equal contribution has been made by each group member in completing the research project.

(4) The word count of this research report is 13466 words.

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PREFACE

This researcher paper is submitted in partial fulfilment of the requirement for Bachelor of Economics (HONS) Financial Economics. This research project unit UBEZ 3026 Undergraduate Project is completed by five Bachelor of Economics (HONS) Financial Economics students to fulfil their degree programme. The title of this research project is Spending Behaviour among University Students: Case of Universiti Tunku Abdul Rahman (Kampar). Our supervisor is Mr. Kuar Lok Sin.

There were many past researcher studies on related to topic of spending behaviour and overspending; however, not much based on university students. Thus, this motivates us to study on this topic. The main objective of this study is to examine the factors affect spending behaviour of university students.

For the following investigation in this research paper, we apply various statistical methods to analyse and understand the significance and relationships of the factors that may affect to spending behavior of students in UTAR, Kampar. The data arrange within this study is primary data collected from conducting a questionnaire in UTAR, Kampar.

Abstract

Today, the bankruptcy rate in Malaysia is rapidly increasing especially among youth. According the data provided by Malaysia Department of Insolvency, number of bankruptcy declaration is on an unstable upward trend since 2015. The population who declared bankruptcy and are below 25 is higher in 2018 compared to 2017, which shows the seriousness of this issue. Poor financial ability can lead to debt and overspending, which are the main causes of this phenomenon. And, since university students are the rising stars of a country, this study choose to focus on this group of people.

This research examines what are the factors affect spending behaviour among university students in Universiti Tunku Abdul Rahman (UTAR), Kampar campus. This study consists of 4 independent variables, knowledge of financial management (KFM), parental income (PInc), peer influence (PI) and personality traits (PT): openness to experience, extroversion and agreeableness and are used to identify the relationship between spending behaviour among university students.

579 sets of questionnaires were analysed through Statistical Package of Social Science (SPSS) 19.0 software. According to results, all independent variables are found to have significant relationship with spending behaviour among university students, except for personality traits: agreeableness. This study also provides some recommendations and feedback on how overspending problem among university students can be reduced, especially for UTAR Kampar campus students.

Therefore, this research will cover on the discussions of these factors and spending behaviour among university students.

CHAPTER 1: INTRODUCTION

1.0 Introduction

This chapter is mainly on making an introduction of the study's background, what drives researchers on studying the topic and objectives of research.

1.1 Research Background

Spending is an activity that most people done every day. In economics, spending is formerly known as consumption, which comes from the word consume. Spending is an act of transferring money into something people wants or needs, it can either be in good form or services form (Carter, 2014). For example, food, shelter, clothing, health care and transportation and etc. The behaviour of spending also differs due to many factors. For instance, age, income, gender, ethnicity, family background, personality and many more.

1.1.1 Psychological perspective of spending

From the psychology side of view, spending is considered as a way of buying happiness or relieving stress. Also, spending habits of people may vary due to stress and enjoyment (Durente & Laran, 2016) which explained that why everyone has a different spending habit. A materialistic person will spend more on luxury compared to a non-materialistic person.

1.1.2 Economics perspective of spending

Based on Anghelanche (2011), consumption can stimulate a country's economy, increase in consumption will increase in GDP. On the other hand, from the perspective of consumer, over spending might create many issues for consumer, such as bankruptcy.

1.1.3 Overspending and debt

Overspending is not just an issue in Malaysia, it is a global phenomenon that people are trying to find solution for it. Rising debt among Malaysian is very worrying specially the youth. When people sink into debt, they tend to blame on the demand of their social life (Cheng, 2014). Youth's reckless spending on obtaining a luxurious lifestyle and following fashion trend cause their debt becomes more and more burden (Diana-Rose & Zariyawati, 2015). In Malaysia, many people still do not understand the seriousness of overspending even though there are many bankruptcy cases around them. Many acknowledged that they have a propensity to use credit card on fulfilling their whims that are unnecessary (Kaur, 2018). According to Becker (2018), there are about 40% of millennials overspend just to keep up to their friends. The short-term spending habits can break their long-term planning, and based on Elkins (2018), many millennials are starting to struggle on holding on to money.

1.1.4 Malaysia bankruptcy rate

According to Malaysia Department of Insolvency (n.d.), bankruptcy happens when a person has officially been declared that he is unable to pay back his debt. An unbelievable amount of bankruptcy rate which is almost 64,632 of Malaysian who aged around 18-44 has declared bankrupt since 2013 and it might be the consequences of overspending (Carvalho, Sivanandam, Rahim & Shagar, 2018).

From 2014 until December of 2018 1.12% of them are under 25 years old. These statistics table only calculated those who have been declared bankruptcy, there are still a lot of youngster who are drowning in debts and are having difficulty in paying back what they owe.

Table 1.1:

TOTAL BANKRUPTCY CASE (AGE GROUP)
FROM 2014 TO DECEMBER 2018

Age group	Year					Total	Percent
	2014	2015	2016	2017	2018		
Below 25	635	122	91	80	139	1,067	1.12
25-34	4,822	4,648	5,183	4,785	4,139	23,577	24.79
35-44	7,641	6,507	6,601	6,241	5,958	32,948	34.64
45-54	6,223	4,744	4,967	4,628	4,022	24,584	25.85
55 and above	2,867	2,299	2,536	2,354	2,106	12,162	12.79
Unknown age	163	137	210	139	118	767	0.81
Total	22,351	18,457	19,588	18,227	16,482	95,105	100.00

Remarks: Individuals under "unknown age" never appear to contact with MDI. Document does not contain any age proof of individuals. (acknowledgement of Police/Soldier)

Source: The Malaysia Department of Insolvency

1.2 Problem statement

Nowadays, the most concerns issues for people is the spending behaviour of the university students that leads to increase in bankruptcy and social problems among younger generation in Malaysia which are often associated with their financial ability (AsiaNews.it, 2018). The university students are lack of financial knowledge which caused by their poor financial management. This will result on reckless on spending, risk of bankruptcy, debt and financial crisis. (Bidwell, 2015). For instance, the poor financial planning has led to 64,632 Malaysians between the ages of 18 and 44 declaring bankruptcy since 2013 (Gazi,

2018). In results, the young people are working every day and night just to remove the burden of debt.

According to minister of Prime Minister's Department Liew Vui Keong, there were 13,036 cases in 2013, 13,098 cases in 2014, 11,277 in 2015, 11,875 in 2016, and 11,106 in 2017 were reported bankruptcy (Carvalho, Sivanandam, Rahim, & Shagar, 2018). The statistics show the problem of poor financing knowledge of Malaysian can leads to a large amount for bankruptcy. Furthermore, Malaysia recorded on average 0.36% of the population declaring bankrupt are slightly higher than the developed countries like Singapore with 0.31% and the United Kingdom with 0.23% (Gazi, 2018). This reflects a negative impact of a nation and the government must be concerned about the spending behaviour of the citizen to reduce the bankruptcy.

On the other hand, the government views bankruptcy among youth as a series problem not only for individual but also the loss to the county. The youths spend without considering the financial ability of themselves and spend the money on some luxury goods to satisfy their own demand. This leads to the problem of increasing burden of debt. In addition, the director general Datuk Abdul Rahman Putra Taha said that Bank Negara is working towards making credit cards less attainable for the younger folks and he advised the public to manage their finances wisely to ensure that they are not get into debt (Khor, 2017). Bank Negara Malaysia tends to help individuals manage their financials accordingly by setting up an agency called Agensi Kaunseling dan Pengurusan Kredit (AKPK) (Andrew, 2014).

Nevertheless, the debt levels of undergraduate students have increased. For the case of the fresh graduate, they have started paying their student loan (PTPTN) that caused the burden of debt is increase. They may not have enough knowledge to manage their credit well and leads to financial problems. The Agensi Kaunseling Dan Pengurusan Kredit (AKPK) stated that 18% of fresh graduate in Malaysia are overspending and do not have any savings in the last six months in year 2014. It was also highlighted that 28% of the 3,540 people

between the ages 20 and 60 who were surveyed by AKPK needed to borrow money to buy essential goods (Ram, 2018). The is because the youths nowadays do not have enough of self-control on financial management that leads to overspending. Besides, overspending will occur many problems such as involving in debt, bankruptcy and lowering the standard of livings. The Finance Minister in Malaysia said that money problems may also have an impact on social issues such as theft, engaging in gangsterism, selling drugs and even suicide (Kurukullam, 2019). Therefore, the spending behaviour of the youth is playing an important role in a nation. Moreover, there are many studies on spending behaviour but not much based university students (Chai, Chia, Fong, Lew & Tan, 2012). As a result, this study is aimed to investigate whether the spending behaviour of students will be influenced by the knowledge of financial management, parental income, peer influence and personality traits among Universiti Tunku Abdul Rahman (UTAR) Kampar foundation and undergraduate students.

1.3 Research Question

1.3.1 General Research Question:

What are the factors that affect spending behaviour among university students?

1.3.2 Specific Research Questions:

i. Is there any significant relationship between **knowledge of financial management** and spending behaviour among university students?

ii.   Is there any significant relationship between **parental income** and spending behaviour among university students?

iii. Is there any significant relationship between **peer influence** and spending behaviour among university students?

iv.   Is there any significant relationship between **personality traits: openness to experience** and spending behaviour among university students?

v.   Is there any significant relationship between **personality traits: extroversion** and spending behaviour among university students?

vi.   Is there any significant relationship between **personality traits: agreeableness** and spending behaviour among university students?

1.4 Research Objectives

1.4.1 General Research Objective:

To determine the factors that affect spending behaviour among university students.

1.4.2 Specific Research Objectives:

a)   To examine the relationship between **knowledge of financial management** and spending behaviour among university students.

b) To examine the relationship between **parental income** and spending behaviour among university students.

c) To examine the relationship between **peer influence** and spending behaviour among university students.

d) To examine the relationship between **personality traits: openness to experience** and spending behaviour among university students.

e) To examine the relationship between **personality traits: extroversion** and spending behaviour among university students.

f) To examine the relationship between **personality traits: agreeableness** and spending behaviour among university students.

1.5 Significance of Study

This study provides an analysis on the factors that will affects the spending behaviour of university students. For instance, knowledge of financial management, parental income, personality traits and peer influence will be investigated to prove on having effect on spending behaviour among university students.

Next, valuable data provided by this study for future researchers who has interested in this related topic (Nano & Llukani, 2015). Since there are different results from previous study for each variable, this study could help to broader researchers' perception on the above factors that affected the spending behaviour of university students.

Although there are many researchers had been studied on the spending behaviour but there are limited of studies that focus on the spending behaviour among the university students (Chai, Chia, Fong, Lew & Tan, 2012). University students are a group of people who should be more concerned by the society and researchers can be inspired to explore deeper into this field.

Furthermore, there are limited studies that investigate knowledge of financial management in Malaysia (Alekam, Salleh & Mokhtar, 2018). This study could draw attention towards this issue and help readers in better understanding on the importance of knowledge of financial management (Nadome, 2014).

Lastly, this study could help the government and some related private sector to be more understanding on spending behaviour among the university students, especially UTAR students. This study also can be a guidance on organizing programs that related to spending to remind the student be aware of their spending that would results in overspending and bankruptcy (Foong, Goh, Kho, Ng & Yau, 2012).

1.6 Structure of study

In our research, Chapter 1 is the overview of the research. We briefly explained and discussed on the background, problem statement, research questions, objectives, significance and structure of study. Second chapter is about literature review. It discussed about the foundation of topic, discussion of theories, concept or model, past studies and the gap of literature review. Relevant sources of academic journals have to be cover in this review. Next, Chapter 3 mentioned about methodology used in this research. Chapter 4 discussed about the results of descriptive analysis, model estimation, diagnostic testing, discussion about the parameters, consistency with theory and expectations. Summary of

study, policy implication, limitation of study, and recommendation for future study are included in the last chapter, Chapter 5.

1.7 Conclusion

In conclusion, this chapter briefly explained on our study background, research and objective for this research. The main purpose of this research is to test the spending behaviour of the university students. There are four independent variables are used to test the relationship with spending behaviour, which is knowledge of financial management, parental income, peer influence, personality traits: openness to experience, extroversion and agreeableness. Last but not least, the following chapter will discuss about the literature review.

CHAPTER 2: Literature Review

2.0 Introduction

Chapter 2 contains of analysed and reviewed of previous literatures. Also, theories applied and discover how the independent variables affect the dependent variables are being discussed in chapter two. Proposed conceptual framework that we adopt on conducting this research and hypotheses made on the study will be mentioned and explained in this chapter.

2.1 Underlying theories

2.1.1 Spending Behaviour

According to Fisk (1959), it stated that there are four theories of spending behaviour, which are Theory of Conspicuous Leisure, Life Cycle Consumption and Law of Consumptions.

Veblen's theory of conspicuous consumption is defined as the competitive and extravagant consumption practices and leisure activities which targeted to indicate membership to superior social class (Patsiaouras & Fichett, 2012). There are a few studies which examined the symbolic role of branded brands and status symbols, as well as the importance of interpersonal relations and rising social mobility

through consumption choices, these have been researched in the marketing and consumer behaviour literature. Nevertheless, researches are limited regarding how the all-encompassing notion of "conspicuous consumption" has advanced since the introduction of the notion in "The Theory of the Leisure Class" by Thorstein Veblen in 1899 (Patsiaouras & Fichett, 2012).

The Life-Cycle Consumption hypothesis framework is the norm way for economists to sort about the intertemporal allocation of time, money, and effort (Browning and Crossley, 2001). According to Ramsey (1982) and Friedman (1957), such framework has a venerable background in the economics profession, with roots in infinite horizon models, and finite horizon models of Fisher (1930) and Modigliani and Brumberg (1954).the breadth, coherence, and depth of this framework are considered to be increased in developments since 1950s, in-order to provide the modern version a precursor to think about the modelling of many life-cycle choices, such as saving, education, consumption, marriage, labour supply, human capital, and fertility, with uncertainty in a rigid way (Browning and Crossley, 2001). Nonetheless, the life-cycle framework is a conceptual framework within which useful models can be developed. In this opinion, the life-cycle model does not exist, only specific models (Browning and Crossley, 2001).

Keynes (1936) proposed in his General Theory "The fundamental psychological law, upon which we are entitled to depend with great confidence both a priori from our knowledge of human nature and from the detailed facts of experience, is that men are disposed, as a rule and on the average, to increase their consumption as their income increases, but not by as much as the increase in their income". Keynes theory has stated an absolute income hypothesis in his Psychological Law of Consumptions which states that when income increases, consumption will increase. However, the increase in consumption will be lesser than income due to diminishing function. Therefore, in order to test on the relationship between parental income and spending habits of university students, we adopt Keynes's

Psychological Law of Consumptions theory in our research. Based on Alimi (2013) study, Marginal Propensity Consume (MPC) is not stable. Also, MPC was found that it did not differ systematically with income as stated by Keynes reduce as income increases. Therefore, it indicates a negative relationship which an increase in income might reduce the spending amount.

2.2 Review of variables-Spending Behaviour

In the society today, the spending behaviour of students became a very important part in a nation on generate the economy of nation by their demand of needs (Bona, 2017). Student's expenses are directly associated to student's resources and they are considered as one of the most important factors in the total spending in a nation. Besides, the financial management of the university students is one of the major concerned by the people. This is because people wish to know how they manage their spending and also paying back on their debts that help them to prevent on bankruptcy (Sorooshian & Teck, 2013).

The youngster in Malaysia are reckless on spending because they didn't consider about their financial ability to satisfy their demand (Alekam, Salleh, & Mokhtar, 2018). They tend to spend money without valuing the price as they are demanding on luxury lifestyle. Students spending behaviour has been identified as an important component of total consumer spending in United States. Ring (1997) stated that the full-time students spent $23 billion on the essential goods such as books, tuition, food and rental fees. Whereas another $7 billion was spent on nonessential goods which is accessories, fashion and entertainment.

According to Idris, Krishnan, and Azmi (2013), the youngster today is more likely to be protected by their parents from the realities of the society today. This will result in the young generations' have no enough ability to face the real condition while it is happened.

This situation is trusted based on the data that recorded the increasing on obtaining credit cards, which caused many issues of bankruptcy due to overspending in credit card usage among the youth. So, the spending behaviour of students have been affected by various factor that will result in positive or negative issue.

According to social learning theory, spending habits is influence by parents and other influential individuals. The spending behaviour will pass from generation to generation. Therefore, the parental income could affect the spending behaviour of students. Heck (1984) found that students who received higher pocket money from their parents tend to spend more to meet their needs compared to those who receive less pocket money. Nowadays, university students are willing to spend more if they received high pocket money, and they have low levels of financial literacy (Hira & Brinkman, 1992).

Moreover, the spending behaviour of students might affect by peer influent (Gulati, 2017). This is because the time of student spent are longer nowadays. The teenagers will follow the trend by most of their peer are doing because they wish to fit in or liked by their peer in a group. It will influence the spending behaviour of teenagers. On the other hand, Duflo and Saez (2001) said that people who have same preference are more likely to have the same spending behaviour due to the peer will influence each another. Laible Carlo and Roesch (2004) stated that the youth are direct or indirectly affects by their friend.

Next, the personal traits might influence the spending behaviour of students (Black, 2017). Personality traits can be influence people's on making decision on spending. In the personal traits, there are 5 factors which is social character, compliance, aggressive, ethnocentrism and dogmatism that can affect the spending behaviour. Those factors can lead to positive or negative impact on spending behaviour (Muniady, Al- Mamun, Permarupan & Zainol, 2014). The people who is more discipline on spending, then they will tend to spend less. If people who is less discipline, then they will tend to spend more.

Nevertheless, the knowledge of financial management also will affect the spending behaviour. The students who have more knowledge about financial responsibility and status might not easily get involve in debt (Norvilitis, 2006). The university students do not have a budget based on their spending. For instance, there are some students did not know how much they would owe in student loans when they graduate (Micomonaco 2003). So, the students have more knowledge in financial management tend to be more smartly in spending compared to the students who have less knowledge of financial management.

2.2.1 Review of variables (*Knowledge of Financial Management*)

One's ability to manage their financial behaviour is essential for being successful in life. Financial literacy has been identified as one of the main determinants of one's financial satisfaction and spending pattern (Falahati, Sabri, & Paim, 2012). The ability of one to process the economic conditions and do informed decisions on wealth accumulation, managing debts, financial planning, and pensions is said to be financial literacy (Lusardi & Mitchell, 2014). Based on the study of Albeerdy and Gharleghi (2015), financial literacy can be explained as the well preparation of an individual to apply informed judgements yet taking constructive decisions on how to manage and use money.

Young adults, especially university students received more education on financial management from financial educators as they have easier access to educating sources. However, they would carry a considerable debt load and financial problems within the period where they have just started working with low salaries (Vyvyan, Blue, & Brimble, 2014). Therefore, financial literacy guides a person to administer the surplus and deficit of money, particularly among young people's era to apply financial decisions for better future planning. At the same time, to have excess savings for their retirement phase. In accordance to Falahati, Sabri, & Paim

(2012), the result of the research shows that it has indirect and positive effect between financial literacy and spending behaviour, which indicates that students have better financial habits and lower level of financial strain with higher level of financial management knowledge.

The Malaysia Department of Insolvency shows that there are 303,415 cases of bankruptcy at the end of 2018. Empirical studies in other Asian countries have pointed to the negative spending behaviour impact of increasing knowledge of financial management. Example, Shahryar and Tan (2014) stated that lack of knowledge by young generation on financial awareness will result to inefficiency on finance when adulthood is attained and leads to financial illiteracy. Similar evidence where the researcher found out that young individuals begin to learn about finance since childhood will have the best possible chance to be free from debts in adulthood (Bona, 2018). Therefore, educating one with financial knowledge is important despite their ages, it is suggested that children should be brought up with basic financial related education until they reach university age in-order to ensure enough knowledge has been spread wisely before entering adulthood. This may help to decrease the number of bankruptcy cases of the country.

According to Gutter, Copur & Garisson (2010) and Robb & Woodyard (2011), they stated that financial literacy has a direct effect on financial behaviour with a negative relationship. It resulted in the improvement of financial knowledge is the way to gain empowerment and life quality. Therefore, when students are more knowledgeable on the concept of financial management, they will be able to make better financial decisions. It can be seen from their capability in managing their own personal finance, and to have better investment planning. However, based on Herawati, Candiasa, Yadnyana, & Suharsono (2018) and Falahati, Sabri, & Paim (2012) findings, it shows that level of financial management has a positive relationship with spending behaviour, while Vyvyan, Blue, & Brimble (2014) stated that financial literacy has no effect on spending behaviour.

Table 2.1: Summary of Knowledge of Financial Management Literature Review

Author	Year	Title	Relationship
J. T. C. Bona	2018	Factors affecting the spending behaviour of college students.	Negative relationship between level of financial management and spending behaviour.
Michael S. Gutter, Zeynep Copur and Selena Garrison	2010	Financial capabilities of college students from states with varying financial education policies.	
Cliff A. Robb and Ann S. Woodyard	2011	Financial knowledge and best practice behaviour.	
Shahryar Sorooshian and Tan Seng Teck	2014	Spending behaviour of a case of Asian university students.	
Nyoman Trisna Herawati, Imade made Candiasa, I Ketut Yadnyana and Naswan Suharsono	2018	Factors That Influence Financial Behaviour Among Accounting Students in Bali.	Positive relationship between level of financial management and spending behaviour.
Leila Falahati, Mohamad Fazli Sabri and Laily H.J. Paim	2012	Assessment a model of financial satisfaction predictors: Examining the mediate effect of financial behaviour and financial strain.	
Victoria Vyvyan, Levon Blue and Mark Brimble	2014	Factors that influence financial capability and effectiveness: Exploring financial counsellors' perspectives.	No relationship between level of financial management and spending behaviour.

H1 = There is a significant relationship between knowledge of financial management and spending behaviour among university students.

2.2.2 Review of variables (*Parental Income)*

According to Mayer (2012), there are many studies found that parental income and children's outcome have significant relationship. Despite that, based on Furnham (1999) study, majority of university students at the age range of 18-25 still depends on parents for pocket money as most of them are pursuing full time studies, only a minority of students work as a part-timer. This shows that there are majority of the students have zero earning and their allowances and purchasing power rely of their parents. According to Belzer (2014), high parental income is expected to give children higher allowance/pocket money. Yet, the connection between parental income and spending habits of university students is investigated in this study.

Based on the study of Nano, Llukani & Polo (2015), addition in parental income will leads to the amount of students' spending increase. Students with higher parental income are found to spend more money and less on savings. This is because the allowance students received from parents represents their purchasing power. Also, based on the study done by Nano & Llukani (2015), students who have higher parental income tend to save lesser and spend more as they think that money comes easily. Students with higher parental income are more likely to own a poor financial behaviour, because they spend impulsively and recklessly without planning. And, based on a research of Salikin, Masruki, Zakaria, Wahab & Nordin (2013), the results are similar with other previous study which that students with higher parental income tend to spend more save less, because they think that they can rely on their parents.

However, Mayer (2002) has obtained a contrasting result. This study detected a negative relationship between these two variables. When the parental income increase, spending of children tend to decrease. During the stage of university, majority of students still rely on parents for allowances. For example, family who used to have lower income level, when their income increase, their spending does not always increase along (Mayer, 2002). This is because the behaviour and mindset of themselves that were trained since young, which leads to a situation where even when their parental income increase, children tend to save more spend less. Thus, parental income and spending behaviour grow in a different direction.

Based on previous studies that done by other researchers, we can see that most of the results are found to be positive relationship between parental income and spending behaviour of students, only a small number of studies found negative relationship.

Table 2.2: Summary of Parental Income Literature Review

Author	Year	Title	Result
Salikin, Masruki, Zakaria, Wahab & Nordin	2013	Students' Saving Attitude: Does Parent Background Matter?	Positive relationship between parental income and spending behaviour
Nano, Llukani & Polo	2015	The Impact of Family Income on Students Financial Attitude	
Nano & Llukani	2015	Does Students Financial Behaviour differ based on Parental Income	
Mayer	2002	The Influence of Parental Income on Children's Outcomes	Negative relationship between parental income and spending behaviour

H2 = There is a significant relationship between parental income and spending behaviour among university students.

2.2.3 Review of variables *(Peer Influence)*

In our study, peer influences are one of the reasons affect spending behaviour of students. As a child grow to become young adult, several patterns of purchasing intentions and behaviours will undergo formation and change. Makgosa & Mohube (2017), stated that peer play an important role to influence one's person attitudes, thoughts and actions because students spend most of the time with peer at college. Nowadays, peer pressure can be said as a social phenomenon. People such as

teenager and adolescents are more vulnerable to peer pressure because the mind is not yet mature and still in development.

According to a research by Mohamad, Rashid, Baharuddin & Mansor (2016), they examined the relationship between spending behaviour and peer influence by distributed questionnaire. According to the data received from 300 students in University Technology MARA Terengganu (UiTM) it shows that the Pearson correlation between peer and spending behaviour attitude is positive. From the analysis, it found that all factor has a significant positive relationship with spending behaviour. Thus, peer play significant role in influencing the spending attitude among the students of UiTM. However, after children entering adolescent, peer have an increasing influence on their attitudes, belief and behaviour. This is because, student gain autonomy from their parents after entered university or college and their behaviour are similarities with their friends. So, the influences of peer even more important than parents (Armağan & Çetin, 2013).

Besides, young teenager will gather information or opinion from friend before making purchases. Based on a research investigated by Gulati (2017), consumer spend more money when they shop with their as compare to shop alone. This is because, when shopping with friends they will seek information, complying with the preference of others, and adopting values of friends to make decision of spending behaviour. In fact, young teenagers do not care about the price of product in as much as approved by their peer. Again, there is a strong relationship between peer influences and spending behaviour (Abrar, n.d.).

Another research conducted by Khan, Kamal & Saleem (2016), to examined peer do influence young adults' product purchase decision by using different analysis techniques such as comparisons of means, analysis of variance and LSD. Based on the ANOVA results showing that peer show a significant p-value at 5% level of

significant level, which mean that the consistent means values across the sample support the hypothesis that peer will influence young adult's product purchase decisions in Pakistan. In addition, Chang & Nguyen (2018) and Gillani (2012) has stated that the more peer pressure there is, the more consumers are likely to follow their friends to buy certain products, thus will increase spending behaviour. Adolescent are often vulnerable to peer pressure and tend to make decisions and develop behaviour that meet peer expectation. As a parents or guardian, they are responsibility instill right values to their children so that children can get self-confidence and make independent choices regardless peers' opinion (Akpan & Nkan, 2013).

On a different point of view, there are only one researcher proved that the relationship between peer and spending behaviour should be negative relationship. A study by Jamal, Ramlan, Karim, Mohidin and Osman (2015) shown that the individual with similar preferences tend to belong to the same group, thus creating a relationship between peer and spending behaviour. They concluded that peer influence play an important role in retirement savings decisions of university employees in the United States. When the increase in saving behaviour, people tend to spend less. Therefore, their spending behaviour and knowledge will be automatically influence by peer.

Lastly, from the previous researches that have done by other investigators, we can know that most of the result found to be positively correlation between peer influences and spending behaviour of students, only one journal proved that the result of negatively correlation between peer influences and spending behaviour of students. Thus, this study aims to find out the connection between peer influences and spending habits among UTAR Kampar's foundation and undergraduates' students.

Table 2.3: Summary of Peer Influence Literature Review

Author	Year	Tittle	Result
Abrar	n.d.	Effects of Young Adults Purchase Behaviour on Market Enviroment.	Positive relationship between peer influences and spending behaviour
Armağan & Çetin	2013	Peer communication and impacts on purchasing decisions: An application on teenagers	
Akpan & Nkan	2013	Effect of Peers on Privately Consumed Clothing Items of Female Students in a Nigerian University.	
Chang & Nguyen	2018	Peer pressure and its influence on consumers in Taiwan.	
Gillani	2012	Impact of peer pressure and store atmosphere on purchase intention: An empirical study on the youngsters in Pakistan.	
Khan, Kamal & Salem	2016	Peer Influence on Young Adults' Products Purchase Decisions.	
Makgosa & Mohube	2007	Peer influence on young adults' products purchase decisions.	
Mohamad, Rashid, Baharuddin & Mansor	2016	Antecedent Affecting Spending Attitudes: A Case of Malaysian University Students.	
Shruti Gulati	2017	Impact of peer pressure on buying behaviour.	
Jamal, Ramlan, Karim, Mohidin & Osman	2015	The effects of social influence and financial literacy on savings behaviour: A study on students of higher	Negative relationship between peer influences and spending behaviour

H3 = There is a significant relationship between peer influence and spending behaviour among university students.

2.2.4 Review of variables *(Personality traits)*

Personality traits is the habitual pattern and characteristics or the pattern of thought, emotion, and behaviour of individual (Mullanattom, 1993). Personality traits is a sustaining pattern of understanding and considering about the environment and oneself. According to the studied of Kanodia & Sache (2016) had pointed to the personality can be postulated by four assumption. First, personality traits are differed among every individual like some people are sociable and some people are antisocial. Second, personality traits are relatively stable and constant over a period of time. Third, personality traits may change by different situation and other factors. Last, personality traits may influence an individual's behaviour.

The groups of personality traits are known as personality factors or dimensions of personality and it play a positively role in any individual' s development (Agbo, Akhimien & Orji, 2014). As mentioned at above, personality could influence another individual's behaviour through the consumer satisfaction, self-concept, social class, life style and life cycle. Thus, personality types are one of the important factors that influencing buying decisions (Gangai & Agrawal, 2016).

Orji, Sabo, Abubakar & Usman (2017) explained that personality types were determined in terms of the Big Five factors and the models were the most generally accepted model to measure or determine personality in research (Nunes, Limpo, Lima & Castro, 2018). Lewis Goldberg's personality theory also known as "OCEAN Model" or "Five Factor Model". OCEAN model namely: Openness to experiences, Conscientiousness, Extroversion, Agreeableness and Neuroticism

(Soto, John, Gosling & Potter, 2008). Another two personalities researcher, Costa & McCrae (2012), who confirmed the validity of this model.

Based on the research of Crosby & Grossbart (1984) and Kassarjian (1971) stated that were low correlation between personality traits and spending behaviour. Personality trait will not directly affect consumer's spending behaviour. They suggested that the consumer's spending behaviour might affect by the personality combined with others factor or variable. In contrast, several researches have been conducted over the influences of personality traits in consumer's spending behaviour. Such as Tsao & Chang (2010), Tan, Foo & Kwek (2004), Kwak, Jaju & Zinkhan (2014) and Agbo, Akhimien & Orji (2014). All of them confirmed personality traits are important variables for explaining and studying spending behaviours. Each of these researchers supported that three of the big five traits (agreeableness, extroversion, openness to experiences) were highly influenced consumers' spending behaviour.

2.2.4.1 Openness to experiences

Nunes, Limpo, Lima & Castro (2018) explained that individual who exhibit Openness to Experience would include certain characteristics such as creative, flexible, sensitive, imaginative and artistically. Besides, Richard (2005) stated that openness to experience can be divided into two level. The person who at low level of openness to experience will unintelligent, imperceptive, unanalytical and unimaginative. These several characteristics would lead to low spending since he or she do not willing to try or accept the new things. Moreover, the person with high level of openness to experience are intelligent, perceptive, analytical, imaginative. Due to his or her mind are willing to try any new things and willing to

accept new fields, so he or she will spend more money and time on trying it. Review across numerous studies conducted by Tsao & Chang (2010) and Tan, Foo & Kwek (2004) revealed that personality traits and spending behaviour were highly correlated. Each of these researchers supported that an individual who more openness to experiences were highly influenced consumers' spending behaviour. Moreover, people who exhibit more openness to experience tendency to be seek out fun, excitement, and enjoyment during spending process (Tsao & Chang, 2010).

2.2.4.2 Extroversion

Extroversion means that the individual is adventurous, assertive, sociable, enthusiastic and lively (Nunes, Limpo, Lima & Castro, 2018). In 1940, according to psychologist, Hans Eysenck hypothesized that there were only two specific personality traits which extroversion and neuroticism. And he stated that individuals could be high or low on each of these traits. In low level of extroversion, individual is introverted, unenergetic, silent, unenthusiastic and timid. On the other hand, the person with high level of extroversion will more extroverted, energetic, talkative, enthusiastic and bold. Referred to Kwak, Jaju & Zinkhan (2014) studied, the traits of extroversion and spending behaviour were highly correlated. They supported that extroversion was highly affected consumers' spending behaviour. In other words, an individual who more extroverted would spend more on activity.

2.2.4.3 Agreeableness

Individual who exhibit agreeable would aggressive, considerate, generous, and tolerant. As Richard (2015) explained that an individual who was low agreeable will cold, unkind, uncooperative, selfish and rude. On the other hand, the individual who was more agreeable will make other people feel warm, compassionate, more cooperative and good-natured. Moreover, Agbo, Akhimien & Orji (2014) revealed that one of the personality traits which agreeableness and spending behaviour were closely correlated. Each of these researchers stated that agreeableness was significant to change consumers' spending behaviour. The research of Orji, Sabo, Abubakar & Usman (2017) found a linkage between aggressiveness on consumer's buying behaviour of textile materials in South Eastern Nigeria. As the result, the personality trait of agreeableness was closely relevant explanatory concept for the study of consumption of goods and services. In 2015, Udo-Imeh chose two universities in Cross River shown that the personality traits and he carried out that the agreeableness had the strongest effect on student's spending behaviour. In contrast, emotional stability had the least influence on student's spending behaviour.

In addition, student with certain personality traits might dominate others as a result of which people are labelled as friendly, obnoxious, aloof or complaint. Negative personality had negative relationship on spending behaviour. Example, Elmastas & Candan (2018) stated that consumer complaint behaviour might reduce their spending since the products and services not achieved their satisfaction.

Lastly, the purpose of this study is to find out the relationship between personality traits (agreeableness, extroversion and openness to experiences) and spending habits among Univerisiti Tunku Abdul Rahman students.

Table 2.4: Summary of Personality Traits Literature Review

Authors	Year	Title	Result
Kassarjian	1971	Personality and consumer behaviour: A review	Positive relationship between personality traits and spending behaviour.
Crosby & Grossbart	1984	A blueprint for consumer behaviour research on personality. ACR North American Advances.	
Mullanattom	1993	Personality	
Tan, Foo & Kwek	2004	The Effects of Customer Personality Traits on The Display of Positive Emotions	
Richard	2005	The Leadership Experience	
Soto, John, Gosling & Potter	2008	The developmental psychometrics of Big Five self-reports: Acquiescence, factor structure, coherence, and differentiation from ages 10 to 20	
Tsao & Chang	2010	Exploring the Impact of Personality Traits on Online Shopping Behaviour	
Costa & McCrae	2012	The Five-Factor Model, Five-Factor Theory, and Interpersonal Psychology	
Kwak, Jaju & Zinkhan	2014	Astrology: Its Influence on Consumers' Buying Patterns and Consumers' Evaluations of Products and Services	

Agbo, Akhimien & Orji	2014	Assessing the Relationship between Personality Factors and Consumer Buying Behaviour in South Eastern Nigeria	
Udo-Imeh	2015	Influence of Personality on the Buying Behaviour of Undergraduate Students in Universities in Cross River State, Nigeria	
Kanodia & Sache	2016	Trait Theories of Leadership	
Gangai & Agrawal	2016	The Influence of Personality Traits on Consumer Impulsive Buying Behaviour.	
Orji, Sabo, Abubakar, & Usman	2017	Impact of Personality Factors on Consumer Buying Behaviour Towards Textile Materials in South Eastern Nigeria.	
Nunes, Limpo, Lima & Castro	2018	Short scales for the assessment of personality traits: development and validation of the Portuguese Ten-Item Personality Inventory (TIPI)	
Elmastas & Candan	2018	A Study on the Relationship between Personality Traits and Consumer Complaint Behaviour.	Negative relationship between personality traits and spending behaviour.

H4: There is significant relationship between Personality Traits: Openness to Experience and spending behaviour among university students

H5: There is significant relationship between Personality Traits: Extroversion and spending behaviour among university students

H6: There is significant relationship between Personality Traits: Agreeableness and spending behaviour among university students

2.3 Proposed Conceptual Framework

Based on our evaluated on previous literatures and theories that are available, we have found many factors that may influence the spending habits of university students. However, we have chosen these four from many as the main independent variables of our research, which is knowledge of literacy, parental income, personal traits and peer influence in order to determine students' spending behaviour. The table below shows the conceptual framework constructed to test the relationship between independent variables and dependent variables.

Figure 2.1: Proposed Conceptual Framework
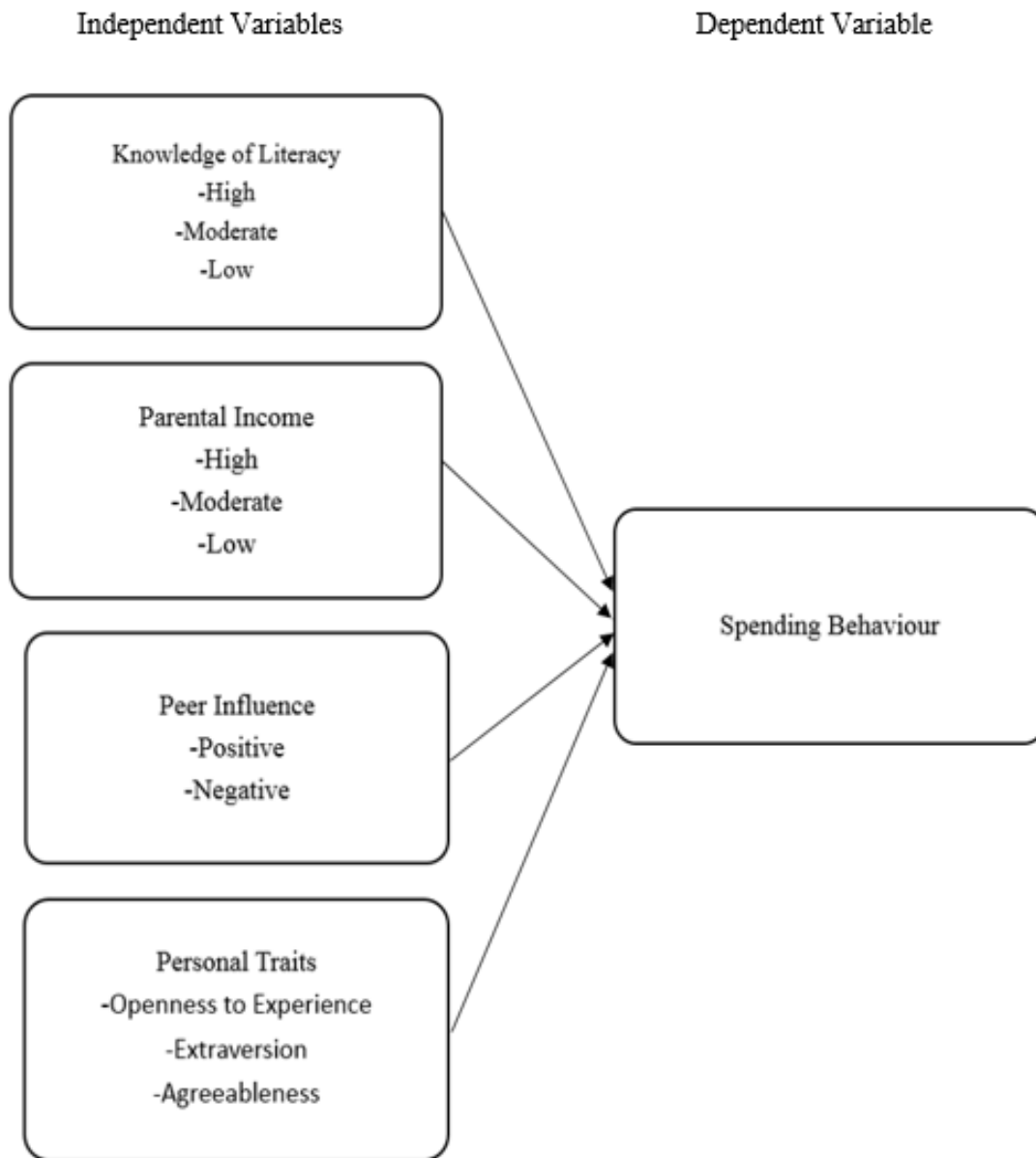
Source: developed for research

CHAPTER 3: METHODOLOGY

3.0 Introduction

The suitable methodologies and technique will be chosen to apply in this study based on how variables affect the spending habits of university students in UTAR Kampar.

3.1 Research Design

Method and procedures outline planned for a study is refer as research design (Dulock, 1993). The research intentions to give an understanding on how knowledge of financial management, parental income, peer influence and personality traits affect the spending behaviour of university students.

3.1.1 Qualitative Research and Quantitative Research

Qualitative research was primarily exploratory data analysis that used in this study. Based on Sorooshian & Teck (2013) pointed that the qualitative research used to enhance a comprehending of the underlying reasons, opinions and behaviour.

Besides, qualitative research also may base on the experience and observations during the past years of studying. To enrich the study, qualitative research provided perception into the study to develop hypotheses for possible quantitative research (Malhotra, 2010). Moreover, it also used to revert trends by opinions and concepts, and deeper understands into the study.

Quantitative analytical method used to quantify the data and problem by statistical analysis (Malhotra, 2010). According to Creswell (2018) stated that the quantitative research used to quantify attitudes, behaviours, and other related variables. It measured data to formula and discovers variety patterns in research. Therefore, it summarized results from a larger sample population and the results from quantitative research can be predictive and confirming. The way of quantitative data collection involved varieties of survey, such as paper survey, online survey and mobile surveys. Paper survey and face-to-face interview were the main methods that used in this study.

3.1.2 Descriptive Research

Descriptive research provides significant information about the population or phenomenon being studied (Swatzell & Jennings, 2007). Its purpose is to explain what is common, prevalent, or already exists in a population, not to predict or manipulate an outcome. Besides that, its major goal is to solve the questions, who, what, when, where, and how in-order to better understand in data collection for research investigations (Swatzell & Jennings, 2007). There are three ways to analyze results in descriptive studies, which are comparing percentages, comparing means, and correlating variables (Nassaji, 2015). Hence, descriptive method is adopted to describe UTAR Kampar students' spending behaviour.

3.2 Data Collection method

Ways of data collection can be differentiated into primary and secondary data. First hand sources collection of data by researchers are primary data. For the primary data, there are a few methods to collect data such as survey, interviews, questionnaire and observation whereas, secondary data is data provided by previous researchers. Data retrieved from journal, articles, book, magazine and so on is secondary data.

3.2.1 Primary data

In this research, researchers are using the primary data as the main sources of the data collection method. The collection of this study's primary data is through distributing our questionnaires to target respondent. In addition, the question has separate into three section: Section A, B and C (explain the design of questionnaire). Lastly, the data from questionnaires will be transfer to Statistical Package for Social Sciences Version 19.0 (SPSS) descriptive and analysis.

3.3 Sampling design

During this vital stage of research process, researches must choose the correct sampling design to avoid problem occur and generate a reliable research report. Selection of

participants will take a broad view of the population chosen on their findings. Moreover, sampling stage of the research process, will affect the outcome of the entire project.

3.3.1 Target population

Target population is the targeted group of people which is important for data collection, analysis and make conclusion. For this research, target population are students from UTAR Kampar.

3.3.2 Sampling Frame and Sampling Location

Sampling frame refers to selected units from a sample. The major consideration of deciding upon a file to serve as a source for a sample to conduct a survey is the target population covered by the frame (DiGaetano, 2013). The respondents of this study are the foundation students and undergraduates of UTAR Kampar and the location is UTAR Kampar. Reason that this study only focused on UTAR, Kampar campus is because there are more than 10,000 students in UTAR Kampar, and it is the main campus. Also, Kampar Campus has higher population compared to Sg. Long campus. Therefore, the sampling location will in the campus of UTAR Kampar to conduct survey regarding the spending behaviour of the students.

3.3.3 Sampling Elements

To complete this research, only foundation and undergraduates' students from UTAR Kampar will be randomly select as target audiences of this survey. This survey will be conducting through online and paper survey.

3.3.4 Sampling Technique

Sampling technique is used for choosing the sample group from the population (Taherdoost, 2016). Generally, sampling techniques can be categorized into two, probability sampling and non-probability sampling (Alvi, 2016). Every item in the population has an equal chance of being selected called probability sampling (Alvi, 2016). Non-probability sampling is a technique where the samples are randomly collected without providing equal chances tp the participants (Malhotra, 2014).

Sampling technique applied in this research is convenience sampling which is one of the non-probability sampling methods. This is because it could collect data easier and able to reduce the risk of bad response rate. Taherdoost (2016) had explained that the superiority of the convenience sampling is cost and time saving.

3.3.5 Sampling Size

According to Boddy (2016) study, larger sample size is needed for qualitative research in order to obtain a result of high accuracy. Based on Hill (2012) research, Roscoe (1975) says that a 30-500 sample size is preferred for behavioural research.

This is because sample size larger than 30 can ensure the central limit theorem, which indicates the distribution is normal. (Kwak & Kim, 2017). Other than that, a sample size of 500 can assure the error detected doesn't exceed 10% of standard deviation of all time. Krejcie & Morgan (1970) has proposed a minimum sample size formula. The formula is as below:

Formula 3.1: Sample size formula

$$S = \frac{X^2 NP\,(1-P)}{d^2(N-1)+X^2 P(1-P)}$$

S = required sample size

X^2 = the table value of chi-square for one degree of freedom at the desired confidence level ($X^2 = 3.841$)

N = the population size

P = the population proportion (assumed to be 0.50 since this would provide the maximum sample size)

d = the degree of accuracy expressed as a proportion (0.05)

By using this formula in calculating the sample size for this study, at least **372** questionnaires are needed to acquire a precise data.

3.4 Research Instrument

In this study, questionnaire has been selected to acquire data from target audiences. Questionnaire is a set of questions that adapted from previous studies which are related to the research topic and conduct into questions to test the effect of variables of this study. In our questionnaire, measurement scale such as Likert-Five Scale is mainly used.

Since this study has a large sampling frame, the use of questionnaire is preferred. The study can be carried out more efficiently and effectively with the aid of both online and paper survey. The questionnaire will be published on UTAR Kampar Facebook group and will be distributed around campus to any students that fulfill requirements.

3.4.1 Research Design

The questionnaire is divided into 3 section, whereby Section A is questions for independent variables, section B is for our dependent variable and the last section is demographic information.

Section A involves measurement towards the four factors that affect spending behaviour among university students. These four factors are knowledge of financial management, parental income, peer influence and personality traits. Likert-Five scale is applied in this section for respondent to choose a prefer answer.

Next, in section B, questions are designed to seek on the opinions and perspectives of respondents towards spending behaviour among university students. Liker-Five scale is used in this part.

In the last section, section C, asked about respondents' demographic information. This section consists of questions that required respondents to answer, such as gender, age, ethnicity, current year of study, faculty of study, parents' total income,

part-time and monthly allowance. Respondents' demographic profile can be acquired more accurately through this section.

3.4.2 Pilot Test

Before the questionnaire is published, pilot test is conducted to test on reliability and understandable of questionnaire. Pilot test is known as a pre-test that done in a preparation stage for a main study (Teijlingen & Hundley, 2001). According to Hassan, Schattner & Mazza (2006), pilot test is an essential stage of a study because it can be used to diagnose the feasibility and reliability of questions. Based on Connelly (2008) study, 10% of the total sample size of study is suggested for pilot testing. The total questionnaire needed for an accurate data of this study is minimum of 372, therefore at least 37 questionnaires are needed to be done in pilot test. This stage allows researchers to remove the ambiguities and collect comments from respondents so that questionnaire can be improved and become clearer and precise (Chai, Chia, Fong, Lew & Tan, 2012).

There is no much feedback received and the reliability of the pilot test is acceptable.

3.5 Constructs Measurement

Measurement cam be explained as ways of determining the level of variables. According to Simon & Goes (2013), there are four level of measurement scales commonly apply in

research study. However, only nominal, ordinal and Likert-Five scale are adapted in this research.

3.5.1 Nominal Scale

This scale was only applicable for qualitative research (Marateb, Mansourian, Adibi & Farina, 2014). Nominal scale is a classification variable without any numerical value, such as, gender. Respondents may be classified as "male" or "female", but neither value represents more or less "gender" than the other.

3.5.2 Ordinal Scale

This scale refers to a grading system that helps to determine greater or lesser, without the amount "0" (Musvoto & Gouws, 2009). Also, according to Sawamura, Morishita & Ishigooka (2014), it is a type of order preferences and only consist of positive integer. Ordinal scale is applied in section C which is demographic information section.

3.5.3 Likert Five Scale

This approach is a 5-point rating system, strongly disagree to strongly agree. Respondents need to rate the level of agreement between 5 score for each statement

provided based on their preferences (Krabbe, 2017). Reason why Likert scale is chosen as the measurement is it can represent a level of agreement towards a statement and it allows a neutral response (Tullis & Albert, 2013).

3.6 Data Processing

Saunders, Lewis & Thornhill (2009) explained this stage performs translate collected data into usable information. Data process could ensure that the questionnaires received fulfil the requirements of the study. Therefore, this part consists of questionnaires review, edition, coding, transcription and cleansing of data (Malhotra, 2010).

3.6.1 Questionnaire Checking

The initial step of questionnaire checking involves reviewing and examining the questionnaire for completeness (Bajpai, 2011). At this point, the collected questionnaires have to be examined and reviewed to determine the quality of the responses (Malhotra, 2012). This is because some respondents did not pay much attention to every question on this questionnaire.

3.6.2 Data Editing

The second stage of the data processing process is data editing, it serves to ensure and raise the accuracy of the data from respondents (Malhotra, 2007). Data editing

able to recheck the unsatisfied results from the respondents. Thus, this process able to avoid some errors especially human carelessness (Zikmund, 2009).

3.6.3 Coding Data

Data coding consists to assign a code to each option for the questions (Saunders et al., 2009). The purpose of data coding is bringing out the meaning of the data that respondents provided. The coding process includes data interpreting, data assorting, data recording and data transferring to the data storage media.

3.6.4 Data Transcribing

Data transcribing divert collected data into different coding for further processing (Malhotra, 2010). It is a process of downloading the collected data and converting it into the Microsoft Excel spreadsheet format (Amanda, Chia, Choong & Foo, 2017) and run in Statistical Package of Social Science (SPSS) software for data analysis 19.0.

3.6.5 Data Cleaning

Based on Lam, Lee, Ong & Tan (2017) study, data cleaning is the last stage of process, whereby missing data will be fix and examine data. In this study, there are some absence of data which respondents did not provide any answers. Data that is

lack of constancy will need to be identify and make corrections before going on to the next stage.

3.7 Data Analysis

579 sets of surveys are examined through Statistical Package of Social Science (SPSS) 19.0.

3.7.1 Descriptive Analysis

This analysis helps to process primary data into generate descriptive information (Zikmund, 2003). It provides a summary about the sample such as frequency, mean, mode and median. (Burns & Bush, 2014).

3.7.2 Scale measurement

3.7.2.1 Reliability test

Rosaroso (2015) stated that reliability trial is to measure the reliability and stability of data. The value usually falls within 0 and 1; higher the value within the range;

the test is more reliable. Thus, the relationship between variables can be measured by Cronbach's Alpha.

Table 3.1: Rules of Thumb of Cronbach's Alpha Coefficient Size

Alpha coefficient Range	Strength of association
= 0.9	Excellent
0.8 to < 0.9	Very Good
0.7 to < 0.8	Good
0.6 to < 0.7	Moderate
<0.6	Poor

3.7.3 Inferential Analysis

3.7.3.1 Pearson's Correlation Analysis

This analysis defined how strong the interrelation between two variables (Saunders et al., 2009). Moreover, coefficient values lie between negative (–) to positive (+), with a negative indicating a lesser relationship while the positive indicating a very close relationship between the variables. There is 95% of confidence level in this test and based on Malhotra (2007), reject H0 when p value<0.05. When, p > 0.05, do not reject H0.

3.7.3.2 Multiple Regression Analysis

Tranmer & Elliot (2008) stated that multiple regression analysis can determine relationship between variables. The equation is as below:

Equation 3.1: Multiple regression analysis equation

$$Y = a + b1X1 + b2X2 + b3X3 + b4X4 + \ldots + bkXk$$

Following is the equation developed for this study:

Equation 3.2: Multiple regression analysis equation for this study

$$SB = a + b1(FM) + b2(PI) + b3(P) + b4(PT)$$

Says,

SB = Spending behaviour

a = constant

FM = knowledge of financial management

PI = Parental income

P = Peer influences

PT = Personality traits

3.7.3.3 Heteroscedasticity – Glejser Test

According to Glejser (1969), Glejser test is famous in detecting heteroscedasticity problem. Heteroscedasticity happens when the variance of error is not constant

across the model. This means that the estimation of regression will not be consistent. When p-value>0.05, it shows no heteroscedasticity problem detected; if p-value<0.05, heteroscedasticity is detected.

Also, it can be seen from scatterplot. If majority of the dots falls near the horizontal line or the x-axis, it means that there is no heteroscedasticity detected. As spreading dots means the value of variance is different.

3.7.3.4 ANOVA

Analysis of variance (ANOVA) can detect the difference between experimental group mean. Basically, ANOVA can test on the relationship between variables (Sawyer, n.d.). One of the assumptions of ANOVA is that the model must be normally distributed. When p-value<0.05, significant relationship is found between variables; if p-value>0.05, there is insignificant relationship found.

3.7.3.5 Multicollinearity

Multicollinearity is more than one variable found to be correlated. This can cause the results of variables could be overlapped and therefore miscalculations. In this study, multicollinearity can be diagnosed by variance important factor (VIF) and tolerance. Based on Yoo, Mayberry, Bae, Singh, He & Lillard (2014), there no formal rules about VIF, however if value of VIF is greater than 10, it is unacceptable. Then, if the value of tolerance is more than 0.1, it can say that multicollinearity assumptions are not violated.

3.7.3.6 Normality Probability Distribution

To ensure a model is normally distributed, P-P plot and histogram can be applied. If the dots on P-P plot is majority gather near the line, it indicates that it is normally distributed. Another method is histogram. Based on Bong, Emillia & Yon (2019), a bell-shaped curve or an approximate symmetric curve shows that it is normally distributed.

3.8 Conclusion

In a nutshell, this chapter explains on the framework of methodologies applied in this study. Chapter 4 will examine the data collected and provide an analysis.

CHAPTER 4: DATA ANALYSIS

4.0 Introduction

579 sets of survey been distributed out and examined using the software of SPSS19.0. The information obtained in the survey are interpreted and presented through analyzation which is relevant to the spending behaviour among students from UTAR Kampar.

4.1 Descriptive Analysis

4.1.1 Respondent Demographic Profile

Table 4.1: Summary of Demographics

Category	Items	Frequency	Percent	Cumulative percent
Gender	Female	296	51.1	51.1
	Male	283	48.9	100
Age	18 years old	31	5.4	5.4
	19 years old	129	22.3	27.6
	20 years old	70	12.1	39.7
	21 years old	78	13.5	53.2
	22 years old	133	23	76.2
	23 years old	112	19.3	95.5
	24 years old	26	4.5	100
Ethnicity	Malay	3	0.5	0.5
	Chinese	537	92.7	93.3

	Indian	39	6.7	100
Current Year of Study	Foundation	64	11.1	11.1
	Degree Year 1	179	30.9	42
	Degree Year 2	107	18.5	60.4
	Degree Year 3	229	39.6	100
Faculty	FBF	131	22.6	22.6
	FICT	116	20	42.6
	FEGT	88	15.2	57.8
	FAS	87	15	72.8
	CFS	60	10.4	83.2
	ICS	53	9.2	92.4
	FSC	44	7.6	100
Parent Income	Below RM2500	120	20.7	20.7
	RM2501- RM 5000	139	24	44.7
	RM5001- RM 7500	166	28.7	73.4
	RM7501- RM10000	105	18.1	91.5
	Above RM 10000	49	8.5	100
Allowance	RM 0 – RM 500	161	27.8	27.8
	RM 501 – RM1000	326	56.3	84.1
	RM 1001 – RM 1500	74	12.8	96.9
	RM 1500 – RM 2000	18	3.1	100
Part Time	YES	87	15	15

	NO	492	85	100
Part Time Salary	RM 100 – RM 400	34	5.9	39.1
	RM 401- RM 700	47	8.1	93.1
	RM 701 – RM 1000	5	0.9	98.9
	Above RM 1000	1	0.2	100

Source: Developed for the research

Table above shows 51.1%f of female respondents whereas only 48.9% of male respondents participated in this survey. In 579 copies of survey questionnaires there are 283 male respondents and 296 female respondents participated in this research.

Next, the large amount of the respondents' age is 22 years old, which is 133 respondents or 23%. The second higher is the age of 19 years old, a total of 129 students or 22.3%. The age of 23 years old recorded 112 respondents or 19.3% and the age of 21 years old recorded 78 respondents or 13.5%. The remaining age of 20 years old and 18 years old recorded 70 respondents or 12.1% and 31 respondents or 5.4% respectively. Lastly, the age of 24 years old is recorded to be 26 respondents or 4.5%.

There consist three types of ethnicity group participated in our survey, Chinese, Indian and Malay. The highest contributor in this research is Chinese, which is 537 out of 579 respondents or 92.7%. The second highest ethnicity is Indian, which is 39 out of 579 respondents or 6.7%. The lowest respondent is Malay, which is 3 out of 579 respondents or 0.5%. There is no other ethnic respondent participated in this survey.

According to the table above, the results revealed that 229 respondents or 39.6% are Degree year 3 students. Followed by Degree year 1 which is 179 respondents

or 30.9%. Meanwhile, Degree year 2 respondents is 18.9%. Lastly there are only 64 respondents or 11.1% of Foundation students. There are no others year of study student participated in this survey.

There are seven faculty of respondents involved in the survey. The highest amount, 22.6% of the survey answerers are from Faculty of Business and Finance (FBF). Next is the Faculty of Information & Communication Technology (FICT) with a frequency of 116 respondents, which is 20%. The third highest group comes from Faculty of Engineering & Green Technology (FEGT) which constituted 88 respondents or 15.2%. There are 87 respondents or 15% are from Faculty Arts & Social Science (FAS). Moreover, there are 60 respondents or 10.4% from Centre for Foundation Studies (CFS) and 53 respondents or 9.2% from Institute of Chinese Studies (ICS). Lastly, Faculty of Science (FSC) has the least respondents which is 7.6% as compare with other faculties.

On the other hand, the highest range of respondents' parents' income is between of RM 5001 to RM 7500, which is 166 respondents with the percentage of 28.7%. In contrast, there are only 49 respondents, or 8.5% parents' income is above RM 10000.

Furthermore, most of the respondents' allowance received from their parents is between RM 501 to RM 1000, which is 326 respondents or 56.3%. For RM 0 to RM 500, there are 161 respondents with the percentage of 27.8%. Moreover, 74 respondents' or 12.8% allowance is between RM 1001 to RM 1500. Lastly, there are only 18 respondents or 3.1% received the allowance between RM 1501 – RM 2000.

Last but not least, there are 87 respondents who work as a part-timer or 15% and 492 respondents are not working part-time or 85%. Most of the respondents received the amount of part-time salary between RM 401 to RM 700, which is 47 respondents out of 87 respondents or 8.1%. Meanwhile, there are 34 respondents

out of 87 respondents or 5.9% received a part-time salary of RM 100 to RM 400. 5 respondents out of 87 respondents received the part-time salary between RM 701 to RM 1000. Lastly, there are only 1 respondent out of 87 respondents received part-time salary above RM 1000.

4.1.2 Central Tendencies Measurement of Constructs

4.1.2.1 Knowledge of Financial Management

Table 4.2: Summary of Central Tendency for Knowledge of Financial Management

	N	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
KFM2	579	3.6632	1.14768	-.431	.102	-.997	.203
KFM3	579	3.6718	1.04538	-.416	.102	-.867	.203
KFM4	579	3.6580	1.04591	-.510	.102	-.642	.203
KFM5	579	3.6684	1.05089	-.392	.102	-1.005	.203
KFM6	579	3.1952	1.19757	.098	.102	-1.223	.203
KFM7	579	3.6839	1.01132	-.564	.102	-.476	.203
Valid N (listwise)	579						

Source: developed for research

Refer to above, the KFM7 owns the greatest mean (3.6839) and lowest standard deviation (1.01132) as compare with the remaining five statement. All the statements are left skewed except for KFM6. In kurtosis, all statement for KFM are

negative value. This means that distribution of statement is a little flatten compared to normal distribution (Small, 1980). The value of skewness and kurtosis for most of the statements falls within ± 1, this indicates that distribution is normal, except for KFM5 and KFM6 having a kurtosis of negative 1.005 and 1.223 respectively (Kim, 2013).

4.1.2.2 Parental Income

Table 4.3: Summary of Central Tendency for Parental Income

	N	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
PINC2	579	3.4266	1.21241	-.056	.102	-1.454	.203
PINC3	579	3.3299	1.22967	.001	.102	-1.347	.203
PINC4	579	3.6891	1.03740	-.592	.102	-.379	.203
PINC5	579	3.7927	1.07111	-.868	.102	-.011	.203
PINC6	579	3.7945	1.09461	-.817	.102	-.184	.203
Valid N (listwise)	579						

Source: Developed for the research

Refer to the table above, in terms of mean, the highest is PINC6 at 3.7945. However, PINC3 scored the least mean (3.3299) with highest standard deviation (1.22967). Other than that, all statements are leftly skewed whereas only PINC3 is rightly skewed. In kurtosis, none of the statement are negative. It shows that the distributions of these statements are relatively peaked compared to normally distributed curve (Small, 1980). Nonetheless, all the distributions of statements are

expected in normally distributed form since the skewness and kurtosis of all are between -1 and 1, except for PINC2 and PINC3 (Kim, 2013).

4.1.2.3 Peer Influence

Table 4.4: Summary of Central Tendency for Peer Influence

	N	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
PI1	579	3.5751	1.09851	-.388	.102	-.908	.203
PI2	579	3.6649	1.05309	-.333	.102	-1.016	.203
PI4	579	2.9914	1.23316	.194	.102	-1.112	.203
PI5	579	3.2349	1.19403	.034	.102	-1.253	.203
PI6	579	3.3506	1.08451	-.176	.102	-.936	.203
Valid N (listwise)	579						

Source: Developed for the research

Table 4.4 show that PI2 obtain the greatest mean (3.6649) as well as least standard deviation (1.05309). In contrast, PI4 has the uppermost standard deviation value at 1.23316 and least mean value at 2.9914. For skewness, only two statement PI4 and PI5 are positively skewed the remaining statement are skew to the left. The kurtosis of all statements is in negative which shows they are flatter than a normal distribution (Small, 1980). They cannot be assumed in the form of normal distribution since not every statement's skewness and kurtosis fall between -1 and 1 (Kim, 2013).

4.1.2.4 Personality Traits: Openness to Experience

Table 4.5: Summary of Central Tendency for Personality Traits: Openness to Experience

	N	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
PTOE1	579	3.7530	.90527	-.729	.102	-.199	.203
PTOE2	579	3.5043	1.00925	-.164	.102	-1.001	.203
PTOE3	579	3.6425	.93101	-.330	.102	-.730	.203
PTOE4	579	3.6373	.97887	-.466	.102	-.575	.203
Valid N (listwise)	579						

Source: Developed for the research

There are four statements of PTOE presented in table above. PTOE1 owns the uppermost mean (3.7530), also the lowest standard deviation (0.90527). In contrast, least mean (3.5043) and greatest standard deviation (1.00925) obtained by PTOE2. All skewness and kurtosis values are negative shows that distributions are lower and skewed to left (Small, 1980). Besides, they are assumed in form of normal distribution because every skewness and kurtosis of the statements fall between -1 and 1 except for PTOE2 (Kim, 2013).

4.1.2.5 Personality Traits: Extroversion

Table 4.6: Summary of Central Tendency for Personality Traits: Extroversion

	N	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
PTE1	579	3.4870	1.08517	-.138	.102	-1.137	.203
PTE2	579	3.5060	.95280	-.102	.102	-.769	.203
PTE3	579	3.3627	1.08292	-.136	.102	-1.042	.203
PTE4	579	3.4646	.98608	-.135	.102	-.778	.203
Valid N (listwise)	579						

Source: Developed for the research

Table 4.6 shows PTE2 is the highest mean scored (3.5060), while the lowest mean is scored by PTE3 (3.3627). Nevertheless, PTE1 has the highest standard deviation of 1.08517 and PTE2 has the lowest standard deviation of 0.9528. All the statements are negatively skewed and have a negative value for kurtosis, it shows that the kurtosis is flatter than a normal distribution (Small, 1980). Not every statement is in normal distribution form due to PTE1 and PTE3's skewness and kurtosis do not fall between -1 and 1 (Kim, 2013).

4.1.2.6 Personality Traits: Agreeableness

Table 4.7: Summary of Central Tendency for Personality Traits: Agreeableness

	N	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
PTA1	579	3.9154	.88905	-.931	.102	.616	.203
PTA2	579	3.6183	1.12586	-.530	.102	-.675	.203
PTA3	579	3.9292	.94676	-.853	.102	.151	.203
PTA4	579	3.8497	.92442	-.766	.102	.150	.203
PTA5	579	3.8877	.92045	-.831	.102	.297	.203
Valid N (listwise)	579						

Source: Developed for the research

There are six statements of PTA listed in table above. PTA3 score the greatest value of mean at 3.9292 while the lowest value of mean is 3.6183, scored by PTA2. As for standard deviation, PTA2 had the greatest value (1.12586); whereas PTA1 (0.88905) is the lowest. For skewness, all values shown in negative, indicates the distributions are lower compared to normal distribution (Small, 1980). On the other hand, every skewness and kurtosis fall between -1 and 1, except PTA2 is negative in kurtosis. Thus, all the statements can conclude as normally distributed (Kim, 2013).

4.1.2.7 Spending Behaviour

Table 4.8: Summary of Central Tendency for Spending Behaviour

| | N | Mean | Std. Deviation | Skewness | | Kurtosis | |
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
DV1	579	3.5820	1.09486	-.218	.102	-1.173	.203
DV2	579	3.8636	1.04254	-.957	.102	.163	.203
DV3	579	3.7219	1.05246	-.695	.102	-.300	.203
DV4	579	3.4594	1.17485	-.188	.102	-1.141	.203
DV5	579	3.4974	1.15775	-.299	.102	-1.030	.203
DV6	579	3.4111	1.20708	-.273	.102	-1.042	.203
Valid N (listwise)	579						

Source: Developed for the research

The highest mean falls at 3.8636 by DV2, while the lowest mean falls at 3.4111 by DV6 as shown in the table above. In contrast, DV6 (1.20708) owns the largest value of standard deviation; whereas DV2 owns least (1.04254). Every statement of DV skews to the left while only five statements are with a negative value for kurtosis, except for DV2 (Small, 1980). Thus, except for DV2 and DV3, the remaining are not in form of normal distribution because of skewness and kurtosis fall between -1 and 1 (Kim, 2013).

4.2 Scale Measurement

4.2.1 Reliability Analysis Table

Table 4.9: Summary of Reliability Statistics

Construct	Cronbach's Alpha	Number of Items
Financial Knowledge Management (FKM)	0.848	6
Parental Income (PIN)	0.858	6
Peer Influence (PI)	0.886	5
Personality Traits: Openness to Experience (POE)	0.892	4
Personality Traits: Extroversion (PTE)	0.870	5
Personality Traits: Agreeableness (PTA)	0.881	6
Spending Behaviour (DV)	0.882	6

Source: Developed for the research

The Table 4.9 show the result for testing the reliability of the variables by using the Cronbach's coefficient as reported in the above table. The Cronbach's alpha for all dimensions are exceeding the minimum alpha value of 0.60. Thus, the construct measures are deemed reliable and all items in the construct measurement are retained (Hair, Anderson, Tatham & Blank, 1998).

4.3 Inferential Analysis

Inferential analysis used to examine each individual variable and also, the relationship between the variables (Sekaran & Bougie, 2010).

4.3.1 Pearson's correlation analysis

Table 4.10: Pearson's Correlation

Variables		KFM	PINC	PI	PTOE	PTE	PTA	DV
KFM	Pearson Corr.	1	.683**	.687**	.692**	.674**	.704**	.632**
	Sig (2-tailed)		.000	.000	.000	.000	.000	.000
	N	579	579	579	579	579	579	579
PINC	Pearson Corr.	.683**	1	.624**	.640**	.583**	.680**	.613**
	Sig (2-tailed)	.000		.000	.000	.000	.000	.000
	N	579	579	579	579	579	579	579
PI	Pearson Corr.	.687**	.624**	1	.658**	.674**	.632**	.621**
	Sig (2-tailed)	.000	.000		.000	.000	.000	.000
	N	579	579	579	579	579	579	579
PTOE	Pearson Corr.	.692**	.640**	.658**	1	.729**	.731**	.657**
	Sig (2-tailed)	.000	.000	.000		.000	.000	.000
	N	579	579	579	579	579	579	579
PTE	Pearson Corr.	.674**	.583**	.674**	.729**	1	.687**	.638**
	Sig (2-tailed)	.000	.000	.000	.000		.000	.000
	N	579	579	579	579	579	579	579
PTA	Pearson Corr.	.704**	.680**	.632**	.731**	.687**	1	.626**
	Sig (2-tailed)	.000	.000	.000	.000	.000		.000
	N	579	579	579	579	579	579	579
DV	Pearson Corr.	.632**	.613**	.621**	.657**	.638**	.626	1
	Sig (2-tailed)	.000	.000	.000	.000	.000	.000	
	N	579	579	579	579	579	579	579

**. Correlation is significant at 0.01 level (2-tailed)
Source: Developed for the research

Refer to table 4.10, correlations between independent variables which include knowledge of financial management, parental income, peer influences, openness to experiences, extroversion, agreeableness with spending behaviour among university students of UTAR Kampar.

Positive linear relationship was found between both sides of variables at 1% significance level. All values are below 0.8, this says that there is no multicollinearity detected (Hair et al., 1998).

In addition, there is a positive correlation between all the constructs. In this study, r=0.632 for knowledge of financial management, followed by parental income r=0.613, peer influence r=0.621, openness to experiences r=0.657, extroversion show that r=0.638 and agreeableness with r=0.626 significant level at 1%. All hypotheses are accepted since p-value<0.01.

4.3.2 Multicollinearity

Table 4.11: Summary of Partial Correlation

Variables		KFM	PINC	PI	PTOE	PTE	PTA
KFM	Correlation	1.000	.482	.484	.473	.454	.509
	Sig (2-tailed)	.	.000	.000	.000	.000.	.000
	Df	0	576	576	576	576	576
PINC	Correlation	.482	1.000	.394	.399	.316	.480
	Sig (2-tailed)	.000	.	.000	.000	.000	.000
	Df	576	0	576	576	576	576
PI	Correlation	.482	.394	1.000	.423	.459	.398
	Sig (2-tailed)	.000	.000	.	.000	.000	.000
	Df	576	576	0	576	576	576
PTOE	Correlation	.473	.399	.423	1.000	.534	.543
	Sig (2-tailed)	.000	.000	.000	.	.000	.000
	Df	576	576	576	0	576	576
PTE	Correlation	.454	.316	.459	.534	1.000	.478
	Sig (2-tailed)	.000.	.000	.000	.000	.	.000
	Df	576	576	576	576	0	576
PTA	Correlation	.509	.480	.398	.543	.478	1.000
	Sig (2-tailed)	.000	.000	.000	.000	.000	.
	Df	576	576	576	576	576	0

Source: Developed for research

Refer to table 4.1.1 is the intercorrelations between all the independent variables. All the p-values of KFM, PINC, PI, PTOE, PTE and PTA are greater than 0.05.

Since intercorrelations value among all independent variables are below 0.9, thus no multicollinearity occurs. (Hair et al., 1998).

Table 4.12: Collinearity Statistics Table

Coefficient [a]

Model	Tolerance	VIF
(Constant)		
KFM	.350	2.853
PINC	.429	2.330
PI	.414	2.414
PTOE	.334	2.991
PTE	.369	2.712
PTA	.344	2.907

a. Predictors: (Constant), PTA, PI, PINC, PTE, KFM, PTOE

Source: Developed for the research

Multicollinearity refers to high correlation between the predictors as high correlation between predictors will reduce the accuracy of estimation of the regression coefficients, and therefore, contributes to the inflation of associated standard error (Slinker & Glantz, 2008). When VIF values are below 10% and tolerance values are more than 0.10, it is said that the variables are not correlated (Daoud, 2017). Therefore, multicollinearity assumption was inviolated in current study.

4.3.3 Multiple Regression analysis

Table 4.13 Model Summary

R	R Square	Adjusted R Square	Std. Error of the Estimate
.742[a]	.551	.546	.60072

Source: Developed for the research

All independent variables are used in this analysis. According to table 4.13, adjusted R^2 is 0.546 which indicates 54.6% of the variation in spending behaviour can be interpreted by knowledge of financial management, parental income, peer influence, openness to experiences, extroversion and agreeableness (independent variable). However, the remaining 45.4% is uninterpreted in this research.

4.3.4 ANOVA

Table 4.14: Analysis of Variance (ANOVA)

ANOVA [b]

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	252.809	6	42.135	116.761	.000[a]
Residual	206.414	572	.361		
Total	459.223	578			

a. Predictors: (Constant), PTA, PI, PINC, PTE, KFM, PTOE
b. Dependent Variable: DV
Source: Developed for the research

Table above shows F value (116.761) is significant at 5% significance level. This indicates that generally speaking of regression model with knowledge of financial management, parental income, peer influence, openness to experiences, extroversion and agreeableness has work well in interpreting the variation in students spending behaviour.

Table 4.15 Coefficients Multiple Regression

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.383	.130		2.947	.003
KFM	.120	.052	.111	2.335	.020
PINC	.163	.042	.166	3.869	.000
PI	.139	.041	.147	3.365	.001
PTOE	.203	.052	.189	3.902	.000
PTE	.174	.047	.170	3.680	.000
PTA	.099	.054	.089	1.853	.064

Source: Developed for the research

Refer to table 4.15, coefficients show that knowledge of financial management, parental income, peer influences, openness to experiences and extroversion are significant to predict dependent variable (spending behaviour among students in UTAR Kampar) since all the p-value<0.05. In contrast, agreeableness is not significant as its p-value 0.064>0.05.

Based on above table, the following equation is formed:

Equation 4.1: Multiple Regression analysis

Spending behaviour = 0.383 + 0.120 (Knowledge of financial management) +0.163 (parental income) + 0.139 (peer influence) + 0.203 (openness to experiences) + 0.174 (extroversion) +0.099 (agreeableness)

Multiple linear regression analysis was used to test if knowledge of financial management, parental income, peer influence, personality traits (openness to experiences, extroversion and agreeableness) significantly affect spending behaviour among students in UTAR Kampar. The model was statistically significant $F_{(6, 572)} = 116.761$, p<0.005, adjusted R^2=0.546 and accounted for 54.6% of the variance. It was found that knowledge of financial management (β=0.111, p<0.05), parental income (β=0.166, p<0.05), peer influence (β=0.147,

p<0.05), openness to experience (β=0.189, p<0.05) and extroversion (β=0.170, p<0.05) significant affect spending behaviour among students in UTAR Kampar, but not agreeableness (β = 0.089, p = 0.064). Openness to experiences was found to be the strongest affect spending behaviour among students.

Figure 4.1: Normal Probability Distribution Plot of Regression Standardized Residual

Source: Developed for the research

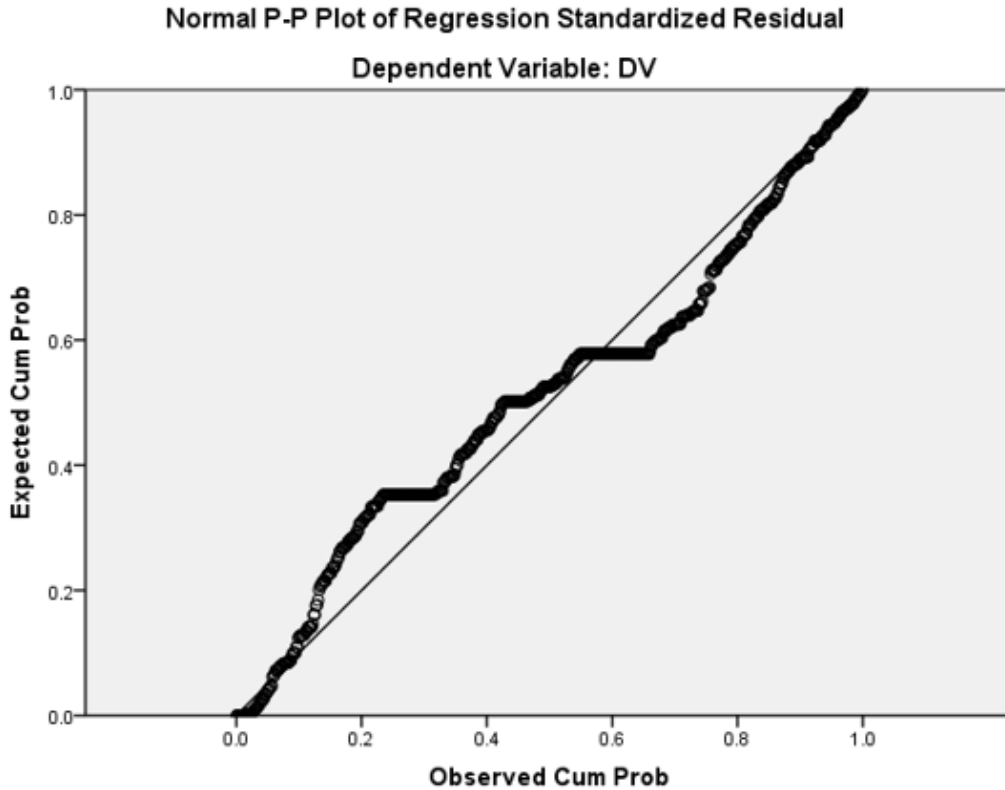Figure 4.1 displays that the estimated **Spending behaviour = 0.383 + 0.120 (Knowledge of financial management) +0.163 (parental income) + 0.139 (peer influence) + 0.203 (openness to experiences) + 0.174 (extroversion) +0.099 (agreeableness)** has a direct relationship in between.

4.3.5 Normal Distribution

Figure 4.2: Histogram
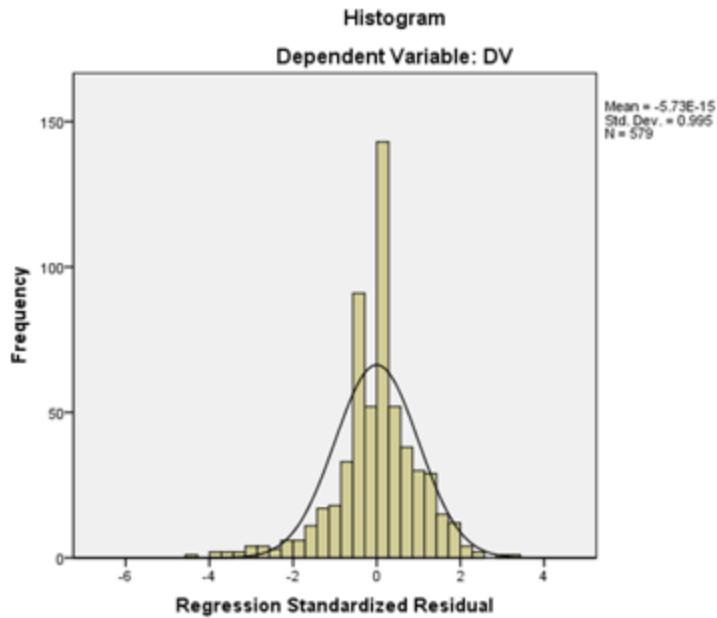
Source: Developed for the research

Based on figure 4.2 generated for this study shows a symmetrical curve which indicates that it is normally distributed.

4.3.6 Heteroscedasticity Analysis

Table 4.16 Coefficients Heteroscedasticity

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-3.542E-15	.124		.000	1.000
KFM	.000	.051	.000	.000	1.000
PINC	.000	.041	.000	.000	1.000
PI	.000	.041	.000	.000	1.000
PTOE	.000	.050	.000	.000	1.000
PTE	.000	.046	.000	.000	1.000

a. Dependent Variable: HETER

Source: Developed for the research

Table 4.16 has shown that the independent variables KFM, PINC, PI, PTOE and PTE is greater that significant level 0.05. So, there is no heteroscedasticity problem occur.

Figure 4.3: Scatterplot
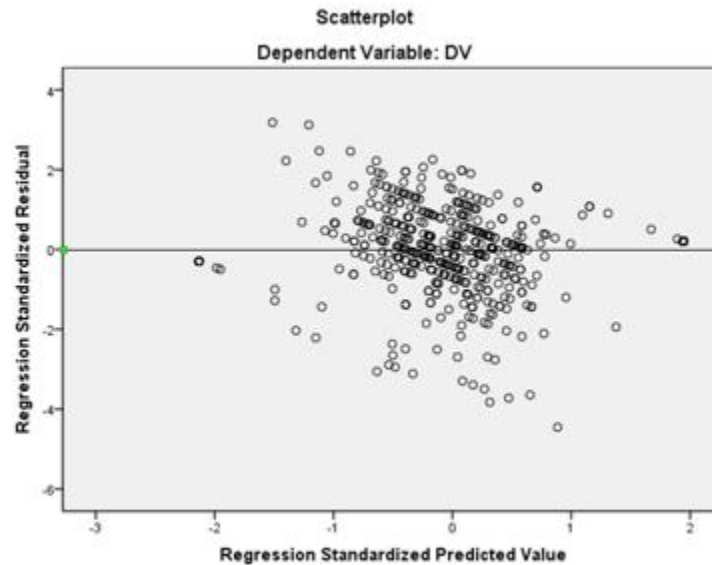
Source: Developed for research

When the variance of errors is found to be constant across all independent variables, it is known as homoscedasticity. This assumption was achieved as the scatterplot above shown that most of the residuals plotted close to value zero or the horizontal line.

4.4 Conclusion

This chapter had discussed about the several types of test used such as Inferential analysis, Multiple Regression analysis for this research study in order to observe the data collected from questionnaire. In last chapter, researcher will discuss the limitation of this research study, recommendation and make a conclusion on this study.

CHAPTER 5: DISCUSSIONS, CONCLUSIONS AND IMPLICATIONS

5.1 Summary of Statistical Analysis

Referring to respondents' demographic profiles, the respondents' gender in the research is more to female respondents than male respondents, the percentages are 51.1% and 48.9% respectively. Main respondents are from the age of 19 to 24. Chinese poses the highest portion with a percentage of 92.7 in the total of ethnicity. Moreover, 30.9% of the respondents are in Degree Year 1 and 39.6% of the respondents are Year 3 students, which poses the majority in this category. The respondents are mostly from FBF, which is 22.6%. There 166 out of 579 respondents' parents have income around RM5,001 to RM7,000 and mostly received RM501 to RM1,000 allowance. There are 87 (15%) out of 579 respondents work as a part-timer and 47 persons has a salary within the range of RM401 to RM700.

The data is tested by normality and reliability test. Skewness and kurtosis of the data are within ±1, it means that it is normally distributed. Cronbach's Alpha is used to test for the reliability of this study. The Cronbach's Alpha of 0.882 is acceptable as it fulfilled the rule of thumb, which is to fall within 0.5 to 0.9. The item-total correlation is all above 0.4. Also, there is no multicollinearity problem detected as the value of tolerance is above 0.10 and the VIF is below 10.

According to One-way ANOVA and Pearson Correlation Analysis, significant relationship can be obtained between each variable. On the other hand, PTA was found to have an insignificant effect towards spending behaviour of university students in the Multiple Regression Analysis.

In multiple regression analysis, the adjusted R-squared is 0.546. This value represents that the independent variables (KFM, PINC, PI, PTOE, PTE, PTA) of this study can be used to explain that there is 54.6% of variation in spending behaviour of university students. In addition, there is a variable is insignificant in the research, which is PTA. The p-value (0.064) is higher than the significance level.

5.2 Discussions of Major Findings

Table 5.1: Summary of Statistical Analysis

Hypothesis	Result	Supported
H1: There is a significant relationship between knowledge of financial management and spending behaviour among university students of UTAR Kampar.	p= 0.02 p-value<0.05	Yes
H2: There is a significant relationship between parental income and spending behaviour among university students of UTAR Kampar.	p=0.00 p-value<0.05	Yes
H3: There is a significant relationship between peer influence and spending behaviour among university students of UTAR Kampar.	p= 0.001 p-value<0.05	Yes
H4: There is a significant relationship between Openness to Experience and spending behaviour among university students of UTAR Kampar.	p=0.00 p-value<0.05	Yes
H5: There is a significant relationship between Extroversion and spending behaviour among university students of UTAR Kampar.	p= 0.00 p-value<0.05	Yes
H6: There is a significant relationship between Agreeableness and spending behaviour among university students of UTAR Kampar.	p= 0.064 p-value>0.05	No

5.2.1 First Hypothesis (H1)

H0: There is no significant relationship between knowledge of financial management and spending behaviour among university students of UTAR Kampar.

H1: There is a significant relationship between knowledge of financial management and spending behaviour among university students of UTAR Kampar.

As concluded, financial knowledge management is significantly related to the spending behaviour of university students in UTAR Kampar as shown in table 5.1. This is due to the critical value (0.02) is lower than the significance level (0.05). The beta for knowledge of financial management is 0.111, indicating that the knowledge of financial management and spending behaviour is positively related. It indicates that students tend to spend more when they have higher knowledge of financial management. This was found to be in consistent with the research of Herawati, Candiasa, Yadnyana, & Suharsono (2018), which perceive that knowledge of financial management has a positive relationship with the university students' spending behaviour. Other researcher like Falahati, Sabri, & Paim (2012) also revealed that one's spending behaviour is significantly affected by knowledge of financial management. Hence, students with higher level of financial knowledge management is more likely to spend. Since they are more capable in managing their credit.

5.2.2 Second Hypothesis (H2)

H0: There is no significant relationship between parental income and spending behaviour among university students of UTAR Kampar.

H2: There is a significant relationship between parental income and spending behaviour among university students of UTAR Kampar.

Result proved that parental income and spending behaviour are positively related with each other. The beta and critical value are lower than the significance level at

5%. The result obtained is constant with the study of Nano et al. (2015). It indicates that parental income affects spending behaviour of students. In addition, the above hypothesis can be supported by both studies of Nano & Llukani (2015) and Salikin et al. (2013), as they found that parental income has significantly influenced spending behaviour of students. Hence, the higher the parental income, the higher the pocket money that students could receive. Therefore, students are more likely to spend.

5.2.3 Third Hypothesis (H3)

H0: There is no significant relationship between peer influence and spending behaviour among university students of UTAR Kampar.

H3: There is a significant relationship between peer influence and spending behaviour among university students of UTAR Kampar.

Nevertheless, the finding proved that spending behaviour among university students of UTAR Kampar can be affected by peer influence. They have a significant relationship. A beta of 0.147 for peer influence indicates that there is a positive relationship with spending behaviour. The results obtained are in-lined with the study by Armağan & Çetin (2013). Furthermore, current results also in-lined with the studies of peer influence on spending behaviour by Khan, Kamal & Saleem (2016), Chang & Nguyen (2018) and Gillani (2012), which proved that peers can strongly influence one's spending behaviour. This is because an individual tends to refer to their peers. Moreover, friend's ways of spending will simply affect individual's decision.

5.2.4 Fourth Hypothesis (H4)

H0: There is no significant relationship between Openness to Experience and spending behaviour among university students of UTAR Kampar.

H4: There is a significant relationship between Openness to Experience and spending behaviour among university students of UTAR Kampar.

On the other hand, the results generated shows a significant yet positive relationship among openness of experience and spending behaviour. The beta is 0.189 and the critical value is 0.00, it is lower than the significance level at 5%. It was found that the findings of Agbo, Akhimien & Orji (2014) proved that openness of experience was positively associated with spending behaviour. Thus, the people who has higher openness of experience, has higher spending behaviour.

5.2.5 Fifth Hypothesis (H5)

H0: There is no significant relationship between Extroversion and spending behaviour among university students of UTAR Kampar.

H5: There is a significant relationship between Extroversion and spending behaviour among university students of UTAR Kampar.

The table in 5.1 revealed that extroversion and spending behaviour among university students of UTAR Kampar has a significant relationship, which the critical value (0.00) is less than the significant level (0.05). The beta of extroversion is 0.170, indicates that extroversion and spending behaviour is positively related. The results are coherent with the past study conducted by Tsao & Chang (2010). Besides, the results are consistent with the research of extroversion on spending behaviour by Orji, Sabo, Abubakar & Usman (2017), proving that extroversion is positively related to spending behaviour.

5.2.6 Sixth Hypothesis (H6)

H0: There is no significant relationship between agreeableness and spending behaviour among university students of UTAR Kampar.

H6: There is a significant relationship between agreeableness and spending behaviour among university students of UTAR Kampar.

Lastly, it can be concluded that agreeableness does not have a significant relationship with spending behaviour of university students in UTAR Kampar. This is because the critical value (0.064) is higher than the significant level (0.05). The beta for agreeableness is 0.089, indicating that agreeableness and spending behaviour is not positively related. This finding shows that students with higher agreeableness are more likely to spend. It is consistent with the research of Kwak, Jaju & Zinkhan (2014), which revealed that agreeableness does not affect university students' spending behaviour.

5.3 Implications of Study

Implication helps to better understand the factors affecting spending behaviour of university students in UTAR Kampar.

5.3.1 Theoretical Implications

Based on Mayer (2002), the theory of Psychological Law of Consumptions by Keynesian is applied in the study of spending behaviour. This theory is used to explain when one's income increases, they tend to save more and spend less due to the diminishing marginal approach. However, the result of this study is opposite to

the theory. By applying Law of Consumptions in this study, the concept of income and spending can be understood better. Also, this theory gives researchers a view on how income factor can affect individual's spending behaviour. Thus, this contradiction result serves as a guidance for further research on Law of Consumptions theory with similar variables.

The theory of Conspicuous Consumptions can be explained as spending on products and services that are unnecessary to display a superior social class. Based on current study, peer influence has a positive effect on spending behaviour of university students. This is because some university students are afraid of being left out and wanted to stand out among their friends. They tend to buy something which allows them to feel unique, to gain reputation and fame. Therefore, this theory is recommended for future researches that are interested to study on conspicuous consumptions and spending behaviour.

5.3.2 Practical Implications

The current research has found that knowledge of financial management is positively related to the spending behaviour of university students. The higher the knowledge of financial management, the higher the spending of university students. Students do not worry about overspending or having to deal with debt issues as they can handle and manage their credit well. People who do not have high knowledge of financial management will reduce in spending because they are worried of the inability to pay back the debts and aware of the impact of overspending. Therefore, an individual should have a well-prepared financial planning and to fully utilize the knowledge of financial management to assign the uses of money.

This research was proving that peer influence was significantly affected the spending behaviour of university students. When students are easily influenced by their friends, they tend to spend more on purchases. Therefore, people may use

current study as a principle to control and organize their spending. Besides, people should pay more attention to frugality and not to be easily influenced by their peers. To avoid overspending and reduce the bankruptcy rate, students can choose low consumption activities, such as going to the carnivals instead of shopping malls or dining at low price food courts rather than high class cafes and restaurants.

Parental income has found to be positively significant to spending behaviour of university students. In other words, when parental income increases, university students tend to spend more. This indicates that university students do not have a smart and proper spending behaviour. Parents can use this as a guidance on understanding how spending behaviour of children changes based on the increment in parental income. Parents should be responsible in controlling the allowance given to their children and educate them on the value of money, with providing them the message of "it is hard to earn a penny". This could help to reduce poor spending habits among students. Parents must remove the concept of "the increasing in parental income leads to more spending" from their children, as this is one of the main reasons that leads to the increase in students' spending when parental income increases.

Based on this research, the traits of openness to experience have a significant and positive relationship with the spending behaviour of university students, which means that the student who is more open to experience tend to spend more on new products. Therefore, people may refer to this research as a spending guideline, in-order to manage and improve their self-control in spending. Besides that, those who have greater openness to experience should have a well-organised spending chart. For instance, people can experience new things in a moderate manner, like exploring new things within a period and not to be addicted nor overspend on it. Moreover, they also should monitor themselves on trying new products and avoid themselves in illegal activities like gambling or drug. These would help them to be aware of overspending and bankruptcy in the future.

Lastly, the study has found that university students who were more extroverted are positively affecting spending behaviour. This means that students tend to spend more when their personality is more to extroversion. To avoid overspending and bearing more debt in the future, people can use the current finding to adopt a suitable spending model. For instance, people can spend less or control their spending on dining and drinking purchases when hanging-out with their friends. moreover, they can hang-out with friends in less spending manner, such as hiking, jogging or any other sports activities. This can effectively control and avoid overspending.

5.4 Limitations of Study

Numerous limitations encountered during this research. Limitations are important to be pointed out. It helps future researchers to acknowledge, further studies the limitations and make further improvements.

5.4.1 Population and geographical constraint

The result may not be generalized for the managerial since the samples are only collected from one of the universities in Malaysia, which is Universiti Tunku Abdul Rahman, Perak Campus. This study is only confined to 579 respondents in Malaysia to represent a population of university students in Malaysia. It cannot represent the whole population of university students' in the country. Besides that, the statistics of demographic shows that the research university consists the highest percentage of Chinese students as compared to other races, which is 92.7%. Different ethnicity or demographics have different habits and perspective on spending behaviour. Although the sample size has met the minimum criteria as

proposed by Saunders et al. (2009) and Cattell (1978), the results obtained may not robust and less representative as the samples drawn are not large enough.

5.4.2 Cross-sectional study

This is a cross-sectional study that records information about students' behaviours instead of observing their spending behaviours within a timeframe. Therefore, the time sequence of the relationships between the variables could not be determined as cross-sectional data is used (Sit, Ooi, Lin & Chong, 2009). The results obtained might not be persuasive as a longitudinal study and unable to show the causal relationship between the variables (Saunders et al., 2009).

5.4.3 Time constraint

Time constraint is also one of the limitations for this survey. The time used to conduct this research is merely short. It depends on online survey and distribution survey instead of using different research method. Due to time constraint, there are only four variables that have been studied within this research. It is believed that if there is more time to conduct this research, the outcome would be resulted better.

5.4.4 Mediating factor

The relationship of the variables in this study is that the independent variables only focuses directly to the dependent variable. There might be any other great influence and causes which are known as the mediating factors that will affect the spending behaviours of students. Nevertheless, the accuracy and reliability of the research might be a concern in the absence of mediating factors.

5.4.5 Self-report measurement

The sole source of data in this research is measured by self-report. Issues like method bias and subjective self-evaluation will arise when students are asked to report their own behaviour, it will lead to lower validity of the result (Podsakoff & MacKenzie, 2003). Significantly, students might distort their answers to hide and exaggerate their personality or choose not to report accurately. Hence, students might sometimes be willing to report themselves genuinely, but self-report emotional intelligence may be a tapping self-perception of emotional ability (Zeng & Miller, 2001). If so, the reliability of the research might get affected.

5.5 Recommendations

Recommendation is one of the important elements in a study. It provides suggestions to researchers which could improve the limitations of current study and future study, in-order to obtain a better result. To tackle the limitation of this study, there are a few recommendations suggested.

First and foremost, researchers are strongly advised to conduct their study by using more independent variables to investigate the spending behavior of university students, as spending behavior is affected by various factors. For example, lifestyle could be an independent variable used to examine the spending behavior of university students. Gajjar (2013) used lifestyle as one of the independent variables in his research. He stated that lifestyle refers to the way of people living in a society and are convey by the things in his/her surroundings. When one has a high quality of lifestyle, it increases the spending. Thus, future researchers can include this variable to improve the model of future studies.

Besides that, the research of spending behavior among university students should be carried out by including various universities in Malaysia instead of picking only one university in conducting the research. Universities like Sunway University, Taylor's university, University Malaya (UM), or INTI International University can be included for the study. It is advisable to study more than one university in Malaysia when conducting the research, as different geographical will have different spending behaviours due to the difference in level of living standard.

Lastly, individual interview can be conducted by future researchers in studying the determinants of students' spending behaviour in a more detailed manner. According to Boyce & Neale (2006), individual interviewing provides more detailed information than any other data collection methods like surveys. Respondents may feel more relaxed to have a conversation in sharing their opinions and experiences face-to-face. Therefore, through individual interviewing respondents, it could deeper understand the spending behaviour among university students.

5.6 Conclusions

After examining all independent variables, only personality traits: agreeableness (PTA) is found to be in an insignificant relationship with spending behaviour, the remaining variables are all significantly influencing spending behaviour among university students. In addition, based on the research's findings, all variables affecting spending behaviour are positively related. There are recommendations provided to future researchers. Future researchers are recommended to further examine Personality Traits: Agreeableness, to ensure that there is no underlying effect on spending behaviour of university students. Lastly, the objectives of current study have been achieved, to investigate the relationship between knowledge of financial management, parental income, peer influence, personality traits: openness to experience, extroversion, agreeableness, and spending behaviour.

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Appendix 1.1

UNIVERSITI TUNKU ABDUL RAHMAN

Faculty of Business and Finance

BACHELOR OF ECONOMICS (HONS)
FINANCIAL ECONOMICS FINAL YEAR PROJECT

Survey Questionnaire

RESEARCH TOPIC:

SPENDING BEHAVIOUR AMONG UNIVERSITY STUDENTS:

CASE OF UNIVERSITI TUNKU ABDUL RAHMAN (KAMPAR CAMPUS).

Dear respondent,

We are final year undergraduate students of Bachelor of Economics (Hons) Financial Economics, from Universiti Tunku Abdul Rahman (UTAR). The purpose of this survey is to test whether the spending behaviour among university students can be determined by factors such as knowledge of financial management, parental income, peer influence, and personality traits.

Thank you for your participation.

Instructions:

1) There are **THREE** (3) sections in this questionnaire. Please answer ALL questions in ALL sections.

2) This form will take you approximately 10 to 15 minutes to complete.

3) The contents of this questionnaire will be kept **strictly confidential** and only for research purpose.

Questionnaires

Section A: Factors influencing spending behaviour
This section is seeking your opinion regarding the factors influencing spending behaviour. Please indicate the extent to which you agree or disagree with each of the following statements. Please circle the most appropriate option for each statement.

1-Strongly Disagree (SD) 2-Disagree (D) 3-Neutral (N) 4-Agree (A) 5-Strongly Agree (SA)					
Knowledge of Financial Management	**SD**	**D**	**N**	**A**	**SA**
1. I am good at managing my money.	1	2	3	4	5
2. I am worried about my student loans payback.	1	2	3	4	5
3. Education on Financial Management will affect my spending behaviour.	1	2	3	4	5
4. I have a habit of saving regularly.	1	2	3	4	5
5. I often plan for future purchases.	1	2	3	4	5
6. I constantly update myself with economic and financial news.	1	2	3	4	5
7. I can deal with day-to-day financial tasks such as credit and debit cards and tracking expenses well.	1	2	3	4	5

Parental Income	**SD**	**D**	**N**	**A**	**SA**
1. When my parents' income increases, I tend to buy expensive goods.	1	2	3	4	5
2. When my parents' income increases, I will choose to consume in restaurant instead of self-cooked.	1	2	3	4	5
3. When my parents' income increases, the value of price will	1	2	3	4	5

not be in my consideration during a purchase.					
4. When my parents' income decreases, I prefer to buy goods that are on sale.	1	2	3	4	5
5. When my parents' income decreases, I tend to spend lesser than my usual spending amount.	1	2	3	4	5
6. When my parents' income decreases, I will go for the necessary goods which has a relatively lower price.	1	2	3	4	5

Peer Influence	SD	D	N	A	SA
1. I always seek for my friend's opinion before I buy a product.	1	2	3	4	5
2. I always involve in money spending activities with friends.	1	2	3	4	5
3. My friends influence my purchases.	1	2	3	4	5
4. I always buy the same product that my friends buy.	1	2	3	4	5
5. My friends influence me to buy trendy products.	1	2	3	4	5
6. I always accept my friends' recommendation on what brand of product to buy.	1	2	3	4	5

Personality Traits					
Openness to experiences	SD	D	N	A	SA
1. I am willing to find out more different products.	1	2	3	4	5
2. I often try new products.	1	2	3	4	5

	SD	D	N	A	SA
3. I see myself as someone who is open-minded.	1	2	3	4	5
4. I am creative and enjoy in different field.	1	2	3	4	5
Extroversion	**SD**	**D**	**N**	**A**	**SA**
1. I see myself as someone who is talkative	1	2	3	4	5
2. I am someone who have a lot of enthusiasm.	1	2	3	4	5
3. I seldom feel shy, inhibited	1	2	3	4	5
4. I am not a reserved person	1	2	3	4	5
5. I don't see myself as a quiet person	1	2	3	4	5
Agreeableness	**SD**	**D**	**N**	**A**	**SA**
1. I am willing to listen others' advice.	1	2	3	4	5
2. I trust others easily.	1	2	3	4	5
3. I do not like to have argument with others.	1	2	3	4	5
4. I am a friendly person and tend to treat people around nicely	1	2	3	4	5
5. I generally try to be thoughtful and careful.	1	2	3	4	5
6. I am willing to share my opinions or reviews to my friends.	1	2	3	4	5

Section B: Dependent Variables

This following question represent spending behaviour. Please circle the most appropriate option for each statement.

1-Strongly Disagree (SD)   2-Disagree (D)   3-Neutral (N)
4-Agree (A)   5-Strongly Agree (SA)

Spending Behaviour	SD	D	N	A	SA
1. I prefer to have meals in restaurants or café.	1	2	3	4	5
2. I compare prices of similar products with different brands before I purchase.	1	2	3	4	5
3. I prefer to stay in accommodation at a lower price compare to the accommodation at a higher price.	1	2	3	4	5
4. I prefer to buy apparels and accessories with latest trend design.	1	2	3	4	5
5. I prefer to buy branded goods than non-branded goods.	1	2	3	4	5
6. I prefer to buy goods through online than in store.	1	2	3	4	5

Section C: Demographic information

Please tick (/) only ONE answer for each question.

1. Your gender:
   (   ) Male   (   ) Female

2. Your Age:
   _____ years old

3. Your ethnicity:
   (   ) Malay
   (   ) Chinese
   (   ) India
   (   ) Other, please state: _____

4. Your current year of study:
   (   ) Year 1   (   ) Year 2   (   ) Year 3
   (   ) Foundation   (   ) Other, please state: _____

5. Please tick your faculty:
   (   ) FBF
   (   ) FSc
   (   ) FICT
   (   ) FEGT
   (   ) FAS
   (   ) ICS
   (   ) CFS

6. Parents Total Income:
   (   ) < RM2,500
   (   ) RM 2,501 – RM 5,000
   (   ) RM 5,001 – RM 7,500
   (   ) RM 7,501 – RM 10,000
   (   ) > RM 10,000

7. How much allowance do you receive per month from your parents?

   RM_____

8. Do you work part-time?
   (   ) Yes   (   ) No

9. If yes, how much do you earn per month from your part-time job? (If no, please skip this question.)
   RM_____

<div align="center">THANK YOU FOR YOUR PARTICIPATION.</div>