

Financial Behavior of Indonesian Moslem Students Scholarship Recipients: The Role of Locus of Control and Financial Knowledge

Rika Dwi Ayu Parmitasari¹, Muslimin Kara², Lince Bulutoding³, Zulfahmi Alwi⁴, Marwan Sriwijaya⁵

^{1,2}Department of Management, Universitas Islam Negeri Alauddin Makassar, Indonesia

²Department of Islamic Economics, Universitas Islam Negeri Alauddin Makassar, Indonesia

³Department of Accounting, Universitas Islam Negeri Alauddin Makassar, Indonesia

⁴Department of Islamic Family Law, Universitas Islam Negeri Alauddin Makassar, Indonesia

Abstract— In terms of financial, each individual has its own variables that determines their decision making. Based on the previous researches, individual financial behavior was impacted by internal factors of individual. Those internal factors are locus of control and financial knowledge. Those factors have role for individual in performing financially. This study aimed to determine the effect of locus of control and financial knowledge on financial behavior. This type of research was quantitative research. According to the level of clarity, this research used associative problem formulation. The sample in this study were 246 respondents. While the types of data used were primary and secondary data, with data collection techniques using a questionnaire. Data had passed the validity and reliability test before the process of data analysis. The data analysis technique used was the classic assumption test, multiple linear regression analysis, and hypothesis testing. Data passed all the requirements of classical assumption in order to proceed multiple regression analysis. The results of this study indicated that locus of control and financial knowledge simultaneously affected financial behavior. The results also showed that locus of control and financial knowledge partially affect financial behavior.

Keywords— Financial Behavior, Financial Knowledge, Locus of Control.

I. INTRODUCTION

Indonesia is a developing country that has the fourth largest population in the world. With a large population, Indonesia must be able to be selective in choosing products or services offered by the market and smart in dealing with financial problems (Budiono, 2015). One way to address financial problems is how individuals especially youngsters control their personal financial spending. When expenses are continuous and unlimited in number, individuals will have difficulty controlling finances. This is important because financial difficulties and financial dissatisfaction in individuals can lead to stress and depression (Parmitasari, 2017).

According to research conducted by the Indonesian Kadence International Institute, the result is that many Indonesians are in debt (Andrew and Nanik, 2013). Based on information from Financial Services Authority (OJK), the level of financial knowledge of Indonesian people is still low at 28% while Malaysia is 66%, Singapore reaches

98%, while Thailand reaches 73% (Kusuma, 2014). One of the factors causing low level of financial knowledge is the geographical condition of Indonesia, which is generally around 60% located in rural areas (Kusuma, 2014).

A survey conducted by the Financial Services Authority (OJK) in 2013 showed that Indonesia is a country that has a low level of financial knowledge among the surrounding countries. Evidenced by the results of a national survey of financial knowledge conducted by the Financial Services Authority (OJK) in 2013 in 20 provinces with 8,000 respondents showed the level of financial literacy of the Indonesian people at 21.8% with a utilization rate of 59.7 percent (Financial Services Authority, 2016).

With the lack of financial knowledge, people could act or behave wrongly and ultimately experience shortfalls. The large number of people who do not understand financially causes many people to suffer losses, either due to a decline in economic conditions and inflation or

because the development of an economic system that tends to be wasteful because people are increasingly consumptive (Ida and Dwinta, 2010). Many people taking home loans and credit cards experience losses or frequent differences in calculations between consumers and banks because of lack of knowledge. Many people could not access the capital and financial markets because they do not have enough knowledge about it. The existence of financial knowledge can make changes in the mindset and perceptions of an individual in the financial (Parmitasari Bulutoding, and Alwi, 2020).

Research on financial behavior that has been done by (Perry and Morris, 2005) states that self's control influences financial behavior. Locus of control is the way someone views on an event whether someone can or cannot control the event that happened to him. Locus of control orientation can be divided into two, namely internal locus of control and external locus of control (Robbins, Millet and Marsh 2008). Internal locus of control is a person's belief that he has a great potential to determine his own destiny, regardless of whether his environment will support or not support. External locus of control is an individual whose external locus of control is high enough to easily surrender and give up if at any time a difficult problem occurs (Rotter, 2000). The locus of control variable is thought to affect a person's financial behavior psychologically (Hilgert, Hogart, Keown et.al, 2011). Several studies have examined a lot of problems in the financial sector both in the corporate sector and the public financial sector, but there is still little research at the University that discusses personal finance, especially in Indonesia (Nidar and Bestari 2012).

Several previous studies (Xiao et.al, 2009; Mandell and Klein, 2009) concluded that the best way to improve behavior in adulthood is to teach good behavior since childhood, including financial behavior. Financial behavior has become an interesting and much discussed issue lately. Financial behavior is very closely related to individual or community consumption behavior. Financial behavior is an important thing done in achieving one's financial goals so as to have the desired level of financial satisfaction (Parmitasari, et.al, 2018).

Individual with a luxury lifestyle will have many needs, and vice versa with a lifestyle that is not luxurious, individual will have fewer needs as well. It is shown in (Parmitasari, Alwi dan Sunarti, 2018) that lifestyle or hedonism has positive impact on individual financial management. Nevertheless, there is a possibility that individuals with good income are able to show more responsible financial behavior, because it would give them the opportunity to act responsibly (Ida and Dwinta, 2010).

Hilgert et al (2003) showed that respondents with lower incomes might pay their bills less on time compared to individuals with higher incomes.

Financial behavior is a person's ability to manage (planning, budgeting, checking, managing, controlling, searching and storing) daily financial funds. The emergence of financial behavior, is the impact of the magnitude of a person's desire to meet their needs in accordance with the level of income (Kholilah and Iramani, 2013). Behavior towards the use of money is often interpreted as motivation for the money they have. The explanation above explains that each individual who has money will have a different treatment, because it is influenced by his desire to shop. Many things can affect a person's behavior in managing finances including formal education factors, age factors, gender factors, income factors, and employment factors, as well as other factors related to one's environmental situation (Yulianti and Silvy, 2013).

Research conducted by (Chotimah and Rohayati, 2015) at Surabaya State University obtained the reality in the field that many of the scholarship recipients were experiencing financial problems. These financial problems are caused by the inability of students to control personal money (monthly money from parents runs out impulsively), not getting used to compiling financial plans, lack of financial control from parents, and the habits of students who hang out with friends every month just to gather. or a walk, culinary activities, watching, and so forth. Many students' lifestyle are contrary to the financial condition of their families, but they force themselves to be comparable with others around them who may be financially established (Parmitasari, Alwi and Sunarti, 2018).

Students who are familiar with the pattern above and make these activities a bad habit. This has become one of the factors in the swelling of monthly student spending, where there is no budget for hangout activities in monthly money. Behavior presented by a person is very dependent on the environment (Parmitasari, Alwi and Sunarti, 2018). When the social environment makes it a routine matter while in college as a burst of fatigue and fatigue. On the other hand, it affects the management of monthly money from parents if the activity is carried out every month or even often every week and the money runs out before the specified time period, and parents must send money back (Yulianti and Silvy, 2013).

II. OBJECTIVES

Based on the above argument, this study aims to: 1. Explore the role of locus of control and financial knowledge on financial behavior of Moslem's students scholarship recipients in Indonesia; 2. The role of locus of control on financial behavior of Moslem's students scholarship recipients in Indonesia, 3. The role of financial knowledge on financial behavior of Moslem's students scholarship recipients in Indonesia.

III. THEORETICAL-CONCEPTUAL REVIEW

Behavioral Finance first appeared in the 1990s. Behavioral finance emerges in line with the demands of the development of the business and academic world. Behavioral Finance theory begin to address the aspects or elements of behavior in the financial and investment decision making process. Behavioral Finance provides a space in studying the psychology of financial and economic actors by taking cognitive and behavioral points to answer the reasons for making irrational decisions in the capital market (Lovric et al. 2008, Barberis et al., 1998, Ezama et. al, 2014 and Shafi, 2014).

Behavioral finance is a theory that is still relatively new but has grown rapidly in the development of behavioral knowledge in the field of finance (Parmitasari et.al, 2019). Behavioral finance theory is the study of the impact of psychology on the behavior of financial participants and their effects on the market (Sewell, 2010). Moreover, Behavioral finance theory also defines how psychology effects financial decision making on financial markets with an open-minded financial way (Konstantinidis, et.al, 2012; Thaler, 1985, Fishbein and Ajzen, 1975).

Behavioral finance is a science that studies how humans react and react to information in an effort to make decisions that can optimize the rate of return by taking into account the inherent risks that are the elements of human attitudes and actions are the determining factors in investing (Lintner, 1998). These behaviors are not only related to existing financial theory and economic law principles, but tend to be influenced and / or based on psychological factors. Behavioral finance combines both economics and psychology (Thaler, 1999). Behavioral Finance overcomes inconsistencies through explanations based on human behavior both individuals and groups (Parmitasari et.al, 2018).

3.1 Financial Behavior

Financial behavior is a study that studies how psychological phenomena affect financial behavior (Shefrin, 2002). Financial behavior is the study of how

humans actually behave in a financial setting, specifically studying how psychology influences financial, corporate and financial market decisions (Nofsinger, 2001).

Mainly, Financial behavior is divided into three factors (Kholilah and Iramani, 2013). The first factor is consumption or expenditure by households on various goods and services (Mankiw, 2003). The second factor is savings or a portion of income that is not consumed by a household in a certain period (Case and Fair, 2007). The third thing is investment or the allocation or addition of current resources with the aim of getting benefits in the future (Noor, 2009). In other words, financial behavior is a person's ability to manage including planning, budgeting, searching, storing, examining, managing, and controlling financial funds in their daily lives.

3.2 Locus of Control

The concept of locus of control was first proposed by Rotter (1966), an expert on social learning theory. Locus of control is a person's perspective on an event whether he feels able or not to control the behavior that occurs to him. Locus of control is also seen as a concept that refers to an individual's belief regarding the events that occurred in his life (Larsen and Buss, 2002).

Locus of control illustrates well how far someone looked at the relationship between actions undertaken with consequences and outcomes. Locus of control is defined as someone's perception of the causes of success or failure in carrying out their work (Yulianti and Silvy, 2013). Meanwhile, Ajzen (2002) defines locus of control as the degree to which a person accepts personal responsibility for what happens to them.

Locus of control (*mujahadah an-nafs*) in the Islamic view is an attitude of earnest struggle against the selfish nature and personal lust for everything, including locus of control in terms of managing money or property. This struggle is carried out because lust has a tendency to seek various pleasures and ignore obligations. Ibn Katsir said "that lust always leads to evil except the lust which Allah cares for from evil". Indeed, the human desire to always orders something he wanted, even if he wanted to take something that is not blessed by God, unless God has mercy on whom He wills. Verily, Allah Almighty is able to forgive sins for those who repent of those sins without harming them (Translate Al-Maragi Juz 13: h. 2).

3.3 Financial Knowledge

Financial knowledge is built from internal individuals and the surrounding environment. Previous studies have shown that financial knowledge has a role in behaviour (Parmitasari, Bulutoding and Alwi, 2019; Jacobs-Lawson

& Hershey, 2005; Robb, 2011; Robb & Woodyard, 2011). Financial knowledge could be varied for each individual. The level of financial knowledge is different between individual and would impact on their financial decision making. There are various types of financial knowledge from capital market investors and different financial knowledge will encourage investors to behave differently in utilizing online or offline investment facilities (Pellinen et.al, 2011).

To have good financial knowledge, it is necessary to develop financial skills and learn to use financial tools. Financial skills are a technique for making decisions in personal financial management. Prepare a budget, choose. There are various sources through which knowledge can be obtained, all at various levels of quality or reliability. This includes formal education, such as high school programs or lectures, seminars and training classes outside of school, as well as informal sources, such as from parents, friends, and work (Ida and Dwinta, 2010).

3.4 Research Model and Hypothesis

The research model of this study is shown on the below picture.

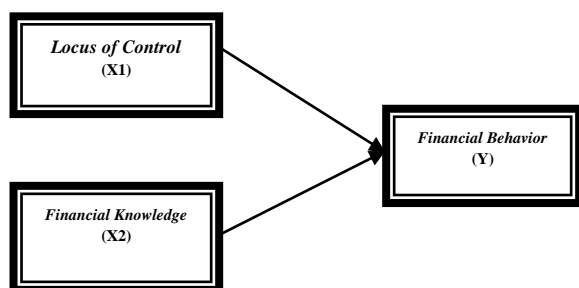


Fig.3.1: Research Model

Based on the explanation of theory and research model, several hypothesis could be drawn, which are:

- H1: Locus of control and financial knowledge have positive and significant effect on financial behaviour
- H2: Locus of control has positive and significant effect on financial behaviour
- H2: Financial knowledge has positive and significant effect on financial behaviour

IV. RESEARCH METHODOLOGY

The approach used in this research is quantitative approach. Data in this study were scholarship recipients at Islamic universities in eastern Indonesia. Data was collected within 4 months starting from January-April 2017. This study used primary data collected through a

questionnaire. The sample used in this study was 246 respondents. Samples are taken based on random sampling, where researchers provide equal opportunities for each element of the population to be chosen to be a member of the sample which is carried out randomly without regard to strata that exist in the population itself.

The analytical method used in this study is multiple linear regression analysis. This regression analysis aims to obtain a comprehensive picture of the relationship between the independent variable and the dependent variable both partially and simultaneously. Before conducting multiple linear regression tests, the validity and reliability tests of the research instruments were carried out. Before carrying out multiple regression analysis, the method requires to test the classical assumptions. The classic assumption test consists of a normality test, a multicollinearity test, a heteroscedasticity test and an autocorrelation test.

V. RESULTS AND DISCUSSION

5.1 Validity and Reliability Test

Validity and reliability test of the instrument was using the SPSS 21 program with 246 respondents. The results showed that data was valid and reliable.

5.1.1 Validity test

A question is said to be valid if the value of r-count which is the value of the corrected item-total correlation bigger or higher than the value of r-table. The result showed on the next tables.

Table 5.1 Validity Test Result of Locus of Control

No	Item	r-count	r-table	Status
1	P1	0,514	0,138	Valid
2	P2	0,597	0,138	Valid
3	P3	0,585	0,138	Valid
4	P4	0,641	0,138	Valid
5	P5	0,498	0,138	Valid
6	P6	0,572	0,138	Valid

Source: Data processed, 2017

Table 5.2 Validity Test Result of Financial Knowledge

No	Item	r-count	r-table	Status
1	P1	0,625	0,138	Valid
2	P2	0,580	0,138	Valid
3	P3	0,698	0,138	Valid
4	P4	0,645	0,138	Valid

Source: Data processed, 2017

Table 5.3 Validity Test Result of Financial Behaviour

No	Item	r-count	r-table	Status
1	P1	0,513	0,138	Valid
2	P2	0,596	0,138	Valid
3	P3	0,613	0,138	Valid
4	P4	0,629	0,138	Valid
5	P5	0,487	0,138	Valid
6	P6	0,565	0,138	Valid

Source: Data processed, 2017

Based on the above table, all instruments are valid to be used as instruments or statements to measure the variables.

5.1.2 Reliability Test

Reliability test is a test used to measure a questionnaire which contains indicators of a variable. A questionnaire is said to be reliable if the answer to the question is consistent from time to time. A variable is said to be reliable if the Cronbach Alpha value is higher than 0.6. The results showed on the below tables.

Table 5.4 Reliability Test Result of Locus of Control

Reliability Statistics	
Cronbach's Alpha	N of Items
.723	7

Source: Data processed, 2017

Table 5.5 Reliability Test Result of Financial Knowledge

Reliability Statistics	
Cronbach's Alpha	N of Items
.745	5

Source: Data processed, 2017

Table 5.6 Reliability Test Result of Financial Behaviour

Reliability Statistics	
Cronbach's Alpha	N of Items
.723	7

Source: Data processed, 2017

Based on the above table, all variables have Cronbach's Alpha > 0,60. Conclusively, all instruments are reliable to

be used as instruments or statements to measure the variables.

5.2 Classical Assumption Test

Once the data has been confirmed to be valid and reliable, the data will be tested using classic assumptions as a prerequisite in conducting multiple regression analysis.

5.2.1 Normality test

Normality test aims to test whether the regression model, or residual confounding variables have a normal distribution. To determine the level of significance of data whether or not a normal distribution, it can be done by non-parametric statistical tests Kolmogorov-Smirnov (K-S) (Ghozali, 2013). From the below table, it is shown that locus of control, financial knowledge and financial behavior have Z scores are higher than 0,05 and it is indicated that all variables have normal distribution.

Table 5.7 The results of Normality Test

One-Sample Kolmogorov-Smirnov Test				
		Locus Of Control	Financial Knowledge	Financial Behavior
N		246	246	246
Normal	Mean	18.62	11.62	18.23
Parameters	Std. Deviation	4.455	3.216	4.380
Most	Absolute	.085	.123	.063
Extreme	Positive	.054	.123	.054
Difference	Negative	-.085	-.064	-.063
s				
Kolmogorov-Smirnov Z		1.331	1.936	.993
Asymp. Sig. (2-tailed)		.058	.001	.278

a. Test distribution is Normal.
b. Calculated from data.

Source: Data processed, 2017

5.2.2 Multicollinearity test

Multicollinearity aims to test whether the regression model found a correlation between independent variables (Ghozali, 2013: 103-104).

Table 5.8 The Result of Multicollinearity Test Financial Knowledge

Coefficients ^a		
Model	Collinearity Statistics	
	Tolerance	VIF
(Constant)		
Locus Of Control	.949	1.054
Financial Knowledge	.949	1.054

a. Dependent Variable: Financial Behavior

Source: Data processed, 2017

The multicollinearity test results showed that the VIF value for the Locus of Control variable was 1.054 with a Tolerance of 0.949, VIF for the Financial Knowledge variable was 1.054 with a tolerance of 0.949. Because the values of two variables Tolerance were higher than 0.10 and VIF of two variables were lower than 10, multicollinearity did not exist on both independent variables. Thus, the above model has been freed of their multicollinearity.

5.2.3 Autocorrelation test

Autocorrelation test is a test of the assumptions in the regression where the dependent variable is not correlated with itself. The purpose of correlation with oneself is that the value of the dependent variable is not related to the value of the variable itself, either the value of the previous variable or the value of the period afterwards. The basis of decision making are: (1) If $du < DW < 4-du$, then there is no autocorrelation. (2) If $du \leq DW \leq du$ or $4-du \geq DW \geq 4-dl$, then no conclusions can be drawn. (3) $Dw < dl$, then autocorrelation is positive. (4) $DW > 4-dl$, then autocorrelation is negative.

Table 5.9 the Result of Autocorrelation Test

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.479 ^a	.229	.223	.22819	2.215

a. Predictors: (Constant), Financial Knowledge, Locus Of Control
 b. Dependent Variable: Financial Behavior

Source: Data processed, 2017

From the results can be output above in 2215 with sig value DW of 0.05 and the amount of data (n) = 246 and k = 2, where k is the number of independent variables. Then the value obtained dl (Lower Limit DW) = 1.78012 and du (Upper limit DW) = 1.79685. Because the value of $du < Dw < 4-du$, then it can be concluded that there is no autocorrelation, so that the autocorrelation test is met.

5.2.4 Heteroscedasticity test

To detect heteroskedasticity in this study, the Glejser Test method was used which was generated from the output of the SPSS version 21 program. The results of heteroskedasticity testing showed that none of the statistically significant independent variables influenced the dependent variable Absolut Ut (AbsUt). This can be seen from the probability of significance above the 5% confidence level. With so, it can be concluded that the regression model does not contain heteroskedasticity. Heteroskedasticity test results can be seen below.

Table 5.10 The Result of Heteroskedasticity Test

Model	Coefficients ^a			t	Sig.
	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta		
(Constant)	1.314	.186		7.076	.000
1 Locus Of Control	.406	.058	.407	7.046	.000
Financial Knowledge	.159	.053	.175	3.031	.003

a. Dependent Variable: Financial Behavior

Source: Data processed, 2017

5.3 The Results of Multiple Regression Analysis

Regression analysis is used to test hypotheses about the effect of partially and simultaneously independent variables on the dependent variable. A good regression equation model is one that meets the requirements of classical assumptions, including all data normally distributed, the model must be free from the symptoms of multicollinearity, free from autocorrelation and free from heteroskedasticity. From the previous analysis proves that this research is considered good.

This study uses regression analysis to predict how far the change in the value of the dependent variable of financial behavior of students receiving a university scholarship program in eastern Indonesia, if the value of the variable independent financial knowledge and locus of control changes. The results of the SPSS are used as an analysis tool, the results of multiple regression are as follows:

Table 5.11 The Results of Multiple Regression Analysis

Model	Coefficients ^a		
	Unstandardized Coefficients		Standardized Coefficients
	B	Std. Error	Beta
(Constant)	1.314	.186	
1 Locus Of Control	.406	.058	.407
Financial Knowledge	.159	.053	.175

a. Dependent Variable: Financial Behavior

Source: Data processed, 2017

5.3.1 The Equation of Multiple Regression

From the table above, the results of the calculation of independent variables can be arranged in the following equation:

$$Y = 1.314 + 0.406 X1 + 0.159 X2$$

Y = Financial Behavior

X1 = Locus of Control

X2 = Financial Knowledge

The results of the analysis can be interpreted as follows:

1. The above constant value of the equation of 1,314 indicated that if X1 (Locus of Control), X2 (Financial Knowledge) is constant or $X = 0$, then the Financial Behavior is 1,314.
2. X1 (locus of control) showed a coefficient value of (0.406). This means that if there is an increase in the locus of control factor by 1%, the locus of control will also increase by the multiplier variable 0.406 assuming the other independent variables are considered constant.
3. X2 (financial knowledge) showed the coefficient value of (0.159). This means that if there is an increase in the financial knowledge factor of 1%, the financial behavior will also increase by the multiplier variable 0.159 with the assumption that the other independent variables are considered constant.

5.3.2 Coefficient of Determination

The coefficient of determination (R^2) basically measures how far the model's ability to explain variations in the dependent variable (Ghozali, 2009). The coefficient of determination is between 0 (zero) and 1 (one). A small R^2 value means that the ability of independent variables to explain the variation of the dependent variable is very limited. A value close to one means that the independent variables provide almost all the information needed to predict variations in the dependent variable (Ghozali, 2009).

Table 5.11 The Results of Coefficient of Determination

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.479 ^a	.229	.223	.22819

a. Predictors: (Constant), Financial Knowledge, Locus Of Control

b. Dependent Variable: Financial Behavior

Source: Data processed, 2017

Based on the table above, the adjusted R^2 value was 0.229, this meant that 22.9% of financial behavior variables could be explained from both the locus of control and financial knowledge variables, while the rest ($100\% - 22.9\% = 77.1\%$) was explained by other causes outside model.

5.3.3 Hypothesis Test

5.3.3.1 F-Test

Simultaneous testing (F Test) is testing together coefficient locus of control and financial knowledge to financial behavior. If the calculated F value $>$ F table then the independent variable (X) affects the dependent variable (Y). If the calculated F value $<$ F table then the independent variable (X) has no effect on the dependent variable (Y). If the Sig value $<$ 0.05 then the independent variable (X) has a significant effect on the dependent variable (Y). If the Sig. $>$ 0.05 then the independent variable (X) has no significant effect on the dependent variable (Y).

Table 5.12 The Results of F Test

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	3.761	2	1.880	36.114	.000 ^b
Residual	12.653	243	.052		
Total	16.414	245			

a. Dependent Variable: Financial Behavior

b. Predictors: (Constant), Financial Knowledge, Locus Of Control

Source: Data processed, 2017

Based on the output above, it could be seen that the calculated F value $>$ F table value ($36.114 > 3.88$) with a probability of 0.000 (significant level of 0,000). Therefore, it can be concluded that the locus of control (X1) and financial knowledge (X2) variables if tested together or simultaneously have a significant effect on financial behavior variables (Y).

5.3.3.2 t-Test

Partial test also called the t test in multiple linear regression analysis aimed to determine whether the independent variable (X) partially or each of the variables significantly influence the dependent variable (Y). If the value of t count $>$ t table then the independent variable (X) affects the dependent variable (Y). If the value of t count $<$ t table, then the independent variable (X) has no effect on the dependent variable (Y). If the Sig value $<$ 0.05 then the independent variable (X) has a significant effect on the dependent variable (Y). If the Sig value $>$ 0.05 then the independent variable (X) has no significant effect on the dependent variable (Y).

Table 5.12 The Results of t-Test

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.314	.186		7.076	.000
Locus Of Control	.406	.058	.407	7.046	.000
Financial Knowledge	.159	.053	.175	3.031	.003

a. Dependent Variable: Financial Behavior

Source: Data processed, 2017

Based on the output above, it could be seen that the value of the t variable X1 was greater than the value of t table ($7.046 > 1.65251$) with a significant level below 0.05, 0.000 and the calculated variable (X2) was greater than the value t table ($3.031 > 1.65251$) with a significant level below 0.05 which was 0.003. Based on that, it can be concluded that the locus of control variable (X1) partially influences the financial behavior (Y) and the financial knowledge variable (X2) partially influences the financial behavior (Y)

5.4 Discussion

Based on the results of the analysis above, a discussion would be conducted which provided some detailed information about the results of the study and how the effect of each variable on other variables. The independent variables in this study were the locus of control (X1) and financial knowledge (X2) variables, while the dependent variable was financial behavior (Y). Furthermore, the discussion of each hypothesis is carried out as follows

5.4.1 The influence of locus of control (X1) and financial knowledge (X2) simultaneously on financial behavior (Y)

Based on the analysis of the locus of control and financial knowledge variables simultaneously influence the financial behavior. This locus of control consists of several indicators, namely the ability to solve personal problems, is more easily influenced by the environment, has initiative, self-confidence, is powerless in dealing with problems in life, and self-control. Meanwhile, financial knowledge consists of the term interest rates, credit terms, personal financial statements and investments. Statistically, these two variables can influence financial behavior because $F\text{-count} > F\text{-table}$ ($36.114 > 3.88$) with a probability of 0.000 (significant level of 0,000).

This result suggests that locus of control and financial knowledge are important factors that determine whether financial behavior is good or not. The higher the locus of control, the better the financial behavior will encourage. Conversely, if the locus of control is low, then financial behavior will also decrease (bad). Likewise with financial knowledge, the higher the financial knowledge, it will encourage the higher / better financial behavior. Conversely, if the locus of control is low, then financial behavior will also decrease. The results of this analysis accept the H1 hypothesis that locus of control (X1) and financial knowledge (X2) simultaneously influence financial behavior (Y).

This research is supported by the statement of Perry and Morris, (2005) suggesting that there are three factors that influence financial behavior or also called

someone's financial behavior including: first, a person's self-control over whatever happens in his life or called the locus of control; Second, a person's financial knowledge of matters relating to money or also called financial knowledge; Finally, knowledge of finance influences a person's behavior in managing his finances. This is in line with the opinion of Orton (2007) that financial knowledge (financial knowledge) becomes an inseparable thing in life, because it is a useful tool for making financial decisions.

Islam also emphasizes that a student (individual / community) must always manage and spend money (assets) properly, effectively and efficiently. In addition, Islam strictly forbids wasting money (wealth) and wasteful. This is confirmed by the word of Allah in the Qur'an surah Al-Furqon verse 67:

Translation:

67. and those who when they spend (property), they are not excessive, nor are they (miserly) miserly, and are (the expenditure) in the midst of such (Department of Religion of the Republic of Indonesia, 2010).

The affirmation of this verse explains that a Muslim student must be good at managing money (wealth) according to their needs and not being stingy about themselves and their families. (Translation of Tafsir Al-Maraghi Juz 19: p. 51). Financial planning (assets), is very important influence in the main aspects of student life.

5.4.2 Partial influence of locus of control (X1) on financial behavior (Y)

Based on the analysis it is concluded that the locus of control (X1) variable has a partial effect on financial behavior (Y). Locus of control consists of several indicators, namely the ability to solve personal problems, easily influenced by the environment, initiative, self-confidence, powerless in dealing with problems in life, and self-control. Statistically, this could affect financial behavior because $t\text{-count locus of control (X1)}$ is greater than the value of t-table ($7.046 > 1.65251$) with a significant level below 0.05 which is 0.000.

This result suggests that locus of control is one of the factors that plays an important role in determining the pros and cons of increasing financial actors. The higher the locus of control, will encourage better financial behavior. Conversely, if the locus of control is low or bad, then financial behavior will also decrease. The results of this analysis accept H2 hypothesis that locus of control (X1) influences financial behavior (Y).

This finding is supported by the results of Khalilah and Iramani (2013) research that locus of control affects financial behavior in the people of Surabaya. The

result was also supported by Fitra, Rasyid and Susanti (2018) that locus of control influenced investment decision. Rotter (1996) distinguished the orientation of the locus of control into two, namely the internal locus of control and external locus of control. Internal locus of control is a person's belief that there is a great potential to determine one's own destiny, regardless of whether the environment will support it or not and external locus of control is an individual whose locus of control is high enough to easily surrender and surrender if at any time occurs difficult financial problems (Rotter, 1996).

Descriptive results of this study also obtained the results that the locus of control does affect Financial Behavior. This is also in line with the previous discussion about the locus of control of the Islamic perspective, as confirmed in the Word of Allah SWT Al-Quran surah Yusuf verse 53 as follows:

Translation:

53. And I do not free myself (from error), because Truly lust always leads to evil, except lust that is given a grace by my Lord. Verily, my Lord, Forgiving, All-Forgiving (Department of Religion of the Republic of Indonesia, 2010).

Ibn Kathir said "that is (lust always tells to evil) except lust that Allah guarded (from evil)". Indeed, human lust always commands to something that he wants, even though he tells to something that is not blessed by Allah SWT, except Allah SWT gives mercy to whom He wants. Verily Allah Almighty forgives of sins for those who repent of these sins by not torturing them (Translation of Tafsir Al-Maraghi Juz 13: p. 2).

Locus of control is perceived by researchers as a psychological variable, so that it is predisposed, a person has two possibilities, they tend to have an internal locus of control and an external locus of control. Therefore, to improve or enhance financial behavior, things that need to be considered and improved are the ability to solve personal problems, not more easily influenced by the environment, the need to have initiative, must have self-confidence, avoid being helpless in dealing with problems in life and have a high level of self-control.

5.4.3 Effect of financial knowledge (X2) on financial behavior (Y)

Based on the results of the analysis of financial knowledge variables (X2) partially effect on financial behavior (Y). This financial knowledge consists of several indicators, namely the term interest rate, the term credit, personal financial statements and investment. Statistically, this could affect financial behavior because t-count

financial knowledge (X2) was greater than the value of t-table ($3.031 > 1.65251$) with a significant level below 0.05, which was 0.003.

Most people are looking for a quality life and financial security. Student financial management is also determined by the financial knowledge possessed by each individual. The public wants to be able to make smart decisions about how to manage spending and investment and ultimately obtain a wealth of wealth. This practical approach to achieving this goal involves learning about the specific financial activities faced, namely recording and budgeting, banking and using credit, savings and loans, paying taxes, making major expenses such as houses and cars, buying insurance, investing, and retirement plans.. To handle personal finances systematically and successfully, knowledge is needed.

To have financial knowledge it is necessary to develop financial skills and learn to use financial tools. Financial skills are a technique for making decisions in personal financial management. Setting up a budget, choosing an investment, choosing an insurance plan, and using credit are examples of financial skills. Financial tools are forms and charts used in making personal financial management decisions such as checks, credit cards, debit cards (Ida and Dwinta, 2010). There are various sources through which knowledge can be obtained, all at various levels of quality or reliability. This includes formal education, such as high school or college programs, seminars and training classes outside of school, as well as informal sources, such as from parents, friends, and work (Ida and Dwinta 2010).

Financial knowledge is the basis of a critical factor in financial decision making. Even though many consumers may have a strong capacity to manage impulsive purchases and care deeply about post-financial well-being, people may still lack the knowledge and insight needed to make wise financial decisions. The better the knowledge of finance the better the financial management. This implies that financial knowledge is one of the factors that play an important role in determining the merits of managing a student's finances. The higher the financial knowledge will encourage the better also in managing finances. Conversely, if financial knowledge is low, financial management will get worse too. The results of this analysis accept the hypothesis H3 that financial knowledge (X2) has a partial effect on financial behavior (Y).

The results of this study are consistent with statements made by Parmitasari, Bulutoding and Alwi (2020), Tang and Baker (2016) and Robb and Woodyard

(2011). Research conducted by Parmitasari, Bulutoding and Alwi (2019) said that financial knowledge impacts individual financial behavior. While Robb and Woodyard (2011) stated that in behaving financially requires financial knowledge. A similar statement stated by Cummins, Jenkins and Haskell

(2009) said that a person's ability to manage finance is one of the important factors for achieving success in life, so knowledge of good and correct financial management is important for members of the public, especially individuals / students. The research of Jacobs-lawson & Hershey (2005), Grable et.al (2009), Ida and Dwinta (2010), Robb (2011), Robb & Woodyard (2011) and Parmitasari, Bulutoding and Alwi (2020) stated that there are financial influences knowledge of financial behavior.

The same statement was stated by Ida and Dwinta (2010) that financial knowledge possessed by someone influences financial management. This statement is reinforced by research by Andrew (2014) which suggests that there is a significant relationship between financial knowledge and financial behavior where the higher a person's financial knowledge will tend to be wiser in managing their finances. This statement is also supported by Parmitasari, Bulutoding and Alwi (2020) said that every individual has financial knowledge, but each individual has a different level of financial knowledge and will influence decision making in behavior.

Islam also views that financial knowledge is very important for a student as an individual. Islam also teaches humans to be fair and not go beyond limits. Because everything that goes beyond limits is bad. Even Muslims are also called *Ummatan Wasatho*, which means the people who are in the middle. In addition, the teachings have a wonderful way to lead people not to get caught up in this wasteful nature, because people who are wasteful and squander money (property) are friends with the devil. This is confirmed in the Word of Allah SWT Al-Qur'an surah Al-Isra verse 27 as follows:

Translation:

27. Surely the wasters are devoted brothers and devils are very disbelievers to their Lord (Department of Religion of the Republic of Indonesia, 2010).

The affirmation of this verse explains at the same time gives a warning to students that Allah, does not like people who are wasteful, to the last warning, God calls people who are wasteful and like to spend money or property as people who are friends with the devil.

VI. CONCLUSION

Based on the results of research, it could be indicated that the increase in financial behavior was not inseparable from the ability of students to understand the self-control and level of financial knowledge. With the high locus of control and financial knowledge possessed, it would be wiser in terms of improving financial behavior of students scholarships recipients.

The hypothesis test shows that locus of control and financial knowledge if tested simultaneously will affect financial behavior. Those internal factors was proved to influence financial behavior. Without locus of control and financial knowledge, university students could behave recklessly in terms of financial. Moreover, the research also showed that each of those internal factors could also impact financial behavior partially. Based on the results of hypothesis testing shows that if tested partially, locus of control will affect financial behavior, as well as financial knowledge, if tested partially, it will affect financial behavior.

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