

CHAPTER V CONCLUSION, LIMITATIONS, AND RECOMMENDATIONS

5.1 Conclusion

This research aims to know the influence of financial self-efficacy, money attitude and financial knowledge on financial management behavior, while using financial self-efficacy and financial knowledge as moderating variables between money attitude and financial management behavior. The research is conducted on China and Indonesia respondents. Based on the reviewed literature in chapter 2 and the discussion in chapter 4, the conclusion of this research are:

1. Financial self-efficacy has no significant influence on China respondents, but has negative and significant influence on Indonesia respondents. The test result for China is consistent with the finding of Ismail *et al.* (2017), while the result for Indonesia respondents is consistent with the finding of Qamar *et al.* (2016). Financial self-efficacy explains the confidence level of an individual in organizing and executing their own finance. In the psychology of behavioral aspects, self-efficacy is referring to how individual belief that they can accomplish an assigned task. As a moderating variable, it did not moderate the relationship between money attitude and personal financial management behavior.
2. Money attitude has a positive and significant influence on financial management behavior, both on China and Indonesia respondents. The test results are consistent with the finding of Qamar *et al.* (2016), Selcuk (2015), Sundarasen and Rahman (2017), and Sabri (2015). Money attitude showed how one perceive money. It portrayed people attitudes regarding money

matters. Attitude towards money is built from the circumstances and experiences individual has gone through in their life.

3. Financial knowledge has a positive and significant influence on financial management behavior, both on China and Indonesia respondents. As a moderating variable, financial knowledge also contributed significantly in the relationship between money attitude and financial management behavior. This results are consistent with the finding of Ismail *et al.* (2017), Sundarasen and Rahman (2017), Nusron *et al.* (2018), Mien and Thao (2015), Arifin (2017), Tang and Baker (2016), and Qamar *et al.* (2016). Knowledge regarding financial involved the understanding of key financial terms and ideas needed daily. Financial knowledge, financial literacy and financial education has been used regularly in academic literature and prevalent media.

5.2 Limitations

In the process of conducting this research, author has encountered some constraints and limitations, such as:

1. The size of this sample is small which may affect the analysis of regression model of this research.
2. This research used online questioner in which the respondents may have misconception regarding the questions provided.
3. The result of adjust R square is low. This indicated the influence of independent variables is not strong enough.

4. The sample group of this research is limited to college students.

5.3 Recommendations

Recommendations that author can provide are as following:

1. For research to be conducted in the future, researcher may enlarge the sample size to acquire more accurate results.
2. Future research may try to spread the questionnaire directly to the respondents.
3. The future research may consider involving other factors such as parental teaching or childhood experience.
4. The future research may consider using other group of sample other than college students.