



The Influence of Financial Accounting Learning Quality on Financial Literacy and its Impact on Financial Self-Efficacy

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ABSTRACT

This paper documents the influence of the quality of financial accounting learning on financial literacy and its impact on financial self-efficacy. The research uses quantitative descriptive methods through simple linear regression analysis techniques. The research was carried out at the Vocational School of Labor under FKIP, Riau University in the Accounting and Finance Skills Department Program. The population used in this research were students with competency skills in accounting and financial institutions, namely, classes XI and XII in the academic year 2021/2022, all of whom were 90 students studied (census). The research results show that the quality of financial accounting learning influences the financial literacy of students at the Vocational School of Labor under the guidance of FKIP, Riau University. Financial literacy influences students' financial self-efficacy. Quality learning will help in understanding, assessing, and acting in managing students' finances and financial self-efficacy

Keywords: *financial self-efficacy, accounting learning quality, financial literacy*

Submitted	Accepted	Published
29 August 2024	03 November 2024	30 November 2024

Citation	:	Dewi, M., Makhdalena., & Gimin. (2024). The Influence of Financial Accounting Learning Quality on Financial Literacy and Its Impact on Financial Self-Efficacy. <i>Jurnal PAJAR (Pendidikan dan Pengajaran)</i> , 8(6), 628-636. DOI: http://dx.doi.org/10.33578/pjr.v8i6.10044 .
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INTRODUCTION

A person's financial knowledge is then developed into financial skills, where financial skills themselves are defined as the ability to apply the financial knowledge they have in everyday life. With adequate financial capabilities, a person is able to make the right financial decisions, namely making financial plans, managing expenses, having savings or investments as well as insurance and pension funds. However, currently financial literacy (knowledge and skills) alone is not enough to make someone have good financial behavior. There is motivation within oneself, namely a person's belief in their ability to achieve predetermined goals or what we call self-efficacy. Self-efficacy is a person's self-confidence in terms of their ability to control their thoughts, feelings and behavior. In general, self-efficacy consists of two forms, namely high self-efficacy and low self-efficacy.

The higher the self-efficacy, the easier it is for the student to complete his learning, and conversely, the lower the student's self-efficacy, the more difficult it is for the student to complete his learning at school. In this research, self-efficacy is linked to financial self-efficacy, which can be defined as belief in one's ability to change financial behavior for the better. The dimensions of financial self-efficacy that influence financial behavior can be linked to the dimensions of self-efficacy in general, namely: level of magnitude, strength, and generality. Self-confidence in one's financial abilities can influence how a person behaves financially. Self-efficacy helps students to act and make changes in financial behavior towards a better direction. The higher the self-efficacy and financial knowledge that students have, the higher their financial self-efficacy will be. Financial knowledge has a significant contribution to a person's financial self-efficacy. Individuals who have good financial knowledge are able to increase financial self-efficacy.

A good level of financial literacy can help individuals become smarter in planning the future and managing finances. Financial literacy education is very necessary to educate people who are aware and

understand how to manage finances wisely and according to their needs. Financial literacy education must be given as early as possible to children, especially pre-school and elementary school-aged children because introducing financial literacy knowledge from an early age will make children accustomed to managing finances well and correctly in the future.

Indonesia, as a developing country that has a very large territory and a very large population and is ranked number 4 in the world, Indonesia is experiencing financial problems. Most of the Indonesian population does not understand financial matters. In other words, Indonesia is in a financial crisis, or at this time it is said to have a low level of literacy, which was discovered by the OJK in 2013, 2016 and 2019. In 2013, Indonesia's financial literacy level only reached 21.8%, in 2016 Indonesia's financial literacy level increased to 29.9%, in 2019 it became 38.03%, but this results is still in the low literacy category.

Table 1. 2019 Financial Literacy Index Based on Education Level

No	Level of education	Percentage
1	Not attending school/not completing elementary school	5,92%
2	Elementary school	19,78%
3	Junior high school	20,30%
4	High School/Vocational School	44,68%
5	College	9,32%

Source: OJK 2019

From the results of the OJK survey, students need to be equipped with adequate financial understanding, because they are included in the category of very strategic economic actors. Where the number of students is around 65 million or 25% of the total population of Indonesia. In addition, the 2019 OJK survey shows that students generally have relatively low levels of financial literacy and inclusion. The financial literacy level of the population aged 15-17 years is only 16% or far below the national financial literacy level of 38% and the 2019 financial literacy index based on education level at SMA/SMK level reached 44.68%, still in the low literacy category. Students are also more vulnerable from a financial perspective because they do not understand the importance of saving or investing, including preparing emergency funds and are easily influenced by offers from influencers on social media.

The low level of student financial literacy will cause students to be less able to control themselves and therefore tend to behave consumptively. The high level of consumption which tends to lead to wasteful lifestyles is a phenomenon that often occurs, especially among teenagers who attend school. Most students have limited income. Many teenagers are willing to spend their pocket money to spend on all their needs without thinking first about the benefits of these items. One of the reasons why teenagers behave consumptive is the lack of financial knowledge among teenagers. Improving financial literacy can be done by improving the quality of financial learning in schools. Learning at school plays a very important role in the process of forming students' financial literacy. Effective and efficient learning can develop all domains of learning objectives, namely knowledge (cognitive), attitudes (affective) and skills (psychomotor). Through various teaching methods, media and learning resources that are in accordance with competencies, it is hoped that it will be able to provide students with skills in the financial sector, so that students become ready and able to face life now and in the increasingly complex future. Apart from that, financial education has a very important role for students to have the ability to understand, assess and act in their financial interests.

Pekanbaru Labor Vocational School has implemented school literacy movements including counseling literacy, numeracy literacy, financial literacy and reading literacy. In learning in the institutional

accounting and financial skills competency of productive accounting subjects for classes X, XI and It can be concluded that the accounting learning activity process is of high quality.

1. The Quality of Financial Accounting Learning Influences Financial Literacy

Financial learning at school plays a very important role in the process of forming students' financial literacy. Effective and efficient learning can develop all domains of learning objectives, namely knowledge (cognitive), attitudes (affective) and skills (psychomotor). Through various teaching methods, media and learning resources that are in accordance with competencies, it is hoped that it will be able to provide students with skills in the financial sector, so that students become ready and able to face increasingly complex current and future life. The quality of learning will depend on various combinations, including; Good teaching methods, media and sources of teaching materials are expected to be able to provide knowledge and understanding in financial management.

H1: The quality of financial accounting learning influences financial literacy

2. Financial Literacy Influences Financial Self-Efficacy

Financial self-efficacy is a person's sense of confidence in their capacity to manage their finances well and to achieve their financial goals. When a person's level of confidence is high, that person will be motivated to do something to achieve their goals. So the higher the level of individual efficacy in carrying out good financial management, the more responsible the individual will be in managing finances.

One source of self-efficacy that can influence financial self-efficacy is the experience of mastering a competency (enactive mastery experience). Someone who has mastery of certain competencies can make that person achieve success. With this success, it will help increase a person's self-efficacy. Competencies in this research are competencies in terms of financial literacy, namely: knowledge, abilities and skills to manage finances. A high level of financial literacy has a positive influence on financial management behavior. This indicates that financial literacy is an important factor in implementing good financial management and someone who has high literacy means their financial self-efficacy will also be high.

H2: Financial literacy influences financial self-efficacy

LITERATURE REVIEW

Self-efficacy is a self-variable derived from behavioral and social cognitive approaches, which is the belief that a person can control a situation and produce positive results. Perceived self-efficacy reflects a person's optimistic belief in their ability to succeed. Individuals with a high level of self-efficacy believe that they can complete difficult tasks and overcome difficulties (Luh Pratiwi and Krisnawati, 2020)

Financial self-efficacy is a person's sense of confidence in their capacity to manage their finances well and to achieve their financial goals. When a person's level of confidence is high, that person will be motivated to do something to achieve their goals. So the higher the level of individual efficacy in carrying out good financial management, the more responsible the individual will be in managing finances (Rizkiawati and Asandimitra, 2018). According to Widiawati (2020), financial self-efficacy is a person's belief or confidence in their ability to achieve their financial goals and is influenced by several factors including financial skills, personality, social and other factors.

It can be concluded that financial self-efficacy is an individual's confidence in managing finances, using financial services and beliefs about the ability to overcome financial problems to achieve their financial goals. The quality of learning is closely related to the use of appropriate learning methods. To achieve maximum learning quality, courses must be very well coordinated and delivered to students with the right delivery strategy. Measuring the quality of learning is not only focused on delivering lesson material, but rather instilling attitudes, behavior, values and norms in students in developing their own potential so that it can be useful and beneficial for themselves, society and the state (Mahardika, 2021).

Mulyasa (2012) stated that the quality of learning is a combination of personal/personal abilities, scientific abilities, technological abilities, social living abilities, and spiritual abilities in a complete and comprehensive manner which then forms professional standard competencies for both lecturers and teachers, which includes mastery of material, understanding of students, educational learning, personal development, and professionalism. In line with Trias and Mayang (2018) they also argue that the quality of learning is the work ability of a lecturer in carrying out his work as a professional educator in disseminating knowledge according to the knowledge he has (Indrayani and Mira, 2021)

From this understanding, it can be concluded that the quality of learning is a combination of ability/teacher behavior, student behavior, learning climate, teaching materials, quality learning media, and learning systems to achieve learning goals in terms of knowledge, attitudes, and skills. According to the Financial Services Authority (OJK, 2016) financial literacy is knowledge, beliefs and skills that influence attitudes and behavior to improve the quality of decision making and financial management in order to achieve prosperity. Financial literacy has great benefits, namely (1) being able to choose and utilize financial products and services that suit your needs; (2) have the ability to carry out better financial planning; and (3) avoid investment activities in unclear financial instruments (Indra and Assumpta, 2019)

Organization for Economic Co-operation and Development or OECD (2016) explains that financial literacy is knowledge and understanding of financial concepts and risks, which consists of skills, motivation and confidence to apply the knowledge and understanding that you already have to make effective financial decisions, improving individual financial well-being. and society, and participate in the economic sector. Financial literacy is defined as a person's ability to manage funds to achieve economic security in the future, based on short-term and long-term decisions, to achieve better financial management (Indra and Assumpta, 2019). Another definition outlined by Bhushan and Medury (2013) explained that financial literacy can be defined as the ability to make informed judgments and make effective decisions regarding the use and management of money. Financial literacy is very important for several reasons, for example someone who has a good level of financial literacy can get through difficult financial times due to the fact that they have accumulated savings, use insurance and have good investment diversification.

METHOD

The research method used is a quantitative method. This method is called a quantitative method because the research data is in the form of numbers and analysis uses statistics. The population used in this research were students with students of accounting and financial skills competency, namely classes XI and XII at the Vocational School of Labor under FKIP, Riau University in the 2021/2022 academic year, as many 90 students were all studied (census). The type and source of data used in this research is primary data, namely respondents obtained from schools. The data collection technique uses a questionnaire and the data analysis technique used is quantitative descriptive analysis/path analysis (path analysis) with the help of the SPSS for Windows version 25.0 program. From the data above, the research model used is as follows:

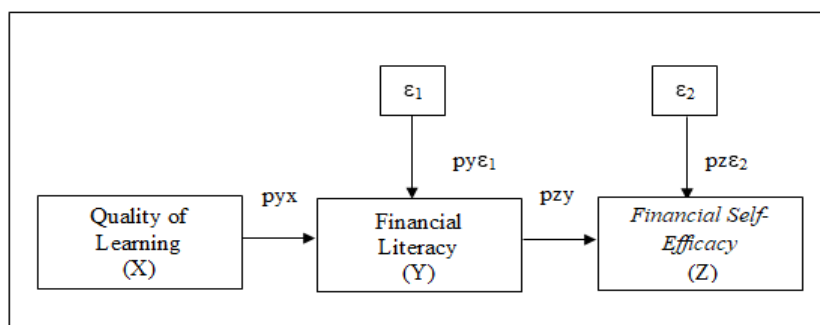


Figure 1. Research Model

Where:

$\rho(\rho)$ = Kcorrelation coefficient

ρ_y, ρ_z = Path Coefficient

$\varepsilon_1, \varepsilon_2$ = Residual Error

Residual error is calculated using the following formula:

$$\varepsilon = \sqrt{1 - R^2}$$

Where:

ε = Residual Error

1 = Constant

R^2 = R Square

RESULTS AND DISCUSSION

Based on the results of data analysis and hypothesis testing that was carried out in this research, results were obtained which showed that there was an influence between the quality of learning on the financial literacy of students at the Vocational School of Labor under FKIP, Riau University. The meaning of the results of the regression analysis is that it shows that the higher the quality of student learning, the better their financial literacy will be. This means that there is a positive and significant influence on the quality of learning on financial literacy. Therefore, it can be said that the higher the quality of learning possessed by students will have a significant influence on increasing their financial literacy.

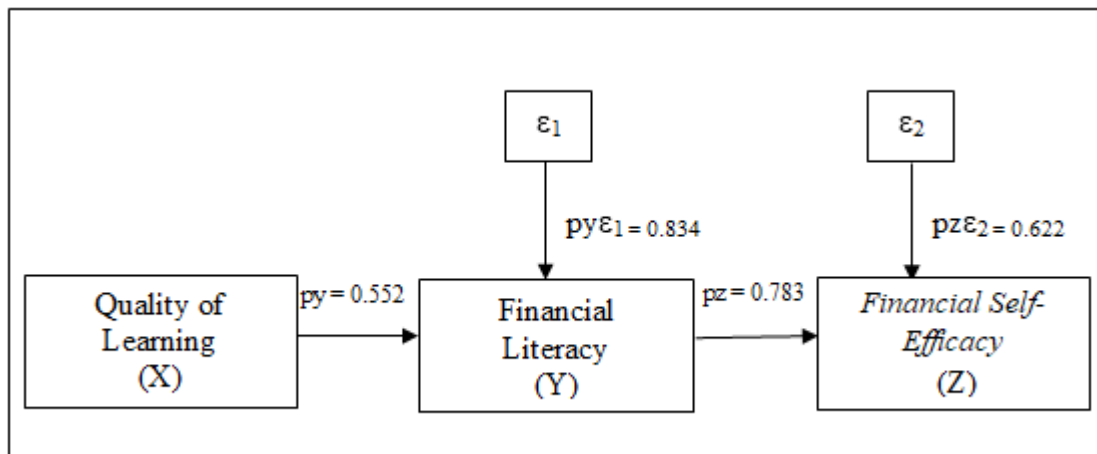


Figure 2. Structure Complete influence of learning quality on financial literacy and its impact on financial self-efficacy

Based on Figure 2 above, then 2 sub structures will be formed, namely sub structure 1 the influence of learning quality (X) on financial literacy (Y) and sub structure 2 the influence of financial literacy (Y) on financial self efficacy (Z). Sub structure analysis 1 and sub structure analysis 2 are as follows:

a. The Influence of Learning Quality on Financial Literacy

Sub structure 1 is:

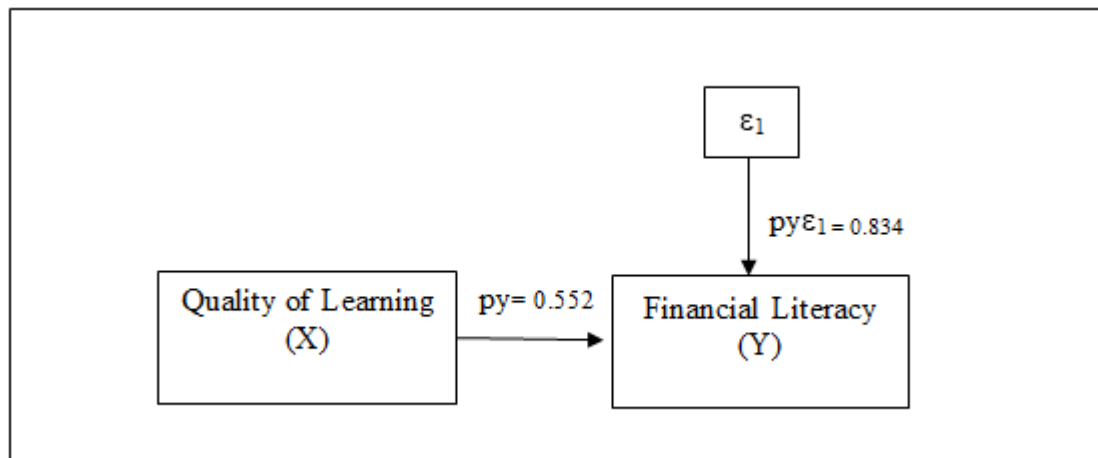


Figure 3. Influence of Learning Quality Variables on Financial Literacy

The results of the hypothesis test on the effect of learning quality (X) on financial literacy (Y) is 0.305. The magnitude of the influence of learning quality on financial literacy is 0.305 or 30.5%, the rest amounting to 0.695 or 69.5% influenced by other variables not examined in this study such as age, level of formal education, and business income (Suryanto and Rasmini, 2018), education level, social strata and age group (Mulyati and Hati, 2021), family financial education, place of residence, and friend interactions (Sekarwiti and Witjaksono, 2016), financial attitude factors have a positive influence on financial literacy and peers have a positive influence on financial literacy (Prabowo, 2021), demographic factors, individual/personal factors, and family socio-economic factors (Wardani et al, 2017).

- b. The Influence of Financial Literacy on Financial Self-Efficacy
Sub structure 2 is:

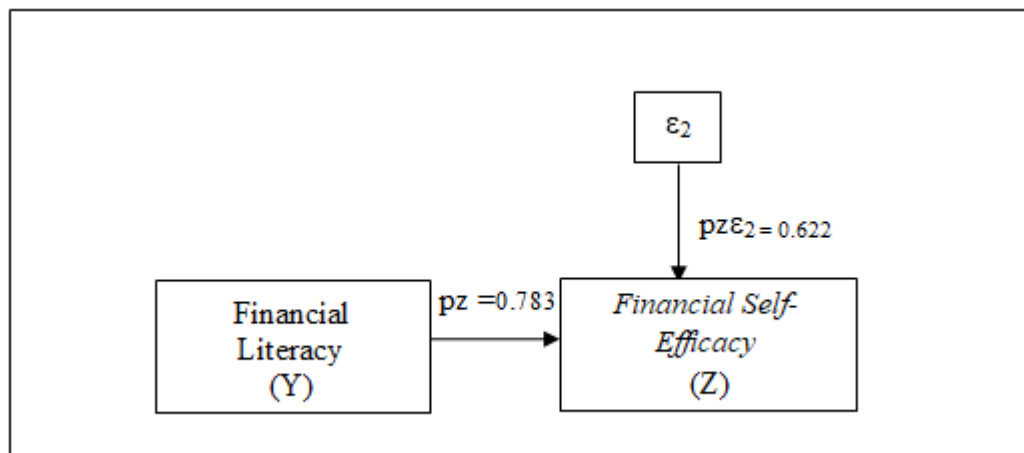


Figure 4. The Influence of Financial Literacy Variables on Financial Self Efficacy

The results of hypothesis testing on the influence of financial literacy (Y) on financial self-efficacy (Z) is 0.613 (Appendix 7 Table 4 Page 114) the magnitude of the influence of financial literacy on financial self-efficacy is 0.613 or 61.3%, the rest amounting to 0.387 or 38.7% is influenced by other variables not examined in this research such as financial education factors in the family (Arifa and Setiyani, 2020), culture, gender, nature of the task at hand, and external incentives (Pangestika and Rusliati, 2019).

Nyoman Trisna Herawati (2017) shows that financial knowledge has a positive influence on self-efficacy. In line with Gilang Puspita and Isnalita (2019), the results show that financial knowledge has a positive influence on self-efficacy. So, the higher a person's financial knowledge, the higher their self-efficacy. A person with high financial self-efficacy, where he is confident in his financial abilities, will be more motivated to achieve every financial goal, and will be wiser and more responsible in managing his finances, and someone with high financial knowledge will create a strong sense of self-confidence. , so that in the end a strong sense of self-confidence will form good financial behavior in terms of finances.

This finding is in line with previous research conducted by Nyoman Trisna Herawati (2017) showing that financial knowledge has a positive influence on self-efficacy. In line with Gilang Puspita and Isnalita (2019), the results show that financial knowledge has a positive influence on self-efficacy. So, the higher a person's financial knowledge, the higher their self-efficacy. Suwatno et al (2019) financial literacy has a positive effect on *financial self-efficacy*. financial literacy and financial self-efficacy have a positive effect on financial management behavior. Luh Regita Eka Pratiwi and Astrie Krisnawati (2020) The results of this research found that financial literacy has a significant influence on financial self-efficacy. In line with the research results of Janah Setiya Nurul Arifa and Radiana Setiyani (2020) that financial literacy has a positive and significant influence on financial self-efficacy. This can be seen from the analysis results which were positive with a significance of $0.00 < 0.05$. Contribution of the influence of financial literacy on the financial self-efficacy of Semarang State University students in the class of 2016. A person with high financial self-efficacy, where he is confident in his abilities in financial matters, will be more motivated to achieve every financial goal, and will be wiser and more responsible in financial management and someone with high financial knowledge will create a strong sense of self-confidence, so that in the end a strong sense of self-confidence will form good financial behavior in terms of finances.

As for other factors that influence financial self-efficacy, Tri Pangestika and Ellen Rusliati (2019) stated that a person's self-efficacy can be influenced by several factors, namely culture, gender, the nature of the task at hand, and external incentives. Janah Setiya Nurul Arifa and Radiana Setiyani (2020) financial education factors in the family have a positive and significant influence on financial self-efficacy. This result is in line with previous research conducted by Herawati (2017), Puspita and Isnalita (2019), Herawati et al., (2018), Suwatno et al., (2019), Pratiwi and Krisnawati (2020), Arifa and Setiyani (2020) stated that financial literacy has an effect on financial self-efficacy, and this is in contrast to research Khodijah et al (2021), and Sari (2021) stated that financial literacy has no effect on financial self-efficacy.

CONCLUSIONS AND RECOMMENDATION

Based on the results of hypothesis testing and research that has been conducted on the influence of the quality of financial accounting learning on financial literacy and its impact on the financial self-efficacy of the Vocational School of Labor under the guidance of FKIP, Riau University, several answers were found which can be concluded as follows:

1. The quality of financial accounting learning influences the financial literacy of students at the Vocational School of Labor under the guidance of FKIP Riau University.
2. Financial literacy influences the financial cell efficacy of students at the Vocational School of Labor under the guidance of FKIP Riau University.

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