
The Influence of Financial Knowledge, Control and Income on Individual Financial Behavior

Agus Zainul Arifin¹

Abstract:

The purpose of this study is to analyze the influence of Financial Knowledge, point of Control, and Income on Financial Behavior. This study is based on the Theory of Planned Behavior (TPB), of which the subject is the entire Jakarta communities categorized in the workforce-age, who have already had the occupation and generate fixed-income every month.

The result of this study reveals that Financial Knowledge and Locus of Control do affect Financial Behavior, while Income does not provide the same direction.

Keywords: *Financial Knowledge, financial Control, Income, Financial Behavior*

¹ Tarumanagara University – Faculty of Economics
agusz@fe.untar.ac.id

Background

Manulife survey result (Manulife, 2016) revealed the evidence that Indonesian community tend to behave irrationally in finance. From this survey, there are four main points that can be concluded, which are: (1) 70% of majority shareholders do not have target on the amount of long-term savings. (2) 53% of investors spend 70% or more of their income within one month. (3) 10% of investors spend 90% or more of their income, and (4) 40% of investors do not monitor their expenditures. The survey result conducted by LIMRA (Life Insurance Marketing Research Association) showed that among 100 persons in the age of 25 and what would happen when they reached the age of 65, explained that, 1% enjoy their retirement age in economically prosperous condition, 4% achieve financial independence, 5% are still working, 12% suffer from poverty, 49% rely on somebody in their family, and the remaining 29% have already demised (Purwanto, 2013). From those two survey results, it can be concluded that Indonesian community have poor long-term financial planning. Those people's incomes are allocated more for short-term consumptive expenditures. This kind of behavior is considered as irrational in the aspect of income treatment.

Hilgert *et al.* (2003) stated that individuals who can act rationally are those who can think logically, indicated by the good activities in financial planning, organizing, and controlling. The indicator of good financial behavior can be observed from the way or attitude of a person in organizing his/her cash inflow and outflow, credit management, savings and investment. In other word, the individual will allocate his/her income for short-term necessities (consumption) and long-term necessities (investment).

How an individual plan and organize his/her income in order to fulfill his/her financial needs can be explained in the theory of financial behavior. Olsen (1998) mentioned that the objective of financial behavior is to comprehend and estimate the systematic implications of financial markets from psychological perspectives.

Ajzen (1980) invented the Theory of Planned Behavior (TPB), which is related to rational act based on the assumption that human beings act in logical way, consider all available information, directly and indirectly calculate the impact from the actions they did. Azwar (1995) stated that according to the theory of rational act, individual will conduct an action whenever he/she views that the action is positive and whenever the individual believes that other people want him/her to conduct such kind of action. Ajzen (1980) mentioned that the intention of someone in doing or not doing something is influenced by two basic factors, which are the attitude that origins from behavioral belief and subjective norm that origins from normative belief. Next, this Theory of Planned Behavior adds the third factor, which is control belief.

Behavioral finance constitutes the theories of behavioral science underlied by the psychological and sociological theory. This theory tries to reveal and explain the inconsistent phenomenon. Ricciardi and Simon (2000) explained that the main point of behavioral finance is trying to explain what, why, and how from human being perspective on finance and investment. Behavioral finance appeared to the surface along with the business and academic development, which started to reveal the aspect or element of behavior in finance and/or investment decision making. This phenomenon was much inspired by the increasing role of behavior as one of the determinants in buying and selling securities (Vovchenko *et al.*, 2015: 2017; El-Chaarani, 2014; Suryanto and Ridwansyah, 2016; Anureev, 2017; Fetai, 2015).

Pompian (2006) explained that behavioral finance is divided into macro and micro behavioral finance. Macro behavioral finance speaks about whether the market is efficient or affected by the impact of behavioral finance. Meanwhile, micro behavioral finance speaks about whether investors act rationally, or whether the cognitive and emotional errors do affect their financial decisions. Micro behavioral finance also classifies individuals based on their characteristics, tendencies, and certain behaviors (Setyawan *et al.*, 2014).

From these facts and theories, it can be concluded that communities' behavior in Indonesia tend to be irrational in spending their income. This study intends to find out the factors determining individual's financial behavior, especially among the workforce-age in Indonesia. Perry and Morris (2005) conducted a study on financial behavior, of which the independent variables were Locus of Control, Financial Knowledge, and Income. Respondents were those living in America. Furthermore, this study was conducted again by Grabel *et al.* (2009) on Korean people living in America. The study conducted by Perry and Morris, was also reviewed by Ida and Dwinta (2010), who then conducted a similar study among the students of Maranatha Christian University. Kholilah and Irmani (2013) also conducted the similar study on people living in Surabaya.

Perry and Morris' study (2005) using independent variables of Locus of Control, Financial Knowledge, and Income revealed that these three variables do positively influence Financial Behavior. Grabel *et al.* (2009) found out that Locus of Control and Income negatively influence Financial Behavior, while Financial Knowledge has the opposite way. The study conducted by Ida and Dwinta (2010) also provided the same results as the one conducted by Grabel *et al.* (2009). Kholilah and Irmani's study (2013) revealed that Locus of Control has positively influence on Financial Behavior, while Income and Financial Knowledge had negative ones.

The purpose of this study is to reanalyze the influence of Financial Knowledge, Locus of Control, and Income on Financial Behavior. The difference in this research is about the subject, who are those living in Jakarta, categorized in workforce-age, already have occupation generating fixed income during the year of 2016.

Methodology

The population in this study is people in the workforce-age in Jakarta as many as 503 samples. The sampling technique applied in this study is the non-probability sampling, which specifically is the judgement sampling or purposive sampling. The instrument used in sampling withdrawal is the questionnaires, which were distributed indirectly through online media (such as: google chrome, whatsapp, facebook, and email), and directly to the respondents who were incidentally met in the territory of Jakarta Special Region. Another difference, the Income variable becomes the Dummy variable according to the categorization, which is below and above five million Rupiahs per month.

In this study, Financial Knowledge, Locus of Control and Income are placed as independent variables. Financial Knowledge and Locus of Control are measured using 1-5 Likert scale, while Income is measured by using nominal scale as dummy variable. The dependent variable in this study is Financial Behavior, which is measured using 1-5 Likert scale. The statistical tests applied in this study are validity and reliability test, whereas Convergent Validity, Discriminant Validity, and Average Variance Extracted (AVE) become the parameter for validity test. Meanwhile, Composite Reliability and Cronbach's Alpha become the parameter for reliability test. Also in this study, other several tests are conducted, such as Coefficient of Determination test that can be observed through the value of R-Square, Goodness of Fit test that can be observed through NFI, and hypothesis tests that can be observed through the value of t-statistics.

Statistical Tests

This study uses Structural Equation Modeling (SEM) based on Partial Least Square (PLS) as data manipulation technique. The program used is SmartPLS Version 3.0 especially applied to estimate the structural equation in variance basis.

1. Validity Test

a. Convergent Validity

Indicators are considered valid if loading factor is greater than 0.5 on the target construct (Ghozali, 2012). The Output of SmartPLS for loading factor provides the result as follows:

Table 1. Convergent Validity (First Phase)

	FB	FK	I	LOC
FB 1	0.791			
FB 2	0.776			
FB 3	0.839			
FB 4	0.804			
FB 5	0.832			
FK1		0.827		

FK2		0.838		
FK3		0.831		
FK4		0.773		
FK5		0.810		
FK6		0.697		
I			1,000	
LOC1				0.761
LOC2				-0.290
LOC3				0.730
LOC4				0.632
LOC5				0.790
LOC6				0.803
LOC7				0.572

Table 1 shows that the loading factor can provide greater values than suggested, except for LOC2 that has the value of -0.290, therefore it becomes invalid. Next, LOC2 is eliminated and then the validity test is re-conducted, of which the result can be seen in table 2 as follows:

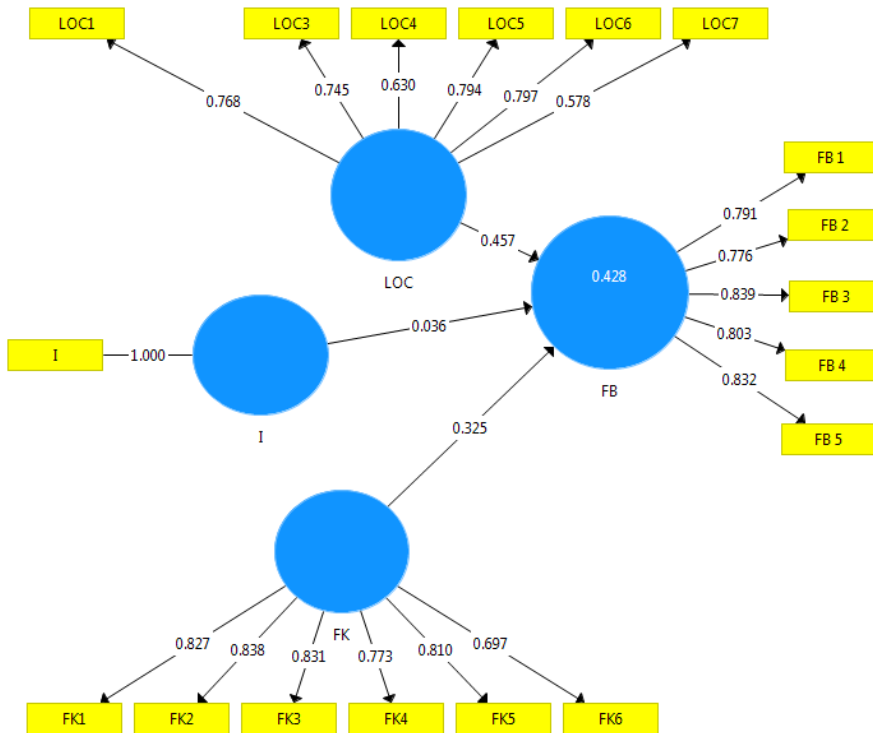
Table 2. Convergent Validity (Second Phase)

	FB	FK	I	LOC
FB 1	0.791			
FB 2	0.776			
FB 3	0.839			
FB 4	0.803			
FB 5	0.832			
FK1		0.827		
FK2		0.838		
FK3		0.831		
FK4		0.773		
FK5		0.810		
FK6		0.697		
I			1,000	
LOC1				0.768
LOC3				0.745
LOC4				0.630

LOC5				0.794
LOC6				0.797
LOC7				0.578

In Table 2, all indicators used in this study are already valid, or in other word, they have met the criteria for convergent validity. Exhibit 1 displays the loading factor diagram for each indicator in this model, which can be seen as follows:

Exhibit 1. The Loading Factor for Research Variables



b. Discriminant Validity

The test result on discriminant validity with cross-loading is displayed in Table 3. The discriminant validity is considered valid if the value of an indicator has greater value to its particular variable, than to others. According to Table 3, all indicators have greater value to their own variables, therefore they are considered valid.

Table 3. Discriminant Validity

	FB	FK	I	LOC
FB 1	0.791	0.424	0.110	0.456
FB 2	0.776	0.392	0.191	0.450
FB 3	0.839	0.391	0.107	0.468

FB 4	0.803	0.401	0.172	0.474
FB 5	0.832	0.377	0.127	0.465
FK1	0.366	0.827	0.221	0.270
FK2	0.330	0.838	0.221	0.238
FK3	0.369	0.831	0.220	0.277
FK4	0.488	0.773	0.151	0.296
FK5	0.376	0.810	0.163	0.319
FK6	0.373	0.697	0.321	0.219
I	0.175	0.268	1,000	0.113
LOC1	0.429	0.301	0.058	0.768
LOC3	0.449	0.272	0.085	0.745
LOC4	0.296	0.218	0.052	0.630
LOC5	0.461	0.235	0.094	0.794
LOC6	0.512	0.309	0.133	0.797
LOC7	0.265	0.099	0.041	0.578

Another method to measure discriminant validity is the square-root of Average Variance Extracted (AVE). The suggested value for AVE is greater than 0,5. The value of AVE can be seen in Table 4.

Table 4. Average Variance Extracted

	Average Variance Extracted (AVE)
FB	0.654
FK	0.636
I	1,000
LOC	0.524

Table 4 shows that the values of AVE are greater than 0,5 for all variables in this research model. The lowest value of AVE is 0,524 for LOC variable. Thus, all validity tests by using the parameters of convergent validity, discriminant validity, and Average Variance Extracted already show that all indicators are valid.

c. Reliability Test

a. Composite Reliability

The result of composite reliability test will be satisfying when the value is greater than 0,7 (Ghozali, 2012: 79). Below is the composite reliability as seen in Table 5.

Table 5. Composite Reliability

	Composite Reliability
FB	0.904
FK	0.913

INC	1,000
LOC	0.867

The value of composite reliability for all variables are greater than 0.7 proving that all variables in the estimated model meet the criteria of discriminant validity. The lowest composite reliability is 0.867 for LOC indicators.

b. Cronbach’s Alpha

The result of reliability test can be supported by the value of Cronbach’s Alpha, which can be seen in Table 6.

Table 6. *Cronbach’s Alpha*

	Cronbach's Alpha
FB	0.867
FK	0.885
INC	1,000
LOC	0.817

In Table 6, the value of Cronbach’s Alpha for all variables are greater than 0.7. The lowest value is 0.817 for LOC variable. The result of these two reliability tests using Composite Reliability and Cronbach’s Alpha shows that all indicators have met the reliability criteria.

c. Coefficient of Determination

After the estimated model has met the criteria of outer model, next the test of structural modeling (inner model) will be conducted. Test on this inner model will be conducted to reveal the relationship among variables, of which can be seen from the result of R-Square test in Table 7.

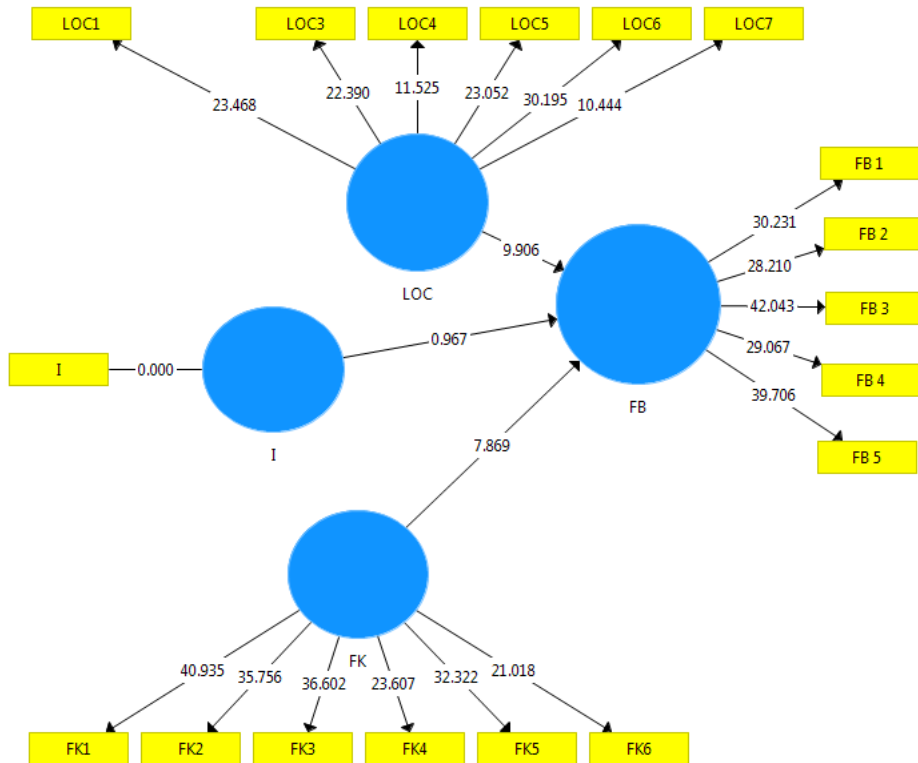
Table 7. *R-Square*

	R-Square
FB	0.428

The coefficient of Determination in Table 7 shows that the variation of Financial Behavior can be explained by the variation of Financial Knowledge, Locus of Control, and Income as much as 42.8%, and the remaining are explained by other factors.

d. Indicator’s Contribution to Variable

The statistical tests in PLS for each hypothesized relationship is conducted by using bootstrap simulation method on samples. The goal of using this method is to minimize the abnormality problems from research data. The result of this test by using bootstrap from PLS analysis can be seen in Exhibit 2.

Exhibit 2. Bootstrapping Diagram

Indicators of *Financial Knowledge Variable*

The result of analysis using bootstrapping technique (Exhibit 2) shows that the contribution of each indicator to variable Financial Knowledge (FK) can be explained as follows: FK1 (interest rate) 40.935, FK2 (credit fine) 35.756, FK3 (credit) 36.602, FK4 (financial management) 23.607, FK5 (investment) 32.322, and FK6 (financial report) 21.018. FK1 has the biggest contribution compared to other indicators, with the value of 40.935. This phenomenon means that if you want to enhance your knowledge on finance, then you must enhance your knowledge on interest rate.

Indicators of *Locus of Control Variable*

The result of analysis using bootstrapping technique (Exhibit 2) shows that the contribution of each indicator to variable Locus of Control (LOC) can be explained as follows: LOC1 (capability to make financial decision) 23.468, LOC3 (capability to change important things in life) 22.390, LOC4 (capability to envision ideas) 11.525, LOC5 (level of confidence on the future) 23.052, LOC6 (capability to solve financial matters) 30.195, and LOC7 (role in daily financial control) 10.444. LOC6

has the biggest contribution to variable LOC compared to other indicators, with the value of 30.195. This phenomenon means that if you want to enhance your locus of control, then you must enhance your capability in solving financial problems.

Indicators of *Financial Behavior* Variable

The result of analysis using bootstrapping technique (Exhibit 2) shows that the contribution of each indicator to variable Financial behavior (FB) can be explained as follows: FB1 (financial controlling) 30.231, FB2 (bill paying) 28.210, FB3 (financial planning) 42.043, FB4 (necessities fulfilling) 29.067, and FB5 (saving) 39.706. FB3 has the biggest contribution to variable FB compared to other indicators, with the value of 42.043. This phenomenon means that if you want to improve financial behavior, then you must improve your financial planning.

e. Hypothesis Test (t-Statistics)

The statistical equation in this study is: $FB = 0,311FK + 0,452LOC + 0,043I$. The dependent variable is considered significant if t-statistics is greater than 1.96 (at Alpha 5%). The t-statistics of each variable is represented in Table 8.

Table 8. T-Test Result

	Original Sample (O)	t-Statistics ((O/STDEV))
FK -> FB	0.325	7,869
I -> FB	0.036	0,967
LOC -> FB	0.457	9,906

Based on Table 8, it can be concluded that: (1) There is positive and significant influence from FK to FB, (2) There is positive and significant influence from LOC to FB, and (3) No positive influence from I to FB.

f. Test of Goodness-of-Fit (GoF)

Test of Goodness-of Fit is applied to find out whether the model we created is already fit or not. Based on this GoF test, a model is considered fit if it has NFI near 1. The result of this goodness-of-fit test can be seen in Table 9.

Table 9. NFI

	Model
NFI	0.816

Based on Table 9, the model in this study is already fit, due to its NFI is 0.816.

Discussions and Conclusions

1. The Influence of Financial Knowledge on Financial Behavior

The result of this study shows that there is positive and significant influence from Financial Knowledge to Financial Behavior, which means that the greater the knowledge possessed by an individual, then the better the financial behavior. Such kinds of behavior can be manifested in the greater capability in financial controlling, the more discipline in paying bills, the stronger commitment in fulfilling family necessities and saving the residuals, and the better financial planning for the future. Financial knowledge of the samples is relatively high, due to most of them already have undergraduate and graduate degree (D3, S1, S2, S3), which is 82.7%. Thus, the respondents in this study do have high level of financial knowledge.

This study is in line with the Theory of Planned Behaviour (TPB), as the one conducted by Ramdhani (2008) mentioning that theoretical model of TPB has many variables, such as background - consisting of age, gender, ethnic, socio-economic status - psychological condition, personality, and knowledge affecting an individual's behaviour toward certain matters.

This result is also aligned with the studies from Perry dan Morris (2005), Grable, Park, dan Joo (2009), and Ida and Dwinta (2010), but provide the opposite results from the study conducted by Kholilah and Iramani (2013), who revealed the negative influence of Financial Knowledge on Financial Behavior.

2. The Influence of Locus of Control on Financial Behavior

The result of this study shows that there is positive and significant influence from Locus of Control to Financial Behavior, which means that the higher the individual's locus of control, then the better the financial behavior. Kholilah and Iramani (2013) stated that Locus of Control is a psychological variable, therefore it becomes tendencious. An individual has two kinds of tendency, which are the tendency of having internal and external locus of control. Based on this study, it can be concluded that when an individual has internal locus of control, then the financial behavior will be better or improved, and in the opposite, when an individual has external *locus of control*, then the financial behavior will be worsened. This study is similar to those conducted by Perry and Morris (2005), and Kholilah and Iramani (2013), but provide different result to those conducted by Grable et al (2009), and Ida and Dwinta (2010) revealing that locus of control negatively influenced financial behavior.

When related to the indicators, the most dominant indicator affecting locus of control is the capability of an individual in solving financial problems. An individual who tends to have internal locus of control, is the one who has the belief that he/she can solve daily financial problems and tries to conduct good financial management, such as being able to allocate the money for savings, as well as paying the bills on-time.

3. The Influence of Income on Financial Behavior

The result of this study shows that income has no influence on financial behavior, which means that an individual's income, either high or low, does not affect the individual's financial behavior. This phenomenon can be explained in the way that individuals with high level of income are not always able to manage their expenditures in good way, due to the irresponsibility in financial behavior and the tendency to think shortly. This result is supported by the study conducted by Manulife (2013) revealing that Jakarta communities are those who tend to be consumptive and think shortly. Thus, often an individual with high level of income still finds financial problems. Generally, whenever an individual experiences the increase in income, then the expenditures also increases and even exceeds the additional income (Kholilah and Iramani, 2013). The result if this study is also aligned with the theory of behavioral finance, which states that human beings are irrational in their behaviour, due to the psychological factors affecting them.

This study provides similar results to those conducted by Kholilah and Iramani (2013), Grable et al (2009), and Ida and Dwinta (2010), but on contrast with the one conducted by Perry dan Morris (2005) revealing that income did positively influence financial behavior.

Suggestions

For the next study, some suggestions can be provided as follows:

1. Mapping on the respondents may be necessary based on their workplace territory.
2. Increasing the number of respondents may be imperative.
3. The separation of variable locus of control into internal and external elements may be beneficial.
4. Increasing the numbers of independent variables affecting financial behavior remains possible.

References

- Abdul Halim dan Bambang Supomo 2005. *Akuntansi Manajemen*. Yogyakarta: BPFE.
- Aizcorbe, Ana M., Arthur, B. Kennickell, dan Kevin B. Moore. 2003. Recent Changes in U.S. Family Finances: Evidence from the 1998 and 2001 Survey of Consumer Finances. *Federal Reserve Bulletin*, 89, 1-32.
- Ajzen, Icek dan Fishbein. 1980. *Theory of Reasoned Action*.
- Anureev, V.S. 2017. Reconfiguration of Financial System Elements to Restore Economic Growth: The System Simplicity and Transformation towards State-Based and Corporate-Based Types. *European Research Studies Journal*, 20(2A), 281-307.
- Arikunto, S. 2006. *Prosedur Penelitian Suatu Pendekatan Praktik*, Ed Revisi V. Jakarta: PT Rineka Cipta.

- Arikunto, Suharsimi. 2010. *Prosedur Penelitian Suatu Pendekatan Praktik*. Jakarta: Rineka Cipta.
- Azwar, Saifuddin. 1995. *Sikap Manusia Teori dan Pengukurannya*. Yogyakarta.
- Bowen, C.F. 2002. Financial knowledge of teens and their parents. *Financial counseling and planning*, 13(2), 93-102.
- Chen, H., Volpe, R.P. 1998. An Analysis of Personal Financial Literacy Among College Students. *Financial Services Reviews*, 107-128.
- Crider, A.B. 2003. *Psychology*. Scott, Foresman & Company.
- Dougherty, James, E. and Pfaltzgraff, Robert, L. 1990. *Contending Theories Of International Relations A Comprehensive Survey 5th Edition*. Pearson.
- El-Chaarani, H. 2014. The Impact of Financial Structure on the Performance of European Listed Firms. *European Research Studies Journal*, 17(3), 103-124.
- Fetai, B. 2015. Financial Integration and Financial Development: Does Financial Integration Matter? *European Research Studies Journal*, 18(2), 97-106.
- Garman, E.T. Leech, I.E. and Grable, J.E. 1996. The Negative Impact Of Employee Poor Personal Financial Behaviors On Employers. *Financial Counseling and Planning Volume 7*.
- Garman, E. Thomas, Eckert, S.W. dan E. Raymond. 1985. *Personal Finance*. USA: USA Houghton Mifflin company.
- Ghozali, I. 2014. *Structural Equation Modeling Metode Alternatif Dengan Partial Least Squares (PLS)*. Edisi 4. Semarang: Badan Penerbit Universitas Diponegoro.
- Grable, John, E, Joo Yung, Park, dan So Hyun, Joo. 2009. Explaining financial management behavior for Koreans living in the United States. *The Journal of Consumer Affairs*, 43(1), 80-107.
- Halim, E.K.Y., & Astuti, D. 2015. Financial stressors, financial behavior, risk tolerance, financial solvency, financial knowledge, dan kepuasan financial. *Jurnal manajemen*, 3(1), 19-23.
- Hilgert, Marianne, A., Jeanne, M. Hogarth and Sondra, Beverly. 2003. Household Financial Management: The Connection Between Knowledge and Behavior. *Federal Reserve Bulletin*, 89(7), 309-322.
- Hira, T.K., Mugenda, O.M. 1999. The relationship between self-worth and financial beliefs, behavior, and satisfaction. *Journal of Family and Consumer Sciences*, 76-82.
- Husein, Umar. 2003. *Metodologi Penelitian Untuk Skripsi dan Tesis Bisnis*. Jakarta: PT. Gramedia Pustaka.
- Ida dan Chintia, Yohana Dwinta. 2010. Pengaruh locus of control, financial knowledge, dan income terhadap financial management behavior. *Jurnal Bisnis dan Akuntansi*, 12(3), 131-144.
- Lintner, G. 1998. Behavioral Finance: Why Investors Make Bad Decisions. *The Planner* 13 , 7-8.
- Malhotra, N.K. 2009. *Riset Pemasaran, Edisi keempat, Jilid 1*. Jakarta: PT Indeks.
- Mason, C.L.J. and Wilson, R.M.S. 2000. *Conceptualizing Financial Literacy Business School Research Series*. Loughborough University.
- Nafarin, M. 2007. *Penganggaran Perusahaan*. Jakarta: Salemba Empat.
- Naila Al Kholilah, dan Rr. Iramani. 2013. Studi Financial Management Behavior Pada Masyarakat Surabaya. *Journal of Business and Banking*, 3(1), 69-80.
- Niswonger. 2006. *Prinsip-Prinsip Akuntansi*. Edisi kesembilan belas Diterjemahkan oleh Alfonsis Sirait, Helda Gunawan. Jakarta: Erlangga.
- Olsen, R.A. 1998. Behavioral finance and its implications for stock-price volatility. *Financial Analysis Journal*, 54.

- Olsen, Robert, A. 1998. Behavioral Finance and Its Implications for Stock-Price Volatility. *Financial Analysts Journal*, 54(2), 10-18.
- Pompian, Michael, M. 2006. Behavioral Finance and Wealth Management. How to Build Optimal Portfolios That Account for Investor Biases. First Edition. New Jersey: John Wiley & Sons, Inc.
- Purwanto, I.H. 2013. Siklus Hidup Finansial. Retrived from: <http://www.persiapanpensiu.org/siklus-hidup-finansial/July>.
- Ramdhani, N. 2008. Sikap dan Perilaku: Dinamika Psikologi Mengenai Perubahan Sikap dan Perilaku.
- Ricciardi, V. and Simon, H.K. 2000. What is Behavior in Finance? *Business, Education and Technology Journal*, 1-9.
- Rotter, Julian B. 1966. Generalized Expectancies for Internal Versus External Control of Reinforcement. *Psychological Monographs*, 80, 1-28.
- Setyawan, A.A., Dharmesta, S.B., Purwanto, M.B., Nugroho, S.S. 2014. Business Relationship Framework in Emerging Market: A Preliminary Study in Indonesia. *International Journal of Economics and Business Administration*, 2(1), 59-72.
- Sugiyono. 2010. Metode Penelitian Pendidikan Pendekatan Kuantitatif, Kualitatif, dan R&D. Bandung: ALFABETA.
- Sugiyono. 2012. Memahami Penelitian Kualitatif. Bandung: ALFABETA.
- Sugiyono. 2013. Metode Penelitian Pendidikan Pendekatan Kuantitatif, Kualitatif, dan R&D. Bandung: ALFABETA.
- Sumartono. 2002. Terperangkap dalam Iklan : Meneropong Imbas Pesan Iklan Televisi. Bandung: ALFABETA.
- Suryanto, T., Ridwansyah, R. 2016. The Shariah financial accounting standards: How they prevent fraud in Islamic Banking. *European Research Studies Journal*, 19(4), 140-157.
- Thaler, R.H. 1999. Mental Accounting matters. *Journal of Behavior Decision Making*, 12(3), 183-206.
- Vovchenko, G.N., Efremenko, I., Panasenkova, T. 2015. Paradigm of the common economics space formation in the context of globalization. *Mediterranean Journal of Social Sciences*, 6(36), 155-162.
- Vovchenko, G.N., Holina, G.M., Orobinskiy, S.A., Sichev, A.R. 2017. Ensuring Financial Stability of Companies on the Basis of International Experience in Construction of Risks Maps, International Control and Audit. *European Research Studies Journal*, 20(1), Special Issue "Russia and EU: Development and Horizons", 350-368.
- Undang – Undang Nomor 36 Tahun 2008 tentang pajak penghasilan.
- Zimbardo, Philip G. 1985. *Psychology and Life*, Eleventh Edition. New York: Scott Foresman & Company.