

The Effect of Financial Literature on Financial Behavior in The Mediation of Financial Knowledge on Student of The Faculty of Economics and Business Muhammadiyah University

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Abstract— *This study aimed to determine and analyze the effect of Financial Literacy on Financial Behavior mediated by Financial Knowledge on Students of the Faculty of Economics and Business, University of Muhammadiyah North Sumatra. The method used in this study is to use the associative approach and survey methods. The population was students of the Faculty of Economics and Business, University of Muhammadiyah North Sumatra, with 4158 students. The number of samples used in this study amounted to 88 people using non-probability sampling, an accidental sampling technique with the criteria for the concentration of financial management students in 2017 and 2018. The data collection techniques used in this study used interview techniques and questionnaires/questionnaires. The data analysis technique in this study used descriptive statistical analysis and path analysis with partial least squares (PLS). Data processing in this study using the Smart PLS 3 Software program. The results of this study indicate that financial literacy has a positive and significant effect on financial behavior in students of the Faculty of Economics and Business, University of Muhammadiyah, North Sumatra. Financial literacy positively and significantly affects Financial Knowledge in the Faculty of Economics and Business University of Muhammadiyah North Sumatra students.*

Keywords: Financial Behavior, Financial Literacy, Financial Knowledge.

1. INTRODUCTION

Financial science is one aspect that cannot be separated from individuals in everyday life. Each individual will be required to manage personal finances to meet their various needs. With good personal financial management, a person is able to make financial decisions to achieve certain financial goals. Therefore, in the era of globalization, financial knowledge really needs to be considered so that individuals can balance income and expenses [1].

Personal financial management is synonymous with financial literacy. According to Astuti, Tanjung et al. (2019) having financial obligations is a must to be able to plan and manage finances properly and appropriately [2]. According to Putri & Rahyuda (2017) explained that financial literacy is part of learning in financial management and investment planning so that daily decision making is more focused and wiser [32]. Good financial management owned by students is expected to improve their standard of living. Therefore, students must

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understand financial literacy and financial knowledge in order to be able to manage their finances well [3][4][5].

Students who are financially responsible have the opportunity to become alumni with complete knowledge and able to make the right financial decisions in order to achieve success and prosperity in the future. In line with Gunawan et al. (2019) that a good level of financial literacy is expected to help someone manage personal finances, make financial planning, and produce the right financial decisions for his life, especially his future security [7].

However, the current phenomenon does not reflect that students have a good level of financial literacy. This can be seen from the absence of the establishment of a priority scale for economic activities. They are increasingly consumptive in carrying out financial activities without future consideration even though most of them do not have income because they still depend on their parents. Their monthly reserves are also limited. In addition, delays in remittances from parents or monthly payments run out prematurely are also a problem in terms of their financial management and sometimes the state of the friendship environment supported by many entertainment and culinary facilities has an impact on financial management and student consumption patterns in general. If students are not equipped with expertise in finance, the possibility of errors in the management of financial resources will be greater and prosperity will be difficult to achieve. Therefore, students need to be taught how to properly manage finances so that students can make the most of the money they have.

In general, students want to be able to make the right financial decisions. Therefore, knowledge about finance is needed to get the goals to be achieved as well as the right financial decisions so that individuals can handle personal finances. Financial knowledge is a person's knowledge of finances and that person's ability to make effective decisions. In Margaretha & Pambudhi (2015) research stated Knowledge of finance is very important for an individual [20], so that they are not wrong in making their financial decisions. Huston (2010) stated that financial knowledge is an inseparable dimension of financial literacy, but has not been able to describe financial literacy [12]. Financial literacy occurs when an individual has the skills and abilities that make that person able to utilize existing financial resources to achieve goals [13][14][15].

According to Gunawan et al. (2020), in general, students begin to undergo a transition period from initially having their financial management regulated by their parents to switching to managing their own personal finances. Students should pay more attention to making decisions in using their money [9]. According to Saraswati et al. (2017), students are in a very crucial period while studying at the university because they have to learn to be financially independent and take responsibility for the decisions they will make [37]. Students are in a transition period from dependence to financial independence and it is also during their studies that students must make plans that will affect their future well-being and success. Students have complex financial problems because most students do not have income, the reserve funds are also limited to be used every month.

As a student, of course, there are many needs/needs that must be met both for college, transportation, unexpected needs, and daily needs. However, students are often faced with a situation where someone must sacrifice one interest for the sake of another by prioritizing their secondary needs over primary needs. Pulungan & Febriaty (2018) said that many students' lives are now contradictory from within, starting from their lifestyles that are not in accordance with ethics and level of education, and many are contrary to their family's economy [31]. However, most of the students still force themselves to be in line with the people around them. They may be well established in their economy [33][36]. For this reason, targeted financial management is needed. Behavioral finance tries to explain and improve understanding of finance from a human point of view. The problems faced can be

due to late remittances from parents, or monthly money runs out prematurely, which can be caused by unexpected needs, or due to wrong personal financial management (absence of budgeting), as well as extravagant lifestyles and consumption patterns.

Every individual has problems distributing his income such as creating and recording expense budgets, providing funds for unexpected expenses, saving for the future. In essence, financial behavior is a person's attitude and way of managing finances. Good financial behavior is certainly based on a good level of financial literacy and knowledge so that individuals can make decisions on their financial activities. These behavioral financial phenomena greatly affect a person in the decision-making process. Good financial behavior is certainly based on a good level of financial literacy and knowledge so that individuals can make decisions on their financial activities. These behavioral financial phenomena greatly affect a person in the decision-making process. Good financial behavior is certainly based on a good level of financial literacy and knowledge so that individuals can make decisions on their financial activities. These behavioral financial phenomena greatly affect a person in the decision-making process.

2. THEORITICAL REVIEW

Financial Behavior

Financial behavior appears in line with the demands of the development of the business and academic world which are beginning to address behavioral aspects or elements in the financial decision process. As said by Pulungan (2017) Financial behavior is also an illustration of how a person behaves when faced with financial decisions that must be taken [37]. Ricciardi & Simon (2000) Explaining behavioral finance (behavioral finance) is the involvement of behavior that exists in a person which includes emotions, traits, preferences and various kinds of things inherent in humans as intellectual and social beings who interact and underlie decisions to take an action [35]. Behavioral finance is an approach that studies how individuals perform actual financial activities that are influenced by psychological factors for a financial purpose.

According to Mien & Thao (2015), there are several factors that influence the behavior of financial management, including financial attitudes, financial knowledge, and Locus of Control [21]. Other opinion according to Kholilah & Iramani (2013) There are several factors that influence the behavior of financial management including, Locus of Control, Financial Knowledge, and Income [18]. Then according to Sina (2014) personality is one of the significant factors that influence financial behavior. The personality aspect often affects financial management because it is the cause of poor management [40].

Behavioral finance consists of several indicators to determine the level of a person's behavior. Nababan & Sadalia (2013) put forward indicators or student financial behavior, namely 1) Paying bills on time, 2) Making expenditure and expenditure budgets, 3) Recording expenses and expenditures (daily, weekly and monthly) 4) Providing funds for unexpected expenses, 5) Saving periodically, 6) Compare prices between shops or supermarkets before deciding to make a purchase According to (Remund, 2010) There are five categories to measure financial literacy, namely, 1) Knowledge of financial concepts, 2) Ability to communicate about financial concepts, 3) Ability to manage personal finances, 4) Ability to make financial decisions, 5) Confidence to make financial planning in the future [24].

Financial Literacy

Literacy is one of the needs of every individual to avoid financial problems. Having financial literacy is the most important thing to get a prosperous life. With proper financial management supported by good financial literacy, it is hoped that people's living standards

will increase, because no matter how high a person's income level is, without proper financial management, financial security will definitely be difficult to achieve. As mentioned Yushita (2017), Financial literacy is a basic need for everyone to avoid financial problems. Financial difficulties can arise if there is an error in financial management (mismanagement) [45]. Rashid (2012) and Desiyanti (2016) that financial literacy provides great benefits, such as: being able to choose and utilize financial products and services that suit their needs, have the ability to do better financial planning, avoid investing activities in unclear financial instruments, gain an understanding of the benefits and risks financial products and services [33][3].

The level of financial literacy in each individual is different. There are many factors that affect financial literacy. According to Lusardi et al. (2010), there are three things that affect financial literacy, namely, 1) Sociodemography, in this study the socio-demographic characteristics that will be the focus of the research are seen from gender, age, parents' occupations, and parents' income, 2) Family background, education of a mother in family has a strong influence on financial literacy, especially mothers who graduate from college. They are 19 percent ahead of high school graduates, 3) Peer groups, a group or community will affect a person's financial literacy, consumption patterns and the use of existing money [19]. According to Remund (2010) There are five categories to measure financial literacy, namely, 1) Knowledge of financial concepts, 2) Ability to communicate about financial concepts, 3) Ability to manage personal finances, 4) Ability to make financial decisions, 5) Confidence to make financial planning in the future [34].

Financial Knowledge

Knowledge or knowledge can be interpreted as facts and conditions of knowing something through experience. According to Huston (2010), financial literacy and financial knowledge are human capital but different constructs. Financial knowledge is an integral dimension of, but not equivalent to, financial literacy [12]. Financial literacy has an additional application dimension which implies that a person must have the ability and confidence to use his financial knowledge to make financial decisions. When developing instruments to measure financial literacy, it is important to determine not only if a person knows the information, but also whether he or she can apply it appropriately. Financial knowledge is a process by which an individual acquires financial knowledge. This financial knowledge helps individuals to decide.

According to Garman et al. (1984), to know the knowledge possessed by individuals, individuals need to develop financial skills and financial tools [5]. Ida & Dwinta (2010) describes financial skills as a technique for making decisions in personal financial management. Preparing a budget, choosing investments, choosing an insurance plan, and using credit are examples of financial skills, while financial tools are tools or tools used in making personal financial management decisions, such as checks, credit cards, and credit cards, debit card [13].

As for Humaira & Sagoro (2018) financial knowledge variable indicators, namely 1) knowledge of financial management, 2) knowledge of financial planning, 3) knowledge of expenditure and income, knowledge of money and assets, 4) knowledge of interest rates, 5) knowledge of credit, 6) basic knowledge of insurance, 7) knowledge of various types of insurance, 8) basic knowledge of investment, 9) knowledge of deposit investment, 10) knowledge of investing in stocks, 11) knowledge of investing in bonds 12) knowledge of investing in property [11].

Conceptual framework

The level of financial literacy of a person, the better his financial management. In line with the results of previous research (Erawati & Susanti, 2016) Financial behavior is influenced by several factors, both internal and external. This study aims to determine the

effect of financial literacy on student financial behavior which states that financial literacy has a positive and significant effect on student financial behavior. Therefore, the better financial literacy you have, the better the financial behavior shown by the student. Research Nurhayati et al. (2017) also shows that financial literacy affects financial behavior. Research Ahmad et al. (2014) also shows that financial literacy has a significant effect on financial behavior. In addition, research from Pulungan (2020) that financial literacy affects the financial behavior of students. But not in line with research Gunawan & Chairani (2019) where research shows financial literacy has no effect on financial behavior.

According to the literacy data of the OJK or the Financial Services Authority, a survey conducted in 2013, stated that by definition literacy is defined as the ability to understand, so that financial literacy is the ability to manage funds owned so that they can develop and live more prosperously in the future. OJK stated that the important mission of the financial literacy program is to provide education in the field of finance to the Indonesian people so that they can manage finances intelligently, so that the level of knowledge is high in the short term without considering the risks.

Hanbidge et al. (2015) defines that with financial knowledge and financial management skills, a person is said to be literate in terms of making wise financial planning. Someone with higher financial knowledge and working professional showed a lower propensity effect. Robb & Woodyard (2011) also identified that financial knowledge is an important factor for determining one's financial literacy and financial decision-making skills. This is supported by research Kartawinata & Mubaraq (2018) that financial knowledge has a significant influence on financial literacy. The knowledge gained in higher education plays a very important role in the formation of student financial literacy. Efficient knowledge can develop all domains of knowledge (cognitive), attitudes (affective) and skills (psychomotor), this is in line with research Widayati (2014) which shows that learning gained in college has an effect on financial literacy. However, this study is different from research (Setyawati & Suroso, 2017) and also supported by research Justyn & Marheni (2020) and Yuningsih et al. (2017) where financial knowledge does not have a significant effect on financial literacy.

Financial knowledge is not only able to make them use money wisely, but also gives many benefits to the economy. When someone has good knowledge, they will be able to use their money wisely. The results of this study are also in line with research Jorgenson & Savla (2010) which states that financial knowledge affects financial behavior. A person when going to perform a behavior must have prior knowledge of what he will do. The effect of financial knowledge on financial management behavior is based on the social learning theory presented by Bandura (1986) in Pritazahara & Sriwidodo (2015), where financial knowledge is a cognitive process needed by individuals to perform a behavior. Financial knowledge is also an important factor influencing the success or failure of individual financial management behavior. This is in accordance with the opinion and Shahrabani (2012) which states that financial knowledge affects financial management behavior.

According to Huston (2010) stated that this financial knowledge is inseparable from financial literacy. Financial literacy is an important aspect that must be owned by individuals in managing assets. A person must have the knowledge and skills in managing his finances to be more effective and prosperous so that it has a good impact on financial behavior. The results of this study are in line with research conducted by Miller et al. (2009) which shows that individuals who have low knowledge tend to have low financial behavior. Someone who has financial knowledge will also be better, because someone is able to manage his finances and plan his finances better. Same as stated Mubarrok (2017) that financial knowledge partially affects the financial behavior of students. This shows that the higher students' knowledge, the literacy level also increases so that their financial behavior will improve.

3. RESEARCH METHODS

This type of research is survey research, because it takes a sample from one population Nasution et al. (2020). This research approach uses an associative approach. Where Juliandi et al. (2014) using the associative approach in question is a research approach where the research aims to analyze the problem that there is a relationship between one variable and other variables. This study aims to determine how the financial literacy of North Sumatra Muhammadiyah University students on financial behavior.

Population and Sample

The population in this study were students of the Faculty of Economics and Business, Muhammadiyah University of North Sumatra with a total of 4158 undergraduate students, consisting of 2469 students of the Management study program, 1429 students of the accounting study program, 188 students of the IESP study program and 72 students of tax management. The sampling was only carried out for students in the 6th semester of 2018 and 8th semester of 2017 financial concentration of the Management Study Program, Faculty of Economics and Business, University of Muhammadiyah North Sumatra, where those who have filled out a questionnaire in the google form will be sampled in this study.

Data collection technique

The data collection techniques used are interview and questionnaire. Furthermore, the compiled questionnaire was tested for feasibility through validity and reliability testing.

Construct Reliability and Validity

Table 1. Average Variance Extracted (AVE)

Variable	Average Variance Extracted (AVE)
Financial Literacy (X)	0,507
Financial Behavior (Y)	0,629
Financial Knowledge (Z)	0,543

Based on the table, the Average Variance Extracted (AVE) value above shows that the Financial Literacy variable (X) is 0,507, the Financial Behavior variable (Y) is 0,629 and the Financial Knowledge variable (Z) is 0,543. The Average Variance Extracted (AVE) value is then compared with the value $(AVE) > 0,5$, thus it can be concluded that the variables have good validity.

Table 2. Composite Reliability

Variable	Composite Reliability
Financial Literacy (X)	0,951
Financial Behavior (Y)	0,982
Financial Knowledge (Z)	0,931

Based on the table, the Composite Reliability value above shows that the Financial Literacy variable (X) is 0,951, the Financial Behavior variable (Y) is 0,982 and the Financial Knowledge variable (Z) is 0,931. The Composite Reliability value is then compared with the Composite Reliability value $> 0,6$, thus it can be concluded that the variables have good validity.

Table 3. Cronbach's Alpha

Variable	Cronbach's Alpha
Financial Literacy (X)	0,944
Financial Behavior (Y)	0,981
Financial Knowledge (Z)	0,915

Based on the table, the Cronbach Alpha value above shows that the Financial Literacy variable (X) is 0,944, the Financial Behavior variable (Y) is 0.981 and the Financial Knowledge variable (Z) is 0,915. The Cronbach Alpha value is then compared with the Cronbach Alpha value $> 0,7$, thus it can be concluded that the variables have good validity.

4. RESULTS AND DISCUSSION

Structural Model Analysis

Table 4. R-Square

	R Square	R Square Adjusted
Financial Behavior (Y)	0,642	0,633
Financial Knowledge (Z)	0,571	0,566

Based on table, the R-Square values obtained in the study are as follows:

- 1) *R-Square Adjusted* path model I = 0,633, meaning that the ability of the variables Financial Literacy (X) and Financial Knowledge (Z) in explaining Financial Behavior (Y) is 63,3%, thus the model is classified as moderate.
- 2) *R-Square Adjusted* path model II = 0,741, meaning that the ability of the Financial Literacy variable (X) in explaining Financial Knowledge (Z) is 56,6%, thus the model is classified as moderate.

Table 5. F-Square

	F square		
	X	Y	Z
X		1,331	0,447
Y			0,065
Z			

Based on the table, the f-square values obtained in the study are as follows:

- 1) The f-square value of the Financial Literacy variable (X) on Financial Behavior (Y) is 1.331, thus the effect is classified as large from exogenous to endogenous variables.
- 2) The f-square value of the Financial Literacy variable (X) on Financial Knowledge (Z) is 0.447, thus the effect is classified as large from the exogenous to endogenous variables.
- 3) The f-square value of the Financial Behavior variable (Y) on Financial Knowledge (Z) is 0.065, thus the effect is classified as moderate from exogenous to endogenous variables.

Table 6. Direct Effects (Direct Influence)

	Original Sample (O)	Sample Mean (M)	Standard Deviation	T Statistics (O/STDEV)	P Values
Financial Literacy (X) on Financial Behavior (Y)	0,611	0,601	0,139	4,402	0,000
Financial Literacy (X) on Financial Knowledge (Z)	0,756	0,760	0,050	15,028	0,000
Financial Knowledge (Z) on Financial Behavior (Y)	0,232	0,248	0,127	1,837	0,067

Based on the table of direct effect values obtained in the study are as follows:

- 1) Financial Literacy (X) on Financial Behavior (Y): The path coefficient is 0,611 and P-Values $0,000 < 0,05$, it can be concluded that the effect of Financial Literacy (X) on Financial Behavior (Y) is positive and significant.
- 2) Financial Literacy (X) on Financial Knowledge (Z): The path coefficient is 0,756 and P-Values $0,000 < 0,05$, it can be concluded that the effect of Financial Literacy (X) on Financial Knowledge (Z) is positive and significant.
- 3) Financial Knowledge (Z) on Financial Behavior (Y): The path coefficient is 0,232 and P-Values $0,067 > 0,05$, it can be concluded that the effect of Financial Knowledge (Z) on Financial Behavior (Y) is positive and not significant.

Table 7. Indirect Effect

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Financial Literacy (X) on Financial Behavior (Y) mediated Financial Knowledge (Z)	0,176	0,188	0,096	1,832	0,068

Based on the table, the indirect effect values obtained in the study: The indirect effect of Financial Literacy (X) on Financial Behavior (Y) mediated by Financial Knowledge (Z) of 0,176 and P-Values $0,068 > 0,05$, it can be concluded that the influence of Financial Literacy (X) on Financial Behavior (Y) is mediated by Financial Knowledge (Z)) is positive and not significant. That is, Financial Knowledge (Z) does not mediate the Effect of Financial Literacy (X) on Financial Behavior (Y).

The Effect of Financial Literacy on Financial Behavior

Financial Literacy influences Financial Behavior in Students of the Faculty of Economics and Business, Muhammadiyah University of North Sumatra, this is indicated by the direct effect value of 0.611, with a significant value of $0.000 < 0.05$. The results of this study indicate that financial literacy has a positive and significant effect on financial behavior in students of the Faculty of Economics and Business, University of Muhammadiyah North Sumatra. This means indicating that a person's financial literacy is high, they tend to have good financial behavior.

Literacy is closely related to financial management where the higher a person's level of financial literacy, the better their financial management. In line with the results of previous research Erawati & Susanti (2016), financial behavior is influenced by several factors, both internal and external. This study aims to determine the effect of financial literacy on student financial behavior which states that financial literacy has a positive and significant effect on student financial behavior. Therefore, the better financial literacy you have, the better the financial behavior shown by the student.

Research Nurhayati et al. (2017) also shows that financial literacy affects financial behavior. Research Ahmad et al (2014) also shows that financial literacy has a significant effect on financial behavior. In addition, research from financial literacy affects the financial behavior of students. But not in line with research Gunawan & Chairani (2019) where research shows financial literacy has no effect on financial behavior.

The Effect of Financial Literacy on Financial Knowledge

Financial Literacy influences Financial Knowledge in Students of the Faculty of Economics and Business, Muhammadiyah University of North Sumatra, this is indicated by the direct effect value of 0.756, with a significant value of $0.000 < 0.05$. The results of this study indicate that financial literacy has a positive and significant effect on financial knowledge in students of the Faculty of Economics and Business, University of

Muhammadiyah North Sumatra. This means indicating that if a person's financial literacy is high, they tend to have good financial knowledge.

Financial knowledge is a process of developing abilities that facilitate individuals to make personal financial decisions, while financial literacy is the capacity to use knowledge, skills, beliefs in financial management. According to Nababan & Sadalia (2013) people who understand basic personal finance, income and expenses, credit and debt, savings and investment, and risk management so that they can increase people's financial literacy, where people will think long term for the future. Knowledge helps one to avoid money scams and teaches one a good approach.

According to the literacy data of the OJK or the Financial Services Authority, a survey conducted in 2013, stated that literacy is defined as the ability to understand, so that financial literacy is the ability to manage funds owned so that they can develop and live more prosperously in the future. OJK stated that the important mission of the financial literacy program is to provide education in the field of finance to the Indonesian people so that they can manage finances intelligently, so that the level of knowledge is high in the short term without considering the risks.

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The Effect of Financial Knowledge on Financial Behavior

Financial knowledge affects financial behavior in students of the Faculty of Economics and Business, Muhammadiyah University of North Sumatra, this is indicated by the direct effect value of 0.232, with a significant value of $0.067 > 0.05$. The results of this study indicate that financial knowledge has a positive and insignificant effect on financial behavior in students of the Faculty of Economics and Business, University of Muhammadiyah North Sumatra. This means indicating that a person's financial knowledge is high, they tend to have good financial behavior.

Financial knowledge is a certain type of capital that individuals gain from experience in managing their finances and is the key to personal financial behavior. Knowledge helps one to avoid money scams and teaches one a good approach. Financial knowledge is very necessary because with knowledge of money, individuals are more competent in dealing with the financial problems they face. Most students do not know how to manage their finances so that has an impact on student behavior in carrying out financial activities. Someone who has good financial knowledge will have good financial behavior. This is because financial knowledge and financial behavior are interrelated with each other. Research conducted by Ida & Dwinta (2010) that financial knowledge has a positive and significant effect on financial behavior, because the higher financial knowledge, the better financial behavior.

Financial knowledge is not only able to make them use money wisely, but also gives many benefits to the economy. When someone has good knowledge, they will be able to use their money wisely. The results of this study are also in line with research Jorgenson &

Savla (2010) which states that financial knowledge affects financial behavior. A person when going to perform a behavior must have prior knowledge of what he will do.

The effect of financial knowledge on financial management behavior is based on the social learning theory presented by Bandura (1986) in Pritazahara & Sriwidodo (2015), where financial knowledge is a cognitive process needed by individuals to perform a behavior. Financial knowledge is also an important factor influencing the success or failure of individual financial management behavior. This is in accordance with the opinion and Shahraban (2012) which states that financial knowledge affects financial management behavior.

The Effect of Financial Literacy on Financial Behavior Mediated by Financial Knowledge

Financial Literacy influences Financial Behavior mediated by Financial Knowledge in Students of the Faculty of Economics and Business, University of Muhammadiyah North Sumatra, this is indicated by the direct effect value of 0.176, with a significant value of $0.068 > 0.05$. The results of this study indicate that financial literacy has a positive and insignificant effect on financial behavior mediated by financial knowledge in students of the Faculty of Economics and Business, University of Muhammadiyah North Sumatra. This means indicating that a person's financial literacy is high, they tend to have good financial behavior and financial knowledge.

According to Huston (2010) stated that this financial knowledge is inseparable from financial literacy. Financial literacy is an important aspect that must be owned by individuals in managing assets. A person must have the knowledge and skills in managing his finances to be more effective and prosperous so that it has a good impact on financial behavior. The results of this study are in line with research conducted by Miller et al. (2009) which shows that individuals who have low knowledge tend to have low financial behavior.

Someone who has financial knowledge will also be better, because someone is able to manage his finances and plan his finances better. Same as stated Mubarrok (2017) that financial knowledge partially affects the financial behavior of students. This shows that the higher the knowledge of students, the literacy level also increases so that their financial behavior will improve.

5. CONCLUSIONS

Based on the results of research and discussion on the influence of Financial Literacy on Financial Behavior mediated by Financial Knowledge on Student of the Faculty of Economics and Business, University of Muhammadiyah North Sumatra can be concluded as follows: Financial Literacy has a positive and significant influence on Financial Behavior on Student of the Faculty of Economics and Business, University of Muhammadiyah North Sumatra. Financial Literacy has a positive and significant influence on Financial Knowledge on Student of the Faculty of Economics and Business, University of Muhammadiyah North Sumatra. Financial Knowledge has a positive and insignificant effect on Financial Behavior in Students of the Faculty of Economics and Business, University of Muhammadiyah North Sumatra. Financial Literacy has a positive and insignificant effect on Financial Behavior mediated Financial Knowledge on Student of the Faculty of Economics and Business, University of Muhammadiyah North Sumatra.

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