

Beyond the Books: How Basic Accounting Knowledge Shapes Student Leisure Spending and Budgeting

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Abstract

Introduction/Main Objectives: This study examines whether specialized academic training in basic accounting principles transfers into superior personal financial management among emerging adults, specifically focusing on leisure spending, budgeting, and handling unexpected costs.

Background Problems: A persistent financial knowledge-behaviour gap exists where young adults possess financial knowledge but fail to practice responsible financial behaviour. The research question is: Do accounting students demonstrate significantly better financial behaviour in spending control, budget preparation, and contingency planning compared to general business studies students?

Research Methods: A quantitative comparative design was employed using self-administered online surveys (Google Forms) with 232 commerce department diploma students (Diploma in Accountancy, n=103; Diploma in Business Studies, n=129; aged 19-25). Independent samples t-tests were conducted to compare mean scores across three financial behaviour constructs.

Finding/Results: Accounting students showed significantly more responsible spending habits (Mean=3.921) than business studies students (Mean=3.692; $p=0.001$). However, no significant differences were found for budget preparation ($p=0.062$) or managing hidden costs/unexpected expenses ($p=0.091$).

Conclusion: Basic accounting knowledge specifically improves discretionary spending control but does not automatically enhance broader budgeting competencies or contingency planning. Accounting educators should informally integrate personal budgeting and emergency fund concepts into existing curricula to close remaining behavioural gaps.

Keywords: Financial literacy; accounting education; discretionary spending; budgeting behaviour; college students



Introduction

Emerging adulthood, typically between 19 to 25 years old, represents a critical period when young people first manage their own finances and make independent financial decisions (Norvilitis et al., 2003). For polytechnic students, this developmental stage is particularly challenging as they must balance limited financial resources against daily needs, academic demands, and social activities. The rising cost of living further intensifies these pressures, requiring students to be more careful and responsible with their money than previous generations. Student life extends beyond attending classes and completing assignments, encompassing leisure activities such as eating out, shopping, travelling, and social events. While these activities support stress reduction and healthy social development, they can lead to unnecessary spending when finances are not properly planned (Ramli & Sulaiman, 2020).

Financial literacy—defined as an individual's knowledge and understanding of financial concepts—is generally viewed as foundational, while financial behaviour represents the practical application of this knowledge through actual budgeting, saving, and spending practices (Mandell & Klein, 2009). However, possessing financial knowledge does not automatically translate into good financial behaviour, a phenomenon known as the knowledge-behaviour gap (Xiao et al., 2022). Some students continue to spend beyond their budgets despite adequate financial understanding.

Basic accounting education teaches students to record transactions, classify expenses and income, monitor spending patterns, and plan for future financial needs (Mohamed & Hashim, 2024). These skills are transferable to everyday personal finance. For example, students familiar with accounting principles may be better at tracking expenses, preparing budgets, and controlling unnecessary spending. Students from the Commerce Department at Politeknik Kuching Sarawak in the Diploma in Accountancy (DAT/DAC) receive more intensive accounting training compared to students in the Diploma in Business Studies (DPM). This study therefore examines whether these differential training levels produce measurable differences in financial behaviour, specifically regarding leisure spending, budget preparation for travel and entertainment, and management of hidden or unexpected costs.

Research Methods

This study employed a quantitative comparative cross-sectional design using self-administered online surveys distributed via Google Forms. The target population was diploma students in the Commerce Department at Politeknik Kuching Sarawak. A convenience sample of 232 students participated, comprising 103 Diploma in Accountancy (DAT/DAC) students and 129 Diploma in Business Studies (DPM) students aged 19 to 25 years.

The survey instrument measured three dependent variables: spending habits (6 items), budget preparation competence (6 items), and management of hidden costs or unexpected expenses (4 items). All items used a 5-point Likert scale. The independent variable was academic programme (DAT/DAC vs. DPM), with basic financial accounting knowledge treated as the controlling factor. Data were analysed using frequency and percentage distributions followed by independent samples t-tests to compare mean scores between the two programmes. The significance level was set at $\alpha = 0.05$.

Result

A total of 232 students completed the survey. The demographic distribution showed 55.60% (n=129) from Diploma in Business Studies (DPM) and 44.40% (n=103) from Diploma in Accountancy (DAT/DAC). Female students comprised 78.87% (n=183) and male students

21.13% (n=49). Age distribution was 56.46% (n=131) aged 19-22 years and 43.54% (n=101) aged 23-25 years.

Independent samples t-tests were conducted to test for differences in mean financial behaviour scores between DAT/DAC and DPM students.

Table 1. Independent samples t-tests

Financial Behaviour Construct	DAT/DAC Mean	DPM Mean	T-statistic	P-value ($\alpha=0.05$)	Conclusion
Spending Habits (Q1-Q6)	3.921	3.692	3.387	0.001	Significant Difference
Budget Preparation (Q7-Q12)	3.955	3.811	1.875	0.062	Not Significant
Hidden Costs & Unexpected Expenses (Q13-Q16)	3.358	3.462	-1.697	0.091	Not Significant

Source: Primary data analysis, 2025

For spending habits, the p-value of 0.001 ($p < 0.05$) indicates a statistically significant difference, with DAT/DAC students demonstrating more responsible spending habits than DPM students. For budget preparation ($p = 0.062$) and hidden costs/unexpected expenses ($p = 0.091$), both p-values exceeded the 0.05 significance threshold, confirming no statistically significant differences between the two programmes.

Discussion

The results reveal a mixed pattern: accounting students demonstrate significantly more responsible spending behaviour than business studies students, yet no differences emerge for budget preparation or managing unexpected costs. This partial support for the study's assumptions suggests that basic accounting knowledge successfully closes the knowledge-behaviour gap specifically for spending control tasks (Fong et al., 2023; Mohamed & Hashim, 2024). The classification skills taught in accounting distinguishing needs from wants and categorising transactions appear directly transferable to everyday discretionary spending decisions (Wong & Siah, 2024).

However, the absence of significant differences for budget preparation and contingency planning aligns with previous findings that general financial literacy, shared across both programmes through common commerce department subjects, may be sufficient for basic budgeting but insufficient for more advanced practices like anticipating hidden costs (Tan & Lee, 2020; Chong & Liew, 2021). Both accounting and business students receive foundational training in personal finance management, which may explain why programme-specific training does not produce differential outcomes on these constructs (Idris et al., 2020).

These findings suggest that the observed responsible financial intentions across both groups are likely driven by general financial literacy foundations rather than specialised accounting discipline (Lusardi & Mitchell, 2024). The consistent output of positive habits indicates that commerce department students generally demonstrate responsible financial awareness, but accounting-specific training provides an incremental advantage only for spending control not for broader budgeting or contingency planning.

Conclusion

This study found no statistically significant differences between accounting and business studies students for budget preparation and management of hidden costs, although accounting students showed superior spending control. The assumption that basic accounting skills provide a comprehensive advantage in personal financial behaviour was only partially supported. Knowledge of basic accounting specifically helps on spending habits but does not automatically enhance budget preparation or contingency planning for leisure activities. Lecturers should informally discuss personal budgeting and emergency fund concepts in existing accounting classrooms to better prepare students for future financial undertakings. Limitations include the single-institution sample and cross-sectional design; future research should employ longitudinal methods and multiple institutions.

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