

**FACTORS INFLUENCING
KNOWLEDGE OF ISLAMIC BANKING PRODUCTS
AMONG MUSLIM ENTREPRENEURS**

**By
AIFFAH BINTI ABU BAKAR**

**Research Paper Submitted to the
Othman Yeop Abdullah Graduate School of Business
Universiti Utara Malaysia
In Partial of the Requirement for the
Master in Islamic Finance and Banking**

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ABSTRACT

This research focuses on the factors influencing knowledge of Islamic banking products among Muslim entrepreneurs. It is intended to measure the factor that might affect the knowledge of Muslim entrepreneur which include the understanding of underlying principles, religiosity factors and perceptions towards the Islamic banking. This study examines the relationships between the knowledge with all the mentioned factors earlier. A proposed theoretical framework has been developed in knowledge in Islamic banking product, understanding of underlying principles, religiosity factors and perceptions toward Islamic banking. Hypothesized relationships are tested using survey responses from a sample of 300 respondents which consist of the Muslim entrepreneur registered under Companies Commission of Malaysia (SSM) in Sungai Petani, Kedah. In this study, knowledge in Islamic banking product, understanding of underlying principles and perceptions toward Islamic banking it was measured using the scale by (Harun, 2014), while the instrument used for religiosity factors adopted by Idris, et al., (2011). All the data were analysed using SPSS software by applying the Descriptive Statistics, Pearson correlation and Multiple Linear Regression analysis to achieve the objective of this research. The outcome of the analysis shows of gender and experience in business has no significant relationship of the knowledge in Islamic banking product. Meanwhile, age and education level has significant the knowledge in Islamic banking product. However, at 99% confidence level, all variable is positively correlated with knowledge of Islamic banking products. Using the multiple regression analysis, the study found all variables (underlying principles, religiosity factors and perceptions towards the Islamic banking) are the most influencing variable in knowledge in Islamic banking product. The results reported in this research are useful to both industry and academics by providing relevant exploratory data about the knowledge. Besides that, the results should be able to recommend some future research suggestion with adding factor because factors that have been suggested is the influential factors that affect the knowledge of Islamic Banking Product among Muslim entrepreneur between the underlying principles, religiosity factor and perceptions towards the Islamic banking.

Keywords: Knowledge, Products and Services, Muslim Entrepreneur

ABSTRAK

Kajian ini memberi tumpuan kepada tahap yang mempengaruhi pengetahuan di kalangan usahawan Islam terhadap produk perbankan Islam. Ia bertujuan untuk mengukur faktor yang mungkin memberi kesan kepada pengetahuan usahawan Islam yang termasuk pemahaman prinsip-prinsip asas, faktor-faktor keagamaan dan persepsi terhadap perbankan Islam. Kajian ini melihat hubungan antara pengetahuan dengan semua faktor-faktor yang dinyatakan sebelum ini. Satu kerangka kajian konseptual telah dibina berdasarkan pengetahuan produk perbankan Islam, pemahaman terhadap prinsip-prinsip asas perbankan Islam, faktor-faktor keagamaan dan persepsi terhadap perbankan Islam. Hubungan hipotesis diuji menggunakan maklum balas kajian daripada sampel 300 responden yang terdiri daripada usahawan Islam yang berdaftar di bawah Suruhanjaya Syarikat Malaysia (SSM) di Sungai Petani, Kedah. Dalam kajian ini, pengetahuan produk perbankan Islam, pemahaman terhadap prinsip-prinsip asas perbankan Islam dan persepsi terhadap perbankan Islam diukur dengan mengikut skala (Harun, 2014) dan instrumen faktor-faktor keagamaan diadaptasi oleh Idris, et al., (2011). Semua data dianalisis menggunakan perisian SPSS dengan menggunakan Statistik Deskriptif, Korelasi Pearson dan Analisis Regresi Linear untuk mencapai objektif. Hasil kajian menunjukkan bahawa jantina, pengalaman berniaga tidak mempunyai hubungan yang signifikan terhadap pengetahuan produk perbankan Islam. Manakala, umur dan tahap pendidikan mempunyai hubungan yang signifikan terhadap pengetahuan produk perbankan Islam. Selain itu, hasil kajian juga menunjukkan bahawa semua pemboleh ubah mempunyai positif korelasi antara keputusan pengetahuan produk perbankan Islam pada tahap 99%. Keputusan analisis regresi berganda pula menunjukkan bahawa kesemua pemboleh ubah mempengaruhi keputusan pengetahuan produk perbankan Islam yang terdiri daripada pemahaman terhadap prinsip-prinsip asas perbankan Islam, faktor-faktor keagamaan dan persepsi terhadap perbankan Islam. Keputusan yang dilaporkan dalam kajian ini berguna kepada kedua-dua industri dan ahli akademik dengan menyediakan data penerokaan berkaitan tentang pengetahuan. Selain itu, keputusan akan dapat mengesyorkan cadangan kajian akan datang dengan menambah faktor yang telah dicadangkan bagi mempengaruhi kesan kepada pengetahuan produk perbankan Islam di kalangan Usahawan Islam.

Kata Kunci: Pengetahuan , Produk dan Perkhidmatan, Usahawan Islam

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TABLE OF CONTENTS

PERMISSION TO USE	ii
ABSTRACT	iii
ABSTRAK	iv
ACKNOWLEDGEMENT	v
LIST OF TABLES.....	x
LIST OF FIGURES	xi
LIST OF ABBREVIATIONS	xii
CHAPTER ONE.....	1
1.1 Introduction.	1
1.2 Background of Study	1
1.2.1 Entrepreneurship in Malaysia: A Brief Outlook.....	3
1.2.2 Islamic Banking in Malaysia	8
1.2.3 Principles of Islamic Banking Products	9
1.2.4 Islamic and Conventional Bankings.....	13
1.3 Problem Statement	15
1.4 Research Questions.....	16
1.5 Research Objectives.....	17
1.6 Scope of Research	17
1.7 Significance of Research.....	18
1.8 Organization of the Dissertation	19

CHAPTER TWO	21
2.1 Introduction	21
2.2 Review of Literature	21
2.2.1 Knowledge of Islamic banking products	21
2.2.2 Understanding of the underlying principles	23
2.2.3 Religiosity factors	26
2.2.4 Perceptions towards the Islamic banking.	28
 CHAPTER THREE	 31
3.1 Introduction	31
3.2 Proposed Theoretical Framework	31
3.3 Hypotheses Development	33
3.3.1 Selected Demographic Factors.....	33
3.3.2 Correlation Between Dependent and Independent Variables.....	35
3.3.3 The Influence of Independent Variables on Dependent Variable.....	36
3.4 Research Design	37
3.5 Operational Definitions.....	38
3.5.1 Knowledge of Islamic banking products	38
3.5.2 Understanding of the underlying principles	39
3.5.3 Religiosity factors	39
3.5.4 Perception towards the Islamic banking	39
3.6 Questionnaire Design	40
3.7 Operationalisation of the Instruments.....	42
3.7.1 Pilot Study	43
3.7.2 Reliability Test.....	43

3.8	Data Collection Method	44
3.9	Sampling Design	45
3.9.1	Population of Study	45
3.9.2	Sampling Frame	45
3.9.3	Sampling Elements.....	46
3.9.4	Sampling Technique.....	46
3.9.5	Sampling Size	47
3.10	Data Analysis	47
3.10.1	Normality Test	48
3.10.2	Descriptive Analysis.....	48
3.10.3	Independent T-test.....	49
3.10.4	One-way ANOVA.....	50
3.10.5	Correlation Analysis.....	51
3.10.6	Multiple Regression	52
3.11	Conclusion.....	53
CHAPTER FOUR		54
4.1	Introduction	54
4.2	Research Response	54
4.3	Demographic Characteristics of Respondents.....	55
4.4	The Correlation between Underlying Principle, Religiosity and Perception with the Knowledge of Islamic Banking Product among Muslim Entrepreneurs	62
4.5	Multiple Regressions	64

CHAPTER FIVE	67
5.1 Introduction	67
5.2 Recapitulation of the Study Findings	67
5.3 Discussions of Findings.....	70
5.4 Contribution of the Research.....	72
5.4.1 Theoretical Contributions	72
5.4.2 Managerial Implications	73
5.5 Limitations and Future Research Directions	75
5.6 Conclusion.....	76
REFERENCES	77
APPENDICES	84
APPENDIX A	84
APPENDIX B.....	90
APPENDIX C.....	93
APPENDIX D	96
APPENDIX E.....	99
APPENDIX F	107
APPENDIX G	109

LIST OF TABLES

Table 1.1: Definition of SMEs	5
Table 1.2: Sources of Funding from Bank	7
Table 1.3: Comparison of Islamic and Conventional Banking	13
Table 3.1: Subdivision for the Questionnaire	41
Table 3.2: Reliability of All Variable	44
Table 3.3: The Coefficients Range and the Strength of Relationship	52
Table 4.1: Distribution of Respondents	55
Table 4.2: Result for Correlation of Knowledge and Other Variable	63
Table 4.3: Relationship between the Various Determinants and Knowledge	65

LIST OF FIGURES

Figure 3.1: Theoretical Framework

32

LIST OF ABBREVIATIONS

AAOIFI	Accounting and Auditing Organisation for Islamic Financial Institutions
ANOVA	One-way analysis of variance
BIMB	Bank Islam Malaysia Berhad
BMMB	Bank Muamalat Malaysia Berhad
BNM	Bank Negara Malaysia
IFIs	Islamic Finance Institutions
IFSA 2013	Islamic Financial Services Act 2013
LSD	Least Significant Difference
LUTH	Lembaga Urusan Tabung Haji
SMEs	Small and Medium-Sized Enterprises
SSM	Companies Commission of Malaysia

CHAPTER ONE

INTRODUCTION

1.1 Introduction

This chapter provides the background of study, which is particularly focused on the background of Muslim entrepreneurs and also Islamic Banking issues generally in various countries specifically Muslim entrepreneur in Malaysia. The discussion continued with the problem statements, research questions, research objectives, significance of study, scope of study and limitation of study. At the end of the first chapter layout and the conclusion will be presented.

1.2 Background of Study

This study envisaged to fill in the gap in Islamic banking knowledge (literacy) especially among Muslim entrepreneurs and expected to foresee the factors that influence knowledge of Islamic banking products among Muslim entrepreneurs for predict influence toward knowledge of Islamic banking product with factor affecting knowledge namely with three items is underlying principles, religiosity and perception. Therefore, this study contributes to the literature by investigating the factor knowledge mentioned in the context of banking product. However, factors influence selected with the knowledge of Islamic banking product it relevant as the information or fact acquired by the Islamic bankers through education and experience in the Islamic banking industry (Harun, 2014).

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only

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APPENDICES

- **APPENDIX A**
(Questionnaires)
-

- **APPENDIX B**
(Reliability Test)
-

- **APPENDIX C**
(Normality Test)
-

- **APPENDIX D**
(Descriptive Statistic)
-

- **APPENDIX E**
(Test of Differences)
-

- **APPENDIX F**
(Correlation)
-

- **APPENDIX G**
(Multiple Regression)
-
-

APPENDIX A

(Questionnaire)



**“PENGETAHUAN TERHADAP PRODUK PERBANKAN ISLAM DI
KALANGAN USAHAWAN MUSLIM”**

Kepada para pelanggan bank-bank Islam yang dihormati,

Soal selidik ini bertujuan untuk mengukur pengetahuan anda terhadap produk perbankan Islam dan kecenderungan anda memilih serta berurusan dengan bank-bank Islam. Maklumat yang diperoleh melalui soal selidik ini amat penting untuk penyelidik mencapai objektif dan matlamat penyelidikan bagi memenuhi keperluan pengajian Sarjana Kewangan dan Perbankan Islam di Universiti Utara Malaysia. Soalan ini ditujukan khas kepada Usahawan Muslim.

Soal selidik ini terbahagi kepada Empar bahagian utama iaitu:

- i) Bahagian A : Profil responden
- ii) Bahagian B: Faktor-faktor yang mempengaruhi pengetahuan
- iii) Bahagian C : Pengetahuan Tentang Produk Perbankan Islam
- iv) Bahagian D: Cadangan dan pandangan terhadap perkhidmatan bank-bank Islam

Segala maklumat yang anda berikan akan **DIRAHSIAKAN** dan hanya untuk **TUJUAN PENYELIDIKAN AKADEMIK SEMATA-MATA**. Terima kasih atas kerjasama dan sokongan anda.

Yang benar,

Aiffah binti Abu Bakar
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BAHAGIAN A : Profil pelanggan

Sila tandakan (√) di kotak yang sesuai

1. Jantina:

Lelaki Perempuan

2. Umur:

- i. 21- 30 Tahun
- ii. 31- 40 Tahun
- iii. 41-50 Tahun
- iv. 50 tahun ke atas.

3. Tahap pendidikan tertinggi:

- i. Sekolah Rendah
- ii. Sekolah Menengah (SPM)
- iii. STPM / Diploma
- iv. Ijazah Sarjana Muda
- v. Lain-lain.

Nyatakan: _____

4. Tahun pengalaman dalam perniagaan:

- i. 1-5 Tahun
- ii. 6-10 Tahun
- iii. 11-15 Tahun
- iv. 16 Tahun dan ke atas

BAHAGIAN B: FAKTOR YANG MEMPENGARUHI PENGETAHUAN.

Sangat Tidak Setuju	Tidak Setuju	Tidak Pasti	Setuju	Sangat Setuju
1	2	3	4	5

1	Saya faham bahawa perbankan Islam hanya boleh membuat pelaburan dalam perniagaan yang tidak bertentangan dengan Islam	1	2	3	4	5
2	Saya bersetuju bahawa setiap bank Islam perlu mempunyai Lembaga Pengawasan Shariah untuk memastikan semua aktiviti perniagaan adalah selaras dengan kehendak Shariah	1	2	3	4	5
3	Sistem perbankan Islam diperkenalkan kerana orang Islam dilarang daripada menerima atau memberi faedah, sepertimana yang diamalkan oleh sistem perbankan konvensional.	1	2	3	4	5
4	Saya faham bahawa setiap transaksi dalam perbankan Islam mestilah mempunyai akad	1	2	3	4	5
5	Saya tahu bahawa pulangan perbankan Islam berdasarkan jualan, sewaan dan perkongsian keuntungan dan bukannya faedah (<i>interest</i>)	1	2	3	4	5
6	Saya percaya bahawa perbankan Islam melarang keraguan (<i>gharar</i>) yang berlebihan dalam semua bentuk transaksi	1	2	3	4	5
7	Produk-produk perbankan Islam di Malaysia mempunyai potensi yang sangat tinggi	1	2	3	4	5
8	Bank-bank Islam mampu bersaing dengan bank-bank konvensional	1	2	3	4	5
9	Saya tahu perbankan Islam tidak melibatkan perjudian atau perbuatan yang bertentangan dengan Shariah	1	2	3	4	5

10	Saya tahu transaksi perbankan Islam adalah berlandaskan keadilan dan kejujuran berpandukan kepada al-Quran dan Sunnah.	1	2	3	4	5
11	Saya tahu perbankan Islam menyumbang ke arah pembangunan zakat.	1	2	3	4	5
12	Saya tahu perbankan Islam tidak menawarkan caj yang berunsurkan riba dan bebas dari transaksi yang meragukan.	1	2	3	4	5
13	Peraturan yang dikeluarkan oleh perbankan Islam menunjukkan prestasi yang lebih baik	1	2	3	4	5
14	Bank-bank Islam dan konvensional memasarkan produk Islam mereka dengan cara yang berkesan.	1	2	3	4	5
15	Dengan menggunakan perbankan Islam pelanggan akan menjadi lebih beretika dalam nilai-nilai seharian mereka.	1	2	3	4	5
16	Perbankan Islam adalah produk dan perkhidmatan yang unik dan tidak bersaing pada harga.	1	2	3	4	5
17	Caj perkhidmatan yang ditawarkan oleh perbankan Islam lebih rendah berbanding konvensional	1	2	3	4	5

BAHAGIAN C: Pengetahuan Terhadap Produk Perbankan Islam

Sangat Tidak Setuju	Tidak Setuju	Tidak Pasti	Setuju	Sangat Setuju
1	2	3	4	5

1	Saya tahu dan memahami perbezaan antara produk-produk perbankan Islam dan konvensional	1	2	3	4	5
2	Saya tahu konsep yang diaplikasikan dalam perbankan Islam	1	2	3	4	5

3	Saya tahu produk perbankan Islam ditawarkan kepada Muslim dan bukan Muslim	1	2	3	4	5
4	Saya percaya bahawa perbankan Islam mestilah berlandaskan Shariah	1	2	3	4	5
5	Saya faham bahawa sistem yang diguna pakai oleh bank-bank Islam benar-benar membantu dalam menggalakkan nilai-nilai Islam di kalangan kakitangan, pelanggan dan orang awam.	1	2	3	4	5
6	Saya bersetuju bahawa undang-undang dan peraturan yang dikeluarkan oleh pakar-pakar Shariah mestilah mengikut al-Quran dan Sunnah	1	2	3	4	5
7	Saya tahu bahawa produk yang ditawarkan oleh bank-bank Islam adalah mengikut keperluan dan pilihan pelanggan	1	2	3	4	5

BAHAGIAN E : Cadangan dan pandangan terhadap perkhidmatan bank-bank Islam

Saya cadangkan

KASIH DI ATAS KERJASAMA ANDA

SEMOGA JASA ANDA MENDAPAT GANJARAN DI SISI ALLAH S.W.T

APPENDIX B

(Reliability Test)

A. Reliability Test for Knowledge

Case Processing Summary

		N	%
Cases	Valid	300	100.0
	Excluded ^a	0	.0
	Total	300	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.853	7

B. Reliability Test for Underlying Principle

Case Processing Summary

		N	%
Cases	Valid	300	100.0
	Excluded ^a	0	.0
	Total	300	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.849	8

C. Reliability Test for Religion

Case Processing Summary

		N	%
Cases	Valid	300	100.0
	Excluded ^a	0	.0
	Total	300	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.793	5

D. Reliability Test for Perception

Case Processing Summary

		N	%
Cases	Valid	300	100.0
	Excluded ^a	0	.0
	Total	300	100.0

a. Listwise deletion based on all variables in the procedure.

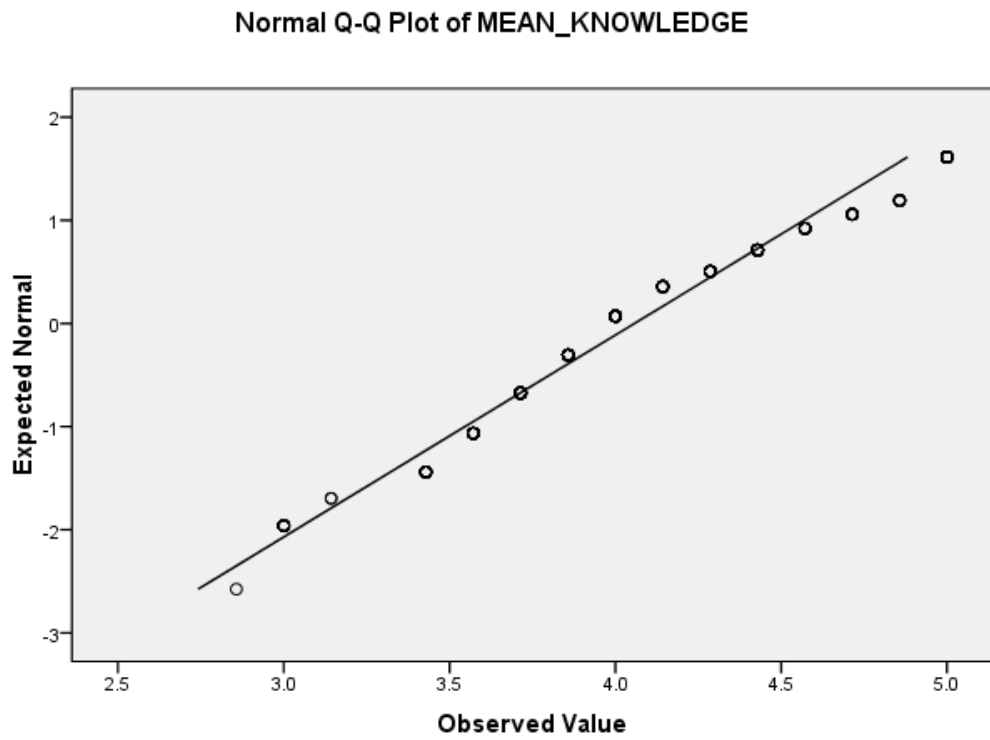
Reliability Statistics

Cronbach's Alpha	N of Items
.848	4

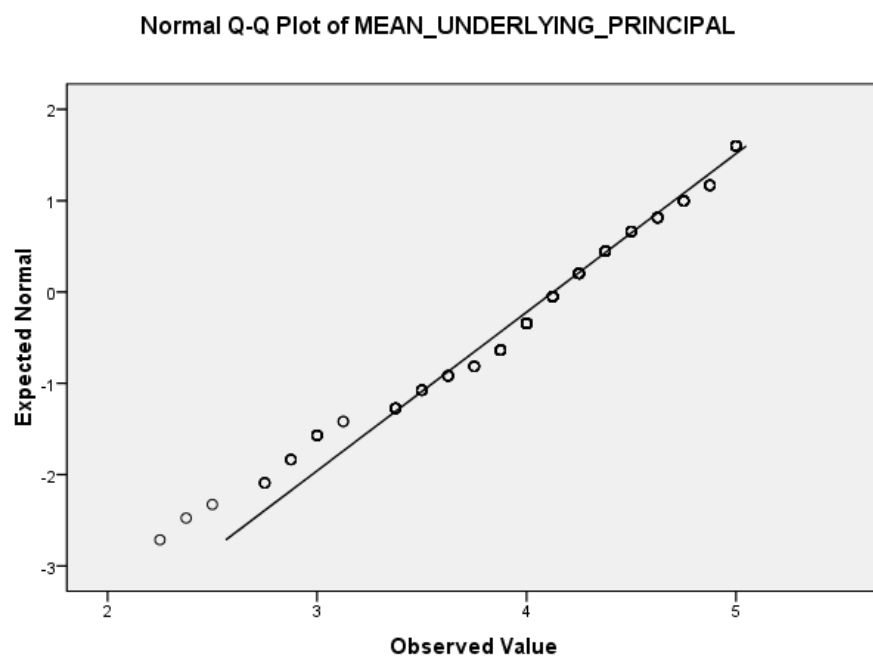
APPENDIX C

(Normality Test)

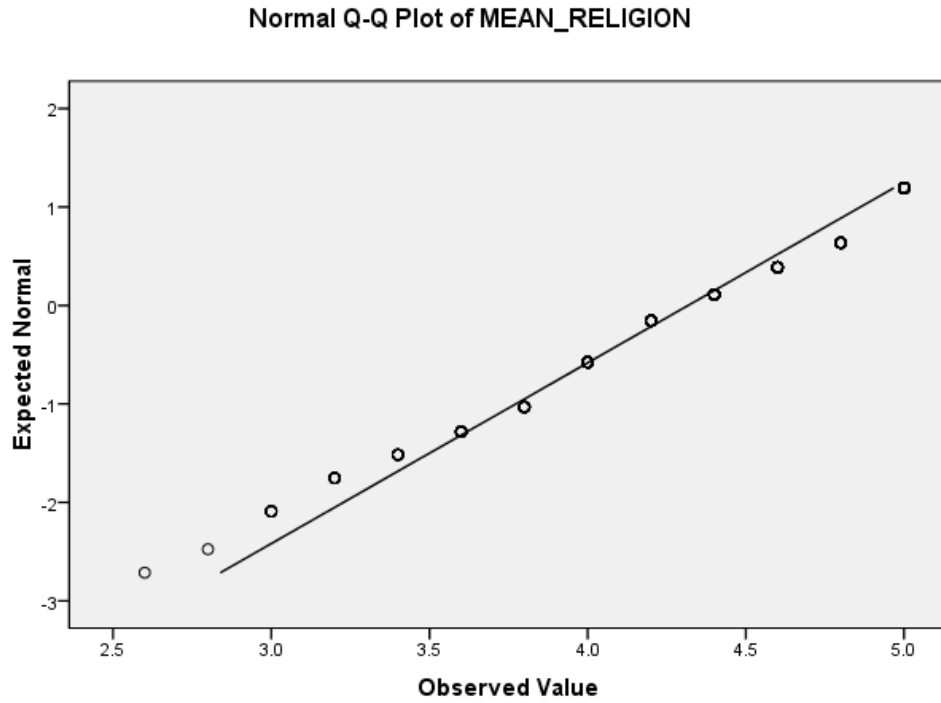
A. Normality Test for Knowledge



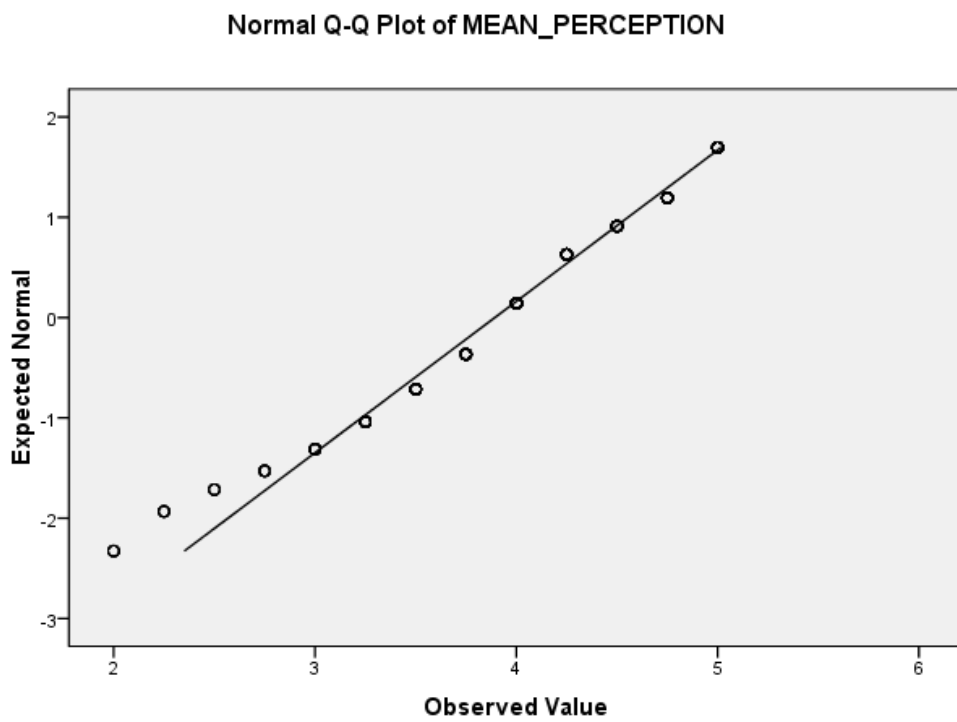
B. Normality Test for Underlying Principles



C. Normality Test for Religion



D. Normality Test for Perception



APPENDIX D

(Descriptive Statistic)

A. Descriptive Statistic

Statistics

		gender	age	level of education	experience of business
N	Valid	300	300	300	300
	Missing	0	0	0	0

B. Frequency Table for Gender

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	141	47.0	47.0	47.0
	Female	159	53.0	53.0	100.0
Total		300	100.0	100.0	

C. Frequency Table for Age

Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	21-30 years	71	23.7	23.7	23.7
	31-40 years	80	26.7	26.7	50.3
	41-50 years	77	25.7	25.7	76.0
	50 and above	72	24.0	24.0	100.0
Total		300	100.0	100.0	

D. Frequency Table for Education Level

level of education

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid primary	37	12.3	12.3	12.3
secondary	187	62.3	62.3	74.7
Diploma/ advanced Diploma	43	14.3	14.3	89.0
Bachelor Degree	33	11.0	11.0	100.0
Total	300	100.0	100.0	

E. Frequency Table for Experience of Business

experience of business

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1-5 years	110	36.7	36.7	36.7
6-10 years	69	23.0	23.0	59.7
11-15 years	50	16.7	16.7	76.3
16 years and above	71	23.7	23.7	100.0
Total	300	100.0	100.0	

APPENDIX E

(Test of Differences)

A Test of differences between gender and knowledge

Group Statistics

		N	Mean	Std. Deviation	Std. Error Mean
Mean Knowledge	Male	141	4.0922	.54776	.04613
	Female	158	4.0262	.47499	.03779

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	T	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Mean Knowledge	Equal variances assumed	7.108	.008	1.115	297	.266	.06598	.05915	-.05043	.18239
	Equal variances not assumed			1.106	278.933	.269	.06598	.05963	-.05141	.18336

B Test of differences between age and knowledge

Descriptives

Mean Knowledge

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
21-30 years	71	4.1590	.58332	.06923	4.0209	4.2970	3.00	5.00
31-40 years	80	3.9500	.42348	.04735	3.8558	4.0442	2.86	5.00
41-50 years	77	3.9443	.44887	.05115	3.8425	4.0462	2.86	5.00
50 and above	71	4.1992	.53967	.06405	4.0715	4.3269	3.00	5.00
Total	299	4.0573	.51080	.02954	3.9992	4.1155	2.86	5.00

Test of Homogeneity of Variances

Mean Knowledge

Levene Statistic	df1	df2	Sig.
5.479	3	295	.001

ANOVA

Mean Knowledge

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	4.067	3	1.356	5.427	.001
Within Groups	73.685	295	.250		
Total	77.752	298			

Post Hoc Test

Multiple Comparisons

MEAN KNOWLEDGE
LSD

(I) age	(J) age	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
21-30 years	31-40 years	.20895*	.08149	.011	.0486	.3693
	41-50 years	.21461*	.08223	.010	.0528	.3764
	50 and above	-.04024	.08388	.632	-.2053	.1248
31-40 years	21-30 years	-.20895*	.08149	.011	-.3693	-.0486
	41-50 years	.00566	.07979	.944	-.1514	.1627
	50 and above	-.24920*	.08149	.002	-.4096	-.0888
41-50 years	21-30 years	-.21461*	.08223	.010	-.3764	-.0528
	31-40 years	-.00566	.07979	.944	-.1627	.1514
	50 and above	-.25485*	.08223	.002	-.4167	-.0930
50 and above	21-30 years	.04024	.08388	.632	-.1248	.2053
	31-40 years	.24920*	.08149	.002	.0888	.4096
	41-50 years	.25485*	.08223	.002	.0930	.4167

*. The mean difference is significant at the 0.05 level.

C Test of differences between education level and knowledge

Descriptive

Mean Knowledge	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
					primary	36		
secondary	187	4.0573	.51751	.03784	3.9826	4.1320	2.86	5.00
Diploma/ advanced Diploma	43	3.9468	.52537	.08012	3.7852	4.1085	3.43	5.00
Bachelor Degree	33	4.2814	.47980	.08352	4.1113	4.4515	3.71	5.00
Total	299	4.0573	.51080	.02954	3.9992	4.1155	2.86	5.00

ANOVA

Test of Homogeneity of Variances

MEAN_KNOWLEDGE

Levene Statistic	df1	df2	Sig.
1.321	3	295	.268

MEAN_KNOWLEDGE

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	2.374	3	.791	3.098	.027
Within Groups	75.377	295	.256		
Total	77.752	298			

POST HOC TEST

MEAN_KNOWLEDGE

Multiple Comparisons

LSD

(I) level of education	(J) level of education	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
primary	secondary	-.07317	.09200	.427	-.2542	.1079
	Diploma/ advanced Diploma	.03728	.11419	.744	-.1875	.2620
	Bachelor Degree	-.29726*	.12182	.015	-.5370	-.0575
secondary	primary	.07317	.09200	.427	-.1079	.2542
	Diploma/ advanced Diploma	.11045	.08549	.197	-.0578	.2787
	Bachelor Degree	-.22409*	.09544	.020	-.4119	-.0363
Diploma/ advanced Diploma	primary	-.03728	.11419	.744	-.2620	.1875
	secondary	-.11045	.08549	.197	-.2787	.0578
	Bachelor Degree	-.33454*	.11698	.005	-.5648	-.1043
Bachelor Degree	primary	.29726*	.12182	.015	.0575	.5370
	secondary	.22409*	.09544	.020	.0363	.4119
	Diploma/ advanced Diploma	.33454*	.11698	.005	.1043	.5648

*. The mean difference is significant at the 0.05 level.

D Test of differences between Experience and knowledge

Descriptives

MEAN_KNOWLEDGE

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
1-5 years	110	4.0429	.56336	.05371	3.9364	4.1493	2.86	5.00
6-10 years	69	3.9420	.39071	.04704	3.8482	4.0359	3.00	5.00
11-15 years	50	4.0971	.54870	.07760	3.9412	4.2531	3.14	5.00
16 years and above	70	4.1653	.48438	.05789	4.0498	4.2808	3.00	5.00
Total	299	4.0573	.51080	.02954	3.9992	4.1155	2.86	5.00

ANOVA

MEAN_KNOWLEDGE

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1.836	3	.612	2.378	.070
Within Groups	75.916	295	.257		
Total	77.752	298			

Test of Homogeneity of Variances

MEAN_KNOWLEDGE

Levene Statistic	df1	df2	Sig.
4.949	3	295	.002

Post Hoc Test

Multiple Comparisons

MEAN_KNOWLEDGE

LSD

(I) experience of business	(J) experience of business	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
1-5 years	6-10 years	.10083	.07790	.197	-.0525	.2541
	11-15 years	-.05429	.08652	.531	-.2246	.1160
	16 years and above	-.12245	.07756	.115	-.2751	.0302
6-10 years	1-5 years	-.10083	.07790	.197	-.2541	.0525
	11-15 years	-.15511	.09421	.101	-.3405	.0303
	16 years and above	-.22328*	.08606	.010	-.3926	-.0539
11-15 years	1-5 years	.05429	.08652	.531	-.1160	.2246
	6-10 years	.15511	.09421	.101	-.0303	.3405
	16 years and above	-.06816	.09393	.469	-.2530	.1167
16 years and above	1-5 years	.12245	.07756	.115	-.0302	.2751
	6-10 years	.22328*	.08606	.010	.0539	.3926
	11-15 years	.06816	.09393	.469	-.1167	.2530

*. The mean difference is significant at the 0.05 level.

APPENDIX F

(Correlation)

Descriptive Statistics

	Mean	Std. Deviation	N
Mean Knowledge	4.0573	.51080	299
Mean Underlying Principles	4.1275	.57577	300
Mean religiosity	4.3173	.54457	300
Mean perception	3.8933	.66245	300

Correlations

		Mean Knowledge	Mean Underlying Principles	Mean Religiosity	Mean Perception
Mean Knowledge	Pearson Correlation	1	.613**	.557**	.562**
	Sig. (2-tailed)		.000	.000	.000
	N	299	299	299	299
Mean Underlying Principles	Pearson Correlation	.613**	1	.675**	.524**
	Sig. (2-tailed)	.000		.000	.000
	N	299	300	300	300
Mean Religiosity	Pearson Correlation	.557**	.675**	1	.547**
	Sig. (2-tailed)	.000	.000		.000
	N	299	300	300	300
Mean Perception	Pearson Correlation	.562**	.524**	.547**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	299	300	300	300

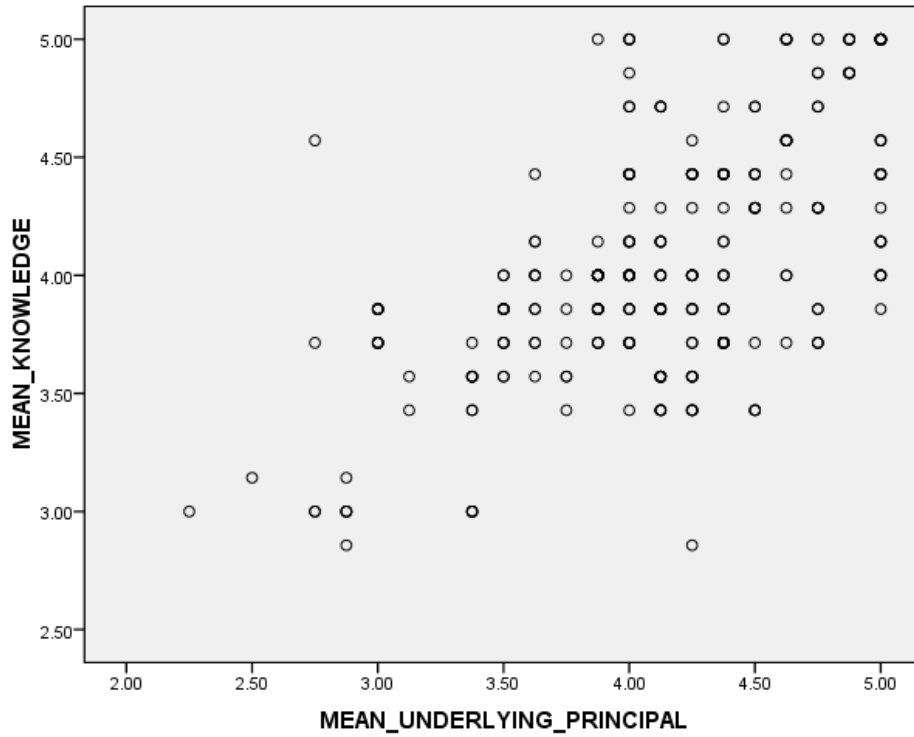
** . Correlation is significant at the 0.01 level (2-tailed).

APPENDIX G

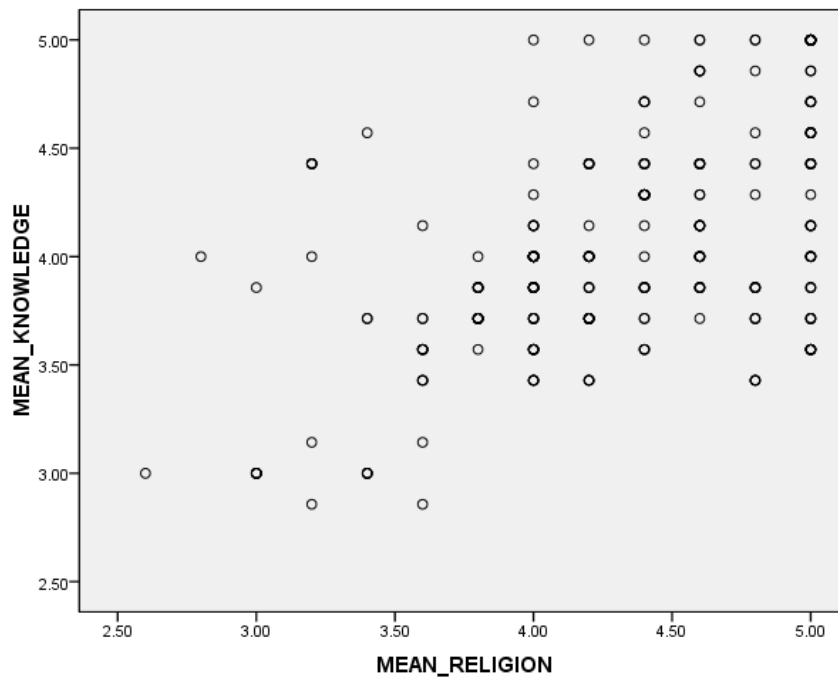
(Multiple Regression)

SINGLE SCATTER PLOT

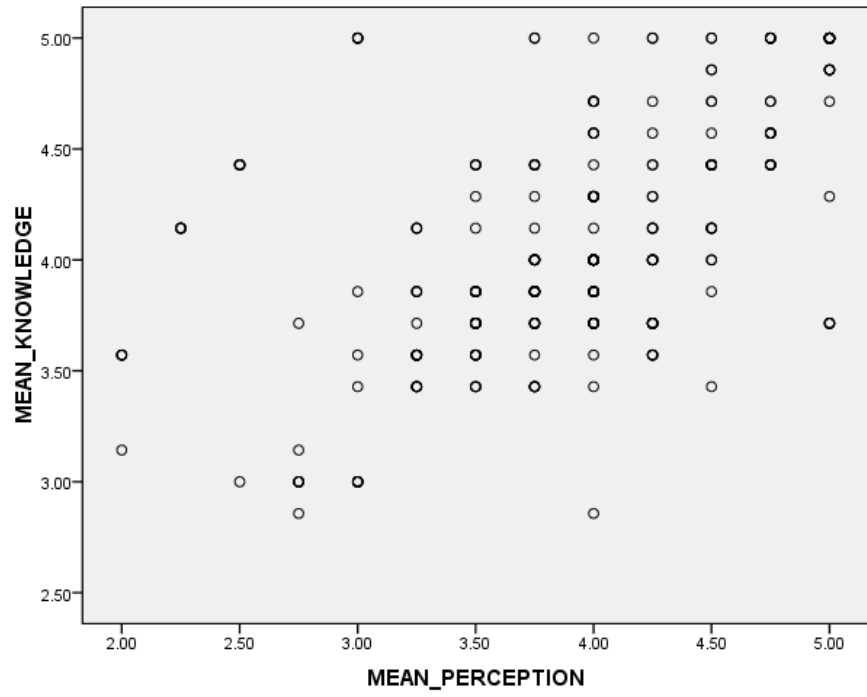
A. Underlying Principles



B. Religiosity



C. Perception



MULTICOLLINEARITY and MULTIPLE REGRESSION.

Variables Entered/Removed^b

Model	Variables Entered	Variables Removed	Method
1	Mean Perception, Mean Underlying Principles, Mean Religiosity		. Enter

a. All requested variables entered.

b. Dependent Variable:
MEAN_KNOWLEDGE

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.687 ^a	.472	.466	.37310

a. Predictors: (Constant), Mean Perception, Mean Underlying Principles, Mean Religiosity

b. Dependent Variable: MEAN_KNOWLEDGE

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	36.686	3	12.229	87.845	.000 ^a
	Residual	41.066	295	.139		
	Total	77.752	298			

a. Predictors: (Constant), Mean Perception, Mean Underlying Principles, Mean Religiosity

b. Dependent Variable:
MEAN_KNOWLEDGE

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.197	.185		6.482	.000		
	Mean Underlying Principles	.321	.053	.357	6.076	.000	.519	1.928
	Mean Religiosity	.149	.056	.158	2.633	.009	.497	2.014
	Mean Perception	.228	.040	.293	5.662	.000	.666	1.500

a. Dependent Variable:
MEAN_KNOWLEDGE

Collinearity Diagnostics^a

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions			
				(Constant)	MEAN UNDERLYING PRINCIPAL	MEAN RELIGION	MEAN PERCEPTION
1	1	3.971	1.000	.00	.00	.00	.00
	2	.014	16.586	.24	.02	.01	.88
	3	.009	20.638	.69	.41	.07	.10
	4	.005	27.140	.07	.57	.92	.02

a. Dependent Variable: MEAN_KNOWLEDGE

Residuals Statistics^a

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	2.9367	4.6882	4.0573	.35087	299
Std. Predicted Value	-3.194	1.798	.000	1.000	299
Residual	-1.15360	1.00764	.00000	.37122	299
Std. Residual	-3.092	2.701	.000	.995	299

a. Dependent Variable:
MEAN_KNOWLEDGE