

ABSTRACT

This study was conducted to determine the effect of financial literacy on financial management of MSMEs to members of KSU Misykat DPU DT in Bandung. The purpose of this study is to know and analyze how the level of financial literacy on MSMEs, how the financial management of MSMEs, and the influence of financial literacy on financial management of MSMEs to members KSU Misykat DPU DT in Bandung.

This research uses quantitative method with descriptive research type. Sampling is done by probability sampling method simple random sampling, with the number of respondents as much as 72 people. Data analysis techniques used are descriptive analysis and simple linear regression analysis.

Based on the results of hypothesis testing, financial literacy has a significant effect on financial management of MSMEs. This is evidenced by $t_{\text{count}} > t_{\text{table}}$ ($5,792 > 1,994$) with a significance level of $0.000 < 0.005$. Based on the coefficient of determination resulted that shows that financial literacy affects the financial management of 32.4% while 67.6% influenced by other factors not examined in this study.

The conclusion of this research, financial literacy on MSMEs members of KSU Misykat DPU DT in Bandung included in low category, It is necessary to increase knowledge about finance to assist MSMEs in managing finance. The low literacy of MSMEs finance in this research is influenced by several things namely the level of Education, Acceptance of Information on Finance, and Age of the perpetrators of MSMEs.

Keywords : *financial literacy, financial management, MSMEs*