



Effect of Financial Literation and Financing- Effectivity toward the Growth of Small Enterprises: Case Study in Bank Syariah Mandiri, Majalengka

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ABSTRACT

Purposes: This study aims to determine the effect partially and simultaneously between financial literacy and financing effectiveness on business development in Micro Warung financing in Bank Syariah Mandiri Majalengka Branch.

Design/Methodology/Approach: This study uses a type of quantitative research. The number of samples is 80 respondents. The technique of collecting data through questionnaires and documentation. Analysis of the data used are research instruments, classical assumptions, multiple linear regression, determinant test, and hypothesis testing, research using SPSS version 20.

Findings: The partial test results show that financial literacy variables have a significant positive effect on business development, financing effectiveness has a significant positive effect on development business. The simultaneous test results show that there is a positive and significant influence between financial literacy and financing effectiveness on business development. The effect of financial literacy and financing effectiveness contributes 73.12% to business development.

Originality/Value: Main contribution of the article is identified from its issues selected to reach new insight on relationship between financial literation, financing effectivity toward growth of small enterprises. This, exactly, can be a model for previous research on related-issues.

INTRODUCTION

Bank is a business entity that collects funds from the public in the form of savings and distributes them to the public in the form of credit and or other forms in order to improve the lives of many people.¹ Financial intelligence is one of the important aspects in life today, the term financial intelligence, namely individual intelligence in managing personal finances. Financial literacy is a basic requirement for everyone to avoid financial problems.² Financial difficulties do not only occur due to low income, but can occur due to errors in financial management such as mistakes in the use of credit, and lack of financial planning. Having financial literacy is very important to get a prosperous life.

According to the National Financial Literacy Strategy of the Indonesian Financial Services Authority, the Financial Services Authority, the public financial literacy index increased in 2016 to 29.7% from the previous 21.8% in 2013 which means that out of every 100 population there are only 22 people belonging to the category *wellliterate*. Looking at existing data, people in Indonesia do not yet have full knowledge of how to optimize money properly. Besides that the public does not understand well about the various products and financial services offered by formal financial service institutions.³

The development of MSMEs needs to get serious attention from the government and society so that they can develop more competitively with other economic actors. The government needs to increase its role in empowering small and medium businesses in addition to developing mutually beneficial business partnerships between large entrepreneurs and small entrepreneurs, and improving the quality of Human Resources. Financial literacy is needed for businesses including MSMEs to be able to make choices and utilize products and services financial needs, have the ability to do financial planning better.

Bank Syariah Mandiri is a state-owned Sharia Commercial Bank (BUS) that assists the government in channeling People's Business Credit (KUR) and has its own micro-financing program in addition to the KUR program, namely Micro Shop Financing.

Table 1.

The Unit Growth of Mandiri Syariah Bank, Majalengka

Year	Customer Numbers
2015	129 units / Business Executors
2016	108Unit / Business Executors
2017	143 units / Business actors

¹ Cashmere, *Banking Basics* (Jakarta: PT.Raja Grafindo Persada, 2006), 28.

² Rochmi Widayanti, Ratna Damayanti, and Marwanti Fithria, "Pengaruh Financial Literacy Terhadap Keberlangsungan Usaha (Business Sustainability) Pada UMKM Desa Jatisari," *Jurnal Ilmiah Manajemen & Bisnis* Vol. 18, no. 2 (2017): 86.

³ OJK, *Strategi Nasional Keuangan Inklusif* (Jakarta: OJK, 2012), 17, <https://www.ojk.go.id/id/kanal/iknb/Pages/Lembaga-Keuangan-Micro.aspx>.

Table 1 describes that, in 2015, there were numbers of SMEs amounting to 129 businesses, but in 2016 dropped to 108 units and in 2017 increased to 143 the unit. From the above data, it can be seen that from 2015 to 2018 the development of the number of customers applying for microfinancing at Bank Syariah Mandiri, Majalengka Branch continued to increase. The following is the data of micro financing of Bank Syariah Mandiri in Majalengka Branch:

Table 2

Micro Financing of Bank Syariah Mandiri, Majalengka

Years	Micro Funding Distribution of
2015	Rp. 10,144,000,000
2016	Rp. 10,938,773,173.67
2017	Rp. 12. 336,000,000

From the above table, it can be seen that the distribution provided by an independent Islamic bank in the Majalengka branch of MSMEs in Majalengka is very large and continues to experience annual increase. This means that an independent Islamic bank in the Majalengka branch also contributes to economic development through the distribution of financing to MSMEs. Understanding of financial literacy is very necessary for business people, especially for owners of Micro, Small and Medium Enterprises (MSMEs). MSME entrepreneurs can be targeted in open access to financial institutions or can be called *financial inclusion*, and effectiveness in channeling financing because MSMEs are one of the supporting factors of the country's economy. Referring to the background that has been stated, researchers are interested in conducting research with the title, "*The Effect of Financial Literacy and Effectiveness of Financing on Business Development (Case Study at Bank Syariah Mandiri, Majalengka Branch)*."

Based on the description above, the purpose of this study is as follows: 1) To determine the effect of the level of Financial Literacy on Business Development; 2) To Know the Effect of Financing Effectiveness on Business Development; 3) To Know the Effect of Financial Literacy and Effectiveness of Financing on Business Development.

BACKGROUND THEORY

Financial

Literacy namely financial knowledge with the goal of achieving prosperity starts from planning to use, this refers to the financial condition of the community, whatever the income of the community if the community is able to allocate its finances to the right institution then there will be no financial

risk but benefits and prosperity will be achieved.⁴

The Financial Services Authority Institute states that financial literacy is the ability to manage the funds owned to develop and live a more prosperous life in the future. OJK states that the financial literacy program is to conduct education in the field of finance to the Indonesian people so that they can manage finances smartly, so that the low level of knowledge about the financial industry can be overcome and the public is not deceived in short-term investment products that produce high returns without regard to the risks.

Cost Effectiveness

Effectiveness comes from the English language which is *effective* which means successful, precise or effective. According to the complete Indonesian dictionary, Effectiveness is defined as something that has an effect (its effect, effect), can bring results, is effective (action) and can also mean to come into force (regarding laws / regulations). Effectiveness focuses on the *outcome* (outcome) in which something expected by the organization is considered effective if the output produced can meet the objectives (*spelling wisely*).

Banks as *financial intermediary institutions* in addition to collecting funds from the public, also channeling these funds to the public in the form of credit or financing. In Islamic banking the distribution of funds is referred to as financing (*financing*) based on the desired real profit (*margin*) or *profit sharing*.⁵

Based on the interrelated functions of financing (financing objectives) namely *profitability* and *safety* that have been mentioned earlier, the effectiveness of financing can be seen from the revenue or profit sharing of the financing provided. The more the revenue or profit sharing increases based on the agreed time, the greater the effectiveness of the financing. To get the desired profit, the financing provided must be guaranteed the rate of return or the initial purpose of the financing provided. If the financing is low or the rate of return is not in accordance with the original purpose of the financing, which is not realized.⁶

Business Development Business

development is a form of business to the business itself so that it can develop better in reaching a peak point to success. Business development is carried out by businesses that have begun to be processed and it seems there is a possibility to be more advanced. Business development is a state of the occurrence of increased sales turnover [Development Indicators:⁷1] As for

⁴ A Lusardi and Mitchell O. S., "Financial Literacy and Planning: Implications for Retirement Wellbeing," 2014, 58.

⁵ Abdul Ghofur Anshori, *Perbankan Syariah Di Indonesia* (Yogyakarta: Gadjah Mada University Press, 2001), 98.

⁶ Muhammad, *Pengantar Akuntansi Syariah* (Jakarta: Salemba Empat, 2005), 259.

⁷ Prawirokusumo Soeharto, *Kewirausahaan Dan Manajemen Usaha Kecil* (Yogyakarta: BPFE, 2010), 185–88.

Business: Capitalcapital is money used as the principal (parent) to trade, releasing money and so on; property (money, goods, etc.) that can be used to produce something that adds wealth; 2] Sales Turnover : The

word turnover means the amount, while the sale of goods selling activities aimed at earning profit or income. Sales is an effort made by humans to deliver goods and services that have been produced to those who need them with financial rewards according to a predetermined price; 3] Advantages of business: The main effortobjective of a company is to utilize resources (natural and human) to get benefits from them, in the commercial sense the benefits can be in the form of negative benefits that are often termed losses or positive benefits that are often referred to as profits (positive); 4] Labor: Workers are all people who are willing to be able to work. This definition of labor includes those who work for themselves or for family members who do not receive payment in the form of wages or those who are actually willing and able to work, in the sense that they are unemployed by force because there are no employment opportunities; 5] Business Branches: Based on the Big Indonesian Dictionary, the word branch if paired with the word office has the understanding of business units (shops, shops), association institutions, offices, and so on which are part of a larger unit. Branches also mean fragmented, not centered on just one.

Literature Review

Endang Purwanti (2012) entitled, *The Effect of Entrepreneurial Characteristics, Business Capital, Marketing Strategies on Community Development in the Village of Dayaan and Kalilondo Salatiga* This study uses simple line regression to test hypotheses and is a quantitative study. The results of this study are entrepreneurial characteristics, capital individual businesses and collectively have a significant effect on business development, while individual marketing strategies have no significant effect on business development

Diana Djuwita and Ayus Ahmad Yusuf (2018) with the title *Sharia Financial Literacy Levels among MSMEs and Their Impact on Business Development*. The research method used in this research is descriptive survey and explanatory survey. Data collection uses a research instrument in the form of a questionnaire that has been tested for validity and reliability. Test classic assumptions (test for normality, heterocedasticity, multicollinearity, and autocorrelation), multiple regression tests to determine the relationship between the variable under study. The results of this study are only variables of business length and number of employees that have a significant effect on financial knowledge. All demographic variables (location, age, gender, education, type of business, length of business, initial capital, sources of capital, income, and number of employees) do not affect the financial behavior and financial attitude of street vendors. Only

financial behavior affects business development of street vendors, while financial knowledge and financial attitude do not affect business development.

Irine Herdjiono, Lady Angela Damanik (2016) entitled, *The Effect of Financial Attitude, Financial Knowledge, Parental Income on Financial Management Behavior*. The results of this study are that Financial Attitude has an influence on Financial Management Behavior while Financial Knowledge and Parental Income have no influence on Financial Management Behavior.

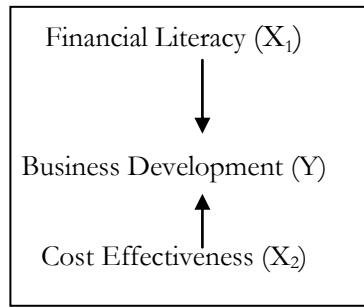
Muhammad Andi Prayogi & Lukman Hakim Siregar. (2017) entitled *The Effect of Sharia Micro Financing on the Level of Development of Micro, Small and Medium Enterprises (MSMEs)*. The results of this study are 57.70% the level of MSME business development is influenced by micro-micro finance variables. The remaining 42.30% contributions of other variables were not included in this study. then it can be concluded that the Islamic microfinance variable has a significant effect on the development of the UMKM Bisnis level at PT. BRI Syariah Branch Medan.

Rochmi Widayanti, Ratna Damayanti & Fithria Marwanti (2017) entitled *The Effect of Financial Literacy on Business Sustainability at SMEs in Jatisari Village*. The results of this study are that *financial literacy* has an influence on *business sustainability* by 28.9%. This shows that *financial literacy* or financial knowledge possessed by SMEs in Jatisari is important in supporting the sustainability of their businesses.

Amaliyah and Witiastuti (2015) entitled *Analysis of Factors Affecting Financial Literacy Levels in the Tegal City SMEs*. The results of this study are the financial literacy level of the SME Tegal city in the High category with an average of 11.79. In his research gender and level of education influence the level of literacy of Tegal city SME owners. Male MSME owners and education levels above compulsory education have higher literacy levels than women and education levels below compulsory education. While the level of income has no effect on the financial literacy of Tegal city SME owners

RESEARCH FRAMEWORK

This study uses two independent variables, namely Financial Literacy (X1) and Financing Effectiveness (X2), on Islamic Bank Mandiri Branch customers Majalengka Branch, while the dependent variable (dependent) is Business Development (Y) for the customers of the Warung Syariah Micro Bank Syariah Mandiri Branch in Majalengka Branch. The relationship can be seen from the following figure:



Hypothesis

Based on literature review and study of relevant previous research, the hypotheses to be tested empirically are: **H1:** There Significant Positive Effect of Financial Literacy on Business Development, **H2:** There is a Significant Positive Effect on Financing Effectiveness on Business Development, **H3:** There is a Significant Positive Effect on Financial Literacy and Effectiveness of Financing on Business Development

METHODOLOGY

The approach used in this research is a quantitative approach. Quantitative method is to describe the phenomenon of the object of research as is and the conclusion is based on statistical results figures.⁸ The independent variables in this study are financial literacy (X1) and financing effectiveness (X2) while the dependent variable is business development (Y).

Sources of data in this study consisted of primary data and secondary data. Primary data obtained directly from respondents using secondary data questionnaire data in the form of agency internal data taken from the financial statements. The population used in this study is all customers who use microfi financing at the Bank Syariah Mandiri Majalengka Branch, totaling 380 people. While the determination of the sample in this study was carried out using the technique *Slovin* so as to get a sample of 80 respondents using a sample technique that is *probability sampling* with the type of *Random Sample Sampling*.

Data collection techniques in this study are using a questionnaire by giving a written question to the respondent by using a Likert scale, observation by directly observing the condition of the research object, and library documentation. Data analysis techniques used in this study consisted of research instrument tests (validity and reliability tests), classical assumption tests (multicollinearity tests, heteroscedasticity tests, and normality tests), multiple linear regression tests, hypothesis tests (significance tests of partial influences / tests of partial t and test the significance of the simultaneous effect / F test), and

⁸ S. Arikunto, *Prosedur Penelitian Suatu Pendekatan Praktek* (Jakarta: Rineka Cipta, 2006), 56.

the coefficient of determination test.

RESULTS AND DISCUSSION

Characteristics of Respondents Respondent

characteristics were identified based on variables thought to affect business development, including characteristics based on sex, age, last education, occupation, business sector, length of business, size of income, size of financing, and length of business. Based on the age of the respondents, the most respondents were 41-50 years old as many as 41 people or 51.3%, because at that age it was a productive age and mature in running a business. then the male sex with the number 43 people or 53.8% more than women, because traders are more dominated by men. Based on the most recent education, most of the high schools were 44 people or 55.0%, it was because most of the respondents were traders (the highest education) with the most recent high school education.

Based on the work, namely the type of respondent's job that is as many as 42 people traders or 52.5%, based on the Field of Business undertaken, the majority of respondents have a business in the field of trade as many as 28 people or 35.0%, the length of business that the respondent runs the most more than 10 years as many as 37 people or around 46.3%, the length of the business carried out by micro stall financing customers at Bank Syariah Mandiri in Majalengka Branch is more than 10 years.

The amount of funding obtained by respondents, there were 32 people or 46.3% who received funding of Rp. 10,000,0001-Rp.25,000,000, the amount of income of respondents, there are 53.8% of respondents who get income of Rp. 1,000.0000- Rp. 5,000,000 per month, the length of financing provided by the bank to respondents was 4 years, 37 people or 47.5%. This shows that the research respondents based on the length of financing provided by the majority bank 2 years.

Test Instrument Research

Test Validity

Test validity using the formula *Pearson Product Moment* for each of the research variables, for *r_{table product moment}* with $n = 80$ at a significance level of 0.1 amounting to 0.222 the results are as follows:

Table 3.
The Validity Test Results of Financial Literacy

Item	R _{count}	R _{table}	Ket .
1	0.496	0.222	Valid
2	0.538	0.222	Valid
3	0.444	0.222	Valid

4	0.557	0.222	Valid
5	0.476	0.222	Valid
6	0.666	0.222	Valid
7	0.647	0.222	Valid
8	0.678	0.222	Valid
9	0.467	0.222	Valid
10	0.645	0.222	Valid
11	0.535	0.222	Valid

Source: Primary Data processed, 2019

Table 4.

Results of Test of Validity of Effectiveness of Financing

Item	R _{count}	R _{table}	Ket.
12	0.812	0.222	Valid
13	0.759	0.222	Valid
14	0.775	0.222	Valid

Source: Primary Data processed, 2019

Table 5.

The Validaty Test Results of Business Development

items	R _{count}	R _{table}	Ket.
15	0.680	0.222	Valid
16	0.587	0.222	Valid
17	0.777	0.222	Valid
18	0.689	0.222	Valid
19	0.535	0.222	Valid
20	0.616	0.222	Valid
21	0.418	0.222	Valid
22	0.683	0.222	Valid

Source: Primary data processed, 2019

Based on tables 3, 4, and 5 outputs of the results of the validity test of financial literacy variables, the effectiveness of financing and business development, it can be concluded that all items of questionnaire statements submitted to respondents can be said to be valid. That is because each item of statement has a r_{count} greater than r_{abel} .

Reliability Test

The test used is theory *Cronbach's Alpha*. A variable is said to be reliable, if it gives a *Cronbach's alpha value* > 0.60 . The test results using SPSS version 21 is as follows:

Table 6.

The Reliability Test Results

Variable	Cronbach's alpha	Reliability Standard	Ket
LiterasiKeuangan	0.780	0.60	Reliable
Financing Effectiveness	0.676	0.60	Reliable
Business Development	0719	0.60	Reliable

Sources: Primary data are processed, 2019

Based Table 6 shows that the values of *Cronbach's Alpha* all study variables > 0.60. So it can be concluded that the indicators or questions in the questionnaire used for variables are *Financial Literacy*, *Financial Effectiveness* and *Business Development* stated to be reliable or trustworthy as a variable measurement tool in research in

Classical Assumptions*Test Multicollinearity*

Test This test is used to find out the perfect relationship between independent variables, where each independent variable is partially tested, then it can be concluded whether the data is affected by multicollinearity or not.

Table 7
Results Uji Multikolinieritas (Uji VIF)

Coefficients a	Model	Unstandardized Coefficients	Std. Error	Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B		Beta			Tolerance	VIF
1	(Constant)	14,931	7,073		2,11	,044		
	Financial Literacy	2,522	1,071	,242	2,35	,026	,943	1,061
	Funding Effectiveness	1,551	,209	,764	7,43	,005	,943	1,061

a. Dependent Variable: Business Development

From the results of table 8 data in the VIF column it can be seen that the VIF value for financial literacy analysis is 1.078 and the tolerance value is 0.943, the VIF value for the analysis of financing effectiveness is 1.061 and the

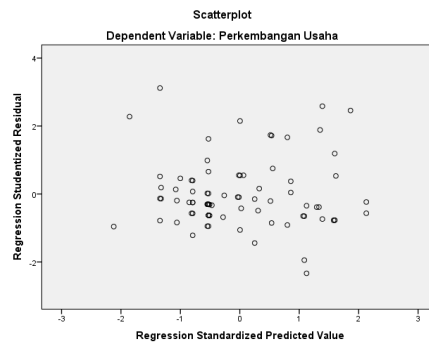
value is 0.943. Then all independent variables have a VIF value <10 and a tolerance value > 0.1 so that it can be concluded that there is no multiplicity.

Heteroscedasticity Test

Aims to determine whether a regression model has a difference between the *residual variance* of an observation to another observation. If there is a difference in *variance*, then heterosities occur so that the regression model can be said to be poor.

Figure 1.

The Test Results of Heteroskedasticity



From the *Scatterplot* chart can be seen that the points spread and do not converge in one place. These points are scattered randomly both at the top of the number zero and at the bottom of the number 0 from the vertical axis Y, thus it can be concluded that there is no heterokedastity.

Normality Test

The test aims to determine whether the population data is normally distributed or not. To test the data is normal or not, researchers are assisted by using analysis *Kolmogorov Smirnov*. The results of themethod *Kolmogorov Smirnov* are as follows:

Table 8.
The Test Results of Normality
(Test *Kolmogorov Smirnov*)

One-Sample Kolmogorov-Smirnov Test		Unstandardized Residual
N		80
Normal Parameters ^{a, b}	Mean	0E-7
	Std. Deviation	3.09782012
	Absolute	,148
Most Extreme Differences	Positive	,148
	Negative	-,108
Kolmogorov-Smirnov Z		1,325
Asymp. Sig. (2-tailed)		,060
a. Test distribution is Normal.		
b. Calculated from data.		

Source: Processed Primary Data, 2019

Based on the results of the normality *Kolmogorov-Smirnov* test in the table above shows the Asymp. Sig value (2-tailed) 0.060, this shows that the significance value is greater than the value of the level of confidence $\alpha = 0.05$, by therefore it can be concluded that H_0 is accepted which means that the residuals are normally distributed. Calculation of the normality test can use several methods, in this study the method used is a normal PP plot graph as follows:

Figure 2.
Test Results of Normality

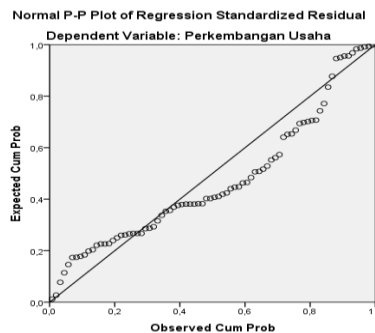


Figure 2 shows that all existing data are normal, because all the points can spread and coincide around a diagonal line. Then it can be concluded that the data meets the assumption of normality. In addition to the graph, the normality test in this study can also be proven by using the analysis tool *Kolmogorov Smirnov*. With the conclusion if the level of significance > 0.05 means normal

Multiple Linear Regression Analysis Multiple

linear regression analysis is used to find out how the state of variables is if the variable values experience beauty or decline and to determine the direction of the relationship between the dependent variable, whether each independent variable is positively related or negative, after getting the results of the regression coefficient by processing the results obtained as follows:

Table 9.
Test Results of Multiple Linear Regression

Coefficients ^a		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
Model		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	14,931	7,073		2,111	,044		
	Financial Literacy	2,522	1,071	,242	2,354	,026	,943	1,061
	Funding Effectiveness	1,551	,209	,764	7,435	,000	,943	1,061

a. Dependent Variable: Business Development

Based on table 9, the resulting regression equation is obtained:

$$Y = a + b_1X_1 + b_2X_2 + e$$

$$Y = 14,931 + 2,522 X_1 + 1,551 X_2 + e$$

From the above equation we get the regression coefficient as following: 1) The Constant Value of the equation is 14,931, meaning that if there is no change in Financial Literacy and the effectiveness of Financing at Bank Syariah Mandiri, Majalengka Branch, the Business Development (Y) is still 14,931. 2) Financial Literacy variable regression coefficient (X_1) of 2,522, shows that Financial Literacy affects business development by 2,522; 3) The coefficient of financial effectiveness variable regression (X_2) of 1,551 shows that the effectiveness of financing affects business development by 1,551

Hypothesis

The Test of t Test

For decision making basis for the test t or partial in regression analysis, one of which is based on *tcount* and *ttable*. Where in this test it is necessary to determine the *degree of freedom* and this is determined by the formula: $df = n - k$, using a significance of 0.1, it is obtained that t_{table} is 1.991. Here are the results of each test partial variables:

Table 10.

The Test of *t*

Coefficients ^a Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	14,931	7,073		2,111	,044		
	Financial Literacy	2,522	1,071	,242	2,354	,026	,943	1,061
	Funding Effectiveness	1,551	,209	,764	7,435	,000	,943	1,061

Source: Primary data processed, 2019.

a. Dependent Variable: Business Development

The test rules are: 1) If the value of $t_{count} > t_{table}$ then H_a is accepted; 2) If the value of $t_{count} \leq t_{table}$ then H_a is rejected; 3) If $Sig < \alpha$ then H_a is accepted; 4) If $Sig \geq \alpha$ then H_a rejected. From the table *Coefficient* above it can be concluded that: a) Based on table 10, it is known that t_{count} is 2.354, the results are then compared with t_{table} . To determine t_{table} using 5% significance, i.e. $t_{table} = (\alpha / 2; n - k - 1)$, (α is the exact value or significance; n is the number of samples; and k is the number of variables). So that it is obtained from the calculation of $t_{table} = (0.025; 76)$ the t_{table} value is 1.991. In the analysis of the data above, it is seen that $t_{count} > t_{table}$ is $2.354 > 1.991$. Also note the value of $Sig. > 0.05$ which is $0.026 < 0.05$. Thus the decision is that H_0 is rejected and H_a is accepted, which means that *Financial Literacy* has an effect on *Business Development*. b) Based on table 10, it is known that t_{count} is 7,435, the results are then compared with t_{table} . To determine t_{table} using 5% significance, i.e. $t_{table} = (\alpha / 2; n - k - 1)$, (α is the exact value or significance; n is the number of samples; and k is the number of variables). So that it is obtained from the calculation of $t_{table} = (0.025; 76)$ the t_{table} value is 1.991. In the analysis of the data above, it is seen that $t_{count} > t_{table}$ is $7,435 > 1,991$. Also note the value of $Sig. < 0.05$ which is $0.000 < 0.05$. Thus the decision is that H_0 is rejected and H_a is accepted, meaning that the *Effectiveness of Financing* influences *Business Development*.

The Significance of Simultaneous Influence (test F)

The Basis of decision making for the F or simultaneous test in regression analysis, one of which is based on the value of F_{count} and F_{table} . Where in this test it is necessary to determine the *degree of freedom* (df) or better known as df_2 . This is determined by the formula: $df_1 (N_1) = k - 1$ and $df_2 (N_2) = n - k$ using a significance of 0.1. Where n = the number of data and k = the number of the number of independent and dependent variables, it is obtained that the F_{table} is 3.77. The test rules are: 1] If $f_{arithmetic} > f_{table}$ then H_a is accepted; 2] If $f_{arithmetic} \leq f_{table}$ then H_a is rejected; 3] If $Sig < \alpha$ then H_a is accepted; 5] If $Sig \geq \alpha$ then H_a is rejected

Table 11
Test F

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1.						
a. Dependent Variable: Business Development	Regression	186.159,	2	93.079		.6000 ^b
						.84
b. Predictors: (Constant), EfektivitasPembiayaan, LiterasiKeuangan	Residual	68.508	27	2.537		
	Total	254.667	29			

Sources: Primary data are processed, 2019

Based on Table 11, it is known that the $F_{\text{value}_{\text{calculated}}}$ of 36.684, the results are then compared with F_{table} . To determine the F_{table} by using a significant 5%, ie $F_{\text{table}} = (k; n - k)$, (n is the number of samples and k is the number of independent variables). So that it is obtained from the calculation of $F_{\text{table}} = (3; 77)$, the $F_{\text{value}_{\text{table}}}$ is 2.72. In the analysis of the data above, it can be seen that $F_{\text{count}} > F_{\text{table}}$ is $36.684 > 2.72$. It is also known that the significant value for the influence of *Financial Literacy, Effectiveness of Financing* together on *Business Development* is $0,000 < 0,05$, so it can be concluded that H_0 is rejected and H_a is accepted, meaning that there is a significant influence between *Financial Literacy, Effectiveness of Financing* together on *Business Development*.

The Determination Coefficient Test (R²)

Testing the coefficient of determination is done to find out how much the ability of the independent variables in explaining the dependent variable. In relation to correlation, R^2 is the square of the correlation coefficient related to the independent variable (X) and the dependent variable (Y).

Table 12
Determination Test

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1				
a. Predictors: (Constant), Effectiveness of Financing, Financial Literacy	.855 ^a	.731	.711	1,593
b. Dependent Variable: Business Development				

Source: Processed Primary Data, 2019

Based on table 12, an R^2 (R Square) figure of 0,7312 or (73.12%) is obtained. This shows that the percentage of contribution of the influence of the independent variable on the dependent variable is 73.12% while the remaining 26.9% is influenced or explained by other variables not included in this research model.

CONCLUSION

Based on the results of research conducted related to the Effect of Financial Literacy and Effectiveness of Financing on Business Development (Case Study at Bank Syariah Mandiri Majalengka Branch), it can be concluded: a] Financial Literacy has a significant influence on Business Development at Bank Syariah Mandiri Branch of Majalengka' b] The Effectiveness of Financing has a significant influence on Business Development at the Syariah Bank Mandiri Majalengka Branch; c] Financial Literacy and Effectiveness of Financing have a significant effect on Business Development at the Syariah Mandiri Bank Branch of Majalengka. A suggestion can be formulated from research based on existing findings, namely: 1] For Banks are expected to be able to simplify requirements, improve the mechanism or procedures for channeling so that people more easily access the program; 2] Bank Syariah Mandiri Majalengka Branch is expected to be able to improve the quality of management in the management of micro shop financing so that more people are interested in making additional capital through micro shop financing. For the general public, it is hoped that there will be more searching for information about financing micro businesses.[]

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