AN EMPIRICAL STUDY ON THE INFLUENCE OF ISLAMIC VALUES ON MONEY DEMAND
(Case Study: University of Darussalam, Gontor and Mantingan Campus)

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ABSTRAK

Pemikiran Chapra mengenai permintaan uang mengandung nilai-nilai Islam. Penelitian mengenai nilai sosial telah dibahas oleh beberapa peneliti seperti Ebrinda dan Sri Wahyuni, akan tetapi kedua penelitian tersebut masih dalam berbentuk makro, dan hasil yang diperoleh dalam penelitian Ebrinda belum menujukan pengaruh yang signifikan terhadap permintaan uang Islam di Indonesia dan terbatas pada nilai-nilai sosial, sedangkan hasil penelitian Sri Wahyuni belum menunjukan pengaruh yang signifikan dalam jangka pendek dan signifikan dalam jangka Panjang. Dari sini peneliti mencoba untuk meneliti secara mikro pengaruh nilai-nilai Islam terhadap permintaan uang di Universitas Darussalam Gontor, selain dengan sistem pesantrennya juga memiliki nilai-nilai Islam yang tinggi. Tujuan dari penelitian ini adalah untuk mengetahui pengaruh nilai-nilai Islam terhadap permintaan uang secara mikro. Jenis penelitian ini adalah penelitian kuantitatif. Untuk mengumpulkan data, penulis menggunakan metode angket. Kemudian data-data tersebut dianalisa dengan metode regresi linier berganda. Hasil penelitian ini menunjukan bahwa nilai-nilai Islam belum berpengaruh terhadap permintaan uang. Hal ini terbukti dengan nilai signifikansi masih diatas 0,05. Nilai signifikansi kebutuhan pokok sebesar 0,4, nilai sosial 0,7, perilaku berlebihan 0,3 dan tabungan 0,3. Sedangkan variabel yang berpengaruh diantaranya adalah pendapatan dengan nilai signifikansi 0,00, investasi 0,00 dan rencana investasi 0,04.

Kata kunci*: Permintaan Uang, Nilai-Nilai Islam, Nilai-Nilai Sosial, Micro Level, Unida Gontor*

INTRODUCTION

Before money was invented, human needs are met directly from natural resources by utilizing fields and hunting, then came the barter system. But with the differences in human wants and needs, bartering goods becomes no longer reliable (Fajari, 2008). So they need a medium of exchange to get the goods and services they need. Money as a medium of exchange can facilitate transactions, because money is

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acceptable to everyone, unlike bartering goods which must find people with mutual needs.

Money is any item or verifiable record that is generally accepted as payment for goods and services and repayment of debts in particular country. The main function of money is distinguished as a medium of exchange, a unit of account, a store of value and a standard of deferred payment (Umam, 2015). Money has various forms. History recorded money in the form of gold, silver, stone etc. The money based solely on the faith and credit of the economy in the form of paper is called fiat money, even in the present, money has grown in the form of computer records.

In the era of Islam, money is in the form of gold dinars, silver, and copper, even commodities such as wheat, s*ya'ir* beans, and palm fruit were used as money. Likewise, Caliph Umar bin Khattab was planned to make camel leather as money although its value is cheaper than gold. That's why Islamic money is not always in the form of gold and silver that has intrinsic value. The important is that it can be a support for the velocity of the economy (Umam, 2015).

Ibn Qayyim stated that money is not the main goal but is a medium to get what people need. Also, Ibnu Taymiyyah said that money as a measure of value and not used as a commodity. Therefore, in Islam, the main function of money is as a medium of exchange and a measure of value (Umam, 2015). Although everybody needs money, money is not the main goal, it's just a medium to get what people need through transactions.

Based on Keynes's theory, the motives of money demand are transactions, precautionary and speculative (Boediono, 2014) Chapra argues that speculative activity is not allowed, it is because speculation is closely related to interest. Besides, in the transaction, Chapra also gives an explanation in Islam there is a limit in a transaction in order to avoid excessive behavior and wasteful spending. In addition, Chapra also includes the social value in the theory of money demand, which includes social norms and activities such as zakat. So Chapra's money demand is strongly influenced by Islamic values (Chapra, 1996).

The main goal of Chapra's money demand is the realization of humanitarian goals of need fulfillment, optimum rate of economic growth, full employment, equitable distribution, and economic stability that is in conformity with *maqasid*. But it is hard to realize because the economic mechanism still used interest rate for allocation of the money supply. Islam does not find interest to be an appropriate mechanism for the management of money demand. In addition, Chapra includes social values like *zakah* to reduce unproductive and speculative purposes. As a result, the motives of Chapra 's money demand are transaction and precautionary that is in conformity with Islamic values which influenced by income, also social values that influence the allocation of money and replacing r (interest) with π (profit and loss sharing system).

The Chapra concept of money demand has been researched empirically by Ebrinda. She discovered that the most insignificant reasons are a currency that cannot be distinguished between conventional and Islamic money. As well as conspicuous consumption behavior which still a tradition of society. Here Ebrinda limits her research on social values (S) and takes *zakat* as a proxy of social values that influence Islamic money demand in macro perspective. It didn't include goods and services and investments in accordance with Islamic values (Ys). At the end of the research, Brinda suggested to describe again the elements of social values, not only limited to zakat, and suggested to use primary data for further research (Gustiani, 2008).

Therefore, the researcher will try to examine the influence of Islamic values on money demand at the University of Darussalam Gontor, because education and teaching are very concerned about improving the attitude and mindset of students. As a result, education will have an influence on student behavior in all aspects of life. UNIDA students at the campus of Gontor and Mantingan are different from the students in general, because they are also teachers at Darussalam Modern Islamic Boarding School, a lot of Islamic values are taught to the students and teachers. This is why researchers want to try to examine the behavior of UNIDA student money demand on the campus of Gontor and Mantingan in micro perspective by using primary data which obtained directly from the respondents of the University of Darussalam Gontor through a questionnaire. The objective of this study is to know the influence of Islamic Values on Muslim money demand in University of Darussalam Gontor

DEFINITION OF MONEY

Money is any item or verifiable record that is generally accepted as payment for goods and services and repayment of debt (Partadirejam, 2002). Sadono also said that it can be defined as objects approved by society as an intermediary to exchange trade. Money that usually used is the form of paper that has been agreed as a medium of exchange or a store of value to facilitate transactions between sellers and buyers in the market. Before the money was invented, the exchange occurs not between goods and money but bet. And it is certainly very troublesome between the two parties, as well as mutual necessary, difficult pricing occurred because there is no standard to measure the value of goods, then in it restrict their choice in the transaction, related to the first reason that he must find the mutual needs. With money, will facilitate the transaction between sellers and buyers, easy in determining the price, free choice in the transaction because everyone will accept money as a medium of transaction (Sukirno, 2013).

Unlike gold and silver that already have value, fiat or paper money has no intrinsic value. To obtain a collective agreement on money to be used there are some provisions or characteristics of an item to be agreed as the goods of which is the value does not change over time, because it will disrupt the price stability in the market in the value of money itself ultimately will hamper the rate of the economy. Then the ease of money to carry, it is certainly already filled by the character of easy to carry paper money where, can be folded and stored in a small wallet, and can be said this is one of the advantages of paper money compared with money in the form of gold and silver that has heavy and inflexible forms of money.

Then by saving the money will not reduce the value of money, durable, the amount is limited. The traits and characteristics above have been met by money in the form of gold and silver. A limited amount will make the price and value of money stable and both goods are made of a material that lasts for a very long time, so it will not harm either party. However, since the industrial revolution came into influence in countries that have experienced very rapid trade expansion and transactions that run in it run faster, but not balanced with the increase of gold and silver. So many are beginning to abandon gold and silver and turn to paper money as it is currently used by all the people around the world, published by central banks in each country and have different

values according to the country's economic conditions. Currently used money is also referred to as currency or demand deposit (Sukirno, 2013).

According to Boediono, currency and demand deposit are cash available in the community either in paper or metal. And in English, this money is called currency. In the classical view, it is said just that currency and demand deposit are money that actually so they have the direct purchasing power that can be used and spent, which directly affect the price of goods. However, not all money in paper or metal form as currency, only money in the hands of the general public it is outside the bank and state treasury. For the reason, money is only in the hands of the general public which is generally directly spent on the market, unlike the money in the bank and state treasury offices (Boediono, 2014).

FUNCTION OF MONEY

Money has several functions such as a medium of exchange, a store of value, a unit of account and as a deferred payment instrument.

a. Medium of Exchange

Money as a medium of exchange is the basic function of money itself. With the money allows us to do transactions, no need for struggled to find someone who has the same desire as happened in the process of bartering. Because money can be accepted by various circles in each country. If a country does not have the agreed money will cause distress in the life of the community. As was the case in the early 1990s, Russians had to queue for hours for goods and also to earn dollars and money from other foreign countries, because at that time the Russian Ruble currency had no function as a medium of exchange accepted by the community (Samuelson, 2010).

The function of money as a medium of exchange, it means that money has public trust as a medium of payment. Then the seller will believe that the money he received will be accepted elsewhere when he needs other items from other sellers. The element of public confidence determines what material will represent money, people used to use gold and silver as money since most people accept gold and silver as a means of payment. Today almost every country in the world uses paper as a means of payment, with ease in storing it and cheap in its

manufacture. Then the paper can be money or a means of payment with the trust of the community (Boediono, 2014).

b. Store of Value

Money as a store of value, it is related to human nature that always desires to accumulate wealth. Holding money is one way to save value, as well as using gold, land, livestock, stock etc. The choice of money as a store of value requires that money be able to store purchasing power or value. If the money can not save the purchasing power, people are reluctant to hold money, such as when inflation occurs, where the value of money becomes degenerate, so many people will divert their wealth in the form of goods, because money has lost its function as a store of value.

Currently, money is validated as a legal medium of payment under the law. By another meaning, that people in that country do not have the right to refuse legally if there are people who exchange their money with the goods he has. The disbelief of people on the money when the value of the money is declining it's possible whether to accept money or not or spending it immediately with certain goods, it can happen in the event of hyperinflation.

There are times when a person chooses to make money as a store of value, there are also times when a person chooses to make goods as a store of value. If the price in the market is stable then storing wealth in the form of money is more profitable, because storing the value in the form of money has an advantage in the ease of taking care of it and does not require the cost in storing it. People will keep their money in the bank as a form of storage of value, so it is not the owner who directly stores the value, but the bank. Money deposited in banks in the modern economy is now referred to as demand deposit or bank money. Although the owners do not hold the money they can still pick it up one day just by writing the amount they want on the check sheet. But if prices are unstable or always happen a rapid rise it can be said that the value of money to be down, so that money is not a good store of value and people tend to store wealth in other forms (Sukirno, 2013).

c. **Unit of Account**

The meant by money as a unit of account is the unit of measure that determines the value of goods (Sukirno, 2013). This will make it easier to see the comparison of the value of one good with the other. But with no money to see the value of an item must compare exchange rates between goods with others. For example, the price of an ox should be expressed in the form of the amount of rice, chicken, goat, or other items. But with money, determining the value or price of one item such as shoes, clothing, sandals, can be known by looking at the price of the goods. So that makes it easier for the public to determine the value of an item and there is no need to remember the value of the cow with some rice, rice, chicken etc.

Previously it was explained that in transactions between goods exchange is very complicated and makes it impractical even almost impossible if you want to practice it in trading and buying on a very large scale. In an exchange between goods is not easy to determine the value of one good with other goods to be transacted. So with the money as a unit of count or value will facilitate the transaction, make it easier for someone to see how the value of an item with other goods by looking from the range of value of goods in the form of money (ISRA, 2015).

Money as a unit of account in Islam is called *quwamu ad-dunya*. That is money can be used to assess goods at once compare with other goods (Dimyati, 2008). Al-Ghazali likened money as a mirror that has no color but can reflect other colors. Just as money does not have its own purpose in it but it can reflect the value of other goods. People want money not because of the money itself but with the money they can get the goods and services they want. It can be likened to the man who holds the money can have everything, unlike the owner of clothing, only clothes that he has if he wants food cannot be sure the food owner needs the clothes he has. Al-Ghazali also mentioned that money like a fair judge in another sense can be said that money can be made a clear standard in determining the value of a good (Al Ghazali, 1971).

d. Deferred Payment

After the economic development of buying and selling transactions are not always done at the same time. The seller delivers the goods and the buyer gives you money instantly at the same time. Such deals are common because there is already a system of sales on credit called deferred payments. Where buyers acquire goods first and sellers get money afterward. The use of money as a medium of payment can promote the advancement of trade in this system because the seller feels confident that he would receipt as he had expected before.

But to run the function of money as deferred payment, it has one condition, which is stable currency values from time to time. The money will be stable if the same amount of money can acquire goods of the same type and amount at different times. If this condition is not fulfilled by money, so the function of money as a delayed paying tool will not run smoothly, because there will be one of the disadvantaged parties. So there is the possibility that people will prefer to receive payments in the pending time in the form of goods or avoid from the transaction process with delayed payments. And this often happens when the price of the goods increases very quickly within a short time (Sukirno, 2013).

Money as a medium of deferred payment related to lending and borrowing transactions can also be referred to as a credit. But money in this function is not money in basic functions. The same thing with money that does not have a function as a medium of exchange then the money as a medium of payment will not run, and the transaction using money is not acceptable, either in the same time or in the future (Boediono, 2014).

MONEY IN ISLAM

Money can be gold, silver, or copper. At the time of the Prophet SAW money still used the bi-metal standard, the money that still uses gold and silver (dinar and dirham), even those kinds of money had been used by the Arabs before Islam. In the view of Islam, money using the gold standard and silver is the most stable money which will not cause a monetary crisis because it has intrinsic value in the object (Yuniarti, 2016). In Islam, money considered as a medium of exchange not as a commodity to be

traded and stored as an individual asset, and the accumulation of money in Islam is prohibited (QS. At-Taubah : 34), because in Islam money is flow concept and is considered as a public good.

Imam al-Ghazali explained that money is a solution in the trade sector. Where before money was found, trading occurs by bartering goods between one person with another person who both needs. However, the problems faced in the bartering of goods with other goods more complex. As not every item will be exchanged with other goods, but how to determine the value of the goods. Al-Ghazali said: "then due to buying and selling, the need arises against two currencies. A person who wants to buy food with clothes, from where he knows the size of the food from the value of the clothes? How many? Buying and selling happen in different types such as selling clothes with food, and animals with clothes. These items are not the same, it is necessary "just judges, as mediators between the two people who want to transact and do justice to one another. Justice is demanded of this kind of treasure. Then a long-lasting kind of property is required because of the continuous need. The most lasting type of property is mining. They made money from gold, silver, and metal (Al Ghazali, 1971).

Imam Al-Ghazali considered money as a medium of exchange for the needs of mankind, and as an instrument of reflection rather than the value in it. But money is not the main purpose of human beings, but what they expect are goods they get after they exchanged for money to meet human needs. In Islam, it is also stated that money is money, not capital, as conventional consider (Al Ghazali, 1971).

From al-Ghazali's understanding of money, it can be concluded that the distinction of money in Islam from conventional money is justice. Money as a medium of exchange and money as a fair measure of value, al-Ghazali said:

"فخلق الله تعالى الدنانير و الدراهيم حاكمين متوسطين بين سائر الأموال حتّ تقدر الأموال بهما"

Money is like a colorless mirror, but it can reflect the value of an item, such as money that has no purpose but it is a medium for acquiring something. Al-Ghazali also said that money is like a "letter" that has no meaning but it can show the meaning of

others. If anyone considers money out of function, he has denied the pleasure of Allah's favor and is likened to such a thing as one who prisons a judge, so that justice cannot be enforced. Just as treating money as a commodity and hoarding it will inhibit the economic velocity, the price will not be worth it, and money can no longer act as a just judge.

Another difference between money in Islam and conventional can be seen from the concept of both views on money. Money in conventional has various definitions, whether money is expressed as money or money is expressed as capital, hence the concept of conventional money is not clear. In contrast to the concept of money in Islam which suggests that money is not capital (Karim, 2008).

Islamic money is a flow concept and conventional money is a stock concept or flow concept. The group of Freidman and the monetarist suggests that money is a flow concept, and the second group of Keynesians and the Cambridge School declares that money is a stock concept.

Table 1 The different concept of Islamic and Conventional Money

Islamic Money Concept	Conventional Money Concept
• Money is not a capital • Money is a public goods • Capital is a private goods • Money is a flow concept • Capital is a stock concept	• Money is often identified as capital (modal) *private goods* • Money (capital) is a flow concept for Fisher • Money (capital) is a stock concept for the Cambridge School

Source: Adiwarman Karim, Ekonomi Makro Islam, p. 79

Here is the obvious difference that in Islam which is regarded as private goods is capital while that is considered as public goods are money. The money that when it flows is public goods (flow concept) then settles into one's possession (stock conception) then the money becomes the private property of a person (private goods) (Karim, 2008).

In Islamic economics the concept of public goods had been known for long period of time, the Prophet said that "man has a common right in three things; water, grass and fire "(Ahmad, Abu Daud, and Ibn Majah). So this concept is not a new thing, in Islam, this concept had been implemented in various contracts such as *musyarakah*, *muzara'ah*, *musaqah*. On the other side, the conventional concept is only known after the emergence of environmental economics in the 1980s.

Picture.1 The concept of Islamic and Conventional money
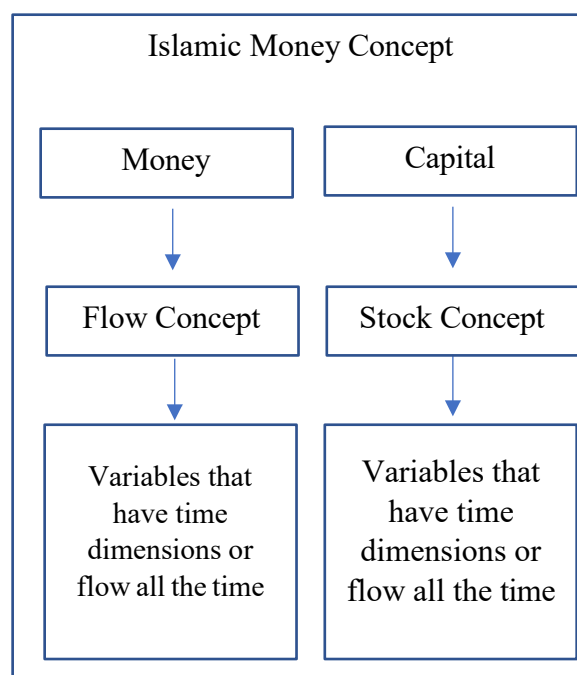

Source: *Adiwarman Karim, Ekonomi Makro Islam,* p. 79

MONEY DEMAND

Essentially money demand of Umer Chapra departs from the demand for money of Keynes stating that there are three motives in the demand for money is a transaction, precaution and speculative. From these theories, Chapra developed the demand for money to be more Islamic, one of them by removing the speculative motive. Here Chapra described his concept of money demand motive.

The concept of Chapra's Money Demand

Source: Chapra, Monetary Management in an Islamic Economy

If the money demand for precaution and speculative increased, it will reduce the
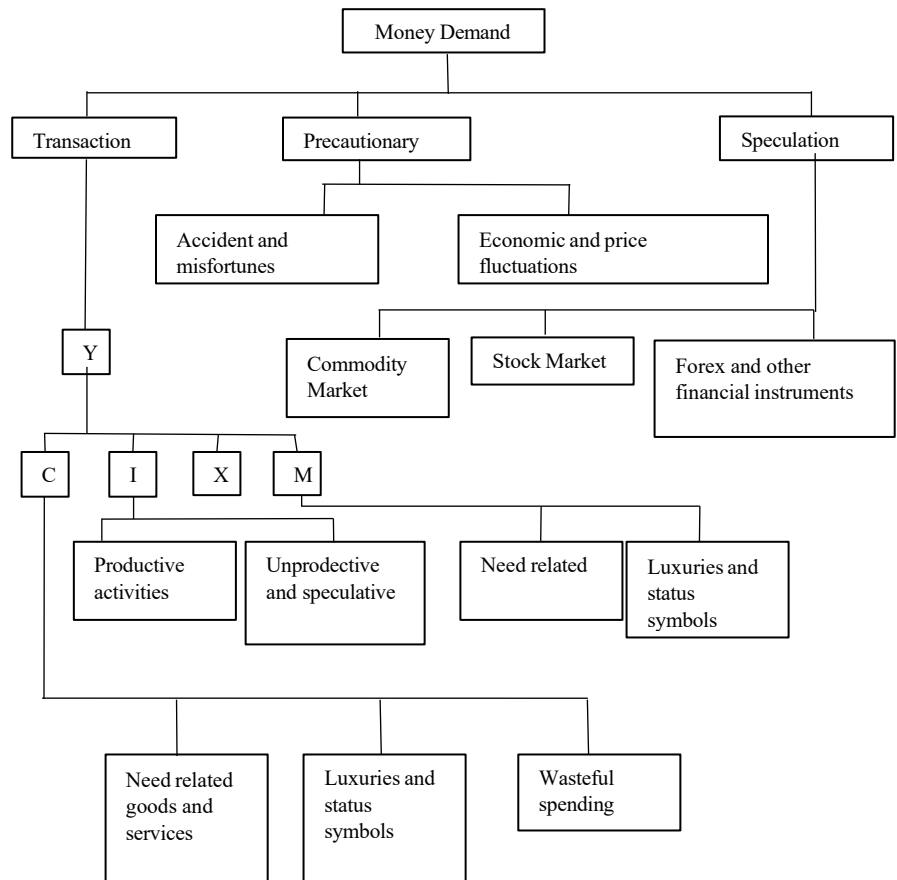
money demand for transaction activities. However, in the transaction activity was not based on real needs, it was aimed for excessive consumption activities and unproductive investment. If there was a possibility to reduce money demand for precaution and speculative as well as unproductive investment activities and excessive consumption of money demand it will support the transaction based on the needs and encouraged productive activities and social achievements.

The fulfillment of social goals in Islam is demonstrated by the distribution and the allocation of resources, which is referred to *maqasid*. While the money demand for precaution as well as speculation will hinder the achieving of social goals to be passive. In addition, both precaution and speculation will support consumption activities.

Regarding this problem, it is necessary to solve unproductive activities as well as speculation caused by idle money with *zakat* mechanism. This mechanism will directly stimulate productive investment and decrease idle money as well.

The money depends on Islamic perspective could be explained by the following formulation (Chapra, 1996).

$$M_d = f(Ys, S, \pi)$$

Ys = goods and services which are related to need fulfillment and productive investment with reference to Islamic values.

S = all these moral and social values and institution (including *zakah*) that influence the allocation and distribution of resources and it could help minimize Md, not only for conspicuous consumption and unproductive investment but including precautionary and speculative motives.

π = the rate of profit or loss in a system which does not permit the use of the interest rate for financial intermediation.

The demand for money formulation above is clearly different from conventional money demand. It shows from Ys function which explains that goods and services as the fulfillment of productive needs and investments in accordance with Islamic values, this means that this formulation juxtaposed excessive consumption activities and unproductive investment. Therefore the function of Ys is normative, not reflect the reality. While S is something complex of values or institutions need not be quantified and it could be explained as unseen in practice. Therefore, some Muslim economists prefer what to do in order to achieve *maqasid* rather than tangible aspects.

ISLAMIC VALUES ON MONEY DEMAND
Islamic values of money demand in this research are referred from the money demand of Chapra. There are two motives in Islamic money demand according to Chapra, transactions and precautionary. There is no speculative motive in Islamic money demand, as speculation is influenced by interest, while interest is forbidden clearly in Islam. While transaction and precaution are affected by revenue. In addition, transactions in Islam are transactions based on needs and avoid wasteful spending and

luxurious. Chapra also included the social value in money demand, which affects resource allocation and distribution such as *zakat*, in order to avoid unproductive investment and speculative purposes (Chapra, 1996).

For the Muslim community, there are considerations for determining the amount of money demand for the purpose of transactions and precaution such as the belief that someone has right in someone's wealth and, the prohibitions in Islam for *tabzir* etc.

POPULATION AND SAMPLE

In a study, field research, in particular, required the object/subject of research that has the quality and characteristics in accordance with the criteria to be examined by researchers, or commonly called the population. Once researched and studied then drawn conclusions. So the population here is not just a collection of individuals but includes the overall characteristics possessed (Sugiyono, 2014). In this study, the population is students of University Darussalam Gontor campus Gontor and Mantingan.

In doing research sometimes the population to be researched is too large so it is not possible for researchers to examine the whole, because of lack of funds, time and energy, then needed a sample. The sample is part of the representative population. However, the sample to be used must be really representative (Sugiyono, 2014). So that will be obtained significant research results. Therefore, to determine the size of the sample to be taken by using a random sampling method is a method that provides the same opportunity. While the sampling technique used in this research is probability sampling with simple random sampling. Namely, sampling is done randomly without regard to the strata in the population. While the sampling technique using Taro Yamane or Slovin formula (Umar, 2013):

$$n = \frac{N}{1 + N.e^2}$$

Description:
n : Samples Number
N : Population Number
e^2 : Precision (set of 10% with a confidence level of 95%)

$$\frac{1266}{1 + 1266 \, X \, 0.1^2} = 92,67$$

And for the research, this time researcher will take 10% sampling with random sampling technique because the total subject (students of Universitas Darussalam

Gontor campus Gontor and Mantingan) consists of 1266 people (BAAK UNIDA, 2018). Because if the subject of research above 100 people can be taken sampling as much as 10-15% or 20-25% or more (Akdon, 2014).

MULTIPLE LINEAR REGRESSION ANALYSIS

Multiple Linear Regression Analysis is an analysis to show the mathematical relationship between dependent variables with independent variables. In this study, the dependent variable is the demand for money, while the independent variable consists of income, needs, social value, wasteful spending, savings (watchful), investment and presupposition investment.

a. **T-test (partial test)**
    Statistical t-test basically shows how far the influence of each independent variable on the dependent variable (money demand). A t-test or partial test used to test the significant influence of regression coefficient value. The partial hypothesis test as follow (Setiawan,et.al, 2014):

    $H_0 = \beta_1 = 0$
    $H_1 = \beta_1 = 0, i = 1, 2....k$

    When $t\text{-}_{Statistics} \geq {}_{table}$ and significance *sign* $\leq 0,05$ then zero hypotheses (H_0) is rejected and the alternative hypothesis (H_a) received.

    When $t\text{-}_{Statistic} < t\text{-}_{table}$ and significance *sign* $> 0,05$ then zero hypotheses (H_0) received an the alternative hypothesis (Ha) is rejected.

b. **Simultaneous Test**
    The coefficient of regression test simultaneously by using ANOVA, to know whether the simultaneously have a significant influence on the model. this test hypothesis as follows (Setiawan,et.al, 2014):

    $H_0 = \beta_1 = \beta_s = ... = \beta_p = 0$
    H_1: *at least one* $\beta_j \neq 0, j = 1, 2, 3,....,p$

    If $F_{calculating} \geq F_{table}$ and significance *sign* $\leq 0,05$ so the zero hypotheses (H_0) is rejected and the alternative hypothesis (Ha) received.

    If $F_{calculating} < F_{table}$ and significance *sign* $> 0,05$ so the zero hypothesis

    (H_0) will be received and the alternative hypothesis (H_a) is rejected.

RESULT AND ANALYSIS.

T-Test (Partial Test)

      Hypothesis 1 (X1), hypothesis 2 (X2), hypothesis 3 (X3), hypothesis 4 (X4) are tested by using a partial test. The test is done by looking at the level of significance (p-value), if the level of significance from the calculation <(below) 0.05 then the hypothesis is accepted, on the contrary, if the significance level of > t statistic is greater than 0.05 then the hypothesis is rejected. The second way is to compare t statistic and t table. if t statistic> (greater) than t-table then hypothesis accepted, and if t statistic <(smaller) than t-table then hypothesis will be rejected. The results of t-test can be seen in the following table:

Table 2
Comparison of T-statistic and t table

	Model	t	α	t-table	conclusion
	(Constant)	,116	0,05	1.987	
	Income	10,688	0,05	1.987	Significant
	Needs	,801	0,05	1.987	Insignificant
1	Socialvalues	,341	0,05	1.987	Insignificant
	Wastful spending	1,018	0,05	1.987	Insignificant
	Saving	,968	0,05	1.987	Insignificant
	Invest	-4,285	0,05	1.987	Significant
	PreiInvest	-2,000	0,05	1.987	Significant

Source: SPSS Output Appendix

      The decision to accept or reject the null hypothesis (H_0) is based on the value of the statistic test obtained from data. The step of t-test is to make the null hypothesis (H_0) and the alternative hypothesis (H_1):

Ho:β1   = 0 it means, independent variable individually influence on the dependent variable.

Ha:β1   ≠ 0 it means, independent variable individually influence on the dependent variable.

      The decision to reject Ho or accept H_1, if:

1. T-statistic > T-table then Ho rejected.
2. T-statistic < T-table then Ho accepted

Income (X^1) variable with t statistic 10,688 and t table 1,987 with α = 0,05, t statistic > t table, therefore H_0 is Rejected and H_1 is accepted, it means that income has a significant influence on money demand of respondent.

Needs (X^2) variable with t statistic 0,801 and t table 1,987 with α = 0,05, t statistic < t table, therefore H_0 is accepted and H_1 is rejected, it means that needs have no a significant influence on money demand of respondent.

Social values (X^3) variable with t statistic 0,341 and t table 1,987 with α = 0,05, t statistic < t table, therefore H_0 is accepted and H_1 is rejected, it means that social values have no a significant influence on money demand of respondent.

Wasteful Spending (X^4) variable with t statistic 1,018 and t table 1,987 with α = 0,05, t statistic < t table, therefore H_0 is accepted and H_1 is rejected, it means that wasteful spending has no a significant influence on money demand of respondent.

Saving (X^5) variable with t statistic 0,968 and t table 1,987 with α = 0,05, t statistic < t table, therefore H_0 is accepted and H_1 is rejected, it means that saving has no a significant influence on money demand of respondent.

Investment (X^6) variable with t statistic -4,285 and t table 1,987 with α = 0,05, t statistic > t table, therefore H_0 is Rejected H_1 is accepted, it means that investment has a significant influence on money demand of respondent.

Presupposition Investment (X^7) variable with t statistic -2 and t table 1,987 with α = 0,05, t statistic > t table, therefore H_0 is Rejected H_1 is accepted., it means that presupposition investment has a negative significant influence on money demand of respondent.

F- Test (Simultaneous Significance Test)

To test the influence of independent variables simultaneously, tested by using F-test to find the proposed hypothesis whether or not significant, it is necessary to compare F _statistic with F_table. If F_table> F_statistic it means that Ho is accepted and Ha is rejected, and if result F_table <F_statistic it indicates that Ho is rejected and Ha is accepted. Simultaneous regression calculation obtained can be seen in Table 3 as follows:

Table 3

The results of the regression analysis simultaneously

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	5507537772363, 882	7	7867911103 37,697	21,176	,000[b]
Residual	3158161152367, 299	85	3715483708 6,674		
Total	8665698924731, 181	92			

Source: SPSS Output Appendix

Testing the influence of independent variables on the dependent variable at once is done by using F-test. From the calculation results in 4:16 above table shows the F_count value is 21,176 while F_table of 2,20 which F_tabel bigger than F_count And it can be concluded that income, needs, social values, wasteful spending, saving, investment and presupposition investment have a significant influence on money demand at once.

SYNTHESIS OF RESULT

Needs variables have an insignificant influence on UNIDA student money demand. This shows that the increase in demand will not influence the demand for student money. This result is not in accordance with the initial hypothesis that the need to have a positive and significant impact on money demand. The needs variable does not have a significant influence on the money demand of UNIDA student. This result is due to the needs that have been fulfilled by Darussalam Modern Islamic Boarding School, such as meal, clothing, and board. As well as the needs for lecture activity.

The social value variable has an insignificant influence on the UNIDA student money demand. This result shows that the increase in demand will not affect the student money demand. These results do not fit the initial hypothesis that social values have a positive and significant influence on money demand. This result is due to the need to describe again the social values. In accordance with Chapra's thought in the demand for

money, that social value is all the moral and social values or activities which is not limited, and also institutions, including zakat that helps in the distribution of resources.

The wasteful spending variable doesn't have a significant influence on UNIDA student money demand. This shows that it is no difference between respondent who pays attention to the price, brand and the balance of expenditure and income and the respondent who don't. This is not in accordance with the initial hypothesis that respondents who pay attention and who do not pay attention to prices, brands and the balance of income and expenditure differ significantly in money demand.

While saving which stand for precautionary motive also doesn't have a significant influence on money demand, as well as wasteful spending. The result is due to the low income of the student. And the amount of money received by the student is not enough for precautionary purpose.

In the current research, the variables of Islamic values that can be seen from (Y_s) goods and services in accordance with *shariah* and (S) the social value doesn't have a significant influence on the demand for Islamic money at the University Darussalam Gontor campus Gontor and Mantingan.

In addition, the money demand and income of student on the campus Gontor and Mantingan are still low, there are even some who do not need to hold money at all, then causing low demand for money for transactions and precautionary. It is based on the position of the college students of Gontor and Mantingan who are also teachers in their boarding school, and almost all of their needs are met, whether from clothing, food, or boards. Even the needs of *hajiyat* and *tahsiniyat* it was already quite fulfilled.

CONCLUSION

The variable will be significant if the significance level is less than 0.05. The variables that have Significant influence on student money demand are income with significance level 0,00, an investment with significance level 0,00 and presupposition investment with significance level 0,04.

The Islamic values in this study do not have a significant influence on the money demand of UNIDA student. This is not in accordance with the initial hypothesis, where

Islamic values have a significant influence on the money demand of UNIDA student. This is due to the needs of UNIDA student that has been fulfilled by Darussalam Modern Islamic Boarding School and the low demand for money for precautionary because the student motives for precautionary is still low. While social values do not meet the elements that can stand for a complex of values which may not necessarily be quantifiable and which may not even be visible in practice such as help in the form of physically and thought for the sake of boarding school and its students.

SUGGESTION

The researcher suggests another researcher explore more about the element of Islamic values variable that can stand for a complex of values and institutions which may not necessarily be quantifiable and which may not even be visible in practice. While for government institutions to consider the social values that exist in society to be studied it is influenced furthermore in policy as a reference in policy making. In addition to further research, to conduct empirical research of Islamic money demand in another group of society.

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