

Islamic Economic Values and Self-Reported Prudential Transaction Behaviour: Risk Appraisal in Student Communities

Izzat Muhammad^a

^aNanjing University of Information Science and Technology (NUIST), Nanjing, Tiongkok

KEYWORDS

Islamic economic values; risk assessment; Shariah compliance; financial prudence; Islamic economics students

CORRESPONDING AUTHOR

The corresponding Author
Izzat Muhammad
mansurmaturoidi@unhas.ac.id

RECEIVED 12-01-26

REVISED 14-04-26

ACCEPTED 25-05-26

ABSTRACT

This study examines how Islamic Economic Values (IEV) are associated with Risk Assessment (RA) and self-reported Prudential Transaction Behaviour (PTB) among students participating in Islamic economics learning communities. A cross-sectional survey covered 146 purposively selected respondents from a reported FoSEI-affiliated student frame of 226 in 2025. Reflective indicator loadings, latent correlations and PLS-SEM path summaries are assessed for numerical and conceptual coherence. The reported path coefficients are positive for IEV-RA ($\beta = 0.581$), IEV-PTB ($\beta = 0.271$) and RA-PTB ($\beta = 0.512$), with a product term of 0.298. Recalculation from displayed outer loadings gives AVE values of 0.691, 0.654 and 0.686 for IEV, RA and PTB. The published IEV-RA correlation (0.602) differs from its single-predictor path coefficient, restricting joint inference without the underlying model outputs. The study distinguishes Shariah-compliance screening, monetary risk appraisal and self-reported caution, while specifying the inferential limits of a single-wave value-risk-orientation model. The findings inform differentiated financial education within comparable Islamic economics communities.

© 2026 Author(s)

This work is licensed under a Creative Commons Attribution 4.0 International License

1. INTRODUCTION

Financial transactions among young adults now combine payment convenience, digitally marketed credit, investment products and complex disclosures. In such an environment, prudence has at least two distinguishable meanings: an individual may evaluate economic downside risk, and a Muslim decision-maker may additionally assess whether the contractual structure meets Shariah requirements. Neither process is directly observable from a statement of personal values alone. Evidence on financial-management behaviour demonstrates the importance of differentiating reported practice from values and attitudes (Dew & Xiao, 2011). This distinction motivates a narrower examination of how Islamic economic values relate to risk-oriented judgements and self-reported financial conduct.

Islamic economic values encompass fairness, transparency, the rejection of *riba* and *maysir*, concern about excessive *gharar*, and accountability in wealth management. These principles prescribe normative limits to exchange, whereas financial risk appraisal

concerns the likelihood and severity of monetary loss, product volatility, debt burdens or counterparty failure. Shariah-compliance risk concerns a different judgement: the possibility that a transaction violates the normative conditions of Islamic commerce. The same financial product can be low risk in a monetary sense yet unacceptable in a Shariah sense, or financially volatile yet structured in a permissible way. Conflating these dimensions can exaggerate the apparent explanatory role of a single Risk Assessment construct.

Prior research supplies related but non-equivalent explanations. Albaity and Rahman (2019) examine Islamic financial literacy and intention to use Islamic banking, Bananuka et al. (2020) investigate the roles of religiosity and attitude in Islamic banking adoption, and Antara et al. (2016) address Islamic financial literacy alongside halal literacy. Dew and Xiao (2011), by contrast, operationalise financial-management behaviour rather than Islamic product adoption. Taken together, these studies suggest that Islamic normative commitments and financial caution may coexist, but do not establish that a generalised, self-reported risk-assessment scale transmits Islamic values into observed transactions. The substantive question concerns construct separation and the meaning of the observed indirect association, not merely a new student population.

The present study examines the reported relationships among Islamic Economic Values (IEV), Risk Assessment (RA) and Prudential Transaction Behaviour (PTB) among undergraduate members of Islamic economics study organisations affiliated with the Forum Silaturahmi Studi Ekonomi Islam (FoSEI). It uses the cross-sectional questionnaire and the statistical outputs described for 146 usable responses drawn from a stated membership frame of 226 students in 2025. Because the sample is purposive and the measures are contemporaneous self-reports, associations cannot demonstrate that values precede appraisal or that appraisal subsequently changes verified financial conduct.

This study contributes an explicit distinction between normative Shariah evaluation, expected financial loss and prudential self-reports. It also evaluates whether the originally reported measurement and structural statistics are arithmetically compatible. The focus on specialised Islamic economics communities sets a substantive boundary: familiarity with religiously framed financial norms may shape item interpretation and social desirability, so findings should not be generalised to all Indonesian Muslim university students. The practical issue is whether educational programmes should teach contract screening and loss analysis as separate competences rather than treating ethical agreement as evidence of financial capability.

2. LITERATURE REVIEW

2.1 Islamic economic values and financial decisions

IEV is defined here as respondents' endorsement of Islamic norms relevant to exchange: avoidance of *riba*, *gharar* and *maysir*, fairness in financial transactions, and religious

accountability for economic choices. This is not synonymous with comprehensive Islamic financial literacy, factual Shariah knowledge, general religiosity or institutional compliance. IEV4, which treats financial transactions as worship and accountability before Allah, indexes religiously framed economic accountability; it cannot independently distinguish an economic value orientation from broader personal piety. Claims about discriminant measurement require item-level evidence, not theoretical labels alone.

Albaity and Rahman (2019) show that Islamic financial literacy is pertinent to product-adoption intentions, while Bananuka et al. (2020) analyse religiosity and attitude as predictors of Islamic banking intention. Those outcomes are product-specific intentions, whereas this article considers reported caution in everyday debt, spending, product choices and counterparty checking. Ajzen's (1991) theory of planned behaviour provides broad context for the distinction between beliefs and conduct; however, because attitude, subjective norm, perceived behavioural control and intention are not measured, the present three-variable model is not an empirical test of TPB.

2.2 Financial risk appraisal, Shariah screening and transaction conduct

Financial risk appraisal refers to a cognitive estimate of potential loss, its probability and its consequences before a decision. Shariah-compliance appraisal refers to evaluating the permissibility of terms, activities and contractual arrangements. Information collection is a preparatory action, and avoidance of a risky transaction is a behavioural response. These are analytically separable domains. The questionnaire includes RA1 (estimating possible financial loss), RA2 (information seeking), RA3 (transaction avoidance when risks exceed benefits) and RA4 (joint financial and Shariah-compliance evaluation). RA3 directly describes conduct, while RA4 bundles two different forms of appraisal; RA2 overlaps with PTB4, a counterparty-verification behaviour. The instrument consequently does not offer an uncontaminated reflective measure of cognitive risk appraisal.

Risk-oriented self-reports can nevertheless be informative if their scope is made explicit. The latent variable labelled RA here should be read as an orientation combining risk consideration and risk-management tendencies, rather than as a pure psychological process. A separation of financial-appraisal and Shariah-screening dimensions would require indicators specifically written for each domain and estimates from the respondent-level observations. The present item audit delineates the boundary of the existing construct without imputing alternative survey answers.

2.3 Associations and indirect pathways

A positive IEV–RA association is plausible because individuals endorsing religious constraints may report more extensive pre-transaction scrutiny. IEV may also relate directly to PTB because norms concerning fairness, excessive debt and speculation overlap with reported caution. RA and PTB may be correlated because perceived risk, information seeking and transaction avoidance are mutually reinforcing; however, some

of that association may follow from wording overlap and shared self-presentation motives rather than a distinct intervening cognitive process.

An indirect product in a single-wave PLS path model is a statistical partition of associations. It does not independently establish the temporal order $IEV \rightarrow RA \rightarrow PTB$, the absence of reverse influence, or the lack of unmeasured common causes. Zhao et al. (2010) explain the importance of interpreting direct and indirect estimates coherently, but causal inference remains dependent on design and assumptions. Prospect theory is not used as a tested foundation because the instrument contains no reference-dependent utility, probability-weighting or loss-aversion parameter (Kahneman & Tversky, 1979). The empirical interpretation is therefore a value–risk-orientation association model.

Table 1. Evidence-based positioning relative to related studies

Study	Focus / outcome	Evidence-based distinction	Question addressed here
Antara et al. (2016)	Islamic and halal literacy	Literacy and awareness rather than verified prudential transactions	Normative and financial appraisal require separation
Albaity & Rahman (2019)	Islamic banking usage intention	Product adoption in a different setting	Everyday transaction self-reports instead of product intention
Bananuka et al. (2020)	Religiosity, attitude and adoption intention	Attitude-mediated adoption framework	Risk-oriented responses are measured, not TPB mechanisms
Dew & Xiao (2011)	Financial-management behaviour scale	Behavioural management categories; no Islamic-value pathway	IEV and reported financial caution may covary

The incremental empirical positioning is the joint observation of value endorsement, mixed risk-orientation items and prudential self-reports in FoSEI-affiliated students. A new causal mediation theory or independently validated scale cannot be inferred from this combination. The evidence matrix distinguishes construct scope from geographical or organisational context.

H1: Islamic Economic Values are positively associated with self-reported Risk Assessment.

H2: Islamic Economic Values are positively associated with self-reported Prudential Transaction Behaviour.

H3: Risk Assessment is positively associated with self-reported Prudential Transaction Behaviour, conditional on Islamic Economic Values.

H4: The cross-sectional model contains a positive indirect IEV–PTB association through Risk Assessment. The hypothesis does not assert causal or temporally ordered mediation.

3. METHODOLOGY

3.1 Design, sampling and field setting

This quantitative study uses a one-wave online questionnaire administered to undergraduate participants affiliated with university-based Islamic economics study organisations in the FoSEI learning network. The initial analysis identifies the 2025 academic year as the sampling period, a membership frame of 226 students and 146 usable questionnaires selected purposively for active participation and foundational familiarity with Islamic economics. The achieved usable-sample fraction is $146/226 = 64.6\%$; it is a ratio to the reported membership frame and not a probability response rate. The number individually contacted, non-respondents, eligibility exclusions and whether the 30-person pilot was excluded from substantive analysis are not specified in the available survey description.

Purposive recruitment restricts external validity to respondents with characteristics similar to the participating student-community members. The sample size cannot be justified solely by the ten-times rule or by citing PLS-SEM guidance. A transparent power evaluation would require the chosen minimum meaningful coefficient, desired power, alpha level and the maximum number of predictors of an endogenous construct. Accordingly, $n = 146$ is described as the observed analytic size rather than proof of adequate power for every target association. The study also cannot distinguish coverage selection from voluntary nonresponse without a complete recruitment log.

3.2 Questionnaire, constructs and ethical procedures

The instrument comprises twelve self-reported items, with four indicators each for IEV, RA and PTB. The initial analysis refers to a five-point Likert response format; exact anchor labels, survey language, translation and administration dates within the academic year are not documented in the text. Item means and standard deviations refer to observed responses, whereas path standard errors describe estimation uncertainty. A thirty-participant pilot and expert screening were reported, but neither the expert-review protocol nor the item-change log is available in the methodological account. Claims of independent psychometric scale development are therefore not made.

The questionnaire was described as voluntary and anonymous, with informed consent. The text also claimed institutional ethics approval, but no committee name, reference number or date was supplied; the revised reporting therefore limits the documented ethical information to the described consent and anonymity procedures. Proof of institutional approval, if applicable, belongs in the confidential editorial documentation rather than in an identifying footnote to the anonymised manuscript. No identifiable records or verified transaction histories were used in the reported analysis.

Table 2. Original questionnaire indicators and conceptual domains

Construct	Item	Survey statement	Domain observation
IEV	IEV1	I avoid financial transactions that involve interest (riba), even when they offer higher returns.	Shariah-norm agreement stated as avoidance
	IEV2	I consider fairness and justice as essential principles in every financial transaction I make.	Normative economic fairness
	IEV3	I feel responsible to ensure that my financial transactions are free from elements of gambling (maysir) and excessive uncertainty (gharar).	Shariah-contractual responsibility
	IEV4	I view financial transactions as part of my worship and accountability before Allah.	Economic accountability / broader piety overlap
RA	RA1	Before making a financial transaction, I carefully estimate the possibility of financial loss.	Financial loss appraisal
	RA2	I always seek sufficient information about the potential benefits and risks of a transaction before deciding.	Information-seeking practice
	RA3	I avoid financial transactions when I perceive that the potential risks are higher than the expected benefits.	Avoidance behaviour; overlaps PTB
	RA4	I evaluate both financial risk and sharia-compliance risk before choosing a financial product or transaction.	Two appraisal domains combined
PTB	PTB1	I avoid using debt for non-essential or purely consumptive purposes.	Reported debt restraint
	PTB2	I regularly plan and review my expenditure before committing to a financial transaction.	Reported budgeting
	PTB3	I prefer safe and low-risk financial products, even if they provide smaller returns.	Risk-averse product preference
	PTB4	I check the credibility and legal status of the party I transact with before making payment.	Reported counterparty verification

Table 2 retains the administered item wording to avoid implying retrospective alteration of respondents' answers. IEV1 and IEV3 contain behavioural phrases, RA3 overlaps with reported prudence, and RA4 combines financial and Shariah risk. These boundaries affect construct interpretation even where omnibus discriminant-validity indices fall below conventional thresholds. The cited literature provides conceptual precedent but does not prove that each statement is a verbatim item from an independently validated source.

3.3 Estimation and statistical reporting

The initial analysis specifies a reflective measurement model and PLS-SEM with 5,000 bootstrap subsamples. The structural specification contains $IEV \rightarrow RA$, $IEV \rightarrow PTB$ and $RA \rightarrow PTB$, together with the indirect product $(IEV \rightarrow RA) \times (RA \rightarrow PTB)$. With RA having exactly one incoming predictor, its standardised single-predictor path is ordinarily numerically equal to the corresponding latent-score correlation when both quantities are calculated for the same scores and estimation run. The discrepancy between the reported values is therefore treated as a model-output consistency issue rather than as a distinct empirical result.

For standardised latent variables, the proposed recursive structural relationships are expressed by Equations (1)–(3). The four-indicator reflective measurement statistics use Equations (4) and (5), and inner-model collinearity is summarised in Equation (6). The indirect term IE denotes an associational decomposition rather than an identified causal pathway.

$$RA = \beta_1 IEV + \varepsilon_{RA} \quad (1)$$

$$PTB = \beta_2 IEV + \beta_3 RA + \varepsilon_{PTB} \quad (2)$$

$$IE = \beta_1 \times \beta_3; \quad TE = \beta_2 + IE \quad (3)$$

$$AVE = \frac{\lambda_1^2 + \lambda_2^2 + \lambda_3^2 + \lambda_4^2}{4} \quad (4)$$

$$CR = \frac{(\sum \lambda)^2}{(\sum \lambda)^2 + \sum \theta} \quad (5)$$

$$VIF = \frac{1}{1 - r^2} \quad (6)$$

Equations (4) and (5) calculate average variance extracted (AVE) and composite reliability (CR) for the four indicators of each construct. In Equation (5), λ denotes a standardised outer loading and θ denotes indicator error variance, defined as $\theta = 1 - \lambda^2$. Cronbach's α requires the inter-item covariance matrix. In Equation (6), r denotes the latent-score correlation between IEV and RA . These arithmetic checks describe consistency of the available measurement summaries, whereas bootstrap confidence intervals and predictive diagnostics depend on estimation-specific data (Hair & Alamer, 2022; Henseler et al., 2015).

Bootstrap significance testing is described as two-tailed with 5,000 resamples. The summary tables do not include the software version, resampling seed, percentile interval limits or full model export. The printed coefficients, standard errors and t statistics are therefore presented separately from the loading-based calculations. Confidence intervals are not approximated from rounded statistics. All paths are interpreted as associations because simultaneous questionnaire measurement and socially favourable response tendencies may contribute to their covariance (Podsakoff et al., 2003).

4. RESULTS

4.1 Participant coverage and observed item scores

The analytic sample contains 146 usable questionnaires against the stated FoSEI-affiliated student frame of 226. Item means range from 3.790 to 4.250 and standard deviations from 0.720 to 0.828, with the items generally situated towards the upper end of the reported five-point format. These descriptive results capture participant agreement with statements, not verified financial transactions or objective Shariah knowledge. No gender, institution, fieldwork-month or nonresponse profile accompanies the supplied analytic summary; consequently, there is no empirical basis for claiming sample balance or representativeness.

4.2 Measurement consistency

Table 3. Indicator descriptions and reflective measurement arithmetic

Construct	Code	Mean	SD	Loading	α^*	CR	AVE
IEV	IEV1	4.250	0.720	0.824	0.870	0.899	0.691
	IEV2	4.180	0.755	0.861			
	IEV3	4.030	0.782	0.806			
	IEV4	3.980	0.815	0.832			
RA	RA1	3.870	0.805	0.793	0.846	0.883	0.654
	RA2	3.930	0.768	0.842			
	RA3	3.790	0.828	0.781			
	RA4	3.810	0.799	0.817			
PTB	PTB1	3.900	0.788	0.801	0.854	0.897	0.686
	PTB2	3.960	0.752	0.847			
	PTB3	3.880	0.812	0.828			
	PTB4	3.940	0.774	0.836			

Note: Item means, standard deviations, outer loadings and Cronbach's α are the reported model summary statistics. CR and AVE are independently calculated from displayed standardised outer loadings using Equations (4)–(5). Small differences may arise from rounding of outer loadings.

The AVEs calculated from the reported loadings are 0.691 for IEV, 0.654 for RA and 0.686 for PTB. These replace the earlier displayed values of 0.708, 0.674 and 0.682 in arithmetic interpretation. The corresponding CR approximations are 0.899, 0.883 and 0.897. All exceed conventional descriptive benchmarks, but this does not remove the conceptual overlap between RA and PTB or establish that the coefficient tables originate from a single final estimation run. The reported Cronbach's alpha values remain separate from the loadings-based calculation.

Table 4. Reported latent correlations and HTMT with corrected AVE roots

Construct	IEV	RA	PTB
IEV	0.831		
RA	0.602 (0.741)	0.809	
PTB	0.553 (0.705)	0.624 (0.792)	0.828

Note: Diagonal values are the square roots of the recalculated AVEs in Table 3. Off-diagonal latent correlations and HTMT (parentheses) are transcribed from the reported model statistics. The HTMT quantities cannot be recalculated

without the underlying cross-indicator correlations. The numerical thresholds for Fornell–Larcker and HTMT are descriptive screens; neither resolves RA–PTB content overlap.

4.3 Structural paths and indirect association

Table 5. Structural path coefficients and indirect-product decomposition

Path	β	SE	t	p	Type	Interpretive status
IEV $\rightarrow$ RA	0.581	0.057	10.193	<.001	Direct	<i>Cross-table mismatch</i>
IEV $\rightarrow$ PTB	0.271	0.068	3.985	<.001	Direct	<i>Reported estimate</i>
RA $\rightarrow$ PTB	0.512	0.061	8.393	<.001	Direct	<i>Reported estimate</i>
IEV $\rightarrow$ RA $\rightarrow$ PTB	0.298	0.049	6.082	<.001	Indirect	$0.581 \times 0.512 \approx 0.298$
IEV $\rightarrow$ PTB (total)	0.569	—	—	—	Arithmetic	$0.271 + 0.298 \approx 0.569$

Note: β , SE and t for the first four paths are reported values; the total is an arithmetic sum, not a separately estimated total-effect output. $p < .001$ follows a two-sided large-sample approximation to the reported t statistics; the complete bootstrap output is necessary to establish software-exact p values and percentile intervals. The association estimates cannot establish causal mediation.

The reported indirect coefficient agrees with the displayed product $0.581 \times 0.512 = 0.2975$, rounded to 0.298. However, the latent-score correlation between IEV and RA is 0.602 whereas the standardised single-predictor path is 0.581. Under the same standardised scores and sample, these statistics would ordinarily agree. The numerical difference restricts inference from the combined tables, although the positive product remains a useful descriptive measure of the proposed indirect association.

4.4 Numerical and inferential reporting boundaries

Table 6. Cross-table coherence and inferential reporting

Assessment	Recorded evidence	Interpretive consequence
IEV AVE	Printed 0.708; loading-based 0.691	Diagonal Fornell–Larcker root corrected to 0.831
RA AVE	Printed 0.674; loading-based 0.654	Diagonal root corrected to 0.809
PTB AVE	Printed 0.682; loading-based 0.686	Diagonal root corrected to 0.828
IEV–RA link	Latent $r = 0.602$; path $\beta = 0.581$	Single-run latent-score reconciliation required
Indirect path	β product ≈ 0.298	Interval and same-run verification required
Model quality	VIF, R^2 , f^2 , predictive metrics absent	No explanatory-power or precision classification made
Sampling and ethics	146/226; ethics identifier absent	Restricted external validity; ethics claim not expanded

An algebraic check using the reported latent correlations gives the single-predictor R^2 for RA as 0.362 and an inner-model VIF of approximately 1.568. Standardised linear projection of PTB onto IEV and RA from the same printed correlation matrix yields coefficients of approximately 0.278 and 0.457, explaining about 0.439 of the variance;

the implied indirect product is about 0.275. These values are mathematical implications of the rounded correlations, not substitute PLS-SEM model estimates. Their differences from the printed path table indicate that the structural and correlation summaries should not be combined to support a single inferential decomposition. Exact bootstrap confidence intervals, full R^2 , f^2 and model prediction metrics depend on the estimation-specific latent scores and resampling output.

Table 7. Algebraic checks implied by published latent correlations

Diagnostic	Computed from printed latent correlations	Interpretation
IEV → RA (single-predictor projection)	0.602	Equals $r(\text{IEV}, \text{RA})$ in standardised OLS; published PLS path = 0.581
RA R^2 (single predictor)	0.362	0.602^2 ; algebraic check
Inner-model VIF	1.568	$1/[1 - 0.602^2]$, assuming the given correlation matrix
IEV → PTB (two predictors)	0.278	Correlation-implied projection; published PLS path = 0.271
RA → PTB (two predictors)	0.457	Correlation-implied projection; published PLS path = 0.512
PTB R^2 (two-predictor projection)	0.439	Algebraic implication; not exported PLS R^2
Indirect product (projection)	0.275	0.602×0.457 ; printed path product = 0.298

Note: Algebraic implications of rounded correlations in Table 4; they are not additional model estimation outputs.

5. DISCUSSION

The combined associations are compatible with the idea that Islamic economic value endorsement accompanies self-reported attentiveness to transactional risk and expressions of prudence within specialised student organisations. That interpretation is narrower than a claim that value commitments produce superior observed financial conduct. The outcome items record personal accounts of debt restraint, budget planning, product preference and counterparty checks; no banking records, payment histories or controlled decision tasks independently corroborate their frequency or quality.

Theoretical differentiation is particularly important for Shariah-conformity and financial-loss evaluation. A respondent may reject a product because its underlying contract is impermissible, because the expected financial loss is high, or because both are salient. These are different decision rules. In the present instrument RA4 mixes normative acceptability with financial evaluation, whereas RA3 includes an avoidance response. Hence the positive indirect product does not isolate a single cognitive channel. A follow-up measure should represent normative permissibility checks and probability-severity analysis in distinct dimensions and validate those dimensions against behavioural tasks before claiming a psychological transmission process.

The results neither test the core constructs of TPB nor the loss-aversion function of prospect theory. Ajzen (1991) offers an account of how behavioural intentions may arise from attitudes, norms and perceived control, but these variables were not

measured. Kahneman and Tversky (1979) identify reference dependence and probability-sensitive choice, yet no choice-task data operationalise their predictions. The model is more precisely positioned as an associative value–risk-orientation framework. This theoretical discipline limits novelty claims but improves congruence between the research question and the measurements.

The numerical audit changes how much weight can be placed on the claimed structural mechanism. Two loading-based AVEs diverge noticeably from those originally printed, and the RA single-predictor path differs from the IEV–RA latent correlation. Although the arithmetic indirect product equals the reported estimate after rounding, this agreement does not prove that all tables derive from the same model run or that the indirect association has a verified bootstrap confidence interval. It would be misleading to classify any coefficient as a large substantive impact solely on the basis of its magnitude or reported t statistic.

The sample also limits transportability. Participants were purposively recruited from an Islamic-economics student-community frame and may be particularly conscious of the socially approved answers to riba avoidance and financial responsibility items. Their reported values, appraisal and prudence may therefore share common response tendencies. Neither the 64.6% observed fraction of the frame nor the number of usable forms establishes a probability response rate. The implication is specific to educational contexts with similar training exposure; it cannot be promoted as evidence of behaviour across Indonesian Muslim youth as a whole.

For Islamic economics educators, the findings support consideration of a more explicitly differentiated learning curriculum rather than a proven intervention effect. Instruction may distinguish Shariah eligibility screening, counterparty due diligence, evaluation of interest or profit structures, debt-capacity assessment and the probability of monetary loss. Scenario-based exercises or product comparison tasks could test whether a student can apply those distinctions when a Shariah-compliant contract carries substantial financial risk. Educational effectiveness remains an empirical question requiring behavioural assessment and longitudinal observation.

Further evidence should use item-level re-estimation to examine RA3 removal, RA4 splitting and the distinctiveness of RA2 relative to PTB4, accompanied by full HTMT intervals and indicator cross-loadings. A new data collection should pre-register the constructs, retain clear five-point anchors, document student recruitment, measure social desirability or response style, and include actual or simulated choices recorded separately from value endorsement. Temporal separation or experimental assignment of risk-information tasks would help distinguish competing explanations; single-wave associations cannot rule out reverse causation or stable respondent characteristics.

6. CONCLUSION

This study examines Islamic Economic Values, Risk Assessment and self-reported Prudential Transaction Behaviour among 146 students affiliated with organised Islamic

economics learning communities. The reported PLS-SEM coefficients are positive for IEV–RA, IEV–PTB and RA–PTB, with an indirect-product estimate of 0.298. These results describe statistical associations among questionnaire responses. They do not establish that religiously framed values generate objectively prudent transactions or that risk appraisal is a temporally ordered causal mediator.

The substantive contribution is the explicit distinction between financial downside appraisal, Shariah-compliance screening and reported transactional caution. The RA indicators bridge appraisal and conduct, which narrows their theoretical interpretation. Recalculated AVE and composite-reliability quantities are displayed separately from reported statistics, while the discrepancy between the IEV–RA correlation and its reported single-predictor path precludes an unconditional inferential reading. This study therefore supports targeted consideration of combined ethical and analytical instruction in similar learning communities, without asserting behavioural impact or population-wide generalisability.

Author Contributions

I.M: Conceptualisation, Methodology, Formal Analysis, Writing – Original Draft, Conceptualisation, Supervision, Validation, Writing – Review and Editing.

A.R.A: Investigation, Data Curation, Literature Review, Writing – Review and Editing.

Disclosure Statement

No potential conflict of interest has been reported by the author(s).

Acknowledgement

The authors sincerely appreciate the students who participated in this study and the Islamic economics student communities for their cooperation and support during data collection. Appreciation is also extended to those who provided constructive feedback on the research instrument. Their contributions supported the development and completion of this research.

REFERENCES

- Ajzen, I. (1991). The theory of planned behavior. *Organizational Behavior and Human Decision Processes*, 50(2), 179–211. [https://doi.org/10.1016/0749-5978\(91\)90020-I](https://doi.org/10.1016/0749-5978(91)90020-I)
- Albaity, M., & Rahman, M. (2019). The intention to use Islamic banking: An exploratory study to measure Islamic financial literacy. *International Journal of Emerging Markets*, 14(5), 988–1012. <https://doi.org/10.1108/IJOEM-05-2018-0218>
- Antara, P. M., Musa, R., & Hassan, F. (2016). Bridging Islamic financial literacy and halal literacy: The way forward in halal ecosystem. *Procedia Economics and Finance*, 37, 196–202. [https://doi.org/10.1016/S2212-5671\(16\)30113-7](https://doi.org/10.1016/S2212-5671(16)30113-7)
- Bananuka, J., Kasera, M., Najjemba, G. M., Musimenta, D., Ssekiziyivu, B., & Kimuli, S. N. L. (2020). Attitude: Mediator of subjective norm, religiosity and intention to adopt Islamic banking. *Journal of Islamic Marketing*, 11(1), 81–96. <https://doi.org/10.1108/JIMA-02-2018-0025>

- Dew, J., & Xiao, J. J. (2011). The financial management behavior scale: Development and validation. *Journal of Financial Counseling and Planning*, 22(1), 43–59.
- Fornell, C., & Larcker, D. F. (1981). Evaluating structural equation models with unobservable variables and measurement error. *Journal of Marketing Research*, 18(1), 39–50.
- Hair, J. F., & Alamer, A. (2022). Partial least squares structural equation modeling (PLS-SEM) in second language and education research: Guidelines using an applied example. *Research Methods in Applied Linguistics*, 1(3), Article 100027. <https://doi.org/10.1016/j.rmal.2022.100027>
- Henseler, J., Ringle, C. M., & Sarstedt, M. (2015). A new criterion for assessing discriminant validity in variance-based structural equation modeling. *Journal of the Academy of Marketing Science*, 43, 115–135. <https://doi.org/10.1007/s11747-014-0403-8>
- Kahneman, D., & Tversky, A. (1979). Prospect theory: An analysis of decision under risk. *Econometrica*, 47(2), 263–291.
- Pasewark, W. R., & Riley, M. E. (2010). It's a matter of principle: The role of personal values in investment decisions. *Journal of Business Ethics*, 93(2), 237–253. <https://doi.org/10.1007/s10551-009-0218-6>
- Podsakoff, P. M., MacKenzie, S. B., Lee, J.-Y., & Podsakoff, N. P. (2003). Common method biases in behavioral research: A critical review of the literature and recommended remedies. *Journal of Applied Psychology*, 88(5), 879–903. <https://doi.org/10.1037/0021-9010.88.5.879>
- Zhao, X., Lynch, J. G., Jr., & Chen, Q. (2010). Reconsidering Baron and Kenny: Myths and truths about mediation analysis. *Journal of Consumer Research*, 37(2), 197–206. <https://doi.org/10.1086/651257>