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**IMPACT OF THE STUDENT'S HOUSEHOLD BUDGET  
ON THE SELECTION OF A GIVEN MAJOR  
AT POST-GRADUATE STUDIES**

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**WPLYW BUDŻETU DOMOWEGO SŁUCHACZA  
NA WYBÓR KIERUNKU  
STUDIÓW PODYPLOMOWYCH**

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**Summary:** The aim of this paper is to present the results of the empirical research conducted among students of post-graduate programmes offered in English at the Wrocław University of Economics. The questionnaire survey was to answer the research questions about whether the price of post-graduate studies has any impact on the student's household budget and if so, how high the impact is, and what impact the fee paid for the post-graduate studies has on the selection of a given major. At the same time, it was attempted to determine whether there is any financial added value (e.g. in the form of a pay rise) after completing post-graduate studies and if so, what impact it has on the student's selection of a major. When endeavouring to answer the questions asked, literature studies in the area of budget were carried out and a questionnaire survey, supported with an interview with post-graduate students, was conducted.

**Keywords:** budget, household budget, post-graduate studies.

**Streszczenie:** Celem niniejszego artykułu jest zaprezentowanie wyników badań empirycznych dokonanych wśród uczestników studiów podyplomowych kierunków prowadzonych w języku angielskim na Uniwersytecie Ekonomicznym we Wrocławiu. Przeprowadzone badanie ankietowe miało za zadanie odpowiedzieć na pytania badawcze: czy i w jakim zakresie cena studiów podyplomowych wpływa na budżet domowy słuchacza studiów oraz jak koszt opłaty za studia podyplomowe rzutuje na wybór kierunku studiów. Jednocześnie postarano się ukazać, czy istnieje materialna (finansowa) wartość dodana (np. w postaci podwyżki) po ukończeniu studiów podyplomowych oraz jej ewentualny wpływ na wybór kierunku przez słuchacza. Przy próbie odpowiedzi na postawione pytania posłużono się studiami literatury z zakresu budżetu oraz przeprowadzono badanie ankietowe wsparte wywiadem wśród słuchaczy studiów podyplomowych.

**Słowa kluczowe:** budżet, budżet domowy, studia podyplomowe.

## 1. Introduction

Budget and its functioning, in both enterprises and households, have been discussed comprehensively in the Polish and foreign literature. The object of the publication is issues related i.a. to an attempt to precisely define and classify budget and budget execution control instruments. Budget preparation and its subsequent implementation are substantial components of household operation. If the budget is not planned and controlled properly, a household could face a financial crisis when spending it.

At the same time, the constant pressure and dynamic transformations occurring on the labour market and among personnel forces people to continuously train and improve their professional qualifications. One of the ways to increase one's value as an employee is to complete post-graduate studies, and thus earn a post-graduate diploma. The Wrocław University of Economics offers i.a. post-graduate studies in English. Yet the cost of such a programme is considerably higher than the fee for the ones delivered in Polish. The difference in the prices could be even 26%. The rather high cost could have a significant influence on the selection of a given major and the student's household budget. However, in the literature of the subject the author of the article did not meet the results of research in the field impact of the student's household budget on the selection of a given major at post-graduate studies. These observations became the reason for conducting the research and publishing its results in this paper.

Part one presents theoretical issues concerning budget, budgeting, and budget classification. Part two describes the results of the questionnaire survey carried out among students pursuing post-graduate programmes in English. The survey was conducted at the Wrocław University of Economics for convenience and due to data availability.

## 2. Essence of budgeting

The relevant literature is abundant with definitions of budget. Selected definitions are presented in Table 1. In general, however, budget can be described as a statement of the planned income and expenditure in a given period. The period can vary – it could be a month, a quarter, a year.

A budget is supposed to fulfil specific functions and be one of the instruments for supporting the actions which are to ensure achievement of the intended objectives [Brojak-Trzaskowska et al. 2010, p. 39]. The aim of budget creation and its execution control is to make sure that the funds specified there are allocated to a specific objective. There are various types of budgets depending on the adopted criteria. The budget classification allowing for the division criteria is presented in Table 2.

Based on this study, the author of the paper concludes that listeners treat the home budget as a whole of household income and expenditure, and the expenditure associated with the college fee itself is a fraction of that budget. At the same time,

**Table 1.** Definitions of budget

| Author of the definition                  | Definition   |
|---|--|
| Świdarska G.                              | An action plan expressed in figures or values; an outcome of cooperation between the management staff at all levels  |
| Jaruga A.A.,<br>Nowak W.A.,<br>Szychta A. | An action plan expressed in figures, which is helpful when implementing and coordinating planning assumptions  |
| Weetman P.                                | A detailed plan which sets out, in money terms, the plans for income and expenditure in respect of a future period of time; it needs to allow for strategic corporate objectives |
| Brookson S.                               | A plan for future objectives; it may be presented in many ways; it measures future achievements  |
| Kemp S., Dunbar E.                        | A plan that includes the money you will spend; it can also include income  |
| Karmańska A.                              | A plan developed for a specific period of operation referring to individual responsibility centres   |
| Nita B., Nowak E.                         | An action plan for the entire enterprise and responsibility centres for a specified period   |

Source: original research based on [Świdarska (ed.) 1997, p. 197; Jaruga et al. 1999, p. 590; Weetman 1999, p. 566; Brookson 2000, p. 5; Kemp, Dunbar 2003, p. 2; Karmańska 2006, p. 384; Nita, Nowak (ed.) 2007, p. 31].

**Table 2.** Budget classification

| Division criterion                                      | Budget type                                |
|---|--|
| Time span   | Long-term and short-term                   |
| Management level  | Strategic and operational                  |
| Specificity degree                                      | Master and partial                         |
| Participation of management levels in preparing budgets | Top-down and bottom-up                     |
| Object of budgeting                                     | Operational and financial                  |
| Planned changes   | Fixed and flexible                         |
| Maintenance of continuity                               | Rolling (master) and responsibility centre |

Source: original research based on [Czubakowska 2004, p. 81].

listeners see the budget as a short-term financial statement in the flexible part. This flexibility lies in the possible corrective actions in connection with finding additional sources of funding (during the course of studies).

Creating a budget involves a set of actions performed in accordance with relevant principles. The set of such actions is called budgeting. The measures include budget development, implementation, and control of its execution. The first budgeting phase encompasses budget assumptions development, budget preparation and approval based on the objective to be achieved. The second budgeting stage is objective

achievement with the funds allocated in the budget. The last stage, control, consists in reviewing whether the objective was achieved correctly and the resources used for this purpose as well as analysing deviations and updating successive budgets [Kowalak 2013, p. 117]. Corrective actions may be taken at each budgeting implementation stage [Drury 1995, p. 375–380]. On the ground of theoretical assumptions the author of the paper has created the student's household budget preparation pattern which is presented in Figure 1.

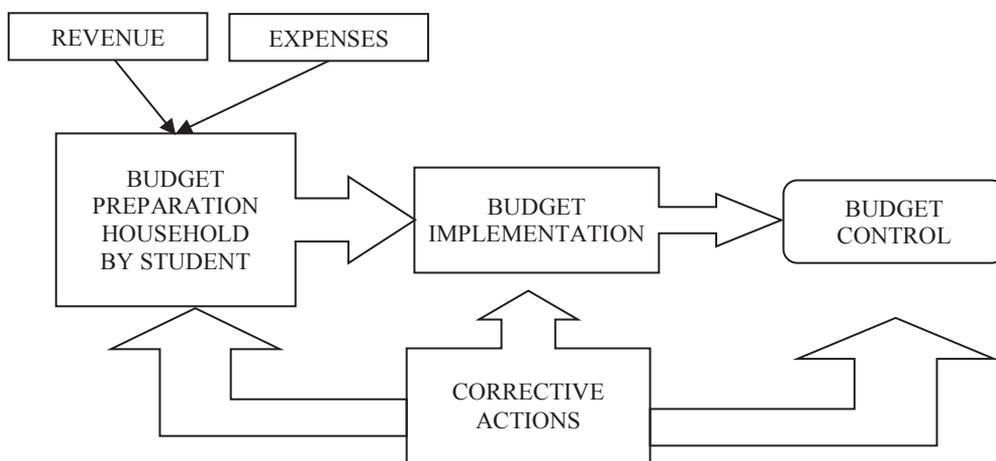


Fig. 1. Budgeting process phases by post-graduate students

Sources: original research based on [Nowak (ed.) 2002, p. 13].

Knowing the theory of budgeting stages, one can apply them in practice, in this case by creating a budget of a student who intends to complete post-graduate studies in English at the Wrocław University of Economics. On the one hand, the student compiles his or her revenue which can be a salary arising from an employment contract, a bank loan as a source of additional funding, a subsidy from another institution (e.g. employment office) or even the employer. On the other hand, he or she presents the cost of the studies covered in a one-off payment or instalments (the University offers such a possibility after complying with formal requirements, i.e. submitting a relevant document), including related costs. The added value after completing the studies should also be taken into account. The possibility to get a pay rise or a better paid job after earning a post-graduate diploma can serve as an example here. These issues (a budget prepared by the student) were an object of the questionnaire survey the results of which are presented in the next section of this paper.

### 3. Results of own research

The Wrocław University of Economics is one of the top institutions of higher education in Poland in the field of economics. Recruitment to post-graduate studies, i.a. offered in English, is held every semester. The questionnaire survey was carried out among students of two post-graduate majors offered in English: Accounting and Financial Management (AFM) and Business Accounting (BA), in the academic year 2016/2017 (due to data availability). The cost of both these majors was PLN 4990.

The respondents were asked about the payment obligation (who covers the cost of post-graduate studies). The available answers were: The employer or you 100%; the employer 50% + you 50%; the employer at the amount of... and you at the amount of...; another institution (e.g. Employment Office) – which one?; another payer not mentioned above. Question 2 concerned the method of payment: one-off; every semester (two payments); in instalments with an indication of the number of instalments. The respondents were then asked if a loan/borrowing was taken out to cover the fee. The student could answer 'yes' or 'no'. In reply to question 4: What was the impact of the fee to be paid for the studies on the selection of the major?, the respondent could choose between 1 – none and 5 – very high. Question 5: Have you been informed that you are going to get a pay rise when you complete your post-graduate studies?, could be answered 'yes' or 'no'. If question 5 was answered 'yes', the respondent was asked to go to question 6. If the reply was 'no', he or she was supposed to go to question 7. Question 6 was as follows: What was the impact of the information about the possible pay rise on your decision to enrol to post-graduate studies, where 1 – none and 5 – very high? The wording of the question 7 was: What was the impact of the possible cost of commuting on the selection of post-graduate studies at the Wrocław University of Economics, where 1 – none and 5 – very high? The question 8 asked by author: Were you forced to save funds in advance to cover the fee?, the student could answer 'yes' and provide the number of months or 'no'. The final six questions concerned demographics: gender; place of residence (a village, a city with population of up to 50K, a city with population from 50K to 150K, a city with population from 150K to 500K, a city with population of over 500K); voivodship (the respondent entered the name); age brackets (20–25, 26–30, 31–35, 36–40, over 40); education (*licencjat* (BA), *inżynier* (BSc), *magister* (MA), *doktor* (PhD)), and gross monthly salary (in PLN) within the indicated ranges (1001–1500, 1501–2000, 2001–2500, 2501–3000, over 3000, no answer).

The survey questionnaires were sent to the total number of 56 students of both majors, yet it was completed by 43 persons, which means that the response rate was 77%. If the respondent failed to answer a question, a supplementary interview was conducted with such a person. The results of the conducted survey are presented in Table 3.

Question 1, regarding who covers the cost of post-graduate studies, was answered that the students did it on their own by as many as 31 out of 43 respondents. Seven persons declared that their fees were covered by the employer and the remaining five

**Table 3.** Results of the conducted survey

| No.          | Examined area  | Answer                          | AFM | BA | Total |
|--------------|--|---------------------------------|-----|----|-------|
| 1            | 2  | 3                               | 4   | 5  | 6     |
| 1            | The payment obligation   | Employer 100%                   | 2   | 5  | 7     |
|              |  | You 100%                        | 10  | 21 | 31    |
|              |  | Employer 50% + you 50%          | 1   | 2  | 3     |
|              |  | Employer + you at the amount of | 2   | 0  | 2     |
|              |  | Another institution             | 0   | 0  | 0     |
|              |  | Another payer                   | 0   | 0  | 0     |
| 2            | Method of payment  | One-off                         | 1   | 5  | 6     |
|              |  | Every semester (2 payments)     | 7   | 19 | 26    |
|              |  | Instalments – 4                 | 5   | 0  | 5     |
|              |  | Instalments – 5                 | 0   | 1  | 1     |
|              |  | Instalments – 8                 | 2   | 3  | 5     |
| 3            | Loan/borrowing   | Yes                             | 1   | 0  | 1     |
|              |  | No                              | 14  | 28 | 42    |
| 4            | The impact of the fee to be paid for the studies on the selection of the major     | 1                               | 5   | 11 | 16    |
|              |  | 2                               | 3   | 9  | 12    |
|              |  | 3                               | 5   | 4  | 9     |
|              |  | 4                               | 2   | 3  | 5     |
|              |  | 5                               | 0   | 1  | 1     |
| 5            | The information about getting a pay rise   | Yes                             | 1   | 4  | 5     |
|              |  | No                              | 14  | 24 | 38    |
| 6            | The impact of the information about the possible pay rise on the decision to enrol | 1                               | 0   | 0  | 0     |
|              |  | 2                               | 0   | 0  | 0     |
|              |  | 3                               | 0   | 2  | 2     |
|              |  | 4                               | 0   | 1  | 1     |
|              |  | 5                               | 1   | 1  | 2     |
| 7            | The impact of the cost of commuting on the selection of post-graduate studies      | 1                               | 8   | 17 | 25    |
|              |  | 2                               | 2   | 4  | 6     |
|              |  | 3                               | 1   | 2  | 3     |
|              |  | 4                               | 3   | 4  | 7     |
|              |  | 5                               | 1   | 1  | 2     |
| 8            | Saving funds   | Yes, the number of months – 3   | 1   | 1  | 2     |
|              |  | Yes, the number of months – 5   | 1   | 0  | 1     |
|              |  | Yes, the number of months – 12  | 0   | 1  | 1     |
|              |  | No                              | 13  | 26 | 39    |
| Demographics | Gender   | Female                          | 14  | 18 | 32    |
|              |  | Male                            | 1   | 10 | 11    |
|              | Place of residence   | Village                         | 3   | 2  | 5     |
|              |  | < 50K                           | 0   | 0  | 5     |
|              |  | 50K–150K                        | 1   | 4  | 5     |
|              |  | 150K–500K                       | 0   | 3  | 3     |
| > 500K       | 11   | 14                              | 25  |    |       |

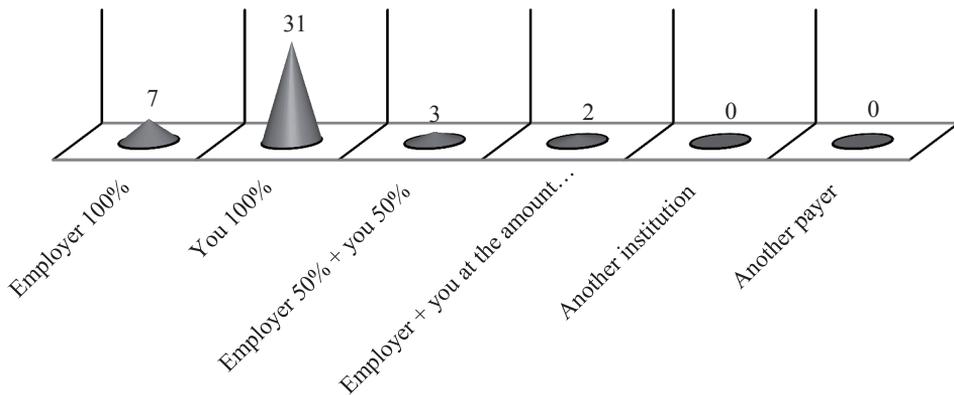
| 1            | 2                                | 3                     | 4  | 5  | 6  |
|--------------|----------------------------------|-----------------------|----|----|----|
| Demographics | Voivodship                       | Dolnośląskie          | 14 | 21 | 35 |
|              |                                  | Śląskie               | 0  | 3  | 3  |
|              |                                  | Łódzkie               | 0  | 1  | 1  |
|              |                                  | Opolskie              | 0  | 1  | 1  |
|              |                                  | Mazowieckie           | 0  | 1  | 1  |
|              |                                  | Podkarpackie          | 0  | 1  | 1  |
|              |                                  | Lubelskie             | 1  | 0  | 1  |
|              | Age                              | 20–25                 | 0  | 4  | 4  |
|              |                                  | 26–30                 | 9  | 3  | 12 |
|              |                                  | 31–35                 | 5  | 10 | 15 |
|              |                                  | 36–40                 | 1  | 6  | 7  |
|              |                                  | > 40                  | 0  | 5  | 5  |
|              | Education                        | <i>Licencjat</i> (BA) | 2  | 2  | 4  |
|              |                                  | <i>Inżynier</i> (BSc) | 2  | 2  | 4  |
|              |                                  | <i>Magister</i> (MA)  | 13 | 26 | 39 |
|              |                                  | <i>Doktor</i> (PhD)   | 0  | 0  | 0  |
|              | Gross monthly salary<br>(in PLN) | 1001–1500             | 0  | 0  | 0  |
|              |                                  | 1501–2000             | 0  | 0  | 0  |
|              |                                  | 2001–2500             | 0  | 0  | 0  |
|              |                                  | 2501–3000             | 0  | 0  | 0  |
| > 3000       |                                  | 15                    | 27 | 42 |    |
| No answer    |                                  | 0                     | 1  | 0  |    |

Source: original research.

respondents replied that they shared the cost with their employers (50% to 50% or a different division of the amount). The graphic illustration of the structure of payers is presented in Figure 2.

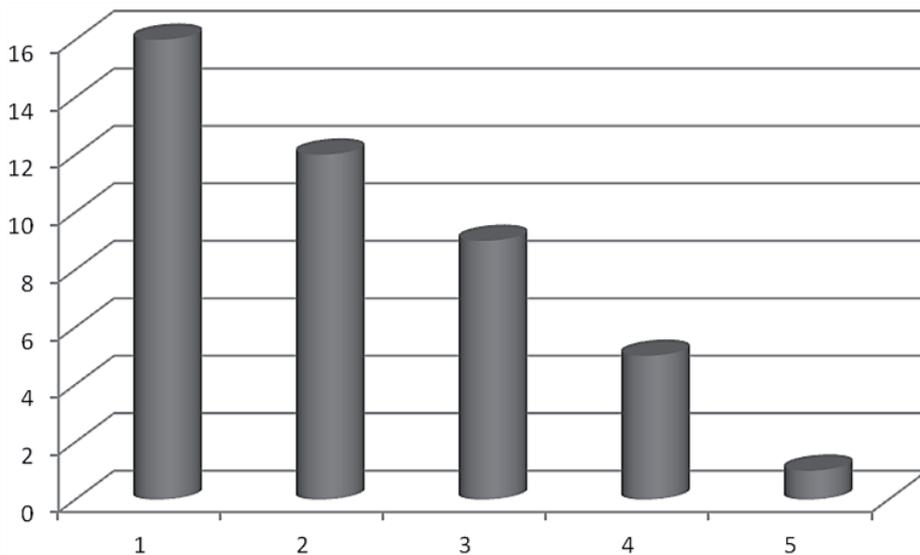
In reply to question 2, 11 students indicated payment in instalments, including five in four and eight instalments and one in five instalments. Payment for every semester (two instalments) was selected by 26 persons, and six respondents made a one-off payment. The University has adopted a rule that instalment payments may be made only by individual students, whereas institutions and employers may make either a one-off payment or pay in two instalments (every semester). Only 11 out of 31 students who pay on their own have submitted requests for instalment payments (in four or five or eight instalments), and the remaining respondents made a one-off payment or every semester. This results in a one-off, quite a high, expense taken into account in the household budget. At the same time, only one person has taken out a loan/borrowing to cover the fee.

Question 4 concerned the impact of the amount to be paid for the studies on the selection of the major. Only one person said it was very high, while nine students defined it as moderate and as many as 16 – as none. Exact data with replies to that question are presented in Figure 3.



**Fig. 2.** Structure of payers for post-graduate studies

Source: original research.



**Fig. 3.** What was the impact of the fee to be paid for the studies on the selection of the major, where 1 – none and 5 – very high

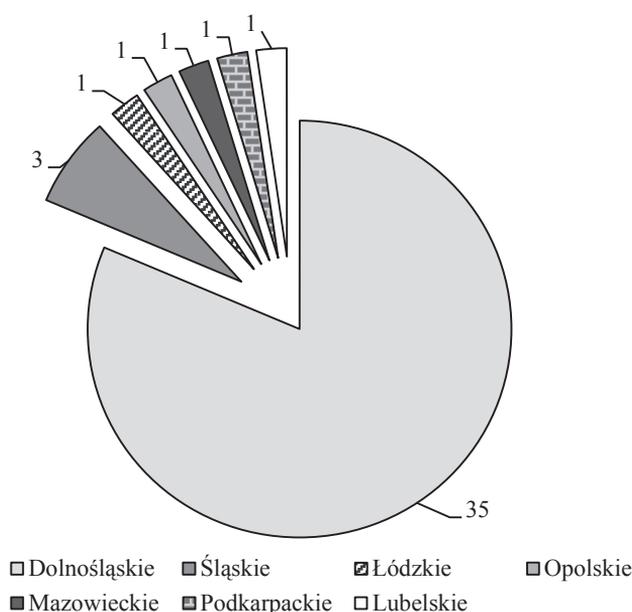
Source: original research.

Only five out of 43 respondents were informed that they were going to get a pay rise after completing the studies, including two who said that this had very high impact on the selection of their major, one described it as high and two – as moderate. Question 7 concerned the level of the costs incurred in connection with commuting to the University and hence their impact on the selection of the programme.

A majority of the respondents (25 individuals) said that the cost of commuting had no impact on their selection of a given major and six persons defined it as low. The impact of the cost of commuting was described as very high by two persons only, high by seven, and moderate by three. There was also a question (no. 8) about saving funds in advance to cover the fee. Here, only four individuals gave an affirmative answer, including only one who had saved funds for a year, one for five months, and two for three months. It is noticeable that, in such a case, the household budget had to be planned a year, five months and three months, respectively, before the programme started. It is significant that the persons who provided an affirmative answer about saving funds were women only.

The survey questionnaire was completed by 32 women and 11 men. Five of the respondents lived in a village, including four women who were forced to save funds for the fee in advance. Five students lived in a city with population of up to 50 thousand and five in a city with population of 50 thousand to 150 thousand, three lived in a city with population of 150 thousand to 500 thousand, while 25 – in a city with population of over 500 thousand.

The students were supposed to enter the voivodship in which they lived in the questionnaire on their own. They mentioned the following voivodships: Dolnośląskie, Śląskie, Łódzkie, Opolskie, Mazowieckie, Podkarpackie, Lubelskie. The pattern of the number of respondents living in individual voivodships is shown in Figure 4.

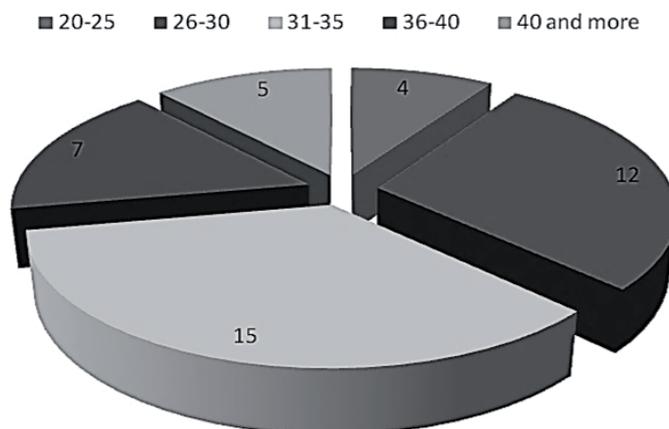


**Fig. 4.** The number of respondents living in the voivodships indicated by themselves

Source: original research.

The highest number of the students lived in Dolnośląskie Voivodship – 35 individuals, and three in Śląskie Voivodship.

The author of the survey asked the respondents also about their age. The replies and age brackets are presented in Figure 5. It is noticeable that the greatest number of students (15 persons) fell into the 31–35 age range. The next age group (12 persons) was aged 26–30. The lowest number of people were 40 (and above) – four individuals.



**Fig. 5.** Students' age ranges

Source: original research.

The respondents included: 35 MA, four MSc and four BA degree holders. The last question concerned the students' revenue. Only one person left the question unanswered. In an oral interview, the author of the questionnaire found out that it was the person whose financial situation had forced her to save funds for the fee for a year and requested the payment to be split into eight instalments. Hence, it can be inferred that this person's earnings are rather low and thus the household budget was carefully thought over and calculated. Other 42 individuals declared revenue exceeding PLN 3000.

In reply to the research questions asked in the abstract to this paper, having carried out the survey, observations and oral interviews, the author of this paper states that the price of the post-graduate programme influenced the choice of a given major in one case only. The student contracted debt in a bank to pay the fee and used the option to split the payment into the maximum number of instalments. At the same time, indirect costs (e.g. the cost of commuting, accommodation) are not significant for the selection of a given major. Even if the respondent was informed that he or she could get a pay rise, it did not have significant impact on choosing a major. Therefore,

it can be concluded that the cost of the post-graduate programme offered in English by the Wrocław University of Economics is not a burden to the student's household budget.

#### **4. Conclusions**

The contemporary human being needs to learn and train continuously. One of the ways to the next education level is completing post-graduate studies or courses and training. However, the price of post-graduate studies is not low and the effect achieved after completing the programme not always compensates for the costs incurred. The student should prepare a budget in which he or she compares the expenditure for education (the price of the studies, the cost of commuting, the cost of accommodation, etc.) and the benefits after earning the diploma. The benefits can be both financial (e.g. a pay rise) and non-financial (e.g. networking). The author of the questionnaire survey wanted to know if the students found it necessary to prepare a budget and how they reacted to the costs involved in education. The results were unambiguous – the students who were subject to the research did not find it necessary to create a budget and the cost of post-graduate education was not excessively burdensome to them.

The conducted survey could be used at any institution of higher education, regardless of whether it is public or not. In conclusion to the results of the survey, it can answer research questions be argued that the fee could be increased with no significant impact on the student's household budget. The student whose fee is covered by the employer will not be interested in the lowest possible costs and the costs will not be reflected in his or her household budget. Others, who wish to get additional training, will be able to prepare their household budgets such that they can pay the fee without burdening their household finance too much. This is especially true that the University, in order to address students' needs, enables them to split the fee into instalments. Both parties to the transaction, the student and the University, can speak of a positive closure of their budgets. The student will receive a post-graduate diploma at a relatively low cost, without burdening his or her budget excessively, and the University will generate income from its post-graduate offer and achieve an added value, which is free advertising in the form of recommendation from students.

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