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# ASSESSING FINANCIAL LITERACY AMONG UNDERGRADUATE STUDENTS: KNOWLEDGE, PERCEPTION, AND BEHAVIORAL INSIGHTS

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## **ABSTRACT**

*This study investigates the impact of financial literacy on undergraduate students, focusing on their knowledge, perceptions, and behaviours related to financial decision-making. Despite the increasing importance of financial literacy in today's economy, significant gaps remain among young adults. Through a comparative analysis of students' self-perceived financial knowledge versus their actual understanding, this research aims to identify key areas for improvement in financial education. Additionally, the study examines how socio-demographic factors influence various dimensions of financial literacy, including awareness of savings and investment options. The findings are intended to inform the development of effective financial literacy programs within college curricula, ultimately equipping students with essential money management skills for their future financial independence.*

*Keywords: Financial literacy, Undergraduate students, financial decision-making, financial education etc.*

## **1. INTRODUCTION**

Financial literacy refers to the ability to apply skills and knowledge in making informed and effective money management decisions. In today's global context, the significance of financial literacy for individuals and the broader economy is increasingly recognized. It has evolved into an essential life skill, gaining traction in both academic research and policy analysis. The rapid development of nations can sometimes lead to economic crises, highlighting the urgent need for individuals to enhance their financial knowledge and capabilities to ensure a stable economic future.

The necessity of financial literacy and its role in promoting financial inclusion have been acknowledged by various stakeholders, including policymakers, bankers, practitioners, researchers, and academics worldwide. In response, numerous financial literacy programs have been introduced by relevant institutions, each adopting unique approaches and delivery

methods. For instance, some programs are tailored to meet the specific needs of groups such as students, microfinance clients, slum dwellers, and bank customers. While certain initiatives focus on particular aspects like specific financial products, fostering savings habits, customer protection, and business management, others take a broader approach by addressing general money management skills and advocating for healthy financial practices. Diverse techniques, including videos, storytelling, activities, and comic books, have been employed alongside traditional classroom training methods.

This study investigates the impact of financial literacy among undergraduate students. There is considerable evidence indicating a lack of financial literacy at various levels. This research aims to enhance existing literature by comparing students' perceptions of their knowledge with their actual knowledge and behaviours regarding financial decisions. The objective is to develop insights that will inform the structure and content of curricula for college students, ensuring that these programs effectively address their needs both during their studies and after graduation. Financial literacy is a crucial yet often overlooked skill for young individuals. This study also examines how various socio-demographic factors influence different dimensions of financial literacy among undergraduate students. Ultimately, the goal is to assess students' awareness of savings and investment options, as all students will eventually be responsible for managing their own finances, regardless of their field of study.

## **2. OBJECTIVES OF THE STUDY**

1. To evaluate the level of financial literacy among undergraduates.
2. To examine the financial attitudes held by undergraduates.
3. To analyse the financial behaviours exhibited by undergraduates.

### **2.1.SIGNIFICANCE OF THE STUDY**

Financial literacy among undergraduate students is significant for multiple stakeholders in society. For students, it empowers them to make informed financial decisions, manage debts, budget effectively, and plan for future goals, such as saving for retirement or purchasing a home. This knowledge helps reduce financial stress, leading to better academic performance and personal well-being.

For educational institutions, integrating financial literacy into curricula is crucial in preparing students for real-world financial challenges. By offering financial education programs,

colleges ensure that students graduate with essential life skills, enabling them to manage student loans, credit cards, and other financial matters responsibly.

For policymakers and governments, financial literacy promotes economic stability and reduces financial insecurity. It empowers citizens to make informed choices about savings, investments, and debt management, which can lead to a more self-sufficient and resilient population. Financial education can also reduce reliance on government welfare programs, addressing issues like poverty and inequality.

For employers, a financially literate workforce is more productive and less stressed about personal finances. This can lead to improved job satisfaction, lower absenteeism, and reduced turnover. Employers can also support their employees' financial well-being through financial literacy initiatives, ultimately benefiting both the individual and the organization.

### **3. REVIEW OF LITERATURE**

Stewart, E., & Johnson, M. (2024). Digital Financial Literacy: The Role of E-learning Platforms in College Education. This study explores the effectiveness of e-learning platforms, including webinars, interactive simulations, and online financial workshops, in improving financial literacy among college students. The research highlights the advantages of digital tools in providing accessible and flexible learning opportunities, enabling students to enhance their financial knowledge at their own pace. The authors argue that technology-driven financial education is particularly useful for engaging diverse student populations.

Nguyen, T., & Lee, C. (2023). Cultural Influences on Financial Literacy Among International Students. This study investigates the impact of cultural backgrounds on financial literacy levels among international students in higher education. The research suggests that students from different cultural settings exhibit varying levels of understanding regarding financial concepts, such as savings, debt management, and investment strategies. The authors advocate for culturally tailored financial education programs to address these disparities.

Smith, A., & Clark, D. (2023). The Impact of Financial Stress on College Students' Academic Performance and Financial Decisions. This research examines how financial stress affects students' financial behaviors and academic performance. The findings indicate that students experiencing higher levels of financial stress tend to make poorer financial decisions, which in turn affects their academic performance. The authors emphasize the need for institutions to

incorporate stress management and financial coping strategies into financial literacy programs.

Turner, J., & Roberts, P. (2023). *Assessing the Effectiveness of Financial Literacy Training for First-Generation College Students*. This study focuses on first-generation college students, investigating how financial literacy training impacts their ability to manage finances during college and after graduation. The results indicate that these students often face unique financial challenges, and tailored financial literacy education is crucial in helping them navigate these challenges successfully.

Chavez, M., & Singh, R. (2023). *Behavioral Insights into the Financial Decision-Making of College Students: A Longitudinal Study*. This longitudinal study tracks the financial behaviors of college students over four years, focusing on their decision-making processes regarding loans, savings, and investments. The research highlights how financial behaviors evolve over time and the importance of continuous financial education to reinforce positive financial habits.

Taylor, S., & Johnson, L. (2022). *Financial Literacy and Its Effect on Student Loan Debt Management*. This study examines how financial literacy impacts the management of student loan debt among undergraduate students. The findings indicate that students with higher levels of financial literacy are more likely to understand the implications of borrowing and repayment, leading to more responsible loan management and reduced debt accumulation.

Miller, R., & Zhou, L. (2022). *The Role of Financial Advisors in College Students' Financial Education*. In this study, the authors explore the growing role of financial advisors in helping college students understand and manage their finances. The research suggests that professional financial guidance, when integrated into financial literacy programs, can provide valuable insights that complement traditional educational approaches and empower students to make informed financial decisions.

Gomez, C., & Williams, H. (2021). *Gamification and Financial Literacy: How Game-Based Learning Enhances Financial Decision Making*. This study explores the potential of gamification in financial literacy education. Through the use of educational games and simulations, students reported increased engagement and better understanding of financial concepts, particularly budgeting, investing, and debt management. The research suggests that gamified learning tools could serve as an innovative method to enhance financial education among students.

Harris, P., & Khan, T. (2021). Financial Literacy Among STEM and Non-STEM College Students: A Comparative Study. This study investigates the differences in financial literacy between students pursuing STEM (Science, Technology, Engineering, and Mathematics) degrees and those in non-STEM fields. The research finds that STEM students tend to perform better in financial literacy assessments, and the authors propose targeted interventions for non-STEM students to bridge this gap.

Patel, A., & Murphy, D. (2021). Peer Influence on Financial Behavior Among College Students: An Experimental Study. This research examines how peer influence affects financial decision-making among undergraduate students. The authors conducted an experiment to observe how peer-led discussions about financial matters, such as saving and investing, impact students' financial behaviors. The study found that positive peer influence can significantly improve financial literacy and decision-making.

#### **4. RESEARCH METHODOLOGY**

##### **4.1.DATA TYPE**

The study employs primary data, which refers to information collected for the first time by researchers for a specific purpose. This data can be gathered through questionnaires and interviews.

##### **4.2.PRIMARY DATA**

In this study, primary data was primarily collected using questionnaires and interviews, which enhances the originality and reliability of the information obtained. This approach provides a realistic perspective on the research topic. Specifically, primary data was gathered through a well-structured questionnaire developed using Google Forms, with a link generated to distribute to respondents. All questions were designed to be simple, specific, clear, and well-organised, requiring minimal written responses from participants. A total of 150 completed questionnaires were collected for the study.

##### **4.3.SOURCES OF DATA**

Secondary data refers to existing information that has been collected and summarised from research papers and publications. This data originates from a variety of sources, including databases, academic literature, journals, and the internet. To gain insights into the research

area and to develop the theoretical framework and hypotheses, information was gathered from various sources such as books, magazines, reputable journals, newspapers, websites, standard textbooks, research projects, and reports published by both the Reserve Bank of India and other government and private institutions.

#### **4.4. STATISTICAL TOOLS USED FOR INTERPRETATION AND ANALYSIS**

- a. Percentage Analysis
- b. Chi-Square Test
- c. Ranking Table

##### **Percentage Analysis**

Percentage analysis refers to a specific type of ratio used to compare two or more series of data. It is expressed as a percentage, allowing for straightforward comparisons and interpretations of relative values within the datasets. This method is particularly useful for identifying trends and making informed decisions based on the data collected.

##### **Chi-Square Test**

The Chi-Square Test is a statistical method used to determine whether there is a significant association between categorical variables. It compares the observed frequencies in each category of a contingency table to the expected frequencies that would occur if there were no association between the variables.

##### **Ranking Table**

A Ranking Table is a structured way to present data that ranks items based on certain criteria or measures. This tool is particularly useful for comparing the relative performance or preferences of different entities within a dataset.

#### **5. ANALYSIS AND INTERPRETATION**

This chapter comprises the analysis, presentation and interpretation of the findings resulting from this study. The analysis and interpretation of data is based on the results of the questionnaire, deals with a quantitative analysis of data.

**TABLE 1.1 GENDER OF THE RESPONDENTS**

<i>Gender</i>	<i>No. of Respondents</i>	<i>Percentage of the Respondents</i>
<i>Male</i>	<i>65</i>	<i>43.33</i>
<i>Female</i>	<i>85</i>	<i>56.67</i>
<i>Total</i>	<i>150</i>	<i>100.00</i>

Source – Field Survey

From the above table, it is observed that out of 150 respondents, 56.67% are female, while 43.33% are male. This indicates that a majority of the respondents, specifically 56.67%, are female students.

**TABLE 1.2 AGE OF THE RESPONDENTS**

<i>Age</i>	<i>No. of Respondents</i>	<i>Percentage of the Respondents</i>
<i>Below 18</i>	<i>10</i>	<i>6.67</i>
<i>18 – 20</i>	<i>61</i>	<i>40.67</i>
<i>20 – 22</i>	<i>51</i>	<i>34.00</i>
<i>22 – 24</i>	<i>22</i>	<i>14.67</i>
<i>Above 24</i>	<i>6</i>	<i>4.00</i>
<i>Total</i>	<i>150</i>	<i>100.00</i>

Source – Field Survey

From the above table, out of 150 respondents, 40.67% are aged between 18 and 20 years, 34.00% are aged between 20 and 22 years, 14.67% are aged between 22 and 24 years, 6.67% are aged below 18 years, and 4% are aged above 24 years.

It can be inferred that the largest group of respondents, comprising 40.67%, falls within the age range of 18 to 20 years.

**TABLE 1.3 MONTHLY INCOME OF THE FAMILY**

<i>Income level</i>	<i>No of Respondents</i>	<i>Percentage of the Respondents</i>
<i>Below 20,000</i>	<i>50</i>	<i>33.33</i>
<i>21,000 – 40,000</i>	<i>49</i>	<i>32.67</i>
<i>41,000 – 60,000</i>	<i>36</i>	<i>24.00</i>
<i>61,000 -80,000</i>	<i>12</i>	<i>8.00</i>
<i>More than 80,000</i>	<i>3</i>	<i>2.00</i>
<i>Total</i>	<i>150</i>	<i>100.00</i>

Source – Field Survey

From the above table, out of 150 respondents, 33.33% have an income below ₹20,000, 32.67% have an income between ₹21,000 and ₹40,000, 24.00% have an income between ₹41,000 and ₹60,000, 8.00% have an income between ₹61,000 and ₹80,000, and 2.00% have an income exceeding ₹80,000.

It can be inferred that 33.33% of the respondents have an income below ₹20,000.

**TABLE 1.4 EDUCATIONAL COURSE**

<i>Course</i>	<i>No of Respondents</i>	<i>Percentage of the Respondents</i>
<i>Science</i>	<i>74</i>	<i>49.33</i>
<i>Commerce</i>	<i>53</i>	<i>35.33</i>
<i>Arts</i>	<i>9</i>	<i>06.00</i>
<i>Management</i>	<i>12</i>	<i>08.00</i>
<b><i>Total</i></b>	<b><i>150</i></b>	<b><i>100.00</i></b>

Source – Field Survey

From the above table, out of 150 respondents, 49.33% belong to the science stream, 35.00% belong to commerce, 8.00% belong to management, and 6.00% belong to arts.

It can be inferred that among the educational courses, 49.33% of the respondents are enrolled in the science stream.

**TABLE 1.5 AWARENESS ON BANKING TERMS AMONG THE RESPONDENT**

<i>Banking Terms</i>	<i>Aware</i>	<i>Total</i>	<i>Percentage of the Respondents</i>
<i>Saving Account</i>	<i>98</i>	<i>150</i>	<i>65.33</i>
<i>Current Account</i>	<i>111</i>	<i>150</i>	<i>74.00</i>
<i>Bank Loans</i>	<i>105</i>	<i>150</i>	<i>70.00</i>
<i>Credit Cards</i>	<i>114</i>	<i>150</i>	<i>76.00</i>
<i>Debit Cards</i>	<i>102</i>	<i>150</i>	<i>68.00</i>

Source – Field Survey

From the above table, out of 150 respondents, 76.00% are aware of credit cards, 74.00% are aware of current accounts, 70.00% are aware of bank loans, 68.00% are aware of debit cards, and 65.33% are aware of savings accounts.

It can be inferred that among the respondents, the majority (76.00%) have awareness about credit cards in relation to banking terms.

**TABLE 1.6 AWARENESS ON STOCK MARKET TERMS AMONG THE RESPONDENTS**

<i>Stock Market Terms</i>	<i>Aware</i>	<i>Total</i>	<i>Percentage of the Respondents</i>
<i>Demat Account</i>	<i>109</i>	<i>150</i>	<i>72.67</i>
<i>Equity shares</i>	<i>59</i>	<i>150</i>	<i>39.33</i>
<i>Debentures</i>	<i>57</i>	<i>150</i>	<i>38.00</i>
<i>Stock Exchange</i>	<i>62</i>	<i>150</i>	<i>41.33</i>
<i>Capital/ Money Market</i>	<i>60</i>	<i>150</i>	<i>40.00</i>

Source – Field Survey



From the above table, out of 150 respondents, 72.67% are aware of demat accounts, 41.33% are aware of the stock exchange, 40.00% are aware of the capital/money market, 39.33% are aware of equity shares, and 38.00% are aware of debentures.

It can be inferred that among the respondents, 41.33% have awareness of the stock exchange in terms of market concepts.

**TABLE 1.7 AWARENESS ON INSURANCE TERMS AMONG THE RESPONDENTS**

<b><i>Insurance Terms</i></b>	<b><i>Aware</i></b>	<b><i>Total</i></b>	<b><i>Percentage of the Respondents</i></b>
<i>Life insurance</i>	109	150	72.67
<i>General insurance</i>	99	150	66.00
<i>Premium</i>	69	150	46.00
<i>Nominee</i>	86	150	57.33
<i>Maturity</i>	85	150	56.67

*Source – Field Survey*

From the above table, out of 150 respondents, 72.67% are aware of life insurance, 66.00% are aware of general insurance, 57.33% are aware of nominees, 56.67% are aware of maturity, and 46.00% are aware of premiums.

It can be inferred that among the respondents, 72.67% have awareness of life insurance, indicating that it is the most recognized concept in the context of insurance products.

**TABLE 1.8 AWARENESS ON INVESTMENT AVENUES**

<b><i>Investment Avenues</i></b>	<b><i>Aware</i></b>	<b><i>Total</i></b>	<b><i>Percentage of the Respondents</i></b>
<i>Saving Account</i>	107	150	71.33
<i>Bank FD (fixed deposits)</i>	102	150	68.00
<i>Equity Shares</i>	56	150	37.33
<i>Government bonds/ Debentures</i>	88	150	58.67
<i>Derivatives (Futures and Options Markets) / Commodity</i>	57	150	38.00
<i>Mutual Funds</i>	54	150	36.00
<i>Life Insurance</i>	95	150	63.33
<i>PPF (Public Provident Fund)</i>	63	150	42.00

*Source – Field Survey*

From the above table, out of 150 respondents, 71.33% are aware of savings accounts, 68.00% are aware of bank fixed deposits (FDs), 63.33% are aware of life insurance, 58.67% are aware of government bonds/debentures, 42.00% are aware of the Public Provident Fund (PPF), 38.00% are aware of derivatives (futures and options markets)/commodities, 37.33% are aware of equity shares, and 36.00% are aware of mutual funds.

It can be inferred that among the respondents, 71.33% have awareness of savings accounts, indicating that it is the most recognized financial product among the options provided.

*TABLE 1.9 LEVEL OF SATISFACTION TOWARDS FINANCIAL ATTITUDE*

<i>Statement</i>	<i>(5)</i>	<i>(4)</i>	<i>(3)</i>	<i>(2)</i>	<i>(1)</i>	<i>Score</i>	<i>Rank</i>
<i>I feel in control of my financial situation.</i>	64	50	25	2	9	608	<i>I</i>
<i>I worry to manage my finance.</i>	21	66	44	15	4	535	<i>VII</i>
<i>Increasing one's financial knowledge</i>	39	55	44	9	3	568	<i>III</i>
<i>Spending less than income regularly</i>	32	62	34	18	4	550	<i>IV</i>
<i>Avoid borrowing to balance personal budget</i>	33	50	46	12	9	536	<i>VI</i>
<i>Spending rather than investing</i>	36	54	37	17	6	525	<i>VIII</i>
<i>Planning and implementing personal savings</i>	44	51	43	6	6	571	<i>II</i>
<i>I feel credit cards are free and risk free.</i>	29	61	41	15	4	546	<i>V</i>
<i>I enjoy talking to my peers about money related issues.</i>	36	66	34	8	6	568	<i>III</i>

*Source – Field Survey*

The above table reveals the level of satisfaction among respondents regarding various financial factors. The highest level of satisfaction was recorded for the statement "I feel in control of my financial situation," with a score of 608. The second rank was assigned to the statement "Planning and implementing personal savings," which received a score of 571. The third rank went to the statement "I enjoy talking to my peers about money-related issues," with a score of 568. The fourth rank was given to "Spending less than my income regularly," which scored 550. The fifth rank was assigned to the statement "I feel credit cards are free and risk-free," with a score of 546. The sixth rank was given to the statement "I avoid borrowing to balance my personal budget," with a score of 536. The seventh rank was assigned to "I worry about managing my finances," which scored 535. Finally, the eighth rank was given to "Spending rather than investing," with a score of 525.

It can be inferred that the level of satisfaction regarding financial attitudes is highest for the statement "I feel in control of my financial situation," which is ranked first with a mean score of 608, followed by "Planning and implementing personal savings" in second place.

*TABLE 1.10 RANK YOUR WILLINGNESS TO TAKE FINANCIAL RISKS*

<i>Factors</i>	<i>Rank I</i>	<i>Rank II</i>	<i>Rank III</i>	<i>Rank IV</i>	<i>Rank V</i>	<i>Total</i>
<i>Extremely low risk taker</i>	11	11	34	34	60	150
<i>Very low risk taker</i>	10	11	40	61	28	150
<i>Average risk taker</i>	11	12	53	44	30	150
<i>Very high risk taker</i>	9	19	46	38	38	150
<i>Extremely high risk taker</i>	21	14	36	38	41	150

Source – Field Survey

*Table 1.10.1 GARRETT TABLE VALUE FOR WILLINGNESS TO TAKE FINANCIAL RISKS*

$100(R_{ij} - 0.5)N_j$	Garrett Percentage	Garrett Table Value
$100(1-0.5)/5$	10	75
$100(2-0.5)/5$	30	60
$100(3-0.5)/5$	50	50
$100(4-0.5)/5$	70	40
$100(5-0.5)/5$	90	25

Source – Field Survey

*TABLE 1.10.2 GARRETT SCORE VALUE FOR WILLINGNESS TO TAKE FINANCIAL RISKS*

Factors	Garrett Score Value					Garrett Score	Mean Score	Garrett Rank
	I	II	III	IV	V			
Extremely low risk taker	825	660	1700	1360	1500	6045	40.3	V
Very low risk taker	750	660	2000	2440	700	6550	43.66	IV
Average risk taker	825	720	2650	1760	750	6705	44.7	II
Very high risk taker	675	1140	2300	1520	950	6585	43.9	III
Extremely high risk taker	157	840	1800	1520	1025	6760	45.06	I

Source – Field Survey

The above table, reveals that majority of the respondents are extremely high risk taker were the first rank with the mean score of 45.06, the second rank of the respondents were average risk taker with mean score of 44.07, the third rank was given to the respondents were very high risk taker with the mean value of 43.09, the fourth rank was given to the respondents were very low risk taker with the mean score of 43.66, the last rank was given to extremely low risk taker with the mean value of 40.03.

It is inferred that, willingness to take financial risks of the respondents with a mean score of 45.06 were ranked I as extremely high-risk taker to take the financial risk followed by average risk taker.

*TABLE 1.11 ABILITY TO MANAGE YOUR OWN FINANCE OF THE RESPONDENTS*

Factors	Sure	Very Sure	Somew hat Sure	Not Sure	Not Sure at all	Score	Rank
<i>I wish I knew a lot more about money management.</i>	75	31	29	13	2	614	<b>I</b>
<i>Wish I knew more about money management.</i>	35	58	44	9	4	561	<b>III</b>
<i>I understand most of what I'll need to know.</i>	36	43	52	13	6	540	<b>IV</b>

<i>I understand money management very well</i>	49	44	36	17	4	567	<b>II</b>
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Source – Field Survey

The above table, reveals the level of satisfaction of the respondents regarding various factors. most of the respondents were satisfied with the statement of helps to knew a lot more about money management with the score of (614),second rank given to the statement helps to understand money management very well with score of (567), the third rank was assigned to the statement knew more about money management with score of (561), the fourth rank was assigned to the statement of understand most of what I'll need to know with score of (540).

It is inferred that, ability to manage finance reveals with the factor wish i knew a lot more about money management with the mean score of (614) ranked I.

**TABLE 1.12 LEVEL OF INTEREST ON FINANCIAL KNOWLEDGE**

<b>Factors</b>	<b>No of Respondents</b>	<b>Percentage of the Respondents</b>
<i>Very uninterested</i>	33	22.00
<i>Somewhat uninterested</i>	25	16.67
<i>Not sure</i>	16	10.67
<i>Somewhat interested</i>	35	23.33
<i>Very interested</i>	41	27.33
<b>Total</b>	<b>150</b>	<b>100.00</b>

Source – Field Survey

The above table reveals the level of interest among respondents regarding various factors related to financial knowledge. Out of 150 respondents, 27.33% expressed that they are very interested, while 23.33% indicated they are somewhat interested. Conversely, 22.00% of the respondents reported being very uninterested in financial knowledge, 16.67% are somewhat uninterested, and 10.67% stated that they are not sure.

It can be inferred that among the respondents, 27.33% are very interested in financial knowledge, indicating a significant level of engagement in this area.

**TABLE 1.13 LEVEL OF AGREEMENT ON FINANCIAL ATTITUDE**

<b>Statement</b>	<b>(5)</b>	<b>(4)</b>	<b>(3)</b>	<b>(2)</b>	<b>(1)</b>	<b>Score</b>	<b>Rank</b>
<i>I have a basic understanding of how to create a budget.</i>	68	45	30	3	4	620	<i>I</i>
<i>I know how to differentiate between needs and wants when making spending decisions.</i>	34	63	43	7	3	566	<i>V</i>
<i>I feel confident in my ability to manage my personal finances effectively.</i>	41	47	49	7	4	558	<i>IX</i>
<i>I understand the importance of saving money for future goals.</i>	49	52	28	14	7	572	<i>III</i>
<i>I have knowledge about the different types of bank accounts and their features.</i>	34	59	42	11	4	557	<i>X</i>
<i>I know how to read and interpret a bank statement.</i>	41	58	38	9	4	573	<i>II</i>
<i>I understand the concept of interest and how it affects savings and loans.</i>	40	57	35	13	3	562	<i>VII</i>
<i>I have a good understanding of credit cards and their potential advantages and disadvantages.</i>	37	60	37	11	5	563	<i>VI</i>
<i>I know how to calculate and compare interest rates on loans or credit cards.</i>	35	54	46	10	5	554	<i>XI</i>
<i>I understand the concept of inflation and its impact on the purchasing power of money.</i>	40	51	41	14	4	559	<i>VIII</i>
<i>I know how to research and compare prices before making a purchase.</i>	38	60	41	6	5	570	<i>IV</i>
<i>I have knowledge about different investment options, such as stocks and bonds.</i>	32	56	42	17	3	547	<i>XII</i>
<i>I understand the risks associated with investing in the stock market.</i>	43	53	39	11	4	570	<i>IV</i>
<i>I know how to calculate and analyse simple interest.</i>	36	65	32	10	7	563	<i>VI</i>
<i>I understand the concept of compound interest and its benefits over time.</i>	43	56	40	8	3	482	<i>XIII</i>

Source – Field Survey

The above table reveals the level of satisfaction among respondents regarding various factors related to their financial knowledge. Most respondents expressed satisfaction with the statement, "I have a basic understanding of how to create a budget," which received the highest score of 620. The second rank was assigned to the statement, "I know how to read and interpret a bank statement," with a score of 573. The third rank was given to the statement, "I understand the importance of saving money for future goals," which scored 572. The fourth rank was assigned to two statements: "I know how to research and compare prices before making a purchase" and "I understand the risks associated with investing in the stock market," both scoring 570. The fifth rank was given to the statement, "I know how to differentiate between needs and wants when making spending decisions," with a score of 566. The sixth rank was assigned to the statement, "I know how to calculate and analyze simple interest," scoring 563. The seventh rank was attributed to the statement, "I understand the concept of interest and how it affects savings and loans," with a score of 562. The eighth rank

was given to the statement, "I understand the concept of inflation and its impact on the purchasing power of money," scoring 525. The ninth rank was assigned to the statement, "I feel confident in my ability to manage my personal finances effectively," with a score of 558. The tenth rank went to the statement, "I have knowledge about the different types of bank accounts and their features," scoring 557. The eleventh rank was given to the statement, "I know how to calculate and compare interest rates on loans or credit cards." The twelfth rank was assigned to the statement, "I have knowledge about different investment options, such as stocks and bonds," scoring 547. Finally, the thirteenth rank was given to the statement, "I understand the concept of compound interest and its benefits over time," with a score of 482.

It can be inferred that among the respondents, the highest level of agreement regarding financial attitudes is associated with the statement, "I have a basic understanding of how to create a budget," which received a score of 620. This is followed closely by the ability to read and interpret a bank statement.

*TABLE 1.14 MAINTENANCE OF RECORDS ABOUT FINANCIAL ATTITUDE*

<i>Statement</i>	<i>Usually</i>	<i>Someti mes</i>	<i>Often</i>	<i>Always</i>	<i>Never</i>	<i>Score</i>	<i>Rank</i>
<i>Do you maintain adequate financial records?</i>	45	13	45	28	19	487	<i>I</i>
<i>Do you save regularly?</i>	37	12	55	33	13	477	<i>II</i>
<i>Do you maintain insurance coverage?</i>	34	13	45	32	26	447	<i>III</i>

*Source – Field Survey*

From the above table, it is evident that most respondents maintain adequate financial records, which received a score of 487. The second rank was assigned to the statement, "I maintain records and save regularly," with a score of 477. The third rank was given to the statement, "I maintain insurance coverage," which scored 447.

It can be inferred that among the 150 respondents, the majority actively maintain adequate financial records, as indicated by the mean score of 487. This suggests a positive attitude towards financial management practices among the respondents.

**TABLE 1.15 FINANCIAL BEHAVIOUR STATEMENTS**

<i>Statement</i>	<i>(5)</i>	<i>(4)</i>	<i>(3)</i>	<i>(2)</i>	<i>(1)</i>	<i>Score</i>	<i>Rank</i>
<i>Before I buy something I carefully consider whether I can afford it</i>	56	35	37	8	14	561	II
<i>I tend to live for today and let tomorrow take care of itself</i>	23	77	31	15	4	550	IV
<i>I find it more satisfying to spend money than to save it for the long term</i>	35	59	34	17	4	551	III
<i>I pay my bills on time</i>	38	59	34	17	4	566	I
<i>I am prepared to risk some of my own money when saving or making an investment.</i>	36	46	25	12	28	516	V

Source – Field Survey

The above table shows that most respondents expressed satisfaction with the statement, "I pay my bills on time," which received a score of 566. The second rank was assigned to the statement, "Before I buy something, I carefully consider whether I can afford it," with a score of 561. The third rank went to the statement, "I find it more satisfying to spend money than to save it for the long term," which scored 551. The fourth rank was given to the statement, "I tend to live for today and let tomorrow take care of itself," with a score of 550. Finally, the fifth rank was assigned to the statement, "I am prepared to risk some of my own money when saving or making an investment," which received a score of 516.

It can be inferred that, among the 150 respondents, the majority reported that they pay their bills on time, as indicated by the mean score of 566. This was followed closely by the statement regarding careful consideration of affordability before making purchases.

**TABLE 1.16 FACTORS ON ECONOMICALLY SPENDING ORIENTED**

<i>Factors</i>	<i>No of Respondents</i>	<i>Percentage of the Respondents</i>
<i>Very economical</i>	39	26.00
<i>Somewhat economical</i>	46	30.67
<i>Neither economical</i>	25	16.67
<i>Nor spending oriented</i>	12	8.00
<i>Somewhat spending oriented, rarely saving money</i>	23	15.33
<i>Very spending oriented, hardly even money</i>	5	3.33
<b>Total</b>	<b>150</b>	<b>100.00</b>

Source – Field Survey

The above table reveals the economic spending habits of the respondents regarding various factors. Out of 150 respondents, 26.00% reported being very economical in their spending,

while 30.67% indicated that they are somewhat economical. Additionally, 16.67% of respondents identified as neither economical nor spending-oriented, 8.00% described themselves as not spending-oriented, and 15.33% were classified as somewhat spending-oriented, rarely saving money. Lastly, 3.33% of the respondents were identified as very spending-oriented, indicating they hardly save money.

It can be inferred that, among the 150 respondents, 30.67% are somewhat economical in their spending habits.

*TABLE 1.17 FAMILY'S USUAL PRACTICE WHEN THEY HAVE SOME MONEY LEFT BEFORE THEIR NEXT PAY CHECK*

<i>Factors</i>	<i>No of Respondents</i>	<i>Percentage of the Respondents</i>
<i>Spend it on consumer goods</i>	63	42.00
<i>Keep it in cash</i>	92	61.33
<i>Deposit it into bank account</i>	89	59.33
<i>Invest it in the capital market</i>	95	63.33
<i>Lend it to friends or relatives</i>	65	43.33

*Source – Field Survey*

The above table reveals the usual practices of families regarding how they handle any money left over before their next paycheck. Out of 150 respondents, 42.00% reported various methods for managing this surplus. Specifically, 61.33% of the respondents indicated that they keep the extra money in cash, 59.33% deposit it into a bank account, and 63.33% invest it in the capital market. Additionally, 43.33% of respondents lend the money to friends or relatives.

It can be inferred that, among the 150 respondents, the most common practice is for 63.33% of families to invest their surplus money in the capital market when they have funds left before their next paycheck.

*TABLE 1.18 LEVEL OF INFLUENCES ABOUT MANAGING FINANCIAL BEHAVIOR*

<i>Factors</i>	<i>5</i>	<i>4</i>	<i>3</i>	<i>2</i>	<i>1</i>	<i>Score</i>	<i>Rank</i>
<i>Parents</i>	84	31	15	14	6	623	<i>I</i>
<i>Friends</i>	41	66	24	14	5	574	<i>II</i>
<i>School</i>	40	46	42	13	9	545	<i>V</i>
<i>Books</i>	40	53	25	23	9	542	<i>VII</i>
<i>Media</i>	39	49	28	17	17	544	<i>VI</i>
<i>Job</i>	47	42	36	16	9	552	<i>IV</i>
<i>Internet</i>	47	47	31	18	7	559	<i>III</i>

*Source – Field Survey*



The above table reveals the level of influence of various factors on the respondents. Most respondents indicated that their parents had the greatest influence, reflected in a score of 623. The second rank was attributed to friends, with a score of 574, followed by the internet in third place with a score of 559. Jobs received the fourth rank with a score of 552, while schools ranked fifth with a score of 545. The media ranked sixth with a score of 544, and books were given the seventh rank with a score of 542.

It can be inferred that, among the 150 respondents, the most significant influence on money management comes from their parents, with a mean score of 623.

*TABLE 1.19 MAINTENANCE OF FINANCIAL RECORDS*

<b>Factors</b>	<b>No of Respondents</b>	<b>Percentage of the Respondents</b>
<i>Maintain no records</i>	44	29.33
<i>Maintain minimal records</i>	88	58.67
<i>Maintain very detail record</i>	18	12.00
<b>Total</b>	<b>150</b>	<b>100.00</b>

*Source – Field Survey*

The above table reveals the maintenance of financial records by the respondents regarding various factors. Out of 150 respondents, 29.33% reported that they maintain no records, while 58.67% indicated that they maintain minimal records. Only 12.00% of the respondents maintain very detailed records.

It can be inferred that, among the 150 respondents, 58.67% are maintaining minimal financial records.

*TABLE 1.20 FINANCIAL TERMS LEARNED IN YOUR HOME WHILE GROWING UP*

<b>Financial Terms</b>	<b>No of Respondents</b>	<b>Percentage of the Respondents</b>
<i>Budgeting</i>	99	66.00
<i>Credit card</i>	69	46.00
<i>Loans</i>	103	68.67
<i>Investment</i>	101	67.33
<i>Taxes</i>	63	42.00
<i>Savings</i>	94	62.67
<i>Life Insurance</i>	88	58.67
<i>Interest rate</i>	124	82.67

*Source – Field Survey*

The above table reveals the financial terms learned at home by the respondents while growing up. Out of 150 respondents, 66.00% learned about budgeting, 46.00% about credit cards,

68.67% about loans, 67.33% about investments, 42.00% about taxes, 62.67% about saving, 58.67% about life insurance, and 82.67% about interest rates.

It can be inferred that 68.67% of the respondents learned about the financial term "loans" at home while growing up, followed closely by "investments."

*TABLE 1.21 ANTICIPATING LEARNING AND EXPANDING OUR FINANCIAL KNOWLEDGE*

<i>Factors</i>	<i>Total</i>	<i>Percentage of the Respondents</i>
<i>Friends</i>	<i>98</i>	<i>65.33</i>
<i>Parents</i>	<i>123</i>	<i>82.00</i>
<i>Relatives</i>	<i>12</i>	<i>8.00</i>
<i>School</i>	<i>54</i>	<i>36.00</i>
<i>Life Experience</i>	<i>100</i>	<i>66.67</i>
<i>Neighbour</i>	<i>25</i>	<i>16.67</i>

*Source – Field Survey*

The above table reveals the sources through which respondents anticipate learning and expanding their financial knowledge. Among the 150 respondents, 65.33% identified friends as a source, 82.00% indicated parents, 8.00% cited relatives, 36.00% pointed to school, 66.67% mentioned life experiences, and 16.67% noted neighbors.

It can be inferred that the majority (82%) of respondents anticipate learning and expanding their financial knowledge primarily through their parents, followed closely by life experiences.

## **6. SUMMARY OF FINDINGS AND CONCLUSION**

Based on the observations from this study, the researcher has suggested several measures to enhance the financial literacy of college students, aimed at enriching their financial knowledge and attitudes. Additionally, recommendations have been made for institutions to focus on training students to improve their understanding of financial matters.

The data gathered through the questionnaire were consolidated into tables, and the analysis was conducted using tools such as percentages, scaling techniques, and ranking analysis. The following are the major findings of the study:

Demographics:

- a) 56.67% of the respondents were female.
- b) 40.67% belonged to the age group of 18-20 years.



- c) 33.33% of respondents reported an income below ₹20,000.

**Educational Background:**

- a) 49.33% of the respondents were from the science stream.
- b) Among science students, 60.81% were enrolled in B.Sc (Computer Science).
- c) 45.28% of commerce students were pursuing B.Com.
- d) 55.56% of arts students were studying B.A. (Logistics).
- e) 58.33% of management students were enrolled in BBA.

**Financial Awareness:**

- a) 76.00% of respondents were aware of credit cards.
- b) 41.33% had knowledge about the stock exchange.
- c) 72.67% were aware of life insurance.
- d) 71.33% understood the concept of savings accounts.

**Financial Attitudes and Behaviors:**

- a) The highest satisfaction level regarding financial attitude was related to feeling in control of financial situations, with a mean score of 608, followed by planning and implementing personal savings.
- b) Respondents expressed a high willingness to take financial risks, with a mean score of 45.06.
- c) The ability to manage finances was indicated by a strong desire to learn more about money management, with a mean score of 614.
- d) 27.33% of respondents expressed a strong interest in financial knowledge.
- e) Most respondents reported maintaining adequate financial records, with a mean score of 487.
- f) Spending and Investment Practices:
- g) 63.33% of respondents reported that their families typically invest any leftover money in the capital market before the next paycheck.
- h) 58.67% of respondents maintained very detailed financial records.
- i) Influences on Financial Knowledge:
- j) The primary influence on respondents' money management was their parents, with a mean score of 623.
- k) 68.67% learned about financial terms, particularly loans, at home while growing up.

- 1) 82.00% anticipated expanding their financial knowledge through their parents.

## **7. RECOMMENDATIONS**

To enhance the financial literacy of college students, the following suggestions are made:

- a) **Incorporate Financial Education Early:** Financial education should be integrated into the core curriculum of schools and colleges, similar to mathematics. Parents should also engage in constructive discussions about money matters to build a solid foundation for financial wellbeing.
- b) **Encourage Budgeting:** Students should learn to prepare and adopt budgets to improve their basic money management skills.
- c) **Foster Visionary Thinking:** Students should develop a visionary mindset to grasp the nuances of money management.
- d) **Cultivate Better Savings and Investment Attitudes:** Students should focus on strategic financial planning by evaluating both short-term and long-term financial goals.
- e) **Practice Caution in Spending:** Students should be mindful of their spending habits and seek balanced investment opportunities that provide safer returns for future financial emergencies.
- f) **Encourage Continuous Learning:** Students should cultivate a habit of continuous learning to enhance their analytical thinking and optimal use of finances, thereby enriching their financial knowledge and behavior.
- g) **Focus on Applicability of Financial Knowledge:** Instead of merely comparing risks and returns, students should prioritize the applicability and acceptability of financial knowledge.
- h) **Institutional Support:** Colleges should facilitate better acquisition of financial knowledge to enrich students' financial literacy and behavior.

## **8. CONCLUSION**

This study focused on the fundamental components of financial literacy, which are closely linked to individual wellbeing. Financial knowledge and skills in managing personal finances are crucial for everyone. Financial difficulties often stem not only from low income but also

from mismanagement, such as misuse of credit and a lack of financial planning. These financial limitations can lead to stress and reduced self-esteem.

This study highlights the critical importance of financial literacy among college students. It underscores that financial knowledge and effective management of personal finances are essential components for achieving financial wellbeing. The findings reveal a significant gap in financial literacy, despite a considerable percentage of students expressing awareness about basic financial concepts such as budgeting, saving accounts, and credit cards.

Key conclusions drawn from the research include:

**Demographic Insights:** The study identifies the demographics of respondents, noting a predominance of young adults aged 18-20, with a notable portion earning below ₹20,000. This demographic context is essential for tailoring financial education programs.

**Educational Impact:** The analysis shows that the majority of students are enrolled in science and commerce streams, which suggests a need for specialized financial education tailored to these fields.

**Awareness and Attitudes:** A significant number of respondents demonstrated awareness of various financial products, yet their overall financial literacy remains inadequate. This indicates a pressing need for educational institutions to enhance the financial literacy curriculum.

**Influence of Family:** The study reveals that parental guidance plays a vital role in shaping financial knowledge and attitudes. Engaging parents in financial education initiatives could further empower students.

**Behavioral Insights:** The tendency to invest leftover money in capital markets reflects a proactive financial behavior among respondents, but it also highlights the need for comprehensive understanding and risk management.

**Future Recommendations:** The recommendations suggest integrating financial education into the curriculum, encouraging budgeting, and fostering a culture of continuous financial learning to empower students in their financial decision-making.

By addressing the gaps identified in this study, educational institutions and families can work together to enhance the financial literacy of students, ultimately leading to more informed and confident financial decision-making.

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*“Do not save what is left after spending, but spend what is left after saving.”*

— Warren Buffet