



FINANCIAL LITERACY AMONG THE PROFESSIONAL STUDENTS – a Case study on Rayalaseema region

¹B.Sai Harish

²Dr K V GeethaDevi

¹Student, Department of Management Studies,
Madanapalle Institute of Technology & Science.

²Assistant Professor, Department of Management Studies,
Madanapalle Institute of Technology & Science.

Abstract

Financial literacy has become an essential part of ensuring that individuals acquire the skills they need to survive in modern-day society; without financial literacy, growth and development cannot be tasted. Financial literacy is nothing more than the capacity to comprehend and utilise a variety of skills, such as investing, managing one's finances, and budgeting. The main aim of the study is to know the level of financial literacy of professional students based on their demographic variables. The data were collected from 184 professional students across the Madanapalli revenue division by distributing questionnaires. For analyzing the data, we used correlation, regression, the chi-square test, and percentage analysis. From this, the result shows that the financial literacy among the professional students in Madanapalli Revenue Division is generally low. From our findings, we suggest that students should read books and refer to financial websites to get good financial knowledge.

Keywords: Financial literacy, Professional students.

INTRODUCTION

Financial literacy refers to the information and abilities that is necessary to make smart and successful financial choices. It includes a variety of fundamental theories and practises about budgeting, saving, investing, debt management, and general financial wellness. Financial literacy is becoming more essential for people of all ages and backgrounds in today's complicated and ever-changing economic world.

One of the most important reasons for financial literacy is its potential for helping people to take advantage of their financial future. People may efficiently manage their revenue, spending, and savings by knowing fundamental principles such as budgeting and saving. This ensures financial stability as well as safety. Financial knowledge also helps consumers to make educated investment decisions and negotiate the intricacies of financial markets, possibly leading to greater profits and long-term wealth building.

Furthermore, financial literacy is important in avoiding financial errors and debts traps. It teaches people how to make safe spending decisions, manage credit properly, and stay away from excessive debt loads. Individuals who have a sound financial foundation are better equipped to deal with sudden expenses, crises, and financial losses, lowering their sensitivity to financial pressure and boosting their general well-being.

In addition, financial literacy is essential for encouraging entrepreneurship and growth in the economy. Individuals who have the requisite monetary knowledge and abilities are more likely to start and run enterprises. They recognise the significance of financial planning, budgeting, and cash flow management as crucial for long-term individual, corporate growth and success.

Societies could encourage a culture of entrepreneurship and innovation through fostering financial literacy, resulting in creation of jobs and improvement in the economy.

To summarise, financial literacy is an important life skill which allows people to make educated financial decisions, avoid debt, and develop wealth. It is a necessary instrument for obtaining long-term stability in finances, security, and success. Individuals, groups, and economies may prosper in a constantly complicated and interrelated financial world by investing in monetary education and encouraging broad knowledge of finances.

Review of literature

- **Ambuli T.V. (2022)[1]** Paper titled "A study on financial literacy among youngsters in Chennai city. The key objectives of the study are to analyze the association between the financial literacy of respondents and their demographic groups, such as gender, age, income, qualification, and region-wise categories, and to know the relation between the age of respondents and preferred financing alternatives. The hypotheses of the study are financial literacy and demographic factors. He used the chi-square test, Karl Pearson, and Pearson correlation for the study. He found that age, gender, and education are closely related to financial literacy but not to marital status. He suggested that the government should take the initiative to start practical education at the school and college levels and keep an eye on financial magazines, products, and newsletters.
- **Davinder kaur and Dr Prinka prinka vijay(2023)[2]** Paper titled "An empirical study of financial literacy among school students in Delhi" the main objective of the study was to find parents impact, effect, and attitudes towards financial literacy on their children. The key hypotheses of the study are that there is a significant impact of age, gender, classes, streams, and father and mother qualifications on the financial attitude of the students. A questionnaire is sent to 900 students overall at the school, and out of those responses, 418 students responded. Annova is used in the research.
- **Mani Goswami (2017)[3]** Paper titled "A study on financial literacy among college students in Delhi/NCR, states that the main objectives of the study are to find out the financial literacy of college students and to evaluate the influence of various demographic factors like gender and education level on the financial literacy. The hypotheses of the study are the level of financial literacy and college students' demographic factors. A sample size of 100 students was selected for research, and he used Annova for the hypothesis testing. He suggested that the college provide financial education to students, and he also suggested that a website be launched that offers free financial information to youth.
- **J.D Jayraman and Saigeetha Jambunathan (2018)[4]** Paper titled "Financial literacy among high school students: evidence from India," the main objective of the study was to measure the level of financial literacy among high school students. Data was collected from 608 students and factor analysis was performed. Annova, the author, found that in India there are low levels of performance on standard measures of financial literacy.
- **Mandeep Kaur, Tina Vohra and Aditi Arora (2015)[5]** Paper titled "Financial literacy among University students : A study of Guru Nanak Dev University, Punjab", the objectives of the study are to examine the level of financial literacy among university students based on their demographic variables. The main hypothesis of the study is that there is no significant difference between the level of financial literacy and the age, gender, schooling qualification, income, and occupation of the parents. The data was collected from 108 postgraduate students belonging to the age, gender schooling qualification of parents, income of parents and occupation of the parents, the data was collected from 108 post graduate students belongs to commerce and management departments in the university. For this, they used descriptive statistics, an ANOVA, and one sample t-test. From this, they found that the level of financial literacy of students of commerce and management studies is fairly good, and there is no relationship between demographic variables. They suggested that the college should provide a curriculum that offers them knowledge on financial literacy.
- **I Wayan nuka Lantara and Ni Ketut Rai Kartini (2017)[6]** Paper titled "Financial literacy among University Students: an empirical evidence from Indonesia", the main objectives of this study are to investigate the level of financial literacy among graduate and undergraduate students and also to find out the association between demographic factors and their financial literacy. The hypotheses of the study are the level of financial literacy of university students in Indonesia and the demographic factors of the students. They distributed a total of 800 questionnaires to students, and 348 were returned with a response rate of 43.5 Percent. The author used Annova and the t-test for the study.
- **Binod Murmu and Prof. Bhartendu singh(2021)[7]** Paper titled "A study of financial literacy among the people of north-east India with special reference to Mizoram" The main objective of the study is to find an association between socio-economic variables and the financial literacy level of respondents. The key hypotheses of the study are that there is no association between age, gender, income, number of family members, education qualification, and level of financial literacy. The data was collected from 200 students. The findings of the study show that financial literacy is affected by the employment status of the respondents.
- **Vidya Sarath, Kartik Rawal, and Amitha N. (2019)[8]** Paper titled "A study on financial literacy among students in Bangalore", the main objective of the study is to know the awareness about financial literacy among the college students of Bangalore, this data was collected from 104 students by distributing the questionnaire they used graphs and pie charts to analyze the data, they found that financial literacy among the college students of Bangalore is ranged to moderate level of knowledge from this they suggested that schools and colleges should start various programs related to the financial literacy and personal finances and it should be made mandatory for all students.

Need for the Study

- Financial literacy is becoming more and more significant in the global development of finance. Despite the fact that modern technology, investments, and liberalisation have made new financial resources and services easily accessible, many people are still unable to make sound financial decisions or properly assess implemented financial instruments..
- Long-term issues caused by a lack of financial literacy can significantly affect someone's financial well-being. For instance, the common Indian only has three months' worth of money set up in case of need. Over the past few years, the overall domestic savings rate has decreased as a result of increased household expenditures.

Objectives of the Study

- To know the level of financial literacy of professional students in the Madanapalli revenue division.
- To identify the factors that influencing the financial knowledge of professional students.
- To track down the key financial information sources for the respondents.

Limitations of the Study

- Because to timing constraints, the study is limited to professional students of the Madanapalli revenue division only.
- Due to money constraints, data was collected through e-mails.
- As the study focuses on a specific group of people, the final results may not be relevant to other populations.
- The samples were confined to a particular area. Different areas may have various levels of financial literacy. As a result, this might be a disadvantage of the study.

Research Methodology

Source of data:

Primary data:

Data is collected from 184 respondents by distributing questionnaires in the Madanapalli revenue division. These 184 respondents are from different professional courses.

Sampling Unit:

The respondents are shared with the structured questionnaire through the help of google forms. This comprises students from professional courses like B.Tech,MBA, and MCA.

Sample size:

The sample size will be restricted to only 184 respondents, which comprise professional students belonging to different places in the Madanapalli revenue division.

Sampling Area:

The sample was collected from all places in the Madanapalli revenue division in the Rayalaseema Region.

Data Analysis tools:

Statistical tools like Barcharts, Percentage analysis and chi-square test are used for the research.

Scope of the study:

The scope of the study on financial literacy among professional students at Madanapall Revenue Authority covers a number of important factors. First of all, it concentrates on professional students who are pursuing higher education in fields like engineering, management studies, and computer sciences. Due to their impending entry into the workforce and the importance of financial literacy for their future financial well-being, this target group has been chosen.

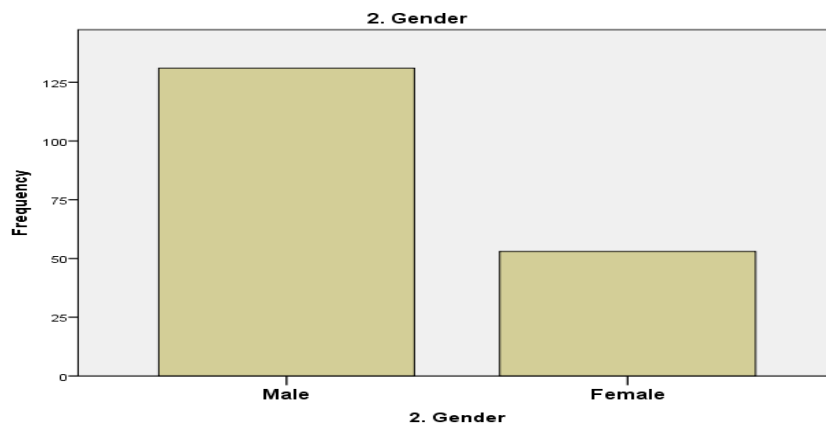
The study aims to assess the level of financial literacy among professional students in the Madanapalli Revenue Division. It will examine their knowledge and understanding of concepts related to personal finance, such as budgeting, saving, investing, debt management, and insurance. The assessment will provide insights into the strengths and weaknesses of their financial knowledge, helping to identify specific areas that may require attention and improvement.

Data analysis

Demographic profile of the respondents

2. Gender

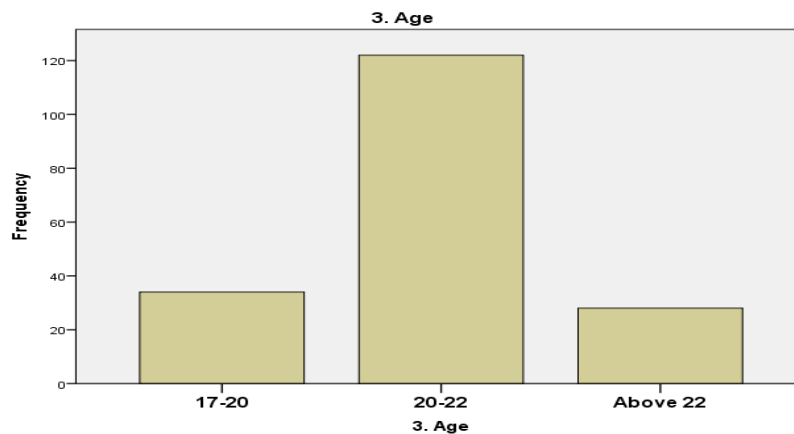
	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	131	71.2	71.2	71.2
Female	53	28.8	28.8	100.0
Total	184	100.0	100.0	



Interpretation:- From survey 131 respondents are male, and 53 are female.

3. Age

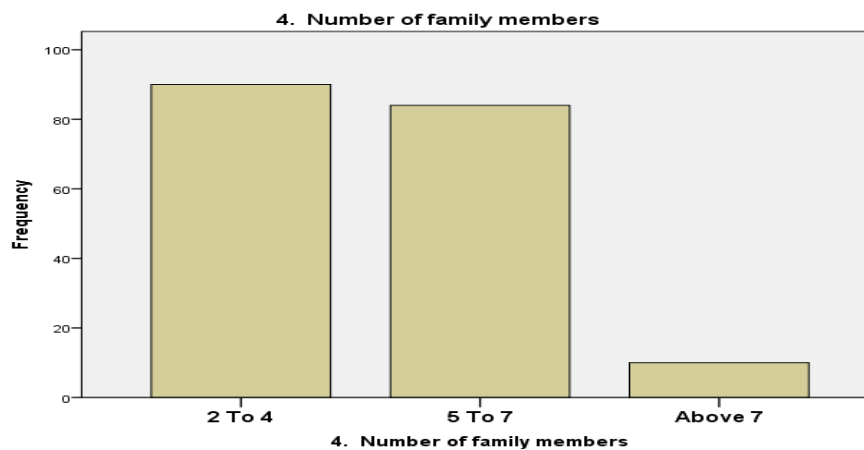
	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 17-20	34	18.5	18.5	18.5
20-22	122	66.3	66.3	84.8
Above 22	28	15.2	15.2	100.0
Total	184	100.0	100.0	



Interpretation:- From the survey it shows that 34 respondents aged between 17-20, 122 aged 20-22, and 28 are above 22 years old.

4. Number of family members

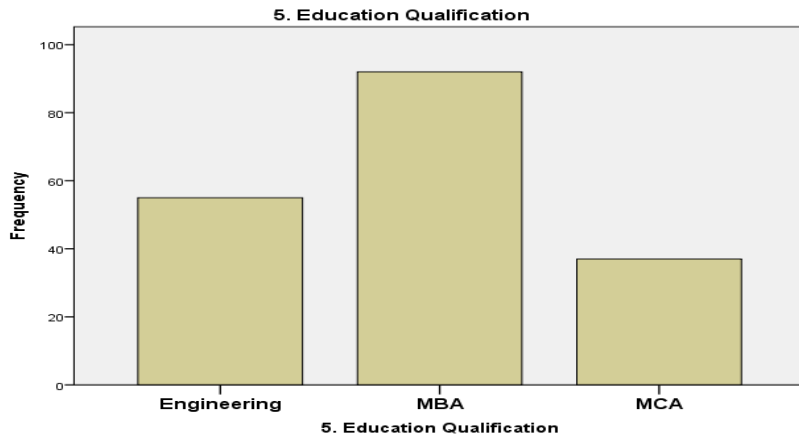
	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 2 To 4	90	48.9	48.9	48.9
5 To 7	84	45.7	45.7	94.6
Above 7	10	5.4	5.4	100.0
Total	184	100.0	100.0	



Interpretation:- From the survey 90 respondents consist of 2 to 4 members in their family, and 84 respondents consist of 5 to 7 family members, Only 10 respondents have more than 7 members in their family.

5. Education Qualification

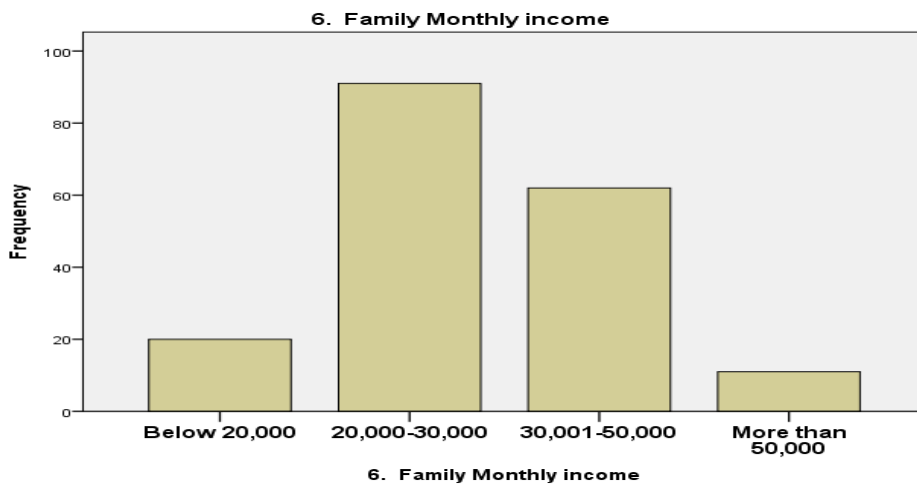
	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Engineering	55	29.9	29.9	29.9
MBA	92	50.0	50.0	79.9
MCA	37	20.1	20.1	100.0
Total	184	100.0	100.0	



Interpretation:- From the survey 92 respondents are from MBA background, 55 of them are from engineering, and 37 respondents are from MCA.

6. Family Monthly income

	Frequency	Percent	Valid Percent	Cumulative Percent
Below 20,000	20	10.9	10.9	10.9
20,000-30,000	91	49.5	49.5	60.3
Valid 30,001-50,000	62	33.7	33.7	94.0
More than 50,000	11	6.0	6.0	100.0
Total	184	100.0	100.0	



Interpretation:- From the survey 91 respondents had a monthly family income between 20,000 to 30,000. 62 respondents have a family income between 30,001-50,000 , 20 respondents have a family income below 20,000, and 11 respondents have family income above 50,000.

CHI-SQUARE TEST

CHI-SQUARE TEST FOR GENDER AND KNOWLEDGE ON FINANCIAL LITERACY

Null Hypothesis(H0):- There is no significant association between gender and knowledge on financial literacy.

Alternative Hypothesis(H1):- There is a significant association between gender and knowledge on financial literacy.

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	1.644 ^a	2	.440
Likelihood Ratio	1.744	2	.418
Linear-by-Linear Association	1.485	1	.223
N of Valid Cases	184		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 6.34.

Interpretation :- The chi-square value p value is 0.44. Since the p value is grater than 0.05 that is ($p > 0.05$) therefore H1 is rejected and H0 is accepted. Hence There is no significant association between gender and knowledge on financial literacy.

CHI-SQUARE TEST FOR AGE AND KNOWLEDGE ON FINANCIAL LITERACY

Null Hypothesis(H0):- There is no significant association between age and knowledge on financial literacy.

Alternative Hypothesis(H1):- There is a significant association between age and knowledge on financial literacy.

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	6.252 ^a	4	.181
Likelihood Ratio	5.989	4	.200
Linear-by-Linear Association	1.036	1	.309
N of Valid Cases	184		

a. 4 cells (44.4%) have expected count less than 5. The minimum expected count is 3.35.

Interpretation :- The chi-square value p value is 0.181. Since the p value is grater than 0.05 that is ($p > 0.05$) therefore H1 is rejected and H0 is accepted. Hence There is no significant association between age and knowledge on financial literacy.

CHI-SQUARE TEST FOR EDUCATION QUALIFICATION AND KNOWLEDGE ON FINANCIAL LITERACY.

Null Hypothesis(H0):- There is no significant association between education qualification and knowledge on financial literacy.

Alternative Hypothesis(H1):- There is a significant association between education qualification and knowledge on financial literacy.

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	25.110 ^a	4	.000
Likelihood Ratio	30.693	4	.000
Linear-by-Linear Association	.000	1	.983
N of Valid Cases	184		

a. 2 cells (22.2%) have expected count less than 5. The minimum expected count is 4.42.

Interpretation :- The chi-square value p value is 0.00 Since the p value is less than 0.05 that is ($p < 0.05$) therefore H_0 is rejected and H_1 is accepted. Hence There is a significant association between education qualification and knowledge on financial literacy.

FINDINGS

- It was found that out of 184 respondents, 71.2% are male and 28.8% are female.
- Out of 184 respondents, 34 respondents are between the age group of 17-20, 122 respondents are between the age group of 20-22, and 28 respondents are above the age of 22.
- It was found that out of 184 respondents, 90 respondents consist of 2 to 4 members in their family, and 84 respondents consist of 5 to 7 family members, Only 10 respondents have more than 7 members in their family.
- It was found that 50% of respondents are from MBA background, 29.9% of them are from engineering, and the rest of the students are from MCA, which is 20.1%.
- It was found that out of 184 respondents, 91 respondents had a monthly family income between 20,000 to 30,000. 62 respondents have a family income between 30,001-50,000, 20 respondents have a family income below 20,000, and 11 respondents have family income above 50,000.
- It was found that out of 184 respondents, 139 respondents have knowledge on financial literacy. 22 of respondents are highly knowledgeable when it comes to financial literacy, and 23 respondents have no idea about financial literacy.
- It was found that gender does not significantly associated with financial literacy knowledge.
- It was found that Age does not significantly associate with financial literacy knowledge.
- It was found that Education qualification significantly associated with financial literacy knowledge.

SUGGESTIONS

- The government should start giving practical education on financial literacy and made it as a subject in the schools and colleges.
- The government should design and launch a website that gives free financial education to youngsters.
- Students should take financial courses if it is provided by there college.
- Students should read books and refer to financial websites to get good financial knowledge.
- Parents should teach financial literacy (investing, budgeting, and managing money) to their children while they are growing up.
- Students are advised to prepare their monthly budget and should try to stick to it.

- Students should save money so as to invest it, by taking financial courses and referring various financial websites.
- Students should choose a good source of information regarding financial services and products.

CONCLUSION

According to the report, there is still space for development in terms of financial literacy among professional students in the Madanapalli revenue division. For instance, many students took part in bank savings but not investing, and most had no idea of the many options for investing that were open to them. Additionally, although the majority of respondents expressed interest in taking a financial course, very few actually went through it. The Chi square result showed that there is no significant association between gender, family monthly income, age on knowledge on financial literacy, education qualification is significantly associated with knowledge on financial literacy. The final conclusion of the study is that financial literacy is important for everyone, regardless of their age, gender, income and education qualification.

References

- 1) Ambuli, T. V. (n.d.). A STUDY ON FINANCIAL LITERACY AMONG YOUNGSTERS IN CHENNAI CITY. *Journal of Contemporary Issues in Business and Government*, 28(04), 2022. <https://doi.org/10.47750/cibg.2022.28.04.096>
- 2) Davinder Kaur, M., Priyanka, V., Scholar, R., Vidyapith, B., Rajasthan, I., & Assistant, P. (n.d.). An Empirical Study of Financial Literacy among School Students In (National Capital Territory) of Delhi. *Journal of Pharmaceutical Negative Results*, 14. <https://doi.org/10.47750/pnr.2023.14.S01.99>
- 3) Goswami, M. M., & Dhawan, K. (2017). A STUDY ON FINANCIAL LITERACY AMONG COLLEGE STUDENTS IN DELHI / NCR. http://www.internationalseminar.org/XVIII_AIC/INDEX.HTM
- 4) Jayaraman, J. D., & Jambunathan, S. (2018). Financial literacy among high school students: Evidence from India. *Citizenship, Social and Economics Education*, 17(3), 168–187. <https://doi.org/10.1177/2047173418809712>
- 5) Kaur, M., Vohra, T., & Arora, A. (2015). Financial Literacy among University Students: A Study of Guru Nanak Dev University, Amritsar, Punjab. *Asia-Pacific Journal of Management Research and Innovation*, 11(2), 143–152. <https://doi.org/10.1177/2319510x15576178>
- 6) Lantara, I. W. N., & Kartini, N. K. R. (2016). FINANCIAL LITERACY AMONG UNIVERSITY STUDENTS: EMPIRICAL EVIDENCE FROM INDONESIA. *Journal of Indonesian Economy and Business*, 29(3). <https://doi.org/10.22146/jieb.10314>
- 7) Murmu, B., & Singh, B. (n.d.). EPRA International Journal of Economics, Business and Management Studies (EBMS) A STUDY OF FINANCIAL LITERACY AMONG THE PEOPLE OF NORTH EAST INDIA WITH SPECIAL REFERENCE TO MIZORAM. *Journal*. <https://doi.org/10.36713/epra1013|SJIF>
- 8) Sarat, V. G., & Rawal, K. (n.d.). A Study on Financial Literacy among Students in Bangalore. In *Conference Proceeding Published in International Journal of Trend in Research and Development*. IJTRD. www.ijtrd.com