

FACTORS INFLUENCING PERSONAL FINANCE LITERACY AMONG GRADUATING STUDENTS IN INDIA

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1. INTRODUCTION

Financial literacy refers to an individual's capability to learn and efficiently use financial skills like budgeting, investment, and management of personal finance. If there is lack of these skills, then it is known as financial illiteracy. Financial literacy helps in making informed and effective decisions about financial resources.

Now, coming to personal finance, it is a term that includes managing an individual's money, investing as well as saving. It covers banking, budgeting, mortgages, insurance, investments, retirement planning, estate and tax planning. All of these depend on an individual's living requirements, income, expenses, and their desires, and goals. Therefore, it is necessary to come up with a plan to fulfill the needs and goals within the financial constraints.

Today, most of the graduating students use digital financial services and bank accounts. But most of them lack basic knowledge of financial principles like as credit score, interest rate, budgeting, credit default, compound interest, etc. The level of skills to manage money and financial literacy among graduating students, is quite low, mostly in developing countries like India. Students here are usually vulnerable to monetary decision making. So, financial literacy is very much important for graduating students today. Adequate guidance on financial literacy would build financial trust among them and motivate them to cope with uncertainties and income shocks. Low financial literacy limits the student's ability to undertake informed and correct financial choices. Also, the financial skills and habits gained at the college will continue to affect students throughout their lives in handling their finances.

Many factors influence personal financial literacy, both external factors (environment) and internal factors (personal characteristics), can be divided into personal demographic characteristics (Chen & Volpe, 1998; Beal & Delpachitra 2003; Worthington 2006; Cude, et al. 2006;), financial experience (Peng, et al. 2007; Mandell 2001), economic and social characteristics (Worthington, 2006), financial education (Peng, et al.

2007; Mandel 2001), family characteristics (Lusardi, et al. 2010; Mandel 2001), economic situations (Worthington 2006), geographic location (Mandel 2001) and aspirations (Mandel 2001).

The objective of this study is to analyze some of the factors that affect financial literacy and to find out which of the factors are the most important factors that influence personal financial literacy among graduating students in India. The paper bridges the research gap of prior studies, and lists various factors that affect the personal financial literacy among graduating students in India.

2. LITERATURE REVIEW

Several studies have shown that age has a substantial effect on the level of financial literacy. For example, in the United Kingdom population research, Atkinson et al (2007) found that 26-year-olds and older have higher financial literacy compared to younger population. Similar findings were obtained from the study of university students in Estonia (Mändmaa, 2019a). Chen and Volpe (1998) surveyed U.S. college students and observed that respondents under 30 years of age are likely to be less experienced than those under the age of 40 or older. Various studies (Chen and Volpe, 1998; Mändmaa, 2019a, b; Pires and Quelhas, 2015) looked at students' financial awareness and showed that students belonging to economic academic background or individuals involved in business science programs appeared to have a higher level of financial literacy.

Mohamad Fazli Sabri et. al, (2010) analyzed socio-cultural elements with regard to financial literacy for Malaysian students. The techniques for examination were t-tests, ANOVA, and relapse. Results have shown that age has a big influence on planning, managing capital, selecting goods, and keeping updated. Whereas ethnicities have been found to have little impact on financial capabilities except for forwardplanning.

Wealthy people are more financially literate than poor people, and those with higher education are also more financially literate. (Lusardi, 2017). Financial education should be a lifelong, continuous, and continuous operation, taking into account the growing complexities of markets, the varying needs at various stages of life, and increasingly complex knowledge (OECD, 2006) as well. Results of OECD International Financial Education Network pilot study conducted in 14 countries show that there is a lack of compound interest and diversification among a significant proportion of the population in each region (OECD 2012).

Knowing how to solve a problem and to research is crucial in making the right personal financial choices (Mandell, 2008, pp. 29). According to the findings, students who study engineering and science had the highest financial knowledge ratings, and those that studied business or economics came next (Mandell, 2008). Research among Portuguese students has shown that the presence of previous experience, as credit clients or

the existence of saving patterns, improves financial literacy of individuals. (Pires and Quellehas, 2015) Financial literacy can have important consequences for financial conduct.

Furtuna Florentina (2008) conducted research on the financial literacy of Lynchburg, Virginia college students, as well as the factors that influence their competency in the subject. The study discovered that non-business or economics students have low financial literacy, that the gender of students who previously took personal finance classes had no significant impact on financial knowledge, and that work experience has a very low statistical significance in influencing financial literacy..

Kharchenko et. al, (2011) inspected the ramifications of financial education and its determinants namely gender, occupation, level of education, region, and wealth for saving behavior in Ukraine. They proposed that literacy doesn't directly affect savings while managing wealth. Although literacy and wealth are connected, they contended that financial literacy may indirectly affect savings by impacting wealth.

Several studies around the world have shown that females likely to have lower levels of personal financial literacy compared to males among adults (Lusardi & Mitchell, 2006; Fonseca, et al., 2010; Monticone, 2010), students (Chen and Volpe, 1998; Chen and Volpe, 2010).

The research in various districts in India showed that males were more conscious of different financial instruments than females (Pratima 2014). It can be inferred from an Indian study by Puneet Bhushan & Yajulu Medury (2013) that there exists gap in financial literacy between male and female respondents.

Lereko Rasoaisi et al. (2015) investigated the financial literacy of students at Lesotho's National University. They employed descriptive statistics to conduct analysis in the form of frequency charts and tables to show that male pupils were more financially capable than female counterparts.

Victoria Vyvyan et al. (2014) looked at the basic factors of financial capability and how they affect financial literacy. They used a subjective exploration method and found assurance, confidence, and selfconviction to be the most important predictors of financial education. According to the findings, a shortterm emphasis is a good financial viability inhibitor.

Islamoglu M et. al, (2015) explored different components that influence speculation conduct among brokers. The variables considered were pay level, behavioral characteristics, payment choices, banking, and investor attitude. Their investigation noticed a high relationship between cognizant financial specialist conduct, banking, and installment conduct.

Sanjib Das, (2016) noticed the demographic factors that decide literacy. The way to deal with measurable financial education was characterized into a targeted approach through polls and selfappraisal mode.

Specialist focused on the requirement for an organized training program to encourage improvement of literacy since it is a vital skill.

Individuals learn financial information through organised educational networks, as well as encounters with socialisation agents such as friends, relatives, and the media, according to previous study (Hilgert et al., 2003). Financial contacts, in addition to socialisation agents, have been identified as important because financial knowledge may be gained considerably more efficiently when individuals adopt sensible financial behaviours.

Other factors, such as cognitive biases, peer pressure, self-control challenges, familial, community, economic, and institutional concerns, have all played a part in determining an individual's projected lifetime gains, according to Huston (2010).

Binoy Thomas and P. Subhashree (2020) found that financial literacy is of critical importance among today's engineering students. Their study showed that financial conduct, financial awareness, peer-group influence and family influence had an effect on financial literacy of engineering graduate students.

Previous research indicates that individuals, regardless of their nature, are more likely financially savvy (Kotlikoff & Bernheim, 2001; Johnson & Sherraden, 2007; National Endowment of Financial Education (NEFE), 2004) when they have bank account or earn an allowance. Money attitudes (i.e., the understanding of money as a reward for efforts or as a retention object) may also play an important role in improving the desire to obtain rewards.

Sang-Hee Sohn, So-Hyun Joo, John E. Grable, Seonglim Lee, and Minjeung Kim (2012) conducted a study and found that adolescents having mid-level monthly allowances have more financial knowledge than those who have a high-level monthly allowance, adolescents having a positive financial attitude have high levels of financial knowledge, and having a bank account was directly related with Financial Literacy.

The findings of Asli Elif Aydin and Elif Akben Selcuk (2018) demonstrate that pupils with better financial literacy ratings have more favorable financial attitudes and conduct. Furthermore, the emotional components of the money ethic building and financial behavior have a significant and indirect link.

Previous research has found that people with poor financial knowledge are more likely to have debt problems (Lusardi and Tufano, 2009), are less likely to invest in the stock market (Van Rooij et al, 2007), are less likely to accumulate and manage wealth effectively (Hilgert et al, 2003; Stango and Zinman, 2007), and are less likely to plan for retirement (Lusardi and Mitchell 2006, 2009).

In a research done in Kenya by Abdullah Ibrahim Ali and Trizah Thara Mbarire (2014), it was shown that individuals are unaware of their financial problems. The findings show that the degree of financial literacy

varies significantly between respondents based on various demographic and socioeconomic factors such as gender, age, education, other wealth factors, sources of knowledge, and financial advice, whereas it is unaffected by occupation type, type of occupation, or type of investment decision.

3. STATEMENT OF THE PROBLEM

The purpose of this research is to find out what factors impact financial literacy among India's graduating students. Despite receiving a basic education, the learning class lacks basic financial information, including credit scores, interest rates, budgeting, loan default, compound interest, and other basic financial concepts. Many factors can aid in the instillation of knowledge. Background variables, financial attitudes, normative effects, behavioural factors, and interest in financial knowledge were all mentioned in the literature. The goal of the study is to see how financial literacy is connected to each of the characteristics listed above, and which of those aspects has the most impact.

4. RESEARCH GAP

Numerous researchs on background characteristics, socioeconomic determinants, behavioural factors, financial attitudes, and normative influences on financial literacy have been done separately, according to the literature review. These factors affecting financial literacy may now be studied together to discover which ones have a significant impact. Another factor that may be examined to determine whether it has an influence on personal finance literacy is interest in financial knowledge. Research on financial literacy of college students has been undertaken in different nations across the world, but in India, it has only been done in a few particular states or areas, with many of them just involving college students from one branch of education, such as engineering or management.

With rising instability and unemployment, people are relying more on their savings, making financial literacy even more crucial. With so many students in their final year about to join the job market at this very unpredictable moment, now could be a good time to look into their financial literacy. As a result, the goal of this study is to determine the most important characteristics that impact financial literacy among graduating students in India.

5. RESEARCH OBJECTIVES

To discover the many elements that impact personal financial literacy among India's graduating students.

6. RESEARCH QUESTION

Is there any significant influence of background factors, financial attitudes, normative influences, behavioral factors, and interest in financial knowledge on personal financial literacy among graduating students in India?

7. HYPOTHESIS FORMULATION

H1: There is a significant relationship between Background Factors and Personal Finance Literacy.

H2: There is a significant relationship between Financial Attitudes and Personal Finance Literacy.

H3: There is a significant relationship between Normative Influences and Personal Finance Literacy.

H4: There is a significant relationship between Behavioral Factors and Personal Finance Literacy.

H5: There is a significant relationship between Interest in Financial Knowledge and Personal Finance Literacy.

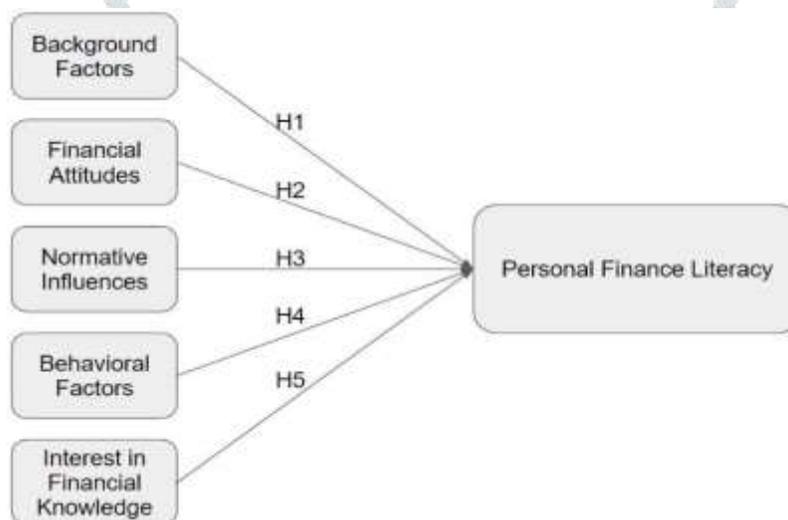


Fig. 1: Proposed model of factors influencing the level of personal finance literacy.

8. RESEARCH METHODOLOGY

The research focuses on graduating students in India, to find insights into the factors influencing financial literacy. Primary research is being done using a questionnaire to obtain answers via google forms from students across India. The questionnaire for this study is adapted from previous questionnaires with the required reliability check. The questionnaire used in this research included background factors, financial attitudes, normative influences, behavioral factors, and Interest in financial knowledge in the form of 15 sub-factors for measuring financial literacy. The reactions were primarily recorded using the Likert scale. The study is analytical in nature and will use a snowball sampling technique. The snowball sampling method is

commonly used where the population is unknown and unusual and it is difficult to pick subjects to assemble as samples for study. The Snowball sampling technique is based entirely on referrals, and that is how a researcher is able to produce a sample. This method is often also referred as the chain-referral sampling technique. The sample of the study included graduating students from different stream and level of education, different regions across India etc.

Reliability analysis, descriptive statistics, and multiple regression analysis have been used. For the study, SPSS Version 25 is used.

This paper uses five variables which are measured using fifteen sub-variables. Brief explanation of these variables are as follows:

8.1. BACKGROUND FACTORS

This research considers 8 background factors- Age, Gender, Education level, Annual family income, Place of residence, Religion, Work Experience, and whether the individual has a Bank Account. These 8 factors are being measured to find the potential of background factors to either negatively or positively affect the financial literacy of graduating students in India.

8.1.1. Gender

This component refers to the classification of the respondent as male, female or other.

8.1.2. Age

This attribute refers to the average amount of time that the respondent has been alive since he or she was born. It was reported in three categories: 18-21 years, 22-25 years, and 26 years and above.

8.1.3. Education Level

The highest level of education of the respondents is measured using this variable. The educational level was included in the questionnaire in three categories: Bachelor's degree, Postgraduate degree (Masters), and Advanced Graduate degree (Doctoral degrees).

8.1.4. Stream of Education

The stream of education of the respondents is measured using this variable. The educational stream was presented on the questionnaire in nine categories: Science, Business, Engineering, Humanities, Medicine, Law, Agriculture & Life Sciences, Education, and Liberal Arts.

8.1.5. Place of Residence

The place of residence of the respondents is measured using this variable. The place of residence was presented on the questionnaire in four categories: east, west, north, and south India.

8.1.6. Annual Family Income

The annual family income of the respondents is measured using this variable. The annual family income was presented on the questionnaire in 3 categories: less than 5 lakhs, 5-10 lakhs, 10 lakhs and above

8.1.7. Work Experience

The variable measures the work experience of the respondents. The work experience was presented on the questionnaire in 3 categories: 0-2 years, 2-4 years, 4 years and above.

8.1.8 Having Bank Account

This component refers to the classification of the respondent on whether they have a bank account or not.

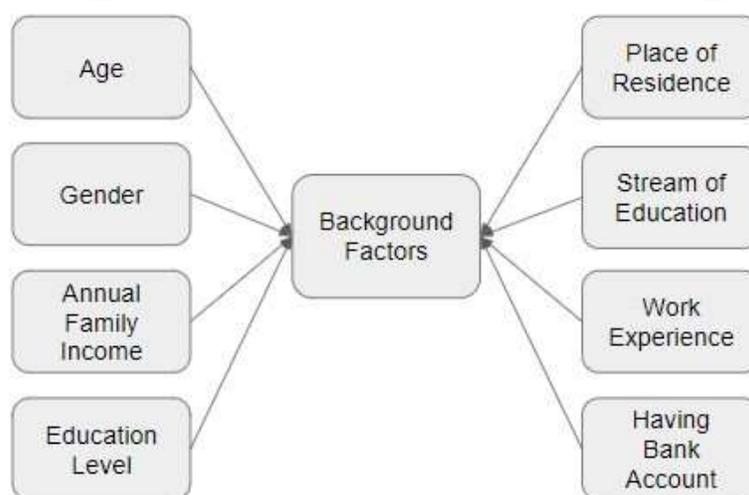


Fig. 2: Proposed model of variables influencing background factors.

8.2. FINANCIAL ATTITUDES

This research considers 3 variables for measuring financial attitude- Risk Appetite, Interest in Investment in Financial Instruments, Investment horizon. These 3 sub-factors are being measured to find the potential of financial attitude to either negatively or positively affects the financial literacy of graduating students in India.

8.2.1. Interest in Investment in Financial Instruments

This component refers to the classification of the respondents on whether they have the interest to invest in financial instruments. The categories vary from: 1. Very uninterested to 5. Very interested.

8.2.2 Risk Appetite

Risk appetite measures the degree of uncertainty in investment returns that the students can withstand in their financial planning. The variable provides an understanding of the capacity and willingness to stomach big swings in the value of one's investment; if one takes too much risk, they could panic and sell at the wrong time. This variable is measured in terms of amount of money. The categories of investment are: less than 3000, 3000-6000, 6000-9000 and more than 9000.

8.2.3 Investment Horizon

Investment Horizon is the period of time a student would wish to hold their portfolio before selling their securities. This is measured by understanding how much time the students would like to remain invested in mutual fund, bonds, stocks. Categories for time of investment are: less than 1 year, 1-5 years, 5-10 years, more than 10 years.

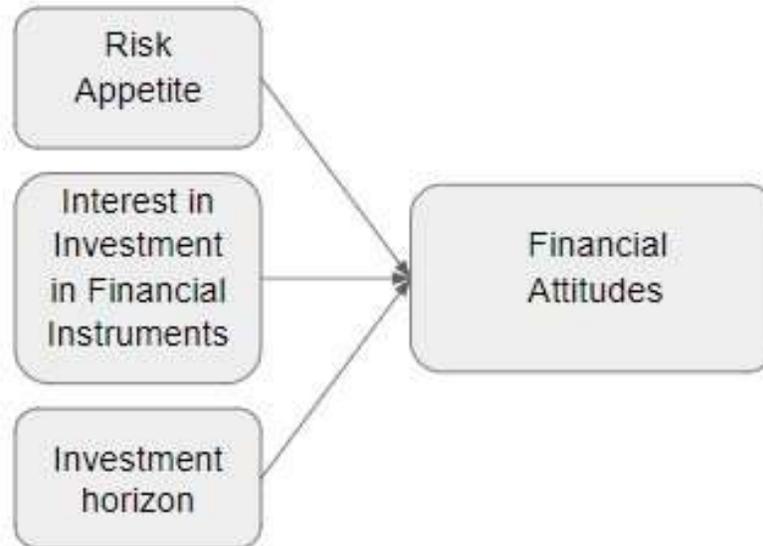


Fig. 3: Proposed model of variables influencing the financial attitudes.

8.3. NORMATIVE INFLUENCES

This research considers 3 normative influences- Knowledge of personal finance from family members, from peers/friends, and the influence of mentors. These 3 factors are being measured to find the potential of normative influences to either negatively or positively affect the financial literacy of graduating students in India. For statistical analysis very low is coded as 1 and very high is coded as 5.

8.3.1. Influence of Family Members

An individual's family and upbringing can impact the financial literacy of an individual, i.e., if parents are financially knowledgeable, have a higher level of education, they prefer to teach their children the importance of financial management, thereby impacting financial literacy.

8.3.2. Influence of Peer Groups

An individual's peer group can impact the financial knowledge of an individual, i.e., if the peer groups are financially literate, talks about finance-related topics, they prefer to teach their friends about the importance of financial management, thereby impacting financial literacy

8.3.3. Influence of Mentors

Having the guidance and motivation of a mentor helps to establish financial knowledge among individuals. Financial counselors and volunteers play an important role in inspiring people and encouraging them to identify opportunities so that they can become more financially successful.

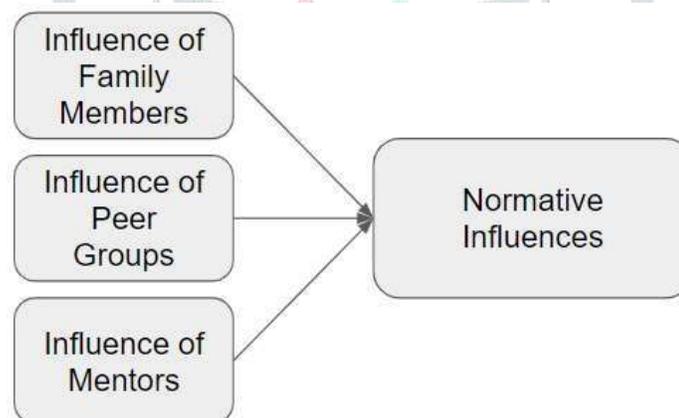


Fig. 4: Proposed model of variables affecting the normative influences.

8.4. Behavioral Factors

Behavioral factors include self-esteem and self-confidence. These factors also impact the financial literacy of individuals. Self-esteem is an individual's subjective evaluation of self-worth. Self-confidence is an individual's attitude towards strengths and abilities, as well as having a sense of control in life.

8.5. Interest in Financial Knowledge

This variable has been used to understand if graduating students have the interest to learn new financial skills, take up courses related to finance, read about financial news, and show interest in the stock market or mutual fund investments. This variable will also study the existing financial knowledge among the graduating students for verifying their interests in finance by including finance related questions in the questionnaire.

9. DATA ANALYSIS TECHNIQUES USED

- Chi-Square
- Correlation
- T-Tests
- ANOVA

10. INTERPRETATIONS

10.1. Reliability Test

10.1.1. Reliability Test of Behavioral Factors

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.848	.849	2

After conducting the reliability test of our Likert variables under behavioral factors, we find that Cronbach's alpha in our case is 0.848. This indicates that our scale has a high degree of internal accuracy with this particular study.

10.1.2. Reliability Test of Financial Attitudes

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.831	.835	5

After conducting the reliability test of our Likert variables under financial attitudes, we find that Cronbach's alpha in our case is 0.831. This indicates that our scale has a high degree of internal accuracy with this particular study

10.1.3. Reliability Test of Normative Influences

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.738	.729	9

After conducting the reliability test of our likert variables under normative influences, we find that Cronbach's alpha in our case is 0.738. This indicates that our scale has a high degree of internal accuracy with this particular study.

10.2. Influence of Gender on Personal finance literacy

10.2.1 Influence of gender on having a bank account

Chi-Square Tests							
	Value	df	Asymptotic Significance (2-sided)	Exact sided)	Sig. (2-	Exact sided)	Sig. (1-
Pearson Chi-Square	.077 ^a	1	.781				
Continuity Corrections	.000	1	1.000				

Likelihood Ratio	.079	1	.779		
Fisher's Exact Test				1.000	.633
N of Valid Cases	124				
a. 2 cells (50.0%) have an expected count less than 5. The minimum expected count is 1.23 b. Computed only for a 2x2 table					

The above chi-square test shows no significant influence of gender on having a bank account or not since the p-value is 0.781 and is greater than the alpha of 0.05. It is found that around 98.04% of females, 97.26% of males, and a total of 97.58% of respondents have a bank account.

10.2.2. Influence of gender on the ability to manage own finances

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	1.660	4	.798
Likelihood Ratio	1.667	4	.797
N of Valid Cases	124		
a. 1 cell (10.0%) has an expected count less than 5. The minimum expected count is 4.11.			

The above chi-square test shows there is no significant influence of gender on the ability to manage their finances since the p-value is 0.798 and it is greater than the alpha of 0.05. It is found that around 7.84% of females, 8.22% of males, and a total of 8.06% of respondents are very sure about managing their finances. While 30.65% of respondents are somewhat sure and 13.71% of respondents are not sure at all about managing their finances. This shows that most of the respondents are moderately sure about their ability to manage their finances.

10.2.3. Influence of gender on interest in Investing in Financial Instruments

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	10.664 ^a	5	.058
Likelihood Ratio	11.654	5	.040
N of Valid Cases	124		

a. 5 cells (41.7%) have an expected count less than 5. The minimum expected count is .82.

The above chi-square test shows no significant influence of gender on interest in Investing in Financial instruments since the p-value is 0.058 and is greater than the alpha of 0.05. It is found that around 9.8% of females, 21.2% of males, and a total of 16.94% of respondents are very interested in Investing in Financial instruments. While 28.23% of respondents are not sure and 5.65% of respondents are very uninterested in Investing in Financial instruments. This shows that most respondents are either unsure or somewhat interested in Investing in Financial instruments.

10.2.4. Influence of gender on interest to increase financial knowledge:

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	8.756 ^a	4	.067
Likelihood Ratio	9.149	4	.057
N of Valid Cases	124		

a. 4 cells (40.0%) have an expected count less than 5. The minimum expected count is 2.47.

The above chi-square test shows no significant influence of gender interest to increase financial knowledge since the p-value is 0.067 and is greater than the alpha of 0.05. It is found that around 47.06% of females, 53.42% of males, and 50.81% of respondents are very interested in increasing their financial knowledge. While 4.84% of respondents are very uninterested in increasing their financial knowledge. This shows that most of the respondents are willing to increase their financial knowledge.

10.3. Influence of Age on Personal Finance Literacy

10.3.1. Influence of age on having a bank account

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	3.947 ^a	2	.139
Likelihood Ratio	3.305	2	.192
N of Valid Cases	124		
a. 3 cells (50.0%) have an expected count less than 5. The minimum expected count is .34.			

The above chi-square test shows no significant influence of age on having a bank account or not since the p-value is 0.139 and is greater than the alpha of 0.05. It is found that around 92.31% of respondents in the age group of 18-21 years, 98.81% of respondents in the age group of 22-25 years, and 100% of respondents above 26 years of age have a bank account. So, it is clear that almost all of the respondents from each of the categories of age have a bank account.

10.3.2. Influence of age on having financial knowledge

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	3.548 ^a	8	.895
Likelihood Ratio	4.547	8	.805
N of Valid Cases	124		
a. 9 cells (60.0%) have an expected count less than 5. The minimum expected count is .34.			

The above chi-square test shows no significant influence of age on knowing finance since the p-value is 0.895 and is greater than the alpha of 0.05. It is found that around 3.85% of respondents in the age group of 18-21 years, 2.38% of respondents in the age group of 22-25 years, and 0% of respondents

above 26 years of age have very high financial knowledge. 2.42% of the total respondents feel that they have very high financial knowledge while 54.03% feel they have adequate financial knowledge of which the majority fall in the age group 22-25 years.

10.3.3. Influence of age on interest in Investing in Financial Instruments

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	10.101 ^a	10	.432
Likelihood Ratio	10.623	10	.388
N of Valid Cases	124		

a. 11 cells (61.1%) have an expected count less than 5. The minimum expected count is 23.

The above chi-square test shows no significant influence of age on interest in Investing in Financial instruments since the p-value is 0.432 and is greater than the alpha of 0.05. It is found that around 15.38% of respondents in the age group of 18-21 years, 17.86% of respondents in the age group of 22-25 years, and 14.29% of respondents above 26 years of age are very interested in Investing in Financial Instrument. 16.94% of the total respondents are very interested in Investing in Financial instruments while 5.65% are very uninterested in Investing in Financial instruments. So, most of the respondents are somewhat interested in investing in financial instruments.

10.3.4. Influence of age on amount of investment in financial instruments

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	21.664 ^a	6	.001
Likelihood Ratio	20.998	6	.002

N of Valid Cases	124		
a. 4 cells (33.3%) have an expected count less than 5. The minimum expected count is 2.37.			

The above chi-square test shows there is a significant influence of age on the amount of investment to be made in Financial Instrument since the p-value is 0.001 and it is less than the alpha of 0.05. It is found that around 76.92% of respondents in the age group of 18-21 years are interested to invest an amount not more than Rs. 6000, 64.29% of respondents in the age group of 22-25 years would like to keep their investment between Rs 3000-9000, and 64.29% of respondents above 26 years of age are interested to invest more than Rs. 9000 in Financial Instruments. So, we find that with the increase in age the tendency to invest higher amounts of money in financial instruments increases.

10.4. Influence of Education Level on Personal Finance Literacy

10.4.1. Influence of Education Level on Level of Financial Knowledge

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	5.681 ^a	4	.224
Likelihood Ratio	6.768	4	.149
N of Valid Cases	124		
a. 4 cells (40.0%) have an expected count of less than 5. The minimum expected count is 1.28.			

The above chi-square test shows no significant influence of educational level on having financial knowledge since the p-value is 0.224 and is greater than the alpha of 0.05. It is found that 5.66% of Bachelors and 0% of Masters Students think that they have very high financial knowledge. On the other hand, 50.94% of Bachelors and 56.34% of Masters Students think that they have adequate financial knowledge. So, most of the respondents have a moderate level of financial knowledge.

10.4.2. Influence of Education Level on the ability to manage own finances

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	.110 ^a	4	.999
Likelihood Ratio	.110	4	.999
N of Valid Cases	124		

a. 1 cell (10.0%) has an expected count of less than 5. The minimum expected count is 4.27.

The above chi-square test shows no significant influence of educational level on having financial knowledge since the p-value is 0.999 and is greater than the alpha of 0.05. Here Bachelors and Masters students were found to follow an almost similar distribution with the majority of students being able to reasonably manage their finances. This result is in line with the previous test as both results fall in the middle ground.

10.4.3. Influence of Education Level on interest in Investing in Financial Instruments

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	10.408 ^a	4	.034
Likelihood Ratio	10.609	4	.031
N of Valid Cases	124		

a. 3 cells (30.0%) have an expected count of less than 5. The minimum expected count is 2.99.

The above chi-square test shows there is a significant influence of educational level on having financial knowledge since the p-value is 0.034 and it is less than the alpha of 0.05. It is found that the majority of Bachelor's students (37.74%) are not sure about investing in financial instruments whereas the majority of Masters students (52.11%) are somewhat interested in investing in financial instruments.

10.4.4. Influence of educational level on interest to increase financial knowledge

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	4.001 ^a	4	.406
Likelihood Ratio	4.487	4	.344
N of Valid Cases	124		

a. 4 cells (40.0%) have an expected count of less than 5. The minimum expected count is 2.56.

The above chi-square test shows there is no significant influence of educational level on interest to increase financial knowledge since the p-value is 0.406 and it is greater than the alpha of 0.05. It was found that the majority of both the Bachelors and Masters students are very interested in increasing their financial knowledge.

10.5. Influence of Stream of Education on Personal Finance Literacy

10.5.1. Influence of Stream of Education on Level on Financial Knowledge

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	35.116 ^a	20	.019
Likelihood Ratio	31.072	20	.054
N of Valid Cases	124		

a. 24 cells (80.0%) have an expected count of less than 5. The minimum expected count is .05.

The above chi-square test shows there is a significant influence of the stream of education on having financial knowledge since the p-value is 0.019 and it is less than the alpha of 0.05. It is found that 78.31% of Business students think that they have adequate to high financial knowledge. On the other hand, 47.83% of Engineering and 50% of Science Students think that they have adequate to high

financial knowledge. So, the majority of the business students are financially knowledgeable whereas Science and Engineering students have an almost similar but slightly lower level of finance knowledge compared to business students.

10.5.2. Influence of Stream of Education on interest in Investing in Financial Instruments

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	43.028 ^a	20	.002
Likelihood Ratio	45.293	20	.001
N of Valid Cases	124		
a. 24 cells (80.0%) have an expected count of less than 5. The minimum expected count is .11.			

The above chi-square test shows there is a significant influence of the stream of education on interest in investing in financial instruments since the p-value is 0.002 and it is less than the alpha of 0.05. It is found that 69.88% of Business students are interested in investing in financial knowledge. On the other hand, only 39.13% of Engineering and 30% of Science students are interested in investing in financial instruments. So, the majority of business students have a proclivity towards investing in financial instruments whereas Science and Engineering students have similar but significantly lower interest in investing in financial instruments.

10.5.3. Influence of Stream of Education on interest to increase financial knowledge

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	21.516 ^a	20	.367
Likelihood Ratio	18.651	20	.545
N of Valid Cases	124		
a. 23 cells (76.7%) have an expected count of ss than 5. The minimum expected count is .10.			

The above chi-square test shows no significant influence of the stream of education on interest to increase financial knowledge since the p-value is 0.367 and is greater than the alpha of 0.05. It is found that the majority of the respondents (78.23 %) covering all the streams of education are interested in increasing their financial knowledge.

10.5.4. Influence of Stream of Education on interest to take up a course on personal finance

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	13.372 ^a	10	.204
Likelihood Ratio	12.807	10	.235
N of Valid Cases	124		

a. 12 cells (66.7%) have an expected count of less than 5. The minimum expected count is .23.

The above chi-square test shows no significant influence of the stream of education on interest to take up a course on personal finance since the p-value is 0.204 and is greater than the alpha of 0.05. It is found that the majority of the respondents (62.9 %) covering all the streams of education are interested in taking up a course on personal finance. This result is in congruence with the previous result where we found that respondents are interested in increasing their financial knowledge.

10.6. Influence of Place of Residence on Level on Personal Finance Literacy

10.6.1. Influence of Place of Residence on Level on Financial Knowledge

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	18.637 ^a	12	.098
Likelihood Ratio	18.707	12	.096

N of Valid Cases	124		
a. 13 cells (65.0%) have an expected count of less than 5. The minimum expected count is .19.			

The above chi-square test shows no significant influence of place of residence on the level of financial knowledge since the p-value is 0.098 and is greater than the alpha of 0.05. It is found that 50% of the respondents across the four zones in India feel that they have adequate knowledge, 20.16% of respondents feel that they have some knowledge, and another 20.16% of respondents feel that they have high knowledge.

10.6.2. Influence of Place of Residence on Interest in Investing in Financial Instruments

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	22.034 ^a	12	.037
Likelihood Ratio	24.608	12	.017
N of Valid Cases	124		
a. 12 cells (60.0%) have an expected count of less than 5. The minimum expected count is .45.			

The above chi-square test shows there is a significant influence of place of residence on interest in investing in financial instruments since the p-value is 0.037 and is less than the alpha of 0.05. It was found that the majority of the respondents (73.77%) in the east zone are either not sure or somewhat interested in investing in financial instruments. The majority of respondents (57.14%) in the north zone are either somewhat interested or very interested in investing in financial instruments. In the south zone, 23.53% of respondents feel that they are not sure, 47.06% of respondents feel that they are somewhat interested and 20.59% of respondents are very interested in investing in financial instruments. Almost 87.5% of respondents from the west were somewhat interested in investing in financial instruments.

10.6.3. Influence of Place of Residence on amount of investment in financial instruments

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	29.531 ^a	9	.001
Likelihood Ratio	32.461	9	.000
N of Valid Cases	124		

a. 7 cells (43.8%) have an expected count of less than 5. The minimum expected count is 1.35.

The above chi-square test shows there is a significant influence of place of residence on interest in investing in financial instruments since the p-value is 0.001 and is less than the alpha of 0.05. It was found that the majority of the respondents (57.38%) in the east zone are likely to invest lesser amounts in financial instruments and 42.62% of respondents in the east zone are willing to invest more money. In the north zone, the majority of the respondents (61.9%) in the north zone are likely to invest lesser amounts in financial instruments and 38.1% of respondents in the north zone are willing to invest more money. In the south zone, 47.06% of respondents are willing to invest Rs. 3000-6000 while 41.18% of respondents are willing to invest more than Rs. 9000. Respondents from the west were somewhat interested to invest a moderate amount of money.

10.7. Influence of Family income on Level on Personal Finance Literacy

10.7.1. Influence of Family income on Level of Financial Knowledge

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	9.406 ^a	8	.309
Likelihood Ratio	9.890	8	.273
N of Valid Cases	124		

a. 6 cells (40.0%) have an expected count of less than 5. The minimum expected count is .94.

The above chi-square test shows no significant influence of family income on the level of financial knowledge since the p-value is 0.309 and is greater than the alpha of 0.05. It is found that the majority (50%) of the respondents from all levels of family income feel that they have adequate financial knowledge.

10.7.2. Influence of Family income on the amount of investment in financial instruments

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	13.128 ^a	6	.041
Likelihood Ratio	14.371	6	.026
N of Valid Cases	124		

a. 0 cells (0.0%) have an expected count of less than 5. The minimum expected count is 6.60.

The above chi-square test shows there is a significant influence of family income on the level of financial knowledge since the p-value is 0.041 and is less than the alpha of 0.05. It is found that the majority (58.14%) of the respondents having family income above Rs. 10 lakhs, 43.59% of the respondents having family income between Rs. 5-10 lakhs and 30.95% Of the respondents having a family income below Rs. 5 lakhs are willing to spend above Rs. 6000. So, we can conclude that as the family income increases, the tendency to invest higher amounts also increases.

10.7.3. Influence of Family income on the ability to manage own finances:

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	16.984 ^a	8	.030
Likelihood Ratio	17.603	8	.024
N of Valid Cases	124		

a. 3 cells (20.0%) have an expected count of less than 5. The minimum expected count is 3.15.

The above chi-square test shows there is a significant influence of family income on the ability to manage one's finances since the p-value is 0.030 and is less than the alpha of 0.05. It is found that 27.91% of the

respondents having family income above Rs. 10 lakhs, 10.26% of the respondents having family income between Rs. 5-10 lakhs and 2.38% Of the respondents having a family income below Rs. 5 lakhs are not sure at all about their money management ability. We also found that, as the family income of respondents decreases, their interest to have more money management skills increases. So, we can conclude that as the family income increases, the tendency to manage money decreases.

10.8. Influence of work experience and gender on level of financial knowledge

Tests of Between-Subjects Effects					
Dependent Variable: How would you rate your own financial knowledge? (1-Absolutely no Knowledge - 5. Very High Knowledge)					
Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	3.830	5	.766	.972	.438
Intercept	155.105	1	155.105	196.781	.000
Years of work experience	.915	2	.458	.581	.561
Gender	2.898	1	2.898	3.677	.058
Years of work experience * Gender	1.795	2	.898	1.139	.324
Error	93.009	118	.788		
Total	1142.000	124			
Corrected Total	96.839	123			
a. R Squared = .040 (Adjusted R Squared = -.001)					

The above two-way ANOVA was conducted to test the influence of years of work experience and gender on the level of financial knowledge. There is no statistically significant interaction between years of work

experience and gender on the level of financial knowledge since $p\text{-value} = 0.324$ which is greater than $\alpha=0.05$.

10.9. Influence of having a bank account on the ability to manage own finances

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	.913 ^a	4	.923
Likelihood Ratio	1.540	4	.820
N of Valid Cases	124		

a. 5 cells (50.0%) have an expected count of less than 5. The minimum expected count is .24.

The above chi-square test shows there is no significant influence of having a bank account on the ability to manage own finances since the $p\text{-value}$ is 0.923 and is more than the α of 0.05. The majority of people having a bank account (62.81%) have a reasonable amount of ability to manage throat personal finances.

10.10. Influence of Interest in Investment in Financial Instruments on Personal Finance Literacy

10.10.1. Influence of Interest in Investment in Financial Instruments on level of financial knowledge

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	37.712 ^a	16	.002
Likelihood Ratio	29.139	16	.023

N of Valid Cases	124		
a. 17 cells (68.0%) have an expected count of less than 5. The minimum expected count is .17.			

The above chi-square test shows there is a significant influence of having an interest in investment in financial instruments on the level of financial knowledge since the p-value is 0.002 which is less than the alpha of 0.05. The majority of people across varying levels of financial knowledge (41.13%) are somewhat interested and show a reasonable amount of endeavor in investing in financial instruments. Almost 20.16% of people having adequate knowledge of finance are somewhat interested in investing in financial instruments.

10.10.2. Influence of Interest in Investment in Financial Instruments and ability to manage own finances on level of financial knowledge

Tests of Between-Subjects Effects					
Dependent Variable: 21. How would you rate your own financial knowledge? (1-Absolutely no Knowledge - 5. Very High Knowledge)					
Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	29.367 ^a	20	1.468	2.242	.005
Intercept	558.831	1	558.831	853.092	.000
@12.HowinterestedareyouinInvestinginFinancialInstruments	9.219	4	2.305	3.518	.010
@9.Howsuredoyoufeelaboutyourabilitytomanageyourownfinances	9.827	4	2.457	3.750	.007
@12.HowinterestedareyouinInvestinginFinancialInstruments * @9.Howsuredoyoufeelaboutyourabilitytomanageyourownfinances	12.466	12	1.039	1.586	.107
Error	67.472	103	.655		
Total	1142.000	124			
Corrected Total	96.839	123			

a. R Squared = .303 (Adjusted R Squared = .168)

We can see from the table above that there was a statistically significant difference between the level of financial knowledge and interest in investing in financial instruments ($p = .010$) which is lesser than $\alpha=0.5$ and between the level of financial knowledge and interest in investing in financial instruments ($p=0.007$), but there were no statistically significant differences between interest in investing in financial instruments and one's ability to manage their own finance ($p= 0.107$).

10.11. Influence of Risk Appetite on the ability to manage own finances

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	22.595 ^a	12	.031
Likelihood Ratio	23.981	12	.020
N of Valid Cases	124		

a. 8 cells (40.0%) have an expected count of less than 5. The minimum expected count is 1.69.

The above Chi-square test denotes that there is a significant relationship between one's ability to manage their own finances and the amount of investment they are willing to risk as the ($p=.031$) is less than $\alpha=0.5$. Most respondents (15.32%) who are somewhat sure about their ability to manage their personal finance are willing to risk around Rs. 3000-6000 in financial securities.

10.12. Influence of time-horizon on amount of investment in financial instruments (risk appetite)

10.12.1. Influence of time-horizon on the amount of investment respondents might be willing to make for taking risk in mutual funds.

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	32.503 ^a	9	.000
Likelihood Ratio	31.993	9	.000
N of Valid Cases	124		

a. 7 cells (43.8%) have an expected count of less than 5. The minimum expected count is 1.35.

The above chi-square test shows there is a significant influence on the amount of investment respondents might be willing to make for taking a risk in financial instruments in relation to mutual funds since the p-value is 0.000 which is less than the alpha of 0.05 for different time horizons. Almost 57.03% of respondents want to invest in mutual funds for a time horizon of 1-5 years and 25% of respondents willing to invest between Rs.3000-6000 want an investment time horizon of 1-5 years in the case of mutual funds.

10.12.2. Influence of time-horizon on the amount of investment respondents might be willing to make for taking risk in bonds

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	25.270 ^a	9	.003
Likelihood Ratio	28.027	9	.001
N of Valid Cases	124		

a. 7 cells (43.8%) have an expected count of less than 5. The minimum expected count is .85.

The above chi-square test shows there is a significant influence on the amount of investment respondents might be willing to make for taking a risk in financial instruments in relation to bonds since the p-value is 0.003 which is less than the alpha of 0.05 for different time horizons. Almost 48.39% of respondents want to invest in bonds for a time horizon of 1-5 years and 19.35% of respondents willing to invest between Rs.3000-6000 want an investment time horizon of 1-5 years in the case of bonds.

10.12.3. Influence of time-horizons on the amount of investment respondents might be willing to make for taking risk in stocks.

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	33.679 ^a	9	.000
Likelihood Ratio	35.247	9	.000
N of Valid Cases	124		

a. 6 cells (37.5%) have an expected count of less than 5. The minimum expected count is 2.20.

The above chi-square test shows there is a significant influence on the amount of investment respondents might be willing to make for taking a risk in financial instruments in relation to stocks since the p-value is 0.000 which is less than the alpha of 0.05 for different time horizons. Almost 41.13% of respondents want to invest in stocks for a time horizon of 1-5 years and 15.32% of respondents willing to invest between Rs.3000-6000 want an investment time horizon of 1-5 years in the case of stocks.

10.13. Effect of Normative Influences on Personal Finance Literacy

10.13.1. Influence of Parents, Friends, Educational Institution and Mentor or Financial planner/counselor/consultant on financial knowledge of a respondent.

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
a. Parents	Between Groups	14.576	4	3.644	2.895	.025
	Within Groups	149.771	119	1.259		
	Total	164.347	123			
b. Friends	Between Groups	6.210	4	1.552	1.028	.396
	Within Groups	179.750	119	1.511		
	Total	185.960	123			
c. Educational Institution	Between Groups	13.528	4	3.382	2.122	.082
	Within Groups	189.658	119	1.594		
	Total	203.185	123			
d. Mentor or Financial planner/counselor/consultant	Between Groups	24.155	4	6.039	3.286	.014
	Within Groups	218.684	119	1.838		
	Total	242.839	123			

The above one-way ANOVA test shows that the significance value is 0.025 (i.e., $p = .025$) and 0.014 (i.e., $p = .021$) respectively for parents and mentors or financial planners/counselors/consultants, which is below 0.05. So, there is a statistically significant difference in the level of financial knowledge as a result of parents

and mentors or financial planners/counselors/consultants' influence on the respondents. Hence parents and mentors or financial planners/counselors/consultants significantly influence an individual's financial knowledge. Educational institutions influence the level of financial knowledge of respondents to some degree as the p-value of 0.085 is close to $\alpha=0.05$. However, the test found out that friends do not influence whatsoever.

10.13.2. Effect of Normative Influences on money management skills

a. Influence of parents on the money management skills of respondents

One-Sample Test						
	Test Value = 3					
					95% Confidence Interval of the Difference	
	t	df	Sig. (2-tailed)	Mean Difference	Lower	Upper
a. Parents	11.144	123	.000	.935	.77	1.10

The above one-sample t-test shows that there is a significant difference between the opinions of respondents about parental influence on their money management skills as $p=.000$ is less than $\alpha=0.05$.

b. Influence of friends on the money management skills of respondents

One-Sample Test						
	Test Value = 3					
					95% Confidence Interval of the Difference	
	t	df	Sig. (2-tailed)	Mean Difference	Lower	Upper
b. Friends	1.936	123	.055	.177	.00	.36

The above one-sample t-test shows that there is no significant difference between the opinions of respondents about the influence of friends on their money management skills as $p=.055$ is more than $\alpha=0.05$.

c. Influence of Educational Institution on the money management skills of respondents

One-Sample Test							
Test Value = 3							
	t	df	Sig. (2tailed)	Mean Difference	95% Confidence Interval of the Difference		
					Lower	Upper	
c. Educational Institution	2.562	123	.012	.282	.06	.50	

The above one-sample t-test shows that there is a significant difference between the opinions of respondents about the influence of educational institutions on their money management skills as $p=.012$ is less than $\alpha=0.05$.

d. Influence of mentor or financial planner/counselor/consultant on the money management skills of respondents

One-Sample Test							
Test Value = 3							
	t	df	Sig. (2tailed)	Mean Difference	95% Confidence Interval of the Difference		
					Lower	Upper	
d. Mentor or Financial planner/counselor/consultant	3.127	123	.002	.355	.13	.58	

The above one-sample t-test shows that there is a significant difference between the opinions of respondents about the influence of mentor or financial planner/counselor/consultant on their money management skills as $p=.002$ is less than $\alpha=0.05$.

e. Influence of newspapers / magazines (Financial) on the money management skills of respondents

One-Sample Test							
Test Value = 3							
	t	df	Sig. (2tailed)	Mean Difference	95% Confidence Interval of the Difference		
					Lower	Upper	

					Lower	Upper
e. Newspapers / Magazine (Financial)	.782	123	.435	.089	-.14	.31

The above one-sample t-test shows that there is no significant difference between the opinions of respondents about the influence of newspapers / magazines (Financial) on their money management skills as $p=.435$ is more than $\alpha=0.05$.

10.14. Influence of Behavioral Factors on Personal Finance Literacy

10.14.1. Opinions of people about maintaining adequate financial records

One-Sample Test						
	Test Value = 3					
	t	df	Sig. (2tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
a. Maintaining adequate financial records?	13.838	123	.000	1.226	1.05	1.40

The above test shows there is a significant difference in opinions of respondents in regards to maintaining adequate financial records as the significance(2-tailed) value ($p=0.000$) is less than $\alpha=0.05$.

10.14.2. Opinions of respondents about planning and implementing a regular savings/investment program

One-Sample Test						
	Test Value = 3					
	t	df	Sig. (2tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
b. Planning and implementing a regular savings/investment program?	11.379	123	.000	1.065	.88	1.25

The above test shows there is a significant difference in opinions of respondents in regards to planning and implementing a regular savings/investment program as the significance(2-tailed) value ($p=0.000$) is less than $\alpha=0.05$.

10.15. Influence of Interest in Increasing Financial Knowledge on opting to take a personal finance course

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	28.873 ^a	8	.000
Likelihood Ratio	28.843	8	.000
N of Valid Cases	124		

a. 8 cells (53.3%) have an expected count of less than 5. The minimum expected count is .68.

The above chi-square test shows there is a significant influence of interest in increasing Financial Knowledge on opting to take a personal finance course since the p-value is 0.000 which is less than the alpha of 0.05. Almost 40.32% of people highly interested in increasing their financial knowledge and 14.52% of people somewhat interested in increasing their financial knowledge want to opt for a personal finance course or elective if offered.

10.16.1. Correlation between respondents' preferences on return on investment and time horizon (as important factors) when choosing to invest in financial securities

Correlations			
		a. Return on Investment	e. Time Horizon
a. Return on Investment	Pearson Correlation	1	.464**
	Sig. (2-tailed)		.000

	N	124	124
e. Time Horizon	Pearson Correlation	.464**	1
	Sig. (2-tailed)	.000	
	N	124	124
**. Correlation is significant at the 0.01 level (2-tailed).			

The above test shows that the significance value ($p=0.000$) is less than the alpha value of 0.05. Thus, there is a significant relationship between return on investment and time horizon (as important factors) when choosing to invest in financial securities. The test found out that the Pearson Correlation value of 0.464 is quite significant and hence signifies a strong relationship between the two above factors when choosing to invest in financial securities.

10.16.2. Correlation between respondents' preferences on risk/financial security and time horizon (as important factors) when choosing to invest in financial securities

Correlations			
		c. Risk/Financial Security	e. Time Horizon
c. Risk/Financial Security	Pearson Correlation	1	.515**
	Sig. (2-tailed)		.000
	N	124	124
e. Time Horizon	Pearson Correlation	.515**	1
	Sig. (2-tailed)	.000	

	N	124	124
**. Correlation is significant at the 0.01 level (2-tailed).			

The above test shows that the significance value ($p=0.000$) is less than the alpha value of 0.05. Thus there is a significant relationship between risk/financial security and time horizon (as important factors) when choosing to invest in financial securities. The test found out that the Pearson Correlation value of 0.515 is quite significant and hence signifies a strong relationship between the two above factors when choosing to invest in financial securities.

11. FINDINGS

11.1. Background Factors

- 11.1.1. We found out that the gender of the respondents does not significantly influence any of the primary/fundamental factors that determine a person's personal financial literacy.
- 11.1.2. We found out that the age of the respondents does not significantly influence any of the primary/fundamental factors that determine a person's personal financial literacy except for the amount of investment in financial instruments.
- 11.1.3. We discovered that, with the exception of interest in investing in financial instruments, the respondents' educational level had no substantial impact on any of the primary/fundamental elements that determine a person's personal financial literacy.
- 11.1.4. We found out that the stream of education of the respondents significantly influences an individual's level of financial knowledge and their interest in investing in financial instruments and most of the respondents irrespective of their stream of education are interested in increasing their financial knowledge.
- 11.1.5. We discovered that the respondents' domicile did not have a substantial impact on their degree of financial awareness. The respondents' domicile, on the other hand, has an impact on their financial instrument investments.
- 11.1.6. We found out that the family income of the respondents does not significantly influence an individual's level of financial knowledge. However, the family income of the respondents does influence the amount of investment they are willing to risk and their ability to manage their own finances.
- 11.1.7. We found out that the work experience and gender of the respondents do not significantly influence an individual's level of financial knowledge.

Hence, we can conclude that in most scenarios, background factors do not have a significant relationship with an individual's personal financial literacy and so we accept the null hypothesis.

11.2. Financial Attitude

11.2.1. We found that the individual's interest in investment in financial instruments can be determined from their level of financial knowledge.

11.2.2. We found out that people are willing to take more risks while investing in financial instruments when they believe they can adequately manage their own finances.

11.2.3. We discovered that respondents' time horizon influences the amount of investment they are willing to make in financial instruments such as mutual funds, bonds, and equities.

Hence, we can conclude that in most scenarios, the financial attitude has a significant relationship with an individual's personal financial literacy and so we accept the alternate hypothesis.

11.3. Normative Influences

11.3.1. We discovered that the influence of parents, educational institutions, and mentors or financial planners/counselors/consultants on respondents' money management skills is significantly different, whereas the influence of friends and newspapers/magazines (Financial) on respondents' money management skills is not significantly different.

11.3.2. We discovered that an individual's degree of financial awareness is influenced by parents, mentors, or financial planners/counselors/consultants, but not by educational institutions or friends.

Hence, we can conclude that in most scenarios, normative influences have a significant relationship with an individual's personal financial literacy and so we accept the alternate hypothesis.

11.4. Behavioral Factors

We found out that the opinions of respondents in regards to their financial behavior regarding maintaining records and investment programs are significantly different. Hence we can conclude that behavioral factors have a significant relationship with an individual's personal financial literacy and so we accept the alternate hypothesis.

11.5. Interest in Increasing Financial Knowledge

We found out that most of the respondents who are willing to improvise on their financial knowledge are enthusiastic about opting for a personal finance course or elective if offered. Hence, we can conclude that the interest in increasing financial knowledge has a significant relationship with an individual's personal financial literacy and so we accept the alternate hypothesis.

11.6. We further found out that:

11.6.1. The return on investment and the time for which the investment is made are directly correlated factors for an individual's decision regarding investment in financial securities.

11.6.2. In terms of an individual's decision to invest in financial assets, the respondents' risk/financial security preferences and the time horizon for which the investment is made have a high positive association.

12. LIMITATIONS AND FUTURE SCOPE

12.1. The number of respondents for the questionnaire in our research was 124 and hence this research can be conducted with more people for more clarity and better validation in regards to personal financial literacy among graduates in India.

12.2. The proportion of respondents belonging to the age group 26 or above were just 9.8% of the total number of respondents surveyed. So, it would be better if further researches include people from all the aforementioned age categories evenly.

12.3. Our respondent pool did not include any doctoral students and hence further researches could also include this category to understand comprehensively about graduates across the spectrum.

12.4. The majority (62.2%) of our respondents belong to business or management background while there were very few respondents belonging to humanities, law, and liberal arts and no respondents belonging to medicine and agriculture, and life sciences background. Hence further researches can cover all of the fields of graduation evenly.

12.5. Our respondent pool included very less amount of people (4.9%) from the western zone of India and hence further researches could also include this category to understand comprehensively regarding personal financial literacy of graduates across the entire country.

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14. QUESTIONNAIRE

Background Factors

1. What is your gender? Please check one of the answers below:

Male Female

Others

2. What is your age?
 - o 18-21 o 22-25 o 26 years and above.

3. What is your academic standing? o Bachelors Student o Masters Student o Doctoral Student

4. What is your major field of study?
 - o Business o Humanities o Science o Engineering o Medicine o Law o Agriculture and Life Sciences



- o Education o Liberal

Arts

5. What is your zone of residence in India?

- o East o West o North o
- South

What is your city of origin? Please answer.

6. Which best describes your parents income last year?

- o Less than 5 lakhs o
- 5-10 lakhs o 10
- Lakhs and above

7. How many years of working experience do you have? (Include full or part-time experience, internships, co-ops, part-time jobs, etc.) o 0 - less than 2 years o 2 - 4 years o Above 4 years

8. Do you have a Bank Account?

- o Yes o No

What kind of financial accounts do you have? (Check all that apply) o

- Savings o Checking o Mutual Funds
- o IRA
- o Certificate of Deposit
- (CD) o Stocks o
- Bonds o
- Other

Behavioral Factors

9. How sure do you feel about your ability to manage your own finances? o Not sure at all - I wish I knew a lot more about money management o Not too sure - I wish I knew more about money management o Somewhat sure - I understand most of what I'll need to know o Very sure - I understand money management very well

10. Using the scale given below, please rate the importance of items to you (1. Not important, 2. Somewhat unimportant, 3. Not sure, 4. Somewhat important, 5. Very important)

- a. Maintaining adequate financial records?
- b. Planning and implementing a regular savings/investment program?

11. Rate the following items on a scale of 1-5 (1 = Very rarely and 5 = Very frequently)

- a. I feel in control of my financial situation.
- b. I feel capable of using my future income to achieve my financial goals.
- c. My finances are a significant source of worry or "hassle" for me.
- d. I feel credit cards are safe and risk-free.
- e. I am uncertain about where my money is spent.
- f. I feel capable of handling my financial future (e.g.: buying insurance or investments).

Financial Attitudes

12. How interested are you in Investing in Financial Instruments?

- o Very uninterested o Somewhat uninterested o Not sure o Somewhat interested o Very interested

13. Rate the factors you consider most important when choosing to invest in financial instruments? (Mark- 1. Not important, 2. Slightly important, 3. Moderately Important, 4. Important, 5. Very Important).

- a. Return on Investment
- b. Price
- c. Risk
- d. Professional Financial Advice
- e. Time Horizon

14. How long would you be interested to remain invested in a particular financial instrument?

- o Less than 1 year o 1-5 years o 5-10 years o More than 10 years

15. What amount of risk you might be willing to take for investing in financial instruments?

- o Less than Rs. 3,000 o Rs. 3,000 - Rs. 6000 o Rs. 6,000 - Rs. 9000 o More than Rs. 9,000

16. Rate the following influences on a scale of 1-5. (1 = Very low to 5 = Very high). How much did you learn about managing your money from the following people? a. Parents

- b. Friends
- c. Educational Institution
- d. Mentor/ Financial Planner/Counselor

Influences

17. Rate the following on a scale of 1-5 (1 = very rarely, 2 = rarely, 3 = sometimes, 4= frequently, 5 = very frequently). How often were you influenced by or did you discuss finances with the following:

- a. Parents
- b. Friends
- c. Educational Institution
- d. Mentor/ Financial Planner/Counselor

Which of the items did you learn about in your home while growing up? (Budgeting, Life Insurance, Investing, Taxes, Credits, Savings, etc).

18. Describe how finances are handled in your family? (check all that apply) o My parents usually argued about the finances o Within the family we openly discussed our finances o My parents explicitly taught me about finances (e.g., credit cards, debt, budgeting, savings) o

We didn't talk much about finances but I learned from their examples My parents included me in various financial decisions other:

19. Comparing yourself to your parents, would you say that you are:

- Much more likely to save Somewhat more likely to save About as likely to save/spend Somewhat more likely to spend Much more likely to spend

Interest in Financial Knowledge

20. How interested are you in increasing your financial knowledge?

- Very uninterested Somewhat uninterested Not sure Somewhat interested Very interested

21. How would you rate your own financial knowledge? (1-Absolutely no Knowledge - 5. Very High Knowledge)

22. Would you take a personal finance course as an elective if offered?

- Yes Not sure
- No

Which of the following classes have you had? (check all that apply) An entire course in money management or personal finance A portion of a course where at least a week was focused on money management or personal finance An entire course in economics A portion of a course where at least a week was focused on economics

23. Which topics would be of interest to you? (Check all that apply) Budgeting Investing Insurance (Health, Life) Loans/debt Credit cards / Debit cards Saving Interest rates Stock Markets Income Tax Economics

24. Are you willing to take up an online course on personal finance? (For self-learning)

Yes Not
sure No

25. Would you be interested in using personal finance management tools? (e.g.: for filing income tax returns)

Yes Not
sure No

Questionnaire Adapted from -

1. Florentina Furtuna (2007), College Students' Personal Financial Literacy: Economic Impact and Public Policy Implications, Undergraduate Economic Review, Vol-4, Issue-1.
2. College Students Financial Literacy Survey, Virginia Tech.