

**A STUDY ON FINANCIAL LITERACY AMONG  
COLLEGE STUDENTS**

*PROJECT REPORT SUBMITTED TO*  
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Submitted by

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**BHARATA MATA COLLEGE THRIKKAKARA**

**KERALA**

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# **BHARATA MATA COLLEGE, THRIKKAKARA**

**RESEARCH AND POSTGRADUATE DEPARTMENT OF  
COMMERCE**

(Affiliated to Mahatma Gandhi University, Kottayam)

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DATE: 31.03.2023

## **C E R T I F I C A T E**

This is to certify that this Dissertation entitled “A STUDY ON FINANCIAL LITERACY AMONG COLLEGE STUDENTS” has been prepared by CHACKOCHAN JOSE, ASHWIN R NATH and ROSEMARY R KULANGARA under my supervision and guidance in partial fulfillment of the requirements for the award of the Degree of Bachelor of Commerce of the Mahatma Gandhi University. It has not previously formed the basis for the award of any Degree, Fellowship, Associateship etc.

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# **DECLARATION**

We hereby declare that the project “A STUDY ON FINANCIAL LITERACY AMONG COLLEGE STUDENTS” is our original work and has not been submitted earlier to MG University or to any other Universities. We have undertaken this project work in partial fulfillment of the requirements of B.Com 2020-2023 in Bharata Mata College, Thrikkakara, Ernakulam affiliated to MG University, Kottayam.

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Above all, we are thankful to the GOD Almighty, for his race and timely & successful completion of our project.

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Date: 31/03/2023

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# **Chapter 1**

## **INTRODUCTION**

## 1.1 INTRODUCTION

Financial literacy is the capacity to comprehend and use different financial abilities, such as investing, budgeting, and personal financial management. Early financial literacy training is crucial for fostering young people's ability to make wise financial decisions and position themselves for eventual independence and security. Young people may better plan for the future, lower their risk of debt and financial stress, and be more ready for the financial opportunities and challenges that come their way by developing a solid foundation in financial literacy.

People who are financially literate have the information and assurance to make wise financial decisions. It enables people to manage their finances appropriately, borrow, save, and make long-term plans and investments. Financial education is more crucial than ever. Finances become ever more complex as technology advances and society changes. Therefore, it's crucial for college students to graduate with a strong understanding of finance. Prioritising financial knowledge can help college students overcome these difficulties and live comfortably in the future. It is crucial for young people to establish sound financial practises and to get ready for financial independence in the future. Financial literacy education is becoming increasingly important, and numerous institutions and governments are working to increase financial literacy.

Effective financial literacy instruction for young people should emphasise both basic knowledge of financial concepts like credit, interest rates, and taxes as well as practical skills like budgeting, saving, and investing. Youthful people might benefit from financial literacy instruction by avoiding financial dangers like excessive spending, high-interest loans, and bad investment choices. Additionally, it can provide long-term financial security and stability. Nevertheless, despite these initiatives, financial literacy is still a problem for many young people, especially those from underprivileged neighbourhoods. It takes a concerted effort from many parties, including schools, governments, financial institutions, and nonprofit organisations, to improve financial literacy among young people.

There can be several reasons for the financial illiteracy among college students, including:

***Lack of education:*** Students may not get the chance to learn about personal finance because many schools do not include financial education in their curricula.

***Peer influence:*** College students are frequently surrounded by friends who prioritise spending rather than conserving, which can be a source of pressure and result in bad financial judgement.

***Immediate gratification:*** College students may prioritise short-term ease and enjoyment above long-term financial preparation at this stage of their lives, which can result in poor financial decisions.

***Access to credit:*** Credit cards and other simple forms of credit access might encourage overspending and debt building.

It's important for individuals to be financially literate in order to make informed decisions about spending, saving, and investing their money.

## **1.2 RELEVANCE OF STUDY**

The study of financial literacy among college students is important because it gives them the knowledge and abilities they need to manage their money, save for the future, and invest wisely. This information can have a long-lasting effect on their financial security, especially as they

enter adulthood and take on more obligations. Students can take charge of their financial destinies and position themselves for success by learning about personal finance.

### **1.3 STATEMENT OF PROBLEM**

There is a serious problem with financial illiteracy among college students, and many of them graduate without having a firm grasp of personal finance. Financial goals may be difficult to achieve due to poor money management, excessive debt levels, and a lack of financial awareness. It is vital for college students to acquire the appropriate financial knowledge to make educated decisions because they frequently encounter numerous financial issues, including student loan debt, credit card debt, and the high cost of living. College students who lack financial literacy may find it difficult to set up and adhere to a budget, save money for the future, fund their education, or make wise choices on spending and debt. College students' long-term financial stability may be improved by raising their level of financial literacy.

### **1.4 OBJECTIVE OF STUDY**

In order to evaluate college students' knowledge of personal finance, budgeting, investing, and money management techniques, research on financial literacy among them is being done. The knowledge gained from this can be utilised to enhance the financial literacy instruction provided in colleges and universities and to better prepare students for the opportunities and difficulties presented by their future financial situations. The end goal is to give pupils the information and abilities needed to make wise financial decisions.

### **1.5 SCOPE OF STUDY**

College students' financial literacy studies often cover themes including managing debt, budgeting, saving, investing, and understanding financial products and services. The study's objectives are to evaluate college students' financial knowledge and awareness, pinpoint any gaps, and offer suggestions for development. The study may also look at elements like education, access to resources, and cultural background that affect financial literacy. The study's focus is often restricted to college students.

## **1.6 RESEARCH METHODOLOGY**

Both qualitative and quantitative study methods for examining financial literacy among college students are possible.

To evaluate the level of financial literacy among college students and pinpoint the variables that influence it, a quantitative approach is used, which entails conducting surveys and statistical analysis of data. The survey can be conducted in-person or online and can ask about financial decision-making abilities, investing knowledge, and personal financial management.

Focus groups, in-depth interviews, and case studies are conducted as part of a qualitative approach to better understand the attitudes and beliefs of college students regarding personal management. This strategy can shed light on the reasons why some students have better levels of financial literacy as well as the obstacles and difficulties that others have while trying to develop their financial literacy.

Combining these two methods can offer a thorough picture of college students' financial literacy levels and help build interventions and educational programmes to boost financial literacy.

## **1.7 TOOL OF ANALYSIS**

There are several tools that can be used to analyse financial literacy among college students, including:

***Surveys*** – A questionnaire can be used to gather information on students' financial knowledge, attitudes and behaviour.

***Tests*** – A financial literacy test can measure students' understanding of financial concepts and principles.

***Focus groups*** – This method involves gathering a small group of students to discuss their financial experiences and knowledge.

***Interviews*** – One-on-one interviews can provide a more in-depth understanding of individual students' financial literacy and decision-making processes.

***Financial behavior assessments*** – This tool evaluates students’ financial habits and behaviors to determine their level of financial literacy.

Each of these tools has its strengths and limitations, and the choice of tool will depend on the research question and the resources available.

## **1.8 LIMITATIONS OF STUDY**

- A lack of measuring and definition standards for financial literacy.
- Self-reported statistics might not be a reliable indicator of actual financial literacy levels.
- A small sample size and unrepresentative demographics.
- A lack of long-term statistics to monitor evolutions in financial literacy.
- A lack of funds and resources for financial literacy research and development.

## **1.9 CHAPTERISATION**

**CHAPTER 1** Introduction

**CHAPTER 2** Theoretical framework and review of literature

**CHAPTER 3** Data analysis and interpretation

**CHAPTER 4** Findings, suggestions and conclusions

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**Chapter 2**  
**THEORETICAL**  
**FRAMEWORK AND**  
**REVIEW OF**  
**LITERATURE**

## **A.THEORITICAL FRAMEWORK**

It is possible to approach the theoretical underpinnings of financial literacy among college students from a variety of angles, including economic theories, psychological theories, and sociological theories. The following are some of the theoretical frameworks that college students most frequently utilise to comprehend financial literacy:

**Economic theories:** Economic theories place a strong emphasis on the value of financial literacy and competence in successful money management. According to the rational choice theory, people base their decisions on their preferences as well as the information that is accessible, including financial data. Therefore, financial literacy can aid people in making wise financial decisions and achieving their financial objectives. On the other side, the neoclassical economic theory contends that people act rationally and in their own best interests, and that financial literacy is essential for people to make the right financial decisions for themselves.

**Psychological theories:** According to psychological theories, people's attitudes, beliefs, and values have an impact on their financial behaviour. For instance, the theory of planned behaviour contends that attitudes, subjective norms, and perceived behavioural control all have an impact on people's intentions to engage in financial behaviour. Individuals' attitudes towards money management can affect their financial behaviour, which in turn can affect their ability to make sound financial decisions.

### **Sociological theories:**

According to sociological theories, social and cultural factors have an impact on financial literacy. For instance, according to the social learning hypothesis, people learn how to behave financially by watching and imitating others. According to the cultural theory, cultural norms and values have an impact on people's financial behaviour. As a result, social and cultural factors like family history, peer groups, and cultural norms about money might have an impact on financial literacy.



In summary, Economic, psychological, and sociological theories can be used to interpret the theoretical underpinnings of financial literacy among college students. In order to create effective financial education programmes for college students, educators and policymakers need to understand these theoretical viewpoints.

## **B. LITERATURE REVIEW**

**The lack of financial literacy among college students is a significant problem since it has an impact on both their current and future ability to make sound financial decisions. The studies on financial literacy among college students is summarised in the literature review that follows.**

**1. “Financial Literacy among College Students: A Systematic Review and Meta-Analysis”** by Haseeb Ahmad and Arshad Ali (2021). The 60 articles on financial literacy among college students that were published between 2010 and 2020 were reviewed for this study. The researchers discovered that financial literacy was generally poor among college students and that interventions like financial education programmes improved financial literacy.

**2. “The Financial Literacy of College Students: A Comprehensive Review”** by William Elliott III, Melinda Lewis, and Jing Jian Xiao (2020). 50 research on financial literacy among college students published between 2005 and 2019 were considered in this review. College students' levels of financial literacy varied greatly, according to the authors, and financial literacy was predicted by demographic factors like gender, colour, and family wealth.

**3. “Financial Literacy and its Determinants among College Students: Evidence from Indonesia”** by Amaliya, Akhmad Affandi, and Nanik Setyowati (2020). This study surveyed 400 college students in Indonesia to determine their levels of financial literacy and the factors that affect it. The authors discovered that there were low levels of financial literacy and that variables including gender, major, and family income could predict financial literacy.

**4. “Financial Literacy among College Students: A Comparison of International and American Students”** by Jeong-Kyu Lee and Yunhee Choi (2019). Using information from a survey of 705 students, this study contrasted the financial literacy levels of college students from abroad versus Americans. The researchers discovered that American students and overseas students differed in their degrees of financial literacy and that social support and language ability were predictors of financial literacy.

**5. “Financial Literacy of College Students: A Comparative Study in India and Japan”** by Ishan Sachdeva and Kenichi Suzuki (2019). Using information from a survey of 322 students, this study compared the financial literacy skills of college students in India and Japan. The authors discovered that parental education, age, and gender were predictors of financial literacy and that financial literacy levels were low in both countries.

Financial literacy levels and factors that influence financial literacy may vary across countries and cultures.

**Chapter 3**  
**DATA ANALYSIS AND**  
**INTERPRETATION**

## **Data analysis and Interpretation**

Data analysis and interpretation is the process of assigning meaning to the collected information and determining the conclusions, significance and implications of the findings. The chapter is divided as

### **A. Demographic analysis**

### **B. Descriptive analysis**

## **A. DEMOGRAPHIC ANALYSIS**

Demographic analysis includes the things that allow us to measure the dimensions and dynamics of populations. Demographic analysis estimates are often considered a reliable standard for judging the accuracy of the sample information gathered at any time. The demographic factors used here are:

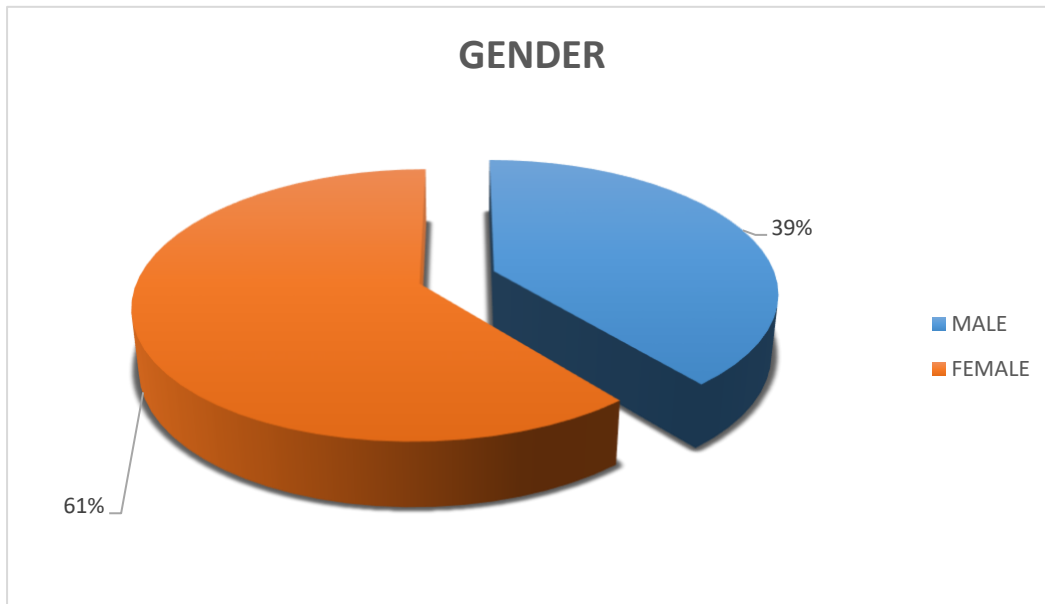
- **Gender Wise Distribution**
- **Age Wise Distribution**
- **Monthly Family Income**
- **Educational Stream**
- **Educational Qualification**
- **Spending Habit**
- **Income Maintenance Record**
- **Managing lack of money**
- **Managing excess of money**
- **Usage of excess Finance**

### 3.1 GENDER WISE DISTRIBUTION

The respondents are categorized based on their gender as male and female.

GENDER	NO. OF RESPONDENTS	PERCENTAGE
Male	39	39
Female	61	61
Total	<b>TABLE 3.1 GENDER WISE DISTRIBUTION</b>	

Source: Primary Data



**FIGURE 3.1 GENDER WISE DISTRIBUTION**

**INFERENCE:** Out of 100 respondents, 39 are male and 61 are female users. That is 39% of respondents are male and 61% of the respondents are female. Majority of the respondents are female.

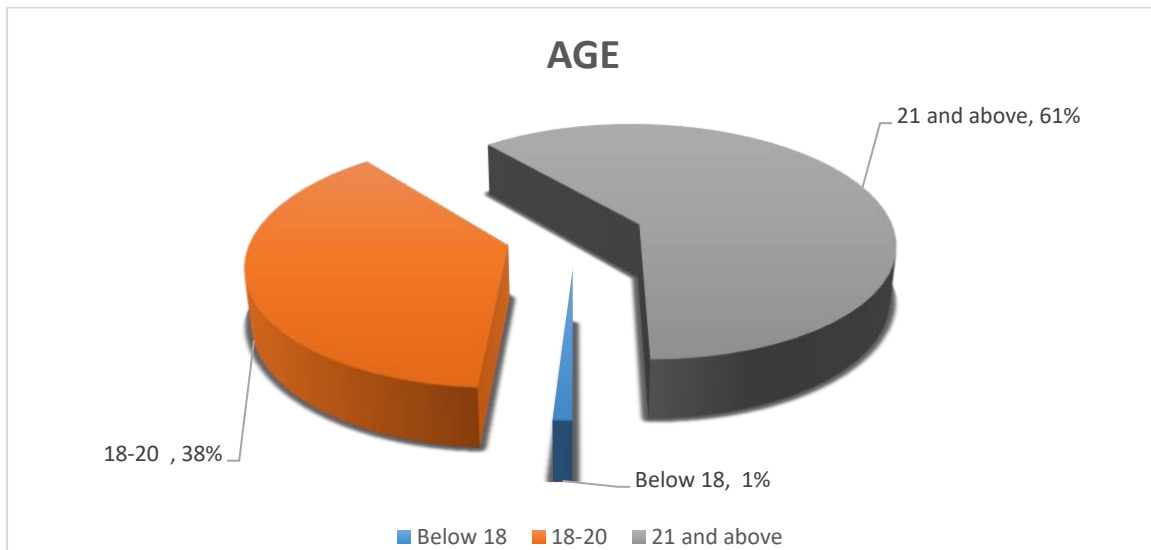
### 3.2 AGE WISE DISTRIBUTION

The respondents are divided on the basis of their age group. The different categories are below 18, 18-20 and 21 and above.

**TABLE 3.2 AGE WISE DISTRIBUTION**

<b>AGE</b>	<b>NO. OF RESPONDENTS</b>	<b>PERCENTAGE</b>
<b>BELOW 18</b>	1	1
<b>18-20</b>	38	38
<b>21 AND ABOVE</b>	61	61
<b>TOTAL</b>	100	100

*Source: Primary Data*



**FIGURE 3.2 AGE WISE DISTRIBUTION**

**INFERENCE:** 61% of the respondents are in the age group 21 and above. Remaining part is comprised 18-20 (38%) and below 18 (1%). Majority of respondents are in the age group 21 and above. Hence it is inferred that this age group uses finance more frequently than others.

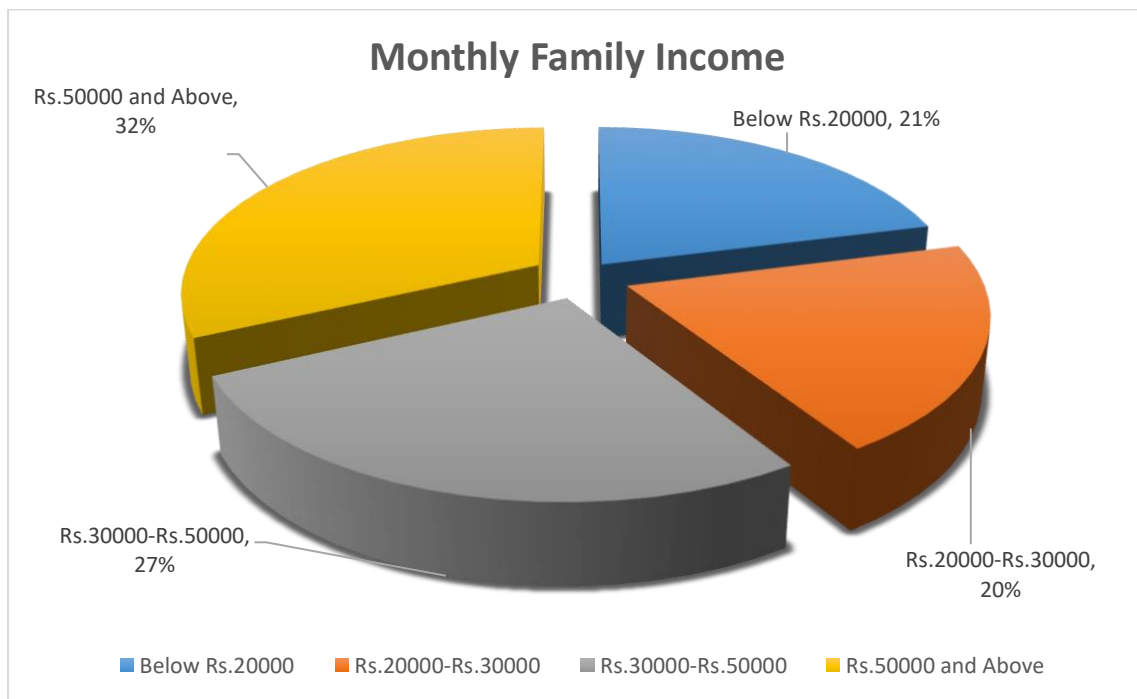
### **3.3 MONTHLY FAMILY INCOME**

Family monthly income per person is calculated by taking the total gross household monthly income by the total number of family members living together. The different categories are Below Rs.20000, Rs.20000- Rs.30000, Rs.30000- Rs.50000 and Rs.50000 and above.

**TABLE 3.3 MONTHLY FAMILY INCOME**

<b>MONTHLY FAMILY INCOME</b>	<b>NO. OF RESPONDENTS</b>	<b>PERCENTAGE</b>
<b>Below Rs.20000</b>	21	21
<b>Rs.20000 – Rs.30000</b>	20	20
<b>Rs.30000 – Rs.50000</b>	27	27
<b>Rs.50000 and Above</b>	32	32
<b>Total</b>	100	100

*Source: Primary Data*



**FIGURE 3.3 MONTHLY FAMILY INCOME**

**INFERENCE:** Monthly family income of 21 (21%) of the respondents is Below Rs.20000. 20(20%) are of income Rs.20000-Rs.30000, 27(27%) are of income Rs.30000-Rs.50000 and 32(32%) are of income Rs.50000 and above. Hence, it is inferred that respondents are more in the group of Rs.50000 and above.

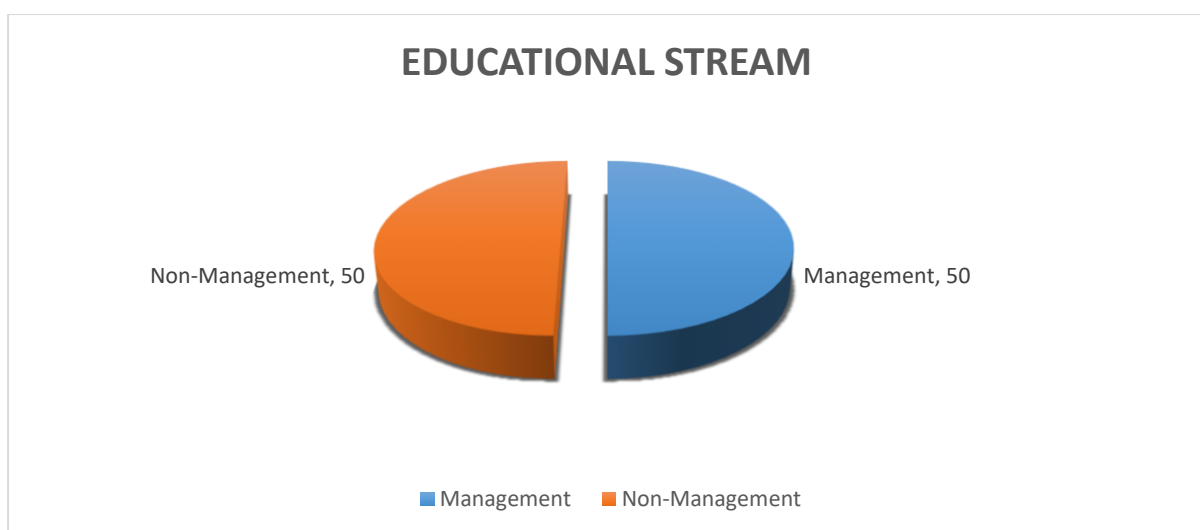
### 3.4 EDUCATIONAL STREAM

Educational management refers to the administration of the education system to supervise, plan and implement structures in education system. It was classified into two: Management and Non-Management.

**TABLE 3.4 EDUCATIONAL STREAM**

<b>EDUCATIONAL STREAM</b>	<b>NO. OF RESPONDENTS</b>	<b>PERCENTAGES</b>
<b>MANAGEMENT</b>	50	50
<b>NON-MANAGEMENT</b>	50	50
<b>TOTAL</b>	100	100

*Source: Primary Data*



**FIGURE 3.4 EDUCATIONAL STREAM**

### 3.5 EDUCATIONAL QUALIFICATION

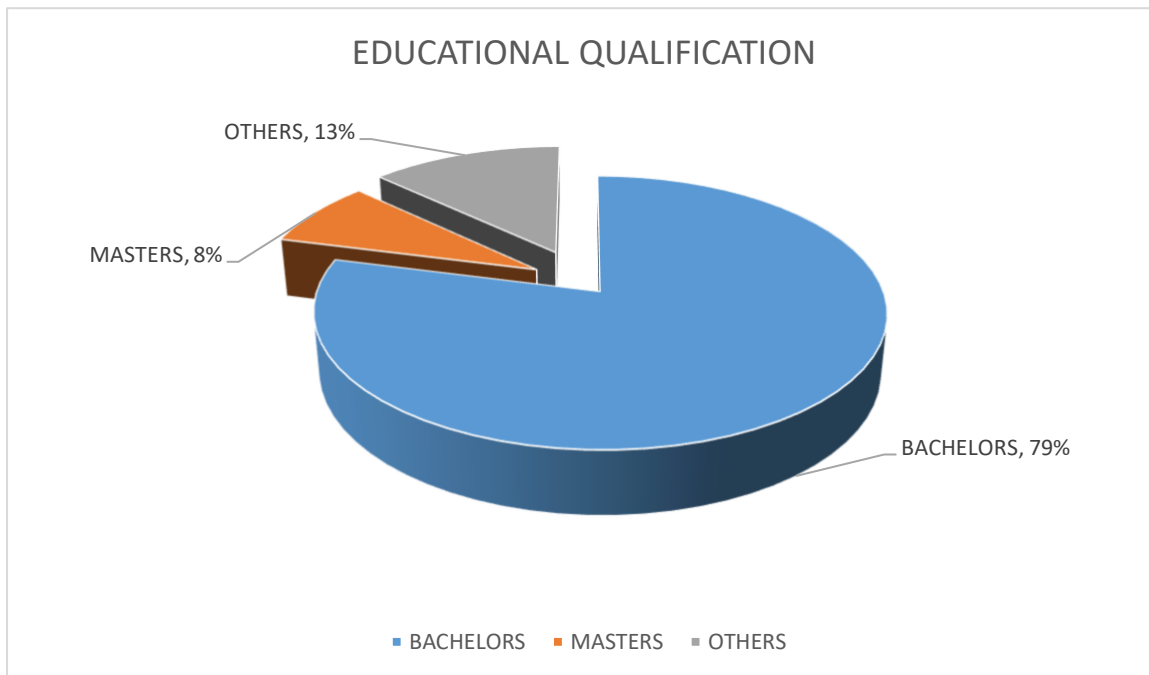
The achievement of learning through assessment of acquired knowledge and skills. It was categorized into Bachelors, Masters and Others.



**TABLE 3.5 EDUCATIONAL QUALIFICATION**

<b>EDUCATIONAL QUALIFICATION</b>	<b>NO. OF RESPONDENTS</b>	<b>PERCENTAGE</b>
<b>BACHELORS</b>	79	79
<b>MASTERS</b>	13	13
<b>OTHERS</b>	8	8
<b>TOTAL</b>	100	100

*Source: Primary Data*



**FIGURE 3.5 EDUCATIONAL QUALIFICATION**

**INFERENCE:** Out of 100 Respondents, Bachelors 79(79%) were more than all other qualification. Masters were 13 (13%) and others were 8(8%). So, Finance is used more by Bachelors.

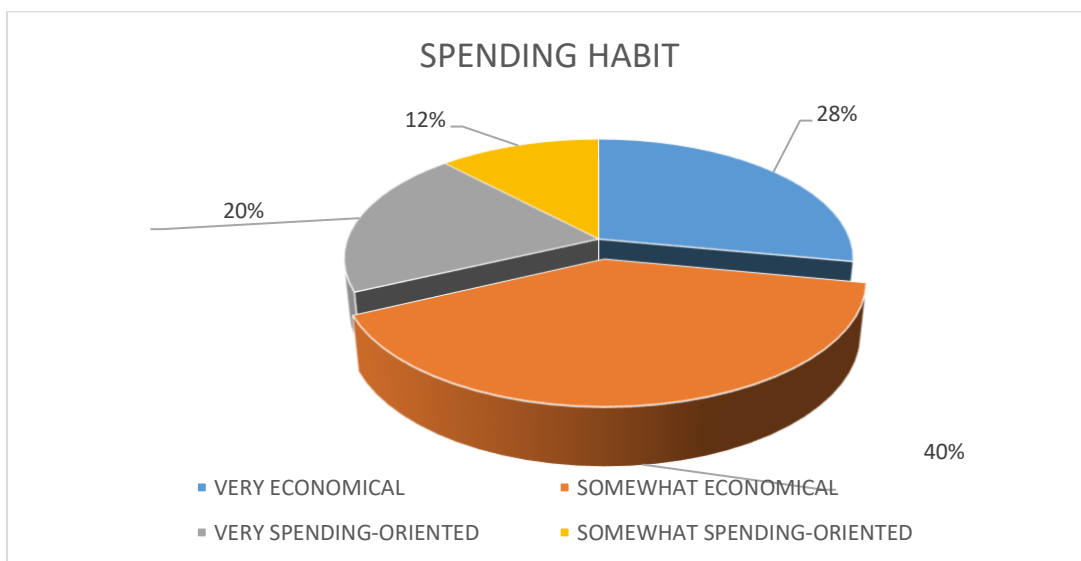
### **3.6 SPENDING HABIT**

Spending habit may vary from person to person in many ways. Here spending habit was divided into four: very economical, somewhat economical, very spending-oriented, somewhat spending-oriented.

**TABLE 3.6 SPENDING HABIT**

<b>SPENDING HABIT</b>	<b>NO. OF RESPONDENTS</b>	<b>PERCENTAGE</b>
<b>VERY ECONOMICAL</b>	<b>28</b>	<b>28</b>
<b>SOMEWHAT ECONOMICAL</b>	<b>40</b>	<b>40</b>
<b>VERY SPENDING ORIENTED</b>	<b>20</b>	<b>20</b>
<b>SOMEWHAT SPENDING ORIENTED</b>	<b>12</b>	<b>12</b>
<b>TOTAL</b>	<b>100</b>	<b>100</b>

*Source: Primary Data*



**FIGURE 3.6 SPENDING HABIT**

**INFERENCE:** Out of all 100, 40(40%) were somewhat economical, 28(28%) were very economical, then comes very spending oriented with 20(20%) and then comes somewhat spending oriented of 12(12%). Hence, we can say that respondents were somewhat economical in spending habit.

### 3.7 INCOME MAINTAINING RECORD

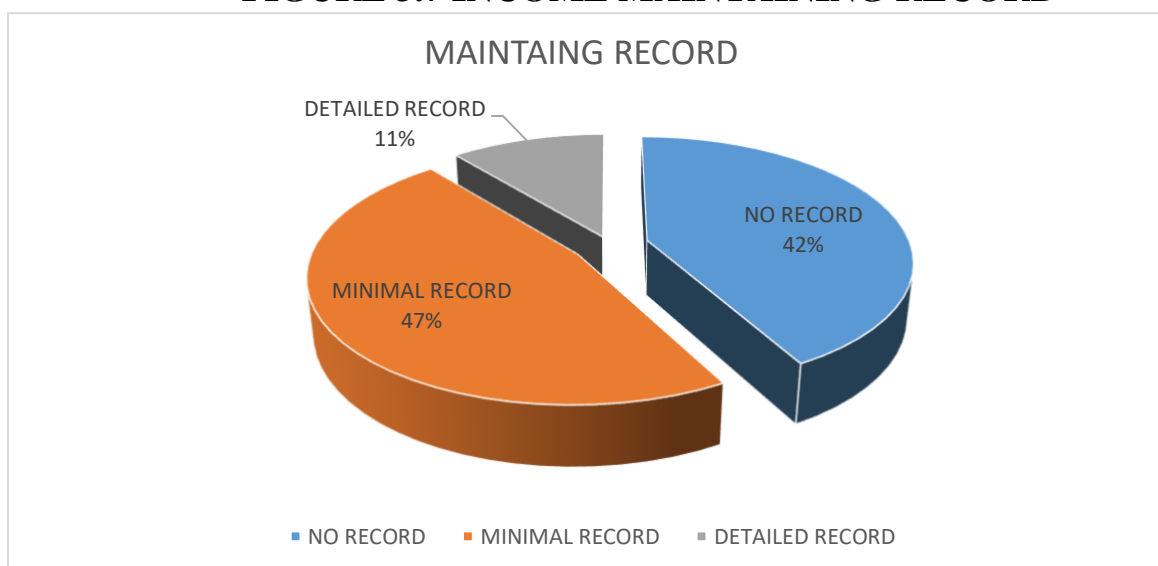
Income can be maintained in various ways showing payments and receipts of respondents. It has been divided into three: maintain no record, maintain minimal record and maintain very detailed record.

**TABLE 3.7 INCOME MAINTAINING RECORD**

MAINTAINING RECORDS	NO. OF RESPONDENTS	PERCENTAGE
NO RECORD	42	42
MINIMAL RECORD	47	47
DETAILED RECORD	11	11
TOTAL	100	100

*Source: Primary Record*

**FIGURE 3.7 INCOME MAINTAINING RECORD**



**INFERENCE:** From this only 47(47%) maintains a minimal record and 42(42%) maintain no record and only 11(11%) maintains a detailed record. From this we can infer that most of the students maintain a minimal record of their Expenses and Incomes.

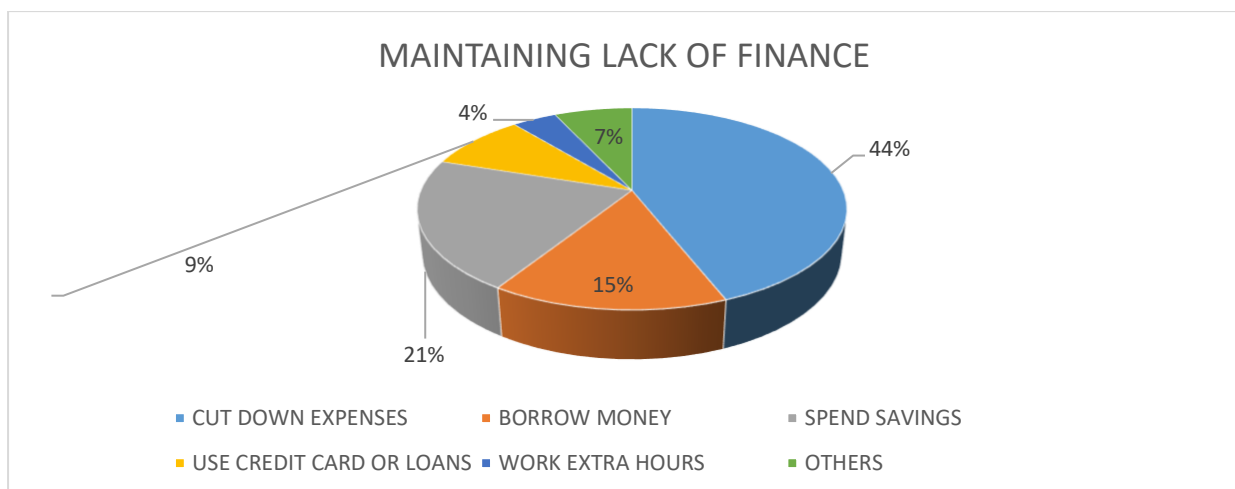
### 3.8 MAINTAINING LACK OF FINANCE

Lack of finance means a situation where there is no or less amount of money left to meet the needs. So it was basically divided into a few ways of maintaining finance which includes cut down of expense, borrow money, spend savings, usage of credit cards or loans, work extra hours and other factors.

**TABLE 3.8 MAINTAINING LACK OF FINANCE**

MAINTAINING LACK OF FINANCE	NO. OF RESPONDENTS	PERCENTAGE
CUT DOWN EXPENSES	44	44
BORROW MONEY	15	15
SPEND SAVINGS	21	21
USE CREDIT CARD OR LOANS	9	9
WORK EXTRA HOURS	4	4
OTHERS	7	7
<b>TOTAL</b>	<b>100</b>	<b>100</b>

*Source: Primary Data*



**FIGURE 3.8 MAINTAINING LACK OF FINANCE**

**INFERENCE:** From this we could infer that only 44(44%) respondents cut down expenses, 15(15%) borrow money from friends and family, 21(21%) spend on savings, 9(9%) respondents use credit card and loans, only 4(4%) work for extra hours and others 7(7%). Hence, most of the students cut down expenses and save money.

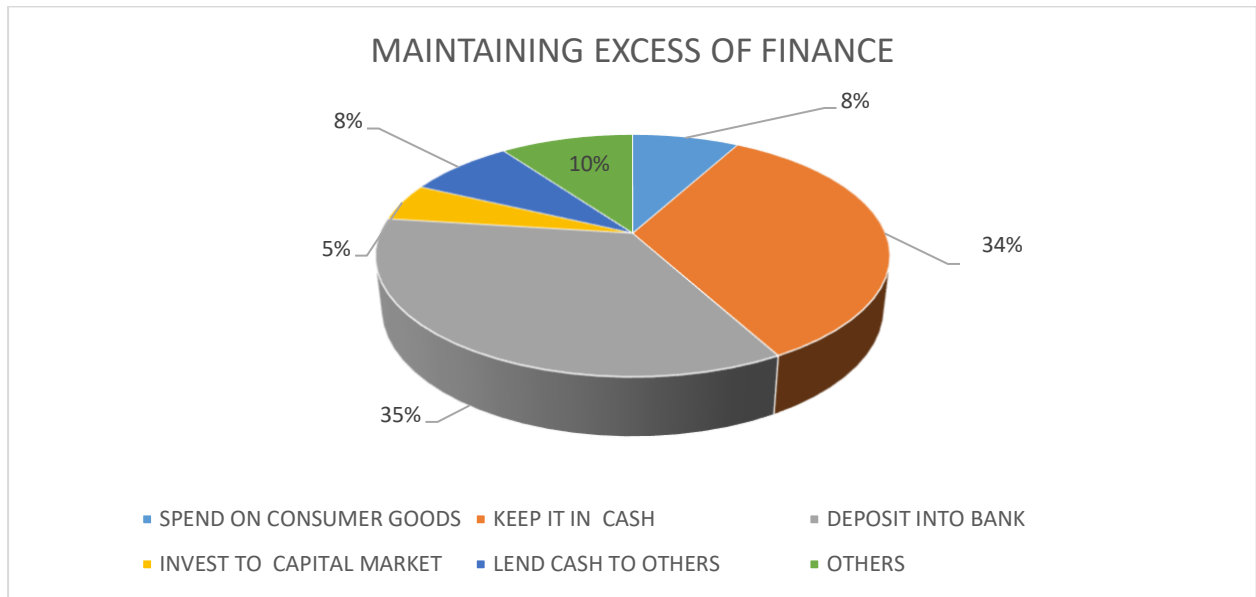
### 3.9 MAINTAINING EXCESS OF FINANCE

Excess of finance means a situation where there is more amount of money left to meet the needs. It includes few ways of maintaining excess in finance they are Spend it on Consumer goods, Keep it in cash, Deposit it into Bank, Invest it into Capital Market, Lend Cash to others and Other factors.

**TABLE 3.9 MAINTAINING EXCESS OF FINANCE**

<b>MAINTAINING EXCESS OF FINANCE</b>	<b>NO. OF RESPONDENTS</b>	<b>PERCENTAGE</b>
<b>SPEND ON CONSUMER GOODS</b>	8	8
<b>KEEP IT IN CASH</b>	34	34
<b>DEPOSIT INTO BANK</b>	35	35
<b>INVEST TO CAPITAL MARKET</b>	5	5
<b>LEND CASH TO OTHERS</b>	8	8
<b>OTHERS</b>	10	10
<b>TOTAL</b>	100	100

*Source: Primary Data*



**FIGURE 3.9 MAINTAINING EXCESS OF FINANCE**

**INFERENCE:** From this we could infer that most of the respondents Deposit it into bank 35(35%). Other usage can be maintained as Keeping in cash 34(34%), Invest into Capital 5(5%), Spending on Consumer goods and the same in case of Lending Cash to others 8(8%) and Other factors is of 10(10%).Hence, most of the students prefer to Deposit into Bank or Keep in Cash.

### 3.10 USAGE OF EXCESS FINANCE

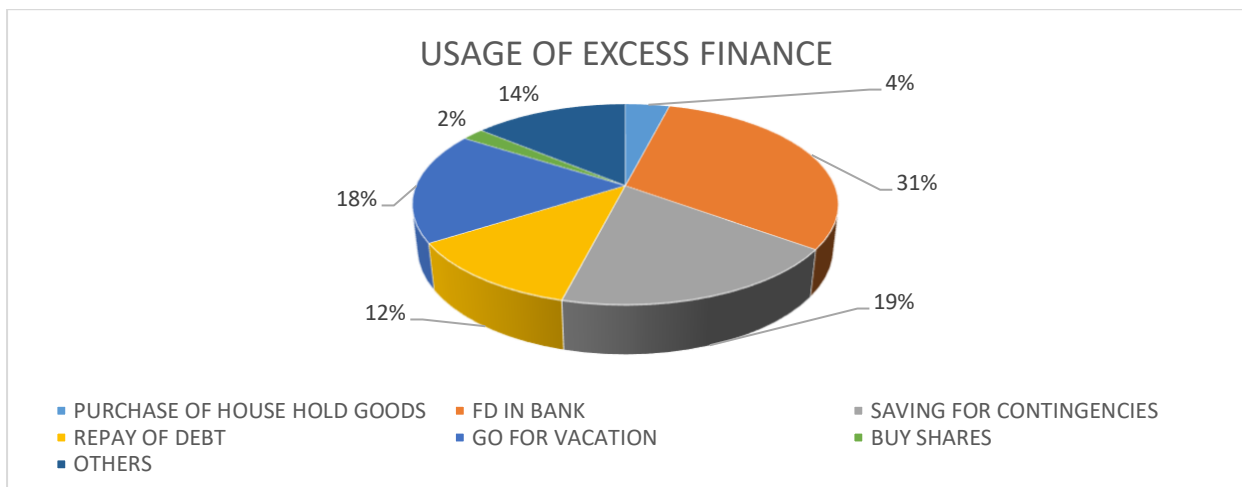
If we get an additional income how will you use and that includes many kinds of usages they are: Purchase of Household goods, FD in Bank, Saving for Contingencies, Repay of Debt, Go for Vacation, Buy Shares and Other usages.

USAGE OF EXCESS FINANCE	NO. OF RESPONDENTS	PERCENTAGE
PURCHASE OF HOUSEHOLD GOODS	4	4
FD IN BANK	31	31
SAVING FOR CONTINGENCIES	19	19

<b>REPAY OF DEBT</b>	12	12
<b>GO FOR VACATION</b>	18	18
<b>BUY SHARES</b>	2	2
<b>OTHERS</b>	14	14
<b>TOTAL</b>	100	100

Source: Primary Data

**TABLE 3.10 USAGE OF EXCESS FINANCE**



**FIGURE 3.10 USAGE OF EXCESS FINANCE**

**INFERENCE:** If excess of finance happens its usage mainly goes to FD in Bank 31(31%). Going for vacation 18(18%), Savings for contingencies 19(19%), Repay of Debt 12(12%), Purchase of House Hold Goods 4(4%), other usages 4(4%) and only 2(2%) buy shares. From this we can infer that most of the students deposit into bank and a least of two persons only buy shares.

## B. DESCRIPTIVE ANALYSIS

In descriptive analysis questions were measured using 5.5 likert scale that we mainly focuses on the spending capacity of the students on basis of scale 1-5(1-not at all true for me, 2-somewhat not true for me, 3-no opinion, 4-somewhat true for me, 5-very true for me).

### 3.11. Spending Knowledge of students:

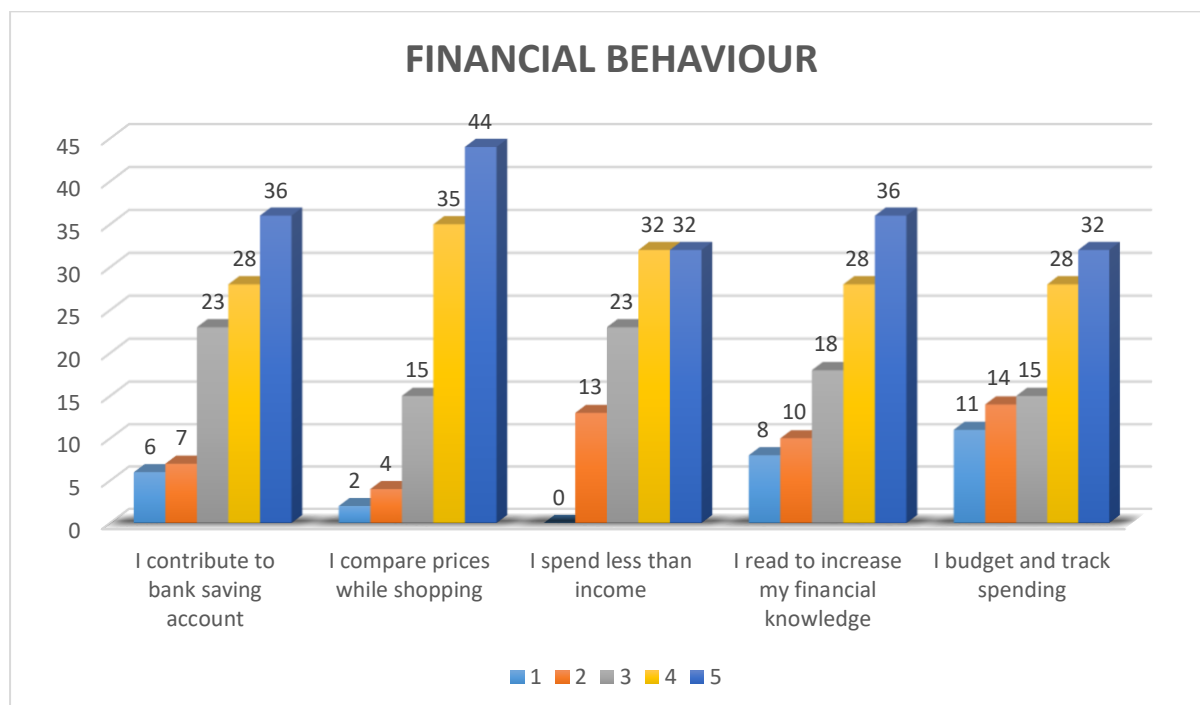
(a) I contribute to bank saving account regularly

- (b) I compare prices while shopping
- (c) I spend less than income
- (d) I read to increase my financial knowledge
- (e) I budget and track spending

**TABLE 3.11 FINANCIAL BEHAVIOUR ON KNOWLEDGE OF STUDENTS**

<b>VARIABLE</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>TOTAL</b>
I contribute to bank saving account	6	7	23	28	36	100
I compare prices while shopping	2	4	15	35	44	100
I spend less than income	0	13	23	32	32	100
I read to increase financial knowledge	8	10	18	28	36	100
I budget and track spending	11	14	13	28	32	100

*Source: Primary data*



**FIGURE 3.11 FINANCIAL BEHAVIOUR ON KNOWLEDGE OF STUDENTS**



**INFERENCE:** From the data we could infer that most of the students are good in financial knowledge and spend finance wisely. Most of the students compare prices while shopping and read more to increase financial knowledge.

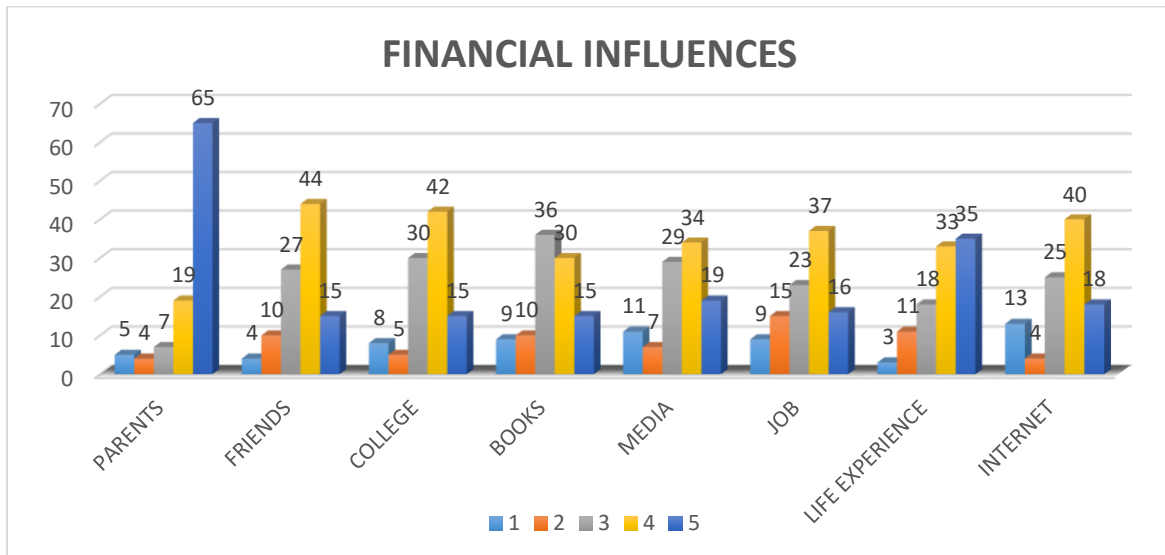
### 3.12 FINANCIAL INFLUENCES

All of the influential variables affect somehow in financial knowledge of students. It was categorized into few they are parents, Friends, college, Books, Media, Job, Life experiences and Internet. Here questions were measured using 5.5 likert scale of 1-none, 2-not much, 3-some, 4-a lot, 5-a lot.

**TABLE 3.12 FINANCIAL INFLUENCES**

<b>VARIABLE</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>TOTAL</b>
<b>PARENTS</b>	5	4	7	19	65	100
<b>FRIENDS</b>	4	10	27	44	15	100
<b>COLLEGE</b>	8	5	30	42	15	100
<b>BOOKS</b>	9	10	36	30	15	100
<b>MEDIA</b>	11	7	29	34	19	100
<b>JOB</b>	9	15	23	37	16	100
<b>LIFE EXPERIENCE</b>	3	11	18	33	35	100
<b>INTERNET</b>	13	4	25	18	40	100

*Source: Primary Data*



**FIGURE 3.12 FINANCIAL INFLUENCES**

**INFERENCE:** Financial influences are more in case of parents and friends and less influence from media and college.

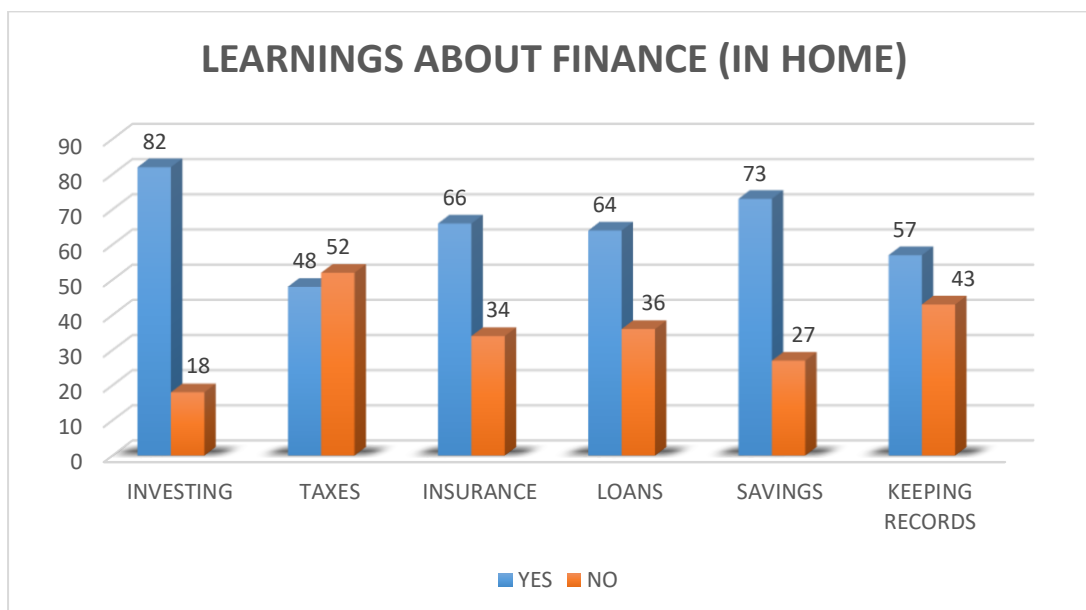
### 3.13 LEARNINGS ABOUT FINANCE (IN HOME)

When we study from our home about finance that will definitely help to use finance wisely. Nothing in life is free and it is so important to work hard to get what you want in life.

**TABLE 3.13 LEARNINGS ABOUT FINANCE (IN HOME)**

VARIABLE	YES	NO	TOTAL
INVESTING	82	18	100
TAXES	48	52	100
INSURANCE	66	34	100
LOANS	64	36	100
SAVINGS	73	27	100
KEEPING RECORDS	57	43	100

*Source: Primary Data*



**FIGURE 3.13 LEARNINGS ABOUT FINANCE (IN HOME)**

**INFERENCE:** From this we could infer that we study a lot about investing and savings in your home while growing up. We have less knowledge about taxes in home while growing up.

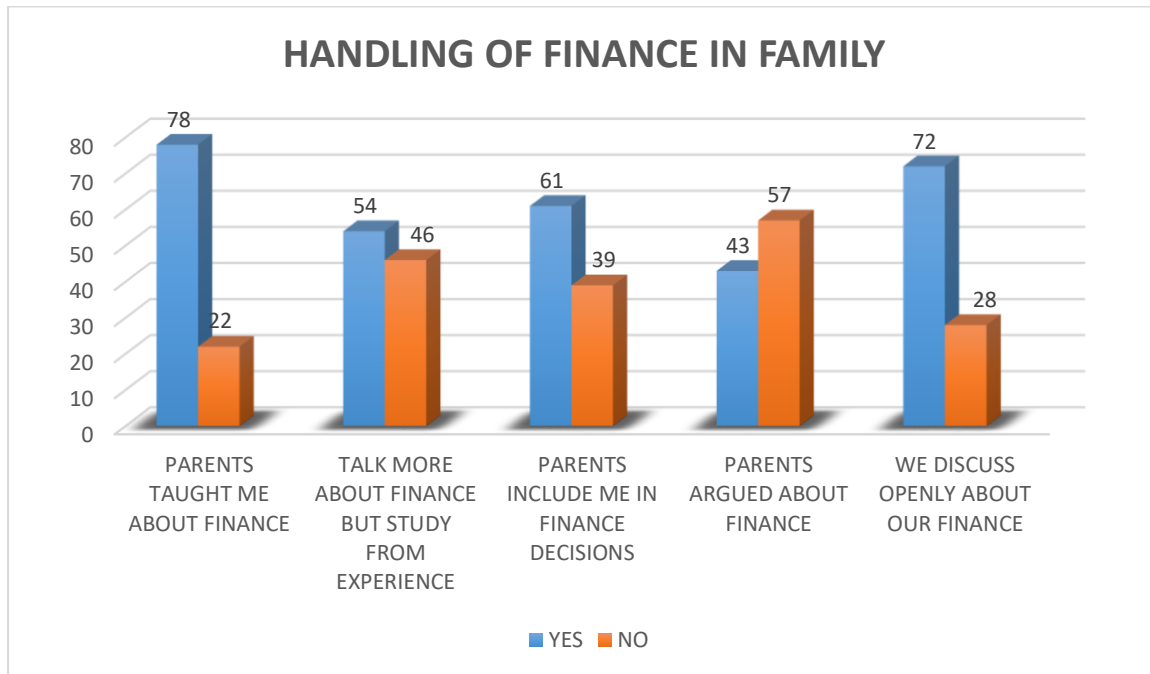
### 3.14 HANDLING OF FINANCE IN FAMILY

Family being the first source of finance we have been taught from families about handling of finance. It can be in various ways parents taught me about finances, we talk more about finance but study from life experiences, parents include me in finance decisions, parents argued about finance and we discuss openly about our finances.

**TABLE 3.14 HANDLING OF FINANCE IN FAMILY**

VARIABLE	YES	NO	TOTAL
PARENTS TAUGHT ME ABOUT FINANCE	78	22	100
TALK MORE ABOUT FINANCE BUT STUDY FROM EXPERIENCE	54	46	100
PARENTS INCLUDE ME IN FINANCE DECISIONS	61	39	100
PARENTS ARGUED ABOUT FINANCE	43	57	100
WE DISCUSS OPENLY ABOUT OUR FINANCE	72	28	100

Source: Primary Data



**FIGURE 3.14 HANDLING OF FINANCE IN FAMILY**

**INFERENCE:** We can infer from this data that parents have been taught a lot more about finance and its wise usage and discussing openly about our own is also more in case of families. Parents argued less about finance in families of the respondents.

### 3.15 FINANCIAL ATTITUDE

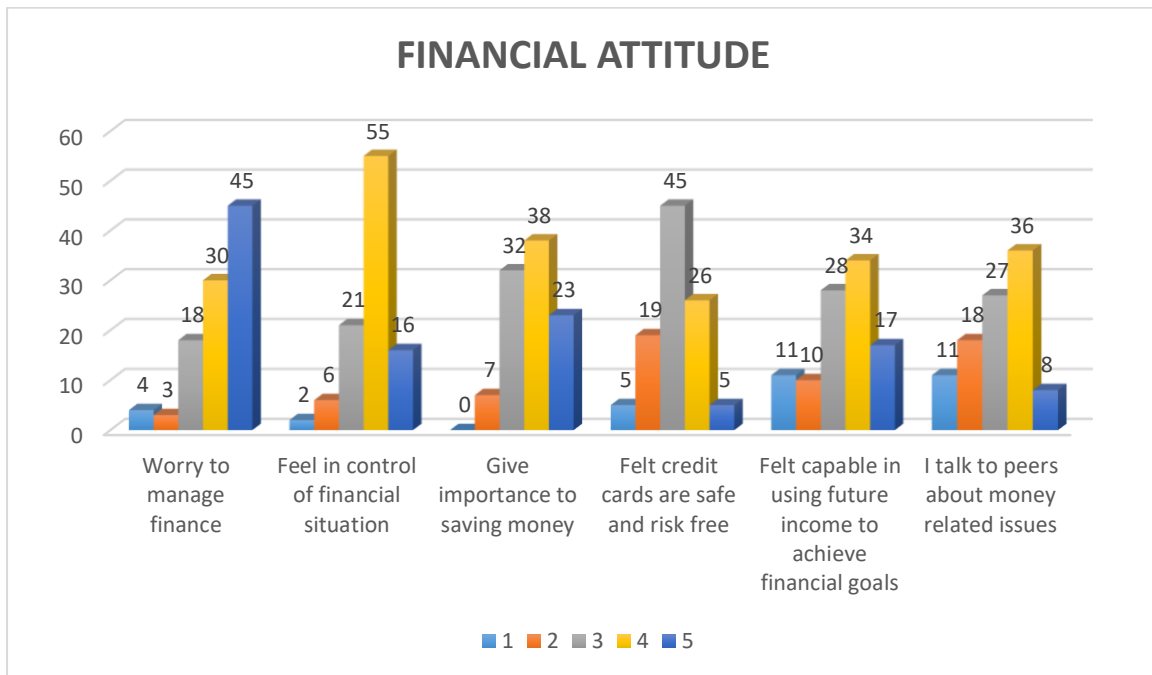
Financial attitude is one of the most important factors affecting financial literacy. If they use finance well they could use future income to achieve their financial goal.

**TABLE 3.15 FINANCIAL ATTITUDE**

VARIABLE	1	2	3	4	5	TOTAL
Worry to manage finance	4	3	18	30	45	100
Feel in control of financial situation	2	6	21	55	16	100
Give importance to saving money	0	7	32	38	23	100
Felt credit cards are safe and risk free	5	19	45	26	5	100

Felt capable in using future income to achieve financial goals	11	10	28	34	17	100
I talk to peers about money related issues	11	18	27	36	8	100

*Source: Primary Data*



**FIGURE 3.15 FINANCIAL ATTITUDE**

**INFERENCE:** From this we can infer that students opinion about their financial attitude that they feel control over the financial situation. Next comes students who worry about managing finance. So, we could infer that college students worry about managing finance.

### **3.16 MEAN SCORES OF DIFFERENT SITUATION WHERE STUDENTS FACE TO MANAGE FINANCE**

**TABLE 3.16 SCORE AND MEAN TABLE**

<b>PROBLEM</b>	<b>SCORE</b>	<b>MEAN</b>
Spending knowledge of students	347	69.3
Financial Influences	322	64.3
Learnings about Finance	177	88.3
Handling of finance in family	162	80.9

Financial Attitude	353	70.6
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*Source: Authors calculations*

## **CONCLUSION**

The data was studied with the help of mean scores and the researchers were able to find out the exact situations where students face problems to manage finance and lack of financial literacy among students. The collected data was analyzed in two sections. The first section was demographic analysis.

The major findings from the demographic analysis were; majority of the response are females, most of the respondents are from the age group 21 and above, monthly family income is more at an income of Rs.50000 and above, educational was equal in case of management and non-management. Most of the respondents were Bachelors with a somewhat economical background with maintaining a minimal record. When lack of finance happens most of the students cut down the expenses, if there is an excess amount they deposit it into bank and if they receive an additional amount they deposit it into bank. The respondents also respond to financial knowledge, financial influencers are parents and they talk less about taxes and talked more about financing.

From this we could infer that most of the students are literate about their financial background and have a great knowledge about their future financial goals.

**Chapter 4**  
**FINDINGS,**  
**SUGGESTIONS AND**  
**CONCLUSIONS**

## **4.1 INTRODUCTION**

This chapter presents the major findings of the study and makes some recommendations based on the findings. The chapter also presents the conclusion and scope for future research. Before explaining the major findings, the major objectives and hypothesis of the study and listed in the following sections.

## **4.2 OBJECTIVES**

The study titled “A STUDY ON FINANCIAL LITERACY AMONG COLLEGE STUDENTS” attempted to meet the following objectives:

- Building awareness and knowledge about financial practice
- Encouraging and Preparing for the Financial Future
- Reducing Financial stress and promoting financial wellness

## **4.3 FINDINGS**

The information obtained from the study reveals the following facts:

### **✓ Based on Demographic Analysis**

- Most of the Respondents are Females and from the age group 21 and above.
- Around 32 respondents have a monthly income of Rs.50000 and above.
- The respondents were in equal numbers in the case of the educational stream.
- Major respondent were Bachelors and was having a spending habit of somewhat economical.
- Most of the Respondents has chosen minimal record in maintaining income records.
- Around 44 respondents cut down their expenses in time of lack of finance.
- Around 35 respondents make bank deposits in time of excess finance.
- In time of excess finance about 31 respondents deposited in FD.



### ✓ **Based on Descriptive analysis**

- While checking the spending knowledge most of the respondents compare prices while shopping and also least of the respondents spend less than income.
- Most of the respondents are financially influenced by parents and least of the respondents are influenced by media
- The respondents have learned about finance activities like investing, insurance, loans etc. from home itself.
- According to their responses they have not received much knowledge about tax activities from home.
- According to the responses we received most of them respond like their parents have taught them about handling finance.
- In case of financial attitude most of the respondents are worried to manage their finance.

## **4.4 SUGGESTIONS**

The major output of the research is to contribute to the theoretical review of literature existing in the knowledge domain. It also helps in practical implication and managerial uses by providing concentrative and creative suggestions implied out of existing findings of the study. The following are some of the findings derived from the study:

- Since lack of financial management in college students is an important factor, proper solutions have to be made for solving the issue
- College students should maintain good spending habits.
- The students should keep very detailed records while maintaining income.
- In times of lack of finance they should reduce their expenses.
  
- When there is excess finance they should spend it more logically, depositing in the bank is not a perfect option. More profitable methods like investing in capital markets etc. have to be chosen.
- The safest method is depositing in a bank as FD. But more returns can be achieved by opting for other ways.
- The students must have better financial knowledge.
- The parents are responsible for the financial knowledge of their buds.
- The students must be trained by their parents from the younger age itself.

- The main problem faced by college students is they are worried about managing finance. So they should feel capable of using future incomes much better.

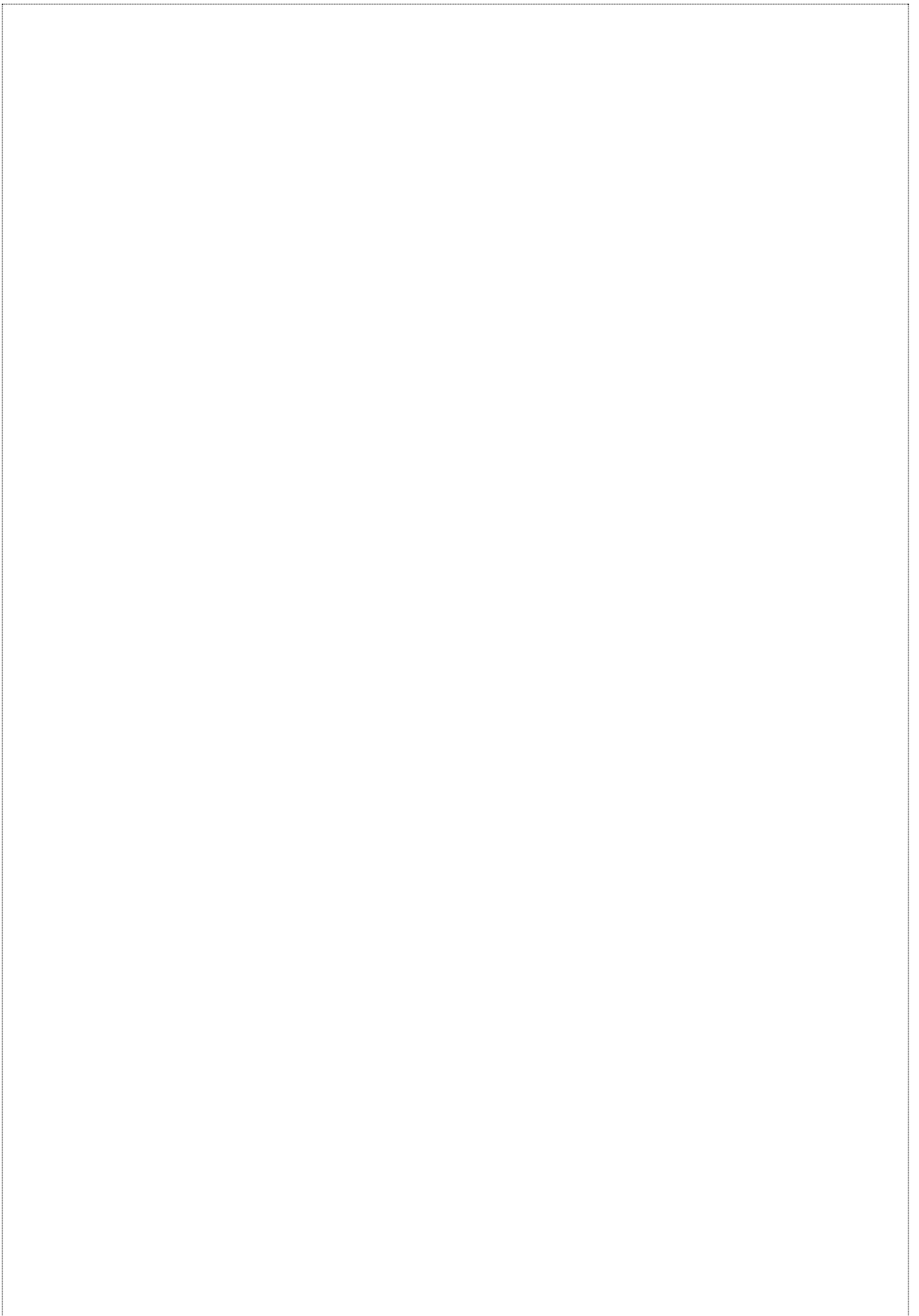
#### **4.5 CONCLUSION**

The study was based on Financial Literacy Among College Students. The study focused on how to increase financial literacy among college students and how much illiterate are students. The objective of the study was to understand how much students are literate about their finance and the problems faced by students while maintaining finance. 100 respondents in and around Ernakulam from different colleges were selected as a sample for the study. The responses were collected in the period of January 2023 – March 2023.

The researchers were able to identify exact situations where students faced problems to manage finance and a lack of financial literacy among college students. The study found that students are more knowledgeable in the basic level of finance while they are less familiar with bank credit, taxes, share market and insurance.

The data collected from the respondents were carefully analyzed in two different sections, the first being demographic analysis and the second descriptive analysis. The demographic analysis provided a clear image of the age, gender, monthly family income, educational stream, educational qualification, spending habits, maintaining records etc. And the Descriptive analysis helped the researchers to identify the financial knowledge, financial influencers etc.

The findings of the study



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# APPENDIX

# **A STUDY ON FINANCIAL LITERACY AMONG COLLEGE**

## **STUDENTS QUESTIONNAIRE**

**1. Gender:            Male                          Female**

**2. Age:**

**3. Monthly Family Income**

**Below Rs.20000**

**Rs.20000 - 30000**

**Rs.30000 – 50000**

**Rs.50000 and Above**

**4. Educational Stream**

**Management**

**Non- Management**

**5. Educational Qualification**

**Bachelors**

**Masters**

**Others**

**6. Spending Habit**

**Very Economical**

**Somewhat Economical**

**Very Spending-oriented**

**Somewhat Spending-oriented**

**7. Income maintaining Records**

**No records**

**Minimal Records**

**Detailed Records**

**8. Maintaining Lack of Finance**

**Cut Down Expenses**

**Borrow Money**

**Spend Savings**

**Use Credit Card or Loans**

**Work Extra Hours**

**Others**

**9. Maintaining Excess of Finance**

**Spend On Consumer Goods**

**Keep It in Cash**

**Deposit into Bank**

**Invest To Capital Market**

**Lend Cash to Others**

**Others**

**10. Usage of Excess Finance**

**Purchase of Household Goods**

**FD in Bank**

**Saving For Contingencies**



**Repay of debts**

**Go for Vacation**

**Buy Shares**

**Others**

**11. Spending Knowledge of Student (1- not at all true for me, 5 – very true for me)**

<b>VARIABLE</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>I contribute to bank saving account</b>					
<b>I compare prices while shopping</b>					
<b>I spend less than income</b>					
<b>I read to increase financial knowledge</b>					
<b>I budget and track spending</b>					

**12. Financial Influences (1- none, 5- a lot)**

**VARIABLE**

**S**

**1 2 3 4 5 6**

**PARENTS**

**FRIENDS**

**SCHOOL**

**BOOKS**

**MEDIA**

**JOB**

**LIFE**

**EXPERIENCE**

## **INTERNET**

### **13.Learnings About Finance**

**VARIABLES YES NO**

**INVESTING**

**TAXES**

**INSURANCE**

**LOANS**

**SAVINGS**

**KEEPING**

**RECORDS**

### **14.Handling of Finance in The Family**

**VARIABLES YES NO**

**PARENTS TAUGHT ME ABOUT**

**FINANCE**

**TALK MORE ABOUT FINANCE BUT**

**STUDY FROM EXPERIENCE**

**PARENTS INCLUDE ME IN FINANCE**

**DECISION**

**PARENTS ARGUED ABOUT FINANCE**

**WE DISCUSS OPENLY ABOUT OUR**

**FINANCE**

### **15.Finance Attitude (1- not at all true, 5- very true for me)**

**VARIABLES 1 2 3 4 5**

**Worry to manage finance**

**Feel in control of financial  
situation**

**Give importance to saving  
money**

**Felt credit cards are safe and  
risk free**

**Felt capable using future  
income to achieve financial  
goals**

**I talk to peers about money**