FINANCIAL LITERACY AWARENESS AMONG ON COLLEGE STUDENT'S WITH REFERENCE TO INVESTMENT & SAVINGS DECISION

Submitted to Loyola College (Autonomous), Chennai

In Partial Fulfilment of the Requirement of the Major Skilled Based Course for The Award of the Degree of

BACHELOR OF COMMERCE

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CERTIFICATE OF THE GUIDE

This is to certify that the project entitled **Financial literacy awareness among on college students with reference to investment & savings decision.** submitted in partial fulfilment for the degree of Bachelor of Commerce, is the record work done by **DINESH KUMAR S (22- UCO-151)** during the academic year 2024-25, and was carried out under my supervision.

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DECLARATION

I am **DINESH KUMAR S (22-UCO-151)** hereby declare that the project report titled **Financial literacy awareness among on college students with reference to investment & savings decision.** submitted by me to Department of Commerce, Loyola College (Autonomous) for the partial fulfilment for the award of degree of Bachelor of Commerce is a record of Bonafide work carried by me under the guidance of professor **Dr. J. JUSTIN RAYAPPA (Assistant Professor), Dr. M. SALATHIYAN (Assistant Professor) & Dr. MARIA JOSEPH N (Assistant Professor)**. I further declare that this is an original work of mine and the work reported in this has not been submitted, either in part or full, for the award of any other degree/ diploma in this institute or any other institute or university.

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ABSTRACT

Financial literacy is a crucial skill for young adults, particularly college students, as they begin making independent financial decisions. This study explores financial literacy awareness among college students with a specific focus on investment and savings decisions. The research is based on primary data collected from students, analysing their knowledge, attitudes, and behaviours regarding financial planning.

The study examines key factors influencing financial literacy, such as access to financial education, exposure to investment opportunities, and decision-making patterns in savings. It also assesses the role of technology, social influences, and economic awareness in shaping students' financial choices. Findings indicate that while students demonstrate basic knowledge of savings, their understanding of investment strategies, risk assessment, and long-term financial planning remains limited. The study highlights gaps in financial awareness and emphasizes the need for structured financial education programs to enhance students' decision-making skills.

By identifying trends and challenges, this research provides insights into improving financial literacy among college students, ensuring they develop responsible financial habits that contribute to long-term financial stability. The findings serve as a foundation for policymakers, educators, and financial institutions to create targeted initiatives that enhance financial education and investment awareness among young individuals.

1.1 INTRODUCTION:

Financial literacy is an important skill for effectively managing one's life and making well-informed choices regarding personal finances. In today's dynamic and constantly changing economy, grasping essential financial principles such as budgeting, saving, investing, and managing debt is vital for attaining long-term financial security. College students, who are often just beginning to take control of their finances, generally lack adequate financial knowledge. This deficiency can result in poor financial choices, including overspending, accruing unnecessary debt, or neglecting to save for future needs. The lack of formal financial education in most academic programs intensifies this problem, leaving students ill-equipped to confront real-life financial challenges.

Consequently, many young adults develop harmful financial habits, such as engaging in impulsive spending, disregarding savings, or mishandling loans, which can have enduring effects on their financial health. The emergence of digital payment methods, the ease of obtaining credit, and increasingly intricate financial markets have further clouded the financial environment for students. They are often compelled to make significant financial decisions early in life, such as managing student loans, budgeting for living costs, or even investigating investment opportunities.

However, without a strong understanding of financial literacy, many students find it challenging to evaluate financial products, plan for future expenses, or steer clear of unnecessary debt. Investment and savings, which are essential for establishing financial security, are frequently neglected due to a lack of knowledge or self-assurance. Early exposure to financial planning can promote responsible behaviors, highlight the significance of emergency funds, and introduce students to various investment options that correspond with their financial objectives.

By addressing these deficiencies, students can acquire the skills necessary to make wiser financial choices and steer clear of common mistakes that impede financial progress. This research intends to assess the financial abilities of college students, particularly focusing on their comprehension of investment and savings decisions. By pinpointing gaps in financial knowledge, the study aims to stress the importance of organized financial education and hands-on learning experiences that empower students to effectively manage their finances.

Promoting financial competence among college students not only improves their personal financial management but also fosters the emergence of a more financially responsible generation. The results of this study can guide policymakers and educators in formulating strategies to boost financial awareness among young adults, ensuring they are better prepared to navigate the complexities of the contemporary financial landscape. Ultimately, nurturing financial literacy at an early stage can lead to enhanced economic stability and an improved quality of life for individuals and society overall.

1.2 OVERVIEW OF THE STUDY:

In today's fast-paced and intricate economic landscape, financial literacy has emerged as a crucial skill. Understanding and managing personal finances including budgeting, saving, investing, and making savvy financial choices is vital for individuals to attain stability and security in their financial lives. College students, in particular, are an important demographic as they navigate the shift from relying on their families to achieving financial autonomy. Nonetheless, research shows that financial literacy among young adults remains relatively low, resulting in poor financial choices, unmanageable debt, and insufficient savings for future necessities. This study aims to evaluate the financial literacy levels of college students, with their investment and savings habits. With growing access to financial products and online banking options, young people have various investment avenues available to them, such as fixed deposits, mutual funds, stocks, and insurance. However, insufficient financial knowledge often leads to either risk-averse behaviour or ill-informed investment choices. Many students tend to shy away from investing due to fears of loss, or they invest without a comprehensive understanding, which can result in negative financial outcomes. Furthermore, the saving behaviours of college students are shaped by numerous factors, including financial education, parental influence, peer pressure, and access to banking facilities. This study aims to investigate how well students grasp financial concepts, what influences their financial choices, and whether they practice prudent savings and investment strategies.

A crucial element of this research is to analyse the impact of financial education on student's financial behaviours. Educational institutions and policymakers have acknowledged the importance of integrating financial literacy programs into academic curricula to equip young adults with essential money management capabilities. However, the effectiveness of these programs and their influence on student's financial decision-making remains a contentious issue. By gathering and evaluating primary data from college students, this study seeks to identify knowledge gaps, common obstacles students encounter in managing their finances, and potential strategies to enhance their financial literacy.

The study is important for understanding the behavioural trends related to financial decision making. It explores whether students depend on traditional savings methods, such as bank deposits and cash savings, or if they are investigating modern investment options like digital wallets, cryptocurrencies, and peer-to-peer lending services. Additionally, it assesses the degree to which students distinguish between short-term and long-term financial planning and whether they are preparing for future financial obligations, such as educational costs, emergency funds, or retirement savings.

The research aims to offer valuable insights into the current levels of financial literacy among college students and emphasizes the necessity of providing them with the knowledge required to make informed financial choices.

The findings can serve as a basis for developing effective financial awareness initiatives, policy suggestions, and educational strategies aimed at enhancing financial literacy among young adults. By empowering students with financial knowledge, this study seeks to contribute to the emergence of a financially responsible and self-sufficient generation capable of making prudent investment and savings choices.

1.3 NEED OF THE STUDY:

Financial literacy is an essential skill that empowers individuals to make educated choices concerning their income, expenditures, savings, and investments. It is vital for college students, who will become future professionals and contributors to the economy, to cultivate strong financial awareness to ensure their financial stability. Nonetheless, numerous students possess insufficient knowledge about financial planning, which leads to poor saving practices, impulsive spending, and uninformed investment decisions. The growing availability of financial products, digital payment services, and investment opportunities necessitates that young individuals understand financial concepts such as budgeting, interest rates, inflation, and risk management. In the absence of adequate financial education, students might encounter debt problems, experience financial instability, or miss out on wealth-building prospects. This research is vital for evaluating the existing financial literacy levels among college students, pinpointing critical gaps in their knowledge, and examining the factors that impact their saving and investment behaviours. The results of this study will support the development of targeted financial literacy initiatives, ensuring that students acquire the essential skills for effective financial management and making wise financial decisions for their futures.

1.4 STATEMENT OF THE PROBLEM:

In light of the growing significance of financial literacy in today's economy, many college students possess insufficient knowledge regarding personal finance management, especially concerning savings and investments. Young adults frequently make financial choices based on a limited grasp of the concepts, resulting in poor money management, unnecessary debt accumulation, and missed opportunities for investment. The lack of formal financial education in numerous educational institutions further intensifies this concern, leaving students ill-equipped to face real-world financial obstacles. Moreover, factors such as peer pressure, digital financial tools, and the easy access to credit influence student's financial behaviours, often without adequate guidance. This research aims to assess the financial literacy levels of college students, pinpoint critical deficiencies in their understanding of investment and savings strategies, and investigate the factors affecting their financial behaviours. By addressing these issues, the study aspires to offer valuable insights that can aid in developing effective financial education programs to improve student's financial decision-making and overall financial health.

1.5 SIGNIFICANCE OF THE STUDY:

This study is significant as it addresses the critical issue of financial literacy among college students, particularly in the areas of investment and savings decisions. In today's dynamic financial environment, young individuals are exposed to numerous financial products, digital payment systems, and investment opportunities, yet many lack the necessary knowledge to make informed decisions. Poor financial literacy can lead to mismanagement of funds, accumulation of debt, and missed investment opportunities, which may impact their long-term financial stability. By assessing student's awareness of financial concepts, this study helps identify gaps in their understanding and the factors influencing their financial behavior, such as financial education, parental guidance, peer influence, and accessibility to financial resources. The findings will provide valuable insights for educators, policymakers, and financial institutions to develop targeted financial literacy programs that equip students with essential money management skills. Additionally, the study will contribute to raising awareness about the importance of early financial planning, fostering responsible savings habits, and encouraging informed investment decisions, ultimately helping students secure a financially stable future.

1.6 SCOPE OF THE STUDY:

This study focuses on assessing the level of financial literacy among college students, specifically in relation to their investment and savings decisions. It aims to evaluate student's understanding of key financial concepts such as budgeting, saving strategies, investment options, risk management, and long-term financial planning. The research will also explore the factors influencing their financial behaviors, including financial education, parental guidance, peer influence, and access to financial resources. The study is based on primary data collected from college students, providing real-world insights into their financial awareness and decision-making patterns. Geographically, the research is limited to a specific group of students, but its findings can offer broader implications for financial literacy programs and policy development. The study will help educators, financial institutions, and policymakers design targeted interventions to improve financial awareness among young individuals, ensuring they make informed and responsible financial choices for a secure future.

1.7 OBJECTIVE OF THE STUDY:

- To understand the demographic & socio-economic profile with reference to financial literacy awareness among college students.
- To examine the factors that influence the investment decisions of college students.
- To assess the factors that determine the investor's preference towards various savings and investment options among college students.
- To find out the causes related to low financial literacy awareness among college students with reference to investment and savings decisions.
- To give solutions to factors that affect financial literacy and responsible financial decision-making among college students.

1.8 RESEARCH METHODOLOGY:

This study is based on primary data collected from college students to assess their financial literacy awareness, particularly regarding investment and savings decisions. Understanding how students manage their finances is crucial for developing effective financial education programs. The research evaluates their knowledge of financial concepts, awareness of savings and investment options, and factors influencing their financial choices.

The structured questionnaire will be used as the primary data collection tool, consisting of close-ended questions. It will cover key aspects such as budgeting, savings habits, investment preferences, risk perception, and financial planning.

The responses will help identify gaps in financial awareness and provide insights into student's decision-making patterns. The study follows a descriptive research design to analyze financial literacy levels and behavioral trends. A sampling method will be used to select students from different academic backgrounds, ensuring diverse representation. The sample size will be determined based on feasibility and research objectives. Data collected will be analyzed using statistical tools like percentages and mean values to derive meaningful conclusions.

This research aims to highlight financial literacy gaps among students and provide insights for developing educational programs that promote responsible financial decision-making. The findings will be valuable for educators, policymakers, and financial institutions in designing targeted financial awareness initiatives.

1.8.1 RESEARCH DESIGN:

This study adopts a descriptive research design to assess financial literacy awareness among college students, focusing on their investment and savings decisions. A descriptive approach is suitable as it helps analyze the current financial knowledge, decision-making patterns, and factors influencing students' financial behavior without altering any variables. This design provides a structured framework to understand the level of financial awareness among students and identify key areas that require improvement.

The research relies on primary data, collected through a structured questionnaire consisting solely of close-ended questions. These questions are designed to gather precise and quantifiable data on student's budgeting habits, saving patterns, investment preferences, and financial planning strategies. A sampling method will be used to select respondents from various colleges, ensuring diverse representation. The collected data will be analyzed using statistical tools such as percentages and mean values to identify trends and draw meaningful conclusions that can contribute to enhancing financial literacy programs for students.

1.8.2 SOURCES OF DATA:

This study primarily relies on primary data, collected through Google Forms from college students. The structured questionnaire consists of close-ended questions designed to gather precise and quantifiable information on student’s financial literacy, investment preferences, savings habits, and factors influencing their financial decisions. Using Google Forms ensures a wider reach, easy data collection, and efficient analysis.

The questionnaire was distributed to students from various academic backgrounds to ensure diverse responses and a broader understanding of financial literacy levels. The data collected helps in identifying patterns, common challenges, and the extent of financial awareness among students. By analyzing these responses, the study aims to highlight key areas where students lack financial knowledge and provide insights into improving financial education initiatives.

1.8.3 SAMPLING METHOD:

This study follows a non-probability sampling method, specifically convenience sampling, to collect data from college students. The questionnaire was distributed through Google Forms, allowing students to participate based on their availability and willingness. This method ensures quick, cost-effective, and efficient data collection while targeting students from diverse academic backgrounds. It also helps in gathering responses from a larger sample within a short period, making it a practical approach for this study.

Convenience sampling is suitable for this research as it enables the collection of firsthand insights into student’s financial literacy awareness, investment preferences, and savings habits. Since financial literacy levels vary among individuals, this method allows for capturing diverse perspectives without complex selection criteria. While it may not guarantee a completely representative sample, it provides valuable insights into common trends and challenges faced by students in managing their finances. The data collected through this method will help in analyzing financial awareness patterns and identifying areas that require improvement through targeted financial education programs.

1.8.4 AREA / PERIOD OF STUDY:

This study focuses on financial literacy awareness among college students with reference to investment and savings decisions. It aims to assess students understanding of financial concepts, their saving habits, investment preferences, and the factors influencing their financial decisions. The research is conducted among college students to gain insights into their financial behavior and awareness levels.

The period of study is one month, during which data was collected through Google Forms. The responses were gathered within this timeframe and analyzed to identify key trends, challenges, and areas for improvement in financial literacy among students.

1.8.5 STATISTICAL TOOLS:

In this study, simple statistical tools were employed to analyze the data effectively and present clear insights on financial literacy awareness among college students with reference to investment and savings decisions. Percentage analysis was used to summarize categorical data, such as the proportion of students aware of different investment options or practicing specific saving habits.

The mean was calculated to determine average values for numerical data, such as monthly savings, investment amounts, or financial knowledge scores. Frequency distribution helped identify how often certain financial behaviors or challenges occurred among students, providing a clearer picture of common trends. Additionally, data was visually represented using tables, pie charts, and bar graphs, making it easier to interpret and compare findings. These statistical tools helped in systematically analyzing the responses, offering valuable insights into the financial awareness and decision-making patterns of college students.

1.10 LIMITATION OF THE STUDY:

- ***Time Constraint*** – The study was conducted within a limited period of one month, which may have restricted the depth of data collection and analysis.
- ***Restricted Area of Study*** – The study focuses only on college students, excluding other age groups who might have different levels of financial literacy and investment behavior.
- ***Self-Reported Data*** – The study relies on responses provided by students, which may include biases or inaccurate information based on personal perceptions.
- ***Generalization Issue*** – The findings of this study may not be fully applicable to all college students, as financial literacy levels may vary based on location, education, and personal experiences.
- ***Limited Scope of Financial Aspects*** – The study primarily focuses on investment and savings decisions, leaving out other important financial aspects such as taxation, credit management, and debt handling.

CHAPTER PLAN:

Chapter 1: Introduction

This chapter introduces the study, providing an overview of financial literacy and its importance among college students. It discusses the background, the need for the study, and the challenges students face in making informed investment and savings decisions. The chapter outlines the research objectives, research questions, significance, and scope of the study.

Chapter 2: Review of Literature

This chapter reviews existing studies on financial literacy, investment behavior, and savings habits among college students. It explores key themes such as financial knowledge, risk perception, saving patterns, investment preferences, and the impact of financial education. The chapter identifies research gaps and lays the foundation for the study's conceptual framework.

Chapter 3: Conceptual Framework

This chapter establishes the theoretical foundation of the study. It explains financial literacy concepts, behavioral finance theories, and decision-making models relevant to students' investment and savings behavior. The chapter examines the relationship between financial knowledge, financial confidence, and actual financial behavior.

Chapter 4: Analysis of Data and Interpretation

This chapter presents the primary data collected from college students, using questionnaires. It includes statistical analysis of students financial literacy levels, investment choices, savings patterns, and their awareness of financial products. The findings are interpreted to identify trends, challenges, and areas needing improvement.

Chapter 5: Findings, Suggestions, and Conclusion

This chapter summarizes the key research findings, offering insights into students' financial awareness and behavior. It provides practical suggestions for improving financial literacy through education, workshops, and policy recommendations. The study concludes with its implications for students, educators, and policymakers, along with recommendations for future research.

2.1 INTRODUCTION:

The review of literature is a critical component of the research process, providing a comprehensive overview of existing studies, theories, and findings related to the topic of financial challenges and money management strategies among college students. This section synthesizes prior research to identify gaps, establish a theoretical foundation, and contextualize the current study within the broader academic discourse. Previous studies have explored various aspects of student finances, such as income sources, expenditure patterns, financial literacy, and the impact of socioeconomic factors on money management. However, many of these studies are concentrated in Western contexts, with limited focus on developing countries like India, and specifically on urban areas such as Chennai. By reviewing relevant literature, this study aims to build on existing knowledge, highlight underexplored areas, and provide a clearer understanding of the unique financial challenges faced by college students in Chennai. This foundation will guide the research design, methodology, and analysis, ensuring the study contributes meaningfully to the field.

1. **Dr. Manpreet Singh and Anushka Sharma (2024)** - An Analytical Study of Saving and Investment Behaviour of Individuals This study investigated the saving and investment behaviors of individuals in Uttarakhand. The researchers found that most respondents preferred traditional investment options such as fixed deposits and gold. The study highlighted the need for financial literacy programs to educate individuals about diverse investment opportunities and the importance of long-term financial planning.

2. **Goyal and Choudhary (2024)** conducted an empirical study to examine how financial literacy influences college students' investment decisions. With financial complexities increasing, the study aimed to assess the role of

financial knowledge, risk perception, and investment costs in shaping students' financial behavior. Using measuring and ranking scales, they found that financial literacy significantly impacted students' risk perception, influencing their investment choices. The findings suggested that students with higher financial literacy were more confident in assessing risks, while those with limited knowledge made poor investment decisions, leading to financial insecurity. The study emphasized the need to integrate structured financial education into college curricula to improve students' understanding of investments and enhance financial planning. The researchers concluded that financial literacy plays a crucial role in shaping students' attitudes toward risk management and long-term financial security.

3. **Kashish Jain et al. (2024)** - A Study on Awareness of Financial Literacy Among Undergraduate Students This study explored the financial literacy levels among undergraduate students in Bangalore. The researchers identified significant deficiencies in financial knowledge, which were attributed to limited access to financial literacy programs and societal attitudes towards finances. The study emphasized the importance of integrating financial education into academic curricula and conducting workshops to enhance students' understanding of saving, investing, and retirement planning. The findings highlighted that empowering students with financial knowledge could lead to better financial stability and informed decision-making.

4. **Mani Goswami (2024)** - A Study on Financial Literacy Among College Students in Delhi/NCR This research analyzed the financial literacy levels of college students in the Delhi/NCR region, focusing on demographic factors such as age, gender, and household income. The study revealed that financial literacy was influenced by these factors and highlighted the need for targeted financial education programs. The findings suggested that students with

higher financial literacy were better equipped to make informed decisions about savings and investments, thereby improving their overall financial well-being.

5. **Pranusha U.P. (2024)** - A Study on Financial Literacy Among Students in Gopalan College of Commerce This study examined the financial literacy levels of students in Gopalan College of Commerce, emphasizing the importance of money management skills. The research found that financial literacy was crucial for students to achieve financial stability and contribute to economic growth. The study recommended incorporating financial literacy programs into the education system to help students develop effective saving and investment habits.

6. **Deepak Sood and Dr. Navdeep Kaur (2023)** - A Study of Saving and Investment Pattern of Salaried Class People with Special Reference to Chandigarh This study examined the saving and investment patterns among salaried individuals in Chandigarh, India. The researchers analyzed the relationship between annual savings, age, income, and employment sectors. The findings revealed that most respondents preferred traditional investment options such as LIC policies and bank deposits. The study emphasized the importance of financial literacy in enabling individuals to make informed decisions about savings and investments. It also highlighted the role of demographic factors in shaping financial behaviors and recommended targeted financial education programs to address these disparities.

7. The Influence of Digital Financial Literacy on Financial Well-Being

Jhonson, Andriani, Noviana, and Tamara (2023) conducted a study to examine whether spending, saving, and investment behavior influenced financial well-being (FWB) through the mediation of digital financial literacy (DFL) in Indonesia. The analysis, performed using the Structural Equation Model (SEM) with SmartPLS, revealed that DFL played a significant role in shaping financial well-being by mediating spending, saving, and investment behavior. The findings indicated that individuals with higher levels of DFL were better at managing their finances, leading to improved financial well-being.

Based on these results, the study recommended that the government enhance DFL levels among Indonesians through educational curriculam that focus on responsible spending, saving habits, and investment practices. By doing so, individuals could maximize their financial well-being and make more informed financial decisions.

8. **Kumari, Tufail, and Pallavi (2023)** An Empirical Study On: Awareness About Investment Opportunities Amongst Higher Education Students

examined the awareness of investment opportunities among higher education students. Their study aimed to identify contemporary investment options, assess students' knowledge, and determine preferred investments. A survey of 101 students revealed that while most were familiar with traditional investments like real estate, stocks, and bonds, awareness of newer options like cryptocurrencies and ETFs was low.

The study also found that students aimed for financial independence, highlighting the need for better financial education. The researchers emphasized that targeted educational interventions could bridge knowledge gaps and improve investment decisions. Their findings contributed to financial literacy research, stressing the importance of equipping students with comprehensive investment knowledge.

9. **Dr. Simran Kalyani (2022)** - A Study on Investment Behavior of Youngsters in India This research explored the investment behaviors of young individuals in India, focusing on their motivations, challenges, and preferred investment instruments. The study found a growing interest in digital platforms and sustainable investments among youngsters, driven by personal research and social media influence. It emphasized the need for financial literacy programs to help young investors navigate the complexities of modern investment options and make informed decisions. The findings also highlighted the impact of psychological factors, such as risk aversion and herd mentality, on investment choices.

10. **Murmu and Singh (2022)** examined the financial literacy levels among 200 respondents in Mizoram, focusing on its association with various demographic factors. The study found that most respondents had an average level of financial literacy, while only a small percentage exhibited poor financial literacy. The research further revealed that financial literacy was influenced by employment status, whereas factors such as gender, age, income, and educational qualification did not have a significant impact. These findings highlighted the role of occupational engagement in shaping financial knowledge and decision-making among individuals in Mizoram.

11. **Ekong and Effiong (2020)** - Determinants of Savings in Nigeria and Ghana This study analyzed the factors influencing savings behavior in Nigeria and Ghana, providing insights into the importance of financial literacy in

promoting economic growth. The researchers categorized savings into domestic and overseas, as well as public and non-public, and emphasized the role of financial education in enhancing savings rates. The findings suggested that financial literacy programs could help individuals understand the benefits of saving and investing, thereby contributing to economic stability and development.

12. **Dr. Rakesh Agarwal and Dr. Sneha Kulkarni (2018)** - Impact of Financial Education on College Students' Financial Behavior in India This research examined the influence of financial education programs on the financial behavior of college students in India. It revealed that students who participated in such programs demonstrated better money management skills, were more inclined to save regularly, and showed greater confidence in making investment decisions. The study concluded that targeted financial literacy programs could significantly enhance the financial well-being of students.

13. **Hadi (2017)** investigated the impact of emotional intelligence on investment decision-making, considering the moderating role of financial literacy. The study collected data from 160 investors in stock exchanges and banks using a 5-point Likert scale questionnaire through a convenient sampling technique. The findings indicated a positive and significant relationship between emotional intelligence and investment decision-making, as well as between financial literacy and investment decisions. Furthermore, financial literacy was found to strengthen the relationship between emotional intelligence and investment decision-making. The results suggested that investors who effectively controlled their emotions made better investment decisions. Additionally, financial literacy played a crucial role in moderating this

relationship. The study also acknowledged the need to explore other factors influencing investment decisions and recommended expanding the sample size and geographical coverage for a more comprehensive analysis.

14. **Loke (2017)** - Financial Preparedness of College Students in Malaysia This study explored the financial preparedness of college students in Malaysia, focusing on their saving habits and investment behaviors. The research revealed that students who participated in extracurricular activities related to finance demonstrated higher levels of financial literacy and preparedness. The study highlighted the role of co-curricular programs in complementing academic efforts to promote financial literacy among college students.

15. **Murendo and Mutsonziwa (2017)** - Financial Literacy and Household Savings in Zimbabwe This study analyzed the relationship between financial literacy and household savings in Zimbabwe. The findings demonstrated that households with higher financial literacy were more likely to adopt formal savings mechanisms and make strategic investment decisions. The study emphasized the role of financial education programs in fostering a culture of savings and financial planning, even in economically challenging environments.

16. **Pandey, Chaubey, and Tripathi (2016)** - Information-Seeking Behavior of Individuals Before Making Investment Decisions This study examined the information-seeking behaviors of individuals before making investment decisions, emphasizing the role of financial literacy in enabling informed choices. The researchers found that individuals who actively sought financial

information were more likely to make successful investment decisions. The study recommended enhancing access to financial resources and education to support informed investment practices.

17. **Shaji, Reghunath, and Chandradathan (2016)** - Spending and Saving Habits of Graduate and Post-Graduate Students This research focused on the financial behaviors of college students, highlighting the importance of financial literacy in shaping spending and saving habits. The study found that students often spent more than they saved due to a lack of awareness about the importance of financial planning. It recommended incorporating financial education into academic curricula to help students develop effective money management skills and achieve long-term financial stability.

18. **Potrich, Vieira, and Kirch (2015)** - Determinants of Financial Literacy Among College Students: A Comparative Study in Brazil This research focused on financial literacy determinants among college students in Brazil. The study revealed that factors such as gender, socioeconomic background, and access to financial education significantly influenced students' financial literacy levels. It recommended policies to promote financial literacy at an institutional level to reduce disparities and equip students with the skills needed for sound financial decision-making.

19. **Klapper, Lusardi, and Panos (2013)** - Financial Literacy and its Consequences: Evidence from Russia This study analyzed the impact of financial literacy on financial behaviors in Russia. The findings showed that individuals with higher financial literacy were more likely to save regularly and diversify their investments. The study emphasized the importance of

financial education initiatives in fostering a culture of savings and informed financial decision-making, especially among young adults and college students.

20. **Ansong and Gyensare (2012)** - Determinants of University Working-Students' Financial Literacy at the University of Cape Coast, Ghana This study investigated the factors influencing financial literacy levels among university students who were employed during their studies. The findings highlighted that work experience, access to financial education, and parental financial behaviors significantly shaped students' financial literacy. The study recommended targeted interventions, such as workplace financial literacy workshops, to address the unique needs of working students and enhance their financial decision-making capabilities.

21. **Atkinson and Messy (2012)** - Measuring Financial Literacy: Results of the OECD Survey This study provided insights into the financial literacy levels across multiple countries, based on the OECD financial literacy survey. The researchers identified substantial gaps in basic financial knowledge, particularly in understanding investment options and risk management. The findings emphasized the urgent need for global educational initiatives to improve financial literacy, with a focus on young adults to help them make informed saving and investment decisions.

22. **Chinen and Endo (2012)** - Effect of Attitude and Background on Personal Financial Literacy: A Perspective from High School and College Students in Japan This research investigated the influence of attitude and socio-economic background on the financial literacy of students in Japan. The findings revealed that students with a positive attitude toward financial learning and a stable financial background were more likely to exhibit higher levels of financial literacy. The study recommended integrating financial education into academic curricula to address disparities and prepare students for effective financial planning.

23. **Remund (2010)** - Financial Literacy Explicated: The Case for a Clearer Definition in an Increasingly Complex Economy This study sought to provide a comprehensive definition of financial literacy and its components, including knowledge of savings, investments, and debt management. The research highlighted the importance of financial literacy in enabling individuals to navigate the complexities of modern economies. It stressed the need for targeted financial education strategies, particularly for college students who are at a critical stage for developing lifelong financial habits.

24. **Sabri and MacDonald (2010)** - Savings Behavior and Financial Problems Among College Students: This study examined the relationship between savings behavior, financial problems, and financial literacy among college students in Malaysia. The findings revealed that students with higher financial literacy scores were more likely to engage in saving behaviors and experienced fewer financial problems. The study also explored the role of childhood consumer experiences and financial socialization agents in shaping financial habits. The results indicated that early financial experiences had

mixed effects, as some students developed poor financial habits that persisted into college. However, the study suggested that financial education during college could help mitigate these negative influences. The researchers emphasized the importance of targeted financial education programs to address specific financial challenges faced by students.

25. **Yoong (2010)** - Financial Literacy, Retirement Planning, and Wealth Accumulation This study explored the interconnectedness of financial literacy, retirement planning, and wealth accumulation, particularly among younger individuals. The findings highlighted that financial literacy played a crucial role in shaping long-term financial behaviors. The study underscored the importance of starting financial education early, as it had a lasting impact on individuals' ability to save and invest effectively.

26. **Mandell and Klein (2009) -** The Impact of Financial Literacy Education on Subsequent Financial Behavior This research analyzed the long-term effects of financial literacy education on students' financial behavior. The study found that students who received structured financial education were more likely to engage in responsible financial practices, such as budgeting, saving, and investing, even years after completing their education. The authors emphasized the importance of incorporating financial literacy programs into both high school and college curricula to establish strong financial foundations for young adults.

27. **Cude et al. (2006) -** College Students and Financial Literacy: What They Know and What We Need to Learn This study assessed the financial literacy levels of college students in the United States and identified key areas where students lacked knowledge, such as credit management and long-term investment planning. The research highlighted the need for a collaborative approach among universities, policymakers, and financial institutions to develop effective financial literacy programs tailored to students' needs.

28. **Beal and Delpachitra (2003) -** Financial Literacy Among Australian University Students This study examined the financial literacy levels of university students in Australia, focusing on their understanding of credit, budgeting, and investments. The researchers found that while students had basic financial knowledge, there were significant gaps in their understanding of more complex financial concepts, such as risk assessment in investments. The study concluded that financial literacy programs tailored to the needs of young adults could significantly improve their financial decision-making skills.

29. **Garman and Forgue (2000) -** Personal Finance: Managing Your Money This classic work examined the fundamental principles of personal financial management, including budgeting, saving, and investing. The authors emphasized the importance of financial literacy in helping individuals achieve financial security and independence. While the book primarily targeted a general audience, its principles were highly relevant to college students navigating early financial independence.

30. **Hira and Mugenda (2000)** - The Relationships Between Self-Worth and Financial Beliefs, Behaviors, and Satisfaction This study explored the psychological factors influencing financial beliefs and behaviors, focusing on college students and young adults. The researchers found that individuals with higher self-worth were more likely to engage in prudent financial practices, such as regular savings and strategic investments. The study highlighted the role of financial literacy in building confidence and promoting responsible financial decision-making.

2.2 RESEARCH GAP:

Existing studies on financial literacy among college students have primarily focused on awareness levels, traditional investment preferences, and the impact of basic financial education. However, there remains a need of comprehensive research examining how demographic factors (such as age, gender, income level, and financial dependency) and behavioral influences (like risk perception, confidence in decision-making, and learning sources) shape students' savings and investment choices. Whereas a few studies highlight the importance of digital financial literacy, few investigate its actual selection among students or its role in overcoming biases toward ordinary investment options. Also, there is restricted investigation into how financial socialization (learning from family, peers, or social media) affects financial literacy and decision-making patterns. This consider aims to bridge these gaps by analyzing the interaction of demographic, psychological, and educational components in forming college student’s financial awareness and investment behaviors, providing insights for more focused on financial literacy interventions.

3.1.1 Introduction to Conceptual Framework:

A conceptual framework serves as the foundation of any research study, providing a structured approach to understanding key concepts, their interrelationships, and their role in addressing the research problem. It acts as a roadmap that guides the study, ensuring that the research remains focused and systematic. A well-defined conceptual framework helps in identifying relevant theories, organizing variables, and establishing logical connections between them. It also aids in interpreting research findings by offering a theoretical lens through which data can be analyzed.

3.1.2 Meaning of Conceptual Framework:

The conceptual framework is a visual or written representation of key concepts, theories, and variables that define the scope of a research study. It explains the theoretical underpinnings that support the research, illustrating how different elements interact to influence the study's outcomes. It is developed based on a review of existing literature, ensuring that the research is grounded in established knowledge. By outlining the relationship between dependent and independent variables, a conceptual framework helps researchers formulate hypotheses, design methodologies, and interpret results in a meaningful way.

3.1.3 Importance of Conceptual Framework:

The conceptual framework holds significant importance in research for multiple reasons:

1. Provides Clarity and Direction – It articulates the research problem, objectives, and scope, ensuring that the study remains well-structured and concentrated.

2. Establishes Theoretical Foundation – By incorporating relevant theories and models, it bolsters the credibility of the research and ensures conformity with academic standards.

3. Identifies Relationships Between Variables – It aids in determining how various variables interact, which is crucial for hypothesis formulation and data analysis.

4. Guides Data Collection and Analysis – It supports researchers in selecting suitable research methods, measurement instruments, and analytical techniques.

5. Enhances Research Validity – A robust conceptual framework guarantees that the study is rooted in existing knowledge, diminishing biases and enhancing the accuracy of findings.

6. Bridges Theory and Practice – It links theoretical concepts with practical applications, rendering the research more pertinent and impactful.

The conceptual framework plays a critical role in examining how financial literacy influences investment and savings decisions among college students. By establishing the theoretical background, this chapter sets the foundation for understanding financial decision making patterns and the importance of financial education in shaping students financial behaviour.

3.1.4 Key Concepts:

This study focuses on three key financial concepts: financial literacy, investment decisions, and savings behaviour. These concepts play a crucial role in shaping individuals' financial well-being and decision-making processes.

1. Financial Literacy:

Financial literacy refers to an individual's ability to understand and apply financial concepts to make informed and effective financial decisions. It includes knowledge of financial instruments, budgeting, banking, credit management, interest rates, risk assessment, and personal financial planning. Financial literacy empowers individuals to manage their resources wisely, avoid financial distress, and achieve long-term financial stability. Financial literacy is particularly important for young individuals, such as college students, as it enables them to develop responsible financial habits early in life.

Key aspects of financial literacy:

- Basic financial knowledge – Understanding concepts like inflation, interest rates, loans, and taxes.
- Budgeting and financial planning – Managing income, expenses, and savings effectively.
- Investment awareness – Understanding different asset classes and their risks.
- Debt management – Making informed decisions about loans and credit.
- Retirement and savings planning – Preparing for financial security in the future.

2. Investment Decisions:

Investment decisions involve allocating financial resources to different assets to generate returns over time. These decisions depend on factors such as risk tolerance, expected returns, financial goals, and market conditions. Understanding investment strategies is essential for financial growth and wealth accumulation. For college students, investment knowledge helps in making informed decisions about stocks, mutual funds, fixed deposits, and other financial instruments that can contribute to their financial growth.

Key factors influencing investment decisions:

- Risk tolerance – The ability to handle financial losses and market fluctuations.
- Return on investment (ROI) – The potential gains from an investment.
- Liquidity – How easily an investment can be converted into cash.
- Market conditions – Economic trends, inflation rates, and interest rates.
- Diversification – Spreading investments across various asset classes to minimize risks.

3. Savings Decisions:

Savings decisions refer to the strategies individuals adopt to set aside a portion of their income for future financial needs. Savings provide financial security, help in emergency situations, and support long-term goals such as education, home ownership, or retirement.

Key aspects of savings decisions:

- Short-term vs. long-term savings – Setting aside money for immediate needs versus future financial goals.

- Savings instruments – Bank savings accounts, fixed deposits, recurring deposits, and digital wallets.

- Emergency funds – Maintaining a financial buffer for unexpected expenses.

- Interest accumulation – Understanding how savings grow over time through compound interest.

3.2.1 Definition of Financial Literacy:

Financial literacy is a fundamental life skill that enables individuals to make informed financial decisions and manage their personal finances effectively. Several institutions and researchers have defined financial literacy in various ways:

1. Organization for Economic Co-operation and Development (OECD):

"Financial literacy is a combination of awareness, knowledge, skill, attitude, and behavior necessary to make sound financial decisions and ultimately achieve financial well-being."

2. National Financial Educators Council (NFEC):

"Financial literacy is possessing the skills and knowledge on financial matters to confidently take effective action that best fulfills an individual's personal, family, and global community goals."

3. U.S. Financial Literacy and Education Commission (FLEC):

"Financial literacy is the ability to use knowledge and skills to manage financial resources effectively for a lifetime of financial well-being."

4. Lusardi & Mitchell (2011):

"Financial literacy is the ability to process economic information and make informed decisions about financial planning, wealth accumulation, debt management, and retirement."

5. Reserve Bank of India (RBI):

"Financial literacy is the ability to understand, manage, and plan personal finances by making informed and responsible financial decisions."

3.2.2 Meaning of Financial Literacy:

Financial literacy refers to an individual's ability to understand financial concepts and apply them in managing income, expenses, savings, investments, and debts effectively. It involves gaining knowledge about various financial tools, such as budgeting, banking, taxation, credit management, investment strategies, and retirement planning. Financial literacy is essential in today's complex financial world, where individuals are required to make independent financial decisions. It empowers individuals to navigate the economic landscape confidently, leading to financial stability, security, and growth. A strong foundation in financial literacy helps people build wealth, manage financial risks, and ensure a secure financial future.

A financially literate person possesses the skills to:

- Manage personal finances by budgeting income and expenses efficiently.
- Make informed investment decisions by assessing financial risks and expected returns.
- Understand and evaluate financial products such as loans, insurance, mutual funds, and fixed deposits.
- Plan for short-term and long-term financial goals, including savings, retirement, and asset building.
- Avoid financial pitfalls such as excessive debt, fraud, and poor financial planning.

3.2.3 Key Components of Financial Literacy:

Financial literacy comprises several essential components that help individuals manage their financial resources efficiently and make informed decisions. The five key components of financial literacy are budgeting, saving, investing, credit management, and risk awareness. Mastering these areas ensures financial stability, security, and growth.

1. Budgeting:

Budgeting is the process of creating a financial plan to track income and expenses, ensuring that individuals can manage their money effectively. It helps in allocating resources efficiently and avoiding unnecessary financial stress.

Importance of Budgeting:

- Helps in tracking income and expenses, preventing overspending.
- Ensures financial stability by allocating funds to essential needs (e.g., rent, groceries, bills).
- Encourages saving and investing by setting aside a portion of income.
- Assists in debt management by prioritizing loan repayments.
- Prevents financial stress by maintaining a balanced cash flow.

Types of Budgeting Methods:

- 50/30/20 Rule – 50% for needs, 30% for wants, and 20% for savings and investments.

- Zero-Based Budgeting – Allocating every rupee to a specific expense, leaving no unassigned funds.

- Envelope System – Physically dividing money into categories (e.g., groceries, utilities, savings).

- Incremental Budgeting – Adjusting last month's budget based on expenses and income changes.

2. Savings:

Saving refers to setting aside a portion of income for future financial needs, emergencies, and long-term goals. It provides financial security and acts as a safety net during unexpected situations.

Importance of Saving:

i. Provides a financial cushion during emergencies (e.g., medical expenses, job loss).

ii. Helps in achieving short-term and long-term goals (e.g., education, home purchase, retirement).

iii. Reduces dependence on credit and loans, minimizing financial stress.

iv. Allows individuals to capitalize on investment opportunities when needed.

Common Saving Instruments:

i. Savings Accounts – Secure and low-risk, offering easy access to funds.

ii. Fixed Deposits (FDs) – Higher interest rates than savings accounts, suitable for long-term savings.

iii. Recurring Deposits (RDs) – Fixed monthly contributions with interest earnings.

iv. Emergency Funds – Separate savings to cover unexpected financial needs.

3. Investing:

Investing involves allocating money into financial assets with the goal of generating returns over time. It helps in wealth creation and financial growth, making it an essential aspect of financial literacy.

Importance of Investing:

i. Helps in wealth accumulation and financial independence.

ii. Protects against inflation by growing money over time.

iii. Provides passive income sources, reducing reliance on employment income.

iv. Supports long-term financial goals, such as retirement and homeownership.

Types of Investments:

i. Stocks – Ownership in a company, offering potential growth and dividends.

ii. Mutual Funds – Pooled investments managed by professionals.

iii. Bonds – Fixed-income securities that provide regular interest payments.

iv. Real Estate – Investment in property for rental income or resale.

v. Gold – A traditional store of value, often used as a hedge against inflation.

vi. Cryptocurrency – Digital assets like Bitcoin and Ethereum, offering high-risk, high-return potential.

4. Credit Management:

Credit management involves responsible handling of borrowed funds, ensuring that individuals do not fall into debt traps and maintain a healthy credit score.

Importance of Credit Management:

i. Helps in maintaining a good credit score, which is crucial for securing loans.

ii. Ensures responsible debt repayment, avoiding excessive interest costs.

iii. Reduces financial stress by preventing over-borrowing.

iv. Allows access to financial benefits like low-interest loans and credit cards.

Key Aspects of Credit Management:

i. Timely Repayment – Paying bills and loan EMIs on time to avoid penalties.

ii. Debt-to-Income Ratio – Keeping debt levels manageable relative to income.

iii. Avoiding Minimum Payments – Paying more than the minimum credit card bill to reduce interest burden.

iv. Checking Credit Reports – Regularly monitoring credit scores to ensure accuracy.

5. Risk Awareness:

Risk awareness refers to understanding financial risks associated with investments, loans, and economic changes. It helps individuals make informed financial decisions and avoid losses. By understanding financial risks, individuals can adopt risk management strategies like diversification, portfolio balancing, and insurance planning to secure their financial future.

Importance of Risk Awareness:

i. Prevents financial losses by assessing market risks and uncertainties.

ii. Encourages diversification to reduce exposure to a single asset class.

iii. Helps in selecting the right insurance policies to cover financial risks.

iv. Assists in setting up emergency funds to handle unexpected financial downturns.

Types of Financial Risks:

i. Market Risk – Losses due to stock market fluctuations.

ii. Inflation Risk – Declining purchasing power due to rising prices.

iii. Credit Risk – Borrowers defaulting on loan repayments.

iv. Liquidity Risk – Difficulty in converting assets to cash.

v. Interest Rate Risk – Changes in loan and investment rates affecting financial plans.

3.3 Investment & Savings Concept:

3.3.1 Definition of Savings:

Savings refers to the portion of income that is set aside for future use rather than being spent. It is usually kept in secure financial instruments such as savings accounts, fixed deposits, or emergency funds. According to the **Reserve Bank of India (RBI),** savings are "the part of disposable income that is not consumed and is stored for future needs or emergencies."

3.3.2 Definition of Investment:

According to **Benjamin Graham,** "An investment operation is one which, upon thorough analysis, promises safety of principal and an adequate return." For eg: Investments can be made in stocks, bonds, real estate, mutual funds, or digital assets.

3.3.3 Importance of Savings and Investments for College Students:

For college students, developing financial discipline early can significantly impact their future financial well-being. Many students rely on their parents for financial support, but cultivating saving and investment habits from a young age ensures self-sufficiency and financial independence. Savings and investments offer several benefits:

1. Financial Security – Helps students build an emergency fund to cover unexpected expenses.

2. Wealth Creation – Investing early allows money to grow over time through compound interest.

3. Independence from Debt – Reduces reliance on loans and credit cards for expenses.

4. Achieving Financial Goals – Helps students plan for higher education, business ventures, or travel.

5. Understanding Market Dynamics – Investing early exposes students to financial markets, helping them make informed decisions in the future.

3.3.4 Popular Savings & Investment Options for Students:

1. Bank Deposits (Savings & Fixed Deposits)

Savings accounts provide easy access to funds and a nominal interest rate.

Fixed Deposits (FDs) offer higher interest rates than regular savings accounts with minimal risk.

2. Mutual Funds & Systematic Investment Plans (SIPs)

Mutual funds pool money from various investors to invest in stocks, bonds, or debt instruments.

SIPs allow students to invest small amounts regularly, promoting financial discipline.

3. Stocks and Equity Investments

Investing in company shares offers the potential for long-term wealth creation.

Blue-chip stocks and index funds are safer options for beginner investors.

4. Digital Gold

Allows students to invest in gold online without the need for physical storage.

Can be purchased in small amounts, making it a suitable investment for students.

5. Government-backed Investment Schemes

Public Provident Fund (PPF) – A long-term savings scheme with tax benefits.

National Savings Certificate (NSC) – Offers fixed interest rates and is a secure investment.

6. Cryptocurrency and Digital Assets

Bitcoin, Ethereum, and other cryptocurrencies are emerging investment options with high-risk, high-reward potential.

Requires knowledge of market trends, volatility, and security measures.

3.4 Psychological and Behavioral Factors Affecting Students' Investment Decisions:

1. Risk Tolerance and Perception

Students with low risk tolerance prefer safe investments like fixed deposits, savings accounts, and mutual funds. Those with higher risk appetite may explore stocks, cryptocurrency, or high-yield investments. Loss aversion (fear of losing money) may discourage students from investing in volatile markets.

2. Financial Knowledge and Awareness

A lack of financial education may prevent students from making informed investment choices. Overconfidence bias can lead some students to take high risks without proper research. Those with higher financial literacy tend to invest in diversified portfolios rather than following market trends blindly.

3. Social Influence and Peer Pressure

Students often follow investment trends recommended by friends, social media, or influencers. Herd mentality leads to impulsive investments, such as buying stocks or crypto based on hype. Peer discussions about returns and losses can create pressure to invest without adequate research.

4. Availability of Funds and Income Stability

Many college students have limited income sources, which affects their investment capacity. Students who depend on allowances from parents may prioritize short-term savings over long-term investments. Having a part-time job or internship can encourage students to allocate funds for investments.

5. Behavioral Biases in Investment Decisions

Anchoring bias: Relying on past price levels to make investment decisions.

Confirmation bias: Seeking information that supports pre-existing beliefs about an investment. Recency bias: Giving more importance to recent market trends rather than long-term historical data.

6. Short-Term vs Long-Term Thinking

Many students prioritize immediate consumption (spending on entertainment, gadgets, etc.) over investing. Financial education programs can promote long-term financial planning habits.

7. Fear of Complexity and Lack of Guidance

Students often avoid investments due to a lack of understanding of stocks, bonds, or mutual funds. Many find financial markets complex and intimidating, leading them to stick with basic savings options. User friendly investment platforms and financial awareness campaigns can help students gain confidence in investing.

3.5 Factors Affecting Financial Literacy Among College Students:

Financial literacy among college students is influenced by multiple factors. Some key factors affecting financial literacy include:

1. Educational Background and Academic Curriculum

Many school and college curriculums lack structured financial education programs.

Commerce and finance students tend to have better financial literacy than those from non-finance backgrounds. Incorporating financial literacy modules into college programs can bridge the knowledge gap.

2. Parental Influence and Family Financial Practices

Students from financially educated families are more likely to develop good financial habits.

Parents who actively discuss budgeting, saving, and investing help shape their children's financial behavior.

Lack of financial discussions at home may result in poor money management skills.

3. Socioeconomic Status and Financial Resources

Students from higher-income families often have more exposure to financial concepts. Those from low-income backgrounds may focus more on managing expenses rather than learning about investments. Financial literacy programs and scholarships can help students from all backgrounds gain financial knowledge.

4. Access to Digital Financial Tools and Platforms

The rise of online banking, fintech apps, and digital payment platforms has improved financial awareness. Students who use budgeting apps, stock trading platforms, or savings tools tend to have better financial literacy. However, lack of access to these tools can limit financial education for some students.

3.6 Theories Related to Financial Literacy and Investment Behaviour:

1. Prospect Theory (Kahneman & Tversky, 1979)

Prospect Theory explains how people make financial decisions under uncertainty. It challenges the traditional assumption that people always make rational choices to maximize their wealth. Instead, it shows that individuals rely on mental shortcuts and react differently to gains and losses.

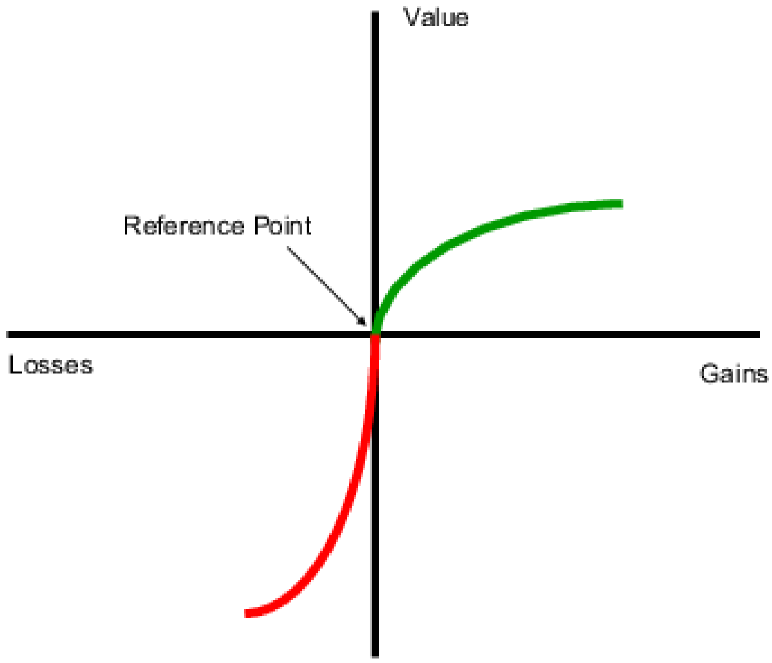


Fig 3.1

The theory introduces the concept of loss aversion, which means that people feel the pain of losing money more strongly than the pleasure of gaining the same amount. This emotional reaction often leads to irrational financial behavior.

For example, if a student invests ₹10,000 in stocks and it grows to ₹11,000, they may sell it quickly to secure a small profit. However, if it drops to ₹9,000, they might refuse to sell and keep holding it, hoping it will recover, even if the stock is performing poorly.

This theory explains why people hesitate to invest and why they sometimes hold onto bad investments for too long.

2. Theory of Planned Behavior (Ajzen, 1991)

The Theory of Planned Behavior explains how a person’s intentions shape their financial decisions. It argues that financial behavior is not just based on knowledge but also on personal attitude, social influence, and confidence in making financial choices.

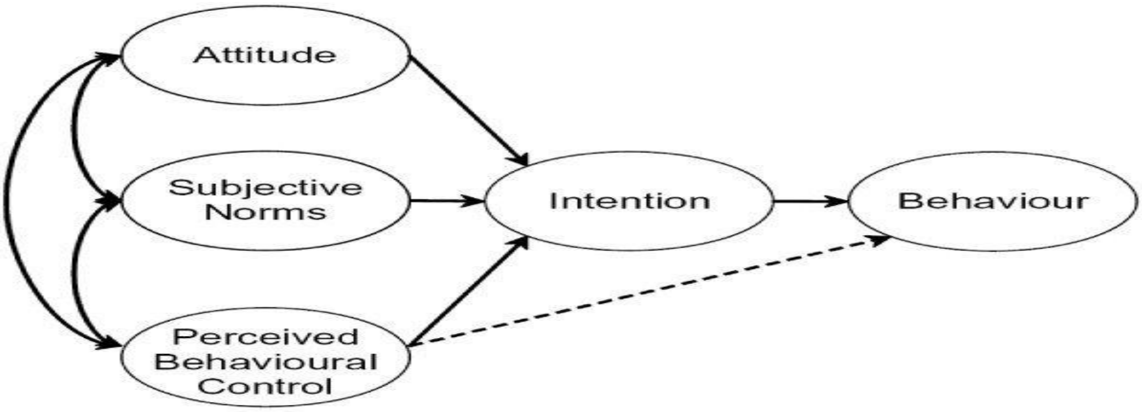


Fig 3.2

The theory consists of three main factors:

1. Attitude toward Behavior: This refers to whether a person sees investing as a good or bad idea. If someone believes investing is risky, they may avoid it.

2. Subjective Norms: This refers to how family, friends, and society influence financial decisions. If parents encourage saving and investing, a student is more likely to follow the habit.

3. Perceived Behavioral Control: This is a person's confidence in managing finances. If they feel they lack knowledge about investments, they might avoid it, even if they want to invest.

For example, if a college student sees their friends investing in mutual funds, they may also feel encouraged to start. However, if they lack confidence in financial knowledge, they may hesitate or completely avoid investing.

3. Life Cycle Hypothesis (Modigliani & Brumberg, 1954)

The Life Cycle Hypothesis explains how people manage money differently at different stages of life. It states that individuals plan their savings and investments based on their expected income over their lifetime.

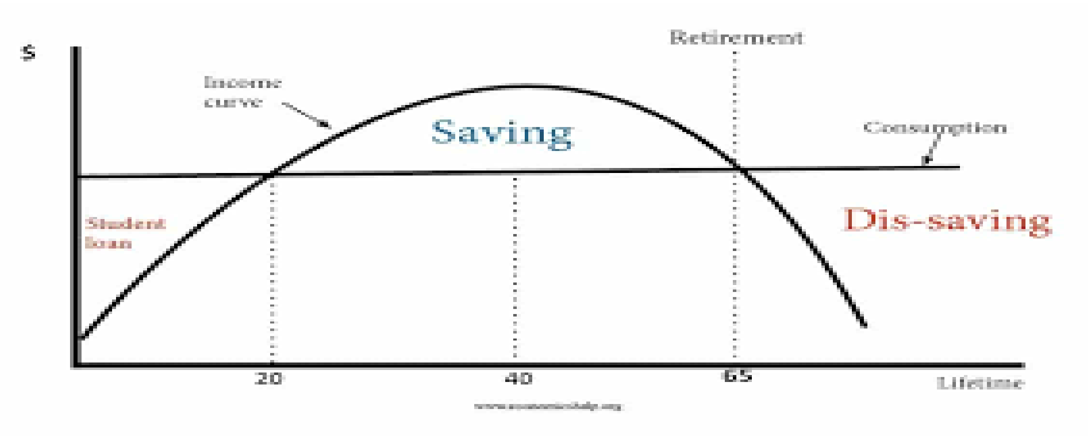


Fig 3.3

The theory divides life into three financial stages:

1. Young Age (College & Early Career): Income is low, but expenses are high. People rely on family support or loans. This is when basic financial habits like saving and budgeting should begin.

2. Middle Age (Working Years): People start earning more, save regularly, and invest in assets like stocks, mutual funds, and real estate.

3. Retirement: Income decreases, and people start using their savings for living expenses. Proper planning ensures a comfortable retirement.

For example: If a student starts investing ₹500 per month in a mutual fund at age 20, they will accumulate much more wealth than if they start investing at age 40, due to compounding.

Overview of the Conceptual Framework:

This chapter established the foundation for understanding financial competence, investment behavior, and saving decisions among students. In addition to the various factors that influence financial decision making, key factors of financial literacy, such as definitions, meanings, and basic elements were examined.

Theories such as prospect theory, theory of planned behavior, and valuable information cycles theory explain how individuals assessed risks, selected investments and chose for their financial stability strategies. Furthermore, financial knowledge plays a key role in student transformation with budgets, savings, investments, loans and risk assessments. Factors such as educational background, parental leadership, income level, and access to financial resources influence students' financial knowledge and their decision process.

In today's rapidly developing financial environment, having the relevant financial knowledge is important. This is what students offer to take up the latest investment options, such as investment funds, digital gold, cryptocurrency, and the stock market, and make well-informed financial decisions. Furthermore, psychological aspects and behaviors shape the student's financial perspective and highlight the need for balanced risks and economic security.

Improvement of financial capabilities among students is important to promote responsible financial practices, improve investment trust and ensure long-term financial wells. By integrating financial education into the school's curriculum and raising financial awareness, students can develop healthy financial habits that benefit from everything in their lives.

4.1 Introduction:

Data analysis is a essential component of research, serving to condense and interpret the data collected. This prepare utilizes analytical and logical thinking to identify patterns, relationships, or trends within the data. In this study, primary data first-hand information gathered specifically from college students was utilized to assess their financial literacy concerning investment and savings decisions.

4.2 Types of Data:

Qualitative Data:

This type of data includes descriptive data expressed through words. It provides insights into fundamental reasons, conclusions, and inspirations, making it valuable for investigating complex concepts like financial states of mind and behaviors.

Quantitative Data:

Represented numerically, quantitative data facilitates the estimation and analysis of factors. In this study, such data was instrumental in evaluating levels of financial literacy and understanding investment and saving behaviors among students.

4.3 Statistical Tools Used:

To effectively present and interpret the data, a few statistical tools were utilized:

Tables:

Utilized to efficiently organize detailed information, tables enable readers to quickly understand and compare information points, improving clarity in presenting overview results.

Pie Charts:

These circular charts are divided into sectors, each representing a extent of the whole. Pie charts were utilized to demonstrate the relative frequencies or percentages of different responses, providing a visual preview of the information distribution.

Bar Charts:

Comprising of rectangular bars with lengths corresponding to the values they represent, bar charts were utilized to compare various categories, such as different levels of financial literacy among respondents.

Table 4.1 Age group

Age group	Responses	Percentage
18-21	56	78.87%
22-24	8	11.27%
Above 25	1	1.41%
Below 18	6	8.45%
Total	**71**	**100.00%**

SOURCE OF DATA: PRIMARY DATA

Interpretation: The above table shows that out of 71 respondents, 56 (78.87%) were in the 18-21 age group, 8 (11.27%) were in the 22-24 age group, 1 (1.41%) was above 25, and 6 (8.45%) were below 18. The data indicates that the majority of respondents were in the 18-21 age group.

Figure 4.1 Age group

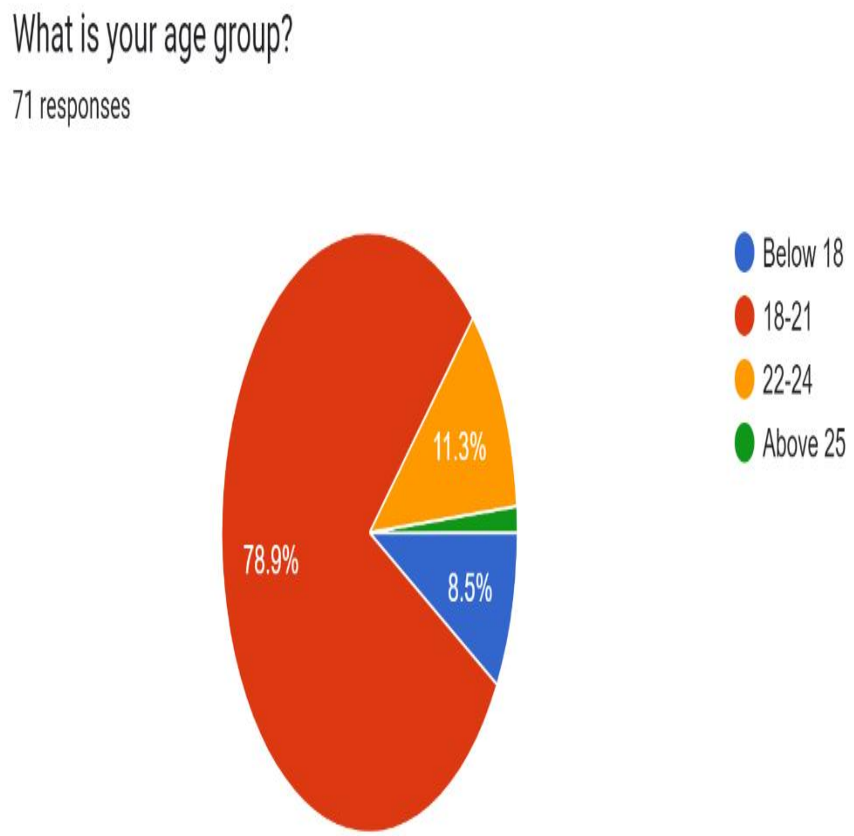


Table 4.2 Gender

Gender	**Responses**	**Percentage**
Female	17	23.94%
Male	53	74.65%
Prefer not to say	1	1.41%
Total	**71**	**100.00%**

SOURCE OF DATA: PRIMARY DATA

Interpretation: The above table shows that out of 71 respondents, 53 (74.65%) were male, 17 (23.94%) were female, and 1 (1.41%) preferred not to say. The majority of respondents were male.

Fig 4.2 Gender

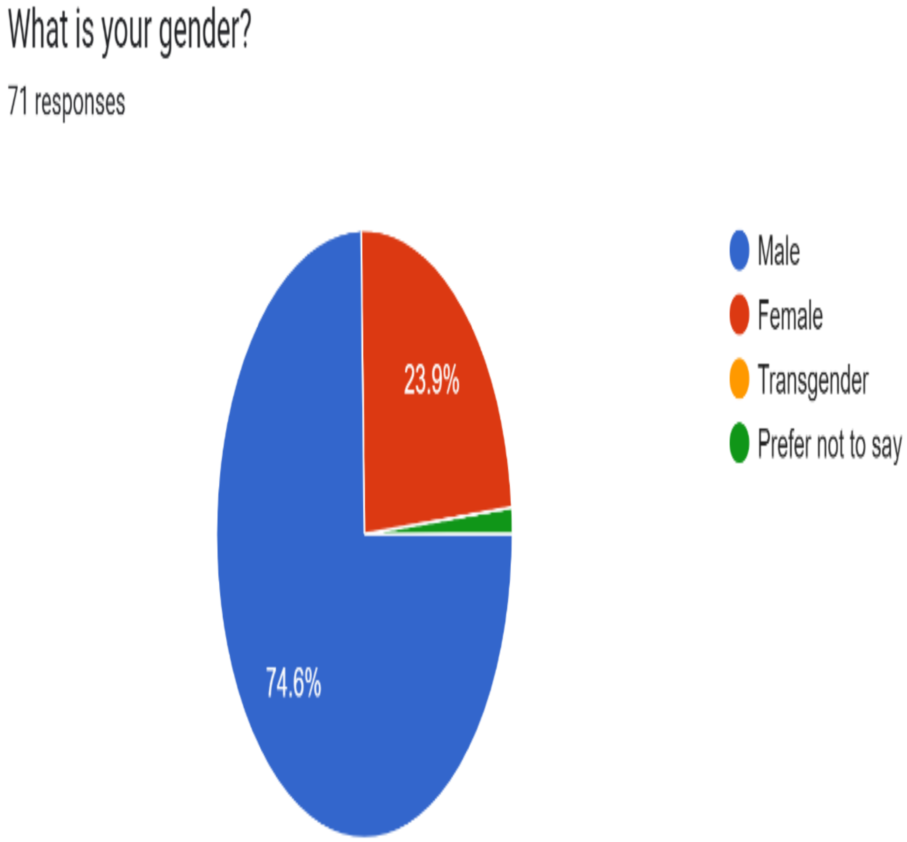


Table 4.3 Current College Year

Current College Year	Responses	Percentage
1st Year	3	4.23%
2nd Year	5	7.04%
3rd Year	55	77.46%
4th Year (if applicable)	3	4.23%
Post Graduate	5	7.04%
Total	**71**	**100.00%**

SOURCE OF DATA: PRIMARY DATA

Interpretation: The above table shows that out of 71 respondents, the majority (77.46%) were in their 3rd year of college, with 55 individuals in this group. The 2nd year accounted for 7.04% of the responses, with 5 individuals. Both the 1st year and 4th year categories each accounted for 4.23% of the responses, with 3 individuals in each. Additionally, 5 respondents (7.04%) were postgraduates. This indicates that most respondents were in their 3rd year of college.

Fig 4.3 Current College Year

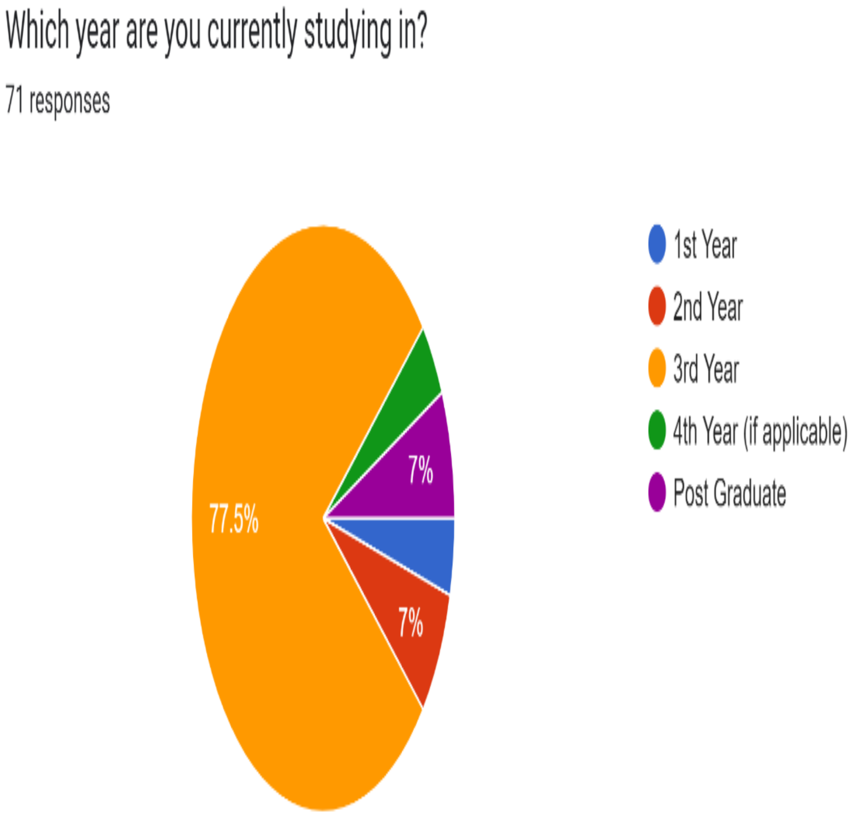


Table 4.4 Currently Studying Course

Currently Studying Course	Responses	Percentage
Arts & Humanities	1	1.41%
Business administration	1	1.41%
Commerce & Management	56	78.87%
Law & Healthcare	3	4.23%
Physics	1	1.41%
Science & Technology	9	12.68%
Total	**71**	**100.00%**

SOURCE OF DATA: PRIMARY DATA

Interpretation: The above table shows that out of 71 respondents, the majority (78.87%) were pursuing Commerce & Management, with 56 individuals in this category. Science & Technology accounted for 12.68% of the responses, with 9 individuals. Law & Healthcare made up 4.23%, with 3 respondents. Arts & Humanities, Business Administration, and Physics each had 1 respondent, representing 1.41% of the total responses.

Fig 4.4 Currently Studying Course

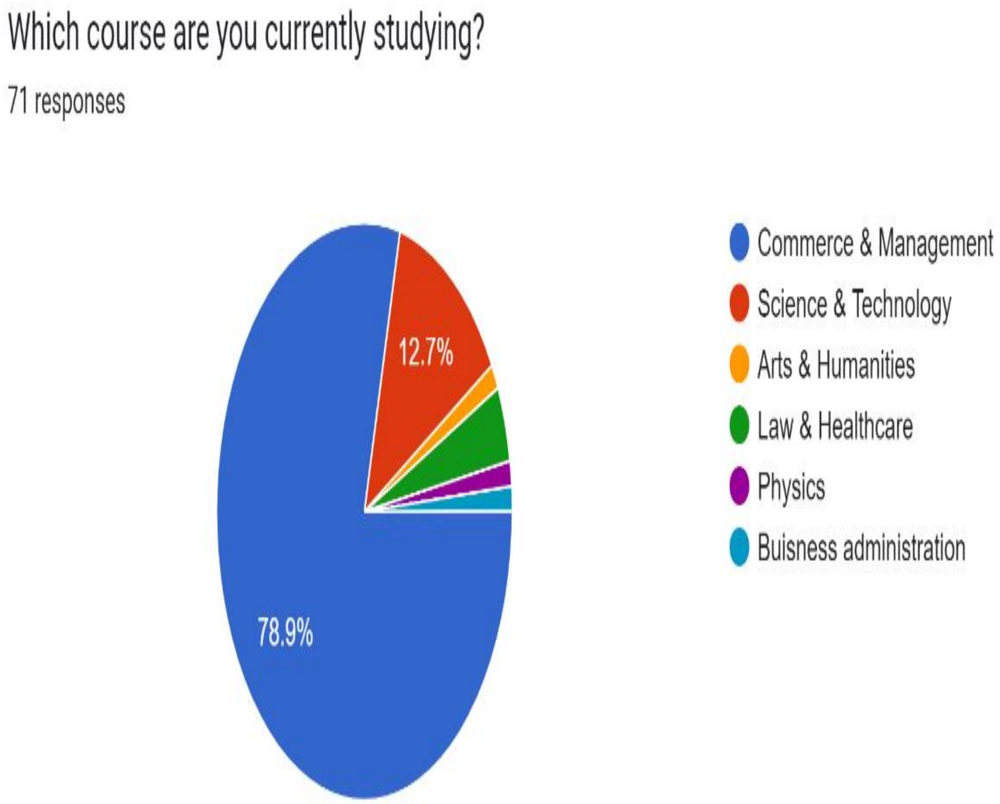


Table 4.5 Monthly Allowance of Respondents

Monthly Allowance of Respondents	Responses	Percentage
₹1,000 - ₹3,000	13	18.31%
₹3,001 - ₹5,000	16	22.54%
₹5,001 - ₹10,000	4	5.63%
Above ₹10,000	5	7.04%
Below ₹1,000	33	46.48%
Total	**71**	**100.00%**

SOURCE OF DATA: PRIMARY DATA

Interpretation: The above table shows that out of 71 respondents, the majority (46.48%) had a monthly allowance below ₹1,000, with 33 individuals in this category. The ₹3,001 - ₹5,000 range accounted for 22.54% of the responses, with 16 individuals. The ₹1,000 - ₹3,000 range comprised 18.31% of the responses, with 13 individuals. Additionally, 7.04% of respondents had a monthly allowance above ₹10,000, with 5 individuals, while 5.63% fell within the ₹5,001 - ₹10,000 range, with 4 individuals.

Fig 4.5 Monthly Allowance of Respondents

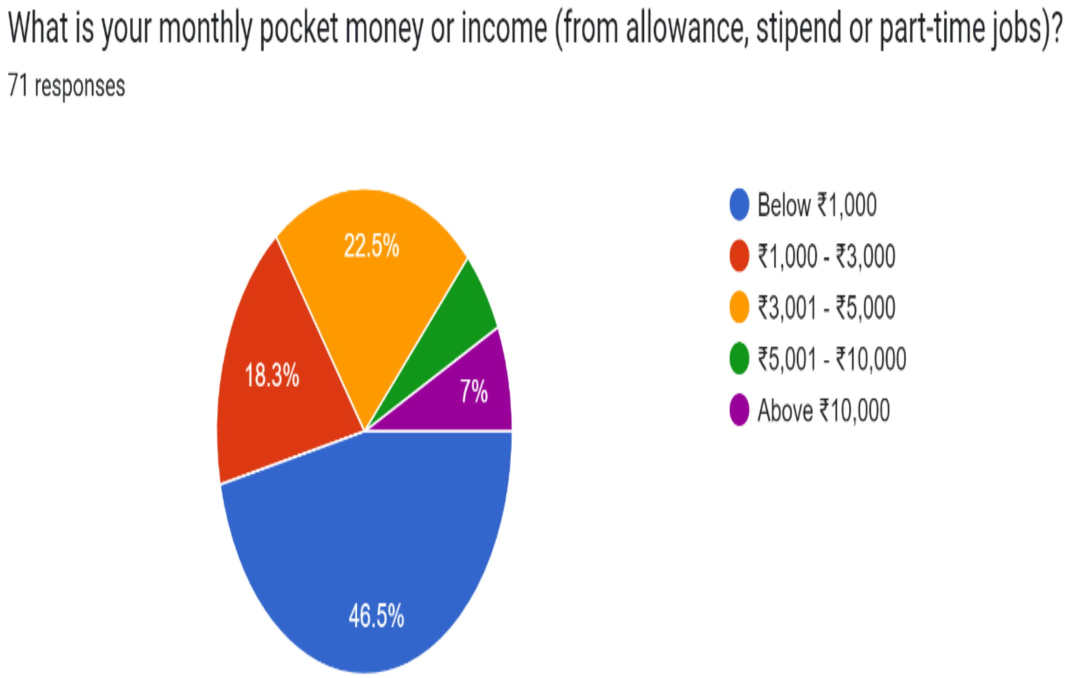


Table 4.6 Financial Dependency Status

Financial Dependency Status	Responses	Percentage
Fully dependent on family	51	71.80%
Partially dependent	16	22.50%
Fully independent	4	5.60%
Total	**71**	**100.00%**

SOURCE OF DATA: PRIMARY DATA

Interpretation: The above table shows that out of 71 respondents, the majority (71.8%) were fully dependent on their family, with 51 individuals in this category. Partially dependent respondents accounted for 22.5% of the total, with 16 individuals. Additionally, 5.6% of respondents were fully independent, with 4 individuals.

Fig 4.6 Financial Dependency Status

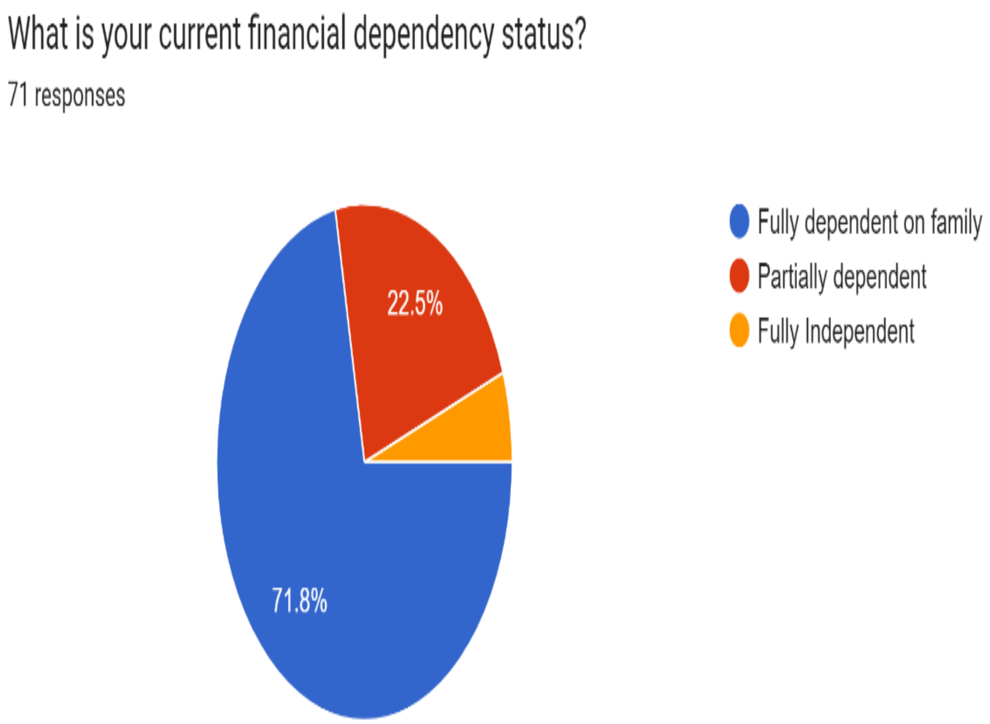


Table 4.7 Frequency of Tracking Financial Activities

Frequency of Tracking Financial Activities	Responses	Percentage
Always	20	28.2%
Often	29	40.8%
Sometimes	19	26.8%
Never	3	4.2%
Total	**71**	**100%**

SOURCE OF DATA: PRIMARY DATA

Interpretation: The above table shows that out of 71 respondents, 40.8% (29 individuals) track their financial activities often, while 28.2% (20 individuals) do so always. 26.8% (19 individuals) review their finances sometimes, and 4.2% (3 individuals) never track their financial activities. This indicates that the majority of respondents monitor their financial activities regularly.

Fig 4.7 Frequency of Tracking Financial Activities

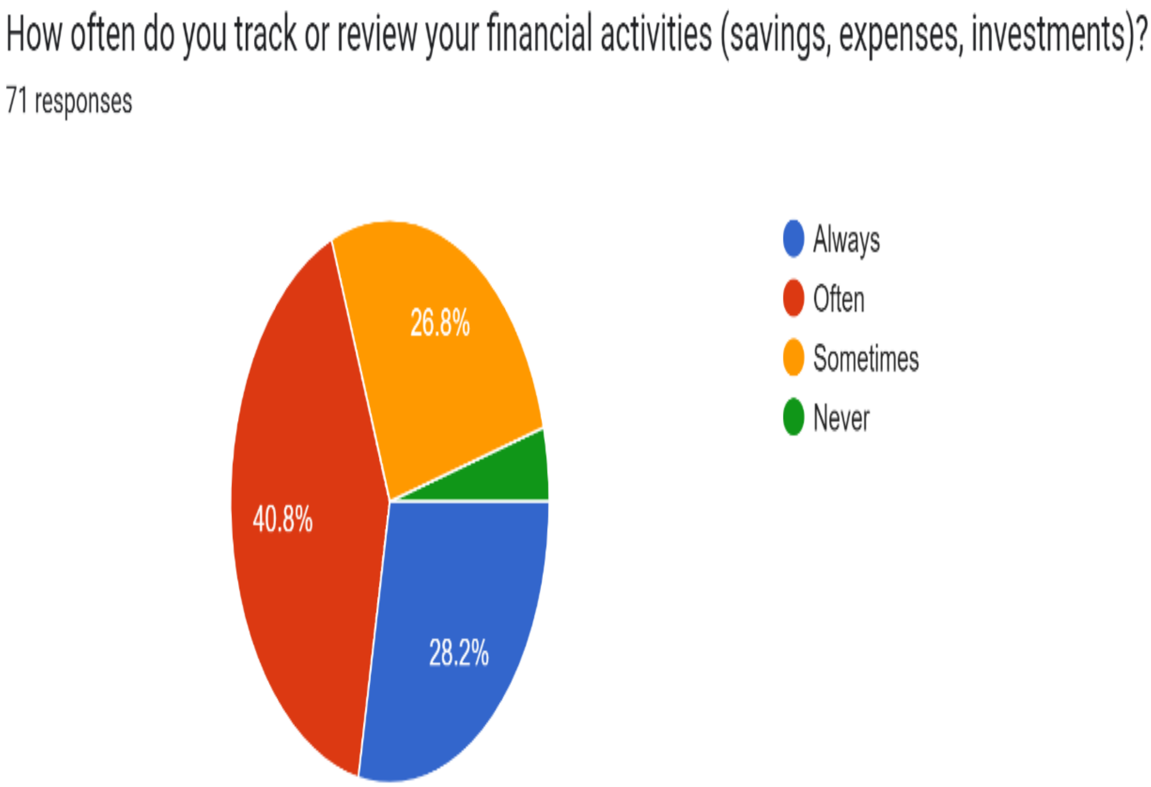


Table 4.8 Source of Financial Management Learning

Source of Financial Management Learning	Responses	Percentage (%)
Family & Friends	28	39.40%
Social Media & Internet	23	32.40%
College Courses & Workshops	11	15.50%
Financial Advisors	2	2.80%
Books & Articles	7	9.90%
Total	71	100%

SOURCE OF DATA: PRIMARY DATA

Interpretation: The above table shows that out of 71 respondents, the majority (39.4%) learn about financial management from family and friends, with 28 individuals in this category. Social media and the internet are the primary sources for 23 respondents, accounting for 32.4% of the total. College courses and workshops are a source for 15.5% of respondents, with 11 individuals. Additionally, 9.9% of respondents (7 individuals) learn from books and articles, while 2.8% (2 individuals) rely on financial advisors.

Fig 4.8 Source of Financial Management Learning

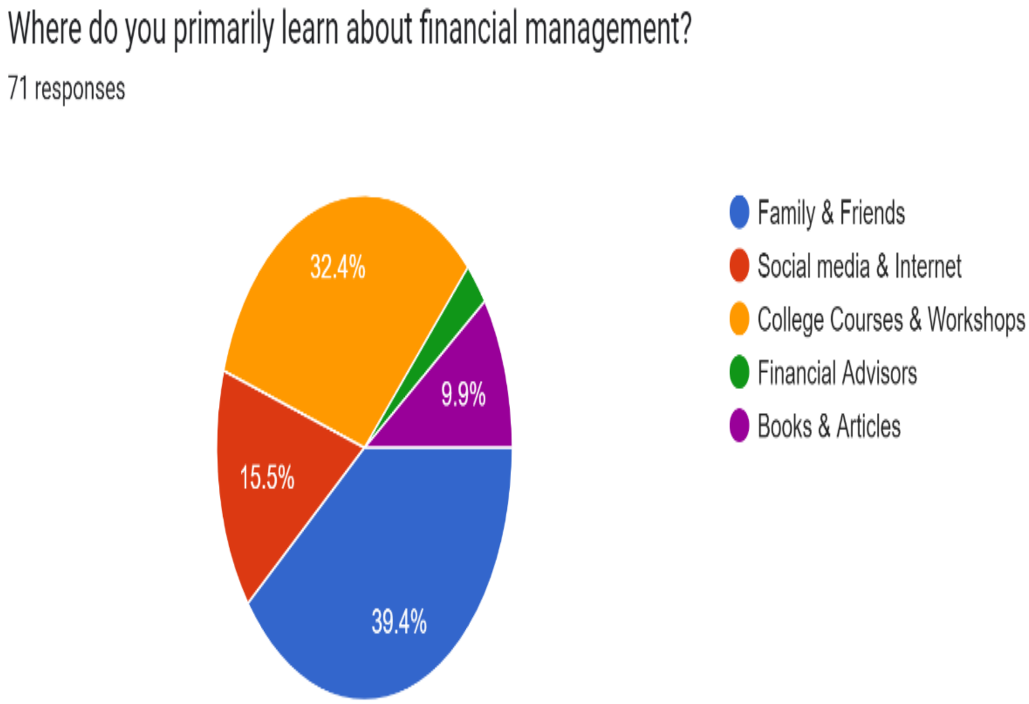


Table 4.9 Savings allocation of Respondents

Savings Allocation (%)	Responses	Percentage (%)
Less than 10%	32	45.1%
10 - 20%	25	35.2%
21 - 30%	8	11.3%
More than 30%	6	8.5%
Total	**71**	**100%**

SOURCE OF DATA: PRIMARY DATA

Interpretation: The above table shows that out of 71 respondents, the majority (45.1%) allocate less than 10% of their income towards savings, with 32 individuals in this category. 25 respondents (35.2%) save between 10-20% of their income. A smaller group of 8 respondents (11.3%) allocate 21-30% of their income to savings. Additionally, 6 individuals (8.5%) save more than 30% of their income.

Fig 4.9 Savings allocation of Respondents

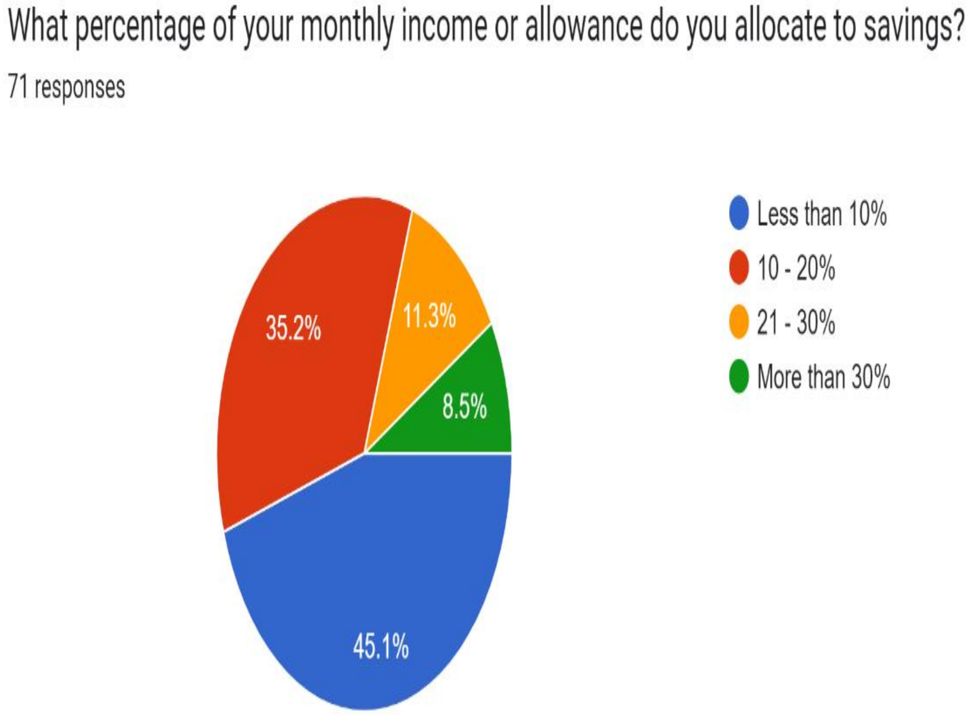


Table 4.10 Financial Concepts that Respondents familiar

Financial Concepts	Responses	Percentage
Budgeting	7	9.86%
Budgeting, Credit & Debt management	5	7.04%
Budgeting, Savings & Investments	13	18.31%
Budgeting, Savings & Investments, Credit & Debt management	3	4.23%
Budgeting, Savings & Investments, Credit & Debt management, Interest Rates & Inflation	12	16.90%
Budgeting, Savings & Investments, Interest Rates & Inflation	3	4.23%
Credit & Debt management	1	1.41%
Interest Rates & Inflation	1	1.41%
Savings & Investments	21	29.58%
Savings & Investments, Credit & Debt management	2	2.82%
Savings & Investments, Interest Rates & Inflation	3	4.23%
Grand Total	**71**	**100.00%**

SOURCE OF DATA: PRIMARY DATA

Interpretation: The above table shows that out of 71 respondents, the majority (29.58%) consider Savings & Investments as an important financial concept, with 21 individuals in this category. 13 respondents (18.31%) focus on Budgeting, Savings & Investments, while 12 respondents (16.90%) consider Budgeting, Savings & Investments, Credit & Debt Management, Interest Rates & Inflation important.

Additionally, 7 respondents (9.86%) prioritize Budgeting, and 5 respondents (7.04%) focus on Budgeting, Credit & Debt Management. A smaller percentage, 4.23% each, consider Budgeting, Savings & Investments, Interest Rates & Inflation, Budgeting, Savings & Investments, Credit & Debt Management, and Savings & Investments, Interest Rates & Inflation.

Only 2.82% focus on Savings & Investments, Credit & Debt Management, while 1.41% each consider Credit & Debt Management and Interest Rates & Inflation as key financial concepts.

Fig 4.10 Financial Concepts that Respondents familiar

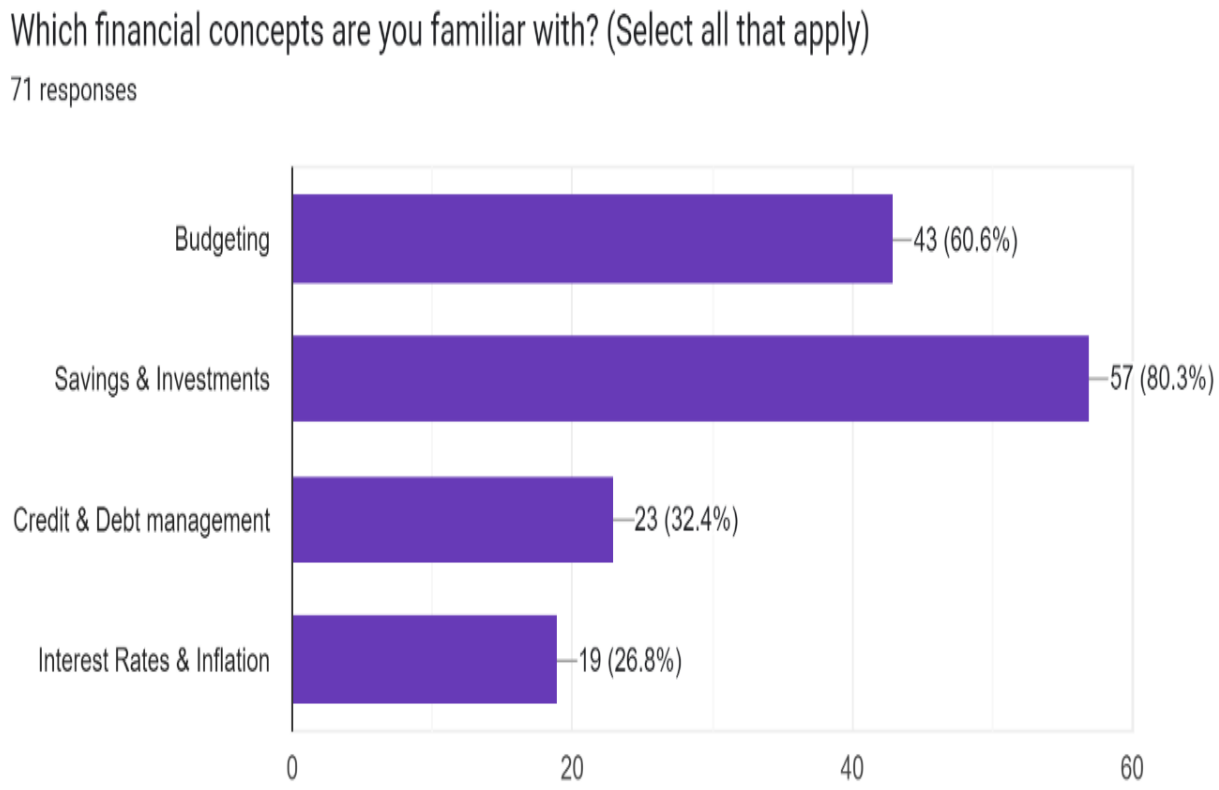


Table 4.11 Primary reason for savings

Primary reason for savings	Responses	Percentage
Day to day expenses	1	1.41%
Emergency funds	16	22.54%
Future Investments	37	52.11%
Higher education	6	8.45%
To Spend	1	1.41%
Travel & Leisure	10	14.08%
Grand Total	**71**	**100.00%**

SOURCE OF DATA: PRIMARY DATA

Interpretation: The above table shows that out of 71 respondents, the majority (52.11%) save for Future Investments, with 37 individuals in this category. 16 respondents (22.54%) prioritize savings for Emergency Funds, while 10 respondents (14.08%) save for Travel & Leisure. Additionally, 6 respondents (8.45%) save for Higher Education., And 1.41% each, save primarily for Day-to-Day Expenses and Spending.

Fig 4.11 Primary reason for savings

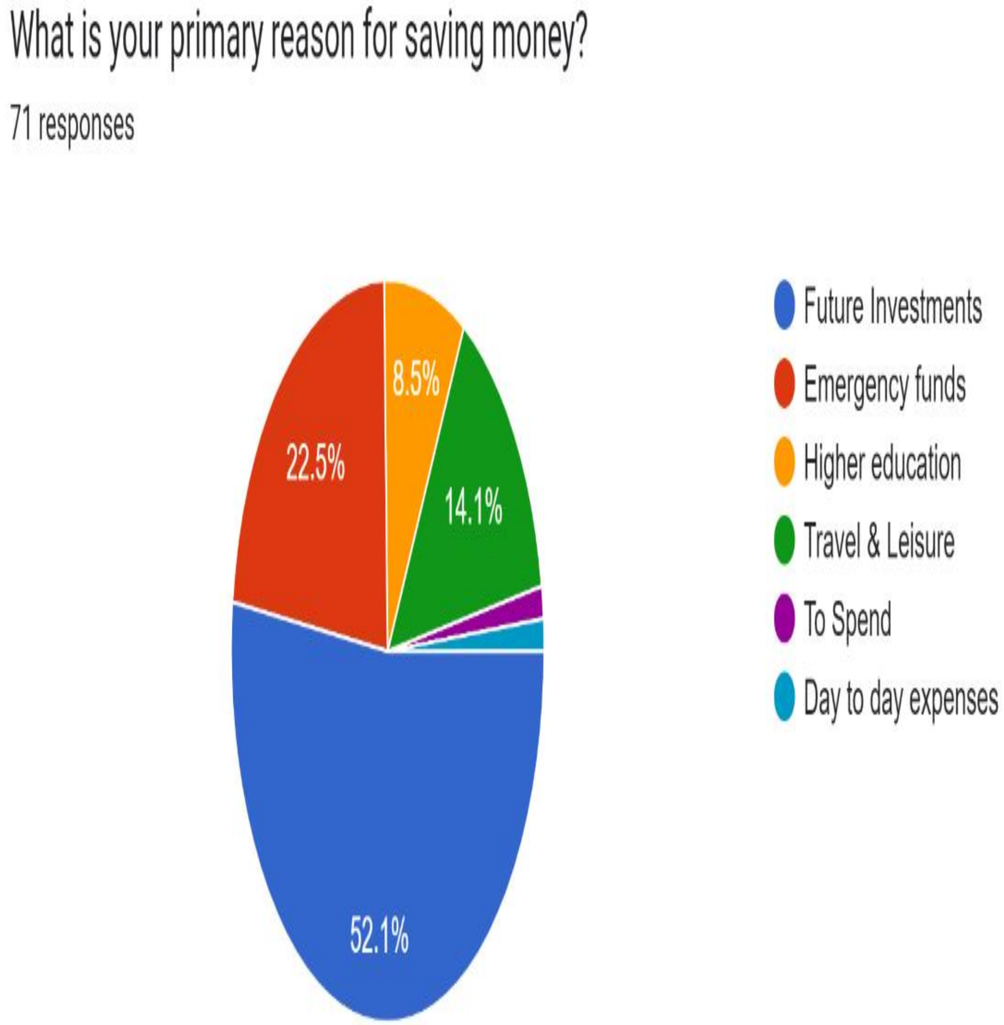


Table 4.12 Respondents Investment options

Respondents Investment options	Responses	Percentage
Fixed deposit	3	4.23%
Fixed deposit, Gold	9	12.68%
Fixed deposit, Gold, Real estate	6	8.45%
Fixed deposit, Mutual funds (SIPs, ETFs)	2	2.82%
Fixed deposit, Mutual funds (SIPs, ETFs), Gold	2	2.82%
Fixed deposit, Mutual funds (SIPs, ETFs), Gold, Real estate	1	1.41%
Fixed deposit, Mutual funds (SIPs, ETFs), Stock market (Equity & Trading)	1	1.41%
Fixed deposit, Mutual funds (SIPs, ETFs), Stock market (Equity & Trading), Gold	1	1.41%
Fixed deposit, Mutual funds (SIPs, ETFs), Stock market (Equity & Trading), Gold, Bonds & Government Schemes	2	2.82%
Fixed deposit, Mutual funds (SIPs, ETFs), Stock market (Equity & Trading), Gold, Cryptocurrency, Real estate	1	1.41%
Fixed deposit, Mutual funds (SIPs, ETFs), Stock market (Equity & Trading), Gold, Cryptocurrency, Real estate, Bonds & Government Schemes	6	8.45%
Fixed deposit, Mutual funds (SIPs, ETFs), Stock market (Equity & Trading), Gold, Real estate	1	1.41%
Fixed deposit, Mutual funds (SIPs, ETFs), Stock market (Equity & Trading), Gold, Real estate, Bonds & Government Schemes	1	1.41%
Fixed deposit, Real estate	1	1.41%
Fixed deposit, Stock market (Equity & Trading)	1	1.41%
Fixed deposit, Stock market (Equity & Trading), Gold	4	5.63%
Fixed deposit, Stock market (Equity & Trading), Gold, Real estate	1	1.41%
Gold	6	8.45%

Gold, Bonds & Government Schemes	1	1.41%
Gold, Real estate	1	1.41%
Mutual funds (SIPs, ETFs)	5	7.04%
Mutual funds (SIPs, ETFs), Gold	1	1.41%
Mutual funds (SIPs, ETFs), Real estate	1	1.41%
Mutual funds (SIPs, ETFs), Stock market (Equity & Trading)	3	4.23%
Mutual funds (SIPs, ETFs), Stock market (Equity & Trading), Gold	1	1.41%
Real estate	1	1.41%
Stock market (Equity & Trading)	4	5.63%
Stock market (Equity & Trading), Cryptocurrency	1	1.41%
Stock market (Equity & Trading), Gold	1	1.41%
Stock market (Equity & Trading), Gold, Real estate	2	2.82%
Grand Total	**71**	**100.00%**

SOURCE OF DATA: PRIMARY DATA

Interpretation: The above table shows that out of 71 respondents, the majority have opted for Fixed Deposits in their investment portfolios, as it appears in almost all responses. Gold is also a popular investment choice, with 16 respondents (22.54%) including it in their portfolios.

Mutual Funds (SIPs, ETFs) are chosen by 12 respondents (16.90%), while Stock Market Investments (Equity & Trading) are preferred by 13 respondents (18.31%). Real Estate is included in the portfolios of 13 respondents (18.31%), often in combination with other investment options.

A small percentage of respondents have diversified their investments further by including Bonds & Government Schemes (8.45%) and Cryptocurrency (4.23%).

Fig 4.12 Respondents Investment options

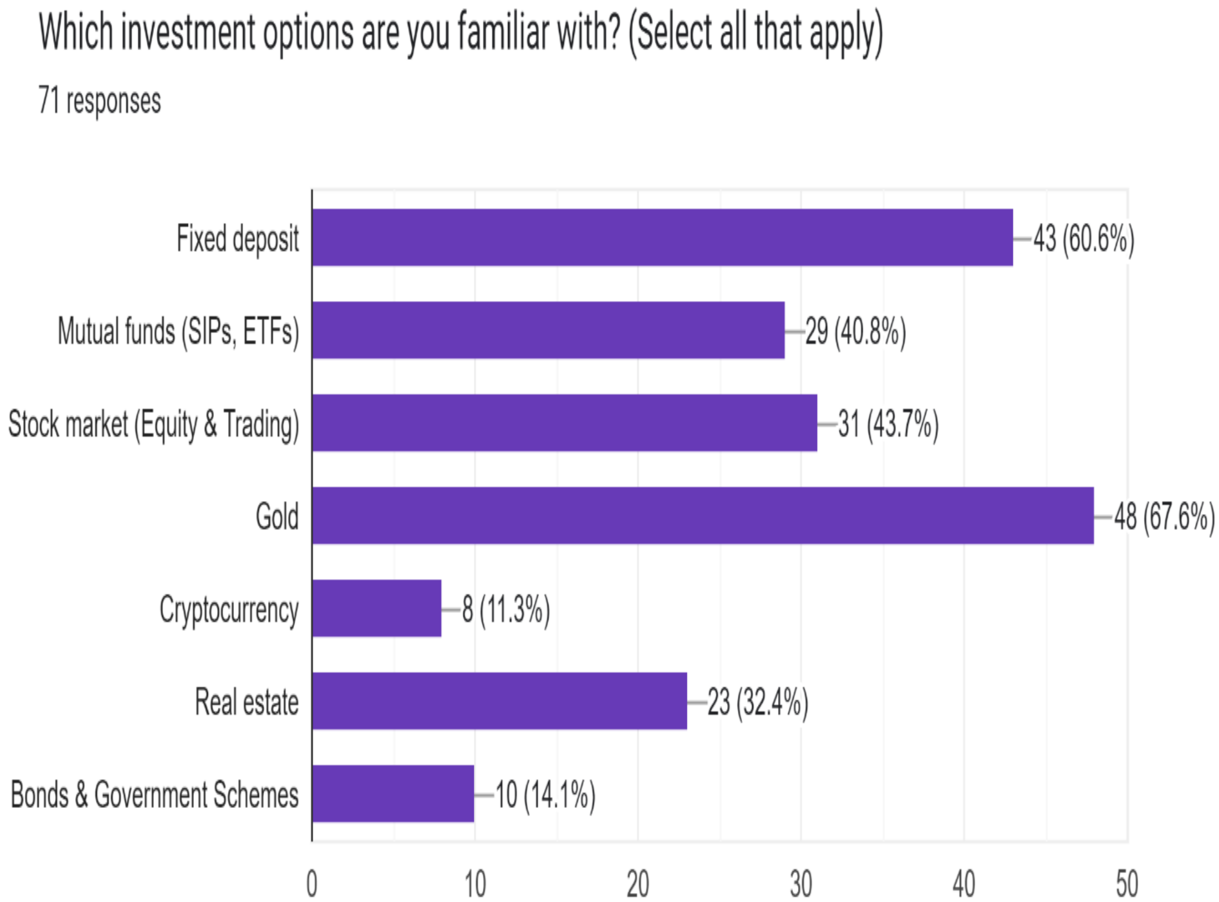


Table 4.13 Preferred investment duration

Preferred investment duration	Responses	Percentage
Long-term (More than 5 years)	13	18.31%
Medium-term (1-5 years)	40	56.34%
Short-term (Less than 1 year)	18	25.35%
Grand Total	**71**	**100.00%**

SOURCE OF DATA: PRIMARY DATA

Interpretation: The above table shows that out of 71 respondents, the majority (56.34%, 40 respondents) prefer medium-term investments with a duration of 1 to 5 years.

Short-term investments (less than 1 year) are chosen by 18 respondents (25.35%), indicating a preference for liquidity and quick returns.

And then, long-term investments (more than 5 years) are preferred by 13 respondents (18.31%), suggesting a lower inclination toward extended investment commitments.

Fig 4.13 Preferred investment duration

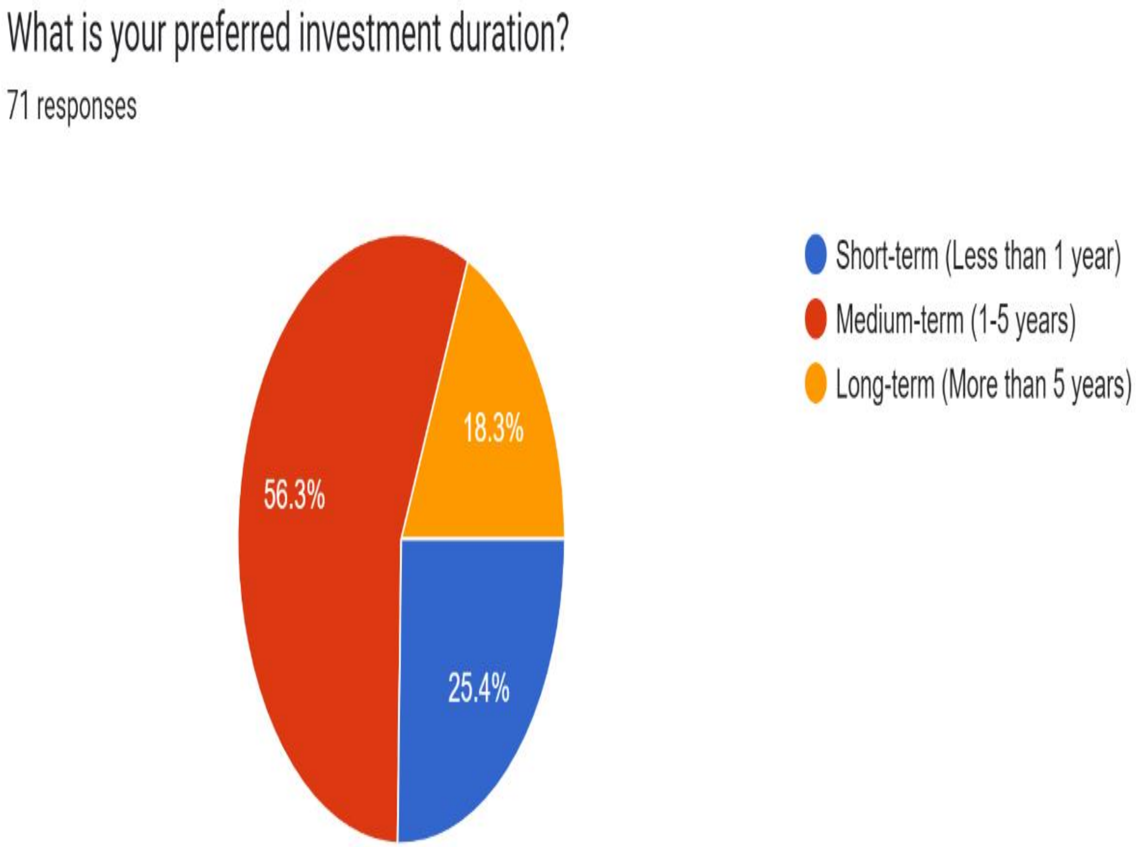


Table 4.14 Main goal to invest

Main goal to invest	**Responses**	**Percentage**
Passive Income	26	36.62%
Retirement Planning	5	7.04%
Tax Savings	4	5.63%
Wealth Creation	36	50.70%
Grand Total	**71**	**100.00%**

SOURCE OF DATA: PRIMARY DATA

Interpretation: The above table shows that out of 71 respondents, the majority (50.70%, 36 respondents) invest primarily for wealth creation, indicating a strong focus on long-term financial growth.

Passive income is the second most common investment goal, chosen by 26 respondents (36.62%), reflecting a significant interest in generating steady earnings alongside their primary income.

A smaller portion of respondents prioritize retirement planning (7.04%) and tax savings (5.63%), suggesting that fewer individuals are currently focused on long-term financial security or tax benefits as their primary investment objective.

Fig 4.14 Main goal to invest

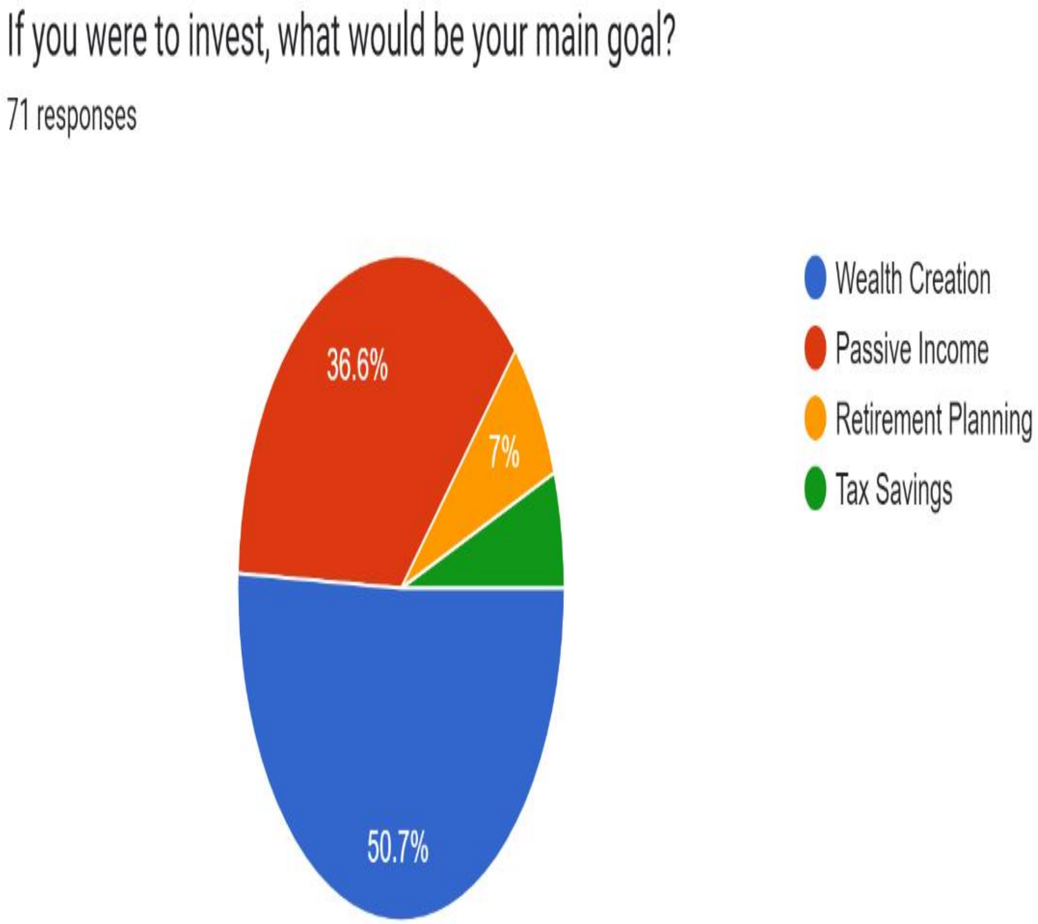


Table 4.15 Financial literacy be a mandatory subject

Financial literacy be a mandatory subject	Responses	Percentage
Agree	16	22.54%
Disagree	2	2.82%
Neutral	28	39.44%
Strongly Agree	20	28.17%
Strongly Disagree	5	7.04%
Grand Total	**71**	**100.00%**

SOURCE OF DATA: PRIMARY DATA

Interpretation: The above table shows that out of 71 respondents, the majority (39.44%, 28 respondents) remain neutral on whether financial literacy should be a mandatory subject.

A Significant portion supports the idea, with 20 respondents (28.17%) strongly agreeing and 16 respondents (22.54%) agreeing, bringing the total support to 50.71%. And Smaller group disagrees (2.82%) and strongly disagrees (7.04%).

Fig 4.15 Financial literacy be a mandatory subject

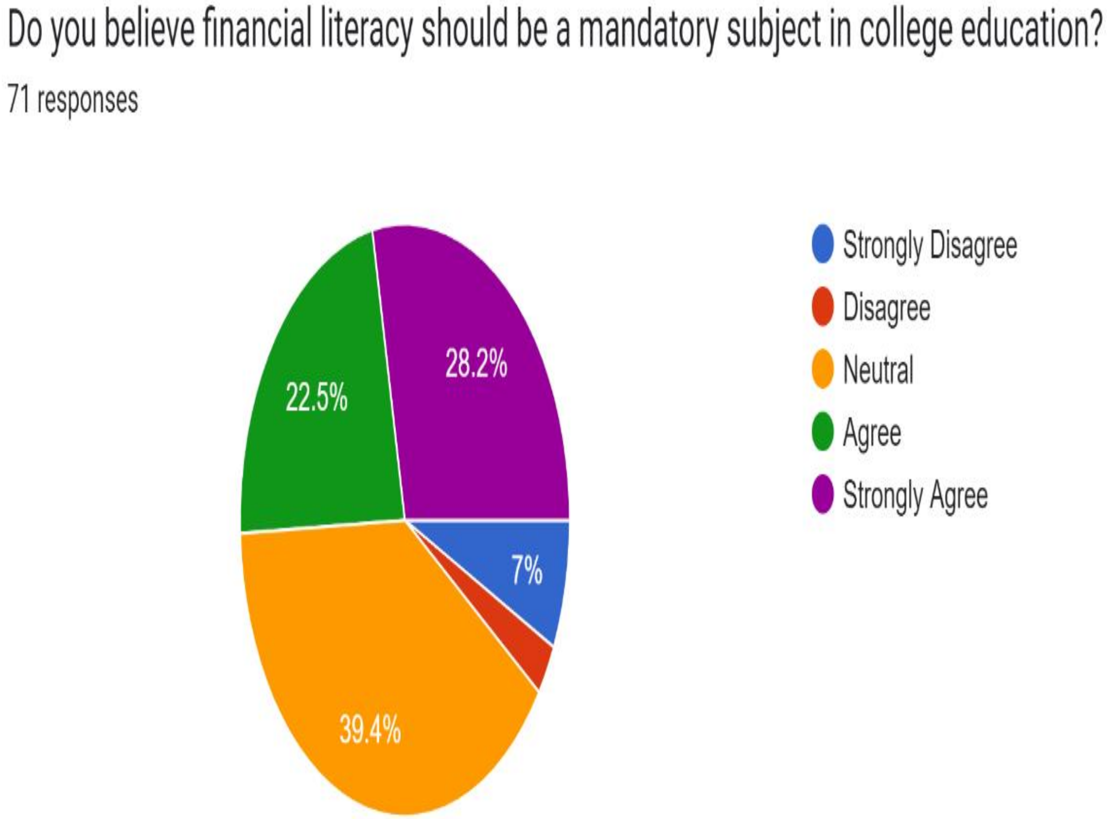


Table 4.16 Respondents plan to improve financial knowledge in the future

Respondents plan to improve financial knowledge	Responses	Percentage
Attending Financial Seminars & Workshops	23	32.39%
Consulting Financial Experts	13	18.31%
Self-learnings (Books, Articles, Video lessons)	26	36.62%
Taking Online Courses or Certifications	9	12.68%
Grand Total	**71**	**100.00%**

SOURCE OF DATA: PRIMARY DATA

Interpretation: The above table shows that out of 71 respondents, the majority (36.62%, 26 respondents) prefer self-learning through books, articles, and video lessons as their primary method to improve financial knowledge.

Attending financial seminars & workshops is the second most preferred approach, chosen by 23 respondents (32.39%).

And 13 respondents (18.31%) opt for consulting financial experts.

A smaller group (12.68%, 9 respondents) prefers taking online courses or certifications.

Fig 4.16 Respondents plan to improve financial knowledge in the future

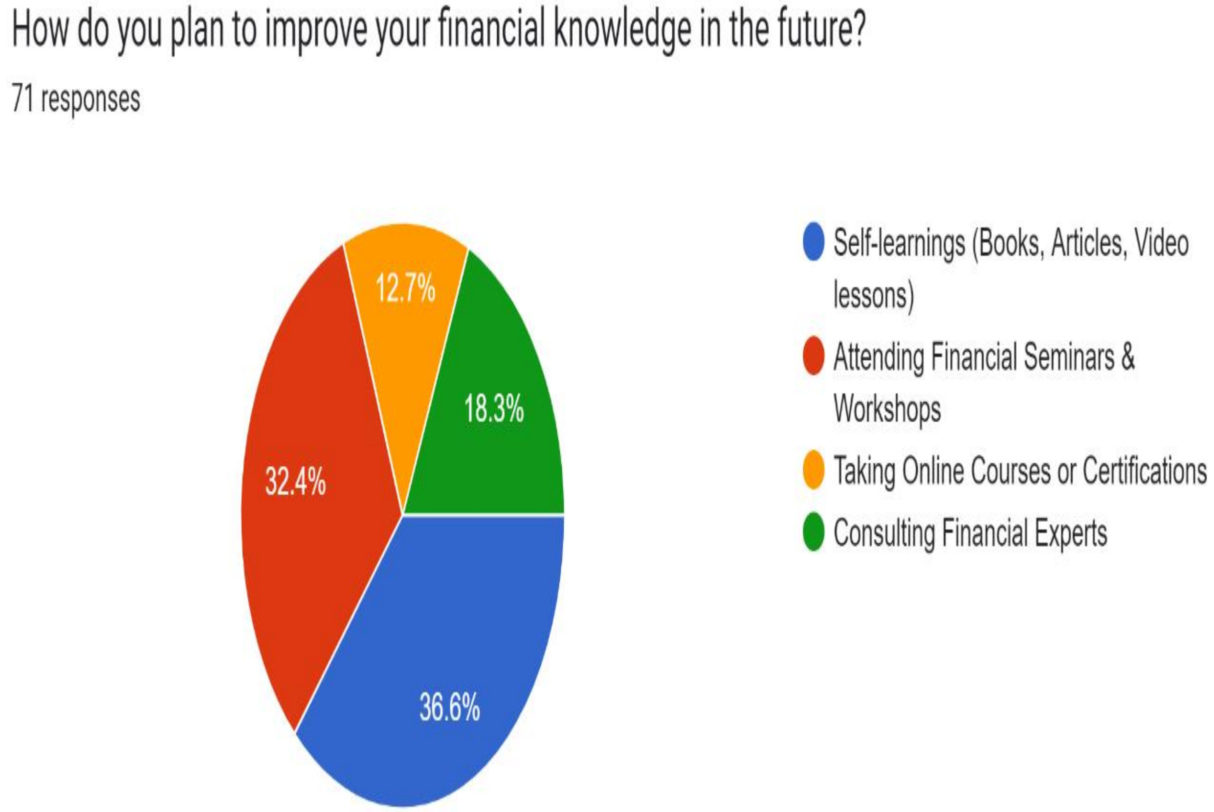


Table 4.17 What is Budget

Budget	**Responses**	**Percentage**
A government tax	2	2.82%
A plan for managing income and expenses	56	78.87%
A savings account	7	9.86%
A type of bank loan	6	8.45%
Grand Total	**71**	**100.00%**

SOURCE OF DATA: PRIMARY DATA

Interpretation: The above table shows that out of 71 respondents, the majority (78.87%, 56 respondents) define a budget as a plan for managing income and expenses.

7 respondents (9.86%) consider a budget as a savings account, while 6 respondents (8.45%) associate it with a type of bank loan.

A small portion (2.82%, 2 respondents) believes that a budget as a government tax.

Fig 4.17 What is Budget

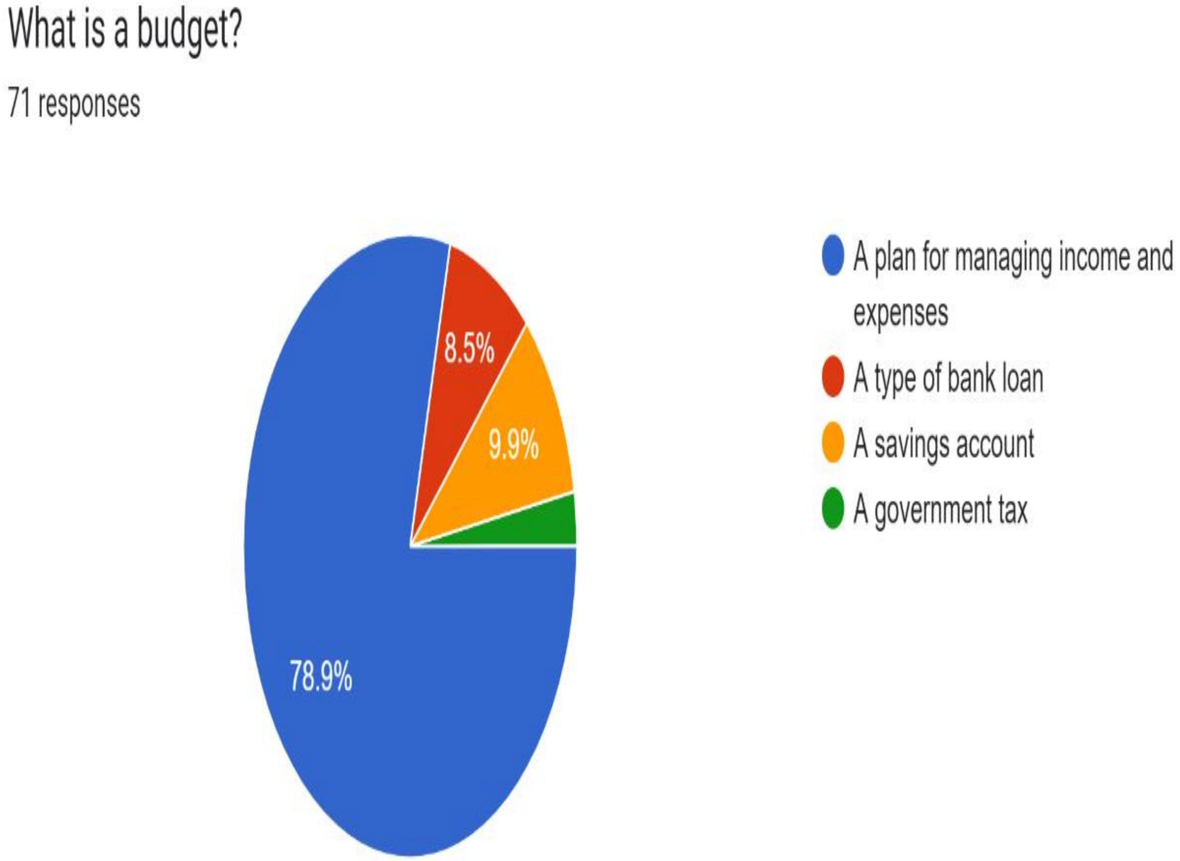


Table 4.18 Example for liability

Example for liability	**Responses**	**Percentage**
Fixed deposit	6	8.45%
Home loan	45	63.38%
Monthly salary	4	5.63%
Savings account balance	16	22.54%
Grand Total	**71**	**100.00%**

SOURCE OF DATA: PRIMARY DATA

Interpretation: The above table shows that out of 71 respondents, the majority (63.38%, 45 respondents) identify home loan as an example of liability.

16 respondents (22.54%) consider savings account balance as a liability, while 6 respondents (8.45%) associate fixed deposits as liabilities.

A smaller portion (5.63%, 4 respondents) identify monthly salary as a liability.

Fig 4.18 Example for liability

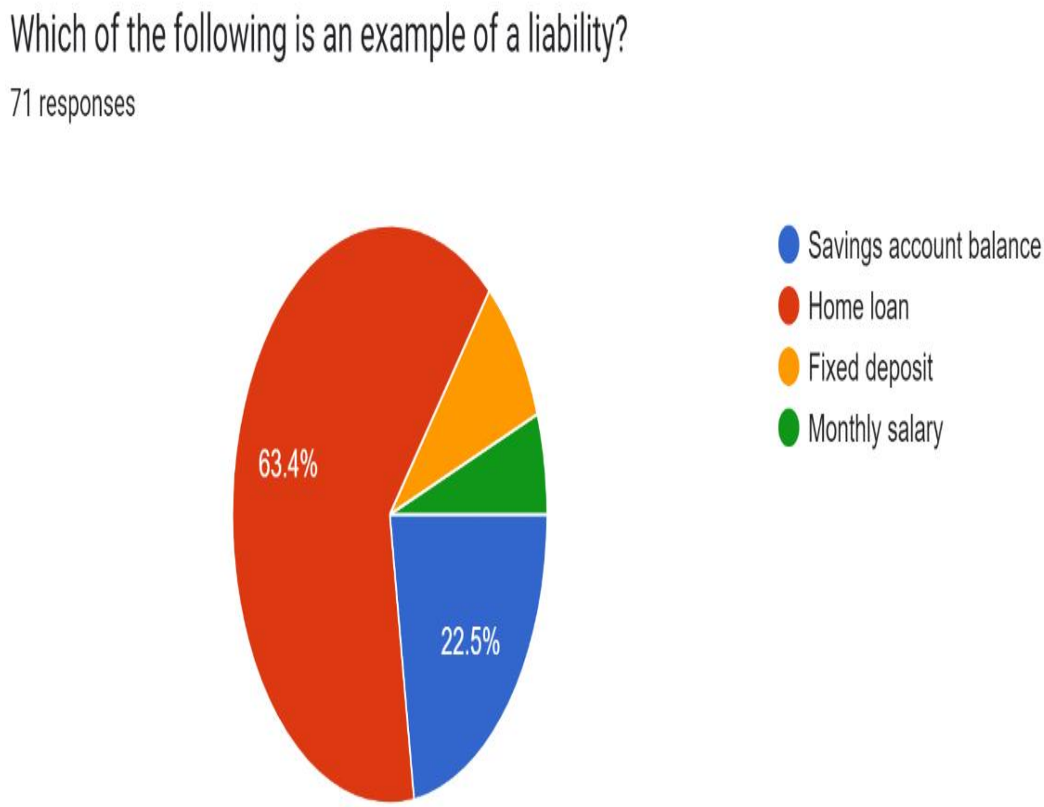


Table 4.19 Interest Meaning

Interest Means	**Responses**	**Percentage**
A fee paid for using someone else's money	41	57.75%
A government tax	8	11.27%
A type of insurance policy	5	7.04%
The total amount of money in your wallet	17	23.94%
Grand Total	**71**	**100.00%**

SOURCE OF DATA: PRIMARY DATA

Interpretation: The majority of respondents (57.75%) correctly identified interest as a fee paid for using someone else's money. A significant portion (23.94%) mistakenly believed that interest refers to the total amount of money in one's wallet. And then, 11.27% of respondents incorrectly associated interest with a government tax.

Fig 4.19 Interest Meaning

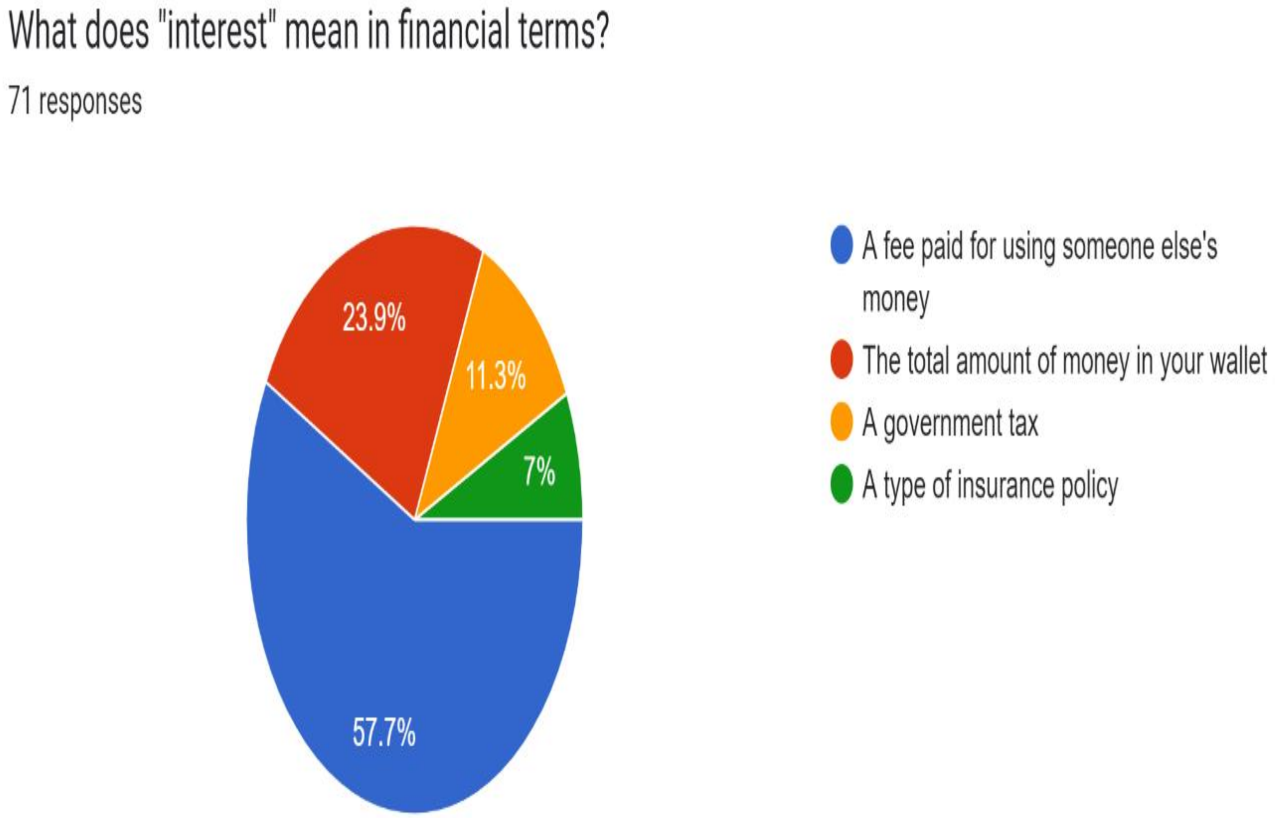


Table 4.20 Which is not a form of investment

Not a form of investment	Responses	Percentage
Credit card	47	66.20%
Fixed deposit	11	15.49%
Mutual funds	8	11.27%
Stock market	5	7.04%
Grand Total	**71**	**100.00%**

SOURCE OF DATA: PRIMARY DATA

Interpretation: The majority of respondents (66.20%) correctly identified Credit Card as not being a form of investment. 15.49% mistakenly chose Fixed Deposit, suggesting some confusion about low-risk investment options. And 11.27% of respondents incorrectly selected Mutual Funds, and 7.04% chose Stock Market.

Fig 4.20 Which is not a form of investment

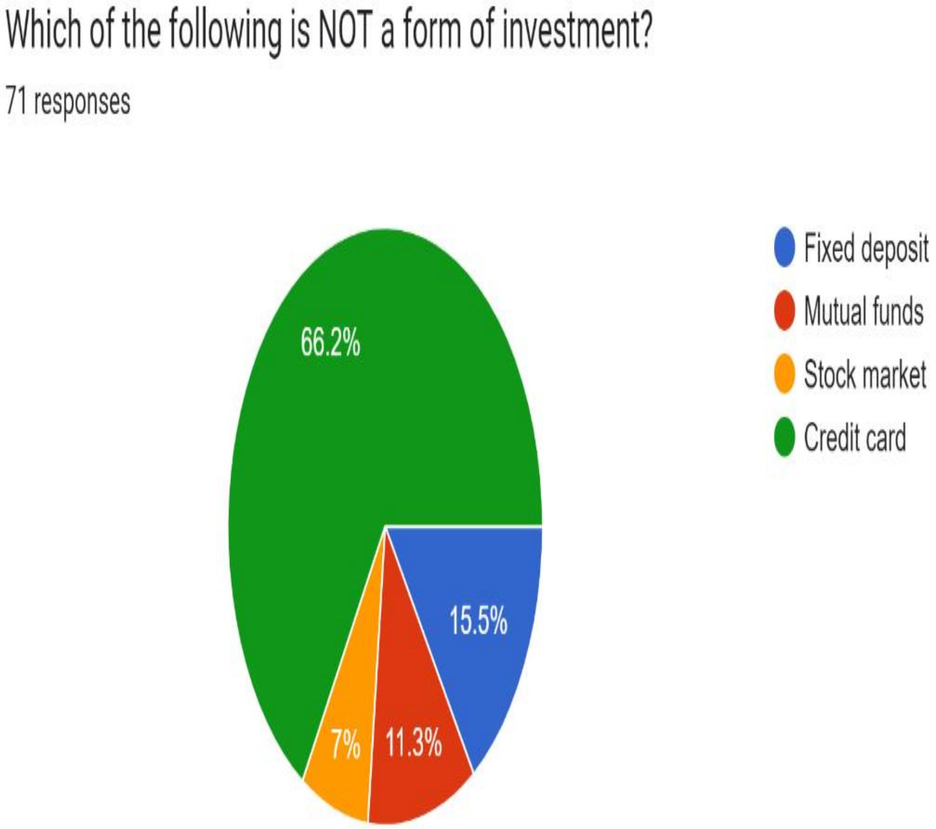


Table 4.21 Diversification meaning in investing

Diversification meaning	**Responses**	**Percentage**
Investing all your money in one company	12	16.90%
Keeping cash instead of investing	4	5.63%
Only investing in government schemes	4	5.63%
Spreading investments across different asset classes to reduce risk	51	71.83%
Grand Total	**71**	**100.00%**

SOURCE OF DATA: PRIMARY DATA

Interpretation: The majority of respondents (71.83%) correctly identified diversification as spreading investments across different asset classes to reduce risk. However, 16.90% mistakenly believed that diversification means investing all money in one company. Additionally, 5.63% of respondents incorrectly associated diversification with keeping cash instead of investing, while another 5.63% thought it referred to only investing in government schemes.

Fig 4.21 Diversification meaning in investing

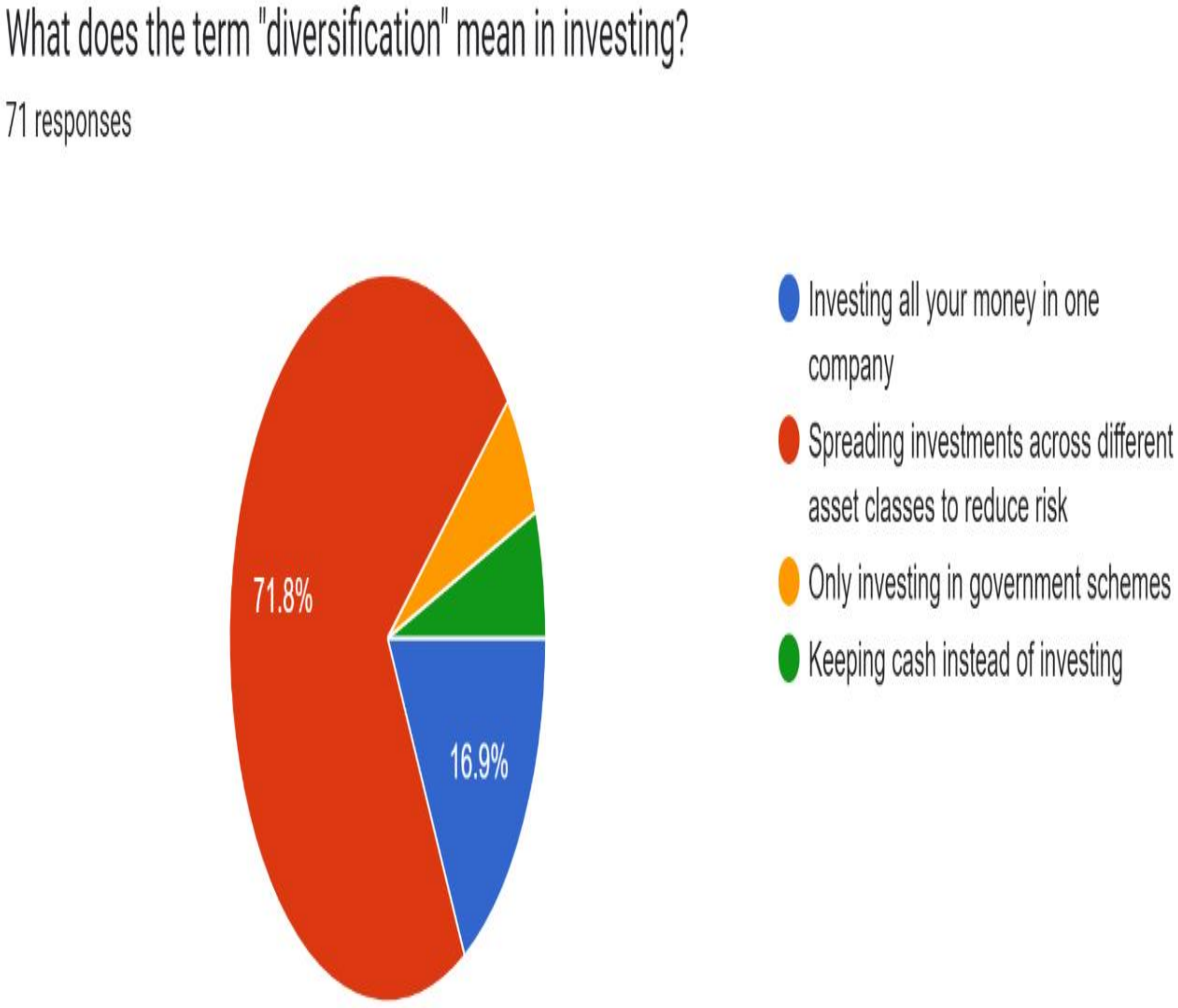


Table 4.22 Difference b/w Debit & Credit card

Difference b/w Debit & Credit card	Responses	Percentage
A debit card has higher interest rates than a credit card	1	1.41%
A debit card is linked to your bank account, while a credit card allows you to borrow money	54	76.06%
A debit card lets you borrow money, while a credit card uses your savings	11	15.49%
Both work the same way	5	7.04%
Grand Total	**71**	**100.00%**

SOURCE OF DATA: PRIMARY DATA

Interpretation: The majority of respondents (76.06%) correctly identified that a debit card is linked to a bank account, while a credit card allows borrowing money. However, 15.49% mistakenly believed that a debit card lets you borrow money, while a credit card uses savings. Additionally, 7.04% of respondents incorrectly thought that both work the same way, while 1.41% believed that a debit card has higher interest rates than a credit card.

Fig 4.22 Difference b/w Debit & Credit card

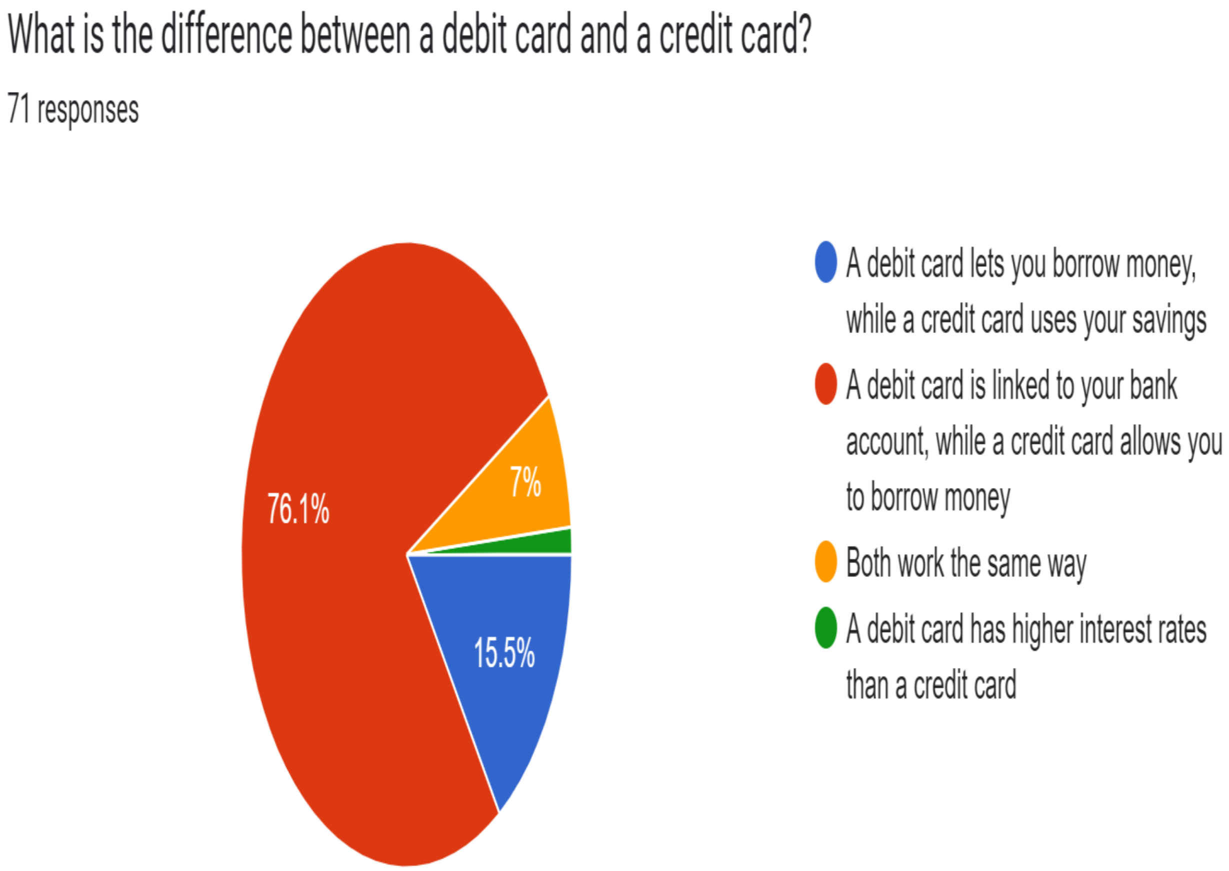


Table 4.23 Which of the following is a good way to start saving money

Which of the following is a good way to start saving money?	**Responses**	**Percentage**
Saving a fixed amount before spending on expenses	46	64.79%
Spending first and saving what's left	17	23.94%
Taking a loan to save money	3	4.23%
Using a credit card for all expenses	5	7.04%
Grand Total	**71**	**100.00%**

SOURCE OF DATA: PRIMARY DATA

Interpretation: The majority of respondents (64.79%) selected saving a fixed amount before spending on expenses, making it the most chosen option. 23.94% opted for spending first and saving what's left. Additionally, 7.04% chose using a credit card for all expenses, while 4.23% selected taking a loan to save money.

Fig 4.23 Which of the following is a good way to start saving money

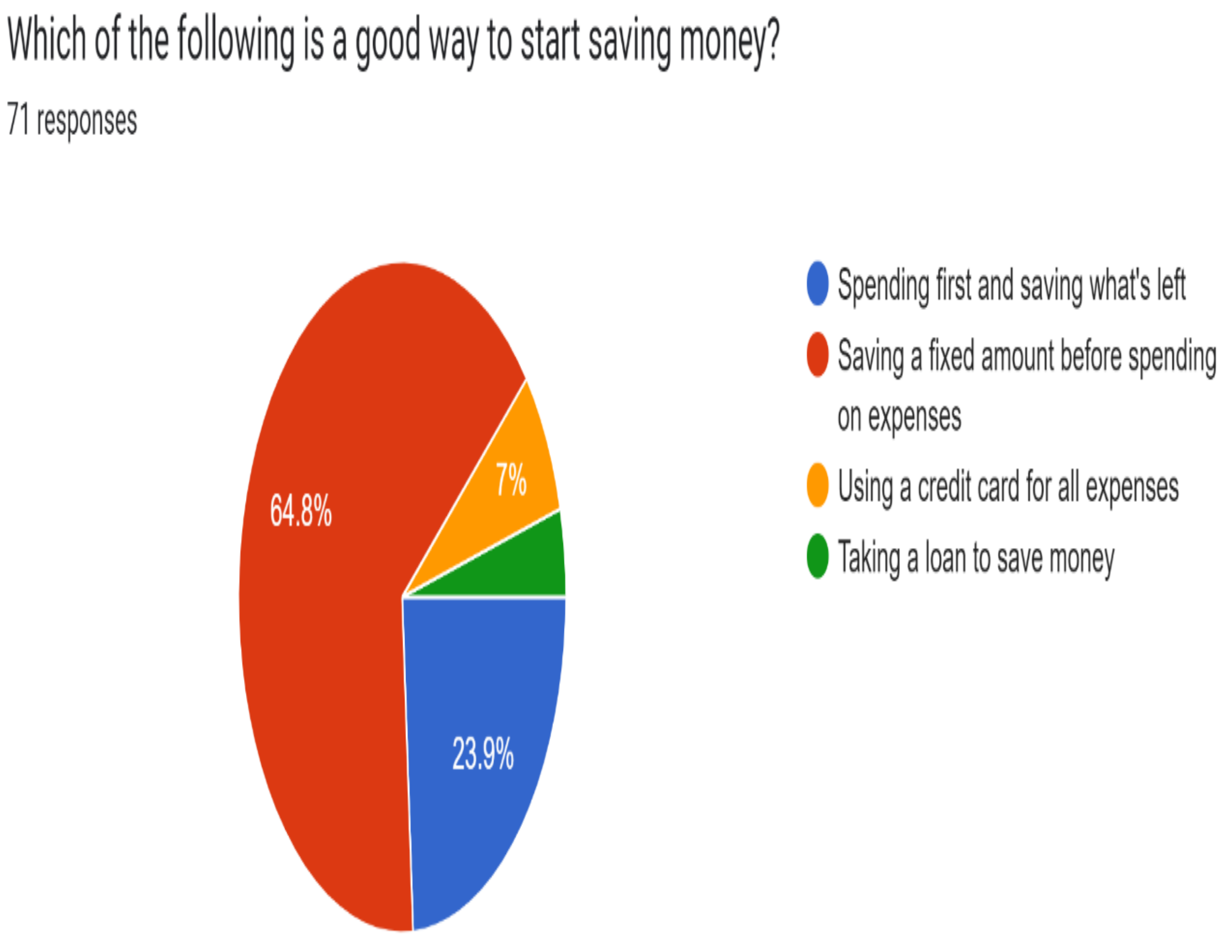


Table 4.24 Respondents Low risk investment option

Low risk investment option	Responses	Percentage
Cryptocurrency	3	4.23%
Fixed deposits	49	69.01%
Mutual funds	8	11.27%
Stock market	11	15.49%
Grand Total	**71**	**100.00%**

SOURCE OF DATA: PRIMARY DATA

Interpretation: The majority of respondents (69.01%) identified Fixed Deposits as a low-risk investment option. 15.49% chose the Stock Market, while 11.27% selected Mutual Funds. 4.23% of respondents chose Cryptocurrency.

Fig 4.24 Respondents Low risk investment option

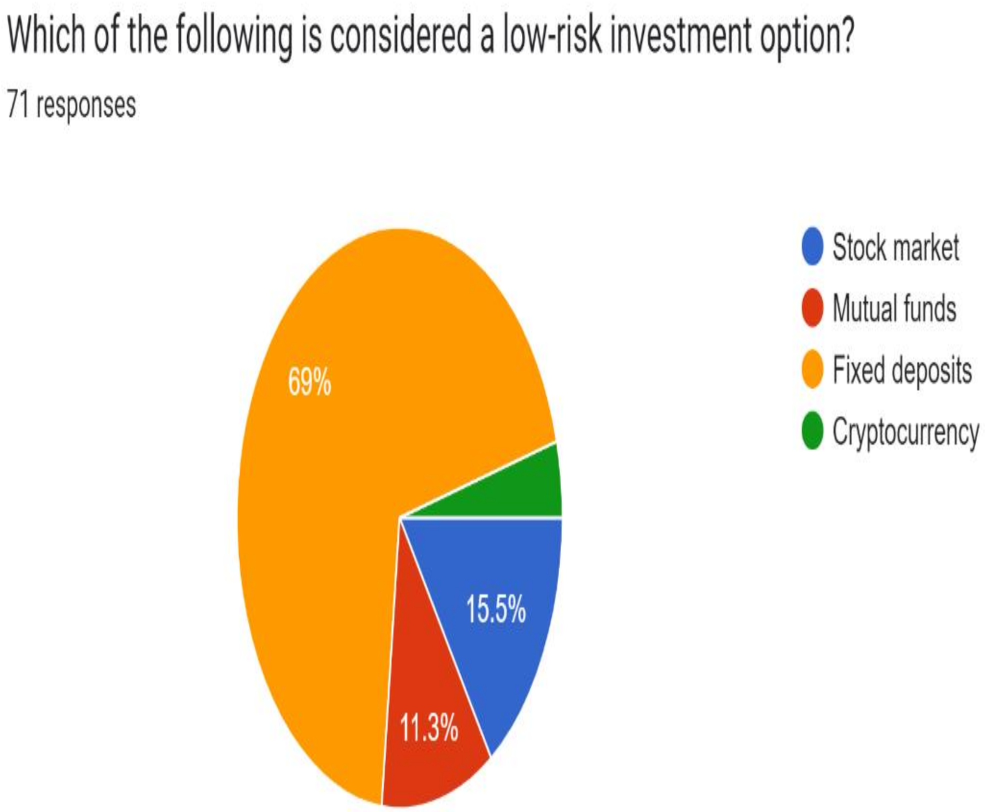


Table 4.25 If you invest ₹1,000 every month in a mutual fund, what investment method are you using?

Particulars	**Responses**	**Percentage**
Fixed deposit investment	9	12.68%
One-time investment	12	16.90%
Real estate investment	2	2.82%
Systematic Investment Plan (SIP)	48	67.61%
Grand Total	**71**	**100.00%**

SOURCE OF DATA: PRIMARY DATA

Interpretation: The majority of respondents (67.61%) selected Systematic Investment Plan (SIP). 16.90% chose One-time Investment, while 12.68% opted for Fixed Deposit Investment, 2.82% of respondents selected Real Estate Investment.

Fig 4.25 If you invest ₹1,000 every month in a mutual fund, what investment method are you using?

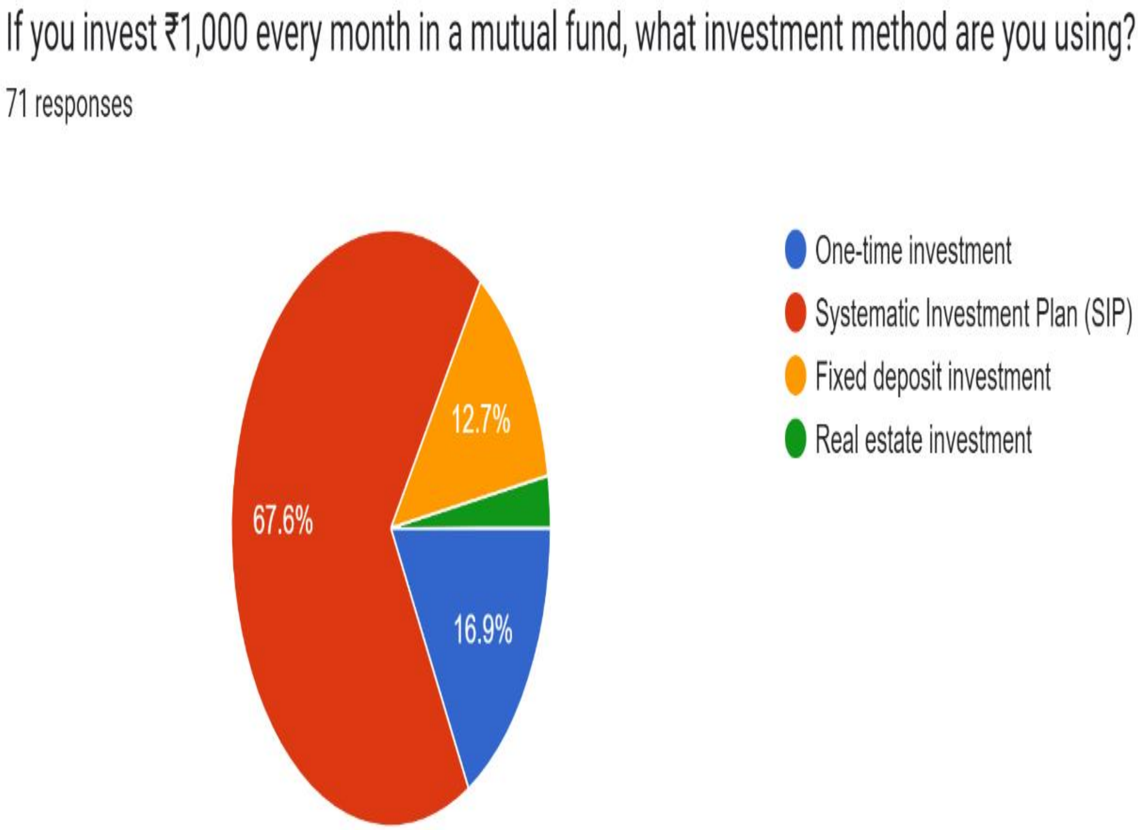


Table 4.26 Respondents rate of understanding their financial literacy

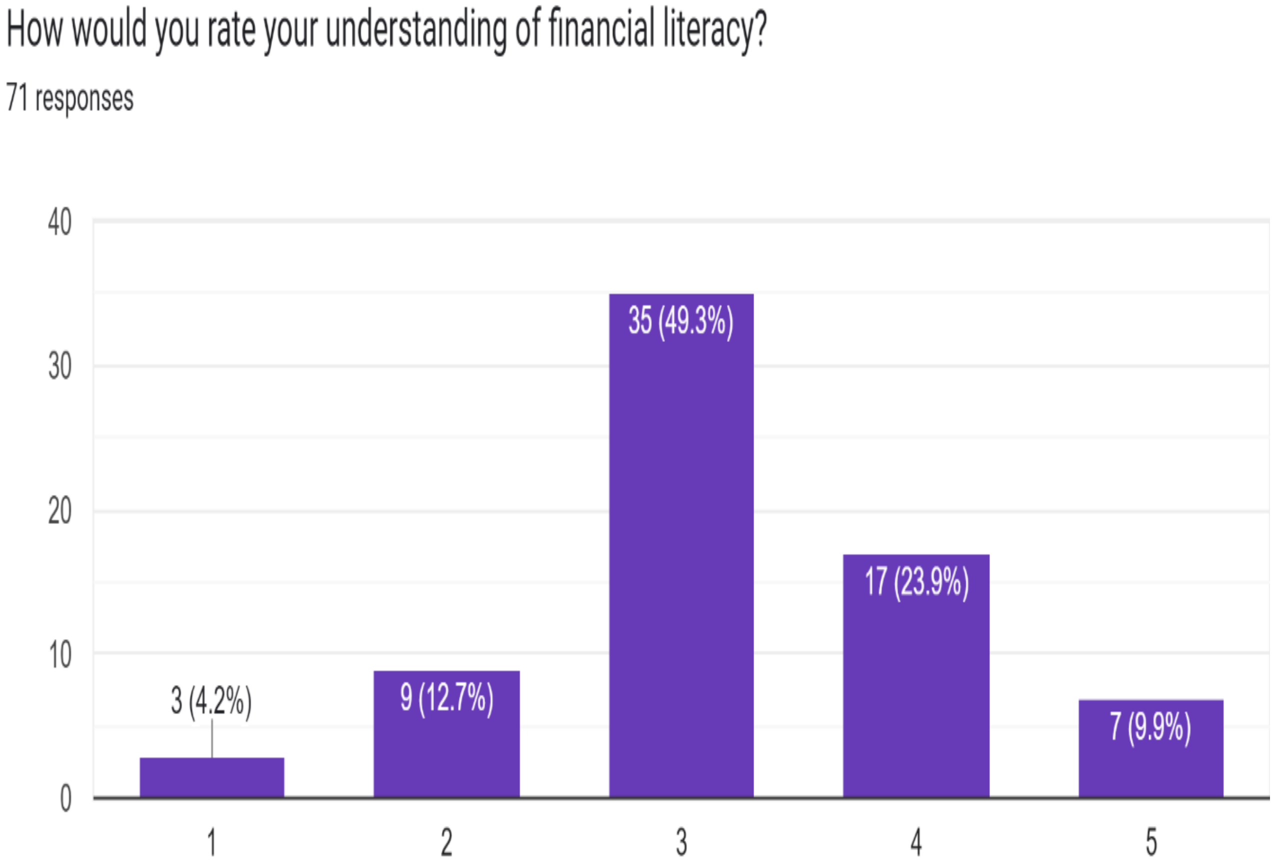
LOW – HIGH

Particulars	**Responses**	**Percentage**
1	3	3
2	18	18
3	105	105
4	68	68
5	35	35
Grand Total	**229**	**229**

SOURCE OF DATA: PRIMARY DATA

Interpretation: The Table shows that Option 3 received the highest number of responses (105 out of 229), followed by Option 4 with 68 responses. Option 5 had 35 responses, while Option 2 received 18 responses. Option 1 had the lowest count, with 3 responses.

Fig 4.26 Respondents rate of understanding their financial literacy



5.1 Introduction:

The final chapter presents the key findings, suggestions, and conclusions determined from this study. These elements frame the center of any research, as they summarize the insights gained, highlight the challenges identified, and propose significant solutions. The findings reflect the researcher's observations and analysis of the study area, while the suggestions aim to address the identified issues and improve future decision-making. This chapter serves as a comprehensive summary, bridging the gap between research goals and real-world applications. It provides clarity on how the study contributes to existing knowledge and offers a guide for future research or practical execution. Finally, the conclusion ties together the study's results, strengthening its significance and potential impact.

5.2 Findings:

- The majority of respondents (78.87%) belong to the 18-21 age group, indicating that young adults are the primary participants.
- Most respondents (74.65%) are male, with female participation at 23.94%.
- A significant portion (77.46%) of respondents is in their 3rd year of college.
- Commerce & Management students make up the majority (78.87%), followed by Science & Technology (12.68%).
- Nearly half (46.48%) of the respondents have a monthly allowance below ₹1,000.
- Most students (71.8%) are fully dependent on their families for financial support.
- Financial tracking is common, with 40.8% tracking often and 28.2% tracking always.

- Family and friends (39.4%) are the primary sources of financial literacy, followed by social media (32.4%).
- Nearly half (45.1%) of the respondents save less than 10% of their income, only 8.5% of respondents saving more than 30%.
- Savings & Investments (29.58%) is considered the most important financial concept.
- The primary reason for saving is future investments (52.11%), followed by emergency funds (22.54%).
- Fixed deposits are the most preferred investment choice, followed by gold (22.54%).
- Medium-term investments (1-5 years) are the most preferred (56.34%).
- The main investment objective is wealth creation (50.70%), followed by passive income (36.62%).
- A total of 50.71% support making financial literacy a mandatory subject.
- A majority (78.87%) correctly define a budget as a plan for managing income and expenses.
- Home loans are correctly identified as a liability by 63.38% of respondents.
- 57.75% of respondents correctly identified interest as a fee paid for using someone else's money.
- 66.20% correctly identified that a credit card is not a form of investment.
- 71.83% correctly understand diversification as spreading investments to reduce risk.
- 76.06% correctly differentiate between a debit and credit card.
- The majority (64.79%) prioritize saving a fixed amount before spending.

- Fixed deposits (69.01%) are widely recognized as low-risk investments.
- Systematic Investment Plan (SIP) is the most preferred investment strategy (67.61%).

5.3 Suggestions:

- Financial literacy programs should be incorporated into the curriculum for all students.
- Awareness campaigns should be conducted to educate students on various financial products and investment options.
- Workshops and seminars on budgeting, saving, and investment strategies should be encouraged in colleges.
- Encouraging female students to participate in financial literacy programs to reduce gender disparity.
- Students should be guided on how to effectively allocate a higher percentage of their income to savings.
- Promoting financial independence among students through part-time jobs and financial management skills.
- Colleges should collaborate with financial institutions to provide hands-on financial training.
- Awareness about long-term investments and tax-saving options should be enhanced.
- Social media and digital platforms should be used effectively to spread financial literacy.
- Simplified financial planning tools and apps should be introduced to help students track expenses and savings.

5.4 Conclusion:

Financial literacy is crucial for college students transitioning into financial independence. Survey results show most respondents are 18-21 years old, predominantly male, and in their third year of Commerce or Management studies. Despite their academic background, financial habits reveal both strengths and areas for improvement.

A significant number receive less than ₹1,000 monthly and rely on family support, limiting financial decision-making. However, 69% actively track their finances, indicating awareness. Family, friends, and online sources are primary financial knowledge sources, though they lack structured education. While many prioritize savings and investments, most allocate less than 10% of their income, highlighting a gap between awareness and practice. The main savings goals are future investments and emergencies.

Students favour conservative investments like fixed deposits, gold, and mutual funds, with medium-term investments (1-5 years) being the most preferred. Wealth creation is the primary investment motive, yet retirement planning and tax-saving investments receive little attention. Over 50% believe financial literacy should be a mandatory subject, underscoring the need for formal education. Some students misinterpret financial concepts, such as credit cards as investments or diversification principles.

Financial behaviours show a tendency to save before spending, yet many adopt a spend-first approach, affecting long-term stability. Preference for fixed deposits reflects caution, but limited diversification may hinder wealth accumulation.

In conclusion, while students are increasingly aware of financial literacy, structured education is needed to bridge the gap between knowledge and practice. Encouraging responsible saving, diversified investments, and long-term planning will enhance financial well-being. Financial literacy programs, workshops, and digital tools can equip students to make informed financial decisions, ensuring a confident financial future.

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ANNEXURE

Financial Literacy Awareness Among College Students with Reference to Investment & Savings Decisions.

Hi, I'm Dinesh, and this is my final-year project on financial literacy. Your responses will help me analyze how college students make investment and savings decisions. I'd really appreciate your support—thank you in advance!

1. What is your age group?

A) Below 18

B) 18-21

C) 22-24

D) Above 25

2. What is your gender?

A) Male

B) Female

C) Transgender

D) Prefer not to say

3. Which year are you currently studying in?

A) 1st Year

B) 2nd Year

C) 3rd Year

D) 4th Year (if applicable)

E) Post Graduate

4. Which course are you currently studying?

A) Commerce & Management

B) Science & Technology

C) Arts & Humanities

D) Law & Healthcare

E) Other: _________

5. What is your monthly pocket money or income (from allowance, stipend, or part-time jobs)?

A) Below ₹1,000

B) ₹1,000 - ₹3,000

C) ₹3,001 - ₹5,000

D) ₹5,001 - ₹10,000

E) Above ₹10,000

6. What is your current financial dependency status?

A) Fully dependent on family

B) Partially dependent

C) Fully independent

7. How often do you track or review your financial activities (savings, expenses, investments)?

A) Always

B) Often

C) Sometimes

D) Never

8. Where do you primarily learn about financial management?

A) Family & Friends

B) Social Media & Internet

C) College Courses & Workshops

D) Financial Advisors

E) Books & Articles

9. What percentage of your monthly income or allowance do you allocate to savings?

A) Less than 10%

B) 10 - 20%

C) 21 - 30%

D) More than 30%

10. Which financial concepts are you familiar with? ***(Select all that apply.)***

A) Budgeting

B) Savings & Investments

C) Credit & Debt Management

D) Interest Rates & Inflation

11. What is your primary reason for saving money?

A) Future Investments

B) Emergency Funds

C) Higher Education

D) Travel & Leisure

E) Other: _________

12. Which investment options are you familiar with? ***(Select all that apply.)***

A) Fixed Deposit

B) Mutual Funds (SIPs, ETFs)

C) Stock Market (Equity & Trading)

D) Gold

E) Cryptocurrency

F) Real Estate

G) Bonds & Government Schemes

13. What is your preferred investment duration?

A) Short-term (Less than 1 year)

B) Medium-term (1-5 years)

C) Long-term (More than 5 years)

14. If you were to invest, what would be your main goal?

A) Wealth Creation

B) Passive Income

C) Retirement Planning

D) Tax Savings

E) Other: _________

15. Do you believe financial literacy should be a mandatory subject in college education?

A) Strongly Disagree

B) Disagree

C) Neutral

D) Agree

E) Strongly Agree

16. How do you plan to improve your financial knowledge in the future?

A) Self-learnings (Books, Articles, Video lessons)

B) Attending Financial Seminars & Workshops

C) Taking Online Courses or Certifications

D) Consulting Financial Experts

E) Financial Literacy & Investment Knowledge Quiz

17. What is a budget?

A) A plan for managing income and expenses

B) A type of bank loan

C) A savings account

D) A government tax

18. Which of the following is an example of a liability?

A) Savings Account Balance

B) Home Loan

C) Fixed Deposit

D) Monthly Salary

19. What does "interest" mean in financial terms?

A) A fee paid for using someone else's money

B) The total amount of money in your wallet

C) A government tax

D) A type of insurance policy

20. Which of the following is NOT a form of investment?

A) Fixed Deposit

B) Mutual Funds

C) Stock Market

D) Credit Card

21. What does the term "diversification" mean in investing?

A) Investing all your money in one company

B) Spreading investments across different asset classes to reduce risk

C) Only investing in government schemes

D) Keeping cash instead of investing

22. What is the difference between a debit card and a credit card?

A) A debit card lets you borrow money, while a credit card uses your savings

B) A debit card is linked to your bank account, while a credit card allows you to borrow money

C) Both work the same way

D) A debit card has higher interest rates than a credit card

23. Which of the following is a good way to start saving money?

A) Spending first and saving what's left

B) Saving a fixed amount before spending on expenses

C) Using a credit card for all expenses

D) Taking a loan to save money

24. Which of the following is considered a low-risk investment option?

A) Stock Market

B) Mutual Funds

C) Fixed Deposits

D) Cryptocurrency

25. If you invest ₹1,000 every month in a mutual fund, what investment method are you using?

A) One-time investment

B) Systematic Investment Plan (SIP)

C) Fixed Deposit Investment

D) Real Estate Investment

26. How would you rate your understanding of financial literacy?

Low to High

A) 1

B) 2

C) 3

D) 4

F) 5