

**EFFECT OF FINANCIAL LITERACY ON INVESTMENT  
DECISION OF NEPALESE WORKING WOMEN**

A Dissertation submitted to the Office of the Dean, Faculty of Management in Partial  
fulfilment of the requirements for the Master's Degree

By

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## **CERTIFICATION OF AUTHORSHIP**

I hereby corroborate that I have researched and submitted the final draft of dissertation entitled “**Effect of Financial Literacy on Investment Decision of Nepalese Working Women**”. The work of this dissertation has not been submitted previously for the purpose of conferral of any degrees nor has it been proposed and presented as part of requirements for any other academic purposes.

The assistance and cooperation that I have received during this research work has been acknowledged. In addition, I declare that all information sources and literature used are cited in the reference section of the dissertation.

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## REPORT OF RESEARCH COMMITTEE

Ms. Niruta Rai has defended research proposal entitled “**Effect of Financial Literacy on Investment Decision of Nepalese Working Women**” successfully. The research committee has registered the dissertation for further progress. It is recommended to carry out the work as per suggestions and guidance of supervisor Asso. Prof. Dr. Krishna Prasad Acharya and Rajesh Kumar Chaulagain submit the thesis for evaluation and viva voce examination.

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## **ABBREVIATIONS**

ANOVA	Analysis of Variance
FA	Financial Attitude
FB	Financial Behavior
FL	Financial Literacy
ID	Investment Decision
INFE	International Network on Financial Education
NSSO	National Sample Survey Office
OECD	Organization for Economic Co-operation and Development
R	Regression

## ABSTRACT

This study examines the relationship between financial literacy, financial attitude, financial influences, financial well-being, and their impact on investment decision-making among Nepalese working women. Using a descriptive and causal comparative research design, data was gathered from 412 female employees across various sectors of the Nepalese economy using convenience sampling. Questionnaires were distributed through accessible channels such as banks, schools, and local shops, having 460 responses, of which 412 were found suitable for analysis. The study employed Microsoft Excel and SPSS for data processing and analysis. Study utilizes mean, standard deviation, correlation and regression analysis to analyze the data.

Results indicate significant positive relationships among all studied variables. Specifically, regression analysis highlighted that financial attitude ( $\beta = 0.260$ ,  $p < 0.001$ ) and financial literacy ( $\beta = 0.156$ ,  $p = 0.045$ ) significantly influence investment decision-making, suggesting that individuals with more positive financial attitudes and higher levels of financial literacy tend to make more informed investment decisions. Financial influences also showed a positive association ( $\beta = 0.270$ ,  $p = 0.088$ ), although not statistically significant at the conventional level, implying its potential role in shaping investment behaviors.

**Keywords:** *financial literacy, financial attitude, financial influences, investment decision-Nepalese working women*



# CHAPTER I

## INTRODUCTION

### **1.1 Background of the Study**

Financial literacy encompasses a comprehensive understanding of financial concepts, encompassing not only knowledge but also the skills, motivation, and confidence to effectively apply this knowledge across various financial situations. It enables individuals to make informed decisions, thereby enhancing both personal financial well-being and broader societal economic participation (OECD, 2013). A foundational aspect of financial literacy involves grasping fundamental principles such as setting financial goals, creating and managing budgets, navigating investment options, understanding superannuation (pension plans), interpreting contracts, and comprehending various employment models. These principles serve as pillars in empowering individuals to manage their finances effectively and navigate the complexities of the financial landscape with confidence and competence. To understand money and how it works, it's important to understand common financial literacy principles such as; financial goals, budgeting, investments, superannuation, contracts and employment models.

In the context of financial literacy and investment decision-making among working women in Nepal, several factors contribute to the need for such research. Firstly, Nepal is witnessing an increasing number of women in the workforce, yet there is limited understanding of their financial literacy levels and how it impacts their investment decisions. Additionally, the country faces socioeconomic challenges, including gender disparities in employment opportunities and wage gaps between men and women. Understanding the financial literacy of working women in Nepal is crucial for empowering them economically and promoting gender equality. Furthermore, as financial literacy is recognized globally as a key determinant of financial well-being, investigating its relationship with investment decision-making among Nepalese working women can provide valuable insights for policy formulation and financial education initiatives. Thus, this study aims to fill the existing knowledge gap by examining the financial literacy levels and their impact on investment decisions, thereby contributing to both academic research and practical implications for policymakers and practitioners in Nepal.

Women are increasingly occupying pivotal roles across various sectors such as health, education, hospitality, and professional services, demonstrating their multifaceted contributions to economic development. Moreover, their significant involvement in both formal employment and unpaid household labor underscores the integral role they play in driving economic growth. As women continue to expand their presence in the workforce and society at large, their economic empowerment emerges as a critical factor for fostering global prosperity. Recognizing the imperative of women's financial literacy, fostering positive financial attitudes, and enhancing their overall financial well-being are essential steps towards achieving this empowerment (Haque & Zulfiqar, 2016). With a greater emphasis on equipping women with the necessary financial skills and resources, they can effectively navigate economic challenges, seize opportunities, and contribute meaningfully to the advancement of societies worldwide.

Work is typically categorized as either productive or unproductive. Productive work is often associated with men's roles in earning money, while unproductive work is linked to household chores that do not directly generate income. Some theories suggest that work can be reevaluated through a framework of self-analysis to recognize productive contributions. Despite women also working to earn a living, many women's jobs are not regarded as equal to men's productive work, even by women themselves. Improving this perception requires redefining the concept of work to acknowledge that women are heavily involved in unpaid labor, household chores, and family businesses. By assigning value to women's work equivalent to men's work, we can recognize its importance, even if it does not directly result in monetary compensation, because the value of work is not solely measured in monetary terms.

In the context of Nepal, the significance of financial literacy, financial attitudes, financial influences, and overall financial well-being among working women is underscored by the evolving landscape of gender roles and economic participation. Despite women's increasing presence in the workforce across diverse sectors, there persists a pervasive notion that their contributions are undervalued compared to those of men, particularly concerning income generation. However, this perspective overlooks the multifaceted nature of women's work and fails to account for the various factors that influence their economic standing. Social norms, cultural perceptions, and institutional biases often

shape the assessment of women's income, leading to disparities in how their work is perceived and compensated (Asandimitra, Aji & Kautsar, 2019). Therefore, it is imperative to recognize the intrinsic value of women's labor and the broader societal factors that impact their financial status. By addressing these underlying issues and promoting financial literacy, positive financial attitudes, and equitable financial influences among Nepalese working women, we can empower them to make informed investment decisions and achieve greater financial independence.

## **1.2 Problem Statement**

Women tend to have lower financial knowledge compared to men and often lack confidence in their financial knowledge and skills. Although women may excel in certain aspects of short-term money management, they face vulnerabilities in other areas of financial behavior. For example, women are more likely to struggle with making ends meet, saving money, and selecting appropriate financial products (Fernandes et al., 2014).

Assessing the level of financial literacy among working women in Nepal is crucial for understanding their knowledge and understanding of financial concepts, which ultimately influences their financial decision-making abilities. Conducting surveys or interviews with a representative sample of working women across various industries and regions in Nepal would be an effective way to measure their financial literacy level. Questions in these surveys could cover topics such as understanding of basic financial concepts (e.g., interest rates, inflation), ability to budget and manage finances, knowledge of investment options, and comprehension of financial risks and rewards. Additionally, analyzing existing financial literacy programs and initiatives targeted at women in Nepal can provide valuable insights into the effectiveness of current efforts and areas for improvement.

Gender disparities in financial literacy are linked to various barriers. These disparities are often associated with the socio-economic differences between men and women. Limited access to education, employment, and formal financial markets not only diminishes women's financial well-being but also hinders their ability to enhance their knowledge, confidence, and skills in economic and financial matters.

In Nepalese context, financial literacy is notably poor. Although about two-thirds of the population is literate, most of these individuals lack financial literacy. Financially literate people can save money even with low earnings. The country's economic condition can improve only if its citizens are financially literate. Since employees constitute the majority in any country, their financial literacy and ability to make sound financial decisions can significantly impact the nation's economic state.

Financial literacy is crucial for people of all ages. Transitioning from general literacy to financial literacy is essential for everyone—young and old, men and women, households and working individuals. With the continually evolving financial market and increasing individual financial responsibilities, informed financial decision-making is becoming vital for women's economic empowerment. Financial knowledge is key to making sound financial decisions. Financial literacy aids in economic development and promotes growth and empowerment of women (Worthington, 2006).

Research indicates a significant relationship between financial literacy, financial attitude, financial behavior, and investment decision-making. Individuals with higher financial literacy levels tend to exhibit more positive attitudes towards finances and engage in behaviors conducive to sound investment decision-making (Huston, 2010; Lusardi & Mitchell, 2007). Positive financial attitudes, such as confidence in financial management skills and a willingness to take calculated risks, contribute to proactive investment behavior (Fernandes et al., 2014). Moreover, individuals demonstrating disciplined saving habits, prudent spending practices, and diversified investment portfolios are more likely to make informed investment decisions aligned with their financial goals (Hastuti & Wulandari, 2021). While financial literacy serves as the foundation for informed decision-making, other factors such as personality traits and socio-economic background also influence investment decisions (Van Rooij et al., 2011). Interventions aimed at enhancing financial literacy and promoting positive financial attitudes and behaviors can further strengthen the relationship between these variables and investment decision-making (Atkinson & Messy, 2013). This concept suggests that working women have financial independence and money that they can invest in financial instruments, insurance investments, stock investments, risk-free investments etc. Women involving in investment decision making empowers financial capabilities of women, enabling them to

lead a financially stable and prosperous lifestyle.

This study tries to address the following research question:

- What is the level of financial literacy of working women in Nepal?
- How do financial attitude, financial behavior and financial investment decisions vary with financial literacy level of working women?
- Is there any relationship between financial literacy, financial attitude, financial behavior and investment decision?
- Does investment decision of working women vary with the knowledge about investment product in working women?

### **1.3 Objective of the Study**

The main goal of this study is to analyze the, financial attitude, financial influences and financial behavior among Nepalese working women and how it influences in their investment decision making process. Other specific objectives are as follows:

- To identify the financial literacy level among Nepalese working women.
- To analyze the financial attitude on investment decisions of working women in Nepal.
- To examine the effects of financial attitude, behavior, financial influence on investment decision of working women in Nepal.
- To evaluate the effect of knowledge about investment product of working women on their investment decisions.

### **1.4 Research Hypothesis**

To address the research questions, following hypothesis have been proposed to test in the proposed study,

Working women who display optimistic financial attitudes tend to approach investment decisions with a proactive mindset, leading them to select options that are in harmony with their overarching financial objectives, as evidenced by Bhushan and Medury's research in 2022. This suggests that a positive outlook towards finance plays a crucial

role in guiding working women towards investments that support their long-term financial aspirations.

H1: There is a significant effect of financial attitude on investment decision making of Working women.

Saha and Manna (2018) found that the investment decisions of working women are markedly impacted by their financial behaviors, encompassing aspects such as saving habits, inclination towards risk, and patterns of expenditure. This underscores the importance of understanding and addressing the financial behaviors of working women when analyzing their investment choices.

H2: There is a significant effect of financial behavior on investment decision making of working women.

Hastuti and Wulandari (2021) discovered that working women with elevated levels of financial literacy are inclined to make more informed and effective investment decisions, ultimately leading to improved financial outcomes. This highlights the crucial role of financial literacy in empowering women to navigate the complexities of investment and achieve their financial goals.

H3: There is a significant effect of financial literacy on investment decision making of Working women.

Sattar and Azeem (2020) revealed that the investment decisions of working women are shaped by external factors such as advice from family members, peers, and financial advisors, underscoring the considerable role of financial influence in guiding their investment choices. This underscores the importance of considering external influences when analyzing the investment behavior of working women.

H4: There is a significant effect of financial influence on investment decision making of working women.

Mohanty and Mahanty (2019) found that working women who possess greater knowledge about investment products, such as stocks, bonds, and mutual funds, are more inclined to make diversified and risk-adjusted investment decisions. This highlights the importance of financial literacy in enabling women to make informed choices when managing their investments.

H5: There is a significant effect of knowledge about investment product on investment decision making of working women.

### **1.5 Rationale of the Study**

The exploration of the financial literacy of professional women in Nepal and its impact on investment decisions presents an intriguing avenue for both academic inquiry and practical application. Within the Nepalese context, a study has shed light on a concerning issue: despite the country having a higher number of working-age women than men, significant challenges persist in terms of employment opportunities, exacerbated by a considerable wage gap between genders. This research holds immense significance as it delves into the intricate causal relationships and influences of various factors on investment behavior. These factors encompass financial literacy, financial behavior, financial attitudes, financial influence, and knowledge of financial instruments. By delving into these aspects, the study aims to offer valuable insights for readers, shedding light on the complexities of investment decision-making among professional women in Nepal and potentially informing policies and interventions aimed at promoting financial empowerment and gender equity.

This research makes a significant academic contribution by exploring the intricate relationship between financial literacy and investment behavior, particularly within the unique context of working women in Nepal. By delving into this relationship, the study enriches the existing knowledge base and offers valuable insights into the dynamics of financial decision-making among Nepalese women. Moreover, this research serves as a stepping stone for further academic inquiry, providing a foundation for future studies to build upon and expand the understanding of financial literacy within diverse cultural and socioeconomic settings.

Furthermore, the findings of this study can inform policymakers and stakeholders about the importance of financial literacy initiatives tailored to the needs of working women in Nepal. Collaboration between academics and policymakers is crucial in addressing gaps in national financial literacy policies and developing effective strategies to promote financial empowerment. By identifying key factors influencing the success of financial education programs, policymakers can design comprehensive policies aimed at enhancing the financial literacy and decision-making skills of professional women in Nepal. Ultimately, integrating financial education into both the education and financial sectors can contribute to the overall economic empowerment of women and foster more informed

investment decisions.

### **1.6 Limitations of the Study**

Though the survey is conducted in formal and structured manner, there is a few limitations as well. The limitations of the study are:

- Potential response errors may arise in the survey due to respondents' lack of interest and awareness.
- The research is focused on Nepalese working women in various sectors such as private, public, small enterprises, and large enterprises.
- The study is constrained by a limited set of variables, primarily focusing on major financial indicators derived from previous research.
- The sample limitations, geographic constraints, and a small collected questionnaire size may hinder the representativeness of responses, making it challenging to generalize the results to the broader population.

## **CHAPTER II**

### **LITERATURE REVIEW**

Chapter II is about literature review which looks at what other people have already written about financial literacy, financial attitude, financial behavior, and how people make decisions about investing their money. We'll read through different studies and articles to see what they say, so we can understand these topics better. This helps us see what's already known and figure out what questions still need answers.

#### **2.1. Conceptual Review**

Financial literacy may be outlined in a variety of ways. One of the definitions among them is that having the necessary information and abilities enables one to use all of their financial resources to make wise judgments. The Government Accountability Office definition (2010) is “the ability to make informed judgments and to take effective actions regarding the current and future use and management of money. It includes the ability to understand financial choices, plan for the future, spend wisely, and manage the challenges associated with life events such as a job loss, saving for retirement, or paying for a child’s education. Chen and Volpe (1998) defined financial literacy is knowledge to manage finances in financial decision making. Lusardi and Mitchell (2007) defined financial literacy as financial knowledge and ability to apply it. According to Kiyosaki (2008), financial intelligence or financial literacy is part of a person's mental intelligence associated with how to find solutions to financial problems. In personal financial planning individuals are required to be smart in managing finances so that knowledge on finance is needed every individual.

Financial Literacy is inherent with the human rights and considered as the basic and fundamental privilege of human beings. Thilakam (2012) stated that "financial literacy is the ability to understand finance". More specifically, it refers to the “set of skills and knowledge that allows an individual to make informed and effective decision so they are more inclined towards achieving financial goal, have potential to hedge themselves against economic shocks and associated risks and eventually contributes toward the economic development”.

According to the study by Wagner and Walstad (2018) financial education has the ability to modify people's financial behaviors and assist them in making better financial decisions, both of which might improve the financial health of families. Depending on the temporal dimension, financial education may or may not be successful in accomplishing these desirable aims. On people's short-term financial actions, financial education may have very minor or inconsistent impacts. On the other hand, people's long-term financial behaviors could be more strongly and favorably influenced by financial education. The paradoxical seeming success of financial education on financial habits from a temporal perspective is the main topic of this study.

The significance of individual investing choices cannot be overstated, as they directly impact people's quality of life. These choices include saving money for a down payment on a house or car, a child's education, personal goals and desires, and retirement. Broadly speaking, investments consist of two main types: investments in real assets and investments in financial assets such as bonds or securities. Real assets are tangible items like gold, diamonds, silver, art, and real estate. Financial assets are bonds that represent claims on real assets controlled by an entity (Ramanujan & Leela, 2016).

## **2.2. Theoretical Review**

Financial literacy plays a crucial role in shaping individuals' understanding of financial matters, influencing their attitudes, behaviors, and, consequently, their investment decisions. This theoretical review focuses on the financial literacy of women, exploring the interplay between financial literacy, financial attitudes, financial behaviors, knowledge about investment products, and the ultimate decision-making regarding investments. According to Lusardi and Mitchell (2006), financial literacy is foundational to making sound financial decisions. Their studies emphasize the positive correlation between financial literacy and investment decision-making. Women who possess higher financial literacy are more likely to engage in informed investment choices (Lusardi & Mitchell, 2008). The theoretical landscape surrounding the financial literacy of women and investment decisions is multifaceted. It underscores the critical role of financial literacy in shaping attitudes, behaviors, and knowledge about investment products, ultimately influencing investment decisions. The integration of theories such as the Theory of Planned Behavior, Behavioral Finance, Information Asymmetry, Financial

Capability Framework, and the Life-Cycle Hypothesis provides a comprehensive framework for understanding and analyzing the complex dynamics at play in the financial decision-making process for women.

### **Theory of Planned Behavior (TPB)**

The Theory of Planned Behavior, developed by Ajzen in 1991, provides a comprehensive framework for understanding the interplay between attitudes, subjective norms, perceived behavioral control, and intentions. When applied to the context of financial literacy, this model suggests that women who harbor positive attitudes toward financial matters, often shaped by their level of financial literacy, are more inclined to develop positive investment intentions and behaviors. Bhushan and Medury (2022) corroborate this notion, highlighting the significant impact of financial literacy on shaping individuals' attitudes and subsequent behavioral intentions in the realm of investment. By fostering a positive attitude toward financial education and decision-making, financial literacy initiatives can effectively enhance women's confidence and competence in managing their finances and making informed investment choices. Thus, integrating the principles of TPB into financial literacy programs can empower women to take proactive steps toward achieving their financial goals and securing their financial future.

### **Behavioral Finance and Investment Decisions**

Behavioral finance theories, notably prospect theory proposed by Kahneman and Tversky (1979), shed light on how psychological factors shape individuals' decision-making processes. In the realm of financial literacy and investment decisions, this theory suggests that women with greater financial knowledge are likely to exhibit more rational and informed choices, thereby mitigating the influence of behavioral biases that can affect investment decisions. This insight aligns with the findings of research conducted by Irawan, et al.,(2018), which emphasize the role of financial literacy in counteracting cognitive biases and irrational tendencies in decision-making. By enhancing their understanding of financial concepts and risks, women can better assess investment opportunities, manage uncertainties, and make decisions aligned with their long-term financial objectives. Thus, integrating insights from behavioral finance theories into financial education initiatives can empower women to navigate the complexities of investment markets more effectively and make decisions that optimize their financial

well-being.

### **Financial Attitudes and Investment Behavior**

The relationship between financial attitudes and investment behavior is a crucial factor in understanding women's financial decision-making processes. Research by Bhushan and Medury (2022) highlights that women who possess positive financial attitudes, often influenced by their level of financial literacy, are more inclined to engage in proactive investment behaviors. This suggests that a positive mindset towards financial matters, coupled with the knowledge and understanding gained through financial literacy, can motivate women to take active steps towards wealth creation and investment.

Building on this notion, Jappelli (2007) underscores the significance of financial literacy in shaping individuals' attitudes towards wealth accumulation and investment. According to Jappelli, a higher level of financial literacy equips individuals with the necessary tools to appreciate the value of investing and understand the potential benefits it can offer in achieving long-term financial goals. As individuals become more knowledgeable about financial concepts and instruments, they are likely to develop positive attitudes towards saving and investing, viewing them as essential components of financial well-being and security.

The findings from these studies suggest a symbiotic relationship between financial attitudes and literacy, where one influences and reinforces the other. Positive financial attitudes fostered by financial literacy can drive individuals, particularly women, to adopt proactive investment behaviors, such as regular saving, portfolio diversification, and risk management strategies. Conversely, engaging in investment activities can further reinforce positive financial attitudes by providing tangible evidence of the benefits of informed decision-making and prudent financial management.

### **Information Asymmetry and Investment Knowledge**

Information asymmetry theory (Stiglitz & Weiss, 1981) is relevant in understanding how knowledge about investment products influences investment decisions. The Information Asymmetry Theory, proposed by Stiglitz and Weiss in 1981, provides valuable insights into the dynamics of investment decisions, particularly concerning the unequal

distribution of information between different market participants. This theory becomes particularly relevant when examining how financial literacy impacts investment decisions among women. Women who possess higher levels of financial literacy are better positioned to mitigate information asymmetry by gaining a deeper understanding of investment products and financial markets.

Financially literate women are equipped with the knowledge and skills necessary to assess the risks and returns associated with various investment options. They can decipher complex financial terminology, evaluate the performance of investment products, and discern between credible and misleading information. As a result, they are less reliant on potentially biased or incomplete information provided by financial intermediaries and are more capable of conducting independent research and analysis. Women who are financially literate are better equipped to navigate the complexities of investment options, reducing information asymmetry and enabling more informed investment choices (Irawan, Rossanty, & Nasution, 2018).

### **Financial Capability Framework**

The Financial Capability Framework (Lusardi, 2019) provides a holistic view, incorporating financial knowledge, skills, attitudes, and behaviors. For women, financial literacy serves as a core component of financial capability, influencing their ability to make sound investment decisions and achieve financial goals. Financial literacy, as a key component of financial capability, equips women with the necessary knowledge and understanding of financial concepts, products, and strategies. It empowers them to navigate the complexities of the financial landscape, assess investment opportunities, and comprehend the potential risks and returns associated with different financial instruments. With a solid foundation in financial literacy, women can make sound investment decisions that align with their financial goals and risk tolerance.

Moreover, financial literacy influences women's attitudes and behaviors towards money management and investment. It fosters confidence in their financial decision-making abilities, encourages proactive financial planning, and promotes responsible financial behaviors. By cultivating a positive financial mindset and adopting prudent financial habits, women can take control of their financial futures and work towards achieving

long-term financial security and stability.

### **Life-Cycle Hypothesis**

The Life-Cycle Hypothesis (Modigliani & Brumberg, 1954) suggests that individuals make financial decisions based on their expected future income. The Life-Cycle Hypothesis, proposed by Modigliani and Brumberg in 1954, posits that individuals make financial decisions by considering their expected future income. This theory suggests that people tend to adjust their savings and investment behaviors based on their anticipated earnings over their lifetime. In the context of women's investment decisions, financial literacy plays a crucial role in empowering them to plan for long-term financial goals, such as retirement, and make informed investment choices at different life stages.

Research conducted by Lusardi and Mitchell in 2007 supports this notion by highlighting the importance of financial literacy in women's investment decisions. Financially literate women are better equipped to understand the implications of their financial decisions over the long term and can effectively allocate resources to meet their future needs. By possessing knowledge about various investment vehicles, risks, and returns, financially literate women can make strategic investment decisions that align with their financial goals and risk tolerance. Furthermore, financial literacy enables women to navigate the complexities of the investment landscape and avoid common pitfalls associated with uninformed decision-making. With a solid understanding of financial concepts and principles, women can assess investment opportunities, evaluate their potential returns and risks, and diversify their investment portfolios accordingly. This empowers them to make prudent investment choices that enhance their financial well-being and security over time.

Overall, the Life-Cycle Hypothesis underscores the importance of considering individuals' expected future income in financial decision-making, while the role of financial literacy in women's investment decisions emphasizes the need for education and empowerment to navigate the complexities of the financial world and secure their financial futures. Applying this to women's investment decisions, financial literacy can enhance their ability to plan for long-term goals, such as retirement, and make appropriate investment choices throughout different life stages (Lusardi & Mitchell, 2007).

### **2.3. Empirical Review**

#### **Financial Literacy and Women**

Financial Literacy helps women not only in finding source of earning but also in using it wisely. In Nepal, women make up around 51% of the population; it would be unfair if the remaining 49% were the only ones making financial decisions. Theoretically, there are many reasons why women should be financially educated in order to make wise financial decisions. From the study of Lusardi (2016), “working women still struggle with the long term, particularly when it comes to debt and debt management. Three-quarters hold at least one form of long-term debt, such as mortgages, auto loans, student loans or home equity loans; a figure that is unchanged from 2012. One-half of working women also indicated that they feel they have too much debt, and this statistic also has not improved since 2012. Student loan debt is a particularly worrisome factor, given that nearly 50 percent of working women with student loans reported being concerned about their ability to repay these loans. Concerns about long-term personal finances are not only linked to debt, but also come from a worry about financial security in retirement. In 2015, two-thirds of working women reported worrying about running out of money in retirement”.

Garima (2016) reveals that while financial planning is widely acknowledged, the significance of financial literacy, particularly for women, remains underappreciated. Financial literacy among Indian women is influenced by several factors. One major factor is the lack of independence; despite theories supporting gender equality, women do not enjoy the same level of independence as men. Women often spend only a small portion of their income on themselves and relinquish financial freedom to maintain family harmony. Another factor is cultural influences, which hinder the spread of financial education among women. Additionally, the lack of women-centric financial schemes is a problem; most financial institutions offer generic services and do not develop specific schemes for women. Accessibility issues primarily affect women in rural areas, where reaching financial services is challenging. Furthermore, there is a lack of information about existing financial services and requirements, as many women are unaware of available financial services due to the mainstream media and billboard-focused advertising by financial institutions. The high-interest rates on loans, high fees for maintaining and operating current accounts, and low interest rates for savings deposits also discourage

women from using these services. Lastly, the lack of basic education and financial resources further complicates the situation (Vimala & Alamelu, 2018).

Furthermore, women often find it more challenging to manage their money effectively and achieve financial independence compared to men. Women are frequently more dependent on male family members for financial decisions, even though they contribute financially to their households. Previous studies also indicate that women are less likely to seek financial education and lack confidence in investing their money (Lusardi & Mitchell, 2008). This can be attributed to factors such as income disparities (Anthes & Most, 2000), limited exposure to the outside world, more household responsibilities, and therefore less available time.

Several determinants influence the level of financial literacy and how individuals manage routine money matters and financial transactions. These determinants include socio-demographic factors such as education, income level, marital status, domicile, gender, family income and behavior, exposure to the outside world, retirement needs, and awareness of financial instruments. Many of these factors were considered by Agarwalla et al. (2012) in their survey assessing financial literacy among students, employees, and retired people in India.

Informed financial decision-making is of the utmost significance due to the rapidly shifting financial markets and growing individual responsibility, especially for retirement income. Financial literacy is a crucial component of making wise financial decisions. However, actual evidence reveals that many people lack basic knowledge of the ideas behind investing and saving. This might have a significant impact on how people manage their personal finances, particularly in relation to building money for retirement (Lusardi & Mitchell, 2011).

Such self-assessments are challenged by a number of the financial behaviors mentioned earlier as well as by the objective evaluation of financial literacy through answers to a series of questions meant to gauge understanding of fundamental economic and financial concepts.

### **Financial Attitude**

Attitudes and preferences are considered to be an important element of financial literacy. If people have a rather negative attitude towards saving for their future, for example, it is argued that they will be less inclined to undertake such behavior. Similarly, if they prefer to priorities short term wants over longer-term security then they are unlikely to provide themselves with emergency saving opt to make longer term financial plans (Atkinson & Messy, 2010).

According to the report by Paluri and Mehra (2016), only a third of respondents did not purchase any financial products. The most preferred financial products among Indian women were fixed deposits and insurance policies. The study identified four clusters of women based on their financial attitudes: judicious consumers, conservative consumers, acquisitive consumers, and unsure consumers. Analysis of these clusters showed that interest in financial issues had the greatest influence on cluster formation, followed by the propensity to plan and materialistic attitudes. Fatalistic attitudes had the least influence. The links between attitudes and practices were further validated using multidimensional measures of financial attitudes and management, ensuring parallel aspects were included in both measures.

Similarly, research by Sugiyanto et al. (2019) suggests that the financial literacy of young pioneering business entrepreneurs falls in the moderate category. Financial literacy does not significantly affect the financial behavior of these young entrepreneurs, but financial attitude does influence their financial behavior. Meanwhile, other research from Rai, Kostini and Tresna (2021) concludes that behavioral finance is concurrently and partially influenced by financial attitude and financial literacy.

The study by Veronica, Damanik and Angela (2016) was conducted to learn more about how financial education, financial attitude, and parental income affect behavior related to money management. This study was carried out in the Indonesian border region of Merauke. The information is gathered via a questionnaire. 382 respondents made up the sample. Chi-square analysis and correspondence analysis are employed for analysis. The findings of this study demonstrate that financial attitude has an impact on financial management behavior but financial knowledge and parental income have no such impact. Two conclusions can be drawn from this research: (1) Attitude plays a significant role in

influencing financial behavior, and it is generally influenced by the environment and social interactions; (2) Financial knowledge has no bearing on financial behavior because financial education is less effective in low- to middle-income groups.

### **Financial Behavior**

The most important and fundamental aspect of financial literacy is behavior. The benefits of financial literacy, on the other hand, are fueled by actions like budgeting, spending, and establishing a safety net. Financial wellness may be harmed by actions like excessive credit use. Thus, we concentrate on a variety of activities in this area, with a special emphasis on those that might increase or decrease financial well-being.

Mathivannan and Selvakumar (2011) found that teachers' saving behavior is primarily driven by the need to fund their children's education. The demography and lifestyle of the respondents significantly influence their saving habits and investment behavior. According to Pandian and Thangadurai (2013), most investors prefer to invest in banks or gold. Similarly, a study by Chandra and Kumar (2012) identified two major factors influencing investment decisions: exhaustive treatment and objective treatment. These factors relate to the available information and future information prospects.

Financial literacy is a necessary but insufficient component of sound money management. A good self-perception may also be necessary for people to start and stick with the difficult task of financial management. In this work, we make a distinction between subjective and objective financial knowledge, and we suggest that subjective financial knowledge has a direct and indirect relationship with financial behavior. Results from a nationally representative dataset of American people indicate that, after adjusting for financial literacy and other socioeconomic characteristics, there is a substantial relationship between personal financial conduct and self-esteem. Self-esteem and financial conduct may be related directly or indirectly by means of subjective financial information. These results emphasize the significance of psychological characteristics, including self-esteem, in explaining financial behavior difference (Tang & Baker, 2016).

Similarly, according to Mandell and Klein (2009) the study looked at how a personal finance management course taken one to four years prior affected 79 high school students

differently. To distinguish between students who had taken a course in personal finance management and those who had not, this study employed a matched sample design using data from a school system. The results indicated that course participants were no more financially literate than non-participants. Furthermore, individuals who completed the course did not perceive themselves as more savings-focused or exhibit better financial behavior compared to those who did not take the course. The study raises significant concerns regarding the long-term efficacy of high school financial literacy programs.

A behavior connected to financial applications is called financial behavior. According to Ricciardi (2000), financial behavior is a scientific subject in which there is a natural connection between scientific disciplines and continuous integration, preventing debate from being conducted in isolation. The psychological, social, and financial facets must all be understood by someone who wishes to learn about financial conduct. Shefrin (2000) defines financial behavior as a study of how psychological phenomena affect their financial behavior. Nofsinger (2001) defines the financial behavior of learning how humans actually behave in a financial setting. In particular, learn how psychology influences financial, corporate and financial market decisions.

### **Financial Influences**

The result from the study done by Hamilton et al., (2019) makes the argument that economic behavioral restrictions result from financial limits. We looked at studies that offer insight into how financial limits impact consumer behavior since millions of consumers deal with chronic or sporadic financial difficulties. This study offers an integrated framework that incorporates knowledge from other literatures that have looked at financial limitations from various angles. The framework highlights various temporal stages of responding to financial constraints, differentiating between reacting, coping, and adapting, and makes a distinction between four perspectives that are grounded in literatures on resource scarcity, choice restriction, social comparison, and environmental uncertainty. Beyond the apparent negative impacts of financial restrictions, this concept places a strong emphasis on consumer resilience, emphasizing that people are frequently able to deal with them and come up with creative ways to adapt. This approach aids in our understanding of the frequently significant and occasionally unexpected impacts of financial restrictions on consumer behavior by extending the behavioral and temporal

scope of financial constraints as they are viewed within consumer psychology.

According to the research done by Hassan Al-Tamimi and Bin Kalli (2009) the result that investors in the UAE lack a great deal of financial literacy. It has been discovered that occupational activity, educational attainment, and income level all influence financial literacy. High-income respondents had advanced degrees, and as may be predicted, those who work in banking, finance, or investments have greater levels of financial literacy than others. On the other hand, financial illiteracy persists regardless of the respondents' age. The level of financial literacy among the respondents varied significantly depending on the respondents' gender as well. Particularly, women are less financially literate than males.

The findings also show a substantial correlation between investing choices and financial literacy. Religious considerations have the greatest influence on financial decisions, whereas rumors have the least impact.

### **Investment**

Tandelilin, (2010) outlines some of the reason for people who do investment, among others, to get a better life in future, a sensible man would periodically consider how to enhance his life or at the at least attempt to preserve his income level in order to prevent it from declining in the future in order to have a better life, to invest in the ownership of a company or other item, a person can lower the pressures on inflation and lessen the chance of their assets being harmed by inflation and to promote tax-saving measures. Some nations throughout the world use numerous policies to promote the expansion of investment in society by offering tax benefits to those who make investments in particular sectors.

Investment decisions reflect careful consideration of preferences and conditions. The process of developing an investment strategy for an organization is not unlike the process we follow for developing an investment strategy for a single individual. The exception is that the client and stakeholders are more complex in the organizational setting. The organization's investment strategy reflects a consensus of organizational executives and stakeholders – in some cases shareholders (Handa, Jean, & Beadford, 2019).

Adana et al. (2022) found that the features of Performance-Based Contracting (PBC), including joint knowledge generation, goal congruence, and incentive alignment, significantly impact financial benefits. The study also highlighted that the quality of investment mediates the relationship between these PBC features and financial benefits. Specifically, upfront investment in quality enhancement was identified as a facilitator for PBC features to achieve financial benefits. The findings underscored the importance of collaborative communication and information sharing in knowledge generation, which in turn contributes to financial benefits through quality investment. This research supports the theory of relational view by emphasizing how PBC governance strengthens collaborative efforts, aligns goals and incentives among downstream suppliers, and enhances quality through knowledge generation and investment.

Vaidya and Ramseh, 2021) reveal the relationship between financial literacy with financial attitude and financial behavior among the Tharu community women of Nepal. Hence, the paper has conducted a survey among the Tharu women living at Nawlapur District of Gandaki Province of Nepal. The paper found that Tharu women who are in a saving group, mainly focused on income saving and looking for an opportunity cost

The findings from Shahid, et al., (2022) demonstrate that values held by analysts, such as religion, spirituality, and social responsibility, have a considerable detrimental effect on their investing choices. The findings further show that the link between these values and investing choices is mediated by perceived behavioral risk.

It is impossible to overstate the significance of individual investing choices since they have a direct bearing on people's quality of life. Such choices including saving money for a down payment on a house or car, for a child's education, for personal objectives and desires, and for retirement. The results indicate that college students' understanding of personal investment is lacking. The issue affects a wide range of college students of both sexes, from different academic fields, to different experience levels. According to the findings, female students had less investment knowledge than male students, which is consistent with other studies. Less knowledge is possessed by non-business majors than by business majors. Two financial accounting majors are less knowledgeable than

financial accounting majors among business majors. These groups' differences are statistically significant (Voipe, Chen, & Pavlicko, 1996).

The studies on financial literacy and investment behavior provide valuable insights into the factors influencing individuals' financial decision-making processes. Paudel (2021) sheds light on the significance of personal variables such as financial behavior, attitude, and influence in shaping financial literacy levels among professional women. Through rigorous analytical methods, the study underscores the importance of considering individual characteristics when designing financial education programs aimed at improving literacy levels.

Oli (2020) contributes to the literature by assessing the level of financial awareness among individuals in Nepal. By employing Likert-type scales and regression models, the study highlights the crucial role of financial awareness in shaping personal financial planning practices. This finding suggests the need for targeted interventions to enhance financial literacy and awareness among the general population. Nidar and Bestari's (2012) study focusing on university students reveals a concerning trend of low financial literacy levels among this demographic. Through descriptive analysis and logistic regression, the research emphasizes the urgency of implementing educational initiatives to equip young adults with essential financial management skills as they transition into independent financial decision-makers.

Sabri (2011) delves into the familial dynamics of financial decision-making and its impact on financial literacy levels. By employing descriptive statistics and regression analysis, the study underscores the positive influence of early involvement of children in financial discussions on overall family financial literacy and money management practices.

The findings from Shahid, et al., (2022) demonstrate that values held by analysts, such as religion, spirituality, and social responsibility, have a considerable detrimental effect on their investing choices. The findings further show that the link between these values and investing choices is mediated by perceived behavioral risk.

The findings from this study indicate that attitude, financial risk inclination, financial planning, and investment intention are key determinants of investment behavior among rural residents of Punjab. The study highlighted statistically significant interaction effects between socio-demographic traits such as age and marital status with investment intention, financial risk propensity, and investment attitude among rural people. Specifically, the results suggested that the interaction between attitude and investment intention, as well as financial risk propensity and investment intention, is significantly influenced by the age and marital status of respondents. However, education did not emerge as a significant moderating factor in any of the relationships examined (Manocha, Bhullar, & Sachdeva, 2021).

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Dangol(2017) investigation into investment patterns among financially literate individuals in Nepal provides valuable insights into the diverse approaches to investment decision-making. Through a combination of descriptive and analytical methods, the study highlights the nuanced differences in investment behaviors among individuals with varying levels of financial literacy.

Overall, these studies collectively contribute to our understanding of the intricate relationship between financial literacy, individual characteristics, and investment behavior. They underscore the importance of targeted educational initiatives and early intervention strategies to enhance financial literacy levels and promote informed financial

decision-making among diverse demographic groups.

**Table 1**

*Review Matrix*

Author /year	Objectives	Methodology	Major Findings
Paudel (2021)	To examine the impact of financial behavior, financial attitude and financial influence on financial literacy of professional women.	Descriptive and analytical research design, multiple regression analysis, ANOVA test, t-test, linear regression and correlation are some of the tools used. Sample size is 200 women employees in Pokhara Lekhanath metropolitan.	It was found that there is positive relationship between financial literacy and personal variable (financial attitude, financial behavior and financial influence).
Oli (2020)	To understand the level of financial awareness of People.	Likert-type scale was used with other tools like Cronbach alpha, regression model and a primary data was collected from 700 Nepalese of 7 provinces by using a set of structured closed-end Questionnaire.	The results show that the personal financial planning is influence by level of financial awareness and individual financial planning attitude.
Nidar and Bestari (2012)	To find a picture of personal financial literacy levels of students at the University of Padjadjaran and to answer the first problem formulation using descriptive analysis.	Descriptive analysis, logistic regression and chi-square test were used with sample size of 400 students selected with stratified random sampling techniques among active student of Padjadjaran University.	The results of the study suggested that the personal financial literacy of university students was very low.

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Sabri (2011)	To investigate the impact of involvement of children on family financial decision.	Descriptive statistics, multiple regression Analysis, multivariate analysis and <i>t</i> -test were used with the sample of 2,519 students.	The results showed that the early involvement of children in personal and family financial Decision led to better financial literacy levels and better money management.
Dangol (2017)	To investigate the investment patterns of Financially literate person based on the individual investors of Nepal.	Descriptive and Analytical research design was used to deal with various issues raised. The mean, ANOVA and logistic regression were used as the investigation was based on 314 individual investors of Nepal.	The study reveals that there are differences between investment patterns among the high and low financially literate person.
Koti (2019)	To “examine the level of financial acquaintance and proficiency among the women of Dharwad District”	For the research conducted “totally of 100 women were interviewed to know their financial ability and proficiency. The statistical tools used where factor analysis, T-Test and One-way ANOVA”.	The women were comfortable and “found that the gray area was mutual fund investment and return of it. They are careful during investments; they know very well about the risk involved in markets and the volatility. They keep financial goals, targets and achieve them successfully”.

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Ansa Salim and Sania Khan (2020)	<p>“To find out the level of awareness and analyze the Influence of factors on investment decisions of Omani working women as respondents”.</p>	<p>The questionnaire, consisting of eleven main questions and thirty-two sub-questions, was translated into Arabic for Omani citizens. Statistical tools such as factor analysis, T-Test, and One-way ANOVA were employed in the study. Data collection involved distributing a well-structured online questionnaire to 200 respondents.</p>	<p>The study found that working women's investment decisions are heavily influenced by family and professional connections, highlighting a need for better awareness through formal channels for modern investment opportunities. Despite sufficient income to cover personal expenses, respondents expressed dissatisfaction with their ability to invest, influenced by demographic factors like age, education, marital status, and income levels impacting their financial decisions.</p>
Manasa and Ishwara (2020)	<p>To investigate the financial literacy, awareness of working women on investment avenues, preferred avenues and factors influencing on their investment</p>	<p>It is a small scale empirical study consisting 92 samples. The samples are drawn at random from Government, semi-government and non-government sector of Sullia Taluk of Dakshina Kannada district using convenience sampling technique. In addition</p>	<p>The study” found that working women's investment decisions are heavily influenced by family and professional connections, highlighting a need for better awareness</p>

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	<p>decision.</p>	<p>to primary data, secondary data has been collected from various published sources, e-journals. Google scholar and Shodhganga were used to gather articles for the purpose of literature review.</p>	<p>through formal channels for modern investment opportunities. Despite sufficient income to cover personal expenses, respondents expressed dissatisfaction with their ability to invest, influenced by demographic factors like age, education, marital status, and income levels impacting their financial decisions”.</p>
<p>Vaidya (2021)</p>	<p>“To find out the relationship between financial literacy with financial attitude and financial Behavior among the women of the Tharu community of Nepal”.</p>	<p>A questionnaire were prepared, basic information of the respondents and an opinion on mainly three factors, i.e., financial literacy, financial behavior, and financial attitude, were asked Among the respondents. A pilot study among the 50 Tharu women borrowers was conducted to test the Reliability of the questionnaire. Face-to-face interview with each respondent was done on the basis of a structured questionnaire to increase a response rate and put clarity about</p>	<p>They were mainly focused on income saving and looking for an Opportunity cost, followed by a slight impact from demonstration effects. Similarly, Tharu women associated with a saving group are mainly concerned with the utilization Of the credit. The paper revealed that the Tharu women want some financial</p>

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		The questionnaire to the respondents in the Nepali language.	freedom in their life.
Nepal (2021)	To identify the factors affecting the financial literacy of the college students of Nepal.	The study “surveys 436 college students to examine their financial literacy; the impact of demographic, educational and personality characteristics on financial literacy. Mean, ANOVA and logistic regression were used in carrying out analysis”.	“Financial knowledge is determined by income, age, stream of education, types of college, and attitude of students while it is unaffected by gender, university affiliation, financial behavior and influence”.
Potrich,et al.,(2018)	To understand the financial literacy level of women in Brazil.	Multiple-choice questions were used to assess the respondent’s profile and to measure their financial knowledge. The survey was complemented by Likert-type 5-point questions assessing the investigated quantitative scales.	It was observed that the financial behavior construct has the most impact in the integrated model of financial literacy, followed by the financial attitude construct, and finally, the financial knowledge construct.
Kumari (2020)	To examine The impact of financial literacy on investing decisions among undergraduates in the western province in Sri Lanka.	The research is conducted under deductive research approach and quantitative research strategy. The extensive literature review was carried out with the purpose of identifying the determinants of financial literacy. A survey was conducted among 200 undergraduates representing	There is a positive significant relationship between financial skills of undergraduates and their investment decisions. The findings revealed that financial literacy positively and significantly

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four government universities in western provinces in Sri Lanka, with the assistance of a researcher administrated questionnaire. The reliability of scales was measured by Cronbach's Alpha coefficients.

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## **2.4 Research Gap**

Proper timely study on these areas is severely missing in a nation like Nepal, with the exception of a few respectable institutions that are interested in the topic. However, financial literacy has been the subject of much research on a global scale. This study's primary focus is on working women's financial literacy. This kind of gap analysis has shown to be quite helpful in many nations in raising literacy levels among the populace.

But in a nation like ours, there haven't been many surveys on the topic related to working women and their investment decision, focusing more on students' financial literacy. Even while certain organizations and individuals have made some modest efforts, the industry has not seen enough of them. So far, only a few studies have been performed to provide recommendations for improving the education level of working women in financial decision making. The majority of research exist of students who are currently from different background and are pursuing their study. The exact figure on this topic is very difficult to determine.

The goal of the study is to close any knowledge gaps and give a more comprehensive picture of the degree of financial literacy among working women in Kathmandu, Nepal. Numerous studies have examined the degree of financial literacy among educated young adults and assessed the influence of demographic and socioeconomic characteristics on financial literacy. The majority of respondents stated that various working women needed financial education. In order to promote financial literacy among working women in Kathmandu, this research urges policy changes.

## **CHAPTER III**

### **RESEARCH METHODOLOGY**

Research methodology is defined as the procedures, techniques and tools that is used to identify, select, process and analyze the information about the research topic. The objective of this chapter is to discuss the methodology used in this research. In this chapter the relevant approaches and tools to fulfill the purpose will be explained and discussed with the aim to show the reader what has been done. With a genuine and clear methodology, the researchers are able to create validity and reliability of the thesis.

#### **3.1. Research Design**

This study used a descriptive and causal comparative research design. Descriptive research design describes the characteristics of a population. The research is descriptive in nature as it describes the nature and characteristics of population and its data sample on the basis of statistical tools without any form of manipulation. The review of qualitative and quantitative variables is included in this report. The aim of this study is to determine the financial literacy level of Nepalese Working Women and its impact in their investment decision. As a result, the survey research method was used to complete the analysis. The data and information collected from Nepalese working women has been reorganized, tabulated, analyzed and presented.

The findings of this research were based on the primary survey. The data has been collected by formulating a set of questionnaires which was distributed to the respondents. The findings are completely based on the data and facts provided by the sampled respondents. The nature of this study is descriptive study. The hypothesis testing explains the relationship between women's productivity and its determinants. This study was conducted through a survey with structured questionnaire because questionnaire is an efficient data collection mechanism.

#### **3.2 Population and Sample**

##### **3.2.1 Population**

Selection of sample is very important to carry out a research project. As mentioned

earlier, the target population for this study includes all the working females of different organizations of Nepal.

For the purpose of the study, survey method has been adopted. The overall survey and study were guided by the objectives of this study that is set as mentioned in the first chapter. In conformity with the objective, the study was designed to understand the relationship between financial literacy and investment decision among Nepalese working women.

### **3.2.2 Sample**

The sample for this study has been taken among the Nepalese companies. All the working women of Nepal are be considered as a population sample in the research study. Especially employee of different level and organization were randomly selected. Since the sample size is unknown, minimum number of respondent are incorporate (Nayak, 1992.) The respondents of the research were those working female who are working in different sectors of Nepalese economy. Sample size of this study was 412 female employees.

### **3.2.3 Sampling Design**

Convenience Sampling was used to collect the data, i.e., due to their easy usability and proximity to the researchers. For this purpose 500 questionnaire were distributed and among them 460 were returned. Among returned questionnaire 412 were usable and carried out for the analysis. This approach was also suitable for this study because of the time and resource constraints. Sample were found through different platforms like Bank, School, and Local Shops where researcher would distribute the printed questionnaire directly. Sample were collected using a systematic questionnaire through mail and in person. Questionnaires were distributed to respondents in person whose email address were known to the researcher and also collected with those working women who were working in various organizations.

### **3.3 Data Collection Procedures**

In analysis, the primary method of data collection was used. Data used first to test the working assumption and then to support the argument of a researcher. The analysis and the use of the survey approach was descriptive research. Primary data have been obtained

and administered for quantitative data by questionnaire survey.

The initial parts of the study (background, problem identification, literature review, conceptual framework) are outcomes of secondary data such as previous reports, journal articles, books and graduate research projects or thesis. In this study, particularly to achieve the study objectives, primary data was collected in order to address the issues identified. As explained in sampling section, female employees from different organizations were requested to fill structured questionnaires to collect the data as a source of primary data for this research.

In this research, primary data is used as a data collection method. Primary data refers to data that is first used to test the working hypothesis and then used as evidence to support a researcher's claim. Primary data is the information that researchers collect specially for the purpose of research project. It is the first and foremost data collected directly or original research data obtained through first hand investigation. It includes data collected from interview, experiments, surveys, questionnaires, focus group and measurements. In this research there was use of the survey questionnaire method as it best suited for described study. The questionnaire was delivered through emails, social media, and collection method which belongs to the category of self-administered questionnaires. Delivery and collection of questionnaires allows researchers to know whether the questionnaire are filled completely to reduce the occurrence of missing data. It also helps researcher to be able to explain participants of research survey who may have inquiries regarding the questionnaire, and will increase the accuracy of data that are being collected (Sekaran, 2003). The respondents were asked to answer the question based on 5 independent variables and a dependent variable. The questionnaires were design in the form of close-ended question form. Total of 300 questionnaire were distributed among which 200 of them were the one which were returned back.

### **3.4 Data Analysis Tools and Techniques**

Various statistical tools and methods was applied for the verification and interpretation of the data accumulated from the primary source. In order to record, organize and analyze data according to the needs of this report, the Microsoft Excel worksheet and the SPSS program were used. For data processing, SPSS was mainly used. In the SPSS worksheet

the complete responses received from the respondent are coded and tabulated. The coding is followed according to the law, depending on the nature of the question. Similarly, different data analysis tools were also used during the research. In order to get the facts and information tools like correlation, regression, hypothesis testing, mean, median, mode, standard deviation were used.

The research data was analyzed using SPSS software, and various graphical tools such as tables, charts, diagrams, and graphs were employed for data presentation. Descriptive statistics like mean and standard deviation were used to study variables. Correlation analyses were conducted, followed by stepwise regression analysis. Significance tests were performed to enhance the effectiveness of the results. The study interpreted all observed relationships and findings to draw meaningful conclusions about the interplay between independent variables like Financial Attitude, Financial Behavior, Financial Literacy, Financial Influences, and Knowledge about Investment Products.

#### Model Specification

##### **Multiple Regression Model**

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + b_5X_5 + E_i$$

Where,

Y = Investment decision

X1 = Financial attitude

X2 = Financial behavior

X3 = Financial Literacy

X4 = Financial influences

X5 = Knowledge about investment products

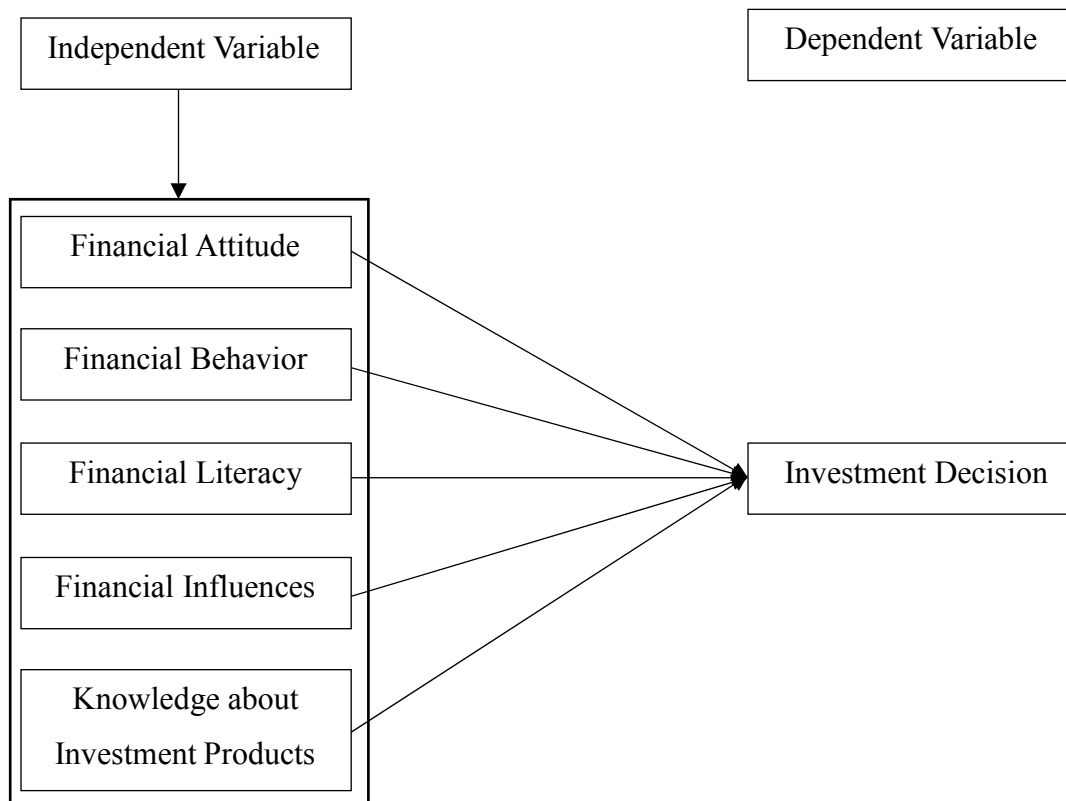
a = Constant

Tables below show the findings of regression analysis between independent and dependent variables.

### 3.6 Conceptual Framework and Definition of Variables

**Figure 1**

*Conceptual framework of independent and dependent variable*



Sources: Hamza and Arif, (2019), Pillai and Rajasekar, (2020), and Hunjra et al., (2016).

**Financial attitude:** A person's state of mind, opinion, and assessment of their finances are referred to as their financial attitude. In the study following variables were taken to determine financial attitude of a working women – financial goals; importance of saving; confidence on financial decision making; area of money spent are some of the variables that helped to determine the financial attitude of working women in this study.

**Financial behavior:** Financial behavior is the capacity of an individual to manage their resources in order to succeed in life. In this study, the term "financial behavior" refers to how the respondent acts with regard to money. Following variables were taken as behavior attribute – spending pattern; record of financial transaction; promptness of payments; price comparison; budgeting for spending limit; contribution to saving.

**Financial literacy:** Financial literacy is the collection of abilities and information that enables a person to use all of their financial resources wisely and effectively. In this study, financial literacy is concern with the ability to answer few financial questions by the respondents.

**Financial influences:** Financial Influences refer to the various ways in which individuals can influence or modify their financial decisions. How one's degree of knowledge affects their ability to make financial decisions. Learning from life experience; learning through books; decision influenced by peer group; decision influenced by internet are some of the variables that helps to determine the degree of influence one have while making financial decision.

**Knowledge about investment products:** Although the name is similar to financial literacy, in this study it is more focused on different investment and the degree of knowledge ones possess about different investment products. In this study, following variables are used as knowledge about investment products – primary and secondary share market; long term investment knowledge; risk involved in investment in different sector; mutual funds; having required knowledge prior to the investment.

**Investment decision:** Investment decision is the dependent variable in the framework which will depend on the independent variables in the framework. Investment decision is the final step where individual invest/spend the money in certain activity that yields gain or profit. In other terms we can say that individuals invest in certain financial products/services for it to grow in monetary value in future. Investment decision is influenced by the knowledge about the financial and investment products and the expectation of higher return by the individuals.

## **CHAPTER IV**

### **RESULTS AND DISCUSSION**

This chapter contains the analysis, discussion and interpretation of the result based in data collection. The analysis is mainly based on primary data which were collected through the questionnaire filled by respondents. The data are presented with tables and diagram to make it convenient possible to interpret. The mean, standard deviation and frequencies has also done to examine the significant relationship between different variables. Tables and figures are extensively used to analyze the data.

The purpose of this chapter is to analyze and interpret the data collected during the study and present the results of the questionnaire survey. This section is further sub-divided into five sub-sections. The first part deals with the respondent's profile and their demographic characteristics. The second part deals with the respondent's profile and their demographic characteristics. The second part is descriptive analysis, which analyzes the collected data through frequency analysis and measure of central tendency. The third part analysis the collected data through inferential analysis, which includes correlation analysis and regression analysis. The fourth part includes hypothesis testing and the fifth and the final part of this chapter deals with discussion and inferences by analyzing and interpreting the collected data on level of financial literacy among Nepalese working women and its effect on investment decision.

#### **4.1 Presentation of Results**

In total, 412 responses were collected for this study and the questionnaire were distributed to them through online form as well as printed form through different social media or personally reaching them. Among them all 412 of the respondents were working women and were asked about financial knowledge.

##### **4.1.1 Descriptive Analysis**

This section deals with the descriptive analysis of the data collected through the questionnaires during the research process. Descriptive statistics is the discipline of quantitatively describing the main features of a collection of data. Descriptive statistics

provides simple summarizes about the sample and about the observations that have been made. Descriptive statistics help us to simplify large amounts of data associated with these variables in a sensible way. For this purpose, “Five Point Likert Scale” questions were asked to the respondents which scaled from strongly disagree, disagree, neutral, agree and strongly agree which ranked from 1, 2, 3, 4, and 5 respectively. Number of respondents of each question items was 412.

Here, financial knowledge is described by five dimensions which are financial attitude, financial behavior, financial literacy, financial influences and knowledge about investment products. Questions related to each variable and their descriptive statistics are shown below.

#### **4.1.1.1 Descriptive Analysis of Demography**

##### **Age Group of Respondents**

Table 1 shows the age group of the respondent. Out of 412 respondents, 57 of them were of age group below 20. 166 of the respondents belonged to age group of 20-30. 183 of the respondents belonged to age group of 30-40 and 6 of them belonged to age group of above 40. The result shows that the maximum number of working women belonged to age group of 30-40 who are mainly working after completing their degree.

**Table 1**

*Age Group of Respondent*

Age Group	Frequency	Percent
Below 20	57	13.8
20-30	166	40.3
30-40	183	44.4
Above 40	6	1.5
Total	412	100.0

##### **Monthly Income of Respondents**

Table 2 shows the range of monthly income of the respondent. Out of 412 respondents, 4 of them had income below 20,000. 133 of the respondents had income in the range between 20,000 to 40,000. 250 of the respondents had income between 40,000 to 60,000 and 25 of the respondents had income above 60,000. The result shows that the maximum

number of incomes of working lies between the ranges of 40,000 to 60,000.

**Table 2**

*Monthly Income of Respondent*

Income Range	Frequency	Percent
Below 20,000	4	1.0
20,000 – 40,000	133	32.3
40,000 – 60,000	250	60.7
Above 60,000	25	6.1
Total	412	100.0

**Profession of Respondents**

Table 3 shows the profession of the respondent. Out of 412 respondents, 53 of the respondents were teacher. 172 of the respondents were banker. 178 of the respondents were private job holders and 9 of the respondents were involved in business. The result shows that the maximum number working women were involve as a private job holder.

**Table 3**

*Profession of Respondent*

Profession	Frequency	Percent
Teacher	53	12.9
Banker	172	41.7
Private	178	43.2
Business	9	2.2
Total	412	100.0

#### 4.1.1.2 Descriptive Analysis of Variables

**Table 4**

*Descriptive Statistics (N=412)*

	Minimum	Maximum	Mean	Std. Deviation
Fin_Att	11.14	29.97	21.4199	4.16552
Fin-Beh	6.20	21.00	13.9490	3.45614
Fin_Inf	6.20	21.00	14.3714	3.44108
Inv-Dec	6.40	21.00	17.9608	3.31907
Kno-Ip	7.67	25.83	14.6432	3.92807
Fin_Litracy	8.20	21.00	14.8684	2.91259

Table 4 shows that the respondents generally exhibit positive attitudes towards investment decisions, particularly in the context of the Nepalese stock market (NEPSE). The mean overall score for financial literacy is 17.9608, indicating a favorable outlook among Nepalese women investors. Specifically, respondents agreed with statements related to investment decisions, financial behavior, financial influences, financial attitude, financial literacy, and knowledge about investment products, as evidenced by mean values such as 17.9608, 13.9490, 14.3714, 21.4199, 14.8684, and 14.6432 respectively.

This positive sentiment suggests that Nepalese women investors view stock market investments as beneficial for enhancing financial literacy. Moreover, they find stock investing interesting, wise, and meaningful, and perceive engaging in investment activities as a favorable idea. The findings indicate that these investors are not only motivated to participate in investment activities themselves but also encourage others, including friends and family, to invest in the NEPSE. This underscores a proactive approach towards financial empowerment and investment culture among Nepalese women.

#### 4.1.2 Correlation Analysis

This section of analysis covers all the statistical analysis made to verify the hypothesis and ascertain the significance of financial literacy of Nepalese working women and its impact on investment decision. Pearson correlation analysis assesses the strength and

direction of the relationship between two variables. A correlation value close to 1 or -1 indicates a strong linear positive or negative relationship, respectively. A correlation of 0 suggests no linear relationship between the variables. A positive correlation coefficient greater than 0 indicates a positive relationship, meaning that as one variable increases, the other tends to increase as well. Conversely, a negative correlation coefficient less than 0 indicates a negative relationship, meaning that as one variable increases, the other tends to decrease. This analysis helps in understanding how variables are related and the nature of their association.

**Table 5**

*Correlation Analysis*

Variables	Inv- Dec	Fin-Beh	Fin –Inf	Fin-Att	Fin-Lit	Kno—Ip
Inv-Dec	1	.942**	.329**	.549**	.465*	.483**
Fin-Beh		1	.364**	.548**	.466**	.526**
Fin –Inf			1	.373**	.333**	.310*
Fin-Att				1	.647**	.496**
Fin-Lit					1	.468**
Kno—Ip						1

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

\* . Correlation is significant at the 0.05 level (2-tailed).

It shows the correlation coefficient value 0.942 which means that independent variable financial behavior has significant relationship with dependent variable Investment Decision. Further, the P value is less than alpha i.e.,  $0.00 < 0.01$ , the correlation is significant between the variables. From the results, an increase in financial behavior will automatically lead to an increase in investment decision of a working women.

It shows the correlation coefficient value 0.329 which means that independent variable financial influence has significant relationship with dependent variable Investment Decision. Further, the P value is less than alpha i.e.,  $0.00 < 0.01$ , the correlation is significant between the variables. From the results, an increase in financial influence will

automatically lead to an increase in investment decision of a working women.

It shows the correlation coefficient value 0.549 which means that independent variable financial attitude has significant relationship with dependent variable Investment Decision. Further, the P value is less than alpha i.e.,  $0.00 < 0.01$ , the correlation is significant between the variables. From the results, an increase in financial attitude will automatically lead to an increase in investment decision of a working women.

It shows the correlation coefficient value 0.465 which means that independent variable financial literacy has significant relationship with dependent variable Investment Decision. Further, the P value is less than alpha i.e.,  $0.00 < 0.01$ , the correlation is significant between the variables. From the results, an increase in financial literacy will automatically lead to an increase in investment decision of a working women.

It shows the correlation coefficient value 0.483 which means that independent variable knowledge about financial products has significant relationship with dependent variable Investment Decision. Further, the P value is less than alpha i.e.,  $0.00 < 0.01$ , the correlation is significant between the variables. From the results, an increase in knowledge about financial products will automatically lead to an increase in investment decision of a working women.

#### **4.1.3 Regression Analysis**

In this study, regression analysis was employed to test hypotheses and explore relationships between variables. This section aimed to ascertain which independent variables explain variability in the outcome (Investment Decision), determine how much of the variability in the dependent variable is accounted for by the independent variables, and identify which variables are statistically significant in explaining this variability. Specifically, linear regression analysis was conducted to investigate the relationship between the dependent variable (Investment Decision) and independent variables (Financial Behavior, Financial Influence, Financial Attitude, Financial Literacy, and Knowledge about Investment Products). Linear regression was chosen for its simplicity, interpretability, scientific acceptance, and widespread applicability in analyzing such relationships.

### Multiple Regression Model

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + b_5X_5 + E_i$$

Where,

Y = Investment decision

X1 = Financial attitude

X2 = Financial behavior

X3 = Financial Literacy

X4 = Financial influence

X5 = Knowledge about investment products

a = Constant

Tables below show the findings of regression analysis between independent and dependent variables.

**Table 6**

*Model Summary*

R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
0.943 <sup>a</sup>	0.890	0.888	0.97323	1.451

Predictors: (Constant), Financial Behavior, Financial Influence, Financial Attitude, Financial Literacy, Knowledge about investment products

Table 6 shows the model summary of the financial literacy among Nepalese working women. The R-squared (R<sup>2</sup>) value, also known as the coefficient of determination, indicates how well the regression model fits the observed data. It represents the proportion of the variance in the dependent variable (investment decision) that is explained by the independent variables (Financial Behavior, Financial Influence, Financial Attitude, Financial Literacy, and Knowledge about Investment Products).

In this study, the R<sup>2</sup> value is 0.890, which means that approximately 89.0% of the variation in the investment decision can be explained by the variation in the independent variables included in the regression model. This high R<sup>2</sup> value suggests that the model

provides a very good fit to the data, indicating strong relationships between the variables studied. The closer R<sup>2</sup> is to 1.0, the better the model fits the data, demonstrating a high degree of explanatory power of the independent variables on the investment decision in this context.

Low R-squared value suggests that the model does not fully capture the variability in the dependent variable, and further investigation may be needed to improve the model's explanatory power. Future research need to incorporate more independent variables. Independent variables like Financial Behavior, Financial Influence, Financial Attitude, Financial Literacy and Knowledge about investment products. Model summary also indicates the standard error of estimate of 0.97323 which shows the variability of the observed value of investment decision from the regression line is 0.97323 units.

**Table 7**

*Regression ANNOVA*

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	3102.035	5	620.407	655.005	.000 <sup>b</sup>
Residual	384.555	406	0.947		
Total	3486.590	412			

a. Dependent Variable: ID

b. Predictors: (Constant), Financial Behavior, Financial Influence, Financial Attitude, Financial Literacy, Knowledge about investment products

Table 7, which includes the ANOVA table, is utilized to determine the overall significance of the regression model and its applicability to the research. The results indicate that the p-value (0.00) is less than the significance level  $\alpha$  (0.01). This finding ( $p < 0.01$ ) demonstrates that the model is statistically significant at the 1% level of significance. Therefore, the multiple linear regression model is deemed appropriate and well-fitted for analyzing the data in this study.

**Table 8***Regression Coefficient*

Model	Unstandardized Coefficients		t	Sig.
	B	Std. Error		
(Constant)	0.777	0.297	2.616	0.009
Financial Behavior	0.651	0.015	43.452	0.000
Financial Influence	-0.022	0.015	-1.395	0.164
Financial Attitude	0.043	0.020	2.137	0.033
Financial Literacy	0.020	0.020	0.997	.319
Knowledge about investment Products	-0.025	0	-1.624	0.105

A Dependent Variable: ID

b. Predictors: (Constant), Financial Behavior, Financial Influence, Financial Attitude, Financial Literacy, Knowledge about investment products

From the regression coefficient table 8, it can be inferred that higher beta values indicate higher dominant influence of independent variables on the dependent variable. Financial Behavior with beta of 0.651, Financial Influence with beta of -0.022 and Knowledge about Financial Product with beta of -0.025. Significance value lower than 0.01 indicates there is significant relationship between the independent variables and dependent variable. The intercept (Constant) is 0.777, indicating the expected value of the dependent variable when all predictors are zero. Among the predictors, Financial Behavior shows a significant positive effect ( $B = 0.651$ ,  $p = 0.001$ ), suggesting that higher levels of observed financial behavior correspond to higher values of the dependent variable. Financial Attitude also demonstrates a significant positive effect ( $B = 0.043$ ,  $p = 0.033$ ), implying that positive attitudes towards finance are associated with higher values of the dependent variable. Conversely, Financial Influence ( $B = -0.022$ ,  $p = 0.164$ ) financial literacy ( $B = 0.020$ ,  $P = 0.319$ ) and Knowledge about Financial Products ( $B = -0.025$ ,  $p = 0.105$ ) do not exhibit statistically significant effects with the dependent variable. The final regression model equation based on the significant of variables can be inferred as:

$$ID \text{ (est.)} = 0.777 + 0.651FB + 0.043FA$$

Where,

FB = Financial Behavior

FA = Financial Attitude

## 4.2 Major Findings

The survey conducted among 412 working women revealed several demographic trends. It indicated that the majority of respondents were aged between 30 and 40 years, suggesting a predominantly young workforce. Additionally, a significant portion of these women entered the workforce after completing their degrees, reflecting a trend of educated employment. Moreover, the survey found that incomes for many of these working women ranged between 40,000 to 60,000, indicating a relatively stable financial status. Furthermore, a large number of respondents were engaged in private job roles, highlighting the prevalence of employment within the private sector.

Regarding financial literacy, the findings indicated a positive attitude towards investment decisions among the respondents. The overall mean for financial literacy was calculated to be 17.9608, suggesting a satisfactory level of financial awareness among the surveyed women. Specifically, there was a notable inclination towards investing in the Nepalese stock market, with respondents expressing confidence in this investment avenue. The agreement on various financial literacy items further indicated a favorable disposition towards stock market investments, reflecting a sufficient level of financial literacy among the working women surveyed. These findings collectively suggest that working women in Nepal possess the necessary financial knowledge to make informed investment decisions.

The correlation analysis conducted on investment decision-making (Inv-Dec) revealed significant positive correlations with various financial factors. Specifically, investment decision-making exhibited a positive correlation with financial behavior (Fin-Beh) ( $r = 0.942^{**}$ ,  $p < 0.01$ ), indicating that individuals with more favorable financial behaviors tended to make better investment decisions. Additionally, there was a stronger correlation between investment decision-making and financial influence (Fin-Inf) ( $r = 0.329^{**}$ ,  $p < 0.01$ ), implying that external financial factors, such as advice or guidance, positively impacted investment choices. Moreover, financial attitude (Fin-Att) showed a notable correlation with investment decision-making ( $r = 0.549^{**}$ ,  $p < 0.01$ ), suggesting that

individuals with positive financial attitudes were more inclined to make investment decisions. Similarly, financial literacy (Fin-Lit) also exhibited a positive correlation with investment decision-making ( $r = 0.465^*$ ,  $p < 0.05$ ), indicating that individuals with higher levels of financial knowledge tended to make better investment choices. Finally, knowledge of investment products (Kno--Ip) showed a significant positive correlation with investment decision-making ( $r = 0.483^{**}$ ,  $p < 0.01$ ), suggesting that familiarity with investment options positively influenced investment decisions. These findings collectively underscore the importance of various financial factors in shaping investment decision-making behavior.

The correlation analysis revealed several significant relationships among different financial variables. Firstly, financial behavior demonstrated positive correlations with financial influence ( $r = 0.364^{**}$ ,  $p < 0.01$ ), financial attitude ( $r = 0.548^{**}$ ,  $p < 0.01$ ), financial literacy ( $r = 0.466^{**}$ ,  $p < 0.01$ ), and knowledge of investment products ( $r = 0.526^{**}$ ,  $p < 0.01$ ). This suggests that individuals with more positive financial behaviors tended to be influenced by external financial factors and possess favorable attitudes, literacy, and knowledge regarding investments. Additionally, financial influence exhibited positive correlations with financial attitude ( $r = 0.373^{**}$ ,  $p < 0.01$ ), financial literacy ( $r = 0.333^{**}$ ,  $p < 0.01$ ), and knowledge of investment products ( $r = 0.310^*$ ,  $p < 0.05$ ), indicating that individuals who were more influenced by external financial factors tended to have more positive attitudes, higher levels of financial literacy, and greater knowledge of investment products. Moreover, financial attitude showed positive associations with financial literacy ( $r = 0.647^{**}$ ,  $p < 0.01$ ) and knowledge of investment products ( $r = 0.496^{**}$ ,  $p < 0.01$ ), suggesting that individuals with positive financial attitudes were more likely to possess higher levels of financial literacy and knowledge about investment products. Finally, financial literacy exhibited a positive correlation with knowledge of investment products ( $r = 0.468^{**}$ ,  $p < 0.01$ ), indicating that individuals with greater financial literacy tended to have a better understanding of investment products. These findings highlight the interconnectedness of various financial variables and their impact on individuals' financial behaviors and attitudes.

Financial attitude ( $\beta = 0.043$ ,  $p < 0.033$ ) has a significant positive impact on the dependent variable, indicating that individuals with a more positive attitude towards finance tend to exhibit higher levels of the outcome variable. Financial literacy ( $\beta =$

0.020,  $p = 0.319$ ) also has a significant positive influence on the dependent variable, suggesting that individuals with higher financial literacy levels tend to demonstrate higher levels of the outcome variable.

While not statistically significant at the conventional level ( $p = 0.164$ ), financial influence ( $\beta = 0.022$ ) demonstrates a positive association with the dependent variable, indicating that it may have some influence, although further investigation may be needed. Financial behavior ( $p = 0.00$ ) and knowledge about financial products ( $p = 0.105$ ) do not show statistically significant effects on the dependent variable at the given significance level.

Overall, these results highlight the interconnectedness of various financial dimensions, emphasizing the need to consider multiple factors in understanding financial decision-making processes and behaviors. Furthermore, financial attitude and literacy in influencing the outcome variable, while suggesting that financial influence may also play a role, although not statistically significant at the predictable level.

### **4.3 Discussion**

The study's conclusions have some effects on the structure and content of financial education programs. The most heartening finding is that financial education contributes positively to financial actions that aim for longer-term results. It seems that financial education is more advantageous for financial issues that are more difficult since they include risk and future planning. Financial education appears to be likely to have a positive impact on a number of financial issues, including creating and maintaining an emergency fund, setting up a savings program to achieve a financial goal, investing to increase household wealth, and planning for retirement. This is because these issues call for understanding and appreciation of the justification for taking the financial action in question, as well as additional work to complete the planning and adjust as necessary.

The questionnaire, which was built on the basis of various research articles, was distributed to a total of 412 respondents. Hypothesis test was conducted by using t-test and ANOVA to identify relationship between direct variables and indirect variables. The information gathered was analyzed and interpreted using a variety of statistical methods, and the findings were presented in the form of tables and figures. The first part of

discussion deals with the respondent's profile. It gives demographic information of respondent such as age and gender. After that descriptive analysis was conducted for each of the dependent variables of investment decision of Nepalese working women.

To test the relationship and its significance t-test was conducted. Further ANOVA test was conducted to test the relationship between the dependent and independent variables of the study. Correlation and regression analysis were conducted to study which variable suit the investment decision. From the test, it was found that variables financial behavior, financial influence, financial attitude and financial literacy have significant relationship towards the investment decision of Nepalese working women. On the other hand, knowledge about financial products has insignificant relationship.

Financial Behavior according to the respondent, plays an important role in investment decision of working women. They believe that basic financial behavior of any person in day to day transaction plays vital role in determining the investment behavior of any individual. Knowledge, Attitude, Literacy all other factors can be considered as secondary aspect in financial decision.

Women frequently have less financial literacy and fewer access to formal financial products than males, despite the fact that both sexes need to be adequately financially educated to engage in economic activities and make wise financial decisions for themselves and their families. Because females have shorter working lives and lower average salaries than men do, although living longer than men, women must have the financial literacy to manage the higher financial risks they encounter.

The result is different from the findings of Arianti (2018), the financial behavior factor has no discernible impact on investing choices. However, based on study findings, it is understood that the combined effects of financial behavior, income, and financial literacy have a substantial impact on investing decisions. It can be similarly stated that women generally prefer low-risk investments, with a significant portion of their portfolios allocated to real assets. Additionally, women workers are often motivated to invest for the security of retirement plans and family financial security (Asandimitra, Aji, & Kautsar, 2019).

Financial Attitude is another factor which is rated highly by the working women while making investment decision. There is significant relationship between independent variable financial attitude and dependent variable investment decision of working women. The findings from Astiti, Warmana, and Hidayah (2019) are consistent with the result that financial attitude positively influences investment decision-making. This suggests that individuals with a positive financial attitude tend to have a mindset that prioritizes financial management, perceive money as valuable based on their actions, and are inclined to avoid spending on non-essential items. This result is supported by research conducted by Setiawan, Sugeng, and Wisnu (2016), show that the better the financial attitude, the better the individual financial investment behavior. Prabha, Suyam, and Malarmathi, (2015) states that freedom of decision-making has a significant positive effect on stimulating individual investment.

The relationship between financial literacy and investment decision-making varies across different studies. While Astiti, Warmana, and Hidayah (2019) found no significant effect of financial knowledge on investment decisions, other research, such as Alaaraj and Bakri (2020), supports a positive and meaningful relationship between these variables. This discrepancy suggests that individuals with higher financial literacy are better equipped to make informed decisions regarding savings, loans, and investments. Higher financial literacy enhances the quality of information available for decision-making, increases awareness of various aspects of the investment sector, and promotes rational decision-making that aligns with the investor's capabilities and needs. Thus, improving financial literacy can potentially lead to more effective management of personal financial matters and better investment outcomes.

Similarly, financial influence is another factor that plays important role and has significant relationship in investment decision. The finding is consistent with the study from Setiawan, Sugeng, and Wisnu (2016), which concludes that Personal financial experts routinely provide tips for handling money on blogs, websites, and social media. These Instagram finance influencers attract the attention of a particular target group because they offer distinctive perspectives on typical financial subjects or problems. These top financial influencers typically combine schooling in the finance field with years of practical experience in the finance sector. As a result, they are extremely

knowledgeable about financial topics. These top financial influencers provide their audience with helpful advice, walk them through the relevant financial issues, and show them how to negotiate and get the most out of challenging financial conditions.

Knowledge about investment products is the only independent variable which does not have significant relationship with dependent variable investment decision. However, the result from Payne, Yorgason, and Dew (2014) explain that financial literacy is an individual competence in understanding and evaluating credible information for decision making by better understanding its financial risks. Someone to obtain, understand, and evaluate information relevant to decision making by understanding the financial consequences it causes. From this explanation, it shows that knowledge of finance is very important for each individual, because financial literacy allows each individual to avoid mistakes in managing his financial problems. In conclusion, the research helps to formulate a conclusion that there is significant relationship between financial behavior, financial literacy, financial influence and financial knowledge with investment decision. Similarly, there is no significance relationship between knowledge about investment products and investment decision.

## **CHAPTER V**

### **SUMMARY AND CONCLUSION**

#### **5.1 Summary**

Financial literacy does have an influence on the investment behavior of an individual despite the gender. However, women face more financial difficulties as compared to male due to low financial knowledge which affect the financial well-being as well as the financial crisis in the family. Woman working in different sector of the economy does earn some money and with their proper financial knowledge they can get maximum return from the investment they make.

The main objective of this study is to find out the financial literacy of working women and its impact on investment decision. For the study of the variables, questionnaire was prepared to distribute to respondent who are working in different sectors of economy. A total of 33 questions was prepared and distributed to 412 respondents where all the respondent has completed the research questionnaire. SPSS was used for finding out result of data analysis. The main objective of this study was to find out the financial literacy level among Nepalese working women. Based on the literature review, the level of financial literacy among working women appears to be particularly severe.

The study was conducted to analyze the impact of financial literacy, financial behavior, financial attitude, financial influence, knowledge about investment products in investment decision making of Nepalese working women. From this study we can see the positive relationship between all the independent variables with investment decision. Financial behavior of women can make impact on their investment decision. Spending behavior, saving behavior, investing behavior of a women can make a huge difference on the investment decision of women. If a woman saves more than spending than she could be able to have a more investing power.

Woman may be in greater need of long-term wealth management skills for a combination of results related to labor and demography. Women's labor market tenure tends to be shorter and both tenure and occupational choice may be more constrained by some social

norms, access to labor markets and family issues such as childbearing. In some countries, women are also subject to lower pay relative to men, all else equal, setting the stage for lower position of economic need for staff as well as being primary caregivers for children in many instances, women are more likely to be lone parents. The financial consequences of divorce are also more severe for women. More generally women's life expectancy is longer and, in some countries, women are disadvantaged in terms of legal and property rights which can be excess arbitrated by widowhood. The hypothesis was then developed from the study of the literature. A conceptual framework was developed considering these identified variables and the perceived relation among them. For the study of the variables, questionnaire was prepared to distribute to respondent who are working in different sectors of economy. A total of 33 questions was prepared and distributed to 412 respondents where all the respondent has completed the research questionnaire. SPSS was used for finding out result of data analysis.

In summary, the survey highlights the predominant presence of working women overall positive attitude towards investment decisions in the Nepalese stock market, reflected in the mean financial literacy score, indicates a favorable outlook on financial activities among respondents. Correlation analysis reveals positive associations between investment decision-making and various financial factors, including behavior, influence, attitude, literacy, and knowledge of investment products. Particularly, financial attitude and literacy significantly impact investment decision-making, while financial influence shows a positive association. However, financial behavior and knowledge about financial products do not exhibit statistically significant effects on investment decision-making, warranting further investigation.

## **5.2 Conclusion**

The research aimed to study the impact of different variables i.e. financial behavior, attitude, influence, literacy, product's knowledge on investment decisions of Nepalese Working Women. Using the descriptive analytical approach, the researcher used five variables as influencing variable to investigate the impact of these variables on women's investment decisions.

In addition, a questionnaire has been adapted from the research prior conducted and modified as per the requirement and distributed to 412 respondents. The study provides insights into what factors influences towards investment decision making process. The relationship between the major determinants or factors such as financial literacy, financial behavior, financial attitude, financial influences and knowledge about financial products towards investment decision was studied. Later a significance of variables on investment decisions was tested through the correlation and regression analysis.

From the study of variables, it was found that financial literacy, financial attitude, financial behavior, financial influence and knowledge about investment products have significant relationship with investment decisions of Nepalese working women. Further, study shows that age, profession and monthly income has significance relation with the investment decision making of Nepalese Working women. Somehow, from the study we can conclude that there is low level of financial literacy of Nepalese working women. However Nepalese working women feel that financial attitude and financial influences have less impact on investment decisions.

As previously mentioned, the qualitative and quantitative methods were used to achieve the research goal. Financial literacy, investment decisions and the gap between them were identified, based on the belief that financial literacy is the most important factor in the economic growth of the country. Impact on investment decisions of Nepalese working women were visualized using a different illustration. The literacy level of Nepalese working women working on different economic sector were noted down as a result of the results and discussion.

While analyzing financial behavior of Nepalese working women, most women agreed on comparing price of goods before purchasing or while shopping. However, most of the women did not agree on budgeting and tracking their spending. It was good to see the response of respondents that they did not agree on spending more rather than saving. Most of the women also agreed on contributing regularly on saving account.

Similarly, while analyzing financial influences on investment decision, most women agreed that they learned about managing money from their life experience. However,

most of the women did not agree on the statement that they learned about managing money from books. Similarly, they have also agreed that they are included in the financial decision making by their parents or family members.

While analyzing financial attitude of Nepalese working women, maximum respondents agree that they give importance to saving money from their monthly income. It was good to see the response of respondents that they did not agree on being uncertain about where their money is being spent. Most of the respondents agreed on having enough confidence in financial decision making.

Talking about financial literacy of Nepalese working women, maximum respondents agreed that an investment with a high return is likely to be high risk. Whereas, according to the responses received from the respondents it seemed that they have less knowledge about net worth. Somehow, most of the respondents agreed on understanding inflation and its impact on their investment decisions.

While analyzing the knowledge about financial products of the respondents, most of the women agreed that they review company's portfolio before making an investment. It seemed that most of the women have less agreed on investing in the shares under secondary market. It seemed that they rather invest on primary market rather than secondary market.

Similarly talking about investment decisions of the Nepalese working women, maximum respondents agreed that knowledge about financial products help in making investment decisions. It seemed that less women agreed that financial behavior of the people impacts on their investment decision making. Minimum respondents have agreed with the statement "A financially literate person can make a good investment decision."

### **5.3 Implications**

The study recommended that financial attitude has higher impact toward investment decisions of Nepalese working women. Financial attitude has significant role on investment decision making. Based on the result, some recommendations can be given for working women so that they can facilitate their investment decision. The younger a

woman starts investing and prioritizes basic financial planning, the more prosperous she is likely to become. Women play crucial roles in families, businesses, and society, actively participating in various aspects of life. However, lack of knowledge about growth opportunities and risk factors, along with low confidence, often limits women from exploring different investment avenues. To secure better future outcomes, it is essential for women to stay informed about available investment options.

Therefore, providing detailed information to women about various investment avenues becomes crucial. This empowers them to select avenues that meet both their family's needs and their risk tolerance. Diversifying investments across different assets is advised to enhance returns and mitigate risks. When women are well-informed, the entire family can benefit from their financial decisions and planning efforts. Women should be given proper financial knowledge by conducting financial literacy program which should provide the ideas about managing the finances for future safety. Financial literacy program should be conducted to the children at an early age so that they could manage their finances in upcoming future. Women should closely monitor their financial knowledge as it influences their investment decision. The positive outcomes from being financially literate are driven by behavior such as planning, expenditure and building up a financial safety; conversely, certain behaviors, such as over-using credit can reduce financial well-being. In this section, we therefore focus on a wide range of knowledge, with an emphasis on those that enhance or reduce financial wellbeing. Investment decisions will help one to achieve financial goals and to accumulate the maximum wealth. The implications of the study suggest several avenues for further research. Firstly, exploring the role of financial influence, knowledge about financial products, financial behavior, and financial literacy among working women can provide deeper insights into their investment decisions. Additionally, investigating the impact of demographic characteristics on the investment behavior of women could offer valuable perspectives. Moreover, while this study focuses on working women in Nepal and their financial literacy's influence on investment decisions, there is scope to delve into broader areas such as savings and investment patterns, satisfaction levels, and extending the study to a global scale. Such research endeavors can enrich our understanding of financial decision-making among women and inform policies and strategies to enhance financial inclusion and empowerment worldwide.

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## Annex I

### Survey Questionnaire

This survey is being conducted as a part of my dissertation for partial fulfillment of MBS degree. The relevant data collected is for survey of “Financial Literacy of Nepalese Working Women and its impact on investment decision”. I assure that the data and information collected from you will be kept confidential and will be used for my academic purpose only.

#### Section A

<b>Q1. Age</b>	
Below 20	
20-30	
30-40	
above 40	

<b>Q2. Monthly Income</b>	
Below 20,000	
20,000-40,000	
40,000-60,000	
above 60,000	

<b>Q3. Profession</b>	
Teacher	
Civil Service	
Bankers	
Private	
Business	

## Section B

For the questions below, please indicate the extent to which you agree or disagree with the statements by ticking the corresponding number. Thanks again for your assistance with this. (1= Strongly Disagree, 2= Disagree, 3= Neutral, 4= Agree, 5= Strongly Agree).

<b>Sno.</b>	<b>Financial Behavior</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1	I spend more rather than saving					
2	I maintain very detailed financial records					
3	I pay bills on time					
4	If I get additional money with my regular income,					
5	I compare prices while shopping goods					
6	I budget and track my spending					
7	I contribute to bank saving account regularly					
<b>Sno.</b>	<b>Financial Influences</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1	I learned about managing my money from mylife experiences					
2	I learned about money management through books					
3	I learned about Investment from my homewhile growing up					
4	My parents include me in various financialdecisions					
5	I am influenced to manage my financesthrough Internet					
<b>Sno.</b>	<b>Financial Attitude</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1	I feel capable of using my future income toachievemy financial goals					
2	I am uncertain about where my money is spent					
3	I give importance to saving money from mymonthlyincome					

4	I have enough confidence in financial decision making					
5	I think about where I will be financially in 5 or 10 years					

<b>Sno.</b>	<b>Financial Literacy</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1	I have adequate knowledge to manage my personal finances					
2	Net worth is the difference between your income and expenditure					
3	While purchasing a mobile phone through installment, the total payment will generally be higher than that of actual payment					
4	An investment with a high return is likely to be high risk					
5	I understand inflation and how it may impact my future investment decision					

<b>Sno.</b>	<b>Knowledge about Investment Product</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1	I invest in the shares under primary market					
2	I invest in the shares under secondary market					
3	My investment objective is long-term growth					
4	I am aware about the risk while making an investment					
5	I am well known about the advantages of mutual funds					
6	I review company's portfolio before making an investment					
<b>Sno.</b>	<b>Investment Decisions</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1	Knowledge about financial products help in making investment decisions.					

2	We learn to make investment through different influencing factors.					
3	A financially literate person can make a good investment decision.					
4	The financial behavior of the people impacts on their investment decision making.					
5	A person's financial attitude can influence on the investment decision of a person.					

Thank you for your cooperation

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**Abstract** This study examines the relationship between financial literacy, financial attitude, financial influences, financial well-being, and their impact on investment decision-making among Nepalese working women. Using a descriptive and causal comparative research design, data was gathered from 412 female employees across various sectors of the Nepalese economy using convenience sampling. Questionnaires were distributed through accessible channels such as banks, schools, and local shops, having 460 responses, of which 412 were found suitable for analysis. The study employed Microsoft Excel and SPSS for data processing and analysis. Study utilizes mean, standard deviation, correlation and regression analysis to analyze the data. Results indicate significant positive relationships among all studied variables. Specifically, regression analysis highlighted that financial attitude ( $\beta = 0.260$ ,  $p < 0.001$ ) and financial literacy ( $\beta = 0.156$ ,  $p = 0.045$ ) significantly influence investment decision-making, suggesting that individuals with more positive financial attitudes and higher levels of financial literacy tend to make more informed investment decisions. Financial influences also showed a positive association ( $\beta = 0.270$ ,  $p = 0.088$ ), although not statistically significant at the conventional level, implying its potential role in shaping investment behaviors. **Keywords:** financial literacy, financial attitude, financial influences, investment decision Nepalese working women

**CHAPTER I INTRODUCTION**

**1.1 Background of the Study** Financial literacy encompasses a comprehensive understanding of financial concepts, encompassing not only knowledge but also the skills, motivation, and confidence to effectively apply this knowledge across various financial situations. It enables individuals to make informed decisions,