

CHAPTER I

INTRODUCTION

1.1 Background of the study

Several surveys of Chen & Volpe, Danes and Hira, Hayhoe, Lyons, Jorgenson, launcher, Suleman Rahman and Bestari, Suresh Kumar, Lusianna Liunata, Yahaya, R & Ismail, R, Thapa & Nepal, Coskon A & Dalziel N have reported the increased financial literacy within nation but still insufficient. TU students in general and CDM students in particular being specialized in management including finance are expected to behave rationally from fund raising to using (saving and consumption) along with discharging. For university students, university attendance is the first time they have experienced financial independence without a parent's supervision. With the expansion of educational services in Nepal, university or college students have become one of the important consumer market segments, for two reasons. First, this group has expanded purchasing power, with easily available educational loans. Second the student, students segment of the population has the better potential earnings than any other segment of the population. College students are at an important time in their lives as they move from financial dependence to financial independence. "For most young adults, college marks the beginning of financial independence from parents and greater responsibility for making sound financial decisions". The financial behavior that the college students learn during these years are likely to influence the decisions they make in the future (Shim, et al 2009). Students reported in many studies that the most significant influence on their financial management behavior was their parents. There have been not significant formal studies on financial behavior and problem among Nepalese students, especially TU postgraduate students in the access of researcher.

Many studies showed that financial literacy is positively related to self-beneficial financial behavior (Hilgert, Hogarth, and Beverly 2003). In the course of everyday life, people makes a variety of financial decisions about saving, investing and borrowing. The global marketplace is increasingly risky and is becoming more vulnerable day by day. One of its main implications include rising costs of goods and services that push people to be able to make well-informed financial decisions (Lusardi & Mitchell, 2011).

This phenomenon requires individuals to be equipped with some knowledge and skills relating to personal financing, or simply financial literacy. In academia, financial

literacy can be defined as “one’s understanding and knowledge of financial concepts” (Lee, 2005; and Hogarth & Hilgert, 2002). Financial literacy can have important implications for financial behavior. For instance, people with low financial literacy are more likely to have problems with debt (Lusardi & Turfano, 2009), less likely to participate in the stock market (Rooij et al., 2007), less likely to choose mutual funds with lower fees, less likely to accumulate and manage wealth effectively and less likely to plan for retirement (Lusardi & Mitchell, 2006). In recent times, concern for the levels of financial literacy in society as a whole has grown considerably and is expected to grow even more important in the future (Fox et al., 2005).

According to Mahdzan and Tabiani (2013), increasing financial literacy and capability promotes better financial decision-making, thus, enabling better planning and management of life events such as education, housing purchase, or retirement. This is particularly more relevant for college students. Peng et al. (2007) stated that university students take on higher levels of personal financial responsibility. These students face more financial challenges in conjunction with relevant instruction. It is also more likely that college students are experiencing more challenges with finances as they pay bills, use credit cards, working, saving, budgeting monthly expenses, and manage debt. Thus, there is paramount importance of financial literacy among college students. The financial behaviors that college students learn during these years are likely to influence the decision they make in future (Shim, et al 2009). Students reported in many studies that the most significant influence on their financial management behaviors was their parents. There have no significant formal studies on financial literacy and financial behavior with regards to problems among Nepalese students in the access of the researcher.

Financial behavior refers to ways and extent of use of funds, identification of most economical fund sources, discharging loan in time, habit of conducting financial transaction through record keeping and so on. The financial behavior is influenced by many factors including gender, ethnicity, place of origin, financial position of parents, support of parents, employment status and more importantly the financial literacy. Whereas financial literacy is the possession of the set of skills and knowledge that allows an individual to make informed and effective decisions with all of their financial resources. People with appropriate financial literacy training make better financial

decisions and manage money better than those without such training. Though many university students may have some financial knowledge it is the formal financial knowledge that is available to the management students. Hence they are expected to pose financial literacy as distinct from others.

1.2 Problem statement & research questions

- i. Does gender difference influence financial behavior of University students in Nepal?
- ii. Does age level affect financial behavior of University students of Nepal?
- iii. Does family income level affect financial behavior of University students of Nepal?
- iv. Does educational stream affect financial behavior of University students in Nepal?
- v. Does employment status affect financial behavior of University students in Nepal?
- vi. Does place of origin affect behavior of University students in Nepal?

1.3 Purpose of the study

The objectives of the research is to evaluate the effectiveness of financial knowledge, attitude and financial behavior of University students in TU can be determined by factors such as financial knowledge, attitudes, financial education, individual characteristics, ethnicity, family income level, employment status, place of origin, gender, age level, and education stream of respondents. The general main objectives are

- i. To test the relationship between gender difference and financial behavior among University students in Nepal.
- ii. To test the relationship between age level and financial behavior among the University in Nepal.
- iii. To examine the relationship between family income and financial behavior among the University students in Nepal.
- iv. To examine the relation between employment status and financial behavior among the University students in Nepal.
- v. To analyze the relationship between place of origin and financial behavior among the University students in Nepal.

- vi. To analyze the relationship between educational stream and financial behavior among the University students in Nepal.

1.4 Significance of the study

Financial behavior determines overall resource allocation seeking for making rational decision and financial investment decision. Many research work that has been conducted on the related subject matter still lacking quantitative approach concentrating on Nepalese students in general and post graduates students of TU in particular. For this reason, the study is significant to the students, researcher, finance analyst, educational experts and university teachers; which maybe use as reference for educational planners as well. Indeed, getting funds from loan may have long term consequences surrounding the misuse of credit, including years of credit, including of years of financial debts, low credit source impeding future plans and extreme cases personal bankruptcy (Holub, 2002; and Robert & Jones 2001). Understanding financial behavior helps to avoid emotion-driven speculation leading to losses, and thus devise an appropriate wealth management strategy.

In addition, high level of debt has been reported among the stressors that lead student to commit suicide (Holub 2002; and Robert & Jones 2001). Accumulation of the student's loans, credit card and lack of financial resource and planning for the future can be overwhelming for University students in assessing limited resources. Most of the students in middle class families in terms of financial position. Thus it is important for educators to assist college students in acquiring effective money management practices, including regular review of bank and credit card statement, budgeting, discipline spending, financial record keeping and planning for taxes, insurance, investment, retirement and estate issue. In the context the nation is going to restructuring through new constitution, concerned authority might have an attention after scrutinizing the research especially in the educational sector to avail financial resources as per need.

1.5 Limitations of the study

The study has been carried out within the students currently studying in TU as postgraduate students. The result and conclusion may not cover the financial knowledge, attitude and financial behavior of whole Nepalese students at one hand and even the selected sample may not represent the whole sampling frame of the study.

Hence, the importance should be given while applying the finding of the study to the other part and different time and financial factors are the constraint in confining this study within the very narrow area.

1.6 Chapter plan

The study comprises of three main sections; preliminary section, body of the report and supplementary section. The preliminary section consists of title page, certification, declaration of authenticity, acknowledgements, table of contents, list of table, list of figures, abbreviations used and abstract. The body of the report is further divided into five sections; introduction, related literature and theoretical framework, research methodology, analysis and results and summary, conclusion and implications. The final section of the report comprises of reference, appendix as questionnaire and summary of responses.

The introduction section under body of study consists of background of the study, problem statement and research questions, purpose of the study, hypothesis and significance of the study, limitations and organization of the study.

The literature review section deals with the findings of previous researches related for the current study. Different research work related to different demographics variables; gender, age level, family income, employment status, educational stream and place of origin affects in financial behavior on University students their impact are discussed in order to prepare a base for the study. Further, the chapter consists of theoretical framework defining each dependent and demographic variable based on previous literature.

The third chapter discusses researcher methodology used for the study. It comprises of research design, population and sample, sources of data, instrumentation, validity test, t- test, χ^2 -test, regression analysis, data analysis and software used.

The fourth chapter is analysis and result of the study. It comprises of various tables, figures intended to answer the purpose and research question of the research. Finally, the last chapter deals with summary part, conclusions and implications of the study. Under, the summary part, the overall findings of the research is discussed in brief. At last, conclusions and implication were drawn out.

The References and Appendices have been given at the end of the study.

CHAPTER II

REVIEW OF LITERATURE

2.1 Introduction

In this chapter, the related article, books, research paper and previous researches similar to the research topic of this have been reviewed and presented. The related financial behavior among university students are reviewed and presented.

2.2 Literature review

The overall views concept in regard to influencing on financial behavior is not new completely. Some scholars and researchers have contributed considerable efforts in this study. For our subject matter, some available and related studies have been reviewed. For this study the literature review have been done under two categories; the conceptual review and review of empirical study.

2.3 Empirical review

Different books, journals, previous research works, reports and policies, other published and unpublished documents related to the subject have been reviewed. The researcher will make effort to identify and understand pertinent concept of financial behavior, attitude and knowledge and also have tried to find research gap and to know the application of research methods.

2.4 Theoretical review

Financial behavior and income flow generated by basic asset defines financial wellbeing. Financial behavior is outcome of financial literacy and knowledge, financial attitudes and financial management. In turn, personal financial wellbeing is also interrelated closely with various aspects of household finance: the amount of income of all members, the number of household members and number of dependents, financial behavior, preferences and attitudes of household members, household financial management, financial goals and their unity by financial management. Financial behavior can be defined as any human behavior that is relevant to money management. Common financial behaviors include cash, credit, and saving behaviors, income related activities, financial service uses and spending as well as record keeping.

The theory of planned behavior (TPB) is a motivational theory designed to predict and understand human behavior. The transtheoretical model of behavior change (TTM) is

a multi-stage theory designed to guide toward positive actions stage by stage. It discusses issues relevant to future research for better understand and predict financial behavior and to develop positive financial behaviors that improve their quality of life.

Financial educators not only impart financial knowledge to students but also encourage students to form positive financial behaviors to improve their quality of life (Hilgert, Hogarth, & Beverly 2003; Xiao, O'Neill, et al., 2004). In addition, positive financial behaviors contribute to financial satisfaction (Xiao, Sorhaindo, & Garman, 2006). To develop a behavior change focused educational program, researchers of financial behavior need better understand how behaviors are formed and why and how to help consumers change undesirable financial behaviors and develop positive financial behaviors.

The purpose of the theory of planned behavior is to predict and understand human behavior (Ajzen, 1991), while the purpose of the transtheoretical model of change is to assist in attaining positive behaviors and in changing negative behaviors (Prochaska, DiClemente, & Norcross, 1992). And future research could be improved for better understand and predict student's financial behavior, which generates helpful information for financial educators to develop behavior change oriented education programs.

Additionally, the theory of planned behavior have investigate how college students form financial behaviors such as cash, credit, income, spending, financial service uses and saving management. Based on their preliminary findings, all three antecedents of the behavior intention specified by the theory are associated with the intention and the intention contributes to the behavior (Xiao, Shim, Barber, & Lyons, 2007).

Future, the theories examine how financial education, financial behavior, and quality of life are associated. The mission of many financial educators, especially those at land grant universities, is to improve people's quality of life by providing effective financial education. They hope the education will have a direct impact on these people's financial behaviors and eventually help improve the financial well-being of these people. Data on financial education, financial behavior, and quality of life could be collected to provide insights on this topic. Preliminary findings from a study on financial behavior of college students show that positive financial behaviors are associated with positive life outcomes (Shim et al., 2007; Xiao et al., 2007)

2.4.1 Review of journal articles

Danes and Hira (1987) described the money management knowledge of college students and to identify those student characteristics that help explain differences in knowledge. The five areas of money management knowledge covered include credit cards, insurance, personal loans, record keeping, and overall financial management. The research surveyed a random sample of 716 students have been selected from the University telephone directory. Questionnaires in the sample of 323, a return rate of 45 percent. The research have used of the indexes Cronbach's alpha from SPSSX procedure "Reliability" (SPSSX, 1986). The study investigates the knowledge of college students at one university in five money management areas including credit cards, insurance, record keeping, personal loans and overall financial management. Although care must be taken to generalize the results beyond the university, the findings indicate the need for education in specific money management areas. The financial counselors who work with student's on a one to one basis at various stages of a student's study program. Loan officers of a various depository institutions work closely with students financial aid officers and they could use these to develop educational materials specially designed for college students. These materials could be made available at the time students apply for the loans or could be periodically included with bank statements.

Chen & Volpe (1998) examined financial literacy and its impact on the financial behavior. The study has surveyed 924 college students to investigating their personal financial literacy; the relationship between the literacy and students' characteristics; and impact of the literacy on students' opinions and decisions. The study has found that the employed participant were more likely to keep financial planning through proper record keeping. In addition, participants with more work experience were more knowledgeable than those with less experience. It is possible that students' work experiences enhance their financial behaviors in other studies were mixed. This study has concluded that college students are not knowledgeable about personal finance. The low level of knowledge will limit their ability to make informed decisions.

Hayhoe et al. (2000) examined the impact of gender on credit card use and financial management practices and also impact of the affective use of credit on purchasing and financial management behaviors and one's emotional feeling about credit influences,

purchasing and how finances are managed and also the varies by genders. The interaction of variety of purchases, financial management practices, financial stressors, affective credit attitude, and number of credit cards with a balance. The surveys are completely anonymous and not numbered until returned, the researchers had no way of knowing which students did not return surveys. Due to the sensitive nature of the data, human subjects' approval was based on complete anonymity of the students. The affective credit attitude index was formed from four questions rated with a five-point Likert scale from strongly disagrees to strongly agree. The study has found that, compare to male students, female students were more likely to have a written budget, plan their spending keep bills and financial receipts, and save regularly. This research has help financial counselors and educators target potential problem behaviors. The researchers need to conduct a longitudinal study to show the relationship between the number of credit cards with a balance, experiencing financial stressors, and increasing the number and frequency of financial practices employed. Counselors and educators better target programs to individuals. Clients needs assistance in developing money management skills to reduce the likelihood that they would carries balances on credit cards. Males needed more training in how to incorporate basic financial practices in their lives, while females needed to focus on budgeting, clothing purchases because affective credit attitudes did not played a strong role in financial management practices, gender seems more effective focused. This study also has implications for credit card companies, which played a role in encouraging high affective credit attitude and credit use for everyday expenditures. In addition, the study in college age, programs in junior high and high schools needed to start early to teach responsible use of credit and to provide students with strategies to counteract the emotional messages of credit advertising.

Lyons (2004) identified the factors that significantly affect the probability a college student is financially at risk for mismanaging and misusing credit. Financially at-risk students are more likely to be financial independent to receive need-based financial aid or more in other debt, and to have acquired their credit cards by mail, at a retail store, and also at a campus table. A random sample of 2,650 students (approximately 7.0% of the total student population) was selected from the University's database to electronically receive the survey. The sample included undergraduate and graduate and professional students. The study found that students with risky behaviors using credit

cards were more likely to be working students and found black students were more likely to engage in higher-risk financial behaviors; for example inability to pay credit card balances full. The financial education programs and services have on the ability of financially at-risk students to manage their credit cards and repay their debts. Programs and services that target financially at-risk students do not currently exist. The study recommended that the bottom line is more longitudinal research so study needed to address the long-run consequences of credit card usage and the impact of financial education on the financial well-being of college students, especially those who are financially at risk.

Elliot and Fox (2005) examined and assessed university students' financial management skills and financial education needs. Data has been collected among Malaysian public and private University students. Samples were selected using multi stage stratified sampling techniques. A total of 11 universities were randomly selected for the study and 350 questionnaires (300 for in campus and 50 for off-campus students) has been distributed to students through the student affairs divisions of the respective universities. Perceived financial management skills were measured using a 5-point Likert scale from 1 to 5 on 11 management related items: daily expenses, debt, future needs, time, savings, and use of education loan, social interaction, stress, decision making, problem solving and career planning. The scores for the financial management skills have computed and the results revealed significant differences in the mean score among ethnic groups, with Chinese students scoring the lowest compared to other ethnic groups; public university students perceived to have higher financial management skills compared to private university students; however, there was no gender difference in the score. Concerning the financial education needs, students indicated that they needed training related to career planning.

Jorgenson (2007) investigated the personal financial literacy of a sample of undergraduate and graduate college students using the personal characteristics of gender, classes rank and socioeconomic status, and examined parental and peer influences on the level of financial literacy of college students. The study has found the low score of the students in financial knowledge, attitude, and behavior but significantly increasing each year from freshman to masters. Further, it also revealed that students who were financially influenced by their parents had higher financial knowledge,

attitude, and behavior scores, and students with higher financial knowledge also had higher financial attitude and behavior scores.

Lusardai et al. (2010) investigated financial literacy among young adults possess basic knowledge of interest rates, inflation and risk diversification. Financial literacy was strongly related to socio demographic characteristics and family financial sophistication. The college educated male whose parents had stocks and retirement savings was about 45 percentage points more likely to know about risk diversification than a female with less than a high school education whose parents were not wealthy. The study has showed that financial Literacy is low; only less than one-third of young adults were found with basic knowledge of interest rates, inflation, and risk diversification. However, financial literacy was strongly related to socio-demographic characteristics and financial sophistication. Overall, this study has important implications for research related to financial literacy and household financial security. As the government and employers continue to shift the responsibility for saving and investing onto workers, it is becoming more and more important to equip workers with basic tools to make financial decisions.

Huston (2010) described financial literacy as a measuring how well an individual could understand and use personal finance-related information. In addition, financial literacy includes the ability and confidence of an individual to use his/her financial knowledge to make financial knowledge to make financial decisions. Thus, in this study, financial literacy is defined as the understanding and knowledge of basic economic and financial concepts, as well as the ability to use that knowledge to mange financial resources. Prior studies were analyzed emphasizing information related to construct validation. The logical analysis approach to construct validation involves four main defination of construct, item content, method of measure and scoring procedure. Creation of financial education programs designed specifically to enhance financial literacy has been viewed as a solution to mitigating financial problems that individuals and families face. The human capital required to engage inappropriate financial behavior. Thus educators cannot assume that people with less than optimal financial situations are necessarily financially illiterate.

Nidar and Bestari (2012) observed a description of the personal financial literacy of Padjadjaran University students, and analyze the factors influencing it. Personal

financial literacy uses the following areas of personal finance as research indicators: basic personal finance, income & spending, credit & debt, saving & investment and insurance. The research investigated the level and factors influencing the personal financial literacy of 400 students of Padjadjaran University, this research shows that level of personal financial literacy of students comes within the low category, and therefore needs to be improved especially for the areas of: investment, credit, and insurance. Level of education, faculty, personal income, knowledge from parents, parents income, and ownership of insurance factors have significant impact on personal financial literacy for university students.

Britt et al. (2013) explored factors affecting whether students seek on-campus, peer-based financial counseling. Data were obtained from student who sought free financial counseling from an on-campus financial counseling center (the clinical group) and a sample of student who completed the survey in response to a cash incentive (the non-clinical group). All respondents were college students from university. The dependent was an indicator variable for whether the student was an indicator variable for or whether the student was in the student was in the clinical group (i.e., sought help) or the non-clinical group. The independent variables included measures of demographic characteristics, financial resources, financial attitudes, and mental health status. The result from Classification and Regression Tree indicated that, in order of importance, persons with lower perceived net worth, higher mental health distress, higher age, lower perceived financial knowledge, and lower predicted income satisfaction were more likely to seek on-campus financial counseling. Results from the logistic regression analysis confirmed that students who were older, had less net worth, and less financial knowledge were more likely to be help-help-seeker.

Archuleta, Dale, and Spann (2013) examined the impact of financial concerns on overall mental health has become popular topic among researchers and practitioners. In this exploratory study, possible associations of financial anxiety were explored using a sample of 180 college students who sought services at a university peer financial counseling center in a Midwestern state. The particular interest was the influence of debt on student financial anxiety, measure financial anxiety, a new scale was developed, the Financial Anxiety Scale (FAS) were used as a tool for financial planners, counselors, and identifies individual who are experiencing increased levels of financial

distress that has been called for a referral to an appropriate professional. Results from two hierarchical regressions indicated that financial satisfaction, student loans, and gender are associated with financial anxiety. The study has explored association between financial anxiety among college students and measures of financial satisfaction, financial debt, and demographic controls variables. The results of this study suggest implications for further research and practice. Financial satisfaction has been sparsely studied with college students and the most significant factor in lowering financial anxiety. Factors impacting college students' financial satisfaction should be investigated along with further exploration of how it impacts financial mental health and decisions about taking on student loan debt and occupational choices on financial anxiety of college students could be a topic of exploration.

Khanal (2015) studied the sustainable development of nation and the overall activities of financial behaviors like spending habits, maintaining records, use of saving, managing money, financial services and income related activities. The study concludes that education has become pivotal for sustainable development of a nation. Spending habits, maintaining records, use of saving, managing money in problem, financial services taken and use of additional income are major aspects of financial behavior. Despite the different level of financial knowledge, most of the students are somewhat economical, maintain minimal record, deposit their saving into bank account, use their saving at a time of low income and prefer to deposit into fixed account when they have excess money. The result shows students do not like to use their money in buying jewelry, lending friends and investing in share markets. In time of crisis, students do not like to take bank loan. They also neither likes to buy insurance policy nor go for vacation if they have additional money. Among the five different financial services, bank saving was taken by most of the students while investment in commodities and insurance were least taken.

Thapa and Nepal (2015) analyzed and studied the status of financial literacy among the college students and secondly, financial knowledge of college students based on their demographic, educational and personality (such as financial behavior, financial attitude and financial influence) characteristics. The impact of demographic, educational and personality characteristics on financial literacy. Mean, ANOVA and logistic regression were used in carrying out analysis. The study has found that instead

of buying insurance policy, investing in stock markets, buying jewelry and lending friends, most of the students are involved in bank saving. Similarly, it was also found that financial knowledge is determined by income, age, stream of education, type of college, and attitude of students while it is unaffected by gender, university affiliation, financial behavior and influence. This research concluded that college students have basic level of financial knowledge and their level of financial knowledge is determined by their family income, age, stream of education, type of college they study and their financial attitude. Government, financial sector regulators, NGOs and educators might use these findings for developing their policies in financial literacy.

Suresh, Christalita, Josephine and Lusianna (2017) examined out the influence of financial literacy on financial behavior and how financial behavior influences on financial decision among college students. The results of this research show that there's a significant relation between financial literacy to financial behavior and from financial behavior to financial decision. Since parents are the first people for the children, they should give good understanding about financial matter towards their children that may affect to children's financial behavior and the decision that will be made later in the future. Education institution consider about students' ages and economy status in making financial education program. Hence, it will be more effective to increase financial literacy among college students. Due to its limitation, it is recommended for future researchers to add more variables such as race, religion, and culture to have deeper understanding about financial behavior in its implication on financial decision of college students. The research applied quantitative method with 337 samples as respondents taken from President University students. This research applied convenience sampling technique Young adult especially college students are facing tough financial decision in today's demanding financial environment which will affect their financial behavior. This study recommended education institutions that come from any background to increase financial literacy of college students. The applicable program such as study case program in class is more beneficial for students rather than theory. Education institution may consider about students' ages and economy status in making financial education program.

Herawati, Suharsono, Candiasa and Yadnyana (2018) aimed at analyzing factors that influence financial behavior among students. This study used the quantitative approach

through distributing questionnaires and a financial literacy test. The sample was selected through the multistage random sampling technique with the sample size of 518 respondents. The data were analyzed by using multiple regression analysis. The results of the study showed that there is a positive and significant effect of financial literacy, financial self-efficacy, and social economic status on financial behavior. Social economic status has the highest contribution. The finding shows that the independent variables in this study have an effect on financial behavior and as the consequence; the variables are related to students' financial behavior. In addition, financial self-efficacy also has an effect on the students' financial behavior. A major factor influencing consumer behavior is the feeling of self-efficacy which is having the confidence in one's ability to deal with a situation without being overwhelmed which indicates that self confidence in one's financial ability that one has also influence students' behaves. The results of this study prove that the higher the parents' social economic status the better their children's financial behavior.

Yahaya, Zainol, Abidin, Joal, and Ismail (2019) examined the relationship between financial knowledge and financial attitudes, and also the effects of these variables on financial behavior among university students .Data was gathered from a sample of 370 university students among students in Malaysia through the survey method. The data has analyzed using simple linear regression and multiple regression analysis. The findings reveal that the respondents have moderate level of financial knowledge. Respondents who took Financial Management course have higher level of financial knowledge compared to those who did not take any Financial Management course. Financial knowledge significantly influenced financial attitudes, and financial attitudes significantly influenced financial behavior. On the other hand, financial knowledge does not have any significant influence on financial behavior. This study enriched the literature by identifying factors that influenced financial behavior and provided suggestions to be practiced by universities in developing good financial attitude and financial behavior of students.

Coskun and Dalziel (2020) investigated the level and surveyed online regarding their attitudes towards financial issues, their level of financial knowledge, and their financial behavior of 396 university students in Turkey, this research showed the relationship between financial knowledge of the participants with their financial attitude and

behavior as well as the mediation effect of financial attitude in this relationship. In line with the common wisdom that the relationship between knowledge and behavior is higher if knowledge is better reflected in the attitude of the individual, the mediation effect of financial attitude strengthens the financial knowledge and financial behavior relationship. Using SPSS and LISREL. Factor analysis, Cronbach's Alpha, and Structural Equation Modeling (SEM) were used. This study explores financial literacy based on a behavioral approach. This study provides insightful ideas for students, policy makers and educators regarding financial knowledge, financial attitudes, and financial behavior and contributes to existing literature on the needs to incorporate financial course in university curriculum and has shown that university students are lack of financial knowledge. Thus, the study importance to provide effective finance courses in order to improve financial knowledge, financial attitude, and financial behavior of university students

2.5 Research gap

In Nepalese context, studies are rarely found that have examined the financial behavior of students using various areas of assessments, this study tries to fill this gaps. In addition, incorporating some important demographic variables with six different indicators of financial behavior including micro component will be the distinct feature of the study. The results collected will be analyzed using new approaches.

The literature review signifies that the financial behavior is human behavior activities relevant to the money management related with the ways of using income, making expenditure, saving and uses of financial services. Financial behavior determines overall resource allocation seeking for making rational decision and financial investment decision. The improper behavior in managing personal finances causes long term negative consequences and impeding future plans. Understanding financial behavior helps to avoid heavy losses and devises an appropriate managing of the money.

2.6 Conceptual framework

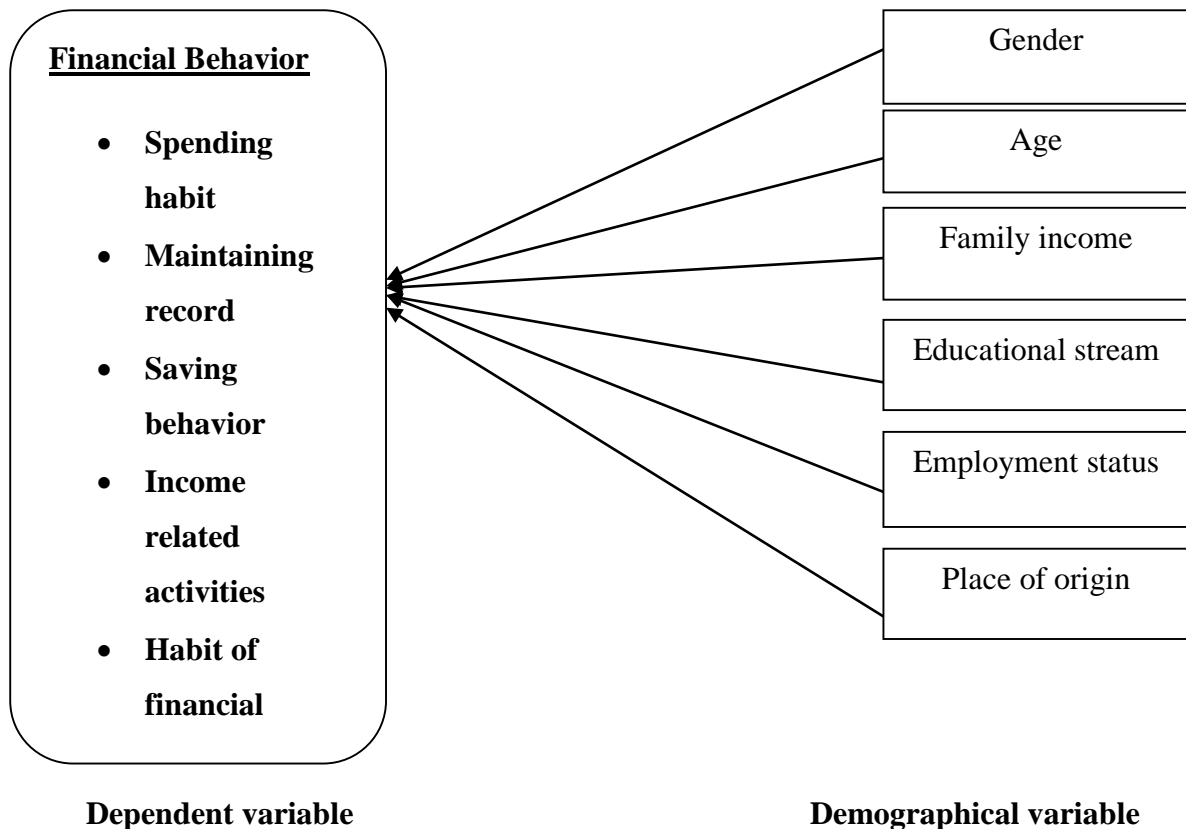
The theoretical framework is the basis or foundation upon which the study is established. It is within the framework of this theory that the entire study proceeds. Sekran (2007): "the theoretical framework is the foundation on which the entire thesis is based. It is logically developed, described, and elaborated network of associations

among variables that have been identified through such processes as interviews, observations, and literature survey. These variables are deemed relevant to the problem situation."

The theoretical framework describes the relationship among the variables. The dependent variables under this study are financial behavior of the student of Central College of TU. The variables that may be the component of financial behavior (the dependent variable) are spending habits of students, maintaining financial record, savings, income & Financial service uses etc. The effect of identified 8 independent variables has been analyzed on financial behavior. Moreover, framework of relationship between demographic variables including gender, age, and family income, place of origin, educational stream and employment status with financial behavior has been established. Those who have high income may not require educational loan neither from formal or informal source. However, low income village students require significant educational loan and due to low access to formal sector loan resulting from insufficient collateral, high interest charge from informal sector is common to them. This leads to economic use of money including share of common living room and curtail of entertainment expenditure.

Many studies have indicated that students from strong financial position in terms of own income, income of parents, assets and support of parents are expected to spend more. In the similar vein, students from village area may not spend as much as of municipality sector. However, individual nature of students and their future outlook can increase or decrease the degree of relationship between independent and dependent variables. The selected variables and their relationship have been expressed.

Fig: 1 Schematic diagram of the theoretical framework



2.7 Some important variables

2.7.1 Demographical Variables

Some demographic variables that may have significant impact on financial behavior are;

a. Employment status of Students:

Students working as employee either or part time or full time are considered as employed. Informal job has not been taken into consideration as employment status and at the same time self-employment and working for others have not been distinguished.

b. **Place of Origin:** Place of origin has been categorized into two groups i.e. from urban sector indicated by students from municipality also known as easy access area and from rural area indicated by students from VDC also known as remote area.

c. Gender of Students:

Students are categorized into male and female and are studied accordingly.

d. Family Income

Students from family having higher than average income are considered as high income family and from family having lower than average income are considered as low income family. Respondents in our analysis have been categorized into four income group.

e. Educational Stream

Though there are many streams of study in T.U. For convenience respondents are divided into from management stream and non-management stream.

f. Age

Respondents are divided into four age group categories i.e. below 23 years, 23-26, 27-30 and 31 or above. Impact of age in relation with financial behavior has been analyzed accordingly.

2.7.2 Financial Behavior

Financial behavior is related with the ways of using income, making expenditure, use of financial services, saving behavior, and record keeping behavior. There may or may not be significant relationship between aforementioned demographic and components of financial behavior.

CHAPTER III

RESEARCH METHODOLOGY

3.1 Introduction

It is the plan of conducting research. It provides overall framework of blueprint of the study with maximum control over factors that may interfere with the validity of findings. Appropriate research design describes the plan regarding how, when and where the data are to be collected and analyzed. It provides the idea in answering the research questions or testing the research hypothesis. Variables in the study have been measured using both qualitative and quantitative tools. However, for objectivity in analysis, quantitative research design having nature of both descriptive, analytical have been used.

3.2 Research design

The study attempts to analyze the financial behavior of master degree's students currently studying in TU in relationship with selected demographic variables. The thesis is entirely based on survey. The researcher has design the study in such a way that responses of respondents have been recorded in suitable format for treatment of statistical analysis using SPSS software. The collected data have been analyzed using both descriptive statistics like mean, frequency, percentage along with analytical statistics like standard deviation, f-test, t-test, χ^2 -test and multiple regression analysis to get information regarding the variance on financial score among the selected demographic variables on financial behavior on the basis of P-value less than 0.05 or not. The central college TU has been selected for convenience and easy access of information. Some financial indicators like saving behavior, spending behavior, income behavior, record keeping behavior and habit of using financial services and their connection with respect to gender, age, place of origin, financial position and income of parents, employment status and educational stream of respondents have been studied using statistical question pattern.

3.3 Population and sample

The number of students studying in 38 different central departments and the population of the study of the students admitted in TU and its affiliated colleges in 2019/20. Representative sample of size 120 have been selected out of which 60 are male and 60

are female. Similarly, 60 are from management faculty and 60 from non-management faculty. Since the aim is to study the financial behavior of students studying in central college TU, out of around 2500 semester students; sample size 120 fulfills the representative limit of 5%.

3.4 Sampling procedure:

Sample has been taken with the combination of convenience sampling and stratified sampling. Hence probability and non-probability sampling methods are mingled. Students currently studying at central college TU, Kirtipur has been selected. For convenience and making comparison between management and non-management students 50% students from MBS and remaining 50% students has been selected from rest of other central departments of TU. While taking sample, care has been given that students from heterogeneous groups are not missing.

3.5 Research instrument

Self-administered questionnaire method has been used to obtain data. The study adapts the questionnaire from various past studies related to this topic and mainly used 4-point Likert scale to measure the financial behavior. The respondents were asked to rate on the statements that describe their financial behavior. A higher scale demonstrates the respondents practice effective financial behavior & vice versa. The questionnaire has been divided into two sections where by section I consist of demographic profiles of the respondents while responses on the five indicators of financial behavior are recorded in section II.

3.6 Data gathering procedure

120 sets of self-administered scheduled questionnaire in written form was the data collecting instrument to get information from selected respondents and data is processed via SPSS version 23.

The purpose is to ensure the data are in the standard of quality. No amendment is required as there is no missing data. Thus, the researchers further proceeds to process by identifying and assigning a numerical score or other characters symbol to the data. The response categories, tabulated, processed, and analyzed, using different methods. Frequency distribution means and standard deviation calculated. To test the hypothesis,

multiple regression analysis has been use and the method uses of regression in order to find out checking the causal association between dependent and independent variables.

3.7 Statistical treatment of data and data analysis method

The responses have been categorized, tabulated, processed and analyzed using different methods. The data are measured in ordinal scale. Frequency distribution, arithmetic mean and percentage, standard deviation, variance, χ^2 –test, ANOVA and regression analysis as a statistical tool to measure significance of impact of identified variables on financial score have been calculated and compared using SPSS version 23. Data analysis enables describing and comparing variables numerically, which enhance the statistical analysis and data interpretation (Sander et al., 2009). All the data obtained from the questionnaires collected thus need to be interpreted and summarized in average, frequency distribution and percentage distribution (Zikmond, 2003). Mean and Median will be used to measure the central tendency while standard deviation, variance are used to measure variability of the data. Additionally, pie-charts are inserted to make the data more understandable and effectively communicate with the readers in visually appealing way. In the similar vein hypotheses will be tested using of regression, F-test, mingle t-test and χ^2 -test to get P-value at 95% confidence level given the degree of frequency (d.f.). The frequency analysis of respondent's demographic data has been illustrated in the pie-charts in the next chapter.

Some of the studies following statistical tools are used.

3.7.1 Mean

The average measures condense a huge unwieldy data into a single value which represents the entire data. Since an average represents the entire data, its value lies between the two extreme observations, i.e. the largest and the smallest. Hence Average represents the central value among large data. Average represents whole data in equal distribution although it is not actual value. Thus mean is calculated by the given formula.

$$\bar{X} = \frac{\sum fx}{f}$$

Where \bar{X} = mean, f = frequency, $\sum fx$ = sum of the multiplication of frequency and no. of observation.

3.7.2 Standard deviation

The standard Deviation is powerful and useful measuring tools in dispersion in order to measure the size of deviation from the average. Standard deviation is the positive square root of the average mean of the squares of the deviations of the given observations from their mean. It is denoted by sigma (σ). Thus, if X_1, X_2, \dots, X_n is a set of n observations then the standard deviation is given by:

$$\sigma = \sqrt{\frac{1}{n} \sum (X - \bar{X})^2}$$

Where n = Total number of observations

3.7.3 Coefficient of correlation analysis

A correlation coefficient is statistical measure or the degree to which changes to the value of one variable predict change to the value of another. In positively correlated variables, the value increase or decrease in tandem. In negatively correlated variable, the value of one increase as the value of the other decrease. Correlation coefficients are expressed as values between +1 and -1. A coefficient of +1 indicates a perfect positive correlation. A change in the value of one variable will predict a change in the same direction on the second variable. A coefficient of -1 indicates a perfect negative correlation: a change in the value of one variable predicts a change on the opposite direction in the second variable. Karl Pearson coefficient of correlation is usually denoted by 'r'.

For the purpose of decision- making, interpretation is based on following term:

Assumptions

If $r = 1$, there is a positively perfect correlation between the two variables.

If $r = -1$, there is a negatively perfect correlation between the two variables.

If $r = 0$, the variables are uncorrelated.

The nearer the value of r to +1, the closer will be the relationship between the following variables and the value of r , the lesser will be the relation.(Zainol 2019)

Karl Pearson's correlation coefficient has been used to find out the relationship between the following variables.

3.7.4 Descriptive analysis

Descriptive statistics were used to explain the demographic characteristics of the respondents along with financial behavior among university students. Frequencies, percentages, mean and standard deviation was calculated to describe the variables.

3.7.5 Regression analysis

The general purpose of multiple regressions is to learn more about the relationship between several independent or predictor variables and a dependent or criterion variable. In statistical modeling, regression analysis is a statistical process for estimating the relationships among variables. It includes many techniques for modeling and analyzing several variables, when the focus is on the relationship between a dependent variable and one or more independent variables. Regression analysis provides more information about the slope of the relationship. It is used to describe the nature of a relationship and to make predictions. Multiple regressions were used to explore the impact of independent variables. Regression analysis is used as a tool of determining the strength of relationship between two variables. Thus, it is a statistical value of one variable when the value of other variables is known. The unknown variables which have to be predicted are called dependent variable and the known variable is called independent variable.

Statistically regression equation can be written as:

$$\hat{Y} = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + e_j$$

Where,

\hat{Y} = financial behavior (dependent variable)

X_1 = gender

X_2 = age

X_3 = family income

X_4 = educational stream

X_5 = employment status

X_6 = place of origin

α = Constant

$\beta_1, \beta_2, \beta_3, \beta_4, \beta_5, \beta_6$ = Regression coefficients of Factor 1 to Factor 6 respectively

e_i = Error term

CHAPTER IV

RESULT AND DISCUSSION

This chapter is based on the analysis, discussion and interpretation of the data collected during the study. The analysis is mainly based on the primary data which were collected through the self-administrated questionnaire surveyed among 120 sampled respondents, data are analyzed by using SPSS V. 23 software. The results are explained by using descriptive analysis like mean, percentage, standard deviation etc along with statistics like t-test and χ^2 -test.

4.1 Respondents demographic profile

The respondent's demographic profile regarding the gender of student's male and female students has been categorized with equal 50% each in two different gender groups.

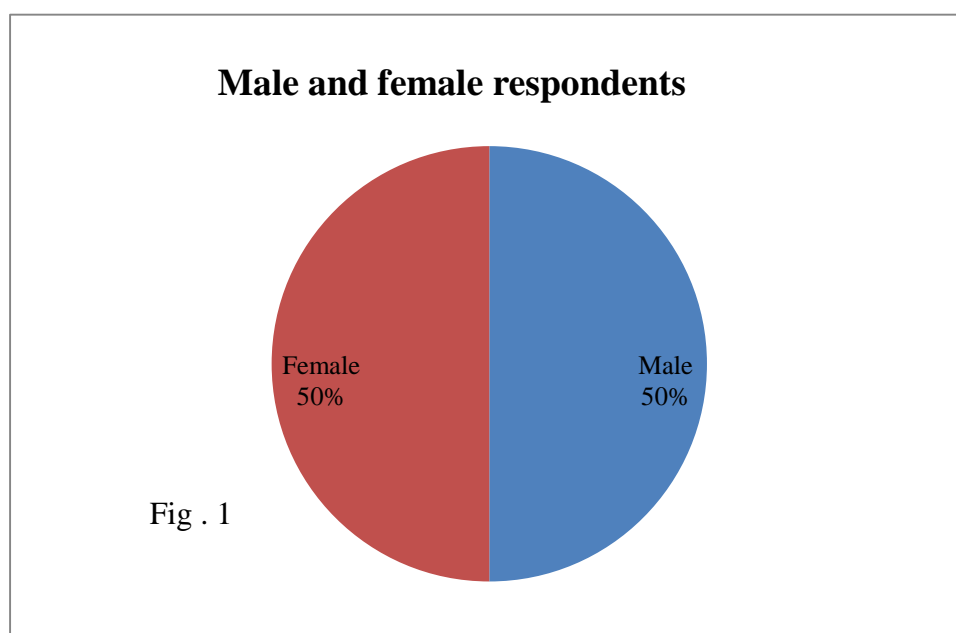
Table 4.1

Gender Distribution

Gender	Frequency	Percentage
Male	60	50.0
Female	60	50.0
Total	120	100.0

Source: Field Survey 2021

The frequency analysis of gender's distribution has been illustrated below,



The table 4.1 and fig. 1 have shown that out of 120 respondents, number of male and female are 60 each. It means both male and female are 50% each.

4.1.1 Age of respondents

The respondent's profile regarding the age group of the students which has been categorized in four different age groups: age group belongs to below 23, between 23 to 26, between 27-30, age between 31 and above.

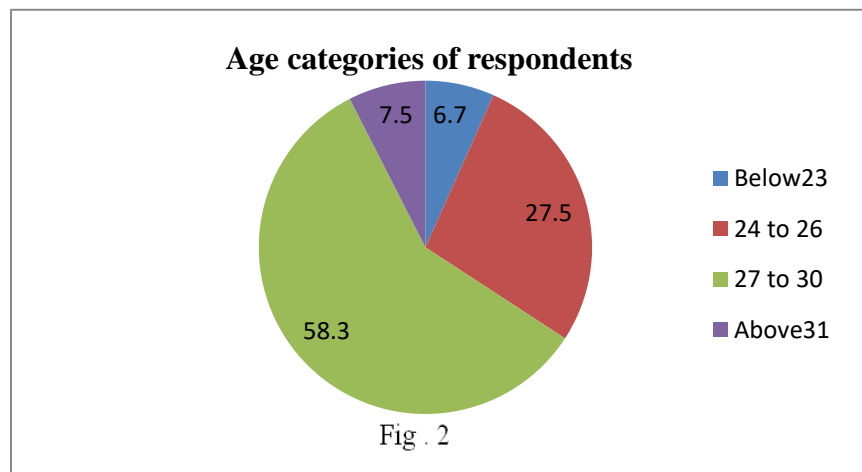
Table 4.2

Age Distribution

Age(in years)	Frequency	Percentage
Below 23	8	6.7
Between 23-26	33	27.5
Between 27-30	70	58.3
31 and above	9	7.5
Total	120	100.0

Source: Field Survey 2021

The frequency analysis of age distribution has been illustrated below,



From table 4.2 and fig.2, respondents with respect to age have indicated that the number of respondents: i) below 23 years are 8 i.e. 6.7%, ii) 24 years and 26 years are 33 i.e. 27.5%, iii) 27 years to 30 years are 70 i.e. 58.3% and iv) 31 and above is 9 i.e. 7.5%. It means most of the respondents are adult (over 23 years=93.3%) and only (below 23 years=6.7%) respondents.

4.1.2 Family monthly income of respondents

The respondent's profile regarding the family monthly income of the students which has been categorized in four different income groups: family monthly income range below Rs 20,000, between Rs 20000 to Rs 30000, Rs 30000 to Rs 50000.and lastly income rage above Rs 50,000.

Table 4.3

Family monthly income distribution

Family monthly income range	Frequency	Percentage
Below Rs 20000	31	25.8
Between Rs 20000 to Rs 30000	19	15.8
Between Rs 30000 to Rs 50000	64	53.3
More than Rs 50,000	6	5.0
Total	120	100.0

Source: Field Survey 2021

The frequency analysis of Family monthly income distribution has been illustrated below,

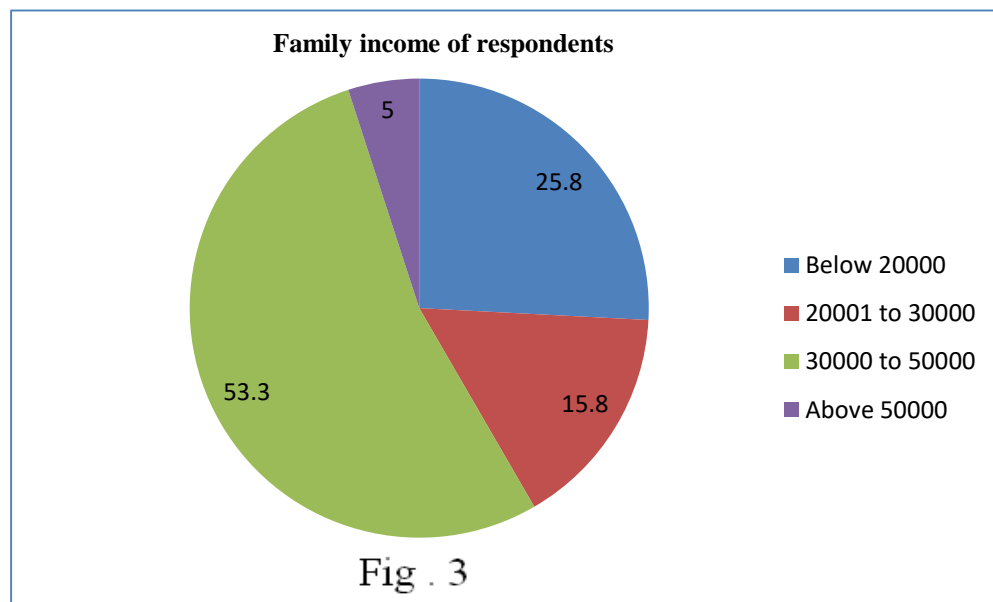


Table 4.3 & fig.3 demonstrate that majority of the respondents falls in to the family monthly income range of between Rs30, 001-50,000 i.e. 64(53.3%), followed by the income range between 20, 001-30,000 i.e. 19(15.8%) and only more than 50,000 i.e. 6(5%).Meanwhile, there is only few high income range respondents and most of all

falls under income range 30,001 to 50,000. It indicates that the most respondents are with middle class family.

4.1.3 Educational stream of respondents

The respondent's profile regarding the education stream of the students which has been categorized in two different education stream groups: management and non-management and with equal 50% each in distribution.

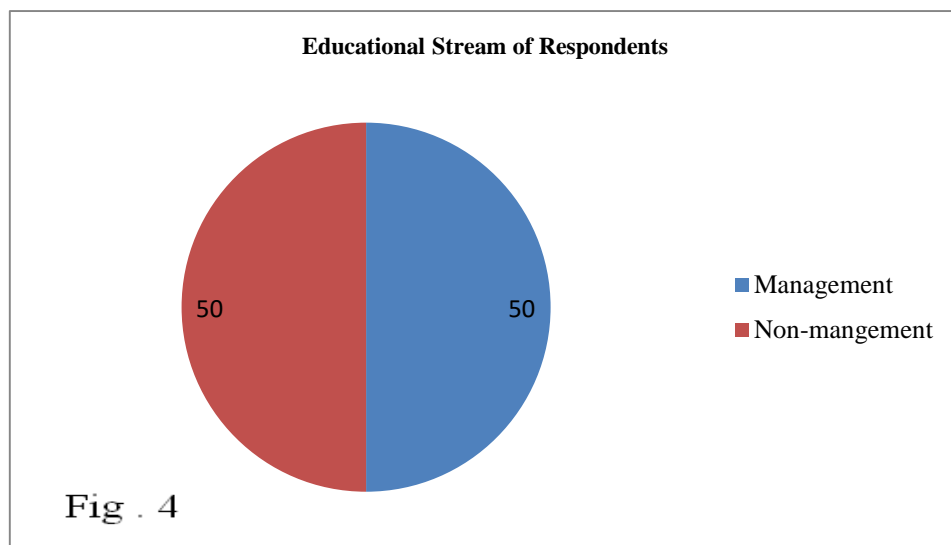
Table 4.4

Distribution of Educational stream

Educational Stream	Frequency	Percentage
Management	60	50.0
Non-Management	60	50.0
Total	120	100.0

Source: Field Survey 2021

The frequency analysis of educational stream distribution has been illustrated below,



The table 4.4 and fig .4 have shown that out of 120 respondent number of management and non-management respondents are 60 each, it means both management and non-management respondents are 50% each. The equality is as per intention of the researcher.

4.1.4 Employment status of respondents

The respondent's profile regarding the employment status of the students which has been categorized in two different employment status groups: employed and unemployed respectively.

Table 4.5

Distribution of employment status

Employment status	Frequency	Percentage
Employed	44	36.7
Unemployed	76	63.3
Total	120	100.0

Source: Field Survey 2021

The frequency analysis of employment status distribution has been illustrated below,

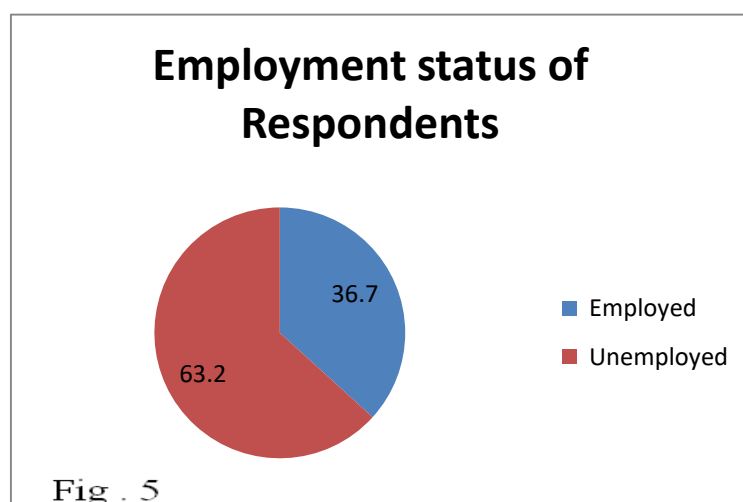


Table 4.5 & fig.5 shown that out of 120 respondents 76 i.e. 63.3% respondents are not engaged in any employment activities. Whereas, 44 i.e. 36.7% of the respondents reported that they are engaged in employment activities. It means majority of respondents are unemployed.

4.1.5 The place of origin of respondents

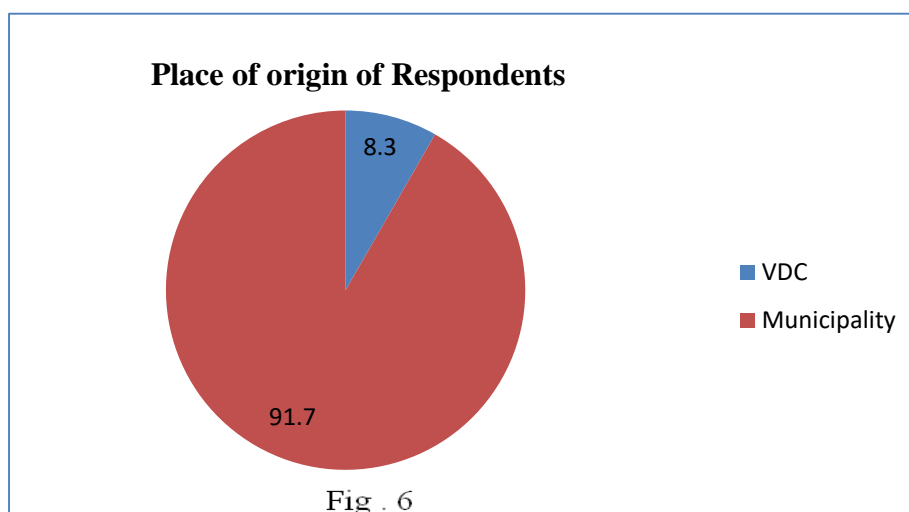
The respondent's profile regarding the place of origin of the students which has been categorized in two different employment status groups: VDC and municipality respectively.

Table 4.6*Distribution of the place of origin*

Place of origin	Frequency	Percentage
VDC	10	8.3
Municipality	110	91.7
Total	120	100.0

Source: Field Survey 2021

The frequency analysis of place of origin distribution has been illustrated below,



From the table 4.6 and fig 6 .Most of the respondent's participants from municipality i.e.110 (91.7%) and few were from VDC i.e.10 (8.3%).

4.2 Position of respondents

This section deals with the analysis of the data collection through the questionnaires during the research process. The data characteristics have been analyzed in terms of minimum and maximum value, mean value and standard deviation of each of the variables: spending habit, maintaining record, saving behavior, income related activities, habits of financial service use. These values helps researcher to analyze the data with respect to frequencies and aggregation relating to research questions and variables. For this purpose, 'Four point likert scale' questions were asked to the respondents which scaled from "strongly disagree = 1" to strongly agree =4" Number of respondents in each question item was 120. Questions related to each determinants and their descriptive statistic are shown following.

4.2.1 Position of spending behavior in Nepalese university students

This section the descriptive analysis of spending behavior of university students shows behavior of spending phenomena where they involve in spending habits. The activities in money spending activities includes controlled and failed to control over the spending of money, spending money immediately ,feels capable of handling money, buying behavior and giving importance to saving.

Table 4.7

Descriptive statistics of spending behavior

	N	Minimu m	Maximu m	Mean	Std. Deviation
Feeling Control	120	1.00	4.00	2.8167	.96130
Involving in the money spending activities	120	1.00	4.00	2.4583	.80852
Failed to control from spending money	120	1.00	4.00	2.2417	1.06901
Spend immediately	120	1.00	4.00	1.9250	.95409
Buy now think later	120	1.00	4.00	2.0583	.91022
Spending certainty	120	1.00	4.00	2.2167	.70034
Spending uncertainty	120	1.00	4.00	2.1917	.89156
Feeling capable of handling my financial future (e.g. buying insurance)	120	1.00	4.00	2.6083	.98130
Give impotence to saving money	120	1.00	4.00	3.2333	1.12072

Source: Field Survey 2021

Table 4.7 indicates that average score on feeling control, involving in money spending activities, feeling capable and importance to saving are higher than the average score (2.4167) representing positive financial attitude of respondents. Similarly, calculated average score in negative financial attitudes is lower than average which represents the effective financial behavior as well. Indicators like spending immediately, See-like-buy, spending uncertain about money these are below the average which needs to be improved. Standard deviation of give importance on saving is highest .i.e. 1.12072

showing highest variability on financial score whereas lowest variability of financial score is on spending certainly indicates by lowest value of s.d.0.70034.

Table 4.8

Overall mean and standard deviation score of spending behavior

	N	Minimum	Maximum	Mean	Std. Deviation
Spending habit	120	1.44	3.33	2.4167	.42955
Valid N (list wise)	120				

Source: Field Survey 2020

Minimum and Maximum score of respondents on spending behavior is 1.44 and 3.33 respectively resulting overall mean 2.42 along with standard deviation 0.43. It implies lower degree of variability as the score of mean is less than 2.5 which indicates there is not consistency in responses and positive financial attitude towards spending behavior.

4.2.2 Position of record keeping behavior in Nepalese university students

This section the descriptive analysis of record keeping behavior of university students shows behavior of record keeping activities where they involve in maintaining of records habits. The activities record keeping activities includes ability to maintain financial record .Whether students are interested in reading money management, learned the financial education from the parents and comparing the amount of saving with the friends.

Table 4.9

Descriptive statistics of record keeping behavior

	N	Minimum	Maximum	Mean	Std. Deviation
Interest in reading money management	120	1.00	4.00	2.3167	1.05307
Ability to maintain financial record for my income and expenditure	120	1.00	4.00	3.0917	.73331
Financial education from parents	120	1.00	4.00	3.2083	.94287
Compare the amount of saving and spending with my friends	120	1.00	4.00	2.5583	.89627

Source: Field Survey 2021

Table 4.9 shows that average score on interest in ability to maintain financial record, financial education from parents is higher than the overall average of record keeping behavior represent positive attitude of respondents. Similarly, calculated average score on negative financial attitude is lower than average which represents the effective financial behavior as well. Indicators like interest in reading money management and comparing amount of saving are bit below the average which needs to be improved. Besides, the highest standard deviation is scored by variable in reading money management (1.05307) and ability to maintain financial record for my income and expenditure (.73331) has the lowest scores. It means high variability of score in reading money management and more consistent score on ability to maintain financial record.

Table 4.10

Overall mean and Standard deviation of record keeping behavior

	N	Minimum	Maximum	Mean	Std.Deviation
Maintain record	120	1.50	3.50	2.79	.603
Valid N (list wise)	120				

Source: Field Survey 2021

Minimum and Maximum score of respondents on spending behavior is 1.50 and 3.50 respectively resulting overall means 2.79 along with standard deviation 0.603. it implies higher value of observed mean score on record keeping behavior representing positive financial attitude as it is greater than 2.5. thus, which indicates there is consistency and positive financial behavior in respondents on average with respect to the record keeping behavior.

4.2.3 Position of saving behavior in Nepalese university students

This section the descriptive analysis of saving behavior of university students shows behavior of saving behavior activities where they involve in maintaining of saving habits. The activities saving behavior activities includes comparing prices before make purchase, keeping money aside for the future, considering necessity before make purchase, careful monthly budget keeping, making money available in the event of saving in emergency period, reducing the expenditure, achieving certain goal.

Table 4.11*Descriptive statistics of saving behavior*

	N	Minimum	Maximum	Mean	Std. Deviation
Put money aside for the future	120	1.00	4.00	2.9750	.84478
Comparing prices before make purchase	120	1.00	4.00	2.9083	.80956
Consider whether the necessity before make purchase	120	1.00	4.00	3.2167	.90918
Follow a careful monthly budget	120	1.00	4.00	3.0250	.89313
Money available in the event of emergency	120	1.00	4.00	2.9167	.64278
In order to save, plan to reduce my expenditure	120	1.00	4.00	2.6250	.71081
Achieving certain goal	120	1.00	4.00	2.7167	.82180
Save until the end of my semester	120	1.00	4.00	2.8750	.88463

Source: Field Survey 2021

Table 4.11 indicates the score on different components of saving behavior, It has been found that, consider whether the necessity before make purchase highest (3.2167) and lowest (2.6250) plan to reduce expenditure mean score respectively. In term of standard deviation, Consider whether the necessity before make purchase has the highest value (.90918), whereas money available in the event of emergency has the lowest value (.64278).It implies that the score on considering real necessity before make purchase has highest variability but the score on availability of money in emergency is most consistent.

Table 4.12*Overall mean and standard deviation of saving behavior*

	N	Minimum	Maximum	Mean	Std. Deviation
Saving	120	1.75	4	2.91	.585
Valid N (list wise)	120				

Source: Field Survey 2021

Minimum and Maximum score of respondents on spending behavior is 1.75 and 4 respectively resulting overall means 2.91 along with standard deviation 0.585. It implies higher value of observed mean score on saving behavior representing positive financial attitude as it is greater than the mid-level score (2.5) .thus it reflect the positive financial attitude.

4.2.4 Position of income behavior in Nepalese university students

This section the descriptive analysis of income behavior of university students shows behavior of income behavior activities where they involve in maintaining of income related habits. The activities income behavior activities includes budgeting and tracking spending, contributing money in saving account regularly, comparing prices when shopping for purchases, having life insurance policy, Investing in the share under IPO, increasing financial knowledge, maintaining adequate financial records, spending less and maintaining adequate Insurance coverage respectively.

Table 4.13
Descriptive statistics of income behavior

	N	Minimum	Maximum	Mean	Std. Deviation
Budget and track my spending	120	1.00	4.00	2.6333	.78786
Contribute to a bank saving account regularly	120	1.00	3.00	2.4333	.69492
Compare prices when shopping for purchases	120	1.00	4.00	2.5167	1.00405
Have a life insurance policy	120	1.00	4.00	2.2833	1.13895
Invest in the share under IPO	120	1.00	4.00	2.5917	1.04918
Read to increase financial knowledge	120	1.00	4.00	3.1417	.70169
Maintain adequate financial records	120	1.00	4.00	2.7917	.88779
Spend less than Income	120	1.00	4.00	3.0500	.94246
Maintain adequate Insurance coverage	120	1.00	4.00	2.4417	1.20081

Source: Field Survey 2021

Table 4.13 represents that, the highest mean score falls on read to increase financial knowledge (3.1417) while have a life insurance policy (2.2833). It means most of the respondents are able to save from their income and read to increase financial knowledge

and only few have a life insurance policy. In term of standard deviation , have a life insurance policy has highest value (1.13895) whereas saving regularly at bank has lowest value(.69492).It implies that the score on have a life insurance policy has highest variability and lowest on saving account regularly found most consistent score .

Table 4.14

Overall mean and standard deviation of income behavior

	N	Minimum	Maximum	Mean	Std. Deviation
Income	120	1.44	3.78	2.67	.616s
Valid N (list wise)	120				

Source: Field Survey 2021

Minimum and Maximum score of respondents on income behavior is 1.44 and 3.78 respectively resulting overall means 2.67 along with standard deviation 0.616.It implies higher value of observed mean score on income behavior representing positive financial attitude as it is greater than the mid-level sore (2.5) .It reflect the positive financial behavior of respondents on an average with respect to the income related behavior.

4.2.5 Position on financial services uses in Nepalese university students

This section the descriptive analysis of financial services uses of university students shows behavior of uses of financial services activities where they involve in using in financial services habits. The activities financial service using behavior activities includes bank loans, insurance, investment in shares, bank saving, investment in commodities and others respectively.

Table 4.15*Descriptive statistics on financial services uses*

	N	Minimum	Maximum	Mean	Std. Deviation
Bank loan	120	1.00	4.00	1.5500	.61970
Insurance	120	1.00	3.00	1.8583	.73674
Investment in shares	120	1.00	4.00	2.4167	1.09685
Bank saving	120	1.00	4.00	2.7000	.94913
Investment in commodities	120	1.00	4.00	2.4083	.88399
Others	120	1.00	4.00	2.3000	1.04202

Source: Field Survey 2021

Table 4.15, bank saving has the highest mean score (2.7000) and the score on bank loan has the lowest value (1.5500).and in terms of Std deviation investment in shares have high value (1.09685) and bank loan has lowers value(.61970). It implies that investment in share has high variability and lowest consistency on bank loan score.

Table 4.16*Overall mean and standard deviation on financial services uses*

	N	Minimum	Maximum	Mean	Std. Deviation
financial services uses	120	1.17	3.50	2.2056	.555
Valid N (list wise)	120				

Source: Field Survey 2021

Minimum and Maximum score of respondents on financial services uses is 1.17 and 3.50 respectively resulting overall means 2.2056 along with standard deviation 0.555.It implies lower value of observed mean score on financial services uses related behavior, where value 2.2056 which is almost equal to the observed entire overall means . It has implication that the financial behavior on financial service uses less than normal score 2.5.

4.3 Regression analysis on financial behavior in Nepalese university students

Regression analysis determines which independent variable explain variability in the outcome, how much variability in dependent variables is explained by independent variables and which variables are significant (over other variable) in explaining the variability of the dependent variable. Multivariate regression model was applied to determine the form of relationship between the variables. Regression analysis was done to find out the effect of predictors on the dependent variable. Linear regression were calculated and presented with F and t-value. A regression analysis provides us with more information about the slope of the relationship. It is used to describe the nature of a relationship and to make predictions. So, for deeper understanding of the relationship between demographic variables (Gender, Age, Family income, Educational stream, Employment status, Place of origin) and Financial Behavior(spending behavior, maintaining record, saving behavior, income activities and financial service uses) conducted the regression analysis.

Multiple regression analysis was conducted first, in order to identify relationships between the various demographic variables and dependent variables. The advantage of conducting multiple regression analysis included the ability to evaluate multiple independent variables. Multiple regression analysis can avoid premature focus on a single predictor and non-optimal combinations of predictors. Additionally, multiple regression analysis allows for the development of a more sophisticated model of the relationship of variable, where simple linear regression analysis may provide results that may be misleading, due to the complexity of the interactions of multiple independent variables. Based on the result of the multiple regression analysis. This section determines which independent variable explains variability in the outcome, how much variability in dependent variable is explained by independent variables and dependent variable, and which variables are significant (over other variables) in explaining the variability of the dependent variable. Multiple regression was used to explore the impact of demographic variables (Gender, Age, Family income, Educational stream, Employment status, Place of origin) dependent variable; Financial Behavior(spending behavior, maintaining record, saving behavior, income activities and financial service uses).

Regression model

Statistically regression equation can be written as:

$$\hat{Y} = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + e_j$$

Where,

\hat{Y} = financial behavior (dependent variable)

X_1 = gender

X_2 = age

X_3 = family income

X_4 = educational stream

X_5 = employment status

X_6 = place of origin

α = Constant

$\beta_1, \beta_2, \beta_3, \beta_4, \beta_5, \beta_6$ = Regression coefficients of Factor 1 to Factor 6 respectively

e_i = Error term

Table 4.17

Output of R^2 of model, ANOVA and regression coefficient

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change
1	.525 ^a	.276	.238	.35284	.276	7.181	6	113	.000

a. Predictors: (Constant), Place of origin, Educational Stream, Employment status, Gender, Family monthly income range, Age (in years)

Sources: SPSS Data

Model summary indicates the R-square also known as the coefficient of determination which helps in explaining variance. The R^2 value of 0.276 in Table 4.11 indicates that the model explains that 27.6% to dependent variable. The model summary also indicates the standard error of the estimate of 0.35284 which shows the variability of the observed value of financial behavior from the regression line is 0. 35284. The p-value is .000. So, the model is fit.

ANOVA

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.364	6	.894	7.181	.000 ^b

a. Dependent Variable: Financial Behavior

b. Predictors: (Constant), Place of origin, Educational Stream, Employment status, Gender, Family monthly income range, Age (in years)

Sources: SPSS Data

The F-test shows that the calculated p-value, 0.000, which is lesser than the alpha value 0.01. Therefore, the model fits to test the relationship between the dependent and demographic variables. As a result, the demographic variables (gender, age, family income, educational stream, employment status, and place of origin) are significant in explaining the variance in financial behavior.

Table 4.18

Coefficients Analysis of financial behavior

		Coefficients				
	Model	Unstandardized		Standardized	t	Sig.
		B	Std. Error	Coefficients Beta		
	(Constant)	2.391	.303		7.901	.000
	Gender	.153	.068	.190	2.255	.026
	Age (in years)	-.138	.052	-.244	-2.634	.010
1	Family monthly income range	-.024	.038	-.055	-.630	.030
	Educational Stream	-.092	.065	-.115	-1.415	.160
	Employment status	.393	.073	.470	5.366	.000
	Place of origin	-.053	.122	-.036	-.433	.666

a. Dependent Variable: Financial Behaviors

b. Predictors: (Constant), Place of origin, Educational Stream, Employment status, Gender, Family monthly income range, Age (in years)

On the basis of the above findings, the following model has been developed.

$$\hat{Y} = 2.391 + 0.190X_1 - 0.0244X_2 - 0.055X_3 - 0.115X_4 + 0.470X_5 - 0.036X_6$$

In the regression analysis, the beta coefficients are used to explain the relative importance of the demographics variables in contribution to the variance in the

dependent variable. The results presented in Table 4.13, shows that growth of Gender ($\beta_1= 0.153, p=0.026$), which is significant for financial behavior, Age ($\beta_2=-0.138, p=0.010$), which is significant for financial behavior, family monthly income ($\beta_3= -0.024, p= 0.030$), which is significant for financial behavior, educational stream ($\beta_4= -0.092, p=0.160$), which is insignificant for financial behavior and employment status($\beta_5= 0.393, p=0.000$) which is significant for financial behavior, and place of origin ($\beta_6= -0.053, p=0.666$)which is insignificant for financial behavior. The beta coefficient had shown the significant impact in gender, age family monthly income, employment status, and there is insignificant relation with education stream and place of origin, therefore, the results have shown more spending behavior as family income increases and increases in record keeping, saving behavior, and as well as in financial service uses.

4.4 Inferential analysis on financial behavior in Nepalese university students

Table 4.19

Effect of demographic variables on spending behavior (test statistics χ^2 -test for independence of attributes at 95% level of confidence)

Variable		d.f (n-1)	χ^2 - Value	p-value	Relation
Gender	Male	1	6.66	0.036	Significant
	Female				
Age Group	Below 23	3	18.25	0.006	Insignificant
	23-26				
	27-30				
Family monthly income	Above 30	3	23.93	0.001	Significant
	Below 20,000				
	20,001-30,000				
	30,001-50,000				
Educational stream	Above 50,000	1	11.27	0.004	Significant
	Management Non- management				
Employment Status	Employed	1	7.97	0.0019	Significant
	Unemployed				
Place of origin	VDC	1	1.95	0.378	Insignificant
	Municipality				

Sources: Field survey 2021

The test –statistics used in the table 4.17 was χ^2 –test with the help of SPSS for independence of attributes. Confidence interval is 95%. If P-value is lower than 0.05, we accept the hypothesis that the demographic variables under study have significant effect on spending at given degree of freedom. However, if P-value is greater than 0.05, it is concluded that there is no significant relationship between demographic variables and spending behavior. Hence it has been concluded that there is no significant relationship i) between age and spending behavior, and ii) place of origin and spending behavior. However, there exists significant difference on spending behavior with respect to gender, family monthly income, educational stream, employment status of respondent. To be more explicit people show more effective spending behavior i) with gender ii) family income increases ii) they are from management faculty iii) they are employed respectively.

Table 4.20

Effect of demographic variables on record keeping behavior (test statistics χ^2 –test for independence of attributes at 95% level of confidence)

Variable		d.f (n-1)	χ^2 - Value	p- value	Relation
Gender	Male	1	8.12	0.017	Significant
	Female				
Age Group	Below 23	3	44.35	0.000	Significant
	23-26				
	27-30				
Family monthly income	Above 30	3	55.78	0.000	Significant
	Below 20,000				
	20,001-30,000				
	30,001-50,000				
Educational stream	Above 50,000	1	1.59	0.452	Insignificant
	Management				
Employment Status	Non-management	1	12.88	0.002	Significant
	Employed				
Place of origin	Unemployed	1	1.81	0.403	Insignificant
	VDC				
	Municipality				

Sources: Field survey 2021

The test –statistics used in the table 4.18 was χ^2 –test with the help of SPSS for independence of attributes. Confidence interval is 95%.If P-value is lower than 0.05, we accept the hypothesis that the demographic variables under study have significant effect on record keeping behavior at given degree of freedom. However if P-value is greater than 0.05, it is concluded that there is no significant relationship between demographic variables and record behavior. Hence it has been concluded that there is no significant relationship i) educational steam and record keeping, ii) place of origin and record keeping. However, there exists significant difference on record keeping with respect to gender, age group, family income, and employment status of respondents. To be more explicit people show effective record keeping behavior as i) with gender ii) age especially with adult iii) family monthly income increase iv) if they are employed.

Table 4.21

Effect of demographic variables on saving behavior (test statistics χ^2 –test for independence of attributes at 95% level of confidence)

Variable		d.f (n-1)	χ^2 - Value	p-value	Relation
Gender	Male				
	Female	1	10.48	0.005	Significant
Age Group	Below 23				
	23-26				
	27-30	3	48.22	0.000	Significant
Family monthly income	Above 30				
	Below 20,000				
	20,001-30,000	3	26.54	0.000	Significant
Educational stream	30,001-50,000				
	Above 50,000				
Employment Status	Management				
	Non- management	1	6.067	0.048	Significant
Place of origin	Employed				
	Unemployed	1	14.15	0.001	Significant
Place of origin	VDC				
	Municipality	1	0.076	0.963	Insignificant

Sources: Field survey 2021

The test –statistics used in the table 4.19 was χ^2 –test with the help of SPSS for independence of attributes. Confidence interval is 95%.If P-value is lower than 0.05, we accept the hypothesis that the demographic variables under study have significant effect on spending at given degree of freedom. However if P-value is greater than 0.05, it is concluded that there is no significant relationship between demographic variables and saving behavior. Hence it has been concluded that there is no significant relationship i) between place of origin and saving behavior. However, there exists significant difference on saving behavior with respect to gender, age, family monthly income, educational stream, employment status of respondent. To be more explicit people show more effective saving behavior as i) with gender ii) age iii)family income increases iv) they are from management faculty iii) they are employed respectively.

Table 4.22

Effect of demographic variables on income related activities (test statistics χ^2 –test for independence of attributes at 95% level of confidence)

Variable		d.f (n-1)	χ^2 - Value	p-value	Relation
Gender	Male	1	2.403	0.493	Insignificant
	Female				
Age Group	Below 23	3	30.18	0.000	Significant
	23-26				
	27-30				
	Above 30				
Family monthly income	Below 20,000	3	9.24	0.416	Insignificant
	20,001-30,000				
	30,001-50,000				
	Above 50,000				
Educational stream	Management	1	1.58	0.663	Insignificant
	Non-management				
Employment Status	Employed	1	34.66	0.000	Significant
	Unemployed				
Place of origin	VDC	1	4.26	0.234	Insignificant
	Municipality				

Sources: Field survey 2021

The test –statistics used in the table 4.19 was χ^2 –test with the help of SPSS for independence of attributes. Confidence interval is 95%. If P-value is lower than 0.05, we accept the hypothesis that the demographic variables under study have significant effect on income behavior at given degree of freedom. However if P-value is greater than 0.05, it is concluded that there is no significant relationship between demographic variables and income behavior. Hence it has been concluded that there is no significant relationship i) between gender and income behavior ii) between place of origin and income behavior iii) between educational stream and income behavior. However, there exists significant difference on income behavior with respect to age, family monthly income, employment status, of respondent. To be more explicit people show more effective income behavior as i) they are at the adult age ii) family income increases iii) they are employed respectively.

Table 4.23

Effect of demographic variables on financial services use (test statistics χ^2 –test for independence of attributes at 95% level of confidence)

Variable		d.f (n-1)	χ^2 - Value	p-value	Relation
Gender	Male	1	5.582	0.134	Insignificant
	Female				
Age Group	Below 23	3	34.996	0.000	Significant
	23-26				
	27-30				
Family monthly income	Above 30	3	34.523	0.000	Significant
	Below 20,000				
	20,001-30,000				
	30,001-50,000				
Educational stream	Above 50,000	1	7.35	0.062	Insignificant
	Management				
Employment Status	Non-management	1	9.46	0.024	Significant
	Employed				
Place of origin	Unemployed	1	3.15	0.370	Insignificant
	VDC				
	Municipality				

Sources: Field survey 2021

The test –statistics used in table 4.18 was χ^2 –test with the help of SPSS for the independence of attributes. Confidence interval is 95%. If P-value is lower than 0.05, we accept the hypothesis that the demographic variables under study have a significant effect on record keeping behavior at given degree of freedom. However if P-value is greater than 0.05, it is concluded that there is no significant relationship between demographic variables and financial using behavior. Hence it has been concluded that there is no significant relationship i) gender and financial service use, ii) educational stream and financial service use iii) place of origin and financial service use behavior. However, there exists significant difference on financial service use behavior with respect to age group, family income, and employment status of respondents. To be more explicit people show effective financial service use behavior as ii) age especially with adult iii) family monthly income increase iv) if they are employed.

4.5 Test of hypothesis

The formulated hypothesis have been tested which are presented as below.

1) On spending behavior

- i. H_1 is accepted which means there is significant relationship between gender and spending behavior. In addition there is effective spending behavior in female respondents in comparing to male.
- ii. H_2 is rejected which means there is no significant relationship between age and spending behavior.
- iii. H_3 is accepted which means there is significant relationship between family income level and spending behavior. In addition there is effective spending behavior as family income increases.
- iv. H_4 is accepted which means there is significant relationship between educational stream and spending behavior. In addition there is effective spending behavior as respondents study management.
- v. H_5 is accepted which means there is significant relationship between employment status and spending behavior. In addition there is effective spending behavior as respondents study management.
- vi. H_6 is rejected which means there is no significant relationship between place of origin and spending behavior.

2) On record keeping behavior

- i. H_1 is accepted which means there significant relationship between gender and record is keeping behavior. In addition there is effective record keeping behavior mostly in female in comparison to male
- ii. H_2 is accepted which means there significant relationship between age group and record is keeping behavior. In addition there is effective record keeping behavior as respondents are mostly young.
- iii. H_3 is accepted which means there significant relationship between family income level and record is keeping behavior. In addition there is effective record keeping behavior as family income increases.
- iv. H_4 is rejected which means there no significant relationship between educational stream and record is keeping behavior.
- v. H_5 is accepted which means there significant relationship between employment status and record is keeping behavior. In addition there is effective record keeping behavior as respondents are employed.
- vi. H_6 is rejected which means there no significant relationship between place of origin and record is keeping behavior.

3) On saving behavior

- i. H_1 is accepted which means there significant relationship between gender and saving behavior. In addition there is effective saving keeping behavior mostly in female in comparison to male.
- ii. H_2 is accepted which means there significant relationship between age group and saving behavior. In addition there is effective record keeping behavior as respondents are mostly young.
- iii. H_3 is accepted which means there significant relationship between family income level and saving behavior. In addition there is effective saving behavior as family income increases.
- iv. H_4 is accepted which means there is significant relationship between educational stream and saving behavior. In addition there is effective saving behavior as respondents study management
- v. H_5 is accepted which means there significant relationship between employment status and saving behavior. In addition there is effective record keeping behavior as respondents are employed.

- vi. H_6 is rejected which means there no significant relationship between place of origin and saving behavior.

4) On income behavior

- i. H_1 is rejected which means there no significant relationship between gender and income behavior.
- ii. H_2 is accepted which means there significant relationship between age group and income behavior. In addition there is effective income behavior as respondents are mostly young.
- iii. H_3 is rejected which means there no significant relationship between family income level and income behavior.
- iv. H_4 is rejected which means there no significant relationship between educational stream and income behavior..
- v. H_5 is accepted which means there significant relationship between employment status and income behavior. In addition there is effective income behavior as respondents are employed.
- vi. H_6 is rejected which means there no significant relationship between place of origin and income behavior.

5) On financial service use

- i. H_1 is rejected which means there no significant relationship between gender and financial service use.
- ii. H_2 is accepted which means there significant relationship between age group and financial service use. In addition there is effective financial service using behavior as respondents are mostly young.
- iii. H_3 is accepted which means there significant relationship between family income level and financial service use. In addition there is effective financial service using behavior as family income increases.
- iv. H_4 is rejected which means there no significant relationship between educational stream and financial service use.
- v. H_5 is accepted which means there significant relationship between employment status and financial service use. In addition there is effective financial service using behavior as respondents are employed.
- vi. H_6 is rejected which means there no significant relationship between place of origin and financial service use.

4.6 Major findings

- i. Most of the respondents (64=53.3%) falls under middle class family having income range 30,000 to 50,000 and only (6=5.0%) were from income greater than 50,000. And mostly between the age of 23-30(103=85.8%) are the effective respondent.
- ii. For the level of financial behavior, financial score should be 2.5 thus, the observed financial score of record keeping is 2.79, and income behavior is 2.67 and highest average financial score on saving behavior is .2.91, these indicates positive financial attitude
- iii. There is negative financial attitude in spending behavior and financial service uses .i.e. overall mean 2.42 and 2.20. And spending behavior, record keeping behavior and saving behavior impacts on gender shows the positive attitude in attitude in financial behavior.
- iv. Respondents have shown more effects on spending as family income increases . Therefore there's increase in family monthly income which effects on spending behavior, record keeping behavior, saving behavior and financial service uses.
- v. Respondents from management stream have indicated much significant behavior than non-managements.
- vi. Employed students have shown effective financial behavior with regards to spending habit, record keeping habit, saving behavior and financial service. Whereas, there is no significant impact of employment status, so employment status make no difference on financial behavior.
- vii. Finally respondents from municipality show insignificants on overall impact in financial behavior so; all indicators do not depend on place of origin. Whereas most of the respondents (91.7%) were from municipality.
- viii. Gender ($\beta=0.153$, $p= 0.026$) and age group ($\beta=-0.138$, $p=0.010$), Monthly income ($\beta= -0.024$, $p= 0.030$), educational stream ($\beta=-0.092$, $p=0.160$), employment status ($\beta= 0.393$, $p= 0.000$), place of origin ($\beta= -0.053$, $p= 0.666$) where the heaviest weight carries by employment status ($\beta= 0.393$, $p= 0.000$) . Thus one unit increase in variables increase would lead to increase in financial behavior and similarly one unit decrease in

variable leads to decrease in financial behavior keeping other variables constant.

4.7 Discussion

Suresh Kumar, Christalita Watung, Josephine Eunike, Lusianna Liunata (2017) and also consistent with the finding with Hayoheet at. (2000) of financial service uses. The result of the study shows, the gender of respondents male and female does affect financial behavior where the female shows the effective on spending, saving and record keeping behavior in compare to male. This result and inconsistent with the finding with Thapa and Nepal, (2015). On the other hand, the result is consistent with the finding of Markovinch and Devanoy (1997) that the female are more knowledgeable and hence have better financial behavior than male.

Age of respondents found on all indicators of financial behavior. the result is consistent with findings of de Bassa Scheresberg, Carlo (2013) that the age level is positively related to financial behavior where in this study most of the respondents are young adult age of 23 to 31. And the result consistent with Thapa and Nepal, (2015) that related with the financial behavior on depends on age. Results show that respondents who display higher personal finance knowledge have better financial outcomes: they are less likely to use high-cost borrowing methods, and they are more likely to plan for future and have set aside savings for emergencies.

Overall financial behavior is influence by income level of spending, saving, record maintaining, income related activities and financial service uses. It partially consistent with finding of Chen & De Veancy (2001) that the individuals with higher income possess better financial behavior. Hence, that the family income increases the people seeks opportunities for better use of the excess financial resources.

The indicator of financial behavior on spending and saving behavior has significantly related with stream of education of respondents and insignificant with record keeping, income related activities and financial service uses. It is consistent with the conclusion of Thapa and Nepal, (2015), Fox et al. (2005) and most of the studies impact on financial literacy on financial behavior. Where most likely management stream are supposed to have better knowledge in spending and saving and other whereas finance and accounts are major subject of stream.

In this overall indicators of educational status of respondents have shown the effective financial behavior. There is effective significant relationship between different financial behaviors. The result is consistent with the finding of Chen, H., & Volpe, R.P.(1998) that the employed participants were more likely to keep financial planning through record keeping . In facts, employed respondents have to manage their expenditure from their income implying that they are focused to maintain all financial plans in saving, spending, records keeping, income related activities. When the people are employed then there is effective result in financials behavior activities.

In regards to place of origin, most of the respondents were from municipality. Respondents from municipality have shown insignificant behavior towards financial behavior .the partial explanation behind this is that as people are seeking opportunities for better use of the excess financial resources and increased of equality between male and women almost every aspect of opportunities.

CHAPTER V

SUMMARY AND CONCLUSION

The study was carried out with the aim of testing whether the selected demographic variables have significant impact on financial behavior. Out of 120 selected respondents representing variety of gender, stream of education, range of family income, range of age in a year, place of origin and employment status- mixed result are obtained both in indicator wise financial behavior and various demographic variables as well. For this, mingle of stratified sampling and convenience sampling method was adopted.

5.1 Summary

The financial behavior is influenced by factors including gender, age level, place of origin, employment status, family income, education stream. The skills and knowledge allows an individual to make informed and effective decisions with all of their financial resources and helps in making proper financial decision with proper spending habit, maintaining financial record, saving behavior, income related activities and habit of financial service use. There are some of the problem stated and research issues regarding demographic variables and financial behaviors. There are some of the issues like whether the gender difference influence financial behavior among the university students or not and the age level, family income level, education stream, employment status and place of origin affects financial behavior of university students. The objectives of this research is to evaluate the effectiveness of financial knowledge, attitude and financial behavior of students in TU and such factors could be determined by financial knowledge, attitudes, financial education, individual characteristics, family income level, employment status, place of origin, gender, age level, and education stream of students. The main purpose of the research is to examine and analyze the financial behavior of the students and how they respond to the financial situation which evaluate the effectiveness of financial knowledge, attitude and financial education of the students. The overall effective financial decision leads to positive financial behaviors which are related to improve financial well-being and long-term financial stability.

The study has limitations, the result and the conclusion may not cover the financial knowledge, attitude and financial behavior of whole Nepalese students at one hand and

the selected sample may not represent the whole sampling frame of the study. Hence, the importance should be given while applying the finding of the study to the other part and different time and financial factors are the constraints in confining this study within the very narrow area. Most of the primary data are based on the research questionnaires therefore the reliability and validity of the data depends upon the sources.

This research includes some of the important demographics with five distinct features indicators of financial behavior. The collected data have been analyzed using both descriptive statistics like mean, frequency, percentage along with analytical statistics like standard deviation, f-test, t-test, χ^2 –test, and multiple regression analysis to get information regarding the variance on financial score among the selected demographic variables on financial behavior.

The regression models were conducted to assess the simultaneous effects on demographic variables (Gender, Age, Family income, Educational stream, Employment status, Place of origin) and financial behavior on students. The results of regression analysis between Demographical variables on gender R value of gender reveals the moderate to strong positive relationship and insignificant coefficient with financial behavior. Similarly, with age level, education stream, the R value of these has moderate to strong positive relation with insignificant coefficient and R values of place of origin and education status reveals significant coefficient with financial behavior in terms of in spending, saving, maintaining records, income related activities and habits of financial services uses. The study has reveals that there is significant impacts on family monthly income as effects on spending behavior, record keeping behavior, saving behavior and financial service uses. The management streams have indicated much significant behavior than non-managements. Employed students have shown effective financial behavior with regards to spending habit, record keeping habit, saving behavior and financial service. Employment status makes difference on financial behavior.

5.2 Conclusion

The objective of the study was to examine whether the selected demographic variables have significant impact on financial behavior. The financial behavior includes spending behavior, maintaining records, saving behavior, income related activities and financial service uses. The demographic variables representing variety of gender, stream of

education, range of family income, range of age in years, place of origin and employment status. Overall the mixed results were obtained both in indicator wise financial behavior and various demographics variables.

Financial behavior is related with spending, saving, maintain records, income related activities and habits of using financial service allows an individual student to make appropriate and effective decision for future long term secured investment so, the rational decision is most important for better investment performance. The study concludes that, with regard to the test of hypothesis use of statistics χ^2 – test for independence attributes, the impact of gender on spending behavior, record keeping behavior, saving behavior were significant where income behavior and financial service use behavior is not significant. Age level has significant impact on record keeping behavior, saving behavior, income behavior, and financial service use behavior. And not significant to spending behavior. The results have shown more effective on spending behavior as family income increases whereas family. There is significant impact on family monthly income on spending behavior, record keeping behavior, saving behavior and financial service uses and there is not significant in income behavior. In all indicators of financial behavior, respondents from management stream have indicated much significant financial behavior. Employed students have shown effective financial behavior with regard to spending habit, record keeping habit, saving behavior income behavior and financial service use whereas there is no significant impact of employment status, so employment status makes a difference on financial behavior. Finally, from the municipality show insignificance on overall impact in financial behavior so; all indicators do not depend on place of origin.

By using the analysis tools Coefficient of Correlation test and Multiple Regression models, the study concluded that there is a strong positive relationship between gender and financial behavior which implies that there is effective spending behavior, saving behavior and in record keeping behavior where in the female shows more efficiency comparing to male. The gender of respondent's male and female does affect financial behavior.

With the age level, there is the moderate to strong positive relationship between age and financial behavior. The study concluded that, the age level is positively related to financial behavior where in this study most of the respondents are young adult age of

23 to 31. The age level could be made more responsible in financial knowledge, attitude and financial decision making of under how to spending habits, saving habits, record maintaining habits, income activities and habits of using financial services.

The family income level in the relationship with financial behavior shows strong positive relationship. When the family expenses increase whereas family so there's impacts on spending habits, saving activities and income related activities. Results show that respondents who display higher personal finance knowledge have better financial outcomes and they are less likely to use high-cost borrowing methods, and they are more likely to plan for future and have set aside savings for emergencies. Financial behavior is influence by income level of spending, saving, record maintaining, income related activities and financial service uses. Therefore, the individuals with higher income possess better financial behavior. Hence, that the family income increases the people seeks opportunities for better use of the excess financial resources.

With the relationship between education stream and financial behavior There is moderate to strong positive thus, it implies where most likely management stream are supposed to have better knowledge in spending and saving and other whereas finance and accounts are major subject of stream. More effective saving and record keeping in management stream than in non-management, thus in management student have more knowledge about managing in portfolios.

In regards to place of origin, there is weak to positive relationship with financial behavior. Respondents from municipality have shown positive behavior towards financial behavior. The study concluded that, the people are seeking opportunities for better use of the excess financial resources and increased of equality between male and women almost every aspect of opportunities.

Overall the study concluded that, in the aspect of included demographical variables in terms of family monthly income, gender, age level, education stream and employment status have shown the impacts on financial behavior. This study has shown that university students are lack of financial knowledge. Thus, it is importance to provide effective finance courses in order to improve financial knowledge, financial attitude, and financial behavior of university students.

5.3 Implications

This study provides insightful ideas for students, policy makers and educators regarding financial behavior with effective financial knowledge, skill, attitudes towards money management. The study in financial behavior contributes valuable knowledge in every aspect for students in making proper financial decision which leads to better investment performance and to achieve sustainable financial behavior along with the better mechanisms.

The result of the study shows, the gender of respondent's male and female does affect financial behavior where the female shows the effective on spending; saving and record keeping behavior in compare to male. The age level is positively related to financial behavior where in this study most of the respondents are young adult. Results show that respondents who display higher personal finance knowledge have better financial outcomes and they are less likely to use high-cost borrowing, and they are more likely to plan for future and have set aside savings for emergencies. Financial behavior is influence by income level of spending, saving, record maintaining, income related activities and financial service uses. The individuals with higher income possess better financial behavior. Hence, that the family income increases the people seeks opportunities for better use of the excess financial resources.

Where most likely management stream are supposed to have better knowledge in spending and saving and other whereas finance and accounts are major subject of stream. In facts, employed respondents have to manage their expenditure from their income implying that they are focused to maintain all financial plans in saving, spending, records keeping, income related activities. When the people are employed then there is effective result in financials behavior activities and respondents from municipality have shown insignificant behavior towards financial behavior. The partial explanation behind this is that as people are seeking opportunities for better use of the excess financial resources and increased of equality.

The finding of maintaining a sustainable financial behavior could only be achieved not just by teaching financial matters to students but by finding better educational mechanisms to reflect the financial knowledge they acquire on their financial attitude. This way, the chance of getting a better financial behavior for enhancing the well-being of the individual is increased. Universities are the valuable platform to give financial education, students should be given the knowledge and skills which could be used for

job seeking, but they lack the knowledge and skills necessary to manage their personal or family matters, therefore effective knowledge and techniques could be taught efficiently. Graduates needed to be equipped with basic financial knowledge and skills that will enable them to manage their income efficiently and effectively when they enter the labor force and learn about credits.

For more efficient financial education should be introduced to student and earlier to prepare students to manage their finances effectively, the approaches and learning channels can be utilized to achieve this objective. Effective financial management will contribute to improving the quality of life and sustainable consumption.

This study has provided a floor for future researchers to conduct the study of demographic factors and financial behavior. This study is focused on various aspects of demographic variables with relatively on financial behaviors like spending, saving, maintaining record keeping, income related activities and financial service uses.

5.3.1 Future Research Implication

This research is expected to be useful as comparison and benchmark in understanding the financial behavior among the TU University students with research in related to financial literacy, financial attitudes, and financial decision. The study could be further development by more distinct variables as race, religion, culture, financial management courses and educational programs to have a deeper understanding about financial behavior in its implication and to evaluate and examine the effectiveness of the financial behavior.

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APPENDICES

Questionnaire on Financial behavior among master degree student in TU

Dear Respondents,

I would like to inform you that I am undertaking a research work on “Financial behavior among master degree student in TU” to meet the partial requirement of MBS Degree in Management from Tribhuvan University. You are kindly requested to fill up the following questionnaire according to what takes place in your work environment. Your honest opinion is extremely valuable for completing this research. All answer to questions will be treated confidentially.

Section I: Respondents' Profile

Name (optional):.....

Gender: Male [] Female []

Age (in Years): Below 23 [] 23-26 [] 27-30 [] 30 and above []

Family Monthly Income range:

Below Rs.20, 000 [] Rs. 20,000- 30,000 [] Rs.30, 000-50,000 [] More than Rs.50, 000 []

Educational Stream: Management [] Non-Management []

Employment status: Employed [] Unemployed []

Place of origin: VDC [] Municipality []

Section II: Basic Information

Financial behavior

Spending habit

1. How economical/spending oriented are you? (Please select only one option)

- a. Very economical
- b. Somewhat economical
- c. Neither economical nor spending oriented
- d. Somewhat spending-oriented, rarely saving money
- e. Very spending-oriented, hardly ever saving money

2. Rate the following items on a scale of 1-4 (1, not at all true for me; 2, somewhat not true for me; 3, somewhat true for me, 4, very true for me)

Statement	1	2	3	4
a. I feel in control of my financial situation				
b. I always involve in the money spending activities with friends				
c. I always failed to control myself from spending money				
d. When I get money, I always spend it immediately				
e. "Buy now, think about it later" describe me				
f. "I see it, I like it, I buy it" describe me				
g. I am uncertain about why my money is spend				
h. I feel capable of handling my financial future (eg. buying insurance)				
i. I give importance to saving money from my monthly income				

Maintaining record

1. In what manner do you maintain financial records?

- a. Maintain no records
- b. Maintain minimal records
- c. Maintain very detailed record

2. Rate the following items on a scale of 1-4 (1, not at all true for me; 2, somewhat not true for me; 3, somewhat true for me, 4, very true for me)

Statement	1	2	3	4
a.I enjoy thinking about and have interest in reading money management				
b.I have ability to maintain financial record for my income and expenditure				
c.My parents explicitly taught me about finance				
d.I always compare the amount of saving and spending with my friends				

Savings

1. If you (your family) have/has any money left right before the next income arrives, what would you usually do with it? (Select the most appropriate option).

- a. Spend it on consumer goods
- b. Keep it in cash
- c. Deposit it into bank account
- d. Invest it in the capital market
- e. Lend it to friends or relatives
- f. Invest it in our own business
- g. Buy gold and jewelry
- h. Other (Please specify)...

2. Rate the following items on a scale of 1-4 (1, not at all true for me; 2, somewhat not true for me; 3, somewhat true for me, 4, very true for me)

Statement	1	2	3	4
a.I put money aside on a regular basis for the future				
b.In order to save, I often compare prices before I make purchase				
c.In order to save, I often consider whether the necessity before I make purchase				
d.In order to save, I always follow a careful monthly budget				
e.I always have money available in the event of emergency				
f.In order to save, I plan to reduce my expenditure				
g.I save to achieve certain goal				
h.I save until the end of my semester				

Income

1.What do you usually do when you (your family) run(s) out of money before the next income arrives?

- a. Cut down expenses and save
- b. Borrow money from relatives, friends and acquaintances
- c. Spend our savings
- d. Use a credit card or bank loan
- e. Work extra hours or do additional jobs
- f. Other (Please specify)

2. Let's assume that in addition to your regular income your family got some money in the amount of Rs 50,000- Rs 200,000. What would you do with this money most likely?

- a. Purchasing of household goods like furniture, clothes etc.
- b. Fixed deposit for future
- c. Saving for meeting contingency
- d. Repay earlier debts
- e. Go for travel or vacation
- f. Investment in own business
- g. Buy an insurance policy
- h. Buy shares
- i. Other (Please specify)...

3. Rate the following items on a scale of 1-4 (1, not at all true for me; 2, somewhat not true for me; 3, somewhat true for me, 4, very true for me)

Statement	1	2	3	4
a. I budget and track my spending				
b. I contribute to a bank saving account regularly				
c. I compare prices when shopping for purchases				
d. I have a life insurance policy				
e. I invest in the share under IPO				
f. I read to increase my financial knowledge				
g. I maintain adequate financial records				
h. I spend less than Income				
i. I maintain adequate Insurance coverage				
j. I plan and implement a regular savings/investment program				

Financial services use

1. Read the following items on a scale 1-4 (1, none; 2, not much; 3, some; 4 a lot)

Statement	1	2	3	4
Bank loan				
Insurance				
Investment				
Bank saving				
Investment in commodities				
Others				

2. Which of the following items did you learn about in your home while growing up?

(Check all that apply)

a. Budgeting

c. Taxes

e. Loans

g. Interest rates

b. Investing

d. Insurance

f. Saving

h. keeping records