IMPACT OF FINANCIAL LITERACY ON FINANCIAL INCLUSION IN NEPALESE SHARE MARKET

A Dissertation submitted to the Office of the Dean, Faculty of Management in partial fulfillment of the Requirement for the Master of Business Studies

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CERTIFICATION OF AUTHORSHIP

I hereby corroborate that I have researched and submitted the final draft of dissertation entitled "**IMPACT OF FINANCIAL LITERACY ON FINANCIAL INCLUSION IN NEPALESE SHARE MARKET**". The work of this dissertation has not been submitted previously for the purpose of conferral of any degree nor has it been proposed and presented as part of requirements for any other academic purposes. The assistance and cooperation that I have received during this research work has been acknowledged. In addition, I declared that all information sources and literature used are cited in the reference section of the dissertation.

Shanta Kumal

July 2025

REPORT OF RESEARCH COMMITTEE

Ms. Shanta Kumal has defended research proposal entitled "**IMPACT OF FINANCIAL LITERACY ON FINANCIAL INCLUSION IN NEPALESE SHARE MARKET** ", successfully. The research committee has registered the dissertation for further progress. It is recommended to carry out the work as per suggestions and guidance of supervisor Laxman Raj Kandel and submit the thesis for evaluation and viva voce examination.

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Dissertation Proposal Defended Date

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APPROVAL SHEET

We have examined the dissertation entitled "**IMPACT OF FINANCIAL LITERACY ON FINANCIAL INCLUSION IN NEPALESE SHARE MARKET** " presented by Ms. Shanta Kumal for the degree of Masters of Business Studies. We hereby certify that the dissertation is acceptable for the award of degree.

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Any remaining errors are mine.

Shanta Kumal

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ABBREVIATIONS

ANOVA	:	Analysis of Variance
FI	:	Financial inclusion
FIno	:	Financial Innovations
FL	:	Financial Literacy
FT	:	Financial Technology
MBS	:	Master in Business Studies
N	:	Number
SD	:	Standard Deviation
SPSS	:	Statistical Package for the Social Sciences
TU	:	Tribhuwan University

ABSTRACT

The objectives of this research are to evaluate the current status of financial literacy, financial technology, financial innovations, and financial inclusion in Nepal's share market; to examine the relationship between financial literacy, financial technology, and financial innovations with financial inclusion; and to analyze the impact of these factors on financial inclusion in the share market. The study uses both descriptive and causal research designs. The population consists of share market investors, with a sample of 384 participants selected through purposive sampling. Primary data were collected from investors in the Kathmandu Valley using a questionnaire as the main data collection tool. Reliability and statistical analyses were conducted, employing descriptive statistics, correlation, and regression analysis. The findings reveal that investors in the Nepalese share market are financially knowledgeable, actively utilize technological tools, and are positively influenced by financial innovations, which together contribute to a strong level of financial inclusion. The relationships between financial literacy, financial technology, and financial innovations with financial inclusion are positive and significant. Additionally, these factors have a significant effect on financial inclusion.

Keywords: financial literacy, financial technology and financial innovations, financial inclusion and share market investment

CHAPTER- I

INTRODUCTIONS

1.1 Background of the Study

Financial inclusion is crucial to promoting economic development by providing individuals and businesses with access to essential services such as banking, loans, insurance, and investment options. It contributes significantly to reducing poverty, boosting economic growth, and ensuring financial stability. However, in Nepal, inclusion in the financial sector especially within the stock market remains limited due to inadequate financial knowledge and restricted accessibility. Several elements influence financial inclusion, notably financial literacy, technological advancement, and innovative financial practices, all of which shape how people engage with financial markets (Chand, 2024).

Among these, financial literacy is foundational. It includes the understanding, skills, behaviors, and attitudes necessary for sound financial decision-making. People with a higher degree of financial literacy tend to make better investment choices, manage risks effectively, and engage more confidently in stock trading. Knowledge helps individuals grasp financial concepts like market volatility, trading, and portfolio strategies. Skills support the interpretation of financial data and the application of investment techniques. Meanwhile, attitudes influence willingness to invest, and responsible financial behaviors such as saving, budgeting, and planning are vital to long-term engagement in the stock market (Zahid et al., 2024).

Although Nepal's financial sector has expanded with more banking services, microfinance initiatives, and digital financial tools, public participation in the stock market remains weak. The Nepal Stock Exchange (NEPSE) the only secondary market in the country has experienced growth in terms of capitalization and investor involvement. Nonetheless, traditional savings methods, like fixed deposits, still dominate. This trend underscores how low financial literacy continues to be a significant barrier to stock market inclusion (Khan et al., 2023).

Financial technology (FinTech) has transformed financial accessibility and plays a key role in broadening inclusion. Innovations like mobile banking, digital payments, online investment services, and blockchain technologies have improved access, particularly for underserved and remote populations. FinTech reduces transaction costs, enhances transparency, and makes

participating in stock markets more efficient. Tools such as mobile trading apps, robo-advisors, and online education platforms empower individuals to invest. However, widespread digital illiteracy, security concerns, and uneven access to technology still limit the reach of these innovations (Asif et al., 2023).

Financial innovations including new products, services, and business models further improve access and affordability. Examples such as peer-to-peer lending, microfinance, digital wallets, and algorithm-based investments provide alternative routes for market participation. In Nepal, such innovations can help bridge the gap between traditional finance and the stock market by offering accessible and user-friendly investment options. The rise of digital trading platforms and automated financial advice has opened new opportunities for a broader demographic of investors (Ranabhat et al., 2023).

Nevertheless, several barriers persist. One of the key issues is the absence of comprehensive financial education in Nepal's academic system, which leaves individuals unprepared to navigate investment choices. Financial literacy campaigns often fail to reach rural or marginalized communities, limiting their impact. Additionally, past instances of market manipulation and a general lack of transparency have eroded public trust in financial institutions. Cultural preferences also play a role; many Nepalese tend to invest in tangible assets such as gold and real estate instead of financial instruments, which restricts diversification. The digital divide, marked by limited access to online financial services, further contributes to low levels of engagement in the stock market (Jamil et al., 2023).

To address these challenges and enhance financial inclusion in Nepal's stock market, a holistic strategy is needed. Stakeholders should prioritize integrating financial education into schools and universities to build foundational knowledge and investment competencies. Public awareness initiatives by SEBON, NEPSE, and financial institutions should promote stock market literacy through structured investor education programs. The use of FinTech via mobile banking, digital investment portals, and AI-based advisory services can make investing more accessible. Community-level financial training, especially in rural areas, can help build understanding of financial opportunities. In addition, transparent policies and stronger investor protection measures can rebuild trust and stimulate greater market participation. Promoting

digital financial education through mobile apps, e-learning platforms, and personalized AI tools can also significantly expand outreach (Ranabhat et al., 2023).

In conclusion, financial inclusion is essential for Nepal's broader economic development, and its growth within the stock market hinges on improvements in financial literacy, technology adoption, and innovation. By enhancing financial understanding, digital access, and offering user-friendly investment tools, Nepal can encourage wider participation in the share market. However, challenges such as weak financial education, lack of trust, and digital inequality must be systematically addressed. A collaborative approach involving policymakers, financial institutions, and technology providers is vital to realizing inclusive financial development and expanding participation in Nepal's capital markets.

1.2 Problem of the Statement

Financial inclusion is universally recognized as a crucial element in advancing economic development and maintaining financial stability. At its core, it ensures that individuals and businesses have access to affordable and appropriate financial services such as banking, credit, insurance, and investment instruments that address their specific financial needs. Expanding access to these services empowers people economically, aids in reducing poverty, and enhances the resilience of the financial system as a whole. In a country like Nepal, where a large portion of the population remains disconnected from formal financial institutions, promoting financial inclusion has become a central concern for both policymakers and stakeholders in the financial sector (Jamil et al., 2023).

However, despite increasing focus on improving financial inclusion, Nepal continues to face considerable obstacles, particularly regarding the low participation rate in the stock market. Participation in capital markets is an essential component of financial inclusion, as it not only supports savings but also allows individuals and businesses to grow their wealth through investment. Yet, the involvement of the general public in Nepal's stock market is still limited. This low engagement stems from multiple interconnected challenges, including poor financial literacy, insufficient access to advanced financial technologies, and slow acceptance of financial innovations. Together, these factors hinder the ability of many Nepalese to confidently and effectively navigate the intricacies of capital market activities (Khan et al., 2022).

One of the most prominent barriers is the widespread lack of financial literacy. Financial literacy refers to the knowledge and ability to understand core financial concepts such as interest rates, inflation, investment risk, and the wide array of financial products available in the market. It enables individuals to make informed decisions regarding saving, borrowing, and investing. Unfortunately, this competency is underdeveloped in Nepal. The educational system seldom incorporates financial education, and many awareness campaigns fail to effectively reach rural and disadvantaged communities. As a result, a significant number of potential investors are ill-equipped to identify investment opportunities or manage risks, which in turn limits their participation in the stock market and perpetuates financial exclusion. Kandari et al. (2021) emphasized that many Nepalese lack knowledge about the workings and benefits of the stock market, as well as how to avoid investment-related pitfalls.

Financial technology (FinTech) offers a promising avenue to overcome several of these challenges by making financial services more user-friendly and accessible. FinTech encompasses a range of digital solutions, including mobile banking, online trading applications, electronic wallets, and AI-driven advisory tools. These technologies can help democratize stock market access by eliminating physical barriers, reducing paperwork, and lowering transaction costs. In Nepal, where difficult terrain and dispersed populations often hinder service delivery, FinTech holds the potential to significantly bridge the gap between the population and financial markets. Nevertheless, several obstacles stand in the way of widespread FinTech adoption. Digital illiteracy is prevalent, particularly in rural areas with poor educational infrastructure and weak internet connectivity. In addition, fears surrounding cybersecurity and lack of trust in digital financial platforms dissuade many from engaging with them. As Bire et al. (2019) point out, these issues limit the effectiveness of FinTech in enhancing financial inclusion in the country.

Closely related to FinTech is the role of financial innovation, which introduces new financial products, streamlined processes, and modern tools like robo-advisory services and digital account setups. These innovations aim to simplify investment procedures and attract a wider demographic of investors by offering more flexible and personalized options aligned with different risk appetites and financial goals (Khan et al., 2022). In developed economies, such innovations have expanded stock market participation among previously excluded groups. However, in Nepal, the uptake of such innovative practices has been relatively slow.

Traditional investment practices still dominate, and awareness of modern financial products remains limited. This hesitance to embrace innovation creates another barrier, depriving potential investors of more transparent, accessible, and affordable entry points into the financial market. Akileng et al. (2018) note that the lack of momentum in adopting financial innovations has further constrained the utilization of Nepal's stock market and slowed the broader movement toward inclusive finance.

Given these persistent challenges, it becomes essential to examine how financial literacy, FinTech, and financial innovation collectively impact financial inclusion in the context of Nepal's stock market. Addressing these issues requires not only identifying the key drivers but also acknowledging the barriers that prevent broader participation. Improving financial literacy through targeted educational programs and awareness campaigns can equip individuals with the skills and confidence to invest (Khan et al., 2022). Concurrently, increasing access to secure and user-friendly digital financial services can lower structural and procedural barriers. Moreover, fostering the development and adoption of innovative financial products can help diversify investment options and sustain market engagement.

Addressing these issues aligns with broader national economic objectives. A higher level of stock market participation can mobilize domestic savings for more productive investments, stimulate capital formation, and support overall economic growth. It also strengthens the inclusivity and durability of the financial system, thereby promoting long-term economic stability. Understanding the interplay between financial literacy, digital financial tools, and innovation is therefore not only valuable for academic inquiry but also critical for shaping effective financial policy (Jamil et al., 2023).

This study seeks to fill the existing gap in knowledge by exploring how financial literacy, FinTech, and financial innovation affect financial inclusion in Nepal's stock market. By pinpointing the factors that drive or hinder participation, the research aims to offer practical policy recommendations for regulators, financial institutions, and development agencies working to boost inclusive participation in the capital market (Khan et al., 2022). Ultimately, addressing these challenges will unlock the potential of Nepal's population to actively contribute to and benefit from the country's economic advancement, promoting a more inclusive financial future.

The problems are understanding by the following questions.

i. What is the current status of the financial literacy, financial technology, financial innovations and financial inclusion in share market in Nepal?
ii. Whether there is the relationship of financial literacy, financial technology and financial innovations to the financial inclusion in share market in Nepal?
iii. Does the financial literacy, financial technology and financial innovations are effect on financial inclusion in share market in Nepal?

1.3 Objectives of the Study

the main objective of the research is to examine the impact of financial literacy on financial inclusion in Nepalese share market. The elaborating the objective and being the following.

i. To assess current status of the financial literacy, financial technology, financial innovations and financial inclusion in share market in Nepal.
ii. To examine the relationship of financial literacy, financial technology and financial innovations to the financial inclusion in share market in Nepal.
iii. To analyzed the effect of financial literacy, financial technology and financial innovations to the inclusion in share market in Nepal.

1.4 Hypothesis of the Study

They are two types of the hypothesis are found null hypothesis and alternative hypothesis. Here the hypothesis presented.

Hypothesis 1: There are the significant effect of financial literacy to the inclusion in share market in Nepal.

Hypothesis 2: There are the significant effect of financial technology to the inclusion in share market in Nepal.

Hypothesis 3: There are the significant effect of financial innovations to the inclusion in share market in Nepal.

1.5 Rationale of the Study

Financial inclusion is a key driver of economic development, poverty reduction, and financial system stability, as it enables individuals and businesses to access vital financial services such as banking, credit, insurance, and investment options. In Nepal, however, inclusion within the

stock market remains notably limited. This is primarily due to barriers such as low levels of financial literacy, inadequate access to financial technology, and the slow integration of financial innovations. A general lack of knowledge and confidence among the public has resulted in minimal engagement with stock trading and capital market activities, thereby hindering broader financial progress.

Financial literacy is essential for making sound investment choices, managing associated risks, and boosting participation in the stock market. Yet in Nepal, financial education is poorly integrated into the formal education system, and outreach efforts are often ineffective, especially in underserved rural and marginalized areas. Consequently, many people remain unaware of stock market opportunities and lack the fundamental skills to take part in investment activities, further limiting their financial inclusion.

Financial technology (FinTech) presents a valuable opportunity to close this gap by offering accessible, efficient financial services such as mobile banking, e-wallets, and digital investment platforms. Nonetheless, Nepal's adoption of FinTech remains limited due to challenges like digital illiteracy, cyber risk concerns, and inadequate internet connectivity in remote regions. Furthermore, public distrust in digital financial services adds another layer of resistance, discouraging many potential investors from engaging with stock market technologies.

Similarly, financial innovations including automated financial advisory tools, diversified investment products, and online trading platforms can simplify the investment process and broaden the range of available financial instruments. Yet, the Nepali financial sector has been slow to adopt such advancements, with traditional methods still dominating investment behavior. Limited exposure to and access to these innovations continue to discourage broader participation in the stock market.

In light of these issues, this research is vital as it investigates how financial literacy, financial technology, and financial innovation influence financial inclusion within Nepal's stock market. By examining the primary drivers and barriers to financial participation, the study aims to offer valuable insights for policymakers, financial institutions, and investors. The research findings will support the development of focused strategies to enhance investor awareness, encourage stock market engagement, and foster economic growth. Ultimately, this study seeks to

contribute to Nepal's financial advancement by addressing current limitations and recommending effective solutions to strengthen financial inclusion.

1.6 Limitations of the Study

i. Although this study seeks to offer meaningful insights into the impact of financial literacy, financial technology, and financial innovations on promoting financial inclusion in Nepal's stock market, it is important to recognize certain limitations:

ii. The research focuses specifically on financial inclusion within the context of Nepal's stock market, which may limit its relevance to other financial domains such as banking, insurance, or microfinance. Consequently, the findings may not be fully applicable to the broader spectrum of financial inclusion.

iii. Constraints related to time and available resources may hinder the ability to collect a sample that accurately represents the entire population of Nepalese investors. Differences in financial knowledge, technological access, and investment behaviors particularly between urban and rural groups may not be fully captured in the study's results.

iv. While the study examines the role of financial technology in promoting stock market participation, disparities in the adoption of digital financial services across various regions of Nepal could influence the outcomes. Rural areas with limited access to digital infrastructure may impact the generalizability of the findings.

v. The financial sector in Nepal is subject to ongoing change due to evolving regulations and policy reforms. Such developments during or after the study period may affect the applicability and timeliness of the research conclusions.

vi. Although the study emphasizes financial literacy, technological advancement, and innovation, it does not deeply explore psychological dimensions such as behavioral biases, levels of risk tolerance, or cultural factors which could also significantly shape individual investment decisions.

CHAPTER- II

LITERATURE REVIEW

This section covers the theoretical framework, empirical literature, and identified research gaps of the study. The theoretical review discusses in detail the underlying theories related to the study variables. The empirical review summarizes findings from prior studies conducted by both Nepali and international researchers. The research gap highlights the discrepancies between past and current research, as well as areas that remain unexplored and warrant investigation in the future.

2.1 Conceptual Review

Financial Inclusion

Financial inclusion refers to the provision of accessible and affordable financial services such as savings, credit, insurance, and digital payment systems to individuals and businesses, particularly those from disadvantaged or underserved communities. It plays a crucial role in integrating the unbanked population into the formal financial system, thereby promoting economic development and poverty reduction (Demirgüç-Kunt et al., 2018). By ensuring broader access to financial resources, financial inclusion fosters social equity and contributes to the stability of financial systems (Sarma & Pais, 2011).

Advances in technology such as mobile banking, digital wallets, and microfinance have greatly extended the reach of financial services, especially in lower-income and remote regions. Government initiatives, supportive policies, and regulatory frameworks, along with the efforts of financial institutions, are essential to advancing inclusive finance (World Bank, 2022). As a result, financial inclusion is now widely recognized as a fundamental component of achieving the United Nations Sustainable Development Goals (SDGs), particularly those that focus on inclusive economic growth and reduced inequality.

Financial Literacy

Financial literacy is the ability to understand and effectively use financial knowledge and skills to make sound decisions about personal and household finances. It includes awareness of topics such as saving, budgeting, investing, credit management, and financial risk handling (Lusardi & Mitchell, 2014). Individuals with strong financial literacy are more capable of

managing their resources, avoiding excessive debt, and planning for long-term financial security.

Research has consistently shown a positive relationship between financial literacy and financial inclusion, indicating that financially informed individuals are more likely to engage with formal financial systems (Klapper et al., 2015). Therefore, promoting financial literacy through education, public awareness campaigns, and supportive policies is essential to increasing financial engagement and inclusion.

Financial Technology (FinTech)

FinTech represents the integration of digital technologies into the delivery of financial services to enhance efficiency, accessibility, and affordability. It encompasses a range of innovations including mobile banking, digital wallets, blockchain, peer-to-peer lending, robo-advisors, and cryptocurrencies (Arner et al., 2016). These advancements are reshaping the financial industry by removing traditional barriers and making services more user-friendly and inclusive.

FinTech is particularly beneficial for individuals in remote and economically disadvantaged areas, as it facilitates their initial entry into the formal financial ecosystem (Ozili, 2018). However, the rapid growth of FinTech also introduces challenges related to security, privacy, and regulation, underscoring the need for strong governance and oversight to ensure its responsible use.

Financial Innovations

Financial innovation involves the creation and implementation of new financial products, services, technologies, or business models aimed at improving service efficiency, accessibility, and affordability. Examples include decentralized finance (DeFi), mobile money platforms, and digital currencies, which are transforming traditional financial practices (Frame & White, 2014).

These innovations provide tailored financial solutions, enhance access to financing, and simplify financial transactions. While they offer significant benefits for economic inclusion and individual empowerment, the rise of financial innovation also brings potential risks. Thus, appropriate regulatory measures are necessary to mitigate these risks and ensure that users are protected (Bădulescu et al., 2021).

2.2 Theoretical Review

Theory of Financial Literacy

Financial literacy goes beyond simply knowing how to manage a checkbook or invest in the stock market it encompasses the confidence and ability to make informed financial choices that impact daily life. It involves a wide range of financial responsibilities, including budgeting, handling debt, setting savings goals, and planning for retirement. In today's increasingly complex financial landscape, financial literacy is vital for achieving lasting financial security and stability. It reflects a dynamic combination of knowledge, mindset, and behavior that collectively supports sound financial decision-making and overall economic well-being.

Fundamentally, financial literacy means the ability to understand and apply financial concepts in practical, everyday contexts. This includes essential skills like managing a budget, saving money, investing wisely, and controlling debt. As defined by the Organization for Economic Co-operation and Development (OECD, 2016), financial literacy is built on three key elements: financial knowledge (understanding concepts such as interest rates, inflation, and investment risks), financial behavior (translating that knowledge into responsible financial actions like consistent saving and borrowing wisely), and financial attitude (the perspective and long-term approach individuals adopt toward managing their money). Together, these aspects enable people to make informed financial decisions, increasing their resilience and promoting financial inclusion.

Financial Knowledge

Financial knowledge refers to an individual's understanding of fundamental economic and financial concepts, including interest rates, inflation, investment risks, and the range of financial products available. It encompasses awareness of how these elements affect both personal finances and the wider economy. For instance, understanding the impact of interest rates on loan repayments or how inflation diminishes purchasing power helps people make well-informed choices about borrowing, saving, and investing. Additionally, being familiar with various financial instruments such as stocks, bonds, mutual funds, and insurance allows individuals to select options that match their financial objectives and risk tolerance. This

knowledge forms the essential basis for managing finances effectively and navigating the complexities of today's financial environment (Jamil et al., 2023).

Financial Behavior

Financial behavior describes how people put their financial knowledge into practice through everyday money-related decisions and actions. This involves activities such as creating budgets, saving regularly, controlling expenses wisely, and borrowing responsibly. For instance, an individual demonstrating good financial behavior might consistently set aside part of their income, steer clear of unnecessary debt, and carefully plan their spending to prevent financial problems. It also includes proactive measures like checking credit scores, negotiating better loan terms, and making thoughtful investment choices. Overall, financial behavior represents the concrete actions people take to manage their finances effectively and build financial stability and growth (Jamil et al., 2023).

Financial Attitude

Financial attitude refers to an individual's mindset and emotional approach toward managing money and planning for the future. It encompasses confidence, optimism, and self-control in handling financial issues. A positive financial attitude is characterized by proactive saving habits, willingness to explore new financial opportunities, and a readiness to take well-considered risks when appropriate. Conversely, a negative financial attitude might include fear of investing, reluctance to plan ahead, or lack of interest in managing finances effectively. This attitude greatly impacts a person's motivation and commitment to achieving financial goals and significantly influences both their financial knowledge and behavior (Khan et al., 2022).

Human Capital Theory

Financial literacy can be seen as an important personal investment, similar to obtaining formal education or vocational training. This idea is based on Human Capital Theory, introduced by Becker (1964), which suggests that individuals who invest in learning and skill development improve their productivity and long-term economic prospects. In terms of personal finance, gaining financial literacy provides people with the knowledge and abilities needed to make well-informed and strategic financial decisions. Those with a strong grasp of financial concepts are better equipped to handle risks, plan for future financial needs, and manage resources efficiently. They can also better respond to financial challenges and take advantage of

opportunities to build wealth, leading to improved financial security over time. From this perspective, financial literacy is not just a collection of skills but a valuable form of human capital that plays a crucial role in enhancing both individual and societal economic well-being.

Life-Cycle Hypothesis

The Life-Cycle Hypothesis, introduced by Modigliani and Brumberg (1954), suggests that people make financial choices based on the phase of life they are in, aiming to balance their consumption smoothly throughout their lifetime. Typically, individuals earn more during their working years and save during this time to support their spending after retirement, when income usually decreases. For example, younger adults might focus on managing student loans, building emergency funds, or establishing credit, while middle-aged adults often concentrate on mortgage payments, funding their children's education, and planning for retirement. Older adults approaching retirement tend to prioritize preserving their wealth and carefully using their savings. Financial literacy is crucial in helping people adjust their financial plans according to these life stages. By learning how to budget, save, invest, and prepare for future needs, individuals can make wiser financial decisions at every stage, promoting long-term financial security and stability.

Behavioral Finance Theory

Not all financial choices stem from logical reasoning; many are strongly affected by emotions and cognitive biases. Behavioral Finance Theory, developed by Kahneman and Tversky (1979), disputes the traditional idea that people always act as rational economic decision-makers. It emphasizes how mental biases such as overconfidence, fear of losses, anchoring on specific information, and following the crowd can heavily influence financial behavior. For instance, people might cling to losing investments to avoid acknowledging a loss or blindly follow market trends without properly evaluating risks. These behaviors frequently result in less-than-ideal financial outcomes. Financial literacy is key to reducing the impact of these biases. By enhancing knowledge of financial concepts and decision-making, individuals become more capable of identifying and controlling impulsive reactions. This enables them to make more thoughtful, informed money management decisions, fostering greater financial stability and long-term success (Khan et al., 2022).

Theory of Planned Behavior

Financial decision-making is shaped not only by an individual's knowledge but also by their personal beliefs, social context, and their perceived ability to influence financial outcomes. The Theory of Planned Behavior (TPB), introduced by Ajzen (1991), offers a detailed framework to explain these factors. According to TPB, a person's intention to perform a financial behavior such as saving regularly, investing, or sticking to a budget is influenced by three main elements: attitudes, subjective norms, and perceived behavioral control (Khan et al., 2022).

Attitudes refer to how positively or negatively a person views certain financial actions. For example, someone who believes that saving leads to long-term security is more likely to develop regular saving habits. Subjective norms involve the social pressures or expectations from family, friends, or cultural norms that influence whether someone engages in a financial behavior. Perceived behavioral control is about an individual's confidence in their ability to manage their finances effectively, which depends on access to resources, knowledge, and tools (Bire et al., 2019).

Financial literacy enhances all three components by fostering positive attitudes through clearer understanding of the benefits of good financial practices, aligning individuals with supportive social norms via education and community engagement, and boosting confidence and skills to manage money independently. Thus, financial literacy is not only about knowledge but also involves psychological and social dimensions that play a vital role in encouraging deliberate and sustainable financial behaviors (Hasan & Hoque, 2021).

Dual Process Theory

The Dual Process Theory, described by Evans (2008), provides a useful framework for understanding how people make financial decisions. The theory suggests that individuals use two separate cognitive systems when processing information and making choices. System 1 is intuitive thinking fast, automatic, and driven by emotions. It typically governs everyday financial actions like impulsive buying or reacting quickly to market movements without deep analysis. For example, someone might impulsively purchase an expensive gadget during a limited-time sale without considering its necessity or long-term financial consequences (Ediagbonya & Tioluwani, 2023).

On the other hand, System 2 involves analytical thinking, which is slower, more deliberate, and grounded in logic and evidence. This system is engaged in situations that require careful evaluation, such as choosing mortgage options, planning retirement, or comparing investment alternatives. While System 1 is helpful for making quick decisions, it can sometimes cause costly mistakes in more complex financial matters (Hasan & Hoque, 2021).

Financial literacy is essential for strengthening System 2 thinking. By enhancing understanding of financial concepts and increasing awareness of emotional and cognitive biases, financial literacy helps people adopt a more thoughtful and rational approach to decision-making. Consequently, individuals become better at pausing, evaluating, and making informed choices rather than acting on impulse, leading to more sustainable financial outcome (Hasan & Hoque, 2021).

Theoretical Framework of Financial Inclusion

Financial inclusion refers to ensuring that individuals and businesses especially those from underserved or marginalized groups have access to affordable, relevant financial products and services. These include savings accounts, loans, insurance, and digital payment options, which are vital for daily living, managing financial risks, and planning ahead. By widening participation in the formal financial system, financial inclusion plays a key role in reducing poverty, creating economic opportunities, and fostering inclusive growth (Hasan & Hoque, 2021).

However, financial inclusion goes beyond mere access; it also involves the meaningful and confident use of financial services aligned with people's personal and economic goals. Barriers such as lack of information, limited financial literacy, and mistrust in financial institutions often prevent full engagement with financial systems. Overcoming these obstacles requires a comprehensive approach that integrates economic principles with insights from behavioral science, communication, and institutional theory (Hasan & Hoque, 2021).

The concept of financial inclusion is inherently multidisciplinary. Economically, it promotes capital formation, savings mobilization, and efficient resource allocation. Behavioral finance explains why people might avoid financial services despite availability, highlighting psychological factors like fear of debt, loss aversion, and short-term thinking. Information theory stresses the need for transparent, clear financial communication, as well-informed users

are more likely to use financial products effectively. Meanwhile, institutional theory emphasizes the importance of trustworthy institutions and robust regulatory frameworks that create a secure environment for users (Bire et al., 2019).

This study focuses on four key factors that influence individual financial behavior and access: Accounting Information, Neutral Information, Advocate Information, and Personal Financial Needs. Accounting Information includes clear and structured data such as account statements, loan terms, and investment reports, which help individuals make informed financial decisions, budget better, and plan for the future (Jamil et al., 2023).

Neutral Information refers to impartial, fact-based financial content that enables users to navigate financial services objectively, free from marketing bias or misinformation. This is particularly crucial for those with low financial literacy or skepticism toward formal institutions. Advocate Information involves supportive financial education, counseling, and community outreach designed to boost users' confidence and provide tailored guidance. Advocates—such as NGOs, community leaders, and government programs play a vital role in connecting excluded populations to financial institutions (Ediagbonya & Tioluwani, 2023).

Finally, Personal Financial Needs influence how and why individuals engage with financial services, varying from saving for education or healthcare to accessing emergency loans or retirement planning. Recognizing and addressing these needs is essential for creating inclusive financial products that meet the diverse requirements of different user groups. In conclusion, financial inclusion is not simply about making services available; it is about cultivating an ecosystem where individuals are knowledgeable, confident, and empowered to use financial tools that align with their life objectives. Achieving this requires a thorough theoretical and practical understanding of the multiple factors shaping financial behavior, access, and trust within the financial system (Jamil et al., 2023).

Financial Intermediation Theory

The Financial Intermediation Theory highlights the crucial function of financial institutions in efficiently allocating capital within the economy. These institutions including traditional banks, microfinance organizations, and emerging fintech companies act as intermediaries by connecting savers, who provide funds, with borrowers, who need capital. This intermediation process is vital for directing resources from those with surplus funds to individuals or

businesses requiring financing for consumption, investment, or entrepreneurial ventures. By effectively matching capital supply with demand, financial intermediaries promote economic growth, lower transaction costs, and reduce risks associated with lending and borrowing (Jamil et al., 2023).

In addition, financial institutions play an important role in advancing financial inclusion by broadening access to credit and other financial services for a wider population, especially underserved and marginalized groups. Leveraging their networks and technological advancements, these intermediaries can reach individuals and small enterprises that might otherwise be excluded from formal financial markets (Khan et al., 2022).

A key aspect of this role is the provision and dissemination of accurate financial and accounting information. Transparency reduces the problem of information asymmetry, where one party usually the lender lacks full knowledge of the borrower's financial status or intentions. By offering reliable data and disclosures, financial intermediaries build trust and enhance decision-making for both savers and borrowers. This openness lowers lending risks, encourages greater market participation, and ultimately smooths access to essential financial services for all segments of society (Hasan & Hoque, 2021).

Information Asymmetry Theory

This theory suggests that inefficiencies in financial markets mainly arise from uneven distribution of information between financial service providers and consumers. Often, providers such as banks or lenders have more detailed knowledge about financial products, risks, and conditions than the consumers seeking these services. This imbalance breeds uncertainty and mistrust, particularly among individuals with limited financial literacy or from marginalized backgrounds, which can discourage them from fully engaging with formal financial systems. When consumers lack access to neutral, unbiased financial information, they struggle to assess options, compare products, or foresee potential risks, limiting their ability to make informed financial decisions (Akerlof, 1970).

Such information gaps significantly hinder progress toward widespread financial inclusion. Those unable to evaluate the advantages or disadvantages of financial services may avoid them or, worse, become vulnerable to predatory lending and exploitation. Tackling this issue requires proactive efforts to increase transparency and education within the financial

ecosystem. Financial education programs that provide clear and impartial information empower consumers to understand their financial choices and rights better. Similarly, transparent reporting and disclosure by financial institutions foster trust and reduce uncertainty, enabling users to navigate financial markets with greater assurance.

By addressing information asymmetry, these strategies protect consumers while creating a more inclusive financial environment where more people can access, trust, and benefit from essential financial services. Therefore, minimizing information disparities is fundamental to promoting equitable economic participation and sustainable financial development (Akerlof, 1970).

Behavioral Finance Theory

Behavioral Finance Theory examines how psychological biases and cognitive limitations influence the way people make financial decisions. Contrary to the traditional economic view that individuals always act rationally, this theory acknowledges that emotions and mental shortcuts often cause people to deviate from ideal financial behaviors. Common biases include risk aversion the tendency to avoid investments perceived as risky even when the potential rewards are high and overconfidence, where individuals overestimate their knowledge or ability to predict market trends. For example, risk-averse people may avoid investing altogether, missing growth opportunities, while overconfident investors might take excessive risks, leading to substantial losses (Kahneman & Tversky, 1979).

To combat these challenges, advocate information plays a crucial role. This includes financial literacy programs, counseling, and advisory services aimed at educating and empowering individuals to recognize and overcome their biases. By enhancing understanding of basic financial concepts and providing personalized support, advocate information helps people make more balanced and informed decisions (Kahneman & Tversky, 1979).

In addition to education, behavioral interventions such as nudges small changes in how options are presented and financial incentives have been effective in promoting healthy financial habits. For example, automatic enrollment in savings plans takes advantage of human inertia to boost participation, while timely reminders and goal-setting tools encourage consistent saving and careful spending. These approaches create environments that encourage positive financial behaviors without limiting personal choice (Kahneman & Tversky, 1979).

Combined, financial literacy efforts and behavioral interventions improve financial behaviors, which enhances financial inclusion by helping especially vulnerable or less experienced individuals engage more fully and confidently in the financial system. Ultimately, understanding and addressing the psychological aspects of financial decision-making is essential for creating policies and programs that ensure fair access to and effective use of financial services.

Theory of Planned Behavior

The Theory of Planned Behavior (TPB) proposes that an individual's financial actions are shaped by three interconnected elements: attitudes, subjective norms, and perceived behavioral control. Attitudes represent a person's positive or negative evaluation of a financial behavior for instance, someone who views budgeting and saving as advantageous is more likely to practice them. Subjective norms refer to the social pressures one feels about whether to perform certain financial behaviors, influenced by the opinions and expectations of family, friends, and cultural surroundings. When individuals sense that important people in their lives value responsible money management, they tend to follow those expectations (Ajzen, 1991).

The third element, perceived behavioral control, concerns a person's confidence in their ability to carry out the financial behavior, based on their access to resources, knowledge, and opportunities for effective money management. A stronger sense of control increases the chances that a person will engage in positive financial habits like saving, investing, or borrowing responsibly.

Moreover, personal financial needs significantly influence decision-making in this context. When individuals see that a financial product or service meets their specific goals—such as obtaining an education loan, securing health insurance, or opening a savings account—they are more motivated to use financial services. This sense of relevance boosts both their intention and actual use of financial products (Ajzen, 1991).

By combining these factors, the Theory of Planned Behavior provides a thorough understanding of why people decide to use or avoid financial products and services. It emphasizes that beyond knowledge, personal beliefs, social influences, and confidence in one's capabilities are all key in shaping financial inclusion and responsible financial choices.

Diffusion of Innovation Theory

The Diffusion of Innovation Theory examines how new technologies and ideas spread through a population over time. When applied to financial technologies like mobile banking, digital wallets, and other fintech solutions, this theory explains why different individuals and communities adopt these innovations at different speeds. Adoption does not happen all at once or evenly; rather, it progresses through stages such as awareness, interest, evaluation, trial, and finally acceptance or rejection.

A critical element in this diffusion is the presence and accessibility of both neutral and advocate financial information. Neutral information provides unbiased, factual content that helps potential users objectively evaluate the features, advantages, and risks of new financial technologies without the influence of marketing or personal opinions. Advocate information includes educational programs, user stories, and support services that actively encourage adoption by fostering trust and confidence.

Together, these information types influence how people perceive new financial tools. When individuals have access to reliable information and support from advocates like community leaders, financial educators, or service providers, they are more likely to overcome doubts and adopt these technologies. Trust is especially important because concerns about security, privacy, and usability often hinder adoption.

The diffusion of innovation theory emphasizes that successful uptake of financial technologies relies not only on the technology itself but also on effective communication and addressing users' concerns throughout the adoption process. This insight helps stakeholders develop better outreach and education strategies to enhance financial inclusion via technology.

Institutional Theory

Institutional Theory focuses on the important role that formal institutions such as regulatory bodies, central banks, and financial organizations play in shaping financial inclusion. These institutions set the rules, standards, and frameworks that govern financial markets to ensure stability, fairness, and accountability. A key way they support financial inclusion is by promoting high-quality financial reporting and transparent accounting practices. When financial institutions maintain strict reporting standards and openly share relevant information, they build trust and credibility with consumers and investors (North, 1990).

This trust is vital for encouraging participation, especially among underserved or marginalized groups. Transparent practices reduce uncertainty and perceived risks related to banking, borrowing, and investing, making financial products more accessible and appealing. Furthermore, strong institutional frameworks protect consumers from fraud and misconduct, which further boosts confidence in the financial system (North, 1990).

By ensuring transparency and ethical operation, institutional theory highlights how good governance and regulation create an environment that encourages wider participation in the financial sector. This, in turn, supports economic growth and greater social inclusion.

2.3 Empirical Review

Chand (2024) investigated the relationship between financial literacy and financial inclusion in Nepal through quantitative methods, mainly using survey data. The study concentrated on three main aspects financial knowledge, financial attitude, and financial behavior each assessed with specific indicators. Various analytical techniques were employed, including report reviews, descriptive statistics, and multiple regression analysis. The research utilized secondary survey data from Nepal Rastra Bank, treating financial literacy as the independent variable and financial inclusion as the dependent variable, while demographic characteristics acted as control variables. Using the Ordinary Least Squares (OLS) regression model, the study found that financial inclusion increased with a one-unit rise in financial literacy when controls were absent, though this effect lessened once control variables were introduced. Additionally, employment in the formal sector significantly boosted financial inclusion, and higher educational attainment showed a positive association with greater financial inclusion. These results emphasize the importance of targeted efforts to enhance financial literacy and foster inclusive financial systems to support Nepal's economic progress.

Zahid et al. (2024) explored how financial literacy influences financial inclusion among women in Pakistan. Adopting a positivist methodology focused on objective measurement and empirical analysis, the researchers used a survey design with a self-administered structured questionnaire targeting working women and university graduates. A pilot test with 80 participants was conducted to validate the instrument. Their findings revealed that various dimensions of financial literacy such as effective savings, responsible debt management, strategic investing, and thorough financial planning positively impacted women's financial

inclusion. This underscores the necessity of financial education tailored to empower women in accessing financial services.

Irman et al. (2023) examined the combined effects of financial literacy and financial technology on financial inclusion. Using purposive sampling, they selected participants aligned with their research goals. The analysis involved descriptive statistics to outline data trends, preliminary tests for data suitability, regression analysis to examine variable relationships, and hypothesis testing for statistical significance. Their results showed a strong positive link between both financial literacy and financial technology with financial inclusion, indicating that increased knowledge coupled with access to digital financial tools enhances participation in the financial system.

Khan et al. (2023) studied the association between financial literacy and financial inclusion, focusing on social interaction as a moderating factor. Based on a theoretical framework, the study collected primary data through a validated questionnaire and analyzed it using Smart PLS software, effective for complex latent variable models. Results showed that financial knowledge and behavior significantly affected financial inclusion, while financial skills and attitude did not show significant impact. Furthermore, social interaction was found to strengthen the positive influence of financial literacy on financial inclusion, supporting the study's hypotheses.

Asif et al. (2023) investigated the impact of fintech and digital financial services on financial inclusion in India. Utilizing secondary data from the Reserve Bank of India (RBI), the study applied regression and correlation analyses to assess fintech's role in expanding access to financial services. Findings revealed that fintech firms significantly enhanced financial inclusion, especially benefiting the middle-class population, highlighting the transformative effect of digital financial services on inclusive economic growth.

Ranabhat et al. (2023) analyzed the influence of financial literacy on financial inclusion in Nepal's Gandaki Province. Surveying 1,000 respondents, the study used Partial Least Squares Structural Equation Modeling (PLS-SEM) to examine relationships between variables. The results confirmed that financial literacy significantly promoted financial inclusion in the area. The study concluded that increasing awareness about financial products and services could

boost financial inclusion, offering valuable guidance for policymakers in designing effective financial literacy initiatives.

Jamil et al. (2023) examined the link between financial literacy and financial inclusion by employing a cross-section threshold regression model alongside quantile regression methods. Their analysis compared effects across different levels of financial inclusion and found that financial literacy had a relatively limited impact overall but showed a stronger influence at higher quantiles than at lower ones. These results highlight the need for financial literacy programs tailored to specific behaviors and underserved groups in developing nations.

Desai et al. (2023) studied the effect of financial literacy on financial inclusion by calculating literacy scores from objective questions on various financial topics. Through correlation and regression analyses, they identified a significant positive impact of financial literacy on all measures of inclusion, though gender did not significantly moderate this relationship.

Ediagbonya and Tioluwani (2023) explored how fintech innovations contribute to financial inclusion in developing and emerging markets. Using doctrinal and comparative methods, including content analysis of legislation, journal articles, media reports, and policy documents, they assessed challenges impeding inclusion and the roles of governments, financial institutions, and fintech firms. Despite efforts to promote digital financial services like mobile payments and ATMs, the study found that the financial inclusion gap continues to widen.

Khan et al. (2022) conducted a systematic mapping and literature review of 77 academic works on financial literacy and inclusion. Using descriptive visuals, scientific metrics, and content analysis, their study provided a comprehensive overview of research progress. They concluded that financial literacy is foundational to financial inclusion, but initiatives such as the Universal Financial Access program have had limited success, especially in raising awareness and literacy among target populations.

Hasan and Hoque (2021) analyzed how financial knowledge affects access to banking, microfinance, and fintech services in rural Bangladesh. Employing logistic, probit, and complementary log-log regression models, they found that financial literacy significantly improves access to finance. Key influencing factors included profession, income, familiarity with deposit and withdrawal procedures, and interest rate comprehension. The study offered policy recommendations for boosting financial inclusion in developing countries.

Fanta and Mutsonziwa (2021) investigated the influence of financial literacy and financial innovation on financial inclusion among Ugandan households. Using cross-sectional survey data from diverse demographic groups, their correlation and regression results indicated that both literacy and innovation strongly predict inclusion. The study concluded that financially knowledgeable households are more likely to adopt new financial products, marking an important contribution to understanding determinants of financial inclusion as promoted by the Central Bank of Uganda.

Kandari et al. (2021) examined differences in financial literacy across socio-economic groups and its effect on financial inclusion. Their regression and correlation analyses showed that literacy was higher among males, younger individuals, and higher-income groups, but lower among Scheduled Caste groups and older populations. They also found a strong positive relationship between financial literacy and inclusion, reinforcing that financial knowledge significantly improves access to financial services.

Hamza and Arif (2019) explored the impact of financial literacy on investment decisions, considering personality traits from the Big Five model as mediators. Using convenience sampling and a five-point Likert scale analyzed via Smart PLS software, the study found that financial literacy did not significantly affect investment decisions through agreeableness, conscientiousness, or extraversion, but had a significant negative effect mediated by openness to experience and a significant positive effect through neuroticism. The study suggests that financial institutions should offer investment counseling tailored to individual personality profiles.

Bire et al. (2019) investigated the effect of financial literacy on financial inclusion, with financial training acting as a mediator. Focusing on Micro, Small, and Medium Enterprises (MSMEs) and using path analysis in SPSS Version 20, they found that financial literacy directly and significantly influenced inclusion and also contributed to financial training. Furthermore, financial training mediated the relationship between literacy and inclusion. The authors recommended increasing the frequency of financial training programs to enhance inclusion by improving knowledge of financial products. They also suggested that future research explore additional factors such as transparency, accountability, and financial statement quality.

Akileng et al. (2018) investigated the influence of financial literacy and financial innovation on advancing financial inclusion among Ugandan households. Despite various initiatives, a large segment of Uganda's rural and urban population remains excluded from formal financial services, lacking access to basic banking and investment options. Using a cross-sectional survey and analyzing the data through correlation and regression methods, the study found that both financial literacy and innovation are strong predictors of financial inclusion. Households with greater financial literacy are more capable of understanding and utilizing innovative financial products, which facilitates their fuller participation in the financial system. These findings highlight the necessity for policies that promote financial education and support innovations tailored to local needs to reduce the inclusion gap.

Grohmann and Menkhoff (2021) examined the link between financial literacy and financial inclusion through detailed regression and correlation analyses. Their research provided strong evidence of a positive and significant association between the two variables. By applying instrumental variable regression, they demonstrated a causal relationship, showing that enhancing financial literacy directly increases financial inclusion. This underscores the critical role of educational programs as a fundamental strategy for broadening financial access.

Adetunji and David-West (2019) studied the effect of financial literacy on financial inclusion in Nigeria using survey data from a large, diverse sample. Their analysis identified financial literacy and income level as key drivers of inclusion. Financial literacy significantly influenced individuals' saving habits in both formal banking institutions and informal saving groups, while income levels primarily affected participation frequency in informal savings. The study also identified demographic segments, such as specific age groups, education levels, and socio-economic backgrounds, that would particularly benefit from targeted financial literacy initiatives and policies aimed at improving financial access.

Grohmann and Menkhoff (2017) explored how financial literacy impacts financial inclusion across various populations using regression and correlation analyses. They found that higher financial literacy levels substantially improve financial inclusion. Notably, the positive impact of financial literacy outweighed the benefits of advanced financial infrastructure alone. Furthermore, financial literacy amplifies the advantages of existing financial infrastructure, particularly by encouraging adoption and usage of financial products. This is especially

important in countries with less developed financial systems, indicating that financial education can be key to overcoming structural barriers to inclusion.

Table 1

Summary of Empirical Review

Authors	Title	Objectives	Methodology	Finding and conclusion
Chand (2024)	Financial Literacy and Its Role in Enhancing Financial Inclusion: A Nepalese Perspective	This study aimed to examine the relationship between financial literacy and financial inclusion in Nepal through quantitative analysis, primarily relying on data gathered from survey responses.	The study involved a review of existing reports, descriptive statistics, and the application of multiple regression analysis. It utilized secondary survey data obtained from Nepal Rastra Bank, with financial literacy serving as the independent variable and financial inclusion as the dependent variable. Demographic characteristics were incorporated as control variables. To examine the relationship, the Ordinary Least Squares (OLS) regression	The findings indicated that a one-unit rise in financial literacy led to an improvement in financial inclusion when control variables were not included. However, this effect weakened after accounting for control factors. Additionally, the study revealed that employment in the formal sector had a significant positive impact on financial inclusion, and higher levels of education were also associated with greater financial inclusion.

			model was applied.	
Zahid et al. (2024)	Can Financial Literacy Among Women Drive Greater Financial Inclusion? A Case Study of Pakistan	The study investigated the extent to which financial literacy enhances financial inclusion among women in Pakistan.	A pilot study with 80 participants was carried out to assess the reliability of the questionnaire.	The findings revealed that different dimensions of financial literacy such as savings management, debt handling, investment strategies, and financial planning significantly and positively influenced financial inclusion among women.
Irman et al. (2023)	Enhancing Financial Inclusion Among MSMEs Through Financial Literacy and FinTech	This research explored how financial literacy and financial technology contribute to enhancing financial inclusion.	The study utilized purposive sampling to collect data and applied descriptive analysis, preliminary testing, regression analysis, and hypothesis testing.	Findings showed that financial literacy and financial technology are significantly and positively linked to financial inclusion.
Khan et al. (2023)	Exploring the Relationship Between Financial Literacy and Financial Inclusion in Urban Karachi, Pakistan	This study explored the relationship between financial literacy and financial inclusion, examining the moderating role of social interaction.	The study was guided by a theoretical framework, utilizing a validated questionnaire to collect data and test hypotheses. Due to the primary nature of the data, Smart PLS was	The findings showed that financial behavior and knowledge had a significant impact on financial inclusion, while financial skills and attitudes did not. Additionally, social interaction was identified as a moderating factor in the relationship

			employed for the analysis.	between financial literacy and financial inclusion, confirming the study's hypothesis.
Asif et al. (2023)	Assessing the Influence of Fintech and Digital Financial Services on Financial Inclusion in India	This research evaluated how fintech and digital financial services influence financial inclusion in India	Using regression and correlation analyses on secondary data obtained from the Reserve Bank of India (RBI)	Findings revealed that fintech firms were instrumental in advancing financial inclusion, with notable benefits for the middle class.
Ranabhat et al. (2023)	Examining the Impact of Financial Literacy on Financial Inclusion in Gandaki Province, Nepal	The study examined the effect of financial literacy on financial inclusion in Gandaki Province, Nepal	A sample of respondents was chosen for data collection, and the study utilized Partial Least Squares Structural Equation Modeling (PLS-SEM) to examine the relationships between the independent and dependent variables.	Results indicated that financial literacy played an important role in enhancing financial inclusion within the region
Jamil et al. (2023)	Investigating the Impact of Financial Literacy on Financial Inclusion in Developing Countries: A Nonlinear and Quantile Regression Approach	The study explored the relationship between financial literacy and financial inclusion.	Using a cross-section threshold regr By applying cross-sectional threshold regression and quantile regression methods ession model and quantile regression techniques.	The empirical findings showed that financial literacy had a modest overall effect on financial inclusion, with a more pronounced impact observed at higher quantiles compared to lower ones.

Desai et al. (2023)	The Effect of Financial Literacy on Financial Inclusion: Exploring Gender as a Moderating Factor	The study investigated the impact of financial literacy on financial inclusion by calculating financial literacy scores derived from objective questions covering diverse financial topics.	Correlation and regression methods were utilized	The analysis revealed that financial literacy had a significant positive impact on all indicators of financial inclusion. However, gender did not have a statistically significant moderating effect
Ediagbonya and Tioluwani (2023)	Fintech's Contribution to Financial Inclusion in Developing and Emerging Markets: Opportunities, Challenges, and Future Outlook	The study examined the effectiveness of fintech innovations in promoting financial inclusion in developing and emerging markets.	The study utilized doctrinal and comparative research methods, conducting content analysis of primary and secondary sources, including legislation.	The findings revealed that despite numerous initiatives by governments, regulators, and financial institutions to advance digital financial services like mobile payments, ATMs, and mobile money, the gap in financial inclusion has continued to grow.
Khan et al. (2022)	The Contribution of Financial Literacy to Financial Inclusion: A Review, Integration, and Future Research Directions	The research involved conducting a systematic mapping study alongside a literature review focused on financial literacy and financial inclusion	The research utilized visual descriptive tools, scientific measurements, and content analysis to present an objective perspective on the topic.	The findings indicate that financial literacy is fundamental to achieving financial inclusion. Academically, the Universal Financial Access (UFA) program has had limited success, especially regarding its

				efforts to enhance awareness and financial literacy.
Hasan and Hoque (2021)	In what ways does financial literacy influence inclusive finance?	This research examined the impact of financial knowledge on accessing financial services such as banking, microfinance, and fintech	Three econometric models logistic regression, probit regression, and complementary log-log regression were employed	The results indicated that knowledge of financial services significantly affected access to finance. Variables like occupation, income level, awareness of deposit and withdrawal procedures, and comprehension of interest rates played a significant role.
Fanta and Mutsonziwa (2021)	The Role of Financial Literacy in Promoting Financial Inclusion in Kenya and Tanzania	The study analyzed the role of financial literacy and financial innovation in advancing financial inclusion	The study employed a cross-sectional survey design to gather data from adults representing diverse demographic groups.	Correlation and regression analyses showed that financial literacy and financial innovation are significant predictors of financial inclusion
Kandari et al. (2021)	Socio-economic Disparities in Financial Literacy and Their Relationship with Financial Inclusion in Underdeveloped Areas: Evidence from India	An analysis was conducted to explore socio-economic differences in financial literacy and their effect on financial inclusion.	Regression and correlation analyses revealed that financial literacy levels were higher among males and younger individuals	The study identified a strong positive correlation between financial literacy and financial inclusion, supporting the notion that financial knowledge greatly improves access to financial services
Hamza and Arif (2019)	The Influence of Financial Literacy on	To explored the impact of financial	Data was collected through	The findings indicated that financial literacy

	Investment Decisions: Exploring the Mediating Role of the Big Five Personality Traits	literacy on investment decisions, incorporating personality traits from the Big Five This research examined how financial literacy influences investment decisions, with Big Five personality traits acting as mediators model as mediating factors	convenience sampling, using a The study collected data through convenience sampling, employing a five-point Likert scale questionnaire and analyzing it using Smart PLS software five-point.	did not have a significant impact on investment decisions through agreeableness, conscientiousness, or extraversion. However, it exerted a significant negative influence via openness to experience and a significant positive influence through neuroticism
Bire et al. (2019)	The Impact of Financial Literacy on Financial Inclusion Mediated by Financial Training	The study explored the impact of financial literacy on financial inclusion, considering financial training as a mediating factor.	The study concentrated on Micro, Small, and Medium Enterprises (MSMEs) and utilized path analysis with SPSS Version 20 to evaluate both direct and indirect relationships.	The findings showed that financial literacy directly and significantly influenced financial inclusion and also contributed to financial training. Moreover, financial training served as a mediating factor between financial literacy and financial inclusion.
Akileng et al. (2018)	Evaluation of determinants of financial inclusion in Uganda.	This research examined the roles of financial literacy and financial innovation in promoting	The study employed a cross-sectional survey design and applied correlation and regression	The findings showed that financial literacy and financial innovation strongly predict financial inclusion. Households

		financial inclusion among Ugandan households.	analyses to the empirical data.	possessing higher financial literacy are more capable of making informed decisions about innovative financial products and services
Grohmann and Menkhoff (2021)	The connection between financial literacy and financial inclusion	The study examined the link between financial literacy and financial inclusion.	Employing regression and correlation analyses	The results showed a clear positive association between the variables, and further regression with instrumental variables confirmed that financial literacy directly impacts financial inclusion.
Adetunji and David-West (2019)	Assessing the Factors Influencing Financial Inclusion in Uganda	The study investigated the relationship between financial literacy and financial inclusion using survey data from a broad sample of Nigerians.	The study identified financial literacy and income levels as two major drivers of financial inclusion	The findings indicated that financial literacy has a significant impact on savings behavior across both formal and informal financial institutions, whereas income mainly influences the frequency of informal savings. Additionally, the results highlighted particular demographic groups that would gain the most from financial literacy programs and other initiatives aimed at improving financial access

Grohmann and Menkhoff (2017)	Financial literacy supports greater access to financial services in both developing and developed nations.	This study aims to explore how financial literacy influences financial inclusion.	This study aims to investigate the effect of financial literacy on financial inclusion using regression and correlation analyses.	The study revealed that higher financial literacy levels within a population significantly promote financial inclusion. This effect proved to be statistically strong, even exceeding the advantages offered by a well-established financial infrastructure. Moreover, financial literacy was found to enhance the effectiveness of financial infrastructure, acting as a catalyst that amplifies its positive impact on inclusion.

2.4 Research Gap

Although considerable research has explored the relationship between financial literacy and financial inclusion across different regions, important gaps remain. Prior studies such as those by Chand (2024), Zahid et al. (2024), and Irman et al. (2023) have largely focused on the general influence of financial literacy, often overlooking the effects of specific types of financial information, including accounting data, neutral or advocate-driven content, and information tailored to individual financial needs. This study aims to address this gap by examining how these diverse information types affect financial inclusion in the context of Nepal.

Moreover, while existing literature predominantly emphasizes financial knowledge and behavior (Khan et al., 2023; Ranabhat et al., 2023; Jamil et al., 2023), few studies provide a comprehensive view that incorporates financial skills and attitudes. A more holistic approach

encompassing knowledge, skills, attitudes, and behaviors is essential for a deeper understanding of how financial literacy influences inclusion.

Geographically, most research has concentrated on countries like Pakistan (Zahid et al., 2024), India (Asif et al., 2023), and several African nations (Fanta & Mutsonziwa, 2021; Akileng et al., 2018), with limited attention to Nepal. Even existing studies on Nepal (Chand, 2024; Ranabhat et al., 2023) lack comprehensive coverage across its provinces and economic sectors. Future research should therefore offer broader geographic and sectoral analysis to better capture Nepal's diverse financial landscape.

Although the role of financial technology (fintech) in promoting financial inclusion has been acknowledged (Asif et al., 2023; Ediagbonya & Tioluwani, 2023), its interaction with financial literacy in Nepal remains underexplored. Investigating how fintech adoption moderates the relationship between financial literacy and inclusion especially in rural and underserved areas could yield valuable insights.

Another overlooked area involves psychological and behavioral dimensions. While some studies (Khan et al., 2023; Hamza & Arif, 2019) have considered social interactions and personality traits, there is a lack of focus on behavioral biases, such as risk tolerance, financial confidence, and decision-making heuristics, in the Nepalese context. Incorporating these psychological factors can enrich the understanding of financial inclusion.

While various statistical methods have been applied such as multiple regression (Chand, 2024), PLS-SEM (Ranabhat et al., 2023), and threshold regression (Jamil et al., 2023) few studies have integrated these techniques or adopted more advanced tools. Future research should consider combining traditional econometric approaches with modern methods like machine learning and predictive analytics for deeper and more actionable insights.

By addressing these gaps, this study contributes to a more nuanced understanding of how financial literacy, types of financial information, fintech adoption, and behavioral traits collectively influence financial inclusion in Nepal.

CHAPTER- III

RESEARCH METHODOLOGY

This chapter outlines the research design and methodology employed in the study. It explains the research approach, data collection techniques, sampling methods, and the analytical tools used. Furthermore, it describes the measures implemented to ensure the reliability and validity of the study's findings.

3.1 Research Design

This study utilized both descriptive and causal research designs. The descriptive design was employed to obtain detailed information about the current status of both independent and dependent variables. In addition, the causal-comparative design was used to examine the relationships and effects between the independent variables and the dependent variable.

3.2 Population and Sample and sampling Design

The target population for this research consists of stock market investors. Since the population is considered infinite, the sample size was determined using the Krejcie and Morgan (1970) formula, resulting in a sample of 384 respondents. These participants were selected using a purposive sampling method.

3.3 Nature and Sources of Data

In research, primary data refers to firsthand information collected directly from original sources for a specific study. It is obtained through methods such as surveys, interviews, focus groups, experiments, and direct observation. Because it is specifically tailored to meet the objectives of the study, primary data is often highly relevant, accurate, and reliable. However, gathering primary data can be time-consuming and resource-intensive. It plays a vital role in empirical research by providing insights into current behaviors, trends, and responses that are not available through secondary data sources.

In this study, the data collected is primary in nature. The respondents are stock market investors based in the Kathmandu Valley.

3.4 Instrument of Data Collection

The study uses a questionnaire as the main instrument for collecting primary data, allowing direct acquisition of information from participants. This method efficiently gathers data that aligns with the research objectives. Questionnaires can be tailored for both quantitative and qualitative purposes and can be distributed in various formats. The accuracy of the data relies heavily on the respondents' honesty, highlighting the importance of a carefully designed questionnaire to ensure reliable results.

3.5 Methods of Analysis

To attain the study's objectives are statistical tools and methods have been applied, including the following.

3.5.1 Reliability Analysis

Table 2

Cronbach's Alpha table

Cronbach's Alpha	Internal Consistency
$\alpha \geq 0.9$	Excellent
$0.9 > \alpha \leq 0.8$	Good
$0.8 > \alpha \leq 0.7$	Acceptable
$0.7 > \alpha \geq 0.6$	Questionable
$0.6 > \alpha \geq 0.5$	Poor
$A > 0.5$	Unacceptable

Reliability is measured through Cronbach's alpha, a method used to determine the internal consistency of surveys with multiple Likert-scale items. The following guidelines are commonly applied to interpret Cronbach's alpha values for such questions:

3.5.2 Statistical Analysis

Descriptive Statistics

Descriptive statistics encompass various measures such as the mean, standard deviation, coefficient of variation, minimum, and maximum values. The mean, also referred to as the average or expected value, represents the central tendency of a dataset, alongside the median and mode. Standard deviation, on the other hand, measures the degree of spread or variability in the data. It is calculated as the square root of the variance and indicates how much individual data points differ from the mean.

Arithmetic Mean

The arithmetic mean, or average, is found by adding all the values in a dataset and dividing by the total number of observations. It represents a central point within the data, usually near the middle of the range. Often called a measure of central tendency, it indicates the typical value of the dataset. In this study, the arithmetic mean is used to analyze data from sample banks over a period of ten fiscal years. It is calculated as follows:

Mean $(\overline{X}) = \frac{\sum X}{n}$

Where, $\overline{X}$ = Mean

$\sum X$ = Sum of all the variable X

n = Variable involved

Standard Deviation (σ):

Standard deviation measures the degree of spread or variability in a dataset. It is calculated by taking the square root of the variance, which assesses how much each individual data point differs from the mean. It is represented by the symbol (**σ**).

Standard Deviation (**σ**): $S.D = \sqrt{\frac{\sum(X - \overline{X})^2}{N}}$

Where,

X=variables

= mean

N= No. of Period

Minimum

The minimum value is the smallest observation in a dataset and is considered the lowest point in the data distribution for a particular variable. It is the value that is less than or equal to all other values in the dataset. When the data is sorted in ascending order, the minimum value appears first. Each dataset has only one minimum value, as it uniquely represents the lowest data point within that set.

Maximum

The maximum value is the largest observation in a dataset and represents the highest point in the distribution for a given variable. It is the value that is greater than or equal to all other data points. When the data is organized in ascending order, the maximum value appears last. Each dataset contains only one maximum value, as it uniquely identifies the greatest data point within that set.

Correlation Analysis

The relationship was analyzed using the Pearson correlation coefficient, which varies between -1 and +1. A value of -1 signifies a perfect negative correlation, indicating that the variables move in completely opposite directions. In contrast, a value of +1 represents a perfect positive correlation, where the variables move together in the same direction.

Multiple Regression Analysis

Multiple regression analysis is a statistical method used to examine the relationship between one dependent (outcome) variable and several independent (predictor) variables. Its primary goal is to predict how changes in the independent variables affect the dependent variable. This technique shows how well the independent variables collectively explain the variation in the dependent variable. Additionally, the coefficient of determination indicates the proportion of the dependent variable's variability that the regression model accounts for. The multiple regression equation for this study can be expressed as follows:

Model

$$FI = \beta_0 + \beta_1 \times FL + \beta_2 \times FT + \beta_3 \times FI + e$$

Where,

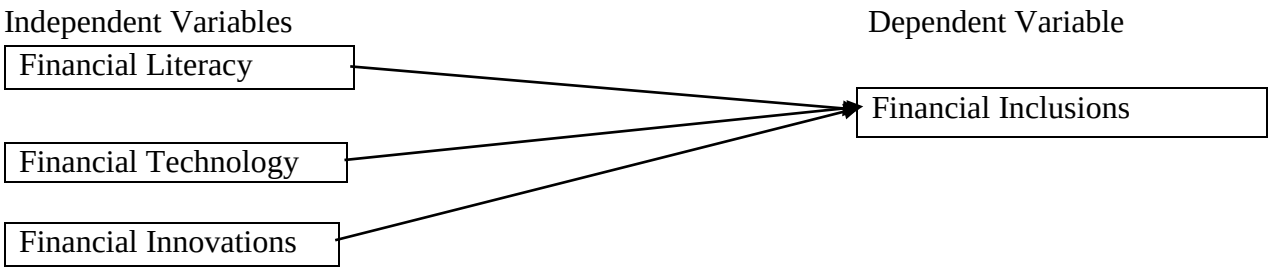
FI=Financial inclusion

FL=Financial Literacy

FT=Financial Technology

FIno=Financial Innovations

3.6 Research Framework and Definition of Variables



Source: Irman et al. (2023); Akileng et al. (2018)

Figure 1: Research Framework

Operational Definitions

Dependent Variables

Financial Inclusion

Financial inclusion refers to the efforts made to provide individuals and businesses especially those in underserved or marginalized communities with access to essential, affordable financial services. These services include savings accounts, credit facilities, insurance, remittance transfers, and digital payment systems. The goal of financial inclusion is to integrate more people into the formal financial system, thereby enhancing economic participation, reducing poverty, and promoting financial stability (Jamil et al., 2023).

Key drivers of financial inclusion include advancements in digital banking, mobile payment technologies, microfinance, and financial education. Governments, central banks, and financial institutions play a crucial role by implementing policies, regulations, and technological innovations to expand financial access. In developing countries, financial inclusion is particularly important for empowering low-income populations, encouraging entrepreneurship, and stimulating economic growth (Hasan & Hoque, 2021).

Independent Variables

Financial Literacy

Financial literacy encompasses the knowledge and skills necessary to make informed financial decisions. It involves understanding important topics such as budgeting, saving, investing, credit use, debt management, and financial planning. Individuals who are financially literate can assess risks, manage their personal finances efficiently, and plan for long-term financial security (Kandari et al., 2021).

Financial literacy is essential for economic well-being, helping people avoid financial pitfalls like excessive debt and poor investment choices. Given the increasing complexity of financial products and services, improving financial literacy has become more critical than ever. Governments, educational bodies, and financial organizations contribute to enhancing financial literacy through campaigns, educational initiatives, and supportive policies (Hamza & Arif, 2019).

Financial Technology (FinTech)

Financial technology, or FinTech, refers to the use of technology to optimize, automate, and improve financial services. This includes innovations such as mobile banking, digital payments, block chain technology, cryptocurrencies, robo-advisors, peer-to-peer lending platforms, and artificial intelligence applications in finance. FinTech aims to make financial services more accessible, affordable, and user-friendly (Hamza & Arif, 2019).

FinTech is transforming traditional financial systems by enabling quicker, safer, and more inclusive transactions. It plays a vital role in promoting financial inclusion, especially in remote or underserved regions, by facilitating easier access to banking and investment services. To ensure responsible and secure use of FinTech, governments and regulators continuously update policies while encouraging innovation within the sector (Ranabhat et al., 2023).

Financial Innovations

Financial innovations refer to the development and implementation of new financial products, services, technologies, and business models designed to improve the efficiency, accessibility, and security of financial systems. Examples include digital payment systems, block chain, cryptocurrencies, peer-to-peer lending, robo-advisors, and decentralized finance (DeFi). These innovations aim to foster financial inclusion, reduce transaction costs, and provide more customized and effective financial solutions (Ediagbonya & Tioluwani, 2023).

By enhancing market efficiency, expanding access to credit, and improving risk management, financial innovations contribute to economic progress. However, they also pose challenges such as regulatory issues, cybersecurity risks, and potential threats to financial stability. Therefore, governments, financial institutions, and regulators must carefully balance encouraging innovation with protecting consumers and maintaining economic security (Khan et al., 2022).

CHAPTER-IV

RESULT AND DISCUSSION

This chapter presents the research findings and discussion. The results cover demographic analysis, reliability testing, descriptive statistics, correlation analysis, regression analysis, and a summary of hypotheses. The conclusion provides a detailed overview of the findings, comparing them with results from previous studies.

4.1 Results

The results section involves analyzing data using various tools. It includes demographic analysis, reliability testing, descriptive statistics, correlation analysis, regression analysis, and a summary of the hypotheses.

4.1.1 Demographics Analysis

The demographic analysis of the participants highlights a diverse sample, with important factors such as age, gender, education, and marital status providing essential context for the study.

Marital Status

The analysis of marital status indicates that the sample includes married, unmarried, and divorced individuals. The majority of participants are married, with smaller proportions being unmarried or divorced. This distribution provides important insight into the relationship dynamics within the sample, which may impact attitudes and behaviors relevant to the study. Understanding the marital status of respondents helps in interpreting the results and assessing how these factors might influence the study's outcomes.

Table 3

Marital Status

		Frequency	Percent
Valid	Married	231	60.2
	Unmarried	133	34.6
	Divorce	20	5.2
	Total	384	100.0

Source: *Appendix-2*

Table 3 displays the marital status of the sample, revealing that 60.2% of participants are married, 34.6% are unmarried, and 5.2% are divorced. This indicates that the majority of respondents are married, with smaller proportions being unmarried or divorced. Understanding this distribution provides insight into the relationship dynamics of the sample and how these factors might influence the study's findings.

Respondent Gender

The gender breakdown of the respondents indicates a fairly equal representation of males and females. This balanced distribution helps capture diverse perspectives and reduces bias, contributing to a more comprehensive analysis of the research subject.

Table 4

Respondent Gender

		Frequency	Percent
Valid	Male	249	64.8
	Female	135	35.2
	Total	384	100.0

Source: *Appendix-2*

Table 4 presents the gender distribution of the sample, showing that 64.8% of participants are male and 35.2% are female. This indicates a higher proportion of male respondents compared to females. Recognizing this gender composition aids in understanding the sample characteristics and offers insight into how gender may influence the study's findings.

Respondent Age

This section provides an analysis of the age distribution of the respondents, breaking down the sample into four key age groups: below 20, 20-30, 30-45, and above 45.

Table 5

Age of Respondent

		Frequency	Percent
Valid	Below 20	9	2.3
	Age between 20-30	45	11.7
	Age between 30-45	162	42.2
	Age more than 45	168	43.8
	Total	384	100.0

Source: *Appendix-2*

Table 5 displays the age distribution of the respondents, with 2.3% under 20, 11.7% between 20 and 30, 42.2% aged 30 to 45, and 43.8% over 45. This indicates that the majority of participants are either within the 30-45 age range or older than 45, while a smaller share is under 30. This age distribution provides important context for understanding the potential impact of age on the study's outcomes and highlights the generational diversity in the sample.

Respondent Education

This section analyzes the educational backgrounds of the respondents, categorized into five levels: Below SLC/SEE, SLC/SEE, Intermediate, Bachelor's degree, and Master's degree or higher. It examines the participants' varying education levels to provide further insight into the sample.

Table 6

Education of the Respondent

		Frequency	Percent
Valid	Below Slc/SEE	30	7.8
	SLC/SEE	148	38.5
	Intermediate	124	32.3
	Bachelor	62	16.1
	Master and Above	20	5.2
	Total	384	100.0

Source: *Appendix-2*

Table 6 illustrates the educational backgrounds of the respondents, revealing considerable diversity. The largest segment, accounting for 38.5% of participants, has completed education up to the SLC/SEE level, which corresponds to secondary school completion in Nepal. Close behind, 32.3% of respondents have attained Intermediate-level education, generally equivalent to higher secondary or college preparatory studies.

A smaller share of the sample holds advanced qualifications, with 16.1% having earned a Bachelor's degree and 5.2% holding a Master's degree or higher. Additionally, 7.8% of respondents have education below the SLC/SEE level.

This distribution indicates that most participants have at least completed basic secondary education, with a significant portion having pursued further studies. Educational attainment plays a crucial role, as it can affect individuals' financial literacy, comprehension of investment opportunities, and their capacity to participate effectively in the share market. Typically, higher

education levels are linked to improved financial decision-making abilities and better access to financial resources, which can influence the degree of financial inclusion among individuals in the study.

Respondent Income Per month

This section looks at the respondents' monthly income, offering a glimpse into the financial background of the sample.

Table 7

Income of the Respondent

		Frequency	Percent
Valid	up to 20000	78	20.3
	20001 to 30000	183	47.7
	30001 and above	123	32.0
	Total	384	100.0

Source: *Appendix-2*

Table 7 displays the monthly income distribution of the respondents, offering insight into their financial status. As shown, 20.3% of participants earn up to NPR 20,000 per month, representing the lower-income group. The largest segment, comprising 47.7%, earns between NPR 20,001 and NPR 30,000 monthly, indicating a moderate income level for nearly half of the sample. Meanwhile, 32.0% earn more than NPR 30,001 per month, reflecting the higher-income bracket within the group.

This distribution highlights the diverse financial backgrounds of the respondents, with a considerable portion falling into the middle-income range. Understanding these income levels is crucial, as they can affect individuals' ability to save, invest, and engage in financial markets. Generally, higher income is associated with greater financial inclusion and investment participation, whereas lower income may restrict access to financial products and services.

4.1.2 Reliability Analysis

Reliability analysis is conducted to assess the consistency and dependability of the instruments used to measure the study's variables. This involves examining the internal consistency of the data, commonly through techniques like Cronbach's alpha.

Table 8

Reliability Analysis

Variables	Results	Remarks
Financial inclusion	0.785	Reliable
Financial Literacy	0.817	Reliable
Financial Technology	0.766	Reliable
Financial Innovations	0.944	Reliable

Source: Appendix-2

Table 8 shows the reliability analysis of the study's variables using Cronbach's alpha. All variables financial inclusion (0.785), financial literacy (0.817), financial technology (0.766), and financial innovations (0.944) surpass the commonly accepted reliability threshold of 0.70, indicating strong internal consistency. Financial innovations exhibit the highest alpha value, reflecting excellent alignment among its items. These results confirm that the questionnaire items are dependable and suitable for further statistical analysis.

4.1.3 Descriptive Statistics Analysis

Descriptive statistics are used to organize and summarize data, providing a clear overview of the key features of each variable. This analysis involves measures such as the mean, standard deviation, and range, which highlight the data's central tendency, dispersion, and overall distribution.

Table 9

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Financial inclusion	384	3.14	5.00	4.86	.36
Financial Literacy	384	2.80	5.00	4.81	.33
Financial Technology	384	3.60	5.08	4.85	.29
Financial Innovations	384	3.20	5.00	4.83	.363
Valid N (listwise)	384				

Source*: Appendix-2*

Table 9 displays the descriptive statistics of the study variables, including the number of respondents, along with the minimum, maximum, mean, and standard deviation for each variable. The results indicate relatively high mean scores across all variables, with Financial Inclusion (M = 4.86) ranking highest, followed closely by Financial Technology (M = 4.85), Financial Innovations (M = 4.83), and Financial Literacy (M = 4.81). These elevated mean values suggest that respondents generally hold positive views toward the assessed factors.

The low standard deviation values indicate limited variability in responses, reflecting consistency in participants' perceptions. Overall, the results imply that investors in Nepal's share market are financially literate, actively engage with financial technologies, and are positively influenced by financial innovations all of which contribute to a high level of financial inclusion.

4.1.3.1 Descriptive Statistics Analysis of Financial Literacy

This section provides a descriptive analysis of financial literacy among 384 respondents actively investing in the Nepalese share market. The analysis centers on key aspects such as knowledge of market operations, the ability to interpret stock-related data, awareness of investment risks, and familiarity with financial terminology. The findings indicate a generally high level of financial literacy, with most participants displaying strong understanding and awareness of stock market functions.

Table 10 outlines the descriptive statistics for five financial literacy indicators. The data reveal consistently high self-assessed financial knowledge among respondents. The item "I can interpret basic stock market data such as stock prices, indexes, and dividends" recorded the highest mean score of 4.9505 (on a 5-point scale) with a low standard deviation of 0.21715, indicating strong confidence in interpreting market data and minimal variation in responses.

Two items "I am aware of the risks and returns associated with investing in shares" and "I understand basic financial terms like EPS, P/E ratio, and market capitalization" both reported a mean of 4.8698 and a standard deviation of 0.49932. These results reflect a consistently high level of financial awareness concerning fundamental concepts and investment risks.

The statement "I follow financial news and updates that affect the Nepalese share market" also shows a high mean score of 4.8516 and a slightly higher standard deviation of 0.51235,

suggesting that most investors regularly track market developments, though with slightly more variation in their engagement levels.

Table 10

Financial literacy Descriptive Statistics (N=384)

	Minimum	Maximum	Mean	Std. Deviation
I understand how the Nepalese share market operates.	4.00	5.00	4.5234	.50010
I can interpret basic stock market data such as stock prices, indexes, and dividends.	4.00	5.00	4.9505	.21715
I am aware of the risks and returns associated with investing in shares.	2.00	5.00	4.8698	.49932
I follow financial news and updates that affect the Nepalese share market.	2.00	5.00	4.8516	.51235
I understand basic financial terms like EPS, P/E ratio, and market capitalization.	2.00	5.00	4.8698	.49932
Valid N (listwise)				

Source*: Appendix-2*

Lastly, the statement "I understand how the Nepalese share market operates" has a mean score of 4.5234 and a standard deviation of 0.50010. Although still relatively high, this score is slightly lower than those of the other indicators, indicating that while many investors claim a solid grasp of market operations, their confidence or knowledge in this area may be somewhat lower compared to their ability to interpret data or understand financial terminology.

4.1.3.2 Descriptive Statistics Analysis of Financial Technology

This section examines the descriptive statistics concerning the use of financial technology among 384 investors in Nepal’s share market. It explores respondents' familiarity with online trading platforms, their use of mobile and internet banking, confidence in handling FinTech tools, and trust in digital financial systems. The results show consistently high average scores across all indicators, indicating that investors are both comfortable with using financial technology and acknowledge its contribution to improving accessibility and efficiency in the share market.

Table 11

Financial Technology Descriptive Statistics (N=384)

	Minimum	Maximum	Mean	Std. Deviation
I am familiar with digital platforms used for trading shares.	4.00	5.40	4.8292	.37879
I use mobile or internet banking to manage my investments or financial transactions.	4.00	5.00	4.8255	.38002
I believe FinTech has made it easier to access the Nepalese share market.	4.00	5.00	4.8438	.36357
I feel confident using FinTech tools to monitor my share investments.	4.00	5.00	4.9193	.27277
I trust digital platforms with my financial and personal information.	2.00	5.00	4.8385	.52107
Valid N (listwise)				

Source*: Appendix-2*

Table 11 displays the descriptive statistics on financial technology usage among 384 investors in Nepal's share market, highlighting their familiarity with, usage of, and trust in FinTech tools and platforms. The consistently high mean scores across all items indicate broad adoption and favorable attitudes toward financial technology.

The highest mean score, 4.91, with a low standard deviation of 0.272, reflects strong confidence among respondents in using FinTech tools to track their investments, with minimal variation in responses. Similarly, a mean of 4.8438 shows widespread agreement on FinTech's role in enhancing access to the market. High mean scores above 4.82 for familiarity with digital trading platforms and use of mobile or internet banking suggest frequent and active digital engagement.

Although trust in digital platforms shows a slightly lower mean of 4.83 and the highest standard deviation (0.52107), it still indicates a strong overall level of trust, though with more diverse opinions. In summary, the data suggest that financial technology is broadly embraced and positively perceived by share market investors in Nepal.

4.1.3.3 Descriptive Statistics Analysis of Financial Innovations

This section provides a descriptive analysis of financial innovations, based on feedback from 384 investors in Nepal's share market. It focuses on their perceptions of recent technological developments, including online share application systems, mobile trading applications, and electronic KYC (e-KYC) processes. The analysis reveals consistently high mean scores across all indicators, indicating that investors generally perceive these innovations as valuable tools that have improved the accessibility, efficiency, and inclusiveness of the market. Overall, the results reflect a strong positive outlook on financial innovations and their role in promoting increased investor participation.

Table 12

Financial Innovations Descriptive Statistics (N=384)

	Minimum	Maximum	Mean	Std. Deviation
I believe recent innovations have made it easier to invest in the share market.	2.00	5.00	4.8255	.52932
I find the online share application process (e.g., MeroShare) more efficient than the traditional system.	2.00	5.00	4.8411	.51936
I am comfortable using new technologies like mobile trading apps or e-KYC systems.	4.00	5.00	4.8229	.38224
I believe technological innovations have made the share market more inclusive for all levels of investors.	4.00	5.00	4.8229	.38224
I feel encouraged to invest more due to the innovative financial services available.	4.00	5.00	4.8438	.36357
Valid N (listwise)				

Source*: Appendix-2*

Table 12 displays the descriptive statistics related to financial innovations among 384 investors in Nepal's share market. The analysis centers on investor perceptions of recent advancements, such as online share application systems, mobile trading apps, and e-KYC technologies. The

results show consistently high mean scores across all items, indicating a strong positive view of the impact of financial innovations on market accessibility and efficiency.

The highest level of agreement was observed for the statement “I feel encouraged to invest more due to the innovative financial services available,” with a mean of 4.8438 and a low standard deviation of 0.36357, reflecting a shared sentiment among respondents. Likewise, the efficiency of online tools like Mero Share earned a high mean of 4.8411, demonstrating broad acceptance of digital platforms as more effective than traditional methods. Confidence in using new technologies and the perception that innovations enhance financial inclusion both recorded mean scores of 4.8229, with minimal variation in responses.

Despite two items receiving a minimum rating of 2.00, the consistently high average scores suggest that the majority of investors view financial innovations as beneficial and instrumental in encouraging broader market participation.

4.1.3.4 Descriptive Statistics Analysis of Financial Inclusion

This section offers an overview of financial inclusion among 384 investors in Nepal’s share market, focusing on key aspects such as access to trading platforms, engagement in equity investments, ease of using market services, and trust in financial institutions. The descriptive statistics indicate generally high levels of market participation and accessibility, with most respondents actively trading, expressing confidence in the financial system, and experiencing few barriers to entry. These results suggest that financial inclusion in Nepal’s share market is strong, supported by effective infrastructure and investor confidence.

Table 13 presents the descriptive statistics for financial inclusion among the 384 investors, highlighting their access to crucial trading platforms, involvement in investment activities, convenience in using share market services, and trust in financial institutions. Respondents reported high access to DEMAT accounts and the Mero Share platform, with an average score of 4.8750, indicating widespread use of digital trading tools. Participation in Initial Public Offerings (IPOs) and other equity investments also received a high mean score of 4.8698, demonstrating active market engagement.

Table 13

Financial Inclusion Descriptive Statistics (N=384)

	Minimum	Maximum	Mean	Std. Deviation
I have access to a DEMAT account and Mero Share platform.	4.00	5.00	4.8750	.33115
I have participated in Initial Public Offerings (IPOs) or other equity investments.	2.00	5.00	4.8698	.49932
I find it easy to access share market services through banks or brokers.	2.00	5.00	4.8516	.51235
I am actively involved in buying or selling shares in the Nepalese stock market.	2.00	5.00	4.8698	.49932
I trust the Nepal Stock Exchange (NEPSE) and related institutions for secure transactions.	4.00	5.00	4.8568	.35076
I believe the current financial infrastructure allows me to invest in the share market conveniently.	4.00	5.00	4.8568	.35076
I have not faced major barriers (e.g., lack of knowledge, technology, or documentation) in participating in the share market.	4.00	5.00	4.8750	.33115
Valid N (listwise)				

Source*: Appendix-2*

The ease of accessing share market services through banks or brokers scored a mean of 4.8516, indicating that most investors find these channels user-friendly. Similarly, active trading levels are high, with a mean score of 4.8698, reflecting frequent buying and selling of shares.

Trust in the Nepal Stock Exchange (NEPSE) and associated institutions is strong, demonstrated by a mean of 4.8568, which corresponds with perceptions of a secure and dependable trading environment. Investors also generally feel that the existing financial infrastructure facilitates easy market participation.

Most participants reported minimal obstacles related to knowledge, technology, or documentation, with a mean of 4.8750, suggesting smooth access and inclusion in the share market system. Overall, these results indicate a high degree of financial inclusion among investors in Nepal's share market.

4.1.4 Correlation Analysis

Correlation analysis is carried out to evaluate the association between two or more variables, measuring both the strength and direction of their relationship. This technique helps uncover patterns or trends that show how variations in one variable may correspond with changes in another. Correlation coefficients, such as Pearson's correlation, are employed to quantify these connections.

Table14

Correlation Analysis

		Financial inclusion	Financial Literacy	Financial Technology	Financial Innovations
Financial inclusion	Pearson Correlation	1			
	Sig. (2-tailed)				
	N	384			
Financial Literacy	Pearson Correlation	.378**	1		
	Sig. (2-tailed)	.000			
	N	384	384		
Financial Technology	Pearson Correlation	.583**	.759**	1	
	Sig. (2-tailed)	.000	.000		.
	N	384	384	384	
Financial Innovations	Pearson Correlation	.566**	.829**	.904**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	384	384	384	384

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

Source: *Appendix-2*

Table 14 displays the correlation analysis between financial literacy and financial inclusion-related variables. The study includes 384 investors actively participating in the share market.

The correlation coefficient between financial literacy and financial inclusion is r = 0.378, indicating a moderate positive relationship. The significance value of 0.000 confirms that this correlation is statistically significant, implying that individuals with greater financial literacy tend to have higher levels of financial inclusion.

The correlation between financial technology and financial inclusion is r = 0.583, representing a strong positive association. The significance value of 0.000 shows that this relationship is highly significant, emphasizing that the use of financial technology greatly supports financial inclusion among Nepalese share market investors.

Similarly, the correlation between financial innovations and financial inclusion is r = 0.566, indicating a strong positive connection. With a significance value of 0.000, this relationship is statistically significant, suggesting that financial innovations significantly contribute to enhancing financial inclusion.

4.1.5 Regression Analysis

Regression analysis is used to investigate the impact of one or more independent variables on a dependent variable. It enables the prediction of the dependent variable based on the values of the independent variables. The regression equation produces coefficients that indicate both the strength and direction of these influences. Additionally, significance levels help determine whether the independent variables significantly affect the dependent variable, while the R-squared value shows the percentage of variation in the dependent variable explained by the model. This approach offers valuable understanding of how various factors influence the utilization of agricultural finance.

Table 15

Model Summary of Regression

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.614[a]	.377	.372	.28905

a. Predictors: (Constant), Financial Innovations , Financial Literacy , Financial Technology

Source: *Appendix-2*

Table 15 displays the regression analysis results, showing that financial innovations, financial literacy, and financial technology explain 37.7% of the variation in financial inclusion (r = 0.614). The model demonstrates a moderate to strong correlation, with an adjusted R-squared value of 0.372, indicating a good fit. The standard error of estimate is 0.28905, representing a moderate average discrepancy between the predicted and actual values. Overall, these factors significantly influence financial inclusion, although other variables not included in the model may also contribute.

Table 16

ANOVA of Model

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	19.220	3	6.407	76.682	.000[b]
	Residual	31.749	380	.084		
	Total	50.969	383			

a. Dependent Variable: Financial inclusion

b. Predictors: (Constant), Financial Innovations , Financial Literacy , Financial Technology

Source: *Appendix-2*

Table 16 present the ANOVA of the Study. The p-value of 0.000 indicates that the regression model is statistically significant, suggesting that the independent variables, as a group, have a meaningful effect on the dependent variable, "financial inclusion."

Table 17

Regression Coefficient

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.835	.259		7.092	.000
	Financial Literacy	-.328	.078	-.303	-4.181	.000
	Financial Technology	.502	.116	.409	4.325	.000
	Financial Innovations	.449	.111	.447	4.057	.000

a. Dependent Variable: Financial inclusion

Source: *Appendix-2*

Table 17 presents the regression coefficients illustrating the relationships between financial inclusion and three key independent variables: financial literacy, financial technology, and financial innovations. The analysis is based on responses from 384 active investors in Nepal's share market. Each B coefficient reflects the strength and direction of the relationship with financial inclusion, while the significance (sig.) value indicates whether the relationship is statistically significant.

The B coefficient for financial literacy is -0.328 with a significance value of 0.000, which is below the 0.05 threshold. This indicates a statistically significant but negative relationship,

meaning that as financial literacy increases, financial inclusion in the share market tends to decrease.

Conversely, the B coefficient for financial technology is 0.502, also with a significance value of 0.000, showing a strong and statistically significant positive relationship. This suggests that greater use or access to financial technology such as mobile trading apps, digital wallets, or online brokerage services enhances financial inclusion by making market participation easier and more convenient.

Similarly, financial innovations have a positive B coefficient of 0.449 with a significance of 0.000, indicating a significant positive impact. This implies that adopting innovative financial products and services helps increase participation in the formal share market by reducing barriers, creating new investment opportunities, or improving the efficiency and attractiveness of existing processes.

4.1.6 Summary of Hypothesis

The summary of hypothesis present the detail of statement and remark based on result.

Table 18

Summary of hypotheses Test

Statements	Remarks
Hypothesis 1: There are the significant effect of financial literacy to the inclusion in share market in Nepal.	Not Rejected
Hypothesis 2: There are the significant effect of financial technology to the inclusion in share market in Nepal.	Not Rejected
Hypothesis 3: There are the significant effect of financial innovations to the inclusion in share market in Nepal.	Not Rejected

Table 18 presents the study's hypotheses and their outcomes. The results indicate that financial literacy, financial technology, and financial innovations all have a significant impact on participation in Nepal's share market. None of the three hypotheses were rejected, providing strong statistical evidence of a meaningful connection between these factors and financial inclusion. Specifically, individuals with higher financial literacy are more likely to participate

in the stock market, likely due to greater confidence and better understanding of investment opportunities. Furthermore, financial technology, such as mobile trading platforms and online tools, enhances accessibility and user convenience, encouraging broader market involvement. Financial innovations also play a positive role by introducing new investment products and services that attract a wider range of investors. Overall, the study highlights the critical role of improving financial literacy, advancing technological infrastructure, and promoting innovation to foster greater inclusion in Nepal's capital market.

4.2 Discussion

The first objective of this research is to evaluate the current status of financial literacy, financial technology, financial innovations, and financial inclusion in Nepal's share market. The findings reveal that investors in the Nepalese share market are financially knowledgeable, actively engage with technological tools, and are positively influenced by financial innovations factors that together contribute to a strong level of financial inclusion. These results align with the findings of Khan et al. (2023) and Desai et al. (2023).

The second objective is to examine the relationship between financial literacy, financial technology, financial innovations, and financial inclusion in Nepal's share market. The analysis shows that the correlation between financial literacy and financial inclusion is statistically significant, consistent with the results of Irman et al. (2023). The correlation between financial technology and financial inclusion is highly significant, supporting findings by Ediagbonya and Tioluwani (2023). Additionally, the relationship between financial innovations and financial inclusion is also statistically significant, which aligns with the study by Hasan and Hoque (2021).

The third objective is to analyze the impact of financial literacy, financial technology, and financial innovations on financial inclusion in Nepal's share market. The results indicate a statistically significant negative effect of financial literacy on financial inclusion, consistent with Fanta and Mutsonziwa (2021). Conversely, there is a statistically significant positive relationship between financial technology and financial inclusion, in line with Hasan and Hoque (2021). Furthermore, financial innovations also have a statistically significant positive influence on financial inclusion, supporting the findings of Jamil et al. (2023) and also consistent with the result of Chand (2024).

CHAPTER-V

SUMMARY AND CONCLUSION

This chapter included the summary, conclusion and implications. The summary is the detail from the beginning of the research, conclusion about the explanation of the objective based result and short conclusion. The implication explains the uses of the research result.

5.1 Summary

Financial inclusion is crucial for economic development as it allows individuals and businesses to access key financial services like banking, credit, insurance, and investment opportunities. A core element in advancing financial inclusion is financial literacy, which includes the knowledge, skills, attitudes, and behaviors needed for effective financial management. People with higher financial literacy are better able to make informed investment choices, manage risks, and actively engage in stock trading. Financial technology (FinTech) has transformed access to financial services, significantly boosting financial inclusion. Technologies such as digital banking, mobile payments, online investment platforms, and blockchain solutions have made financial services more reachable, especially in remote and underserved regions. Financial innovations introduce new products, services, and business models that increase financial accessibility and affordability. Examples include microfinance, peer-to-peer lending, digital wallets, and algorithm-driven investment tools, all of which provide alternative ways for people to participate in financial markets. Financial inclusion is a vital driver of economic growth, and its expansion in Nepal's share market relies heavily on financial literacy, FinTech, and financial innovations. Enhancing financial knowledge, digital accessibility, and innovative investment options can strengthen inclusion, leading to higher stock market participation and overall economic progress. Based on this context, the present research investigates the "impact of financial literacy on financial inclusion in the Nepalese share market."

The research addresses the following problems: What is the current status of financial literacy, financial technology, financial innovations, and financial inclusion in Nepal's share market? Is there a relationship between financial literacy, financial technology, and financial innovations with financial inclusion in the Nepalese share market? Additionally, how do financial literacy, financial technology, and financial innovations affect financial inclusion in

this market? To answer these questions, the study sets three main objectives: to assess the current status of financial literacy, financial technology, financial innovations, and financial inclusion in Nepal's share market; to examine the relationship between financial literacy, financial technology, and financial innovations with financial inclusion; and to analyze the effects of these factors on financial inclusion in the share market.

This study utilizes both descriptive and causal research designs. The population consists of share market investors, from which a sample of 384 participants was selected through purposive sampling. Primary data were collected using a questionnaire administered to investors based in Kathmandu Valley. The research includes reliability testing and employs various statistical analyses such as descriptive statistics, correlation, and regression analysis.

The findings reveal that investors in Nepal's share market are financially knowledgeable, frequently use technological tools, and are positively influenced by financial innovations—factors that collectively promote a strong level of financial inclusion. Moreover, the relationships between financial literacy, financial technology, financial innovations, and financial inclusion are found to be positive and statistically significant. The study also confirms that financial literacy, financial technology, and financial innovations have significant effects on financial inclusion in the share market.

5.2 Conclusion

The first objective of the research is to evaluate the current status of financial literacy, financial technology, financial innovations, and financial inclusion in Nepal's share market. The findings reveal that investors in the Nepalese share market possess strong financial awareness, actively utilize technological tools, and are positively influenced by financial innovations, all of which contribute to a robust level of financial inclusion. In summary, investors demonstrate commendable financial knowledge, effectively use technology, and benefit from ongoing innovations.

The second objective is to examine the relationship between financial literacy, financial technology, financial innovations, and financial inclusion in the Nepalese share market. The results indicate that these relationships are positive and statistically significant. In conclusion, financial literacy, financial technology, and financial innovations are significantly associated with financial inclusion.

The third objective is to analyze the impact of financial literacy, financial technology, and financial innovations on financial inclusion in the share market. It is found that these factors have a significant effect on financial inclusion. Thus, the study concludes that financial literacy, financial technology, and financial innovations significantly influence financial inclusion.

5.3 Implications

The theoretical and managerial implication are presented here under.

Theoretical Implications

i. This study enhances conceptual insight into the relationship between financial literacy and participation in equity markets. It strengthens the association between knowledge acquisition and investor behavior, enriching existing theories in behavioral finance and decision-making.

ii. The outcomes support theoretical models that highlight education and awareness as key drivers in reducing socio-economic inequality. Financial literacy emerges as a pivotal element in promoting equal opportunities within financial markets.

iii. This research lays the groundwork for subsequent academic studies investigating how financial education impacts economic engagement. It also opens avenues for examining the influence of demographic factors such as age, income level, gender, and location on investment behavior.

Managerial Implications

i. The findings offer practical insights for government bodies and regulatory agencies in crafting financial literacy programs tailored to marginalized or less-informed groups, fostering wider market involvement.

ii. Academic institutions and financial entities can use these insights to design customized financial training that addresses specific knowledge gaps, thereby encouraging informed participation in the share market.

iii. Improving financial literacy among potential investors can boost retail participation, contributing to greater market depth, better liquidity, and overall financial system efficiency.

iv. Organizations in the financial sector can incorporate literacy-driven outreach into their CSR efforts, fostering trust, minimizing knowledge barriers, and supporting inclusive economic development.

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APPENDIX

Appendix- I

Survey Questionnaire

March, 2025

Dear Respondent,

I am conducting this questionnaire survey for an academic research as required by the MBS program. The title of my research is "IMPACT OF FINANCIAL LITERACY ON FINANCIAL INCLUSION IN NEPALESE SHARE MARKET". I would to like to state that this research is purely for an academic propose and I am simply interested in yourself and honest answer. I assure you that strict confidentiality will be maintained and the information furnished by you will be used only for academic purpose.

Thank you for your cooperation.

Shanta Kumal

Shanker Dev Campus

Part I: Personal detail

1. Your Full Name

   _____

2. Marital status
   - Married [ ]
   - Unmarried [ ]
   - Divorce [ ]
3. Gender
   - Male [ ]
   - Female [ ]
   - Other [ ]
4. Age

- Below 20 [ ]
- 20-30 [ ]
- 30-45 [ ]
- More than 45 [ ]

5. Educations
    - Below SLC/ SEE [ ]
    - SLC/SEE [ ]
    - Intermediate [ ]
    - Bachelor [ ]
    - Master degree and above [ ]
6. Income level
    - Up to 20000 [ ]
    - 20001 to 30000 [ ]
    - 30001 and above [ ]

Part II: Likert type questions

Below are several statements about you with which you may agree or disagree. Using the response scale below, indicate your agreement or disagreement with each item by choosing the appropriate number. Please give your responses as follows

(1 = strongly Disagree, 2= Disagree, 3 = Neutral, 4 = Agree and 5 = Strongly Agree)

Q.N.	**Statements**	**S.D**	**D**	**N**	**A**	**S.A**
Financial literacy		**1**	**2**	**3**	**4**	**5**
1.1	I understand how the Nepalese share market operates.					
1.2	I can interpret basic stock market data such as stock prices, indexes, and dividends.					

1.3	I am aware of the risks and returns associated with investing in shares.					
1.4	I follow financial news and updates that affect the Nepalese share market.					
1.5	I understand basic financial terms like EPS, P/E ratio, and market capitalization.					
Financial Technology						
2.1	I am familiar with digital platforms used for trading shares.					
2.2	I use mobile or internet banking to manage my investments or financial transactions.					
2.3	I believe FinTech has made it easier to access the Nepalese share market.					
2.4	I feel confident using FinTech tools to monitor my share investments.					
2.5	I trust digital platforms with my financial and personal information.					
Financial Innovations						
3.1	I believe recent innovations have made it easier to invest in the share market.					
3.2	I find the online share application process (e.g., MeroShare) more efficient than the traditional system.					
3.3	I am comfortable using new technologies like mobile trading apps or e-KYC systems.					
3.4	I believe technological innovations have made the share market more inclusive for all levels of investors.					
3.5	I feel encouraged to invest more due to the innovative financial services available.					
	Financial inclusion					

4.1	I have access to a DEMAT account and Mero Share platform.					
4.2	I have participated in Initial Public Offerings (IPOs) or other equity investments.					
4.3	I find it easy to access share market services through banks or brokers.					
4.4	I am actively involved in buying or selling shares in the Nepalese stock market.					
4.5	I trust the Nepal Stock Exchange (NEPSE) and related institutions for secure transactions.					
4.6	I believe the current financial infrastructure allows me to invest in the share market conveniently.					
4.7	I have not faced major barriers (e.g., lack of knowledge, technology, or documentation) in participating in the share market.					

Thank you for your participation. Hope you have a great day!!!

Appendix 2

Calculation form SPSS

Marital Status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Married	231	60.2	60.2	60.2
	Unmarried	133	34.6	34.6	94.8
	Divorce	20	5.2	5.2	100.0
	Total	384	100.0	100.0	

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	249	64.8	64.8	64.8
	Female	135	35.2	35.2	100.0
	Total	384	100.0	100.0	

Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 20	9	2.3	2.3	2.3
	Age between 20-30	45	11.7	11.7	14.1
	Age between 30-45	162	42.2	42.2	56.3
	Age more than 45	168	43.8	43.8	100.0
	Total	384	100.0	100.0	

Educations

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below Slc/SEE	30	7.8	7.8	7.8
	SLC/SEE	148	38.5	38.5	46.4
	Intermediate	124	32.3	32.3	78.6
	Bachelor	62	16.1	16.1	94.8
	Master and Above	20	5.2	5.2	100.0

	Total	384	100.0	100.0	

Income Level

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	up to 20000	78	20.3	20.3	20.3
	20001 to 30000	183	47.7	47.7	68.0
	30001 and above	123	32.0	32.0	100.0
	Total	384	100.0	100.0	

Reliability Statistics

Cronbach's Alpha	N of Items
.785	5

Reliability Statistics

Cronbach's Alpha	N of Items
.817	5

Reliability Statistics

Cronbach's Alpha	N of Items
.766	5

Reliability Statistics

Cronbach's Alpha	N of Items
.944	7

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Financial inclusion	384	3.14	5.00	4.8624	.36480
Financial Literacy	384	2.80	5.00	4.8130	.33730

Financial Technology	384	3.60	5.08	4.8513	.29755
Financial Innovations	384	3.20	5.00	4.8312	.36313
Valid N (listwise)	384				

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
I understand how the Nepalese share market operates.	384	4.00	5.00	4.5234	.50010
I can interpret basic stock market data such as stock prices, indexes, and dividends.	384	4.00	5.00	4.9505	.21715
I am aware of the risks and returns associated with investing in shares.	384	2.00	5.00	4.8698	.49932
I follow financial news and updates that affect the Nepalese share market.	384	2.00	5.00	4.8516	.51235
I understand basic financial terms like EPS, P/E ratio, and market capitalization.	384	2.00	5.00	4.8698	.49932

Valid N (listwise)	384				

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
I am familiar with digital platforms used for trading shares.	384	4.00	5.40	4.8292	.37879
I use mobile or internet banking to manage my investments or financial transactions.	384	4.00	5.00	4.8255	.38002
I believe FinTech has made it easier to access the Nepalese share market.	384	4.00	5.00	4.8438	.36357
I feel confident using FinTech tools to monitor my share investments.	384	4.00	5.00	4.9193	.27277
I trust digital platforms with my financial and personal information.	384	2.00	5.00	4.8385	.52107
Valid N (listwise)	384				

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
I believe recent innovations have made it easier to invest in the share market.	384	2.00	5.00	4.8255	.52932
I find the online share application process (e.g., MeroShare) more efficient than the traditional system.	384	2.00	5.00	4.8411	.51936
I am comfortable using new technologies like mobile trading apps or e-KYC systems.	384	4.00	5.00	4.8229	.38224
I believe technological innovations have made the share market more inclusive for all levels of investors.	384	4.00	5.00	4.8229	.38224
I feel encouraged to invest more due to the innovative financial services available.	384	4.00	5.00	4.8438	.36357
Valid N (listwise)	384				

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
I have access to a DEMAT account and Mero Share platform.	384	4.00	5.00	4.8750	.33115
I have participated in Initial Public Offerings (IPOs) or other equity investments.	384	2.00	5.00	4.8698	.49932
I find it easy to access share market services through banks or brokers.	384	2.00	5.00	4.8516	.51235
I am actively involved in buying or selling shares in the Nepalese stock market.	384	2.00	5.00	4.8698	.49932
I trust the Nepal Stock Exchange (NEPSE) and related institutions for secure transactions.	384	4.00	5.00	4.8568	.35076
I believe the current financial infrastructure allows me to invest in the share market conveniently.	384	4.00	5.00	4.8568	.35076

I have not faced major barriers (e.g., lack of knowledge, technology, or documentation) in participating in the share market.	384	4.00	5.00	4.8750	.33115
Valid N (listwise)	384				

Correlations

		Financial inclusion	Financial Literacy	Financial Technology	Financial Innovations
Financial inclusion	Pearson Correlation	1	.378**	.583**	.566**
	Sig. (2-tailed)		.000	.000	.000
	N	384	384	384	384
Financial Literacy	Pearson Correlation	.378**	1	.759**	.829**
	Sig. (2-tailed)	.000		.000	.000
	N	384	384	384	384
Financial Technology	Pearson Correlation	.583**	.759**	1	.904**
	Sig. (2-tailed)	.000	.000		.000
	N	384	384	384	384
Financial Innovations	Pearson Correlation	.566**	.829**	.904**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	384	384	384	384

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

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.614[a]	.377	.372	.28905

a. Predictors: (Constant), Financial Innovations , Financial Literacy , Financial Technology

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	19.220	3	6.407	76.682	.000[b]
	Residual	31.749	380	.084		
	Total	50.969	383			

a. Dependent Variable: Financial inclusion

b. Predictors: (Constant), Financial Innovations , Financial Literacy , Financial Technology

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	1.835	.259		7.092	.000
	Financial Literacy	-.328	.078	-.303	-4.181	.000
	Financial Technology	.502	.116	.409	4.325	.000
	Financial Innovations	.449	.111	.447	4.057	.000

a. Dependent Variable: Financial inclusion

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