

FINANCIAL LITERACY AMONG COLLEGE STUDENTS
TRIBHUVAN UNIVERSITY OF NEPAL

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fulfilment of requirements for the Master's Degree

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Certificate of Authorship

I hereby corroborate that I have researched and submitted the final draft of dissertation entitled “**Financial Literacy among College Students Tribhuvan University of Nepal**”. The work of this dissertation has not been submitted previously for the purpose of conferral of any degrees nor it has been proposed and presented as a part of requirements for any other academic purposes.

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

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Report of Research Committee

Miss Lila Kumari Tharu has defended research proposal entitled “**Financial Literacy among College Students Tribhuvan University of Nepal**” 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 Mr. Indra Bahadur Bohara and submit the thesis for evaluation and viva voce examination.

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Approval Sheet

We have examined the dissertation entitled “**Financial Literacy among College Students Tribhuvan University of Nepal**” presented by Lila Kumari Tharu for the degree of **Master of Business Studies** (MBS Semester) and hereby certify that the dissertation is acceptable for the award of degree.

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Abbreviation

AMOS	:	Analysis of Moment Structures
ANOVA	:	Analysis of Variance
FA	:	Financial Attitudes
FL	:	Financial Literacy
<i>H</i> 0	:	Null Hypothesis
<i>H</i> 1	:	Alternative Hypothesis
INGO'S	:	International Non-government Organizations
IPO	:	Initial Public Offering
MBS	:	Master of Business Studies
NGO'S	:	National Government Organization
NRB	:	Nepal Rastra Bank
OECD	:	Organisation for Economic Co-operation and Development
PSPP	:	Public Software for Statistical Programming
RA	:	Risk Aversion
SD	:	Standard Deviation
SPSS	:	Statistical Package for the Social Sciences
TU	:	Tribhuvan University

Abstract

This study employs a descriptive and causal-comparative research design to investigate the level and status of financial literacy among college students at Tribhuvan University of Nepal. It aims to examine the relationship and impact of demographic, educational, and personality variables on financial literacy. A sample of 390 respondents participated in a questionnaire-based survey, and data analysis was conducted using PSPP.

Descriptive analysis revealed that females generally exhibit higher risk aversion, more positive financial attitudes, and greater financial literacy than males. Correlation analysis highlighted significant positive relationships between risk aversion, financial attitude, and financial literacy, though family income does not significantly affect financial literacy levels. Regression analysis shows that both risk aversion and financial attitude positively impact financial literacy, with financial attitude having a stronger effect than risk aversion.

The study indicates that the overall financial knowledge of students is influenced by various demographic, educational, and personality variables. These findings can inform Nepal Rastra Bank, stakeholders, banking and financial institutions, researchers, and the general public in formulating new policies and rules to enhance financial literacy among students. The government needs to understand and implement effective policies and strategies for financial literacy programs to improve the overall financial condition academically. This can benefit both the nation and individuals. Future research could expand to include students from different levels, cities, and sectors. Additionally, while this study focuses on demographic variables as independent variables, future researchers could incorporate social, economic, and other variables for a more comprehensive analysis.

Keywords: *financial literacy, financial behaviour, financial attitude, risk aversion.*

CHAPTER- I

INTRODUCTION

1.1 Background of the Study

Financial literacy is an important component of sound financial decision-making, and many young people wish they had more financial knowledge (Lusardi, Mitchell & Curto, 2010). There is the need to improve financial literacy of individuals, especially students at university level so they can have positive cash management attitudes before they enter the job market. This positive attitude will help them to practice proper personal financial management as working adults (Dahlia, Rabitah & Zuraidah, 2009).

In the course of everyday life, people make a variety of financial decisions about saving, investing and borrowing. The global marketplace is increasingly risky and is becoming more vulnerable day by day. One of its main implications include rising costs of goods and services that push people to be able to make well-informed financial decisions (Lusardi & Mitchell, 2011).

Financial literacy also reinforces behaviours such as timely payment of bills and avoidance of over-indebtedness that help consumers to maintain their access to loans in tight credit markets (Abdeldayem, 2016). Several organizations have demonstrated an interest and commitment in improving the financial literacy of consumers for which college students are part. Savings and investment as well as insurance and money management are key ingredients that promote economic growth. In every economy, accumulated savings is the main source of capital stock which plays a crucial role in creating investment, production, and employment which eventually enhance economic growth (Mitchell and Lusardi, 2011).

Understanding financial literacy among young people is of critical importance for policymakers in several areas; it can aid those who wish to devise effective financial education programs targeted at young people as well as those writing legislation to protect younger consumers (Lusardi *et al.*, 2010). Our study appears to be the very first in Ghana to contribute to literature on the predictors of financial literacy among university students.

Financial literacy is a blend of financial knowledge, awareness, skills, ability, attitudes and behaviours necessary to make prudent and reliable financial decisions to improve financial health. In today's fast-paced community, financial literacy is a fundamental skill for daily

life. It means being competent to understand how money works, how to manage income and expenses, how and where to invest, manage financial risks effectively and most importantly avoid financial distress.

Learning how to manage money (money management) is just as important as getting it (Danes & Hira, 1987). Financial literacy can have important implications for financial behavior. For instance, people with low financial literacy are more likely to have problems with debt (Lusardi & Tufano, 2009), less likely to participate in the stock market (Rooij et al., 2007), less likely to choose mutual funds with lower fees, less likely to accumulate and manage wealth effectively and less likely to plan for retirement (Lusardi & Mitchell, 2006).

Pension finance literacy enables individuals to plan for retirement, make proper choices on pension products and contribute effectively in management of their pension schemes (Njuguna & Otsola, 2011). It also influences the saving behaviour and member participation in pension schemes of individuals and in turn contributes to economic growth of countries (Agnew, Szykman, Utkus & Young, 2007).

Financial literacy is the major challenge faced by all countries globally. Financial literacy is the mix of one's knowledge, skill and attitude towards financial matters. It helps to make informed decisions and wellbeing of an individual. In today's world which has a market with complicated products, the need for financial literacy becomes inevitable. Country like India which has high young population, the government is in a position to increase the level of financial literacy. The government and other private institutions have taken steps through financial education programs. Now financial education is included in the school and university curriculum also.

Financial literacy goes beyond the provision of financial information and advice. It is the ability to know, monitor, and effectively use financial resources to enhance the well-being and economic security of an individual, his family, and his business. The OECD defines financial literacy as –“A combination of awareness, knowledge, skill, attitude and behaviour necessary to make sound financial decisions and ultimately achieve individual financial wellbeing.”

Financial knowledge is the understanding of interest calculations, relationship between inflation and return, inflation and prices, risk and return, and the role of diversification in risk reduction. The financial behaviour assesses how the individual deals with money. It

includes prompt payment of bills, framing proper planned budgets and monitoring it, continuous saving habits etc... The behaviour of the individual. Financial attitude is the opinion of the individual about the belief in planning, their propensity to save and consume. So, the combination of financial knowledge, attitude and behaviour determines the level of financial literacy of an individual.

Financial literacy is mainly concerned with better planning of retirement life, gradual wealth accumulation and better financial decision making. So to be financially literate becomes important from the initial stages of one's career. But due to some personal or professional hindrances they become financially illiterate. This leaves them with inadequate knowledge about financial dealings, inappropriate decisions etc., So they have to be enhanced with financial knowledge and tools which are needed to make informed decisions. Financial literacy impacts the promotion of financial inclusion which ultimately results in financial stability of any economy. The need for financial literacy in India has gained importance because of low level of literacy and large section of population which is financially excluded from the formal financial set up. The behaviour of the individual. Financial attitude is the opinion of the individual about the belief in planning, their propensity to save and consume. So, the combination of financial knowledge, attitude and behaviour determines the level of financial literacy of an individual. Financial literacy is mainly concerned with better planning of retirement life, gradual wealth accumulation and better financial decision making. So to be financially literate becomes important from the initial stages of one's career. But due to some personal or professional hindrances they become financially illiterate. This leaves them with inadequate knowledge about financial dealings, inappropriate decisions etc. So, they have to be enhanced with financial knowledge and tools which are needed to make informed decisions. Financial literacy impacts the promotion of financial inclusion which ultimately results in financial stability of any economy. The need for financial literacy in India has gained importance because of low level of literacy and large section of population which is financially excluded from the formal financial set up.

In younger generations, school and college students are focal point for the study. In Nepal, to promote financial literacy, there are many programs held by government, nongovernment organization (NGOs) and private sector. Nepal Rastra Bank launched a program 'NRB with Students' for enhancing the financial literacy among students (NRB,

2014). In the pursuit of enhancing financial literacy, the NRB Strategic Plan 2012-2016 emphasizes financial literacy programs for women, conflict victims, ethnic minorities, and deprived and marginalized sections of the population. Similarly, since 2012, the monetary policy of NRB has highlighted the importance of financial awareness programs, stating, "due to low financial literacy, financial services are not effective, so an appropriate strategy should be developed." However, there has been a noticeable lack of studies focusing on financial literacy among youth in Nepal. Therefore, this paper aims to identify the level of financial literacy among students of government colleges affiliated with TU and operating in the Kathmandu Valley.

1.2 Statement of Problem

The nation of financial literacy has captured the consideration of many researchers. In fact, being financially knowledgeable or literate is vital and very important for people to manage their money. Many might say "I learned how to get a job and make money, but no one ever taught me how to manage money." Learning how to manage money is as important as earning it (Danes & Hira, 1987; in generally, students have less familiarity and details about financial literacy (Agnew & Harrison, 2015). Students should pay more careful in spending their outlays and study how to apply in their income, particularly for finance college scholars. If they ensure that do not have enough knowledge about finance they could not get what risk they involve themselves into (Fazli, Sabri & Tze Juen, 2014).

The financial literacy rate in our country stands at 57.9 percent, with an average score of 11.59 out of 20, indicating a poor level of financial understanding. Although about two-thirds of the population is literate, a significant portion remains financially illiterate. Even among the literate population, many lack essential financial knowledge. Financially literate individuals are better able to save money, regardless of their income levels.

Improving the financial literacy of citizens is crucial for boosting the country's economic condition. In any country, the proportion of employees is higher than any other profession. If these employees are financially literate and capable of making sound financial decisions, it can significantly enhance the nation's economic stability.

Given these facts, This study focuses on researching the current situation of financial literacy among college students in government colleges affiliated with Tribhuvan

University (TU) and operating in the Kathmandu Valley. This research aims to provide current and accurate data on the financial literacy levels among these students.

Efforts have been made by different researchers and academicians to investigate into the concept of financial literacy at the personal level. Financial illiteracy regarding personal finance in both developed and underdeveloped countries are the problem which have an impact to the financial system of the particular country. In case of Nepal, financially literate citizens are very less. Financial literacy can be measured on the different paramount like financial knowledge, financial behaviour, financial attitude, etc. The study has following research questions:

- i. What is the current situation of financial literacy among the college students of Tribhuvan University in Nepal?
- ii. Is there any relationship between demographic variables, educational variables, personality variables, and financial literacy level among college students of Tribhuvan University in Nepal?
- iii. What is the impact of demographic variables, educational variables, personality variables on financial literacy among college students of Tribhuvan University in Nepal?

1.3 Objectives of the Study

The aim of the present investigation is to provide an indication of financial literacy among the students of government colleges affiliated with TU and operating in the Kathmandu Valley. To accomplish this, the study has the following objectives:

- i. To assess current situation of financial literacy among college students of Tribhuvan University in Nepal.
- ii. To examine the relationship between demographic variables, educational variables, personality variables, and financial literacy among college students of Tribhuvan university in Nepal.

- iii. To analyse the impact of demographic variables, educational variables, and personality variables on financial Literacy of college students of Tribhuvan university in Nepal.

1.4 Hypothesis

A hypothesis is a specific, testable prediction or statement about the relationship between two or more variables. It is formulated based on existing theories, knowledge, or observations and serves as a basis for conducting research and experiments. Hypotheses can be either null (indicating no effect or relationship) or alternative (indicating a specific effect or relationship).

A hypothesis provides a focused and clear statement that can be empirically tested, guiding the direction and methodology of a research study. So, the researcher set the following hypothesis for this study:

$H_{1.1}$: There are significant differences in financial literacy between male and female college students.

$H_{1.2}$: There are significant differences in financial literacy among college students of different age ranges.

$H_{1.3}$: There are significant differences in financial literacy among college students with different family income levels.

$H_{1.4}$: There are significant differences in financial literacy among college students with different parental educational backgrounds.

$H_{2.1}$: There are significant differences in financial literacy among college students from different faculties of study.

$H_{2.2}$: There are significant differences in financial literacy among college students majoring in different subjects.

$H_{3.1}$: There are significant differences in financial literacy among college students with different levels of risk aversion.

H_{3.2}: There are significant differences in financial literacy among college students with different financial attitudes.

Many studies have examined the impact of financial literacy on various outcomes for college students. However, few studies focus on the financial literacy of college students in Nepal, particularly using variables such as demographic factors, educational background, and personality traits, within the context of Government college of Tribhuvan University operated in Kathmandu valley. Understanding the level of financial literacy among these students and its effect on their financial behaviours and overall satisfaction is crucial. This research will specifically explore the perceptions of college students in Nepal, with a focus on those attending government colleges affiliated with Tribhuvan University in the Kathmandu Valley.

1.5 Rational of the Study

This study will contribute to the existing literature on financial literacy, specifically in the context of Nepal, where awareness about the importance of financial literacy is on the rise. It aims to attract policy-makers, researchers, and other stakeholders to engage with and further investigate financial literacy issues.

The focus of this study is to analyse the level of financial literacy among students of government colleges affiliated with Tribhuvan University in the Kathmandu Valley. This provides a valuable opportunity to assess the financial literacy of these students. Additionally, the study examines the impact of demographic and educational characteristics on financial literacy.

The findings will be beneficial to stakeholders, including Nepal Rastra Bank, by informing the development and implementation of financial literacy programs. These programs can help individuals make rational financial decisions and access appropriate financial products and services from banks and financial institutions.

Moreover, this study will serve as a foundation for further research by identifying additional variables for future investigations. It will also help the general public assess their financial literacy status and take necessary actions to improve it if needed.

1.6 Limitation of the Study

Every study is conducted within certain limitations, and the present study is no exception. This study focuses on financial literacy among students of government colleges under Tribhuvan University (TU) operating in the Kathmandu Valley. Therefore, it may not fully represent the overall scenario of Nepal. Specifically, the study is limited to the following constraints:

- i. The reliability of this study depends on the information provided by the participants from government colleges under Tribhuvan University (TU) operating in the Kathmandu Valley.
- ii. The sample size may not be large enough to represent the entire population of college students in Nepal. Additionally, the study may not capture the diversity of financial literacy levels due to limited sampling.
- iii. The focus is limited to students studying at the bachelor and master levels in management related programs, potentially excluding perspectives from students in other fields.
- iv. Population size consists of all government colleges under Tribhuvan University (TU), only selected number of these colleges in the Kathmandu Valley were included in the sample.
- v. The selection of only government colleges may not reflect the financial literacy levels of students in private or community colleges within the same region.
- vi. The study is confined to the Kathmandu Valley, which may not represent the financial literacy levels of students in other parts of Nepal, especially rural and remote areas.

CHAPTER- II

LITERATURE REVIEW

The review of related literature is an important and essential for guideline of study. It helps to the researcher to get more information, ideas and identifying what people already have been done? In addition, what we have to find out and tested? “It eliminates the duplication of what has been done and provides useful hypothesis and helpful suggestions for significant investigation” (Best and Khan, 2012, P. 39). Therefore, for selecting design, sample, tool, data collection procedure, analysing data and making decision, it gives instruction and makes a reliable research.

Various forms of literature, including books, reports, journals, articles, theses, and related websites, will be reviewed to establish a theoretical foundation and analyse the current status of financial literacy among people. So, researcher will review these studies in order to explain the present problem of the study. They are as follows:

2.1 Conceptual Review

Financial literacy, the cornerstone of personal finance, encompasses crucial skills such as budgeting, saving, investing, and debt management. It serves as the linchpin for achieving financial independence and making informed financial decisions. Yet, its attainment is influenced by various factors, including education, socioeconomic status, and access to resources. Without it, individuals face heightened financial stress and susceptibility to exploitation.

Conversely, robust financial literacy empowers individuals to navigate life's financial challenges with confidence and foresight. Research conducted by scholars like Lusardi and Mitchell (2014) underscores its profound impact on economic outcomes. Additionally, studies by Fernandes et al. (2014) highlight the correlation between financial literacy and positive financial behaviours.

As we strive for a more financially literate society, it's imperative to ensure equitable access to financial education and resources. Initiatives such as the OECD/International Network on Financial Education (INFE) pilot study (Atkinson & Messy, 2013) shed light on effective strategies for promoting financial literacy on a global scale. By prioritizing

financial education and empowerment, we can pave the way for greater financial stability and prosperity for all.

2.2 Overview of Financial Literacy in Nepal

Financial literacy refers to the knowledge and skills necessary to make informed and effective decisions regarding the management of personal finances. In Nepal, the financial literacy score is 57.9 percent, according to recent studies. Financial literacy is an important aspect of a country's financial system, as it helps people make informed decisions about their money and how to manage it effectively.

In terms of geographical distribution, Bagmati Province has the highest financial literacy score of 64.5 percent, followed by Gandaki Province with 62.4 percent. Province 1 has a financial literacy score of 57 percent, Madhesh 52 percent, Lumbini 55.6 percent, Karnali 59.7 percent, and Sudurpaschim 57.5 percent. The national financial literacy score is 57.9 percent.

When it comes to gender, males have a financial literacy score of 61.8 percent compared to 54.8 percent for females. The financial literacy score is higher in metropolitan cities with a score of 65.4 percent, but the gender gap is slightly higher in metropolitan cities as well. The highest financial literacy score of 68.4 percent is found in the top income group, whereas the lowest score of 50.7 percent is found in the lowest income group.

The financial literacy score of people involved in education is 75.9 percent, while those involved in agriculture have a score of 56.9 percent. Salaried/wage earners have the highest financial literacy score of 59.1 percent, while unemployed individuals who are not seeking employment have the lowest score of 28.6 percent. Housewives, who are a significant portion of the population, have a low financial literacy score of 31.3 percent, while students have a higher score of 73.4 percent.

Adults employed in the formal sector have a higher financial literacy score of 73.1 percent compared to those employed in the informal sector, who have a score of 46.3 percent. People working in the financial sector have the highest financial literacy score of 86.8 percent, followed by those in the education sector with a score of 82.1 percent. Meanwhile, people in agricultural and elementary occupations have the lowest financial literacy score of 47.1 percent and 48.6 percent, respectively.

In conclusion, financial literacy is crucial in helping individuals make informed decisions about their personal finances. The results of the recent studies in Nepal suggest that there is room for improvement in terms of financial literacy in the country, particularly among women and lower income groups. It is important for government and financial institutions to take proactive measures to improve financial literacy in the country and ensure that everyone has the necessary knowledge and skills to manage their personal finances effectively. (<https://www.nepaldatabase.com/financial-literacy-in-nepal-an-overview>)

2.3 Importance of Financial Literacy

Financial literacy, broadly defined as the ability to understand and effectively use various financial skills, including personal financial management, budgeting, and investing, is essential for managing financial resources prudently. This competence enables individuals to make informed and effective decisions about their financial resources. The significance of financial literacy has become increasingly recognized globally due to its impact on individuals' financial well-being and overall economic stability.

Financial literacy holds immense importance for college-level students, particularly in the context of Nepal, as highlighted by the literature reviewed. Here are some key points illustrating its significance:

- 1. Empowerment for Financial Independence:** Financial literacy equips college students with the knowledge and skills necessary to make informed financial decisions, thereby empowering them to achieve financial independence. With a strong foundation in financial literacy, students can effectively manage their personal finances, budget their expenses, and plan for their future financial goals.
- 2. Enhanced Economic Well-being:** Understanding concepts such as credit, taxes, investments, and insurance enables college students to navigate the complexities of the financial landscape with confidence. By developing financial literacy skills, students can optimize their financial resources, mitigate financial risks, and ultimately improve their economic well-being both during their college years and beyond.
- 3. Preparation for Financial Challenges:** College students often face unique financial challenges, such as managing student loans, balancing academic expenses with personal needs, and planning for post-graduation expenses. Financial literacy equips

students with the knowledge and tools to address these challenges effectively, enabling them to make sound financial decisions throughout their academic journey.

- 4. Long-term Financial Planning:** Financial literacy fosters a mindset of long-term financial planning among college students. By understanding the importance of saving, investing, and retirement planning, students can lay the groundwork for a secure financial future early in their lives. This proactive approach to financial planning can significantly impact their financial well-being in the years to come.
- 5. Empowerment for Economic Growth:** A financially literate population is essential for driving economic growth and development. By promoting financial literacy among college-level students, Nepal can cultivate a generation of financially savvy individuals who contribute to the country's economic prosperity. Moreover, financially literate individuals are better equipped to participate in the formal financial sector, thereby stimulating economic activity and innovation.
- 6. Protection against Financial Exploitation:** Financial literacy empowers college students to recognize and protect themselves against financial scams, predatory lending practices, and fraudulent schemes. By developing critical thinking skills and understanding financial concepts, students can discern between legitimate financial opportunities and deceptive practices, safeguarding their financial well-being.

Overall, financial literacy plays a pivotal role in equipping college-level students with the knowledge, skills, and confidence necessary to navigate the complex financial landscape, achieve economic empowerment, and contribute to the socio-economic development of Nepal.

2.4 Theoretical Review

The study was guided by theories which had previously been developed and that have called for more research on the subject matter over the years. These theories include Behavioural finance theory, Social learning theory, Self Determination Theory and Expectancy Value Theory.

1. Behavioural Finance Theory

The roots of the concept of literacy refer to the human ability to read. In psychology and education, learning is commonly defined as a process that brings together cognitive, emotional, and environmental influences and experiences for acquiring, enhancing, or making changes in one's knowledge, skills, values, and world views (Illeris, & Ormrod, 2004). The level of knowledge in any subject, including financial knowledge, can therefore be connected to variables, such as: Age, gender, level and program of study, parents' level of education, accessibility to media, sources of education on money matters, place of residence, among others (Shefrin & Statman, 1994). It is argued that some financial phenomena can be better explained using models where it is recognized that some investors are not fully rational or realize that it is not possible for arbitrageurs to offset all instances of mispricing (Barberis & Thaler, 2003). Over the past years psychologists have found again and again that the usual axioms of finance theory are descriptively false.

2. Social Learning Theory

Social Learning Theory, developed by Albert Bandura, posits that individuals learn behaviours through the observation of others within a social context. This learning occurs through attention, retention, reproduction, and motivation processes. In the context of financial literacy, this theory suggests that students can acquire financial behaviours by observing their parents, peers, and media representations. For instance, students who observe their parents effectively budgeting and managing finances are more likely to adopt these practices themselves. Media can also play a significant role by showcasing successful financial habits that encourage similar behaviour in young adults. Shim et al. (2010) found that parental influence, work experiences, and education significantly shape the financial behaviours of college students, underscoring the relevance of observational learning in financial literacy. Bandura's foundational work (1977) on Social Learning Theory provides a comprehensive overview of how these mechanisms operate, emphasizing the importance of observational learning in behaviour adoption.

3. Self Determination Theory

Self-Determination Theory (SDT), proposed by Edward Deci and Richard Ryan, focuses on the motivation behind choices that individuals make without external influence. SDT distinguishes between intrinsic motivation (driven by personal satisfaction) and extrinsic

motivation (driven by external rewards). In financial literacy, SDT helps explain the motivations behind students' financial behaviours. Students who are intrinsically motivated may manage their finances well because they find it fulfilling and aim to achieve financial independence. Conversely, those driven by extrinsic motivations may save money due to parental expectations or societal pressures. Deci and Ryan (2000) explain that intrinsic and extrinsic motivations significantly influence behaviours, including financial decision-making. Ryan and Deci (2000) further explore how SDT relates to well-being and motivation, offering insights into how different types of motivation affect financial behaviours.

4. Expectancy - Value Theory

Expectancy-Value Theory, originating from the work of Atkinson and further developed by Eccles and Wigfield, posits that behaviour is driven by the expectation that one's efforts will lead to success and the value placed on that success. In financial literacy, this theory helps explain why students engage in specific financial behaviours. If students believe that effective money management will result in financial stability (expectancy) and they highly value financial stability (value), they are more likely to save, budget, and manage their finances prudently. Eccles and Wigfield (2002) discuss how motivational beliefs and values influence behaviour, relevant to understanding financial decision-making. Wigfield and Eccles (2000) provide a detailed account of Expectancy-Value Theory, emphasizing how expectancy and value beliefs shape behaviour, including financial practices.

Financial Behaviour Theory Models are commonly used across studies, and because of that prevalence, I also utilized this model in my own research.

2.4.1 Behaviour Financial Theory

Behavioural Finance Theory is an integral component of behavioural finance, a field that blends insights from psychology with traditional financial theory to better understand how individuals and institutions make financial decisions. Unlike traditional finance theories, which assume that agents are rational and markets are efficient, behavioural finance theory acknowledges that psychological factors and cognitive biases significantly influence financial behaviours. According to behavioural finance theory, there are several types of cognitive biases that can affect an investor's judgment.

- i. Overconfidence
- ii. Herd Mentality
- iii. Loss Aversion
- iv. Confirmation
- v. Heuristics
- vi. Mental Accounting
- vii. Anchoring

Impact on financial Behaviour:

Behavioural Finance Theory helps explain why individuals often deviate from rational behaviour in predictable ways. For instance, overconfidence can lead investors to trade excessively, while loss aversion can result in holding onto losing investments for too long. Behavioural biases such as anchoring, where individuals rely too heavily on the first piece of information they receive, and herd behaviour, where individuals mimic the actions of a larger group, also play critical roles in financial decision-making.

Understanding these behaviours is crucial for designing better financial education programs, improving financial literacy, and developing policies that help individuals make more informed and rational financial decisions. By incorporating psychological insights into financial models, researchers and practitioners can create more realistic and effective strategies to enhance financial well-being.

There is linkage between Research Variable with Behavioural Finance Theory: Behavioural Finance Theory examines how psychological factors, such as cognitive biases, emotions, and social influences, affect individuals' financial decisions and behaviours. This framework is particularly relevant to understanding financial literacy among college students, as it helps explain how various personal and contextual factors shape financial knowledge and actions. Here's how research variables are linked to Behavioural Finance Theory:

Demographic Variables

1. Gender

- i. **Financial Decision- Making and Risk Tolerance:** Research indicates that men and women often exhibit different financial behaviours, with men typically showing higher risk tolerance than women (Barber & Odean, 2001). This can impact their financial literacy, as those more willing to take risks may seek out and use more financial information.
- ii. **Cognitive Biases:** Gender differences in overconfidence have been documented, with men often displaying higher levels of overconfidence in financial matters, potentially influencing their financial decisions and literacy (Niederle & Vesterlund, 2007).

2. Family Income

- i. **Resource Availability and Financial Behaviour:** Higher family income often correlates with better access to financial resources and education, influencing financial behaviours and literacy (Lusardi & Mitchell, 2014). Students from wealthier backgrounds may have more opportunities to learn and practice financial skills.

3. Age

- i. **Life Experience and Financial Knowledge:** Older students generally have more life experience, which can contribute to better financial behaviours and higher financial literacy (Chen & Volpe, 1998). They are likely to have encountered more financial decisions, thus learning from experience.
- ii. **Cognitive Development:** As students age, their cognitive abilities, including decision-making and problem-solving skills, improve, potentially enhancing financial literacy (Lusardi, 2019).

4. Parental Educational Background

- i. **Parental Influence and Socialization:** Parents' educational backgrounds significantly impact their children's financial behaviours and literacy. Educated

parents are more likely to impart financial knowledge and model positive financial behaviours (Shim et al., 2010).

- ii. **Financial Socialization:** Behavioural Finance Theory emphasizes the role of early financial socialization in shaping financial behaviours. Parents' educational levels can influence the quality and quantity of financial socialization their children receive (Danes & Haberman, 2007).

Educational Variables

1. Faculty of Study and Major Subject of Study

- i. **Specialized Knowledge and Skills:** Students majoring in finance or economics are likely to have higher financial literacy due to their specialized education, which provides them with specific knowledge and skills relevant to financial behaviour (Mandell & Klein, 2009).
- ii. **Academic Environment:** The academic environment and curriculum can influence students' financial behaviours and attitudes. Students in business-related fields often have more exposure to financial concepts, enhancing their financial literacy (Huston, 2010)

Personality Variables

1. Risk Aversion

- i. **Risk Preferences and financial Decisions:** Behavioural Finance theory posits that risk aversion influences financial decision-making. Risk-averse individuals may avoid risky investments, impacting their financial literacy and behaviour (Guiso & Paiella, 2008).
- ii. **Behavioural Biases:** Risk-averse individuals might be more prone to certain biases, such as loss aversion, affecting their financial decisions and literacy (Kahneman & Tversky, 1979).

2. Financial Attitudes

- i. **Attitude Influences on Behaviour:** Positive financial attitudes, such as a proactive approach to saving and budgeting, can lead to better financial behaviours and higher financial literacy (Perry & Morris, 2005).

- ii. **Motivation and Engagement:** Behavioural Finance Theory suggests that students with positive financial attitudes are more likely to engage in financial education and exhibit behaviours that enhance their financial literacy (Xiao et al., 2009).

By linking research variables to Behavioural Finance Theory, we can comprehensively analyse how demographic, educational, and personality factors influence financial literacy among college students. This approach provides a nuanced understanding of the various influences on financial behaviour, helping to identify key areas for intervention and Education.

2.5 Empirical Review

Prempeh et al (2024) examined the financial literacy and saving behaviour of tertiary students using Kumasi Technical University as a case study. An online survey tool was used to collect the data. A sample size of 377 was drawn from the population by the convenience sampling method with data from primary sources. The quantitative data was analysed through descriptive statistics. Statistical Packages for Social Science (SPSS version 20) was employed to analyse the data. It was found out that the financial literacy among the respondents was average, especially among students studying business and management courses. This could be due to the fact that most of their courses of study are finance-related as compared to other students in other programmes. It was also found that the majority of respondents across different age groups felt that seeking financial information and advice had an impact on their decisions. However, a significant percentage (13.5 percent) of respondents aged 18 to 24 said that even if they had sought financial information and advice, their decisions had not been impacted.

Ghimire et al (2023) conducted a study on the different factors that affect personal financial planning among migrant households. The study employs an explanatory research design to examine the relationship between various factors that influence the personal financial planning of migrant households. It utilizes a purposive sampling method, collecting data from 100 respondents across 10 wards in Rainas Municipality, along with 10 randomly selected respondents. Data is collected through Google Forms and analysed using SPSS (version 21), SPSS AMOS, and MS-Excel. The results reveal that the majority of households earn around 45,000 to 60,000 per month, indicating a healthy income inflow. The structural equation modelling (SEM) analysis shows that financial awareness ($\beta=$

0.218, $P < 0.05$) has a significant relationship with financial planning, while financial knowledge ($\beta = -0.085$, $P > 0.05$) and financial attitude ($\beta = 0.044$, $P < 0.05$) do not have a significant relationship with financial planning. This study suggests that financial awareness is a key factor in increasing financial knowledge and improving financial attitudes, ultimately enhancing financial planning in households.

Jasim et al (2023) conducted the study to identify the financial knowledge's role in the achievement of financial satisfaction through financial well-being. The study were taken the Employees working in public sector and workers working in private sectors as the study sample, for identifying the differences among them at the level of dimensions and research variables, A total of (360) valid questionnaires were collected for statistical analysis after the survey was distributed electronically. Three hypotheses were examined in the study using a statistical program (SMART PLS) to determine whether there was a correlation and influence among the variables of the study. Results of the study proves that the workers' financial satisfaction in private sector is better than the financial satisfaction of workers in public sector due to employees' feeling of salary threat as a result of the political unrest.

Sutarman and Turangan (2023) determined the prediction of the influence of financial literacy, self-control, and lifestyle on Universitas Tarumanagara students' interest in saving. The research sample was 50 students. This research method uses SmartPLS and by distributing questionnaires via Google Form. The results of this study are that there is a positive and significant influence of financial literacy, a negative and not significant influence of self-control, and a positive but not significant influence of lifestyle on Universitas Tarumanagara students' interest in saving.

Wahyulina et al (2023) examined the effect of Financial Literacy, Education Level and Gender on the Growth of Small and Medium Enterprises (SMEs) in the Creative Economy Sector in the Mandalika Special Economic Zone (SEZ). The data was collected using the survey sample method, and the number of samples in this study was 50 SMEs. The sample was taken using a simple random sampling technique. The independent free variables are Financial Literacy, Education Level and Gender, while the dependent variable is SME Growth. Technique Analysis data is multiple linear regression, which conducted using the 2016 version of SPSS. The results showed that financial literacy and education level have a positive and significant effect on SMEs growth. Meanwhile, gender has a positive, but not significant effect on the growth of SMEs.

Dahiya et al (2023) assessed the financial literacy of college students in India through the application of a questionnaire. The OECD/INFE Toolkit for Measuring Financial Literacy was employed to collect primary data from a random sample of 400 active university students, using financial behaviour, financial knowledge, and financial attitude as variables. Data was analysed by descriptive statistics using SPSS. This study finds that the Indian students surveyed have low financial literacy, with a score of 11.82 on a scale of 21. Students have very low awareness of compound interest, the erosion of buying power due to inflation, the benefits of diversification, and the use of credible information for financial decision-making. Financial literacy is indispensable for making proper financial decisions and financial education is important for students. Increased financial literacy will result in less financial concern and greater financial wellbeing.

Sarabando et al (2023) conducted a research with a sample of 296 Portuguese students who enrolled in the polytechnic higher education system for the first time, they studied if students understand simple concepts related to financial issues (such as loans), as well as whether they are aware of the risk of not recovering the money invested that is embedded in some of the most talked-about and common financial products that are available in the market. This last objective seems to be relevant since a lot of fraudulent schemes involving teenagers, young adults, and financial markets have emerged in recent years. From the results, some disturbing conclusions can be drawn. For instance, more than two-thirds of the sample do not know what Euribor is (similar result regarding Spread). About a third of the sample do not understand inflation's consequences. 16.9% do not know what term deposits are, and derivative products and saving certificates are seen as very alike regarding the risk they represent. Students who chose a business-related course as their first choice when applying showed a higher level of financial literacy, although it is still low compared to what one would expect.

Ijaz et al (2022) explored the financial literacy and financial inclusion amongst university students. The goal of this study is to see how financial literacy which includes knowledge, skills, attitude and behaviour, influences financial inclusion amongst business and non-business students. The data was collected from a sample of 700 business and non-business university students, 350 from each category, using a well-structured instrument. The data were analysed with binary regression. The finding shows that as people grow and got more

informed about the numerous financial goods and services accessibility in the market, the asymmetry of knowledge between them and others reduces.

Nguyen Van et al (2022) conducted a research to identify whether demographics, socio-economic factors, the usage of the internet, smartphone and bank, and cultural factors affect Vietnamese adults' financial literacy. A sample of 669 participants participated in the online survey questionnaire (response rate of 89.92%). Multivariate general linear model regression shows that adults of younger age have better skills in cash management, credit management, savings and investment, and financial management compared to older adults. The findings suggest that participants with better income could manage savings and overall finance more effectively. Furthermore, respondents with "Uncertain avoidance" in the culture had better skills in cash management, saving, and investment. Meanwhile, preferring masculinity had higher scores in credit management, insurance, and total scale compared to those preferring femininity.

Bueno et al (2022) determined the factors influencing financial literacy among graduate students and professionals using a descriptive cross-sectional survey methodology with a sample size of 135 (30 percent). The results showed that previous financial knowledge aided participants in making sound economic decisions. There was much information available regarding retirement plans, investment accounts, insurance policies, and credit cards. They have a promising financial future, and their parents/family members had an essential role in their financial literacy growth. Peer pressure was found to play a role in their financial literacy. In terms of saving and spending, the participants were prudent and financially knowledgeable. They made comparisons between each expenditure/purchase. They excelled in debt management, planning with sufficient liquid funds, and financing large expenditures. They thought that all aspects of life, including health and property, should be covered and safeguarded. They were also financially savvy in terms of saving and investing, as well as estate planning. Financial literacy was shown to have a modest relationship with financial skills, familial influence, and peer pressure. On the other hand, there was a slight link between participants' financial views and financial literacy.

Thapa and Nepal (2021) conducted a survey of 436 college students to examine their financial literacy; the impact of demographic, educational and personality characteristics on financial literacy. Mean, ANOVA and logistic regression were used in carrying out analysis. Results show that most of the students have basic level of financial knowledge

but they lack in understanding of credit, taxes, share market, financial statement and insurance. Students are highly influenced by their parents at home and they have positive attitude towards savings. The study further identified income, age, stream of education, types of college, and attitude of students as determinants of financial knowledge; and financial knowledge is unaffected by gender, university affiliation, financial behaviour and influence. It is concluded that college students have basic level of financial knowledge. However, overall financial knowledge of the students is affected by some of their demographic, educational and personality characteristics.

Oli (2020) examined the impact of financial literacy on the personal financial planning of Nepalese individuals. Personal financial planning encompasses cash planning, insurance planning, investment planning, and retirement planning. Primary data was collected from 700 Nepalese of 7 provinces by using a set of structured closed-end questionnaires. The study associated personal financial planning efforts with major three measures: knowledge, awareness, and attitude towards financial planning decisions, factors influencing other aspects of personal financial planning. The results show that personal financial planning is influence by the level of financial awareness and individual financial planning attitude. The result also reveals that demographic factors such as marital status, education level, income level, age, profession, and gender have little impact but not significant. The general final financial investment alternatives are popular in comparison to modern financial assets in Nepal. The level of individual awareness is increasing regarding insurance, investment, cash management, and retirement plan for financial security in the future but not enough as should have.

Abad-Segura and González-Zamar (2019) analysed global research trends on the effect of financial education and financial literacy with the creativity of individual entrepreneurship. For this, a bibliometric analysis was carried out on 665 documents related to the subject of study during 1990–2018 period. The results show the most influential journals, authors, institutions, countries, and areas of knowledge on this scientific research. This work detects the main trends and patterns to offer a vision of the relationship between financial education and creative entrepreneurship.

Yıldırım et al (2017) examined individual's financial literacy level and determining the relationship between demographic variables and financial literacy. Participants in the study consist of individual who are employees in iron and steel industry and dwelling in Karabuk,

Turkey. A total of 304 employees are participated in the study on a voluntary basis. Data were collected through a demographic information form, Financial Literacy Index developed by Van Rooji et al (2011). Financial Literacy Index includes two sections: basic financial literacy (5 items) and advantage financial literacy (11 items). Results indicated that only 8.9% of the participants have correctly answered the five basic financial literacy items. The proportion of the correct answered in advantage financial literacy section (11 items) was too low (0.3%). The statistical analyses displayed that from demographic variables only education and monthly income was important determinant, both of basic and advantage financial literacy.

Potrich et al (2016) conducted a study to compare models that financial literacy of university students. They investigated a random sample of 534 university students attending public and private universities in southern Brazil. The choice of scale was based on consideration of the best adjustment for the Brazilian context, appropriate translation and content validation. For an analysis of the collected data, structural equations modelling (SEM) was employed using two strategies. The findings indicate that, in the model estimation stage, the scales for behaviour and attitude have been reduced. Among all of the models estimated, the best adjusted model indicates that financial knowledge and financial attitude have positive impacts on financial behaviour.

Dalkilic and Kırkbeşoğlu (2015) analysed the effect of financial literacy in the development of the insurance awareness. In this context, in university education, the differences are considered in insurance perspective that students get financial education and the students that do not get financial education. For this scope, they examine the relationship between financial literacy and insurance awareness over 400 university students from different academic background. The results show that there is statistically significant differences between insurance awareness of students who took finance courses and non-finance course.

Mouna and Jarboui (2015) analysed the effect of the small investors on their decision making by examining their portfolio returns and does experience level can reduce this errors. The proposed model of this research uses the classification trees analyses to examine this relationship. Investor's biases have been measured by means of a questionnaire comprising several items. As for the selected sample, it has been composed of 128 small investors actively trading on the Tunisian stock market. The findings show that the portfolio returns of the small investors were somehow influenced by behavioural biases and the

results indicate that anchoring, familiarity, age and experience to be important contributory factors to the decision making performance.

Table 1

Meta table

Authors	Field of Study	Variables	Sample Size	Methodology	Findings
Prempeh et al (2024)	Financial Literacy and Saving Behaviour of Tertiary Students	Financial literacy, Saving behaviour, Course of study, Age, group, financial information and advice	377	Online survey, convenience sampling, quantitative data analysed through descriptive statistics using SPSS (version 20)	Financial literacy among Kumasi Technical University students is average, especially in business/management; most find financial advice impactful, but 13.5% of those aged 18-24 do not
Ghimire et al (2023)	personal financial planning among migrant households	Financial awareness and financial attitudes	100	Explanatory Research Design	Financial awareness significantly influences financial planning, while financial knowledge and attitude do not.
Jasim et al (2023)	The role of financial knowledge in achieving financial satisfaction through financial well-being	Financial knowledge and satisfaction	360	Statistical analysis using SMART PLS	Financial satisfaction in private sector is better than the financial satisfaction of workers in public sector.

Sutarman and Turangan (2023)	Influence of Financial Literacy, Self-Control, and Lifestyle on Students' Interest in Saving	Financial literacy, self-control, life style, interest in saving	50	SmartPLS	Positive and significant influence of financial literacy, a negative and not significant influence of self-control, and a positive but not significant influence of lifestyle.
Wahyulin a et al (2023)	Effect of Financial Literacy, Education Level, and Gender on the Growth of SMEs in the Creative Economy Sector	Financial literacy, education level, gender, SME growth	50 SMEs	Multiple linear regression with SPSS	Financial literacy and education level have a positive and significant effect on SME growth and gender has a positive but not significant effect on SME growth.
Dahiya et al (2023)	Assessment of Financial Literacy among College Students	Financial behaviour, knowledge and attitude	400	Descriptive statistics with SPSS, OECD/INFE Toolkit	Financial education is important for students, as increased financial literacy leads to less financial concern and greater financial wellbeing.
Sarabando et al (2023)	Understanding of Financial Concepts among Polytechnic Higher Education Students	Financial concepts, awareness of financial risk, financial literacy level	296		More than two-thirds of the sample do not know what Euribor or Spread are, about one-third do not understand the consequences of inflation, 16.9% do not know what term deposits are.

Ijaz et al (2022)	Financial Literacy and Financial Inclusion among University Students	Financial literacy (knowledge, skills, attitude, behaviour), Financial inclusion	700	Binary Regression Analysis	As individuals become more informed about financial products and services, the knowledge gap between them and others diminishes.
Nguyen Van et al (2022)	Factors Affecting Financial Literacy of Vietnamese Adults	Demographics, socio-economic factors, internet usage, Smartphone usage, bank usage, cultural factors, financial literacy components	669	Multivariate general linear model regression	Better income could manage savings and overall finance more effectively, "Uncertain avoidance" in the culture had better skills in cash management, saving, and investment, masculinity had higher scores in credit management, insurance, and total scale compared to those preferring femininity.
Bueno et al (2022)	Previous financial knowledge, information availability, familial influence, peer pressure, financial literacy components	Factors Influencing Financial Literacy among Graduate Students and Professionals	135	Descriptive cross-sectional survey	Financial literacy has a modest relationship with financial skills, familial influence, and peer pressure, but only a slight link with financial views.

Thapa and Nepal (2021)	The impact of demographic, educational and personality characteristics on financial literacy	Demographic, Personality and Educational variable	436	Mean, ANOVA and logistic regression	Most of the students have basic level of financial knowledge but they lack in understanding of credit, taxes, share market, financial statement and insurance.
Oli, Sudan. (2020)	Impact of Financial Literacy on Personal Financial Planning	Financial awareness, financial planning, attitude, and Demographic factors	700	Descriptive Analysis	Personal financial planning in Nepal is influenced by financial awareness and attitudes, while demographic factors have minimal impact. Traditional investment options are preferred over modern financial assets, and awareness of financial planning areas is increasing but still insufficient.
Abad-Segura and González-Zamar (2019)	Global Research Trends on the Effect of Financial Education and Financial Literacy on Creative Entrepreneurship	Financial education, Financial literacy, Creativity in individual entrepreneurship	665	Bibliometric analysis	The study identifies key trends and patterns, highlighting the relationship between financial education, financial literacy, and creative entrepreneurship.

Yıldırım et al (2017)	Individual's financial literacy level and determining the relationship between demographic variables and financial literacy	Demographic variables: Education and Monthly Income.	304	statistical analyses	This analyses indicated that among demographic variables, only education and monthly income were significant determinants of both basic and advanced financial literacy.
Potrich et al (2016)	Modelling Financial Literacy	Financial Knowledge, Attitude and Behaviour	534	Random sampling, structural equation modelling (SEM).	Financial knowledge and financial attitude positively impact financial behaviour.
Dalkilic and Kırkbeşoğlu (2015)	Effect of Financial Literacy on the Development of Insurance Awareness	Financial literacy, Insurance awareness, Academic background	400	Descriptive Analysis	There are statistically significant differences in insurance awareness between students who took finance courses and those who did not.
Mouna and Jarboui (2015)	Impact of Small Investors' Sentiment on Decision Making and Portfolio Returns	Sentiment of small investors, Decision making performance, Portfolio returns, Investor biases (anchoring, familiarity, age, experience)	128	Tree analysis	The small investors' portfolio returns were impacted by behavioural biases. Additionally, anchoring, familiarity, age, and experience were significant factors influencing decision-making performance.

2.6 Research Gap

Based on the reviewed literature, there exists a notable research gap concerning the topic of financial literacy among college students (Bachelor and Master level) in Nepal, particularly those studying in government colleges operated by Tribhuvan University (TU) in the Kathmandu Valley. While studies such as those by Thapa and Nepal (2021), Ghimire et al. (2023), Shrestha et al. (2023), and Umer et al. (2023) have explored various facets of financial literacy within the Nepalese context, none specifically target college-level students from these government institutions, focusing on the identified educational, demographic, and personality variables. The existing research primarily examines financial literacy among broader populations or specific demographic groups, such as migrant households or women in rural areas. Furthermore, the studies primarily concentrate on factors influencing financial literacy, its impact on personal financial planning, investment decisions, or financial inclusion, rather than directly assessing the level of financial literacy among college students.

Therefore, there is a clear gap in the literature regarding comprehensive investigations into the financial literacy levels of college students in government colleges operated by TU in the Kathmandu Valley, particularly concerning their educational backgrounds, demographic characteristics, and personality traits. Additionally, the absence of research specifically examining the impact of risk aversion and financial attitudes on financial literacy among these college students further highlights this gap. Conducting such research would provide valuable insights into the unique challenges and needs of college-level students in these government institutions regarding financial literacy, thereby informing targeted educational interventions and policies aimed at enhancing their financial knowledge and skills.

Closing this research gap is essential for advancing our understanding of financial literacy among government college students in the Kathmandu Valley and developing effective strategies to promote financial well-being and economic empowerment among this important demographic group in Nepal.

CHAPTER - III

RESEARCH METHODOLOGY

3.1 Introduction

Research methodology provides a systematic path for resolving research dilemmas and achieving the fundamental objectives of a study. It includes a concise explanation of research design, the nature and sources of data, methods of data collection, and the tools used for data analysis.

This study aims to evaluate the financial literacy levels among college students, focusing on those enrolled in government colleges affiliated with Tribhuvan University (TU) in the Kathmandu Valley. Financial literacy is a crucial skill for managing personal finances effectively, and understanding its prevalence among students can help in designing targeted educational programs.

According to the Economic Survey 2023, over 450,000 students are studying in various colleges under TU in Nepal. Specifically, around 200,000 of these students are enrolled in government colleges in the Kathmandu Valley. These colleges offer a variety of programs, including management, education, business economics, arts, humanities, engineering, and science & technology, making them an ideal setting for this study.

3.2 Research design

A research design is the arrangement of conditions for collection and analysis of data that aim to combine relevance to the research purpose with economy in procedure. Research design is the plan, structure and strategy of investigation conceived so as to obtain answers to research questions and to objective of this study.

Research design includes the plan, structure, and strategy for the investigation purporting to answer research questions and control variance (Kerlinger, 1980). To ensure that the data was accurate and thorough, this study will use a variety of techniques (Wetherbe, 2012).

The research design employed to assess financial literacy among college students focuses specifically on those enrolled in government colleges affiliated with Tribhuvan University (TU) in the Kathmandu Valley. Descriptive and causal-comparative research methods have

been used to analyse the impact of demographic variables, educational variables and personality variables on financial literacy of University Students.

Descriptive research, which involves surveys and fact-finding, is used to characterize the various variables under consideration. Meanwhile, the causal-comparative research design examines the relationships between dependent and independent variables, aiming to understand the status of financial literacy among the targeted college students.

Key variables in this study include demographic variables, educational variables, and personality variables. The research relies on quantitative data, collected through self-administered questionnaires distributed to the students. This approach allows for a thorough examination of how different factors influence financial literacy among students in the specified educational institutions.

In this study, a questionnaire was designed to get opinions and answers from government college students the questionnaire is based on the literature. The questionnaire was based on 5 points Likert scale (with 1= Strongly disagree and 5= Strongly agree) and participants were asked to evaluate their thoughts. Questionnaires and data collected were analysed using the PSPP system (Public Statistical Programming Package). Several types of analysis were run: descriptive statistics, correlation, regression. The descriptive method will be used mostly for conceptualization.

3.3 Population and sampling procedure

i. Population

The definition of population differs from the nature and subject matter of the study. The population targeted in this study includes all students enrolled in government colleges affiliated with Tribhuvan University (TU) in the Kathmandu Valley. According to the Economic Survey 2023, there are over 450,000 students studying in various colleges under TU in Nepal, with around 200,000 of these students studying in government colleges in the Kathmandu Valley. These students are enrolled in a variety of programs, including management, humanities, engineering, and science & technology.

ii. Sample

The sample size to assess the status of financial literacy among college students focuses specifically on those enrolled in government colleges affiliated with Tribhuvan University (TU) in the Kathmandu Valley. Out of the population, 400 questionnaires distributed to the formula $n = \frac{Z^2 \cdot P \cdot Q}{E^2}$, where the results required at least $n = 390$.

A judgmental (purposive) sampling method was utilized to gather data from a subset of the population, specifically focusing on approximately 400 students enrolled in government colleges operating in the Kathmandu Valley and affiliated with Tribhuvan University (TU). The selected colleges included Padma Kanya Multiple Campus in Bagbazar, Kathmandu; Shanker Dev Campus in Putalisadak, Kathmandu; Kirtipur Campus in Kirtipur, Kathmandu; Central Department in Kirtipur, Kathmandu; Patan Multiple Campus in Patan Dhoka, Lal itpur; and Bhaktapur Multiple Campus in Dudhpati, Bhaktapur.

In the absence of exact population data for each college, the sample sizes for this study were determined based on word-of-mouth estimates of student populations. This approach was chosen to ensure that the sample reflects the perceived differences in the sizes of the student bodies across the various colleges. By allocating larger sample sizes to colleges with higher estimated student numbers and smaller sample sizes to those with fewer students, we aim to achieve proportional representation. This method helps to reduce sampling bias, ensuring that colleges with larger student populations have a more significant presence in the sample. Such proportional allocation enhances the representativeness of the sample, making the findings more generalizable to the broader student population. Furthermore, this approach takes into account practical considerations, balancing the need for a manageable sample size with the goal of accurately reflecting the diversity of the student populations. By carefully considering the gender distribution within each college, the sampling procedure also ensures adequate representation of both male and female students, further strengthening the validity of the study.

Table 2*Sample size*

S.N	College Name	Sample	Male	Female
1.	Padma kanya Multiple campus	65	30	35
2.	Shanker Dev Campus	95	45	50
3.	Kritipur Campus	50	25	26
4.	Central Department (TU)	105	50	55
5.	Patan Multiple campus	35	18	19
6.	Bhaktapur Multiple campus	40	17	20
Total		390	185	205

iii. Sampling Techniques

In this study, a purposive sampling method was chosen to determine the sample size and collect data on financial literacy among students in government colleges operating in the Kathmandu Valley. This method was selected to ensure that participants with the most relevant knowledge and experience were included in the sample, thereby enhancing the quality and relevance of the data collected.

3.4 Nature and sources of data collection

Data is the foundation of research, making reliable data collection essential. For this study, primary data will be collected through questionnaires administered to some government college students in the Kathmandu Valley, affiliated with Tribhuvan University (TU). Using a purposive sample survey of 400 students from 6 colleges, the questionnaire is divided into two sections: Section 1 gathers demographic and educational information (age, gender, family income, age, parental educational background faculty of the study, major subject of the study), and Section 2 focuses on factors influencing (financial behaviour attitude, risk aversion). It includes Likert scale and multiple-choice questions to measure various aspects of financial literacy. This structured approach aims to provide comprehensive insights into the financial literacy levels and influencing factors among these students.

3.5 Methods of Analysis

This study focuses on assessing the financial literacy of college students enrolled in some government colleges affiliated with Tribhuvan University in the Kathmandu Valley, exploring a range of educational, demographic, and personality variables. Data collection involves gathering responses from students, which are then meticulously organized and presented in tabular forms to facilitate clear analysis. The primary statistical tools utilized in this research include descriptive and inferential techniques, all aimed at uncovering insights into financial literacy among the student population.

Descriptive statistics such as mean, standard deviation, and percentage are employed initially to summarize the collected data. These statistics provide a snapshot of the overall levels of financial literacy among students, offering insights into trends and variations across different variables.

For deeper analysis, inferential statistical methods are employed. One-way Analysis of Variance (ANOVA) is utilized extensively to examine educational and demographic variables. ANOVA helps to compare financial literacy scores across different groups, such as faculties of study or income levels. It provides statistical evidence of whether these variables significantly influence financial literacy levels among students.

Additionally, independent sample T-tests are utilized to explore specific comparisons, particularly examining gender-based differences in financial literacy. This statistical approach helps determine whether there are significant disparities in financial knowledge between male and female students.

Moreover, the study investigates how personality variables, including risk aversion and financial attitudes, correlate with financial literacy. One-way ANOVA is applied here as well, enabling the exploration of how varying levels of risk aversion or different financial attitudes impact students' financial literacy outcomes.

Throughout the analysis, PSPP (Public Software for Statistical Programming), Microsoft Excel, and Microsoft Word, serves as the analytical tool and interpret by using table and figure to providing robust capabilities for data processing, statistical analysis, and interpretation. By systematically applying these tools and techniques, the study aims to provide a comprehensive understanding of the factors influencing financial literacy of

college students enrolled in government colleges affiliated with Tribhuvan University in the Kathmandu Valley. These findings not only contribute to academic knowledge but also offer practical insights for enhancing financial education programs tailored to student needs.

3.5.1 Analysis tools and model specification

3.5.1.1 Descriptive Analysis: This type of statistical analysis was used in order to summarize and interpret the large number of data collection using the tools like measures of central tendency (mean, median, mode) and dispersion (standard deviation, range) to understand data characteristics such as averages and variability. Graphical representations such as histograms, box plots, and scatter plots are also used to visualize data patterns and relationships.

3.5.1.2 Regression Analysis: Regression analysis investigates how independent variable influence dependent variable (financial literacy). By quantifying these relationships, it identifies which factors significantly shape students' financial knowledge. Ultimately, regression analysis informs strategies to improve students' financial capabilities and decision-making skills.

3.5.1.3 Correlation Analysis: Correlation analysis was used to examine the strength and direction of relationships among variables affecting financial literacy among college students. It measured how independent variables correlate with levels of financial knowledge. This statistical approach provided insights into which factors are closely related to students' financial literacy levels, helping educators and policymakers target interventions more effectively.

Logistic Regression Model

The logistic regression model can be expressed as:

$$Y = a + b_1x_1 + b_2x_2 + b_3x_3 + e$$

Where,

Y = Financial Literacy

a = The intercept term represents the baseline level of financial literacy when all independent variables are zero.

b_1, b_2, b_3 = The coefficients for each independent variable, indicating the change in financial literacy associated with a one-unit change in the respective variable.

e = The error term, capturing the variability in financial literacy not explained by the independent variables.

x_1 = Demographic variables (e.g., age, gender, parental education, family income)

x_2 = Educational variables (e.g., faculty of study, major subject of study)

x_3 = Personality variables (e.g., risk aversion, financial attitude)

Variables

- i. Gender:** 1 if the participant is male, 0 otherwise.
- ii. Age:** Continuous variable representing the participant's age.
- iii. Parental Education:** Level of parental education (e.g., coded as 1 for high school, 2 for bachelor's degree, etc.).
- iv. Family Income:** Family income level (e.g., coded in brackets like low, medium, high).
- v. Faculty:** 1 if the participant is in a specific faculty (e.g., Business, Humanities, etc.), 0 otherwise.
- vi. Major:** 1 if the participant's major is a specific subject (e.g., Finance, Economics, etc.), 0 otherwise.
- vii. Risk Aversion:** A score indicating the participant's aversion to risk.
- viii. Financial Attitude:** A score indicating the participant's attitude towards financial matters.

3.6 Reliability and Validity

The purpose of conducting a reliability analysis in this study is to evaluate the internal consistency of the scales used to measure various dimensions. Cronbach's Alpha is employed as the reliability coefficient to determine the extent to which items within each scale are correlated and thus measure the same underlying construct.

Table 3*Cronbach's Alpha Results*

S.N	Dimension	Chronbach's Alpha	No. of items
1	Risk Aversion	0.810	6
2	Financial Attitude	0.890	6
3	Financial Literacy	0.900	7
Overall		0.940	19

(*Source: A survey Data Analysis 2024*)

The Cronbach's Alpha values indicate the following levels of internal consistency for each dimension:

Risk Aversion: The Cronbach's Alpha of 0.810 indicates a good level of internal consistency for the items measuring risk aversion. This suggests that the six items are reliably capturing the concept of risk aversion among college students.

Financial Attitude: With a Cronbach's Alpha of 0.890, the financial attitude dimension exhibits a very good level of internal consistency. This high value indicates that the six questions are well-correlated and consistently measure financial attitudes in students.

Financial Literacy: A Cronbach's Alpha of 0.900 for the financial literacy dimension denotes an excellent level of internal consistency. This suggests that the seven items are highly reliable in assessing the financial literacy of college students.

Overall the Cronbach's Alpha of 0.940 for all 19 items in the questionnaire indicates an outstanding level of internal consistency. This high value suggests that the entire questionnaire is very reliable in measuring the various aspects of financial literacy, risk aversion, and financial attitude among college students.

3.7 Research framework and definition of variables

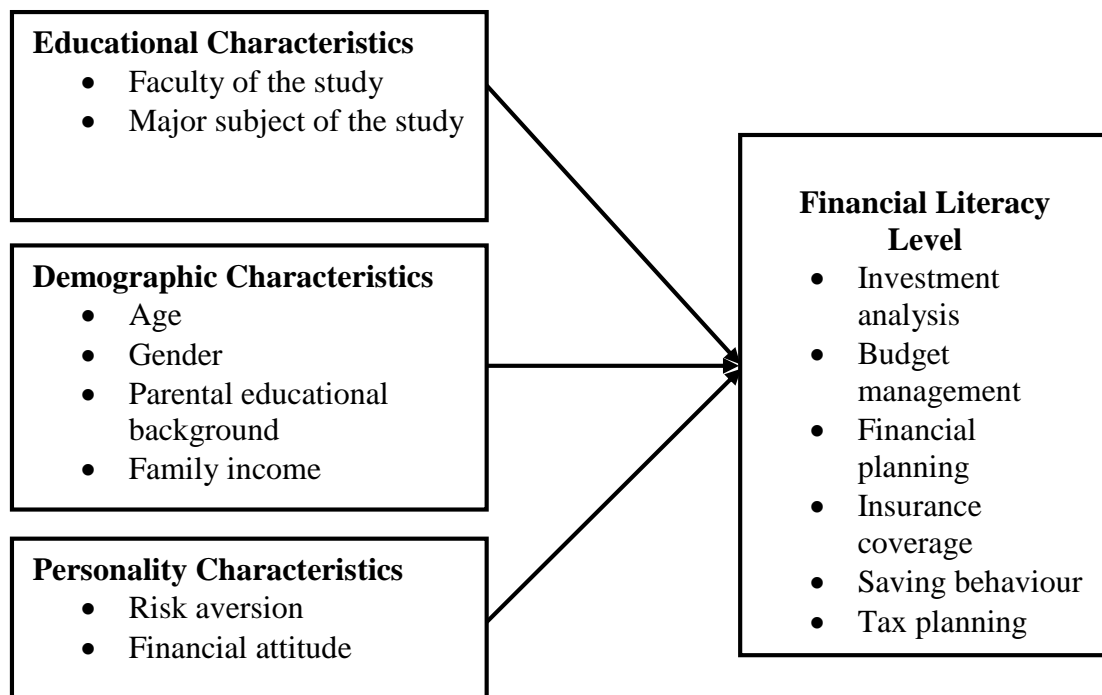
The conceptual framework serves as an analytical tool employed to establish conceptual distinctions and organize ideas. The conceptual model listed below is created using the literature review as a guide. In the study's conceptual framework, there is a systematic explanation of the relationship among the dependent and independent variables, aimed at

illuminating students' financial literacy and its influencing factors. The independent variables consist of educational variables demographic variables and personality variables, while the dependent variable is the level of financial literacy.

In essence, this proposed conceptual framework provides a comprehensive analysis of the factors impacting financial literacy, offering valuable insights for further research and practical applications. Derived from an extensive literature review, the framework systematically explains the relationship between independent variables, educational, demographic, and personality variables and the dependent variable, which is the level of financial literacy. By using this structured approach, the study aims to address and close the research gaps identified in the literature review, thereby illuminating the various influences on students' financial literacy.

Figure 1

Conceptual Framework



(Source: Thapa 2021, Ghimire 2023, Adhikari 2020)

3.7.1 Educational Variables

- i. **Faculty of Study:** This variable examines whether students enrolled in different fields of study possess varying levels of financial literacy. The rationale is that students in certain faculties, such as business or economics, might receive more

exposure to financial concepts compared to those in arts or sciences, potentially influencing their financial literacy levels.

- ii. **Major Subject of the Study** This variable assesses the impact of taking finance-related courses on students' financial literacy. It investigates whether students who major in subjects such as finance, accounting, or economics exhibit higher levels of financial literacy compared to those who do not take such courses. The focus here is on the direct educational influence of finance-specific coursework.

3.7.2 Demographic Variables

- i. **Age:** This variable analyses how age influences financial literacy among Bachelor's and Master's level students. The study explores whether older students, who might have more life experience and potentially more exposure to financial responsibilities, demonstrate higher financial literacy compared to younger students.
- ii. **Gender:** This variable investigates gender-based differences in financial literacy. It aims to identify whether there are significant disparities in financial knowledge and skills between male and female students, and if so, what factors might contribute to these differences.
- iii. **Parental Educational Background:** This variable assesses whether students whose parents have higher levels of education exhibit higher levels of financial literacy. It examines the influence of parental education on students' financial knowledge, positing that parents with higher educational attainment may provide a more supportive environment for financial learning.
- iv. **Family Income:** This variable investigates whether students from households with higher income levels demonstrate superior financial literacy compared to those from lower-income backgrounds. It looks at the potential impact of economic resources and familial financial practices on students' financial literacy.

3.7.3 Personality Variables

- i. **Risk Aversion:** This variable examines the impact of risk aversion on financial literacy among Bachelor's and Master's level students. It considers whether students who are more risk-averse tend to have different levels of financial knowledge and skills compared to those who are more willing to take financial risks.

- ii. **Financial Attitudes:** This variable assesses whether specific financial attitudes, such as risk tolerance or savings behaviour, are correlated with higher levels of financial literacy among Bachelor's and Master's level students. It explores how attitudes towards money management, investment, and saving can influence overall financial literacy.

3.7.4 Financial Literacy Level

Financial literacy, as a dependent variable, encompasses proficiency in financial principles and concepts such as financial planning, compound interest, managing debt, effective saving techniques, and understanding the time value of money. A lack of financial literacy, or financial illiteracy, can lead to poor financial decisions that negatively impact an individual's financial well-being.

Key steps to achieving financial literacy include learning to create budgets, tracking spending, mastering techniques to pay off debts, and planning effectively for future financial stability. This topic emphasizes the efficient management of personal finances and includes the knowledge necessary for making informed decisions about personal finance areas such as investing, insurance, real estate, paying for college, budgeting, retirement, and tax planning.

By gaining these skills, college students can make better financial choices and improve their overall financial health.

CHAPTER-IV

RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents the analysis, discussions of the data collected from the survey and the results of statistical tests including frequency distributions, descriptive analysis, correlation analysis, and regression analysis by using PSPP software.

4.2 Demographic Characteristics

The demographic characteristics of the respondents in this study reveal a diverse and varied population. In terms of gender distribution, the sample consists of 52.56% females and 47.44% males, indicating a slight majority of female respondents.

Age-wise, the respondents span across various age groups with 7.69% aged between 18-20 years, 25.64% aged between 21-23 years, 50.52% falling in the 24-26 years category, and 16.15% being 27 years old or above. This shows a concentration of respondents in the 24-26 years age bracket, suggesting that the majority are likely in their mid-twenties.

Regarding educational qualifications, 47.4% of the respondents are pursuing a Bachelor's degree, while 52.6% are at the Master's level. This indicates a balanced representation of students at different stages of higher education.

The monthly income of the respondents' families is distributed across a broad range. Specifically, 9.23% of families earn less than 15,000; 11.54% have an income between 15,001 and 20,000; 12.82% earn between 20,001 and 30,000; 17.44% have an income ranging from 30,001 to 40,000; 23.85% earn between 40,001 and 50,000; and 25.13% have a monthly income exceeding 50,000. This distribution suggests a varied economic background among the respondents.

When examining the educational background of the respondents' parents, it is observed that 31.28% of parents have no primary education, 23.85% have a primary level education, 8.97% have completed secondary education, 4.36% have a higher secondary education, 10% have a +2 level education, 13.33% hold a Bachelor's degree, and 8.21% possess a

Master's degree. This variety in parental education levels indicates diverse socio-economic backgrounds and varying degrees of educational attainment within families.

The academic disciplines of the respondents are also varied, with a significant majority of 73.08% being management students. Other fields of study include education (12.31%), arts and humanities (4.62%), business and economics (5.64%), and other faculties (4.36%). This highlights the predominance of management studies among the respondents.

In terms of major subjects, the respondents' interests are spread across different areas: 38.72% are majoring in Finance, 23.33% in Accounting, 9.23% in Marketing, 2.31% in Health & Population, 5.13% in Nepali, 7.44% in English, 2.56% in Math, 3.33% in Science, and 7.95% in other subjects. This distribution showcases a wide array of academic interests and specializations among the respondents, with a notable focus on finance and accounting.

Overall, the demographic characteristics reflect a diverse sample in terms of gender, age, education level, family income, parental education, field of study, and major subjects, providing a comprehensive overview of the respondents' backgrounds and academic pursuits.

The following table represents the demographic characteristics of the sample:

Table 4

Demographic Characteristics of Respondents

Demographic Characteristics		Frequency	Percentage
Gender	Female	205	52.56
	Male	185	47.44
	Total	390	100
Age	18-20	30	7.69
	21-23	100	25.64
	24-26	197	50.52
	27 and above	63	16.15
	Total	390	100
Level of Study	Bachelor Degree	185	47.4
	Master Degree	205	52.6
	Total	390	100

	Less than 15000	36	9.23
	15001-20000	45	11.54
Family Income (Rs. Monthly)	20001-30000	50	12.82
	30001-40000	68	17.44
	40001-50000	93	23.85
	More than 50000	98	25.13
	Total	390	100
	No formal education	122	31.28
	Primary level	93	23.85
Parental Educational Background	Secondary level	35	8.97
	Higher secondary level	17	4.36
	+2	39	10
	Bachelor degree	52	13.33
	Master degree	32	8.21
	Total	390	100
	Educational Characteristics		
	Management	285	73.08
	Education	48	12.31
Faculty of Study	Arts and humanities	18	4.62
	Business and Economics	22	5.64
	Others	17	4.36
	Total	390	100
	Finance	151	38.72
	Account	91	23.33
Major Subject of the Study	Marketing	36	9.23
	Health and population	9	2.31
	Nepali	20	5.13
	English	29	7.44
	Math	10	2.56
	Science	13	3.33
	Others	31	7.95
	Total	390	100

(Source: A survey Data Result 2024)

4.3 Crosstabs Analysis

Table 5

Comparative Analysis

		Gender		Total	
		Male	Female		
Age	18-20	Count	14	16	30
		Row %	46.70%	53.30%	100.00%
		Column %	7.60%	7.80%	7.70%
		Total %	3.60%	4.10%	7.70%
21-23	21-23	Count	49	51	100
		Row %	49.00%	51.00%	100.00%
		Column %	26.50%	24.90%	25.60%
		Total %	12.60%	13.10%	25.60%
24-26	24-26	Count	88	109	197
		Row %	44.70%	55.30%	100.00%
		Column %	47.60%	53.20%	50.50%
		Total %	22.60%	27.90%	50.50%
27 and above	27 and above	Count	34	29	63
		Row %	54.00%	46.00%	100.00%
		Column %	18.40%	14.10%	16.20%
		Total %	8.70%	7.40%	16.20%
Total	Total	Count	185	205	390
		Row %	47.44%	52.56%	100.00%
		Column %	100.00%	100.00%	100.00%
		Total %	47.44%	52.56%	100.00%

(Source: A survey Data Result 2024)

The cross-tabulation table provides a comprehensive breakdown of the 390 college students sampled by age group and gender. Overall, the sample comprises 185 males (47.44%) and 205 females (52.56%). When examining the age group 18-20, there are 14 males and 16 females, making up 7.7% of the total sample, with a slightly higher percentage of females (4.1%) than males (3.6%). The age group 21-23 includes 49 males and 51 females, representing 25.6% of the sample, again with a nearly equal gender distribution (12.6% males, 13.1% females). The largest age group is 24-26, consisting of 88 males and 109 females, which accounts for 50.5% of the total sample, with more females (27.9%) than males (22.6%). Lastly, the age group of 27 and above includes 34 males and 29 females, comprising 16.2% of the sample, with a higher proportion of males (8.7%) compared to females (7.4%). This analysis highlights that the majority of the students fall within the 24-26 age range, with a slightly higher overall representation of females across all age groups.

4.4 Descriptive Analysis

The descriptive analysis involves calculating measures such as mean, standard deviation, maximum, and minimum values for each question. This analysis helps to summarize and understand the distribution and variability of the responses from the 390 sample size. To perform the descriptive analysis, PSPP has been used as statistical software to calculate these measures for 19 questions.

The descriptive analysis examines the relationship between independent factors, including Personality Variable (risk aversion and financial attitude) and the dependent factor, Financial Literacy. These factors were measured using a five-point Likert scale, with 1 representing "Strongly Disagree", "Disagree", "Neutral", and "Agree" denoted 2,3,4 respectively, and 5 representing "Strongly Agree."

To assess the inclination towards agreement or disagreement with the statements, mean values were calculated for each factor. A mean number that is below 3 shows that respondents are inclined to disagree with the claims, whereas a mean value that is equal to or above 3 indicates that respondents are inclined to agree with the statements. The study aims to provide insights into respondents' financial attitude and their level of financial literacy.

Table 6

Descriptive analysis of survey data

	N	Mean	S.E. Mean	Variance	Minimum	Maximum
RA	390	3.14	0.04	0.78	1	5
FA	390	3.51	0.05	0.86	1	5
FL	390	3.46	0.05	0.82	1	5

(Source: A survey Data Analysis 2024)

{Note: Risk Aversion (RA), Financial Attitude (FA), Financial Literacy (FL)}

The table presents descriptive statistics for three key variables relevant to the study of financial literacy among college students: Risk Aversion (RA), Financial Attitude (FA), and Financial Literacy (FL). Each variable was measured on a scale from 1 to 5, and the sample size for each measure is 390 students.

The mean score for Risk Aversion (RA) is 3.14, with a standard error of 0.04, indicating that students, on average, have a moderate level of risk aversion. The variance in RA scores is 0.78, showing some variability in risk tolerance among students, with scores ranging from 1 to 5.

Financial Attitude (FA) has a higher mean score of 3.51 and a standard error of 0.05, suggesting that students generally possess a positive financial attitude. The variance for FA is 0.86, indicating a slightly higher variability compared to RA, with the same range of scores from 1 to 5.

Financial Literacy (FL) shows a mean score of 3.46, with a standard error of 0.05, reflecting that students rate their financial literacy moderately high. The variance in FL scores is 0.82, similar to the other variables, with scores also ranging from 1 to 5.

These statistics provide a foundation for further analysis, aiming to investigate the status of financial literacy among college students, examine the relationships between personality variables (risk aversion and financial attitude) and financial literacy, and analyze the impact of demographic and educational variables on financial literacy.

4.5 Correlation Analysis

Correlation analysis is used to determine the strength, the direction and the relationship between the independent variables and the dependent variable. Here the researcher conduct the correlation between Personality Variables (risk aversion and financial attitude) and financial Literacy.

Table 7*Pearson's Correlation Coefficients*

		RA	FA	FL
RA	Pearson Correlation	1	.671[a]	.637[a]
	Sig. (2-tailed)		0	0
	N	390	390	390
FA	Pearson Correlation	.671[a]	1	.793[a]
	Sig. (2-tailed)	0		0
	N	390	390	390
FL	Pearson Correlation	.637[a]	.793[a]	1
	Sig. (2-tailed)	0	0	
	N	390	390	390

[a]= Significant at .05 level

(Source: A survey Data Analysis 2024)

{Note: Risk Aversion (RA), Financial Attitude (FA), Financial Literacy (FL)}

The correlation analysis conducted between the Personality Variables {Risk Aversion (RA), Financial Attitude (FA)} and Financial Literacy (FL) reveals significant and meaningful relationships. The Pearson correlation coefficient between Risk Aversion and Financial Attitude is 0.671, with a significance level of 0.000, indicating a strong positive relationship. This suggests that as students' risk aversion increases, their financial attitudes also tend to be more positive, possibly reflecting a more cautious and thoughtful approach to financial decision-making.

The relationship between Risk Aversion and Financial Literacy is also strong, with a Pearson correlation coefficient of 0.637 and a significance level of 0.000. This strong positive correlation indicates that higher levels of risk aversion are associated with higher financial literacy among students. It implies that students who are more risk-averse might seek more knowledge to make safer financial decisions, thereby improving their financial literacy.

The most substantial correlation is between Financial Attitude and Financial Literacy, with a Pearson correlation coefficient of 0.793 and a significance level of 0.000. This very strong positive correlation suggests that students with a more positive financial attitude tend to have higher financial literacy. This finding implies that positive financial attitudes are closely linked to better understanding and management of financial matters.

Overall, the correlation analysis demonstrates that there are significant and positive relationships between the personality variables (risk aversion and financial attitude) and financial literacy. Higher levels of risk aversion and positive financial attitudes are associated with higher financial literacy among college students, with financial attitude showing the strongest correlation with financial literacy. These findings support the hypothesis that personality traits significantly relate to financial literacy, indicating that personality traits like risk aversion and financial attitude play an important role in determining students' financial literacy levels.

4.6 Regression Analysis

Regression analysis were used to determine the relationship between Personality Variables and Financial Literacy.

Table 8

Multiple Regression Analysis

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.58	0.11	0	5.14	0
RA	0.2	0.04	0.19	4.7	0
FA	0.65	0.04	0.67	16.37	0

a. Dependent Variable: FL

(Source: A survey Data Analysis 2024)

{Note: Risk Aversion (RA), Financial Attitude (FA), Financial Literacy (FL)}

The regression analysis was conducted to examine the impact of Risk Aversion (RA) and Financial Attitude (FA) on financial literacy among college students. The results indicate that both RA and FA are significant predictors of financial literacy. The unstandardized coefficient for RA is 0.20 (standard error = 0.04), with a t-value of 4.7 and a significance level of 0. This suggests that for every one-unit increase in RA, the financial literacy score increases by 0.20 units, holding all other variables constant. The standardized coefficient (Beta) for RA is 0.19, indicating a positive relationship between RA and financial literacy.

The unstandardized coefficient for FA is 0.65 (standard error = 0.04), with a t-value of 16.37 and a significance level of 0. This indicates that for every one-unit increase in FA, the financial literacy score increases by 0.65 units, holding all other variables constant. The

standardized coefficient (Beta) for FA is 0.67, suggesting a strong positive relationship between FA and financial literacy.

The constant term in the regression equation is 0.58 (standard error = 0.11), with a t-value of 5.14 and a significance level of 0, indicating that the expected financial literacy score is 0.58 when both RA and FA are zero.

Overall, the analysis reveals that FA has a stronger impact on financial literacy (Beta = 0.67) compared to RA (Beta = 0.19). These findings highlight the importance of financial attitudes in predicting financial literacy among college students, suggesting that students with more positive financial attitudes tend to have higher financial literacy scores. Risk aversion also positively influences financial literacy, albeit to a lesser extent than financial attitude.

4.7 Independent Sample T-Test

Independent Sample T-Test was conducted to explore if there is a significance difference in the mean scores between two groups. In this study, gender is tested with different factors and questions related to risk aversion, financial attitude and financial literacy among college students.

Table 9

Effects of Gender on Variables

Group Statistics					
	Group	N	Mean	Std. Deviation	S.E. Mean
Age	Male	185	2.77	0.84	0.06
	Female	205	2.74	0.8	0.06
Level of study	Male	185	1.48	0.5	0.04
	Female	205	1.57	0.5	0.03
Faculty of Study	Male	185	1.83	1.34	0.1
	Female	205	1.32	0.74	0.05
Major Subject	Male	185	3.54	2.73	0.2
	Female	205	2.68	2.43	0.17
RA	Male	185	3.04	1.03	0.08
	Female	205	3.23	0.72	0.05
FA	Male	185	3.39	1.09	0.08
	Female	205	3.62	0.75	0.05
FL	Male	185	3.35	1.1	0.08
	Female	205	3.56	0.67	0.05

{Note: Risk Aversion (RA), Financial Attitude (FA), Financial Literacy (FL)}

Table 10*Independent Samples T-Test Results for Gender*

		Levene's Test for Equality of Variances		T-Test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Age	Equal variances assumed	0.55	0.458	0.37	388	0.709	0.03	0.08	-0.13	0.19
Level of study	Equal variances assumed	2.64	0.105	-1.88	388	0.061	-0.1	0.05	-0.19	0
Faculty of Study	Equal variances assumed	76.08	0	4.71	388	0	0.51	0.11	0.3	0.72
Major Subject	Equal variances assumed	12.51	0	3.26	388	0.001	0.85	0.26	0.34	1.37
RA	Equal variances assumed	22.83	0	-2.1	388	0.037	-0.19	0.09	-0.36	-0.01
FA	Equal variances assumed	25.91	0	-2.45	388	0.015	-0.23	0.09	-0.41	-0.05
FL	Equal variances assumed	44.28	0	-2.27	388	0.024	-0.21	0.09	-0.39	-0.03

(Source: A survey Data Analysis 2024)

{Note: Risk Aversion (RA), Financial Attitude (FA), Financial Literacy (FL)}

The independent samples t-test results reveal significant differences between male and female college students across several variables. For the faculty of study, males have a higher mean (1.83) compared to females (1.32), with a significant p-value of less than 0.001, indicating different distributions of study faculties between genders. Similarly, males have a higher mean (3.54) in their major subjects compared to females (2.68), with a significant p-value of 0.001, suggesting a notable difference in the major subjects chosen by males and females.

In terms of risk aversion (RA), females exhibit a higher mean (3.23) compared to males (3.04), with a significant p-value of 0.037, indicating that females are more risk-averse than males. Additionally, females have a higher mean (3.62) in financial attitude (FA) compared to males (3.39), with a significant p-value of 0.015, suggesting that females possess more positive financial attitudes.

Moreover, females have a higher mean (3.56) in financial literacy (FL) compared to males (3.35), with a significant p-value of 0.024, indicating that females have higher financial literacy levels. There are no significant differences in age between male and female students, and only a marginal difference in the level of study, which is not statistically significant at the 0.05 level ($p = 0.061$).

Overall, these findings highlight the importance of gender in various aspects related to financial literacy and associated factors among college students, with females showing higher risk aversion, more positive financial attitudes, and greater financial literacy compared to their male counterparts.

4.7.1 Hypothesis Analysis

$H_{1.1}$: There are significant differences in financial literacy between male and female college students.

Conclusion: The independent samples t-test results show a significant difference in financial literacy between male and female students (p -value = 0.024). Females have higher financial literacy scores (mean = 3.56) compared to males (mean = 3.35). Thus, this hypothesis is supported.

$H_{1.2}$: There are significant differences in financial literacy among college students of different age ranges.

Conclusion: The ANOVA results indicate that age significantly impacts financial literacy (F-statistic = 13.45, p -value < 0.001). This suggests substantial differences in financial literacy across different age groups. Thus, this hypothesis is supported.

$H_{1.3}$: There are significant differences in financial literacy among college students with different family income levels.

Conclusion: The ANOVA results show that family income does not significantly affect financial literacy (F-statistic = 1.01, p -value = 0.410). This indicates that financial literacy does not vary meaningfully across different income levels. Thus, this hypothesis is not supported.

$H_{1.4}$: There are significant differences in financial literacy among college students with different parental educational backgrounds.

Conclusion: The ANOVA results reveal that parental education significantly impacts financial literacy (F-statistic = 4.95, p-value < 0.001). This suggests substantial differences in financial literacy based on the educational background of the students' parents. Thus, this hypothesis is supported.

$H_{2.1}$: There are significant differences in financial literacy among college students from different faculties of study.

Conclusion: The ANOVA results indicate that the faculty of study significantly impacts financial literacy (F-statistic = 18.62, p-value < 0.001). This suggests substantial differences in financial literacy among students from different faculties. Thus, this hypothesis is supported.

$H_{2.2}$: There are significant differences in financial literacy among college students majoring in different subjects.

Conclusion: The ANOVA results show that the major subject of study has a significant impact on financial literacy (F-statistic = 19.55, p-value < 0.001). This indicates significant differences in financial literacy among students majoring in different subjects. Thus, this hypothesis is supported.

$H_{3.1}$: There are significant differences in financial literacy among college students with different levels of risk aversion.

Conclusion: The independent samples t-test results indicate that there is a significant difference in financial literacy based on risk aversion (p-value = 0.037), with females showing higher risk aversion and higher financial literacy scores. Additionally, the correlation analysis shows a strong positive relationship between risk aversion and financial literacy (Pearson correlation coefficient = 0.637, p-value < 0.001). Thus, this hypothesis is supported.

$H_{3.2}$: There are significant differences in financial literacy among college students with different financial attitudes.

Conclusion: The independent samples t-test results show a significant difference in financial literacy based on financial attitude (p -value = 0.015), with females showing more positive financial attitudes and higher financial literacy scores. The correlation analysis also indicates a very strong positive relationship between financial attitude and financial literacy (Pearson correlation coefficient = 0.793, p -value < 0.001). Thus, this hypothesis is supported.

Table 12

Hypothesis Result Table

Hypothesis	Definition of Hypothesis	Results
$H_{1.1}$	There are significant differences in financial literacy between male and female college students.	Accepted
$H_{1.2}$	There are significant differences in financial literacy among college students of different age ranges.	Accepted
$H_{1.3}$	There are significant differences in financial literacy among college students with different family income levels.	Rejected
$H_{1.4}$	There are significant differences in financial literacy among college students with different parental educational backgrounds.	Accepted
$H_{2.1}$	There are significant differences in financial literacy among college students from different faculties of study.	Accepted
$H_{2.2}$	There are significant differences in financial literacy among college students majoring in different subjects.	Accepted

$H_{3.1}$	There are significant differences in financial literacy among college students with different levels of risk aversion.	Accepted
$H_{3.2}$	There are significant differences in financial literacy among college students with different financial attitudes.	Accepted

Out of the total sample of 390 respondents, the gender distribution shows a slightly higher percentage of females (52.56%) compared to males (47.44%). The majority of respondents are aged 24-26 (50.52%), followed by those aged 21-23 (25.64%), indicating that financial literacy is particularly relevant among young adults. Smaller proportions of respondents are aged 27 and above (16.15%) and 18-20 (7.69%).

A slight majority of respondents are pursuing a Master's degree (52.6%) over a Bachelor's degree (47.4%). Respondents come from diverse income backgrounds, with the highest proportion reporting family incomes of more than 50,000 (25.13%) and 40,001-50,000 (23.85%).

A significant portion of respondents' parents have no formal education (31.28%) or primary level education (23.85%), indicating diverse educational backgrounds. The majority of respondents are from the Management faculty (73.08%), with smaller proportions from Education (12.31%), Arts and Humanities (4.62%), Business and Economics (5.64%), and other faculties (4.36%).

The most common major subject is Finance (38.72%), followed by Account (23.33%). Other subjects include Marketing (9.23%) and English (7.44%). The mean score of risk aversion is 3.14, indicating moderate risk aversion among students. The mean score of financial attitude is 3.51, suggesting generally positive financial attitudes. The mean score of financial literacy is 3.46, reflecting moderately high financial literacy.

There is a strong positive correlation (0.671, $p < 0.05$) between risk aversion and financial attitude, indicating that higher risk aversion is associated with a more positive financial attitude. Additionally, a strong positive correlation exists (0.637, $p < 0.05$) between risk aversion and financial literacy, suggesting that higher risk aversion is linked to higher

financial literacy. There is a very strong positive correlation (0.793, $p < 0.05$) between financial attitude and financial literacy, indicating that a more positive financial attitude is strongly associated with higher financial literacy.

The regression analysis shows that both risk aversion (unstandardized coefficient 0.20, $p < 0.05$) and financial attitude (unstandardized coefficient 0.65, $p < 0.05$) positively impact financial literacy, with financial attitude having a stronger effect than risk aversion. The Independent Sample T-Test reveals that females exhibit higher risk aversion, a more positive financial attitude, and greater financial literacy compared to males ($p < 0.05$). Significant gender differences are also observed in the faculty of study and major subject ($p < 0.001$).

The ANOVA table shows that financial literacy is significantly affected by gender ($p = 0.024$), age ($p < 0.001$), level of study ($p = 0.003$), parental education ($p < 0.001$), faculty of study ($p < 0.001$), and major subject of study ($p < 0.001$), while family income shows no significant effect ($p = 0.410$). Significant differences in financial literacy are found between genders, different age ranges, parental educational backgrounds, faculties of study, major subjects, levels of risk aversion, and financial attitudes, while no significant differences are found among different family income levels.

4.8 ANOVA Analysis

Variance analysis by demographic variables and educational variables with Financial Literacy.

Table 11

ANOVA Analysis

Independent Variable	F-Statistic	df Between	df Within	p-Value
Gender	5.17	1	388	0.024
Age	13.45	3	386	0.000
Level of Study	8.98	1	388	0.003
Family Income	1.01	5	384	0.410
Parental Education	4.95	6	383	0.000
Faculty of Study	18.62	4	385	0.000
Major Subject of Study	19.55	8	381	0.000

(Source: A survey Data Analysis 2024)

The results of multiple one-way ANOVA tests reveal significant insights into the impact of various demographic and educational variables on Financial Literacy (FL) among college students. Gender was found to have a modest but statistically significant effect on FL scores, with an F-statistic of 5.17 and a p-value of 0.024, indicating differences in financial literacy between males and females. Age demonstrated a highly significant impact on FL, as evidenced by a substantial F-statistic of 13.45 and a p-value of less than 0.001, suggesting that financial literacy varies significantly across different age groups.

The level of study also showed a notable effect on FL scores, with an F-statistic of 8.98 and a p-value of 0.003, highlighting significant differences based on the educational level of the students. However, family income did not significantly influence FL, as indicated by an F-statistic of 1.01 and a non-significant p-value of 0.410, suggesting that financial literacy does not vary meaningfully across different income levels.

Parental education emerged as an important predictor of FL, with an F-statistic of 4.95 and a highly significant p-value of less than 0.001, indicating substantial differences in financial literacy based on the educational background of the students' parents. The faculty of study showed an even stronger effect, with an F-statistic of 18.62 and a p-value of less than 0.001, suggesting that students from different faculties exhibit significantly different levels of financial literacy.

Lastly, the major subject of study had the strongest impact on FL, with an F-statistic of 19.55 and a p-value of less than 0.001, indicating significant differences in financial literacy among students majoring in different subjects. These findings underscore the importance of considering demographic and educational variables when addressing financial literacy among college students, as several of these factors significantly influence their financial literacy levels.

4.9 Discussion

It was found that out of 390 respondents, 52.56% are female, 50.52% are aged 24-26, and 52.6% are pursuing a Master's degree. Family incomes are diverse, with 25.13% earning more than 50,000. Parental education varies, with 31.28% having no formal education. Most respondents (73.08%) are in Management, with Finance (38.72%) as the most common major. The mean scores for risk aversion, financial attitude, and financial literacy

are 3.14, 3.51, and 3.46, respectively. Strong positive correlations exist between risk aversion and financial attitude (0.671), risk aversion and financial literacy (0.637), and financial attitude and financial literacy (0.793). Regression analysis shows that both risk aversion (0.20) and financial attitude (0.65) positively impact financial literacy. Females exhibit higher risk aversion, more positive financial attitudes, and greater financial literacy than males ($p < 0.05$). ANOVA results indicate that financial literacy is significantly affected by gender, age, level of study, parental education, faculty of study, and major subject, but not by family income. Overall, significant differences in financial literacy are found across various demographics and characteristics, except for family income.

The findings of the t-test results show that hypothesis (*H1.1*) is supported, similar to the findings of Bucher-Koenen, T., Lusardi, A., Alessie, R., & van Rooij, M. (2017), who found that females have higher financial literacy, risk aversion, and a more positive financial attitude than males. However, in this study, it was found that females have higher financial literacy scores compared to males. Thus, this hypothesis is supported.

The ANOVA results show that hypothesis (*H1.2*) is also supported, similar to the findings of Lusardi, A., & Mitchell, O. S. (2007), which indicate that age significantly affects financial literacy and supports the broader understanding of how these factors interact differently across age groups, particularly impacting older adults nearing retirement. This can be explained by factors such as life experiences, cognitive abilities, and exposure to financial decisions over time. Moreover, the significant effect of age on financial literacy is also supported in this study.

Findings from the ANOVA results indicate that hypothesis (*H1.3*) differs from the findings of Thapa (2021), who found that students with higher family incomes are likely to be more knowledgeable. Likewise, older students have more financial knowledge, but in this study, it was found that family income does not significantly affect financial literacy. This suggests that financial literacy does not vary meaningfully across different income levels. Thus, this hypothesis is not supported.

The ANOVA results also show that hypothesis (*H1.4*) is supported, similar to findings by Shim et al. (2010) and Lusardi et al. (2010), continuing to support the influence of parental education on children's financial literacy. This underscores the role of educated parents in

imparting financial knowledge. In this study, it was found that parental education significantly impacts financial literacy, supporting this hypothesis.

The ANOVA results reveal significant support for hypotheses (*H2.1*) and (*H2.2*), indicating findings similar to those of Chen and Volpe (1998). Their study highlighted that students pursuing business and finance-related disciplines generally exhibit higher levels of financial literacy compared to those in other fields. Specifically, in this study, students majoring in Finance and Accounting demonstrate significantly greater proficiency in financial literacy. This underscores the importance of academic specialization in fostering deeper financial knowledge among students.

The independent samples t-test results indicate that hypotheses (*H3.1*) and (*H3.2*), indicating findings similar to those of Jianakoplos, N. A., & Bernasek, A. (1998), who found that single women hold a larger proportion of their wealth in safer assets compared to single men, indicating a higher level of risk aversion. In this study, it was also found that females show higher risk aversion with a positive relationship between financial literacy and risk aversion. Another finding supported by Thapa (2021) suggests that financial attitude is one of the most important factors affecting financial literacy. Positive attitudes can motivate prudent financial behaviours, such as saving and insurance. This study also found that a positive attitude significantly affects financial literacy, especially among females, thereby strongly supporting both hypotheses.

CHAPTER-V

SUMMARY AND CONCLUSION

After analysing and interpreting the collected data according to the study's design, this concluding chapter aims to provide a comprehensive summary, draw conclusions, and discuss implications. This chapter is divided into three sections: the first section provides a summary of the study, the second section presents the conclusions, and the final section discusses the implications for addressing the issues identified during the study on financial literacy among college students at Tribhuvan University of Nepal.

5.1 Summary

The research follows a descriptive and casual comparative research design to analyse the impact of demographic variables, educational variables and personality variables on financial literacy of University students. The primary research strategy employed in this study is a survey, facilitating the collection and analysis of quantitative data through descriptive methods. Quantitative research methodology focuses on gathering and analysing data in numerical form. This study utilizes a comprehensive questionnaire to cover key aspects of personal finance, including financial literacy related to numeracy, inflation, compound interest, money illusion, risk and return, stock market, banking, insurance, taxes, credit, and diversification. Careful consideration was given to selecting the questionnaire items.

A detailed questionnaire was developed, encompassing five key areas: respondents' personal information, financial behaviour, financial influence, financial attitude, and financial knowledge, following Jorgensen (2007). Alongside demographic information, survey participants were asked 26 questions, which included multiple-choice questions to assess their financial knowledge, as well as multiple-answer questions and opinion-based questions on various aspects of financial literacy. The questionnaire was distributed among 400 students, and 390 responses were received, resulting in a response rate of 97.5 percent. Out of these, 390 entries were deemed usable, with 185 male and 205 female respondents. Data were described using frequency, percentage, mean, and standard deviation, and analysed using ANOVA and Independent Sample T-Test. The data analysis and coding were conducted using PSPP tools.

The study found that that female student exhibit higher financial literacy compared to males. Specifically, the findings mention that females show higher risk aversion, more positive financial attitudes, and greater financial literacy than males ($p < 0.05$). This suggests that, in this particular study, females have a higher level of financial literacy. where 52.56% were female, a significant majority were aged 24-26 (50.52%), and over half were pursuing a Master's degree (52.6%). Family incomes varied widely, with 25.13% earning more than 50,000, while 31.28% of parents had no formal education. Predominantly, respondents (73.08%) belonged to the Management field, with Finance being the most common major (38.72%).

Financially, respondents showed moderate levels with mean scores of 3.14 for risk aversion, 3.51 for financial attitude, and 3.46 for financial literacy. Strong positive correlations were observed between risk aversion and financial attitude (0.671), risk aversion and financial literacy (0.637), and financial attitude and financial literacy (0.793). Regression analysis confirmed that both risk aversion (0.20) and financial attitude (0.65) positively influenced financial literacy.

Gender disparities were evident, with females demonstrating higher risk aversion, more positive financial attitudes, and greater financial literacy than males ($p < 0.05$). Age was found to significantly impact financial literacy, indicating higher levels among older respondents. Surprisingly, family income did not significantly affect financial literacy, whereas parental education exerted a significant influence, underscoring the role of educated parents in fostering financial knowledge.

Academic specialization also played a crucial role, with students in Finance and Accounting exhibiting higher financial literacy. The study supported the hypothesis that gender influences financial literacy, highlighting the importance of financial attitude in shaping financial literacy, particularly among females.

5.2 Conclusion

Based on a comprehensive analysis of 390 university student respondents, this study reveals critical insights into financial literacy and its determinants, including demographic, educational, and personality variables. Significant gender differences in financial literacy are confirmed, consistent with prior research showing that females generally exhibit higher

levels of financial literacy, risk aversion, and positive financial attitudes compared to males. This underscores the importance of addressing gender-specific differences in educational programs to enhance overall financial competency among students. Among the surveyed students, 52.56% were female, with a majority aged 24-26 (50.52%) and over half pursuing a Master's degree (52.6%), reflecting a diverse and academically ambitious cohort. Family income varied widely, with 25.13% reporting earnings exceeding 50,000 units, while 31.28% of parents lacked formal education.

Academic specialization significantly impacts financial literacy outcomes, with students majoring in Finance and Accounting demonstrating superior financial literacy compared to peers in other fields. Predominantly, respondents were concentrated in the Management field (73.08%), with Finance emerging as the predominant major (38.72%).

The study assessed moderate levels of financial behaviour, with mean scores indicating a risk aversion of 3.14, a financial attitude of 3.51, and a financial literacy score of 3.46. Significant correlations were observed among these variables: risk aversion and financial attitude (0.671), risk aversion and financial literacy (0.637), and financial attitude and financial literacy (0.793). Regression analysis further confirmed the positive impacts of both risk aversion (0.20) and financial attitude (0.65) on overall financial literacy.

In conclusion, this study provides valuable insights into the multifaceted factors influencing financial literacy among university students. It underscores the need for tailored educational interventions that address gender dynamics, age-related factors, parental education, and academic specialization to promote greater financial competence among young adults. By addressing these factors, educational institutions and policymakers can better equip students with essential skills for managing personal finances and navigating future financial challenges effectively.

5.3 Implications

The findings of this study have several important implications for policymakers, practitioners, and the academic community. These implications are presented as recommendations and suggestions for future research.

For Policy Makers:

- i. Budgeting and Financial Planning:** Policies can promote financial literacy programs that teach college students how to create budgets, manage expenses, prioritize spending, and save for future goals. These skills are essential for students to maintain financial stability while pursuing their education and beyond.
- ii. Financial Decision-Making Skills:** Policymakers can advocate for curriculum enhancements that integrate practical financial decision-making skills into college education. Topics may include investment basics, understanding financial markets, evaluating insurance options, and planning for major life events like buying a home or starting a family.
- iii. Credit Management and Debt Awareness:** Policies can focus on raising awareness among college students about responsible credit card use, credit scores, building credit history, and avoiding high-interest debt. Financially literate students are less likely to fall into debt traps and can build a solid foundation for future financial health.

For Practitioners:

- i. Risk Management and Insurance:** Understanding insurance policies, risk assessment, and mitigation strategies is crucial for practitioners in sectors like healthcare, finance, or business. Financial literacy helps them protect against financial losses due to unforeseen events.
- ii. Entrepreneurship and Financial Independence:** For students interested in entrepreneurship or freelancing, financial literacy fosters skills in business planning, budgeting for startup costs, managing cash flow, and understanding financial risks associated with self-employment. Practitioners can leverage these skills to pursue entrepreneurial ventures successfully.
- iii. Entrepreneurship and Business Finance:** For entrepreneurs and business owners, financial literacy is essential for business planning, cash flow management, and accessing funding or investment opportunities. Practitioners learn to analyse financial statements, evaluate business performance, and make strategic financial decisions.
- iv. Ethical Financial Practices:** Practitioners are guided by ethical principles in financial decision-making, including transparency, honesty, and accountability.

Financial literacy programs emphasize ethical considerations in managing finances, investments, and business transactions.

- v. **Consumer Rights and Financial Protections:** Understanding consumer rights related to financial products and services is crucial for practitioners. Financial literacy educates them on identifying financial scams, understanding loan terms, and advocating for their financial interests.

For the Academic Community:

- i. **Educational Empowerment:** Financial literacy empowers students with essential knowledge and skills to manage their personal finances effectively. It equips them to make informed decisions about budgeting, saving, investing, and debt management, which are crucial for their financial well-being during and after college.
- ii. **Integration into Curriculum:** Colleges can integrate financial literacy into their curriculum across various disciplines. Incorporating financial concepts into coursework in business, economics, social sciences, and even liberal arts ensures that students develop practical financial skills alongside their academic studies.
- iii. **Financial Research and Policy Development:** Academic institutions contribute to financial literacy research, generating insights into effective educational practices, behavioural economics, and policy implications. This research informs policymakers and stakeholders about the importance of financial education initiatives.
- iv. **Community Engagement and Outreach:** Colleges engage students in community service projects focused on financial literacy education for underserved populations. Students apply their knowledge by volunteering to teach financial skills to community members, promoting financial inclusion and social responsibility.

Areas for Future Research:

- 1. New researchers can increase the sample size, expand the geographical area, and include a larger number of respondents to enhance the robustness of future research on financial literacy.

2. In this study, only Bachelor's and Master's level students from government colleges affiliated with Tribhuvan University (TU) in the Kathmandu Valley were taken as samples. Future research can broaden the scope to include students from various educational levels, academic streams, cities, and sectors to provide a more comprehensive understanding of financial literacy.
3. This research focused on three financial factors: risk aversion, financial attitude, and financial literacy. New researchers can consider additional factors such as financial awareness, decision-making, inclusion, budgeting, and financial products.
4. This study included demographic variables as independent variables. Future research can incorporate additional independent variables such as social variables, economic variables, and others to provide a more comprehensive analysis.

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Appendix 1

Questionnaires

Please tick the given options:

Section 1: Demographic Variables

1. Gender

- Male
- Female
- Others

2. Age

- 18-20
- 21-23
- 24-26
- 27 and above

3. Level of the Study

- Bachelor Degree
- Master Degree

4. Family income (Rs. Monthly)

- Less than 15000
- 15001-20000
- 20001-30000
- 30001-40000
- 40001-50000
- More than 50000

5. Parental Educational Background

- No formal education
- Primary Level
- Secondary Level

- Higher Secondary Level
- +2
- Bachelor Degree
- Master Degree & Above

Section 2: Educational Variables Related to Respondents

6. Faculty of Study

- Management
- Education
- Arts and Humanities
- Business and Economics
- Others

7. Major Subject of the Study

- Finance
- Account
- Marketing
- Health and Population
- Nepali
- English
- Math
- Science
- Others

Section 3:

For each of the following statements, please indicate the extent to which you agree or disagree.

1= Strongly disagree 2=Disagree

3=Neutral 4=Agree

5=Strongly agree

Personality Variables related to respondents	Scales				
	1	2	3	4	5
Related to Risk Aversion					
I prefer to avoid risks in general.					
I feel uncomfortable taking financial risks.					
I prefer investments with guaranteed returns, even if they are lower.					
I would avoid investing in stocks due to their volatility.					
I prefer to diversify my investments to minimize risk.					
I am willing to take financial risks if the potential reward is high.					
Related to Financial Attitude	1	2	3	4	5
I believe it is important to save money regularly.					
I prioritize saving money over spending on non-essential items.					
I believe in setting long-term financial goals.					
I feel that financial planning is essential for future security.					
I am inclined to save money even when my income is low.					
I prefer to invest my money rather than keep it in a savings account.					
Related to Financial Literacy	1	2	3	4	5
Inflation decreases the purchasing power of money.					
I have a good understanding of basic financial concepts.					
I am knowledgeable about the financial products available in the market.					
I understand how to create and manage a personal budget.					
I know how to assess the risk and return of different investment options.					
I am aware of the impact of interest rates on loans and savings.					
I keep myself informed about financial news and market trends.					

Appendix 2

Source of Sample

S.N	College Name	Sample	Male	Female
1.	Padma kanya Multiple campus	65	30	35
2.	Shanker Dev Campus	95	45	50
3.	Kritipur Campus	50	25	26
4.	Central Department (TU)	105	50	55
5.	Patan Multiple campus	35	18	19
6.	Bhaktapur Multiple campus	40	17	20
	Total	390	185	205

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