

CHAPTER -I

INTRODUCTION

1.1 Background of Study

Financial literacy is a core life skill for participating in modern society. Poor financial decisions can have a long-lasting impact on individuals, their families and the society at large. Low level of financial literacy associated with a lower standard of living, decreased psychological and physical well-being and greater reliance on government support. Financial literacy program are, therefore. Designed to impart key knowledge and skill on the people so that they can be protected from the exploitation of traditional money lenders and develop skills of different target group to improve their banking habits, know the risk of financial mismanagement, effect of non-use of banking system, ways of hedging the risk and use of resources at optimum level.

The need assessment is essential before developing and launching the financial literacy programs and dimensions of the financial literacy are: 1) Financial knowledge; 2) Financial communication; 3) Financial ability; 4) Financial behavior; 5) Financial confidence. The financial literacy program will be evaluated for enhanced knowledge, skills and attitudes that will eventually be exercised into behaviors, knowledge of availability of different banking product and services, using formal banking practices to improve financial conditions, awareness of the availability of the digital financial services and their benefits, management of personal finance through budgeting, impart various financial literacy skills that will enable to take on rational behavior while taking financial decisions (NRB, 2014).

Financial literacy is a basic concept in understanding money and its use in daily life. This includes the way income and expenditure are managed and the ability to use the common methods of exchanging and managing money. Further, financial literacy incorporates an understanding of everyday situations that need to be understood such as insurance, credit and an appreciation of savings and borrowings. The understanding of financial terms and concepts includes an understanding of key financial concepts central to investing and managing funds to increase wealth and security. Individuals require an awareness of features available for borrowing and investing. This awareness includes the understanding of prospectuses and annual statements,

compound interest calculations and delaying the use of funds for consumption. Individuals further need to be aware that high return investments are also likely to involve high risk, the realization that market values fall as well as rise, and the principles of diversification. This need introduces a new complex set of skills in relation to products and how they work, the advantages and disadvantages. The other component of financial literacy is the skill to utilize knowledge and understanding to make beneficial financial decisions (Wagland and Taylor, 2009).

The awareness of the importance of financial education is gaining momentum among policy makers across the world's economies. Again, helping young people by understand their financial issues is quite important, as younger generations are likely to face ever increasingly complex financial products and services. They are also more likely to bear more financial risks in adulthood than their parents, especially in saving, planning for retirement and covering their healthcare needs (OECD, 2011).

Nepal Rastra Bank emphasized financial literacy with its monetary policy, 2012 as financial services were not effective due to low financial literacy which calls for the development of appropriate strategy. Nepal Rastra Bank launched the program entitled 'Nepal Rastra Bank with students' to stem line financial literacy. This program targeted to school level students. Nepal Rastra Bank implemented this program in the different schools but the impact of the program is less known. Different forms of financial literacy program have already launched by a number of financial institutions as well. But the impact of such varied programs is also meager. Nepal Rastra Bank thus realized the necessity of integration and evaluation of financial literacy programs launched by different financial institution including Nepal Rastra Bank. The main purpose of the financial literacy program is to change the financial behavior and attitude of the people through the enhancement of knowledge of target population. But the programs adopted by the financial institutions focused on the sale of their products. The reason why Nepal Rastra Bank required monitoring and evaluation framework is to know the situation and correct the status of financial literacy programs adopted by financial institutions.

1.2 Statement of the Problem and Research Questions

Financial literacy knowledge is an ongoing phenomenon. People generally have knowhow on financial and money matters as such that the level of knowledge differs on the basis of society, student, and literacy level, urban and rural sector. The financial literacy program will be evaluated for particular parties like students, men, women, teachers, job holders and etc.

The research questions of present study are;

- I. What is the level of financial literacy among +2 students of Bharatpur metropolitan city?
- II. What is the relationship between financial literacy and student age and income level?
- III. What is the impact of financial literacy among student based on gender, specializing field and institution?

1.3 Objectives of the Study

The main objectives of this study is to examine students' level of financial literacy; the impact of demographic, educational and personality characteristics on financial literacy.

The purposes of the study are;

- I. To identify the level of financial literacy among students.
- II. To examine out the relationship between financial literacy and student age and income level.
- III. To examine the impact of financial literacy among student based on gender, specializing field and institution.

1.4 Significance of the Study

This study shows that the actual status of level of financial literacy among students. It explores the problem and potentialities of financial literacy of among students and also identifies impact of the financial knowledge, financial communication, financial ability and financial behavior. The government can conduct the policy for the FL

programme for the improve their status. Which are beneficial for the financial institutions, the researcher, and NGO'S, INGO'S and also helps to enhance knowledge of using banking channels for making financial transactions and convert these skills into behavioral changes of particular parties. Similarly, undertake financial literacy programme to assist people take rational financial decisions and access appropriate financial products and services from banks and financial institutions.

1.5 Limitations of the Study

The present research has the following limitation:

- I. This study pays attention to the practice of the student's demographic variables used only.
- II. This study is focused on only Bharatpur metropolitan city students. This finding might not be applicable to other city or universities.

1.6 Chapter Plan

The study is organized in five chapters. Which are: -

Chapter I: Introduction

The first chapter deals with background of study, statement of problem of the study and its questions, purpose of study, significance of the study, objective of study, limitation of study, need of the study, research methodology and method of analysis.

Chapter II: Literature Review

The second chapter consists of literature review. This chapter is subdivided into various sections such as conceptual framework, review from different studies, research gap, review from journal, article for the concerned topic.

Chapter III: Research Methodology

The third chapter presents research methodologies adopted for the research. It comprises research design, population and sample, sources of data, data collection

procedure, data processing procedure and data analysis tools and techniques and its descriptive presentation.

Chapter IV: Results

The fourth chapter deals with the techniques used in analyzing the collected data and its presentation in the descriptive and analytical manner or results and major findings of the study.

Chapter V: Conclusions

The fifth chapter consists of discussions, conclusions, and implications about the topic concerned.

References & Appendix

References and Appendix have also been incorporated at the end of the study.

CHAPTER-II

LITERATURE REVIEW

Review of literature is the process of learning and understanding the concept of the related topic. After selecting the topic of research, researchers should study different materials (like books, journals, magazines, newspapers, articles etc.) to collect the information's about the subject matter of the study. This process of studying different education materials which are related with the selected topic of the research is called "Review of Literature". It helps to find out the research gap.

2.1 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 Behavioral theory, Economic Importance of Financial Literacy: Theory and Evidence and prospect theory.

2.1.1 Behavioral 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.

2.1.2 Prospect Theory

Regret is an emotion that occurs after people make mistakes. Investors avoid regret by refusing to sell shares whose prices have gone down and willing to sell those that have appreciated. Moreover, investors tend to be more regretful about holding losing stocks too long than selling winning ones too soon (Fogel & Berry, 2006). According to prospect theory, people feel more strongly about the pain from loss than the pleasure from an equal gain. People tend to under-weigh probable outcomes compared with certain ones and people respond differently to the similar situations depending on the context of losses or gains in which they are presented (Kahneman & Tverskyin, 1979). Prospect theory was developed by Daniel Kahneman, professor at Princeton University's Department of Psychology, and Tverskyin 1979 as a psychologically realistic alternative to expected utility theory. (Kahneman, 2003) explain that prospect theory allows one to describe how people make choices in situations where they have to decide between alternatives that involve risk. It describes how people frame and value a decision involving uncertainty and therefore they look at choices in terms of potential gains or losses in relation to a specific reference point, which is often the purchase price. Prospect theory describes the states of mind affecting an individual's decision-making processes including regret aversion and loss aversion (Waweru *et al*, 2003). According to Kahneman (2003), an important implication of prospect theory is that the way economic agents subjectively frame an outcome or transaction in their mind affects the utility they expect or receive. This theory guided the current study which considered decision making between current consumption and savings for future consumption. This incorporates the usefulness of time value of money based upon discount rates and credit constraints and thus this study explored the moderating effect of financial factors on the relationship between financial literacy and financial preparedness for retirement which informed the specific objective four of the study.

2.1.3 Life Cycle Theory

This theory deals with economic decisions on retirement saving in the rationalization of an individual's income in order to maximize utility over his lifetime. Initially developed by (Ando & Modigliani, 1963), it was based on the conventional economic approach to saving and consumption which assumes that a fully rational and well-

informed individual will consume less than his income in times of high earnings (during employment), and will save to support consumption when income falls (after retirement). This type of saving behavior enables households to smooth their marginal utility of consumption over their life cycle. This model assumes the following of the human behavior: that they are forward-looking over their life spans; they can predict the financial resources they will have over their lifetime; they understand something about the financial resources they will need in all periods of their lives; and they make informed decisions about the use of their financial resources. Given that financial preparedness for retirement is future looking, the current study infers from life cycle theory to explain how individuals make decisions on deferring current consumptions in form of savings and investments to future savings. This incorporates the usefulness of time value of money based upon discount rates and thus this study explored the moderating effect of demographic characteristics, financial factors and the independent variable of financial literacy on financial preparedness for retirement.

2.1.4 The Economic Importance of Financial Literacy: Theory and Evidence

The study starts with an overview of theoretical research which casts financial knowledge as a form of investment in human capital. Endogenizing financial knowledge has important implications for welfare as well as policies intended to enhance levels of financial knowledge in the larger population. Next, we draw on recent surveys to establish how much (or how little) people know and identify the least financially savvy population subgroups. This is followed by an examination of the impact of financial literacy on economic decision-making in the United States and elsewhere. While the literature is still young, conclusions may be drawn about the effects and consequences of financial illiteracy and what works to remedy these gaps.

2.2 Review of Past Studies

Financial literacy has been defined by many authors and scholars in large number of past studies and projects. Financial literacy can be defined as the set of skills and knowledge that allows a person to make effective financial decisions, with the effective use of his or her financial resources and available information. The literature mainly focused on the practice of financial literacy of management students.

Volpe et al. (2002) investigated the investment literacy among online investors. Investors 50 years of age or older were more knowledgeable than those who are younger. Women had lower level of investment knowledge than men and logistic regression and Anova Test was used in this study. Investors with graduate degrees were more knowledgeable than those with some high school or college education. The recommendation of this study is that women investors have need to improve their FL program than male investors.

Britt et al. (2004) examined financial behavior and problems among university students and its determinants factors. The study examined about financial behavior of 1500 university and college students. The study found that 90% were interested in learning about specific topics in financial education, where the highest percentage of them were found the need of counseling services, followed by learning about savings and investment, budgeting, how to increase their income and financial management. The study further found that those female students were more tended to enjoy shopping and bought items that were on sale than male, and males however, tended to hide their spending habits from their families. It is suggested that, to improve the student's financial knowledge, college had to provide financial knowledge education to learn about saving and financial management.

Malik (2005) assessed the level of awareness of financial literacy among management students at the various collages. Four fundamental aspects in financial literacy are considered, namely, level and importance, definitions and theories, constraints and measures to improve financial literacy. Eight other questions were asked; in-depth focus groups also were conducted. And result showed the most significant influence on students' money management behaviors was their parents. Few students identified as their most important influence a brother/sister, grandparents, other family relative or friend. The conclusion is that some "recommended" practices should be modified to more accurately match ways in which college students responsibly manage their finances. Thus, future researchers should develop a scale of financial management responsibility that fits the financial management options available to college students.

Jorgensen (2007) examined the personal financial literacy of students in Virginia. The study used descriptive cross sectional on-line survey design study, Participants in this study were undergraduate and graduate college students and 450 students taken as

sample. The survey consists of 44 content questions as well as 18 personal characteristic items. Similarly result shows that most of the students have less financial knowledge. This study recommended that the government, universities, financial institution and related parties to make new policies or FL program to improving students' knowledge and also contribute future research, practice and policy and several implications for future practice by financial aid offices, student affairs professionals, administrators, and Cooperative Extension and other educators and new researcher.

Huston (2010) analyzed the measuring financial literacy is essential to understand educational impact as well as barriers to effective financial choice. This study examine previous literature to identify obstacles, and propose an approach, to develop a more standardized measure of financial literacy. The data were collected (interview, rating scales); the number, wording and order of items included in the instrument and the conditions of administration. The majority of studies did not include a definition of financial literacy. The result showed that majority of the studies most of respondents reviewed did not include a guide for measurement interpretation. This lack of clarity is a barrier to a common or general understanding of the financial literacy construct.

Kindle (2010) examined student perceptions of financial literacy and impact of FL factor, financial stress, poverty, student perception. The study survey 1099 students from three universities in Konya to examine their knowledge about FL. This study used 15 –items, quantitative instrument and used logistic regression analysis. This study found that female students are more likely to be less knowledgeable than male students. The result showed social science stream student were higher knowledge about financial literacy than other stream students and answered correctly. The study concluded that the seniors were higher knowledge than juniors. Similarly, male has more knowledge than female and social science stream has more knowledge than other stream. The study recommended that the university might run FL program for improving student's quality and knowledge.

Nidar and Bestari (2012) examined personal financial literacy of Padjadjaran university students, and analyzed the influencing factor like basic personal finance, income and spending, credit and debt, saving and investment and insurance. The

study used questionnaire from 400 active students and logistic regression for analysis. The result shows that they were no higher knowledge of FL. And respondents totally depend on parents, pocket money, income education level, faculty, parent's income, and property insurance. The study concluded that source 'family' is most important sources of knowledge about personal finance. The study recommended that among responsible parties in providing financial management knowledge to the communities, government, NGOs, Financial Institutions. The government or reasonable parties can develop the new workshop, financial knowledge education, training to students.

Agarwal et.al (2013) investigated the financial literacy among working young in Urban India. The study also investigated the relationship between the dimensions of financial literacy. Data was collected through a survey method which included gender, age, and level of education, marital status, and family income, financial decision making process and budgeting of expenditure. 754 sample taken and the level of financial knowledge was measured using a set of eight questions to capture their 8 dimensions and used logistic regression method. This study found that Gender showed significant influence on the level of financial knowledge with women showing significantly lower levels of financial knowledge compared to men. This study concluded that similar to the levels that prevail among comparable groups in other countries. This study recommended that the government, researcher, financial policy maker, education institution for making new policy about FL program of respondents

Mahdzan & Tabiani (2013) examined the influence of financial literacy on individual saving in the context of an emerging market, Malaysia. A survey was conducted on approximately 200 individuals in Klang Valley, Results of a Probit regression revealed that the level of financial literacy had a significant, positive impact on individual saving. In addition, saving regularity, gender, income and educational level influenced the probability of saving positively. Results of this study suggest that it is important for policymakers to increase financial literacy of households by implementing various financial education programmers, to further influence saving rates at the national level.

Ramasawmy et.al (2013) assessed the level of awareness of financial literacy by surveying among management students at the University of Mauritius. Four

fundamental aspects in financial literacy were considered. Anova Test and T-Test used for this study. However, according to the results, most students had a medium level of knowledge and skills in financial literacy and in savings and borrowings. They did not find the significant difference in the financial literacy level between male and female respondents while male and female's ability to read, analyze, manage and communicate was found significantly different. And no impact of age, gender, language, income, etc. The study recommended stakeholders, universities etc. to include financial literacy education on its syllabus to both management and non-management students.

Bhushan & Medury (2014) examined the relationship between financial literacy and investment behavior of salaried individuals in India and used Anova Test and Regression method for data analyzing. The study clearly implies that due to low level of financial literacy, individuals invest their money in traditional financial products and are not able to take advantage of new age financial products which can offer them higher returns. The study suggests that financial literacy level of individuals affects the awareness as well as investment preferences of salaried individuals towards financial products to nation.

Githui & Ngare (2014) investigated the impact of financial literacy on retirement planning in Kenya. The data were analyzed by Anova Test. The study found that age, marital status, education, occupation, income, number of children variables are significantly associated with retirement planning. The study cited that income greatly affects retirement planning with low income earners feeling that they do not have sufficient income to save. It recommended that the government need to improve the FL program in Kenya.

Sariguln (2014) examined the level of financial literacy among university students and find out the relationship between FL and students characteristics, gender, education stream, parents, work status, and financial knowledge. 1127 students from three university and logistic regression analysis used for this study. The study founded that female participants are lower than male participants, social science students has higher knowledge than other stream students, senior has higher knowledge than juniors, business school has more ideas than other stream school and educated parents kid has higher knowledge about FL. The study recommended that universities need to

improve FL program of their students considering the characteristics of the students. That program may help for improving student's quality and economy outcomes.

Bongini, Trivellato and Zenga (2015) examined the business students and level of financial literacy. This study was conducted on a sample of 400 undergraduate students. This study adopted a metric new to the domain of financial literacy, i.e., IRT models. The survey instrument consisted of 13 questions selected from the Jumpstart Coalition test of financial literacy. This study found that males and females do not find different degrees of difficulties in approaching our construct of financial literacy. It helps to student's interest raised in the young when they are pupils could present its positive effects as they mature, enabling them to enter adulthood with a higher level of financial literacy. The decision to undertake a finance curriculum of studies is associated with a higher level of financial literacy among business students.

Chmelikova (2015) analyzed financial knowledge, financial behavior, and financial attitudes of students of finance. The questions related to several aspects of financial literacy, such as financial knowledge, personal finance behavior, or decision making. The quantitative analysis was selected as suitable approach. The survey was conducted at the Masaryk University, Faculty of Economics and Administration in the Czech Republic. The results showed that the students have higher level of financial knowledge than the adult population in the Czech Republic. The results indicated that the participating students have higher level of financial knowledge, financial behavior, and overall financial literacy than the adults. The study recommended that participants demonstrated the understanding of main financial principles and their implications on the finance on future.

Potrich, Vieira and Kirch (2015) examined the individual's financial literacy level through socioeconomic and demographic variables. The sample consists of 1,400 individuals living in Rio Grande do Sul, Brazil, and data analysis was performed by using descriptive statistics and multivariate analysis techniques. Logit and probit models were used. It was found that most respondents (67.1%) were classified as female having a low financial literacy level than men. This study recommended that to identification may be useful, for instance, in assisting the various economic player to design financial strategies and products suitable to the customer's profile. From the government viewpoint, it may enable, for instance, identifying the most vulnerable

groups and thus focus on actions to improve the financial literacy level of these specific groups.

Thapa and Nepal (2015) examined financial literacy of students in Nepal. In this study 436 college students has been selected as a sample and its impact of demographic, educational and personality characteristics on FL. The study used Logistic Regression Tools for data analysis. This study found that students have basic level of finance knowledge and some of students have higher knowledge. They have lack of financial activities and banking, inflation and share market, and low in credit, taxes, financial statement and insurance. Buying insurance policy, investing in stock markets, buying jewelry and lending friends, most of students are involved in family support. The study concluded that college students have basic level of financial knowledge and their level of financial knowledge is determined by their family income, age, stream of education, type of college they study and their financial attitude. The study recommended that the government, financial sector regulators, NGOs, educators for developed financial strategy and polices in financial literacy.

Amoah (2016) analyzed the level and impact of financial literacy on African Americans. The sample size was 382 African Americans residing in Columbus, Ohio. Data were collected utilizing the Jump-\$tart Coalition survey instrument for Measuring financial knowledge. Data were analyzed using T-Test and Anova Test. This finding was consistent with the major hypothesis that African- Americans have low levels of financial literacy and with the findings of previous studies. The results of this study provide grounds for policy implementations of the State of Ohio could make it mandatory for high school students to offer personal finance or finance related course as requirement for graduation.

Semercioglu and Akcay (2016) examined the financial literacy level of high school students of high school and religion high school in Turkey. In this study, 519 high school students and non-random sampling method was used. The study used logistic analysis for data analyzed to determine differences between school types. This study found that 'there is a significant different between school types regarding the high school students'. The study concluded that high schools students were better FL knowledge than religion high school. This study recommended that to helpful for government for developing economically and educationally program about financial

knowledge. It helps to government and ministry of education plans training for financial literacy that are required for better understanding of FL understanding. FL program or course might be run for future in High school to increase financial activities.

Murugiah (2016) investigated the level of understanding and strategies to enhance financial literacy among Malaysian. The study shows that Malaysian considers them good in financial literacy but in reality they are still weak in mastering financial literacy knowledge. This study found that, in Malaysia context, financial literacy among young men who earn below RM1500 and certificate qualification holders need to be targeted as focus group to increase their financial literacy awareness and financial knowledge.

Isomidinova and Singh (2017) examined the relationship between financial education, financial socialization agents and money attitude towards financial literacy among students in Tashkent, Uzbekistan. Normality testing, correlation and multiple regression analysis were undertaken. Based on a quantitative survey and a sample of 110 respondents, data was analyzed using SPSS. The results showed that Financial Education and Financial Socialization Agents have a positive impact towards financial literacy among students in Uzbekistan. The findings have significantly contributed to the advancement of knowledge in financial literacy of students. It is recommended that Financial Education and Financial Socialization Agents be taken into consideration to improve Financial Literacy in Uzbekistan. The results of this study will add to the current body of knowledge as well as assist in creating foundational solutions to ensure improvement of financial literacy of students in Uzbekistan.

2.3 Conceptual Framework

The conceptual framework is an analytical tool used to make conceptual distinctions or organize ideas. Conceptual framework of the study explains the systematic explanation of the relationship among the dependent and independent variables for the purpose of explaining the financial literacy of students and its influencing factors on financial literacy. Educational characteristics, Demographic characteristics and Personality characteristics are the independent variables and level of FL is dependent variable.

2.3.1 Educational Characteristics

In educational characteristics, variables are: 1) institution, 2) education stream

2.3.2 Demographic Characteristics

Gender, age, family incomes are the example of demographic characteristics variables.

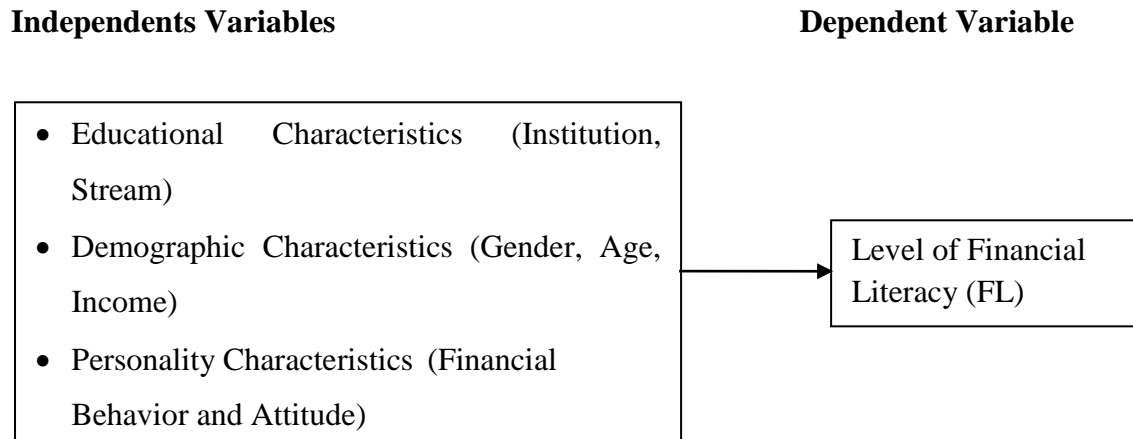
2.3.3 Personality Characteristics

Similarly, financial behavior and attitude are the personal characteristics variables.

2.3.4 Financial literacy

Financial literacy is a basic concept in understanding money and its use in daily life. This includes the way income and expenditure are managed and the ability to use the common methods of exchanging and managing money. Further, financial literacy incorporates an understanding of everyday situations that need to be understood such as insurance, credit and an appreciation of savings and borrowings. Financial literacy involves the proficiency of financial principles and concepts such as financial planning, compound interest, managing debt, profitable saving techniques and the time value of money of students. The lack of financial literacy or financial illiteracy may lead to make poor financial choices that can have negative consequences on the financial wellbeing of students. The main steps to achieving financial includes, Learning the skills to create budgets of spending, the ability to track spending, learning the techniques to pay off debts and borrowing style, and effectively planning for before buying product and its awareness. The topic focuses on the ability to manage personal finance matters in an efficient manner. It includes the knowledge of making appropriate decisions about personal finance such as investing, insurance, real estate, paying for college, budgeting, retirement and tax planning.

Figure 2.3



2.4 Research Gap

A review of the literature on financial literacy shows that most of the studies focused on the young peoples. Some of the studies dealt with the under graduate and Graduate students and young people behavior to examine the relationship between their background characteristics, financial behavior, financial awareness and financial literacy. Some studies had done among young with the demographic variables. Similarly, some research had been conducted to test the investors' knowledge then some had done the research to test the financial literacy in adult's life by taking their attitudes to saving and borrowing, their use of banks and building societies, how they managed their transaction accounts, who managed the money in family groups, and about their confidence in handling money matters as variables of the study. In addition, similarly, some research was student perceptions of financial literacy: relevance to practice.

In Nepalese context, the study of financial literacy among students is rarely founded. Previous study, financial literacy of Nepal, a survey of analysis from college students, which was written by Thapa and Nepal and focused on 436 college students. In this study, independent variables classify into 3 types namely personality characteristics, demographic characteristics and educational characteristics and results shows that similarly to Jorgensen (2007). Thus financial literacy of plus two (+2) students is not founded. This research covered plus two students among Bharatpur Metropolitan city.

CHAPTER III

RESEARCH METHODOLOGY

Research methodology is a path from which we can solve research dilemma systematically to accomplish the basic objective of the study. It consists of a brief explanation of research design, nature and sources of data, method of data collection and methods of tools used for analyzing data

3.1 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. To achieve the objective of this study, descriptive and analytical research design has been used.

It is the process which gives us an appropriate way to reach research goal. It includes definite procedures and techniques which guide in sufficient way for analyzing and evaluating the study. This study is carried out by using quantitative analysis methods. Mostly, primary data has been used for analysis, but the discussion and survey questionnaire with the concerned students of the selected college and high school. Hence, research design of this study is based on descriptive and analytical method.

The study students an all-inclusive questionnaire design to cover major aspects of personal finance. It includes financial literacy on numeracy, inflation, compound interest, time value of money, money illusion, risk and return, share market, banking, insurance, taxes, credit and diversification. The research questionnaire is based on the study conducted by Jorgensen (2007).

A full-fledged questionnaire is constructed covering five areas namely personal information of respondents, financial behavior, financial influence, financial attitude and financial knowledge with reference to Jorgensen (2007). Along with demographic information, survey participants were asked 21 questions including multiple-choice questions on their knowledge of finance, and multiple answer questions and opinion of different aspects of financial literacy. However, name was optional.

3.2 Population and Sample

The sample for this study has taken from high school +2 students in Chitwan District. Chitwan district is divided into several municipalities, metropolitan and gaupalika. Being a hometown of the researcher, sample of the study is taken from Bharatpur metropolitan city. Bharatpur metropolitan city one of the growing and educated city in Nepal. It is located in the mid area of Nepal and highly populated city. The literacy rate in Chitwan is higher than other districts except Kathmandu and Kaski. The main aim of the study is to examine level of financial literacy of academic students. Prembasti high school, himalaya dandapani high school, saptagandaki college, amar high school, narayani bidhya mandir, balkumari college, arunodaya high school and parijat high school are taken as sample. Whole Bharatpur metropolitan high school +2 students from management and non- management stream are population and among 200 students are sample. Out of the population, 100 male students and 100 female students have been selected. 300 questionnaires distributed to the students, 200 were the respondents. So, the response rate was 66.7 percent.

3.3 Source of Data

For the purpose of this study, data are collected mainly from primary source. The primary data are based on the survey questionnaire. The study is based on primary data a convenience sample survey through questionnaire of 200 high school students in Bharatpur metropolitan. The questionnaire is structure into two sections. Section1 is concerned with demographic and educational profile of student and section 2 focuses on getting information about influencing factor about financial behavior, financial attitude, financial knowledge and financial influence. It also tries to find out the level of financial knowledge of respondents. The questionnaire includes both Likert scale questions and multiple choices question and option-based questions.

3.4 Data Collection and Processing Procedures

The study collects data from the respondents by approaching directly in their studying place. Questionnaires were distributed to each and every individual and the researcher was present there to assist the respondents. After receiving the response, data were decoded into SPSS tools and interpret by using table and figure.

3.5 Data Analysis Tools and Techniques

It indicates the sources of data and how they collected. In this study data are collected through primary sources. They were collected from the respondent high school students in Bharatpur metropolitan city. After collecting data, as necessarily required, they were separated and analyzed presentation and analysis of the collected data is the main theme of the research work. Collected data were first presented in systematic manner in tabular forms and then analyzed by applying statistical tools to achieve the research objectives.

This study uses the summary of descriptive statistics associated with the primary data analysis which is carried out on the basis of responses derived from questionnaire survey. Descriptive statistical tools like mean, standard deviation and percentage is used to described result obtained and One way Anova Test model and independent sample T-Test model is used to show the relationship between dependent variables and independent variable. Data are presented table which makes easier to analyse and understand the data. Data analyses on the basis of percentage of the respondents responding a questionnaire. The collected data is used for acquiring the scenario of the students. The collected data is used for the analysis purpose. The collected data are processed, analyses and interpret by using SPSS tools.

3.6 Reliability and Validity

Pilot study conducted with twenty-one +2 students in Bharatpur metropolitan city. Reliability analysis performed on the questionnaire including multiple choice questions. The purpose of the validity and reliability analysis is to determine whether data are trustworthy or not. The designed questionnaire is finalized before requesting the respondents to participate. For the reliability test, Cronbach's Alpha was calculated for this questionnaire. It is generally used as a measure of internal consistency or reliability. Details results are shown in table 3.6

Table 3.6 Cronbach's Alpha of variables

S.N.	Variables	Cronbach's Alpha
1	Financial Behavior	0.635
2	Financial Attitude	0.646

Table 3.6 shows the Cronbach's alpha coefficients of independent overall variables (Financial Behavior, Financial Influence, Financial Attitude and Financial knowledge). Cronbach's Alpha coefficient less than 0.6 is considered as 'poor'; greater than 0.6 but less than 0.8 is considered 'acceptable' and greater than 0.8 is considered 'good' (Sekaran, 2000). Here, Cronbach's Alpha of all variables is greater than 0.6 but less than 0.8. The Cronbach's Alpha of all variables is acceptable. Therefore, the instruments used in this research are considered to be reliable.

CHAPTER IV

RESULTS

This chapter describes the analysis results generated from the process of data collection. It deals with the analysis and interpretation of the primary data collected through questionnaire from 200 respondents. Data were analyzed with reference to the purpose of this research as mentioned in the earlier chapter. The primary purpose of this chapter is to analyze and interpret the collected data and present the results of the questionnaire survey. The main purpose of this research study will be fulfilled with the outcomes derived from the analysis of the data.

4.1 Respondents Profile

Table 4.1 Frequency and Percentage of Components of Respondents Profile

Demographic Characteristics		
	Frequency	Percentage
Gender		
Male	100	50
Female	100	50
Age		
Below 18	113	56.5
18-20	63	31.5
21-24	23	11.5
25-29	1	.5
30 and above	0	0
Monthly Family Income (NRS)		
Below 20000	79	39.5
20000-30000	60	30
30000-50000	46	23
More than 50000	15	7.5
Educational Characteristics		
Education stream		
Management	183	91.5
Non-management	17	8.5
Education level		
+2	200	100
Type of Institution		
Private	17	8.5
Government	183	91.5

Source: Field Survey, 2019

Table 4.1 shows the characteristics of the respondents' demographic profile such as age, gender, parents' monthly income range and educational profile namely, educational level, type and stream are presented. It shows 50 percent of the respondents are male and 50 percent of the respondent are female. While categorizing on the basis of age, 56.5 percent respondents are from below 18 and 31.5 percent, 11.5 percent, .5 percent and 0 percent are from 18-20, 21-24, 25-29 and 30 and above respectively. While categorizing on the basis of income level, 39.5 percent respondents are from below Rs 20000 and 30 percent, 23 percent and 7.5 percent respondents are from income group Rs 20000 – Rs 30000, Rs 30000 – Rs 50000 and More than Rs 50000 respectively. On the basis of education stream, 91.5 percent respondents are from management and 8.5 percent respondents are from non-management. Similarly talking about education level, total number of respondents are from +2 students and type of institution, 8.5 percent respondents are from private institution and rest of respondents are from government institution.

4.2 Financial Knowledge

Financial knowledge means having basic as well as advance concept about financial terms. It is the ability to have sound decisions regarding finance related topics. In this study, respondents were asked 12 questions from basic to advance level of finance covering numeracy, inflation, compound interest, money illusion, risk and return, share market, banking, insurance, taxes, credit and diversification. Overall financial knowledge is divided into basic and advance categories. Basic financial literacy index is constructed by numeracy, compound interest rate, inflation, and money illusion questions (Rooij et al., 2007) and advance financial literacy index is developed by constituting questions related to risk and return, insurance, banking, taxes, credit and share markets. Mean percentage scores of each section of sample characteristics are categorized on basic, advance and are presented by OECD, developed the benchmark of financial literacy. The benchmark grouped percentage correct scores into three categories: over 75% (Highest), up to 50% (Medium) and below 50% (Low). Lastly, scores of respondents below 50% is an indication of low financial knowledge, the level that needs more financial literacy education.

Table 4.2 Frequency and Percentage of Components of Financial Knowledge

Concept	Frequency	Percentage
Compound Interest 1	116	58
Compound interest 2	104	52
Inflation	59	29.5
Risk and return	103	51.5
Money illusion	88	44
Net worth	70	35
Share market	85	42.5
Taxes rate	72	56.5
Credit	113	36
Banking	144	72
Insurance	38	19

Source: Field Survey, 2019

Table 4.2 shows that most of the respondents (72%) correctly answered the question regarding banking followed by compound interest rate 1 (58%) , compound interest rate 2 (52%), risk and return (51.5%) , share market (42.5%) , credit (56.5) and money illusion (44%) , while very few respondents were familiar with taxes (36%) , , inflation (29.5%) , insurance (19%) and net worth (35%).

4.3 Financial Influences

Financial influence means making impact on financial know how of the employees. This section shows that in what manner both more and less knowledgeable employees are influenced with parents, friends, school, books, media, job, life experience and

internet. And what items regarding financial literacy have they learnt while growing up in the home.

Table 4.3.1 Mean and Standard Deviation in Financial Influence According to Level of Students.

Items	Mean	Std. Deviation
Parents	3.2850	1.04846
Friends	2.4350	1.05895
School	2.7700	.99096
Books	3.0250	.89912
Media	2.4800	.99728
Job	2.2550	1.17767
Life experience	2.7050	1.12887
Internet	2.6400	1.00271

Source: SPSS Results

Table 4.3.1 shows that mean of financial knowledge are influenced by life experiences is 2.70, Impact of friends, school and internet mean values are 2.43, 2.77 and 2.64 respectively whereas parents, books, media and job mean values are 3.28, 3.02, 2.48, 2.25 respectively.

Table 4.3.2 Frequency and Percentage in Financial Influences According to Level of Students.

Items	Frequency	Percentage
Home while Growing up		
Budgeting	31	5.98
Investing	9	1.74
Taxes	34	6.56
Insurance	27	5.21
Loans	119	22.97
Interest rate	73	14.09
Saving	131	25.29
Keeping records	94	18.16
Finance were handled in family		
Usually argued	38	12.67
Open discussed	76	25.33
Explicitly taught	56	18.67
Learned from examples	29	9.67
Included various decision	97	32.33
Others	4	1.33

Source: Field Survey, 2019

Table 4.3.2 shows that frequency of financial influences according to level of students, categories home while growing up, loans, savings, interest rate and keeping records are 119, 131, 73 and 94. Similarly, percentage are 22.97, 25.29, 14.09 and 18.16 respectively. Similarly, Finance were handled in family, usually argued, openly discussed, explicitly taught, learned from examples, included various decisions and others frequency and percentage are 38, 76, 56, 29, 97, 4 and 12.67, 25.33, 18.67, 9.67, 32.33, 1.33 respectively.

4.4 Financial Behavior

It is the capability to capture of overall understanding of impacts of financial decisions on one's (i.e. personal, family, community, country) circumstances and to make the right decisions related to the cash management, precautions and opportunities for budget planning. It can be defined as any human behavior that is relevant to money management. Common financial behaviors include cash, credit and saving behavior and Students are asked 15 questions.

Table 4.4.1 shows the financial behavior of students regarding spending habit, maintaining records, use of savings, managing money in problem and use of additional income. Similarly, table 4.5.2 shows that mean and standard deviation of financial behavior regarding budgeting, planning, spending, investing etc.

Table 4.4.1 Frequency and Percentage in Financial Behavior According to Level of Students.

Items	Frequency	Percentage
Spending oriented		
Very economically	40	20
Somewhat economically	38	19
Neither economical	55	27.5
Rarely saving	43	21.5
Very spending oriented	24	12
Maintain financial records		
No records	70	35
Minimal records	96	48
Very detailed records	34	17
Money left right before income arrives		
Spend it on consumer goods	36	18
Keep it in cash	46	23
Deposit it into bank	74	37
Invest it in the capital market	13	6.5
Lend it to friends and relatives	16	8
Invest it in own business	11	5.5
Buy gold and jewelry	2	1
Others	2	1
Run out money before next income arrives		
Cut down expenses and save	56	28
Borrow money from relatives, friends	46	23
Spend our savings	36	18
Use a credit card or bank loan	21	10.5
Work extra hours or extra jobs	36	18
Others	5	2.5
What would you like to do the money		
Bought household goods	10	5
Fixed deposit for future	67	33.5
Saving for meeting contingency	25	12.5
Repay earlier debts	29	14.5
Go for travel or vacation	21	10.5
Investment in own business	35	17.5
Buy an insurance policy	6	3
Buy shares	5	2.5
Others	2	1

Source: Field Survey, 2019

Table 4.4.1 shows that students about spending oriented of Very economically, somewhat economically, both economical, rarely saving and very spending oriented are 40, 38, 55, 43 and 24. Secondly maintain financial records of no records, minimal records and very detailed records are 70, 96 and 34 respectively. Again money left right before income arrives of spend it on consumer goods, keep it in cash, deposit it into bank, invest it in capital market, lend it to friends & relatives, invest it on own business, buy gold and jewelry and others are 36, 46, 74, 13, 16, 11, 2 and 2 respectively. Similarly run out money before next income arrives of cut down expenses & save, borrow money from relatives & friends, spends our savings, use a credit card or bank loan, work extra hours or extra jobs and others are 56, 46, 36, 21, 36 and 5. While what would you like to do the money by bought household goods, fixed deposit for future, savings for meeting contingency, repay earlier debts, go for travel or vacation, investment in own business, buy an insurance policy, buy shares and others are 10, 67, 25, 29, 21, 35, 6, 5 and 2 respectively.

Table 4.4.2 Mean and Standard Deviation in Financial Behavior According to Level of Students.

Items	Mean	Std. Deviation
Spending oriented	2.8650	1.29428
Maintain financial records	1.8200	.70004
Financial behavior(overall)	2.4560	47327
I budget and track my spending	2.5050	1.02725
I contribute to a bank saving account regularly	2.3600	1.15197
I compare prices when shopping for purchase	3.0800	1.01921
I have a life insurance policy	2.2050	1.20425
I invest in the shares under IPO	1.7300	.96528
I read to increase my financial knowledge	2.6500	1.04063
I maintain adequate financial records	2.4650	1.00690
I spend less than income	3.0400	1.02158
I maintain adequate insurance coverage	2.0600	1.11922
I plan and implement a regular savings/investment program	2.4650	1.15562

Source: SPSS Results

Table 4.4.2 shows that compare prices when shopping for purchase, spend less than income, spending oriented, read to increase financial knowledge, plan & implement a regular savings/investment program and budget and track my spending has highest mean value are 3.08, 3.04, 2.86, 2.65, 2.46 and 2.50 respectively. Similarly contribute to a bank saving account regularly, have a life insurance policy, maintain adequate financial records, maintain adequate insurance coverage, maintain financial records and invest in the shares under IPO are 2.36, 2.20, 2.46, 2.06, 1.82 and 1.73 respectively. Finally, overall mean value is 2.45. It means that students have lower level of knowledge.

4.5 Financial Attitude

Financial Knowledge refers to the understanding one has of important personal finance concepts, like budgeting and savings. Financial attitude refers to the one's beliefs and values related to various personal finance concepts, such as whether one believes is it important to save money. Table presents the results regarding financial attitude of the students.

Table 4.5 Mean and Standard Deviation of Financial Attitude According to Level of Students

Items	Mean	Std. Deviation
Financial attitude (overall)	2.9250	.48512
I feel in control of my financial situation	2.7150	1.09074
I feel capable of using my future income to achieve my financial goals	3.2000	.89105
I worry to manage my finance	2.9350	.95147
I am uncertain about where my money is spent	2.9400	.92231
I feel credit cards are safe and risk free	2.8050	1.10138
I feel capable of handling my financial future (e.g. buying insurance)	2.8500	.93910
I am afraid of loan	3.0150	1.10038
I give importance to saving money from my monthly income	3.1150	.98826
I feel having life insurance is an important way to protect loved ones	2.9500	.99622
I enjoy thinking about and have interest in reading about money management	2.7850	1.02176
I enjoy talking to my peers about money related issues (i.e. taxes)	2.8650	1.08288

Source: SPSS Results

Table 4.5 shows that maximum number of students are highly linked with capable of future to achieve financial goals, give importance to saving money from monthly income, afraid of loan, uncertain about where money is spent, worry to manage finance and life insurance is an important way to protect loved ones mean value are 3.20, 3.11, 3.01, 2.94, 2.93 and 2.95 respectively. Similarly, feel in control financial condition, credit cards are risk free, capable to bought insurance program in future, enjoy about think and interest in reading about money management and enjoy talking about money related issues with peers mean value are 2.71, 2.80, 2.85, 2.78 and 2.86 respectively. And overall mean value is 2.92 which means that they have lower level of knowledge.

4.6 Analysis of Financial Literacy

4.6.1 Analysis of Variance (ANOVA)

ANOVA is used to test whether there is significant difference in financial attitude and behavior among different income and age the result is shown in Table 4.6.1

Table 4.6.1 Results of ANOVA

Items	F	Sig.	Items
Financial Behavior	1.345	.261	Income
Financial Attitude	3.109	.028	
Financial Behavior	3.106	.028	Age
Financial Attitude	5.836	.001	

Source: SPSS Results

Table 4.6.1 indicates that age are found to be significant, which means there is significant relationship between financial attitude ($0.05 > .001$) and financial behavior ($0.05 > .028$) among students. However, income are found insignificant relationship between financial behavior ($0.05 < .261$). This implies that Income level are not affected to the students about financial behavior. Income level has significant relationship between financial attitudes ($0.05 < .028$). Similarly, student's age and

financial behavior and financial attitude has significant it means that there is any changes if age level is different.

4.6.2 Analysis of Independent Sample T-Test

Independent sample T-Test used for testing significant in financial behavior and attitude between gender, stream and institution. The result is shown in table 4.6.2

Table 4.6.2 Result of Independent Sample T-test

Items	F	Sig	Items
Financial Behavior	6.057	.015	Gender
Financial Attitude	2.943	.088	
Financial Behavior	3.067	.081	Stream
Financial Attitude	.163	.687	
Financial Behavior	4.818	.029	Institution
Financial Attitude	.585	.445	

Source: SPSS Results

Table 4.6.2 shows that financial behavior has significant between male and female students ($0.05 > .015$). Which means that male and female students have different FB. However, gender has no any relationship between FA ($0.05 < .088$). It means that male and female students has no any differences about FA. Similarly, stream found that insignificant relationship between FB and FA ($0.05 < .081$), ($0.05 < .687$). Management and non-management students have no any differential view about FB and FA. Private institution and government institution has significant relationship between FB ($0.05 > .029$). Which means that differential institution students have different level of FB. Thus institution found that insignificant relationship between FA ($0.05 < .445$). Students have similar opinion about FA.

4.7 Findings

This study has been concentrated on financial literacy among +2 students in Bharatpur metropolitan city. The major findings of the study are as follows:

1. Total questionnaire were distributed to 300 students. Out of total sample 200 students were taken where 50 percent are male (100) and 50 percent are female (100). Respondent's rate was 66.7%.

2. The result showed that students are below 18 age group (56.5%), parents income group below Rs. 20000 (39.50%), management students (91.5%), government institution (91.5%).
3. Most of the students were totally depend on parent's education and knowledge (3.28), books (3.02), school (2.77), life experience (2.70), internet (2.64), media (2.48), friends (2.43) and job (2.25).
4. Gender and institution has significant relationship between financial behavior (.015 and .029). Gender, stream and institution has insignificant relationship between financial attitude (.088, .687 and .445). Stream has insignificant between financial behavior (.081,) according to result of Independent T-Test.
5. Level of parents' income has insignificant between financial behaviors (.261). Financial attitude has significant relationship between parents income (.028). Age level has significant relationship between financial behavior and financial attitudes (.028 and .001) according to Anova Test.
6. Maximum students were afraid about loan (3.01), credit cards are save or risk free (2.80), feel in control of financial decision (2.71), capable of using future income to achieve financial goal (3.20), worry about manage finance (2.93), uncertain about where money spent (2.94), capable of buying insurance (2.85), insurance is important for life (2.95), thinking about reading money management (2.78) and enjoying to peers related money issues (2.86)
7. Overall financial attitude of students were lower (2.92)
8. Students do not like spend Neither economical (27.5%), maintain minimal records (48%), deposit into bank account (37%), borrow money from relatives, cut down expenses and save (23%, 28%), fixed deposit for future (33.5), investment in own business (17.5%), repay earlier debts (14.5%), keep it in cash (23%), no records (35%), spend on consumer goods (18%), work extra hours (18%), buy share (2.5%) and invest in capital market (6.5%).
9. Overall level of financial behavior is lower (2.45).
10. Less student's links with Finance were handled in family or parents included various decision (32.33%), open discussed (25.33%), explicitly taught (18.67%), learned from examples (9.67%), home while growing up through loan (22.97%), savings (25.29), keeping records (18.16%), interest rate (14.09%), and taxes (6.56%).

11. Most of the students has linked with numeracy (58%), compound interest (52%), risk & return (51.5%), taxes rate (56.5%) and banking (72%).
12. Most of the students do not like share market (42.5%), money illusion (44%), credit (36%), net worth (35%), inflation (29.5%), insurance (19%), budgeting (5.98%), investing (1.74%), insurance (5.21%), very spending oriented (12%), very detailed records (17%), buy gold and jewelry (1%), use credit card & bank loan (10.5%) and buy insurance policy (3%).
13. Overall student has lower level of financial literacy (FB, FA, FI and FK) according to the Anova Test, Independent Sample T-Test, Mean and Standard Deviation.

4.8 Discussions on Findings

Students were found overall lower knowledgeable in finance. In particular, level of knowledge on, compound interest, taxes, numeracy, banking and risk and return was found highest while it was medium in credit, share market, inflation, and low in diversification, insurance, credit, money illusion, inflation. Instead of buying insurance policy, investing in stock markets, buying jewelry and lending friends, most of the students are involved in bank saving. Similar to Jorgensen (2007), they are influenced by their parents, books, life experience and school. Few students maintain very detailed records, very spending oriented, use credit cards to manage money, invest in their own business, borrow from friends and relatives to manage money problem and go for travel or vacation. However, investing in own business and shares are also highly risky task. Students don't invest in their own business and share and they use fewer credit cards and borrow money from friends and relatives. Most of the students do not capable to control financial decision, worry to manage finance, afraid of loan, uncertain where money spent, and interest in reading money management. Similarly, gender and institution has significant relationship between financial behaviors. Which have already tested by Independent Sample T-Test which gave significance. Anova Test shows that different age level has significant relationship between financial behavior and financial attitude which have already tested. However, income level has insignificance relationship between financial behaviors which are tested by Anova Test result.

This result is not consistent with Shari et.al. (2013) may be because the respondents taken in the study both male and female are from private institution or government institution, management or non- management stream, respondents have similar level of knowledge regarding financial literacy. However, financial influence and financial attitude is not consistent with Henkenda (2014). This result is consistent with the results of Nidar & Bistari (2012), Thapa & Nepal (2014), Henkenda (2014). It may be because influenced by life experience, parents, school, etc. may results in enhancing the financial knowledge.

CHAPTER V CONCLUSIONS

5.1 Summary

The research is a descriptive and analytical research design. The main research strategy use in this study is a survey which allows quantitative data collection and analyses using descriptive. Quantitative research methodology is also concerned with the collection and analysis of data in numeric form. The study students an all-inclusive questionnaire designed to cover major aspects of personal finance. It includes financial literacy on numeracy, inflation, compound interest, money illusion, risk and return, share market, banking, insurance, taxes, credit and diversification. Several considerations is made in the selection of questionnaire items for the study.

A full-fledged questionnaire is constructed covering five areas namely personal information of respondents, financial behavior, financial influence, financial attitude and financial knowledge with reference to Jorgensen (2007). Along with demographic information, survey participants are asked 21 questions including multiple-choice questions on their knowledge of finance, and multiple answer questions and opinion of different aspects of financial literacy. The questionnaire is distributed among 300 students. 200 were received out of 300. So the response rate is 66.7 percent. 200 entries were taken as usable entries which are male are 100 and female are 100. Data are described by frequency, percentage, mean and standard deviation and Anova Test and Independent Sample T-Test. Data are analyzing and coding by SPSS tools.

The study found that students have lower level of finance while they are less familiar with insurance, credit, and net worth, inflation (19 percent, 36 percent, 35 percent and 29.5 percent). Most of the students do not like to very spending oriented, very detailed records, buy jewelry, use a credit card, buy insurance and buy shares (12 percent, 17 percent and 1 percent, 10.5 percent, 3 percent and 2.5 percent). They neither work extra hour to manage money problem, rarely saving, no records, spend savings, repay earlier debts and investment in business (18 percent, 21.5, percent, 35 percent, 18 percent, 14.5 percent and 17.5 percent). Age level has significant relationship between financial behavior, financial attitude. However, income group are insignificant with financial behavior at 2.61 percent and significant relationship with financial attitude. Other variable such as gender and institution has significance between financial

behavior and financial attitude has insignificance between gender, stream and institution.

The result shows that most of the students like to deposit money, minimal records, cut down expenses & save, fixed deposit for future and investment in business (37 percent, 48 percent, 28 percent, 33.5 percent and 17.5 percent). They maintain very detailed records (17 percent). Most of the students are influenced by their parents, books, school, internet and life experience with mean value 3.28, 3.02, 2.77, 2.64 and 2.70.

5.2 Conclusions

This study survey 200 students from Bharatpur metropolitan city to examine their financial literacy about FK, FB, FA and FI. Saving, spending, banking, insurance, risk & return, compound interest, budgeting, investing, taxes, loans, keeping records, decision making, share market, and financial knowledge and the relationship between the financial literacy and the characteristics such as gender, stream, parent's income level, age and institution. The study finds that students in Bharatpur metropolitan city has lower level of knowledge on FL, consistent with Chen and Volpe (1987).

The differences between the T-Test and Anova Test are resulted from the having all of the variables in the model, which controlled the effect of the independent variables on each other and on the dependent variable of financial literacy. The study concluded that there is no different between male students and female students for level of financial literacy. There is significant relationship between financial attitude and parents' income at 2.8 percent level, age and FB at 2.8 percent level and attitude at 1 percent level. Income, education stream is not consistent with Nidar and Bistari (2012), Thapa and Nepal (2014), Henkenda (2014). Which means with the increase in parent's income, education stream and financial behavior, the level of financial knowledge not increases and vice versa. However, it shows insignificant relationship between financial literacy and gender, consistent with Shari et al. (2013), financial influence and financial attitude. However, gender is not consistent with Henkenda (2014).

Gender have significance relationship between financial behaviors at 1.5 percent. However, Stream found that insignificance relationship between financial attitude and behavior. And institution has insignificance relationship between financial attitudes.

Income level has insignificance between financial behavior and financial attitude has significance relation. Similarly, income level, and age are significant relationship between financial knowledge, attitude, behavior and influences. Parents education are totally depend on their kid's decision making process and he/she can be learned financial knowledge from loans, savings, keeping records and interest rate. Likely school, books and internet are also depend on their decision on lower level. The results consists that the financial literacy of +2 students are lower level lack of financial knowledge and its elements.

The study may give the conclusion that with the there is no change if parents income level, level of financial behavior is increase and vice-versa. Thus result shows that age and financial attitude, financial behavior has significant relationship which are already described in chapter 4. Similarly, parents' income founded significance with financial attitude at 2.8 percent. With the increase in education stream and financial behavior, level of financial literacy is also increase. However, level of financial literacy is not affected by gender, age, financial influence and financial attitude.

5.3 Implications

1. This study can be a good reference for banking institutions and other those institutions which are working to enhance overall financial literacy among students and others. The government need to know or understand and implement the policy and strategy for financial literacy program for developing or upgrading nation financial condition.
2. The study has considered only 4 factors namely financial knowledge, financial attitude, Financial Influences and Financial behavior. FK classify into 11 more factor too. Financial knowledge can be sub grouped into various factors likely numeracy, inflation, compound, interest, time vale of money, money illusion, risk & return, share market, banking, insurance, taxes, credit, diversification. Further research can be conducted considering more factors for future.
3. Financial behavior categorized into spending habit, maintain records, use of money for future & past, buy shares and insurance policy and budget are included as well investment own business.

4. This study shows that result consists with plus two students are heavily influence by their Parents, books, school, life experience and internet according to the mean and Standard deviation.
5. This study useful for new researcher and related institution for understanding student's financial attitudes. Control of financial situation, capable of using income, buying shares & insurance, loan, money management and money related issues are variable of financial attitude.
6. This study is concentrated only in Bharatpur metropolitan city in Chitwan district students, further research can be conducted considering for different areas and participants in Nepal. Further research area may be businessman, entrepreneur, private employment, bankers, youth, labors, government employee, teacher, professor, people from urban Ares and more.
7. The study can be useful for Nepal Rastra Bank, stakeholders, banking and Financial Institutions, researcher, general public and more for introduce new policy and rule for literacy among students. It can be beneficially for whole nation and individuals.

5.4 Recommendation for future Researchers

1. New researcher can be increase sample size, area, number of respondents, affected factors of FL and its elements for future research.
2. In this study only used +2 students in Bharatpur metropolitan city as sample. Therefore, new researcher can be added other students from different level, stream, city and sectors as well.
3. This research focused on 4 financial factor namely FA, FK, FI, and FB. New researcher can be added financial awareness, decision making, inclusion, budgeting, financial product, and so more.
4. This research consists with an independent variable namely demographic variables thus new researcher can be added social variables, economic variables and others variables as an independent variable.

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APPENDIX 1
Questionnaire

Questionnaire on Financial Literacy of Students

Section I: Respondents' Profile

Name (optional).....

Gender: Male [] Female []

Age (in Years): Below 18 [] 18-20 [] 21-24 []
25 - 29 [] 30 and above []

Family Monthly Income Range:

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

Educational Stream: Management [] Non-Management []

Education (currently studying): Plus 2 [] Bachelors [] Masters []

Type of Academic Institution/College: Private College [] Government College []

University Affiliation: HSEB

Financial Behavior

1. *How economical/spending oriented are you? (Please select only one option)*
 - a. Very economical
 - b. Somewhat economical
 - c. Neither economical nor spending oriented
 - d. Somewhat spending-oriented, rarely saving money
 - e. Very spending-oriented, hardly ever saving money
2. *In what manner do you maintain financial records?*
 - a. Maintain no records
 - b. Maintain minimal records
 - c. Maintain very detailed records
3. *If you (your family) have/has any money left right before the next income arrives, what would you usually do with it? (Select the most appropriate option).*
 - a. Spend it on consumer goods
 - b. Keep it in cash
 - c. Deposit it into bank account
 - d. Invest it in the capital market
 - e. Lend it to friends or relatives
 - f. Invest it in our own business
 - g. Buy gold and jewelry
 - h. Other (Please specify)...
4. *What do you usually do when you (your family) run(s) out of money before the next income arrives?*
 - a. Cut down expenses and save
 - b. Borrow money from relatives, friends and acquaintances
 - c. Spend our savings
 - d. Use a credit card or bank loan
 - e. Work extra hours or do additional jobs
 - f. Other (Please specify)

5. Let's assume that in addition to your regular income your family got some money in the amount of Rs50, 000- Rs200, 000. What would you do with this money most likely?
- Purchasing of household goods like furniture, clothes etc.
 - Fixed deposit for future
 - Saving for meeting contingency
 - Repay earlier debts
 - Go for travel or vacation
 - Investment in own business
 - Buy an insurance policy
 - Buy shares
 - Other (Please specify)...
6. Rate the following statements on a scale of 1-4 (1, not at all true for me; 2, somewhat not true for me; 3, somewhat true for me, 4, very true for me)

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

Financial Influences

7. Rate the following items of influences on a scale of 1-4 (1, none; 2, not much; 3, some; 4, a lot). How much did you learn about managing your money from the following?

Items	1	2	3	4
a. Parents				
b. Friends				
c. School				
d. Books				
e. Media				
f. Job				
g. Life experiences				
h. Internet				

8. Which of the following items did you learn about in your home while growing up? (Check all that apply)
- | | | |
|--------------|--------------------|-------------------|
| a. Budgeting | b. Investing | c. Taxes |
| d. Insurance | e. Loans | f. Interest Rates |
| g. Saving | h. Keeping Records | |

9. How would you describe how finances were handled in your family? (Check all that apply)
- My parents usually argued about the finances
 - Within the family we openly discussed our finances
 - My parents explicitly taught me about finances
 - We didn't talk much about finances but I learned from their examples
 - My parents included me in various financial decisions
 - Other (Please specify)...

Financial Attitude

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

Statements	1	2	3	4
a. I feel in control of my financial situation				
b. I feel capable of using my future income to achieve my financial goals				
c. I worry to manage my finance				
d. I am uncertain about where my money is spent				
e. I feel credit cards are safe and risk free				
f. I feel capable of handling my financial future (e.g. buying insurance)				
g. I am afraid of loan				
h. I give importance to saving money from my monthly income				
i. I feel having life insurance is an important way to protect loved ones				
j. I enjoy thinking about and have interest in reading about money management				
k. I enjoy talking to my peers about money related issues (i.e. taxes)				

Financial Knowledge

Please select only one answer option for question no. 11 to question no.21.

11. Suppose you had Rs.1000 in a savings account and the interest rate was 2% per year. After 5 years, how much do you think you would have in the account if you left the money to grow?
- More than Rs.1020
 - Exactly Rs. 1020
 - Less than Rs. 1020
 - Do not know
12. Suppose you had Rs.1000 in a savings account and the interest rate is 20% per year and you never withdraw money or interest payments. After 5 years, how much would you have on this account in total?
- More than Rs. 2000
 - Exactly Rs. 2000
 - Less than Rs. 2000
 - Do not know
13. Imagine that the interest rate on your savings account was 1% per year and inflation was 2% per year. After 1 year, how much would you be able to buy with the money in this account?
- More than today
 - Exactly the same
 - Less than today
 - Do not know

14. Assume a friend inherits Rs.10,000 today and his sibling inherits Rs.10,000 3 years from now. Who is richer because of the inheritance?
- a. My friend
 - b. His sibling
 - c. They are equally rich
 - d. Do not know
15. Suppose that in the year 2014, your income has doubled and prices of all goods have doubled too. In 2014, how much will you be able to buy with your income?
- a. More than today
 - b. The same
 - c. Less than today
 - d. Do not know
16. Net worth is:
- a. The difference between expenditures and income
 - b. The difference between outsiders' liabilities and assets
 - c. The difference between cash inflow and outflow
 - d. None of the above
- 17 A company issues shares in the:
- a. Secondary markets
 - b. Primary markets
 - c. Stock exchange
 - d. Derivative markets
- 18 What is the general corporate tax rate in Nepal?
- a. 15%
 - b. 20%
 - c. 25%
 - d. 30%
- 19 What do you think deserves primary attention when one has to compare between the banks to choose the one where to take a loan from?
- a. Bank's reputation (fame) and its reliability
 - b. View of the bank office and qualifications of its personnel
 - c. Interest rate and the other costs
 - d. Gifts and advertising campaigns
- 20 Who regulates the banks and financial institutions in Nepal?
- a. Securities Board of Nepal
 - b. Securities Exchange Commission
 - c. Insurance Board of Nepal
 - d. Nepal Rastra Bank
- 21 The main reason to purchase insurance is to
- a. Protect you from a loss recently incurred
 - b. Provide you with excellent investment returns
 - c. Protect you from sustaining a severe loss
 - d. Protect you from small incidental losses
 - e. Improve your standard of living by filing fraudulent claims

APPENDIX 2

Sources of Sample

SN	College Name	Sample	Total	Students	
				Male	Female
1	Prembasti higher secondary school	27	50	40	10
2	Himalaya dandapani higher secondary school	31	45	15	30
3	Sapthagandaki college	15	34	18	16
4	Amar higher secondary school	11	21	9	12
5	Narayani bidhya mandir	12	32	15	17
6	Balkumari college	35	37	17	20
7	Arunodaya higher secondary school	48	54	24	30
8	Parijat higher secondary school	21	27	15	12
	Total	200	300	153	147