

## Role of Financial Literacy in Financial Planning and Decision Making Among College Students

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### **Abstract**

The main purpose of this Empirical study is to explore the impact of financial literacy can help to promote financial investments among college students and how financial literacy programs and knowledge are vital for all college students. This research study explores the impact of financial literacy in promoting financial investments. The very most influencing variables in investment planning are financial knowledge, financial risk perception, and Cost of investment. The practical implications are giving information about the financial curriculum framing for the college students which might have an impact on financial investment, the total sample collected was 121 from different colleges, where 8 respondents did not fill correctly, so the relevant sample size was 113. After initiating primary data collection using a questionnaire with measuring and ranking scales the variables such as financial knowledge, risk perception, and cost of investment were found out. During the study, we found that financial literacy is a significant factor that has a considerable effect on risk perception. The perception of risk has been removed or even shifted after taking up some financial courses because it provides considerable changes and choices of financial investment and it is also pressurizing or budding the managers of concerning field, especially investment. financial literacy has an influencing relationship with investment planning. As the demographic variable of study, Age and education have a significant impact on financial literacy. So finally, above all analysis, we can state that financial literacy plays a fundamental role in financial investment planning. Higher education institutions that want to update their educational programs must keep financial literacy in mind while developing syllabi for every institution. Courses with a direct tie to financial investment planning can be given additional weightage. Students should be able to apply their financial knowledge in practice through stimulating games, case studies, industry visits, and internship opportunities

**Keywords-** Financial Risk, Financial investment and Knowledge, students' perception, Financial Literacy,

## **Introduction**

Research on financial literacy among college students consistently shows a lack of knowledge in this area (Veena, 2022; Chen, 1998; Thapa, 2015; Jacobsen, 2019). Financial literacy refers to basic investment knowledge and understanding the basic financial tools and concepts that empower individuals to make effective financial decisions, Knowledge of investment avenues will help them eliminate dependency upon parents. (Nawlakha2020). emphasized the importance of investment knowledge in financial literacy, particularly in times of financial crisis. Rani (2017) compared financial literacy among college-going students, highlighting the requirements of financial literacy in managing daily expenses, saving, and making responsible financial decisions. These studies collectively underscore the importance of financial literacy and knowledge in college students, and the need for targeted interventions to improve these skills. It covers several subjects, such as managing debt, investing, saving, and budgeting, as well as comprehending financial instruments and people's awareness and knowledge of financial matters is referred to as their financial acquaintance to make wise financial verdicts, one must possess this knowledge, which one is vital role of financial literacy.

Financial solidity is the main strength of an individual's financial security in uncertainties. It's not just about having money but also about having the skills and resources to manage and plan for one's financial future. Obtaining financial well-being typically involves a mix of financial knowledge and applying it to reach financial security and personal financial goals.

Because many of the most delightful activities in life entail financial forethought, it is vital to plan for the future. A degree of stability and flexibility that will benefit you both now and, in the future, can be unlocked by committing to a plan, whether it is for education, marriage, or major life events like raising a kid, purchasing a home, or aiming for retirement.

The capacity to comprehend the concepts of finance, use

financial instruments and make prudent decisions regarding managing one's finances, budgeting, and making investments are all known as financial literacy. An individual who's knowledgeable about finances can effectively manage their money, understand the complex workings of the banking system, and make intelligent choices that are consistent with their financial goals and conditions.

Individuals with strong budgeting and saving skills can create detailed plans, hold themselves accountable for their financial decisions, and work towards achieving ambitious goals. Even if someone currently lacks the means to fulfill their aspirations, they can proactively plan ahead to enhance the likelihood of achieving them.

With proper financial knowledge, individuals can confidently make crucial decisions in life, knowing they won't be caught off guard or greatly impacted by unexpected events. Students who get financial literacy instruction develop their entrepreneurial abilities. They learn about ideas like financial forecasting, budgeting, and business planning. Financially literate students are better equipped to start their businesses, handle money wisely, and comprehend how decisions made for their businesses will affect their finances. Financial literacy encourages students to explore creative ideas and confidently pursue entrepreneurial possibilities by cultivating an entrepreneurial mentality.

An individual's overall economic wellness and stability is considered in their overall financial well-being. It includes an awareness of fiscal autonomy, less anxiety about money, and the ability to pursue one's own goals. It extends beyond monetary safety and the ability to meet both present and potential monetary needs. Having sufficient investments and savings, managing debts at an appropriate level, and developing strategies for long-term financial security despite balancing critical desires and necessities must be essential in reaching financial stability.

## **Induction of the Study:**

Financial literacy provides students with the understanding and abilities needed to make informed money decisions, empowering them to efficiently handle their finances. It

allows students to make budgets, manage expenses, and prioritize spending, teaching financial discipline and preventing overspending or debt building. College is frequently associated with the use of student loans and credit cards. Financial literacy teaches students about the implications of debt, interest rates, and repayment options, allowing them to handle their debt sensibly. Research consistently shows that financial literacy is crucial for college students, particularly in managing credit card and student loan debt (Seyedian, 2011; Wann, 2016; Tew, 2014; McKenzie, 2011). Understanding financial principles enables students to make informed investment decisions, thereby increasing their wealth over time and ensuring their financial future. Financial literacy teaches pupils about the hazards connected with various financial instruments, allowing them to analyze risks and make informed decisions in investments or insurance. Financial literacy enables students to negotiate salaries, comprehend tax consequences, and plan for retirement or other long-term financial goals. Financial literacy teaches students about consumer rights and duties, allowing them to make informed decisions when purchasing goods or services. A financially literate population helps to promote general economic stability by lowering financial pressures and allowing people to engage more effectively in the economy. Financial literacy is crucial for encouraging financial inclusion and stability in all countries, whether they are developed or developing. (Grohmann, 2017; Singh, 2014). Financial literacy teaches pupils how to recognize frauds and fraudulent schemes, protecting them from financial exploitation. Understanding financial matters promotes healthier relationships, as individuals can effectively speak about financial objectives, priorities, and expectations

### **Objectives of the research**

- To Investigate the relationship between financial behavior and financial literacy
- To Investigate the impact of financial literacy (Pre and Post) on investment planning.

### **Review of Literature**

Koskelainen, et al (2023) It is suggested that investors consult with an investment advisor, fund manager, or

financial planner to develop investment strategies based on their financial goals, risk profile, and expected profit to achieve economic well-being. The growing popularity of digital technologies provides individuals with quick accessibility to a wide range of digital services, providing opportunities as well as challenges in handling finances. The fast rise of digital technologies in the financial sector offers both benefits and challenges. Kiyoshi (2017) Financial technology, financial behavior in modern surroundings, and behavioral changes are three important concepts that occur at the convergence of finances and digitization emerged as the result of our research's examination into how digitalization influences the financial knowledge of individuals and skills. they provide suggestions to enhance financial instruction, assess digital financial literacy, and develop online educational resources. Furthermore, they emphasize the important role of collaboration between the government and the private sectors in building a more equitable and inclusive financial system.

Almenberg, J., et al (2012) The way individuals make financial choices have been related to a tendency to overestimate the long-term significance of a factor that is gradually increasing, thus illustrating the concept termed exponential expansion bases . Using an extensive population comprising Swedish individuals, the study shows an adverse correlation between standard financial literacy indicators with an exponential expansion bias. Their findings show that investigating the relationship between growth rate biases and finances in households before considering financial literacy may result in inaccurate findings assuming the relationship between household financial decision-making and financial literacy The concept of exponential expansion biases it has been linked to various financial decisions. Königsheim (2018) found that this bias is influenced by individual preferences, with the magnitude of the bias being smaller when non-linear utility is considered. Stango (2008) demonstrated households with a larger exponential growth tendency tend to borrow more, save less, and prefer shorter maturities. Almenberg (2012) further highlighted the negative correlation between this bias and financial literacy. Tasoff (2012).

Engels, C., et al (2020) Based on this research, those who are more aware in finance are more successful in identifying a scam. The probability of identifying a scam double about three percentage points for each standard deviation advancement of financial experience. Engels et al. (2020) found that individuals with greater financial awareness are more successful in identifying scams, with the probability of detection increasing with financial experience. This is supported by Padil (2021), who found that budgeting skills significantly impact awareness of investment scams among university students. Kadoya (2020) identified financial dissatisfaction and lower conscientiousness as factors that increase the likelihood of falling victim to financial scams. Karimov (2021) used machine learning to predict the likelihood of an initial coin offering being a scam, achieving an accuracy of 65-70%. Yu (2022) found that financial fragility is associated with higher scam susceptibility in older adults. These studies collectively highlight the importance of financial literacy and awareness in preventing and identifying scams. notably, this result is influenced by the fact that there is weak subjective well-being, which decreases people's ability to identify a scam, rather than by people's increased use of financial products. Additionally, acquiring healthy financial behaviors related to basic financial management has a small impact on identifying scams. These results illustrate the complex nature of scam tactics that demonstrate that advanced financial knowledge, compared to fundamental money management skills, provides individuals the knowledge necessary to identify scams. On considering it, the research advises that customer education programs should expand their focus by including this.

Wagner, J. (2019). This study examines the relationships between financial education and knowledge of finances among individuals who have various levels of income and education. To find out whether financial knowledge acquired during high school, college, or through employment correlates in an individual's financial literacy outcome, it takes advantage of a complete, national database termed the 2015 National Financial Capability Study. According to this study's outcomes, individuals who completed any sort of financial education generally perform better in financial literacy exams than individuals

who haven't had it. Particularly, individuals having a lower level of schooling and earnings acquire greater benefits from financial literacy. This suggests that financial literacy is particularly significant for this demographic.

NICOL ESCU, V. G., et al (2023). The significance in financial education being an accelerator for worldwide financial development has increased its value. The complex relationship between financial education and financial development is examined throughout this paper, in addition to the advantages that it provides for people, households, and entire economies. To enhance the ability to make financial choices, increase financial literacy, and promote economic growth, financial education performs a vital part that is looked at in this paper. Additionally, it examines a wide range of learning strategies, such as official educational programs, corporate training, and community-based projects.

This paper further highlights the significance of continuing to invest in financial literacy as an essential element of methods to promote financial development, especially in the context of changing economic conditions and technological advances.

Singh, et al (2014) A person's capacity to efficiently handle their finances is significantly enhanced when they have financial literacy, enhancing their perception of security in their finances. These ideas were vital to maintaining economic system stability and have become recognized as vital in developing and developed countries. At present, many countries are implementing several kinds of financial awareness programs. India, due to its large population, expanding economy, and focus on equitable development, promotes the development of a reliable and secure financial system. Being the central bank of the country, the Reserve Bank of India (RBI) is plays an important part on initiatives that foster financial security and promote financial literacy. To promote the continuous development of financial literacy, the Reserve Bank of India has established several types of strategies and set of programs.

Bayar, Y., et al (2017). Long-term economic growth is largely determined by variables such as capital stock, human capital, technological development, financial development, institutional progress, infrastructural

development, and trade openness. By promoting savings and the growth of the financial industry, financial literacy has an opportunity to make a positive effect on economic growth. Utilizing a logistic regression model based on survey data, this research explored how financial literacy among Usak University staff members influenced their individual savings. The results of this study demonstrated that though tolerance for risk has an adverse effect on individual savings, financial literacy, income level, age, and level of education have beneficial impacts.

Rai, K., et al (2019). The capacity for making significant and well-informed decisions regarding the prudent handling of one's finances is known as financial literacy. The researchers of this research examined how financial knowledge, financial behavior, and financial attitudes connect as well as how they affect the level of financial literacy among working women in Delhi, India. The technique of purposeful sampling was implemented to conduct a well-organized survey using a 5-point Likert scale, and the Analysis of Moments Structures (AMOS) method in the framework of a structural equation Modelling (SEM) approach was applied to assess the level of match. To examine the relationships between these three independent variables for the study's hypothesis, an analysis of routes was conducted.

Rohatgi, et al (2019). A wide range of elements, such as inflation, foreign exchange rate, and per capita income, has significant effects on the financial well-being of a country. In addition, using promoting more investments and the creation of capital in the economy, middle-class households' savings are essential for boosting the country's economic health. Multiple studies have been conducted to examine the variables that affect investment and saving behaviors because savings and investments are deeply dependent on each other. The research concerning if individuals are efficiently achieved their financial goals as well as how different investments succeeded in fulfilling their expectation however is limited. The current literature on saving and investing behaviors of new investors in India's Uttarakhand region is the primary focus of this study. It also examines the factors that influence small investors, as determined by highly educated individuals, and assesses

how useful they are in the Indian state of Uttarakhand.

Mishra, P. K., et al (2010). In most wealthy and developing nations, interest has been abundant recently in examining the empirical connection between savings and investment. High savings, according to economists, may contribute to higher investment and GDP development in a nation. The present research wants to examine the evolving relationship between investments and savings in India from 1950–1951 to 2008–2009. The present research, based on annual data, finds cointegration among savings and investment and proposes a reciprocal causal relationship between the two. Yet, a statistical examination of the two variables throughout the course of the research period reveals investment has constantly surpassed savings in India, although a co-integration indicating a long-term balance between savings and investment.

Mishra, P. K. et al (2011). All wealthy as well as developing countries may benefit significantly by understanding greater detail about how saving and investing relate. Greater savings, according to economists, are an essential component in promoting greater investment and increasing a nation's Gross Domestic Product. Savings and investment here for the primary sources of long-term growth in a nation. A range of studies have explored the complex relationship between saving, investment, and economic growth in both wealthy and developing countries. Aidoo-Mensah (2018) emphasizes the importance of understanding the theoretical underpinnings of this relationship, particularly in the context of domestic savings and household savings. Schmidt-Hebbel (1994) further underscores the complexity of this relationship, noting that saving often follows investment and growth, and that investment and innovation are key drivers of growth. Kasuga (2007) adds to this by highlighting the influence of financial systems on the saving-investment correlation, particularly in developing countries. Deaton (1989) offers a different perspective, focusing on the role of saving in smoothing consumption and protecting the living standards of poor households. These studies collectively underscore the need for a nuanced understanding of the saving-investment relationship, taking into account factors such as financial systems, investment, and

consumption. YUNUSA, L., et al (2021) The dilemma between deposit and lending rates has posed significant challenges for financial institutions, impacting both savings and investment. The problem has caused much harder for investors to make their choices and resulted in an untenable situation in the financial system. The primary objective of this study is to determine the sources for the difference between deposit and lending rates. This issue is further complicated by the rise of financial innovation, particularly in the form of technology-based platforms such as peer-to-peer lending, which has redefined the concept of financial intermediation and introduced new regulatory challenges (Bavoso, 2021). The risk of participation in shadow schemes, particularly by non-bank financial intermediaries, is also a concern, with the economic cycle playing a significant role in this dynamic (Bukhtiarova, 2022). Despite these challenges, financial innovation has been found to contribute to commercial banks' deposits in Nigeria, particularly through the use of automated teller machines (R.C., 2021). Financial education impacts decisions regarding investments in this educational setting since college is an important phase when monetary habits and attitudes are formed. Not enough investigation was done among college students addressing the instructional methods and methods of instruction employed to impart financial knowledge and how it can impact future investment behaviours. Exploring how to make use lessons in financial literacy in real life, especially simulating investments including simulated investments or everyday life financial situations, and its impact on students' investment choices. Determining whether these factors influence financial literacy and consequent choices regarding investments among college students is an essential study subject, particularly in the context of the rapidly evolving financial landscape and advances in technology. In addition, there is a gap within the literature concerning how early financial literacy education impacts investing behavior and financial well-being as college students reach the workforce. In the end, solving the research gaps will assist with establishing financial literacy programs for college students that are efficient and encourage prudent investment decisions and long-term financial security.

Lotto, et al (2020) Utilizing secondary data obtained from the Fin Scope survey by FSDT, this study explores whether individuals' socioeconomic characteristics within Tanzania influence their knowledge of finance. The research includes combined bivariate and multivariate analysis, that indicates a significant adult demographic financial knowledge gap. These findings suggest that when establishing financial awareness development activities, gender, age, education, and income levels need to be taken into consideration. Men seem to have more knowledgeable about finances, whereas households who are younger, wealthier, better educated, and more engaged generally are likely to have higher knowledge about finances. Programs need to focus on marginalized populations such as women, the elderly, and people who have minimal salaries and/or inadequate levels of education.

Niu, G., et al (2018) The association between financial literacy and retirement planning in China is the main topic of this study. According to their findings, those who score highly on financial literacy tests are not only more inclined to think about retiring, but they also show a stronger readiness to use financial markets to accomplish these relationships remain significant when the possible heterogeneity with financial literacy has been considered.

Clichici, D., et al (2022) A basic knowledge of financial terms among people of all ages is vital in enhancing individual well-being, promoting stable markets, and assuring that the economy operates efficiently. The article tries to assess Romania's position with various European countries regarding monetary literacy measures. In addition, it aims to explore the international relationships of financial growth, and economic growth, especially literacy in dealing with money though Romania has the lowest GDP per capita among EU countries, the results show that Romania has the lowest level of financial literacy. Insufficient financial literacy is an important factor of Romania's low level of financial inclusion. In addition, individuals often underestimate the positive effects of making long-term investments. The resulting findings create a challenge.

Grohmann, A., et al (2017) National economies likely benefit by providing widespread availability of financial services for both economic and social reasons. The present research demonstrates, via an international analysis, shows inclusion is fostered by overall knowledge of finances, as well as that this relationship exists independently of higher levels of economic or financial development. Surprisingly, the 'utilization of monetary instruments' with advanced financial systems where improved financial literacy had the greatest impact. On the other hand, countries having fewer advanced financial systems are the ones where education had a major effect on "access" to finance'. The enhancement of financial literacy must financial infrastructure in economic financial inclusion.

Gautam, R. S., et al (2022) The purpose of the study was to ascertain whether India's rural development and financial integration are impacted by financial literacy. Over the three fiscal years, from 2018 to 2020, they collected secondary data from 29 Indian states and two union territories. In this study, panel data analysis (PDA) is used to evaluate the assumption. The findings demonstrate how financial literacy helps the two

Rural development and financial inclusion. This study concluded that financial literacy must be promoted by both the banking and the government sector due to its vital function in promoting financial inclusion, which is crucial for socio-economic growth. Through acquiring facilities to improve financial services, such efforts have a chance to promote incredible economic growth and reduce poverty.

Soroko, et al (2023). The curriculum of how to manage money among pupils comes under the limited criteria for financial literacy education. Despite simply assessing the ability to deliver individual finance courses, there is also a lack of research that examines the perspective and methodologies of instructors when it comes to promoting financial knowledge. This case research focuses on the strategies utilized by instructors in Ontario and Québec, Canada, that are considered as essential learners and deviate against standard practices when overture latest transmitting financial knowledge. They offer knowledge collected through two phases of quantitative

comprehensive interviews along with a session on focus group discussion as part of a democratic investigation that was conducted between 2019 and 2020. The findings highlight the individual educational methods these instructors utilize to change the standard financial knowledge curriculum.

Yuliani, Y.etal (2019) In the country of Indonesia, the amount of financial education remains extremely low. The Indonesian National Financial Literacy Strategy (SNLKI), which was updated in 2017, describes the plan that the government of Indonesia, under the Financial Services Authority (OJK), has created to deal with this problem. Through empowering Indonesians with the knowledge, abilities, convictions, and related attitudes and behaviors needed for effective money management, this approach aims to encourage people to make prudent financial choices that will enhance their financial condition. The current investigation has a double-scoping objective. Its primary goal is to examine how financial education directly affects financial literacy. Determining if indirect investment behavior affects the correlation between financial literacy and knowledge is another goal.

### **Research Methodology-**

This research adopted a quantitative research design to study the association between financial knowledge and literacy and their impact on investment behaviors among Higher education institute students. Demographic factors like gender, age, income, and educational background have been found to influence financial literacy levels (Chen, 1998; Thapa, 2015). However, there is a consensus that college students, particularly those not majoring in business, need to improve their financial literacy (Jacobsen, 2019). The sample size for this study is 113 college students. Data will be collected through a structured questionnaire. The questionnaire will be designed to measure the financial knowledge, financial literacy, investment behaviors, and demographic characteristics of the participants as primary data. Relevant literature and existing research studies were reviewed to provide context and background for the study as secondary data.

**Table 1: Analysis of responses collected through the questionnaire**

Age Wise distribution	18-19	18	15.9
	20-21	67	59.3
	22-23	19	16.8
	24-25	9	8.0
Income amount	Lessthan 15000	22	19.5
	15000-30000	20	17.7
	30000-50000	17	15
	50000-80000	12	10.6
	80000-100000	13	11.5
	Morethan100000	29	25.7
Before taking financial courses	1	18	15.9
	2	25	22.1
	3	43	38.1
	4	18	15.9
	5	9	8
After taking financial courses	1	6	5.3
	2	13	11.5
	3	39	34.5
	4	47	41.6
	5	8	7.1
Effectiveness of financial courses	1	2	1.8
	2	13	11.5
	3	47	41.6
	4	44	38.9
	5	7	6.2
Understanding about fintech course and their values	1	6	5.3
	2	16	14.2
	3	50	44.2
	4	33	29.2
	5	8	7.1
Investment factor awareness with sustainability	Veryimportant	50	44.2
	Important	42	37.2
	Moderatelyimportant	20	17.7
	Not important	1	0.9

**Hypothesis tested –**

H1: There is an association between financial behavior and financial literacy

H2: socio-demographic variables affect financial literacy.

H3: financial literacy has an impact on investment.

**Reliability test:**

Reliability Statistics and interpretation - Cronbach's Alpha value (.792) which is more than 0.5. This shows that the reliability of the research instrument and its items are reliable for surveying whereas N of items is (54)



**Table 2: Group Paired Samples Statistics**

		Mean	N	Std.Deviation	Std.ErrorMean
Gp1	A-POS	3.73	113	1.633	.153
	postofficesavings	3.24	113	1.410	.132
GP2	B-stocks	3.06	113	1.284	.121
	Stocks	2.87	113	1.073	.102
GP3	C-bonds	2.90	113	1.267	.120
	Bonds	2.75	113	1.065	.101
GP 4	D-MF	2.83	113	1.157	.110
	mutualfunds types	2.58	113	1.231	.117
Gp5	E-F.D	3.75	113	1.192	.113
	fixeddeposits	3.55	113	1.356	.129
Gp6	f-F.G	4.01	113	1.206	.114
	Fixed Gold	3.75	113	1.379	.131
GP7	G-Crpto	2.68	113	1.284	.122
	cryptocurrency	2.50	113	1.296	.12

**Table 3: Hypotheses Testing**

Hypothesis tested	Test applied	Result (p value)	Decision criterion of result
There is no significant difference b/w financial literacy and financial risk perception.	ANOVA- One way	(P) Value is 0.018	The null hypothesis was rejected because there is a significant difference between financial literacy and risk perception.
There is a significant association of the knowledge before and after taking financial course.	H-test	(P) value is 0.831	Accept the null hypothesis. There is a considerable difference in knowledge before and after a financial course.
Correlation b/w investment choices before and after the financial courses.	Correlation Analysis	r value is 0.95	both the choices of highly positively correlated
There is a substantial relationship of education qualification and knowledge on mutual fund	H-test	P value is 0.119	The Null hypothesis is accepted, and there is no substantial correlation between educational qualification and knowledge about mutual funds' investments.
There is a substantial relationship between age and knowledge about government schemes and policies	H-test	P Value is 0.510	The null hypothesis is accepted, and there is no meaningful relationship between age and knowledge of public or government policy initiatives.

**Table 4: Correlation analysis of Group paired number (a,b,c,d,e,f,g)**

Group paired number (a,b,c,d,e,f,g)	N	Correlation	Sig.
a) A-Pos&post officesavings	113	.261	.005
b) B-Stocks& stocks	113	.292	.001
c) C-bonds&bonds	113	.228	.015
d) d-M_F & mutual Funds	113	.352	.000
e) e_fd&fixeddeposits	113	.312	.002
f) gold& gold	113	.142	.135
g) g-Crypto/Cryptocurrency	113	.322	.000

**Table 5: Descriptive analysis of responses before taking financial courses**

Investment avenues	number of respondents	Minimum	Maximum	Mean	Std. Deviation
post office savings	113	1	7	3.73	1.633
Stocks	113	1	5	3.06	1.284
Bonds	113	1	5	2.9	1.267
Mutual funds	113	1	5	2.83	1.157
e_fd	113	1	5	3.75	1.192
f_gold	113	1	5	4.01	1.206
g_cryptocurrency	113	1	5	2.68	1.284
Valid N (listwise)	113				

**Table 6: Descriptive analysis of responses after Taking the financial courses**

	No Of respondents(N)	Min.Val	Max Val.	Mean	Std.Deviation
postofficesavings	113	1	5	3.25	1.409
Bonds	113	1	5	2.74	1.069
Stocks	113	1	5	2.86	1.072
Mutualfunds	113	1	5	2.57	1.232
Fixeddeposits	113	1	5	3.51	1.357
Gold	113	1	5	3.76	1.374
cryptocurrency	113	1	5	2.51	1.294
ValidN(listwise)	113				

### Interpretation

According to the Analysis report after the financial courses, the investment pattern is changed in students. Except for gold, all the investment forms play a significant role because those who don't have financial knowledge, prefer to invest in gold only. In the rest of the investment avenues after taking financial courses, the knowledge acquired has a considerable impact on investment planning. By

descriptive statistics analysis, gold's mean value is higher than other investment avenues when compared to other investment avenues gold plays a vital role in investments even without knowledge of financial investment courses and literacy and after taking financial courses the proportion of investment in gold has decreased. Even though it has decreased it holds the topset rank among all the preferred investment forms.

### Model Summaryb

**Table 7: Model Summaryb**

Model	R value	R Square value	Adjusted R Square	Std. Error of the Estimate
1	.220 <sup>a</sup>	0.049	0.04	1.269

The total model summary reflects Predictors which is constant even after the finance course and secondly dependent variable reflects financial risk and its effects on investment.

### Annova<sup>1</sup>

**Table 8: Annova<sup>1</sup>**

Model	Sum of Squares	Df value	Mean Square	F	Sigif.
1	9.16	1	9.16	5.69	.020 <sup>b</sup>
	178.769	111	1.611		
	187.929	112			

Regression analysis shows how people analyze and assume financial risk after taking some financial courses. From the above the value of Ris 0.220 indicates a correlation b/w the dependent and independent variables of financial risk(1),

financial courses(2) square value is around 4% of independent variables explains its impact on the dependent variable. F (5.690) has a P value that indicates significance in the ANOVA test table.

**CoefficientA**  
**Table 9: CoefficientA**

Model		Un-std Coefficients		Std. Coefficient beta	T	Sig.
		B	Std. Error			
1	(Constant value)	1.908	0.433	0.22	4.395	0
	Predictor,After the finance course	0.297	0.124		2.384	0.002

a. Dependent Variable: finrisk\_effects (financial risk Effects).

Interpretation-Here the significance level is 0.020. So, it is fit for doing the analysis. From this financial risk is being

affected by the independent variable financial course. Student's perception of risk changes as they gain financial knowledge.

**Model SummaryB**  
**Table 10: Model SummaryB**

Model	R-value	r square	adjusted r square	estimation value of std. error
1	.376 <sup>a</sup>	0.141	0.119	0.953

a. Predictors: (Constant), finrisk\_effects, roi\_factor, cost\_of\_investment

b. Dependent Variable: fin-knowledge\_invt

**Interpretation**

This shows how investment planning is done after acquiring financial knowledge. By verifying the R value, it shows .376 which is positively weakly correlated.

R<sup>2</sup>(0.141) is the level by which it affects the relationship between financial knowledge and other independent variables is affected.

**Table 11: Regression Analysis**

S.N	Model	sum of square	df value	Mean Square	F	Sig.
1	RRM (regression Residual total value)	16.465	3	5.488	6.05	.001 <sup>b</sup>
		98.89	109	0.907		
		115.325	112			

a. Dependent Variable: fin-knowledge\_invt.

b. Predictors: (Constant), finrisk\_effects, roi\_factor, cost\_of\_investment

**Interpretation**

After the ANOVA test, the F value is 6.050, which is significant. So, the model is appropriate for doing the analysis. According to the foregoing, the value of R is .376

suggesting a connection between dependent and independent variables such as FIP (Financial Investment Planning) and independent variables financial risk perception, return on investment, and cost of investment. R square value is 14% of independent variables that rely on the dependent variable. In the ANOVA table, the F value is 6.050, and the p-value is significant.

**CoefficientsA**  
**Table 12: CoefficientsA**

Models and implications		Coefficients value (Unstandardized)		Coefficients (standardized)	T-test value	Significance value
		B	Error(standard)	Beta (values)		
(Constant variables)		2.303	.383		6.014	.000
1. cost_of_investment		-.181	.104	-.159	-1.737	.035
2. roi_factor		.038	.159	.022	.241	.810
3. finrisk_effects		.248	.071	.317	3.515	.001

a. DependentVariable:fin-knowledge\_invt

Interpretation-In research Out of three variables, two have a significant association with the dependent one. In other words, financial risk perceptions and investment costs have a substantial impact on financial investment planning. Even after taking financial courses ,respondents consider the cost of investment and financial risk before investing.

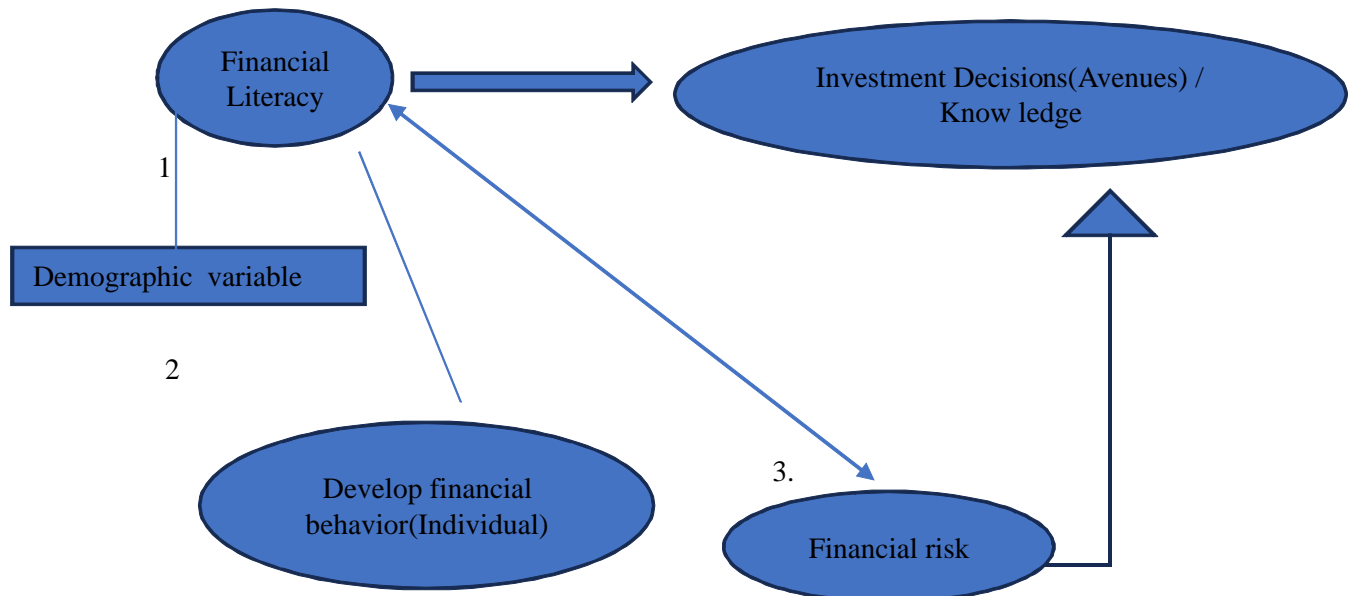
### Practical Implication

During the study, we found that financial literacy is a significant factor that has a considerable effect on risk perception. The perception of risk has been removed or even shifted after taking up some financial courses because it provides considerable changes and choices of financial investment and it is also pressurizing or budding the managers of concerning field, especially investment. financial literacy has an influencing relationship investment planning. As the demographic variable of study, Age and education have a significant impact on financial literacy. So finally, above all analysis, we can state that financial literacy plays a fundamental role in financial investment planning. Higher education institutions that want to update their educational programs must keep financial literacy in mind while developing syllabi for every institution. Courses with a direct tie to financial investment planning can be given additional weightage. Students should be able to apply their financial knowledge in practice through stimulating games, case studies, industry visits, and internship opportunities

### Conclusion

The connection between financial literacy and financial investment decisions is significantly complexify and not easy for those who have no financial avenues knowledge. Individuals with suitable levels of financial knowledge are more likely to make sound investing decisions in proper return-oriented investment decisions. They are better at understanding financial products, assessing risks, and planning for long-term financial goals. Financial literacy provides individuals with the tools and knowledge needed to handle the complicated nature of financial market decisions. Financial literacy improves investment decisions and an individual's overall financial security and stability. As a result, encouraging financial education and boosting financial literacy should be top priorities at both the individual and society levels. Financial firms, educational institutions, and some government institutions play an important part in establishing and executing, developing, and implementing financial literacy programs to empower individuals to make wise investment decisions. Generally, Financial literacy directly impacts investment behavior, and it is useful not only to individuals but also to the entire economic stability of individuals he countries. A financially knowledgeable populace is better able to engage in financial markets, contribute to economic progress, and protect their financial futures. As the financial landscape evolves, improving financial literacy remains a critical component of personal and economic success.

## Research Model-



**Chart 1: Research Model of Impact of Financial Literacy**

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