



ISSN 2349-638X

REVIEWED INTERNATIONAL JOURNAL

**AAYUSHI  
INTERNATIONAL  
INTERDISCIPLINARY  
RESEARCH JOURNAL  
(AIIRJ)**

MONTHLY PUBLISH JOURNAL

VOL-II

ISSUE-X

OCT.

2015

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**Financial Education in India: A Critical Analysis****Prof. Dr. Vinay G. Bhole,**

Finance is rightly called as life-blood of the business. For individuals, businesses and the economy at large finance is the nerve centre through which survival, growth and overall prosperity is achieved. As rightly said by Robert Kiyosaki in his bestseller book 'Rich Dad, Poor Dad' that all over the world most of the things are taught to the kids by their parents and teachers. Rest of the things they learn by trial and error method or through their playmates and classmates. But regarding money and finance no one tells them. In Indian culture it is the philosophy that, in front of kids one should not talk about money. Money though essential in this materialistic life being neglected by everyone. When time comes to earn and utilize the same we follow our parents by assuming that they were experts in finance. Even many do not know the difference between the terms 'Money' and 'Finance'.

As rightly said by Walker, "Money is what money does", by the functions of money like medium of exchange, measure of value, store of value and deferred payments we can understand the depth of functions and meaning of money. But as defined by F.W Paish, "Finance is the availability of money at the time of need."

People start working after completing education in city areas and in village at any age even when they are minor and legally not permissible to work. But even after working for the major time in their life, hardly 2 to 3% people are found to be financially self sufficient when they retire. Most of them are dependents on their son or daughter and in some cases they even die due to tension or due to lack of financial support. The ideas of reverse mortgage are becoming popular due to the same financial paucity.

Most of the middle class people take loan for house, children's marriage or in few cases for their higher education. They invest in land at their native place where they never go and stay. They never consider cost benefit analysis out of psychological attachment towards their native place. If not they purchase gold which they never sell. The other option preferred by 99% people is bank fixed deposits and Indian Postal Schemes. Maximum people invest in Life insurance according to the guidance given by the insurance advisors who are more interested in their commissions rather than the real benefit of the client. Those invest in ULIPS (Unit Linked Insurance Plans) are always afraid of volatile market conditions. They don't understand switching of funds and benefits to be derived from ups and downs in stock market.

Those invest in Mutual Funds either do not study the type of fund, do not read the documents at all and just sign it and draw the cheque. In ULIPS and Mutual Funds also they do not understand the importance of Systematic Investment Plans (SIPS) or the right time to invest and to quit.

Those who invest in stock market due to demonstration effect and enter the market when it is volatile get in to losses and either blame broker or their fate. Warren Buffet, the great investment expert says, there is no right or wrong time to invest in the market. Right analysis and patient observation gives you the reward.

Indian people become panic very early and like to blame others rather than searching the cause behind the lack of smart investment.

In Colleges many times 'Finance' is the subject taught by a teacher just because it the part of curriculum without understanding the real value of it. Students are interested in examinations and the results and they are not keen about the value of financial education and ultimately people holding degrees like M.B.A. (Finance) fail in the real life situations.

C.F.P. (Certified Financial Planner) the real educative value addition to the knowledge of finance has become popular nowadays as in US and Europe financial advisors are expected to hold it. In India it assumed that a Chartered Accountant knows everything and is the best guide for investments too.

But now slowly the picture is changing. People have become must keen on financial planning as they do not like to be dependent on anyone and the life expectancy has increased by making it necessary to think about future. In newspapers special coverage is given by financial experts regarding various financial issues. It is written in lucid and simple language so a layman can understand it easily. Let us hope that by 2020 when India will be a superpower country, Indians will financially strong, self sufficient and there will not be any worries on their part about financial education.

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