

A Study of Financial Literacy among the Commerce College Students of Latur City

Dr. Vishal Parashram Varma

Asst. Professor

Dayanand College of Commerce, Latur.

E-Mail: drvishalavarma2021@gmail.com

Abstract:

Financial literacy is an ability to manage one's own money. An ability to manage personal money or capital has become increasingly important in today's competitive world. Main aim of financial literacy is to help in understanding financial concepts that will help them to manage their capital better. It is a life skill that one must grasp for good financial wellbeing. Financial literacy is wider concept & be the mixture of personal financial management, insurance needs, investing, loans & interest. It helps people in becoming self-sufficient & competent. Throughout the entire life, an individual's today is more responsible for their personal hard-earned money or capital than previous tenure. Knowledge & experience have an important impact on financial literacy of both women and men. The foremost objectives of the research are to study the level of financial literacy among the Commerce College Students, saving habits influencing among the college students of Latur City & the needs of financial literacy programs in college premises. Both primary & secondary data must be used. Questionnaire framed & Convenient Sampling method is used in collecting the data and to examine the level of financial literacy. Researcher consider the views of near about 100 students. Various websites, journals, earlier research work also referred for secondary data. Further an attempt has made to know the importance of financial literacy programs. This research paper is structured as follows. Section I deals with Introduction, II reviews few of the previous studies on financial literacy, Section III concerned with methodology used; final part presents results & conclusion of this study.

Keywords: Financial Literacy, Financial Knowledge, Behavior, Commerce College Students

Introduction:

Finance is nothing but an important part of everyone's day to life and mainly categorized in different categories like personal finance, corporate finance, and public finance. Developing financial literacy skills is essential. It helps individuals become self-sufficient so that they can achieve financial stability. It is an ability to manage one's own hard-earned money. Throughout the entire life, an individual's today is more responsible for their personal hard-earned money or capital than previous tenure. Financial literacy is the mixture of the skills, financial knowledge, attitude, & behavior which is necessary to take financial decision. It is an important life skill that one must grasp for well financial wellbeing. A strong foundation of the financial literacy will help in attaining the various goals like retirement & has great impact on individual, family well-being and on overall economy itself. Developed as well as developing nations have become increasingly concerned about the level of financial literacy of their citizens, particularly among the youth

of their country. Financial literacy is considered as an important tool of the sound financial decision-making capacity among the commerce college students of Latur City.

Objectives of the Study:

1. To study the financial literacy among commerce college students of Latur City
2. To measure the commerce college students access over financial decision.
3. To give suggestions to improve financial literacy among the commerce college students of Latur City.

Statement of Problem:

A number of studies have been conducted regarding financial literacy and its significance. Lack of financial literacy is not only the problem of developing countries but also the problem of developed countries. A research survey is required to assess and to know the level of understanding about the financial literacy.

Review of Literature:

Hasmet Sarigul (2014), the purpose of the study is to know the level of financial literacy among the university students. In this study researcher tries to find out & evaluate the relationship between financial literacy and students’ demographic characteristics.

J.D Jayaraman and Saigeetha Jambunathan (2018) Financial literacy is an important but oft ignored skill that is vital for young people. This study measured financial literacy levels among high school students in India and found levels in India to be lower than those in developed countries. Students who pursued the commerce stream were found to have higher levels of financial literacy than students pursuing any other stream.

Scope of the Study:

The scope of this research study is limited to commerce college students of Latur City. In this study the researcher has evaluated the level of awareness among the commerce college students about the financial literacy. The findings of the study and conclusion drawn are based on the data collected through questionnaire and personal discussion.

Research Methodology:

For this research paper, data must be collected from both the sources i.e., Primary data and Secondary data

Primary data: Primary data is also known as first-hand data. For primary data, researcher prepare the Questionnaire which was well structured and by circulating the same, data must be collected from the selected respondents by using convenient random sampling method.

Secondary Data: Secondary data means the second-hand data which was not original in nature. For this study, researcher also prefer the secondary sources such as research paper, articles, newspaper, websites etc.

Limitations: Following are the limitations of the study.

1. Only questionnaire method was used to assess the level of financial literacy among the commerce college students of Latur City.
2. Time constraint is also one of the limitations of this study.

Data Analysis and Interpretation

Table 1: Gender of the Respondents:

Particulars	No,of Respondents	% of Respondents
Male	43	38
Female	69	62
Total	112	100

(Source: Primary Data)

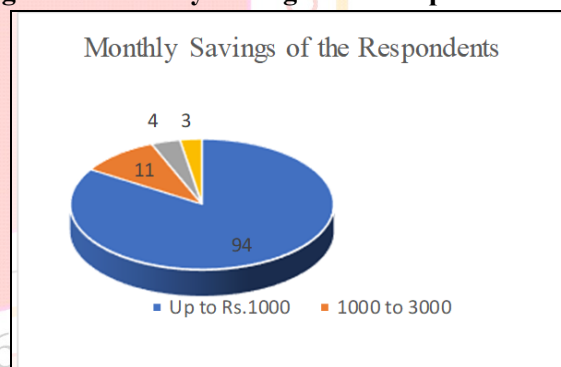
Above table shows that the male respondents are less in numbers when compared to the female respondents i.e.69

Table 2: Monthly Saving of the Respondents:

Particulars	No. of Respondents	% of Respondents
Up to 1000	94	84
1000 to 3000	11	10
3000 to 5000	04	3
Above Rs.5000	03	3
	112	100

(Source: Primary Data)

Figure 1: Monthly Saving of the Respondents:



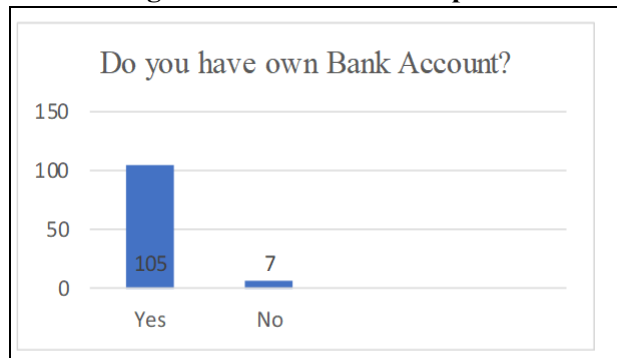
The above chart and table provide information about the saving habits of respondents, Majority of respondents i.e., 94 respondents are saving up to Rs. 1000 per month.11 of them are saving from Rs.1000 to Rs 3000 per month. 04 respondents having the monthly savings between 3000 to 5000. Only 03 respondents have the monthly saving more than 5000.

Table 3: Bank Account Opinion

Sr.No.	Particulars	Number of Respondents	Percentage
1	Yes	105	94
2	No	07	06
3	Total	112	100

(Source: Primary Data)

Figure 2: Bank Account Opinion



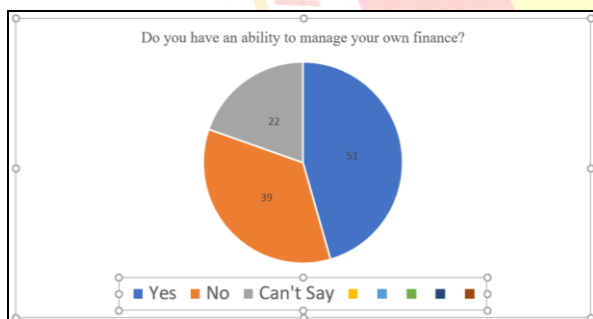
From the above table we can identify that 105 respondents have their own Bank A/c's.

Table 4: Do you have an ability to manage your own finance?

Sr.No.	Particulars	Number of Respondents	Percentage
1	Yes	51	46
2	No	39	35
3	Can't Say	22	19
	Total	112	100

(Source: Primary Data)

Figure 3: Do you have an ability to manage your own finance?



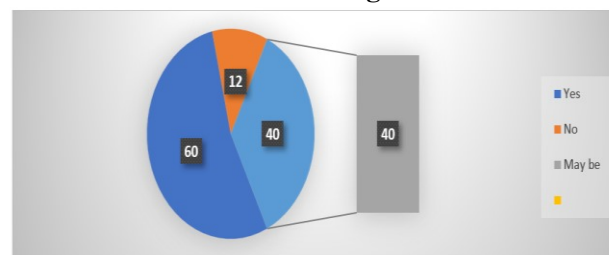
Above table and chart reveal that majority i.e.51 respondents are agreed and having an ability to manage their own finance. 39 respondents express that they are not having enough ability.

Table 5: Do you have knowledge about Finance & Banking?

Sr. No.	Particulars	Respondents	Percentage
1	Yes	60	54
2	No	12	11
3	May be	40	35
	Total	112	100

(Source: Primary Data)

Figure 4: Do you have knowledge about Finance & Banking?



Above table and chart reveal that majority i.e.,60 respondents are agreed that they have enough knowledge about Banking& Finance whereas 12 respondents refuse that they have knowledge about Banking& Finance.

Table 6: Can you use Online Banking App?

Sr.No.	Particulars	Number of Respondents	Percentage
1	Yes	76	68
2	No	32	29
3	May be	04	3
	Total	112	100

(Source: Primary Data)

Figure 5: Can you use Online Banking App?

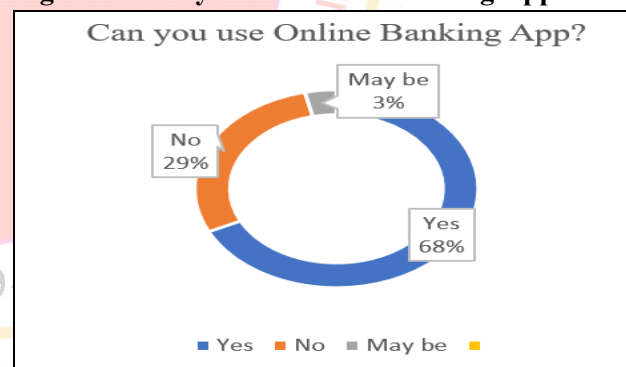
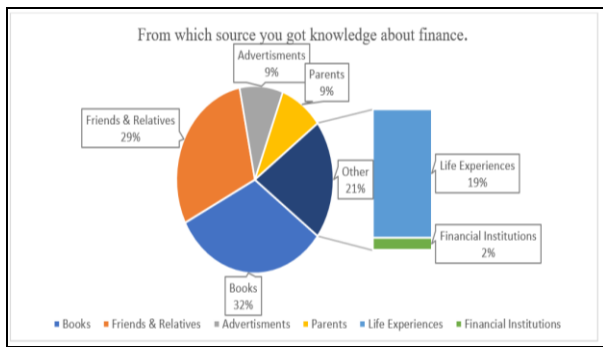


Table 7: From which source you got knowledge about finance.

Sr.No.	Particulars	Number of	Percentage
1	Friends & Relatives	33	29
2	Parents	10	9
3	Advertisements	10	9
4	Life Experiences	21	19
5	Financial Institutions	02	2
6	Books	36	32
			100

(Source: Primary Data)

Figure 6: From which source you got knowledge about finance.



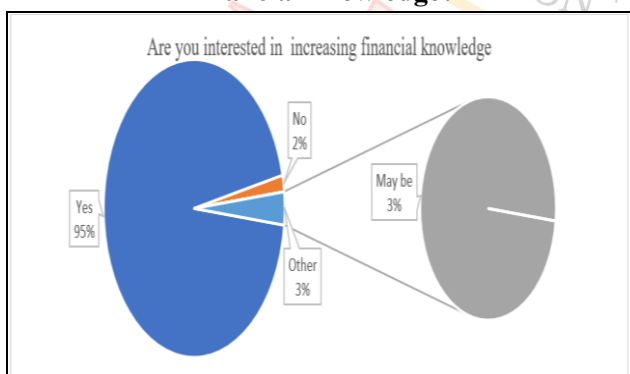
From the above table we can understand that majority of the i.e.36 respondents preferred books to increase or learn financial knowledge.33 respondents get from friends & relatives 21 respondents get through life experience,10 & 10 respondents from Parents and Advertisements respectively.

Table 8: Are you interested in increasing financial knowledge?

Sr.No.	Particulars	Number of Respondents	Percentage
1	Yes	106	95
2	No	03	2
3	May be	03	3
	Total	112	100

(Source: Primary Data)

Figure 7: Are you interested in increasing financial knowledge?



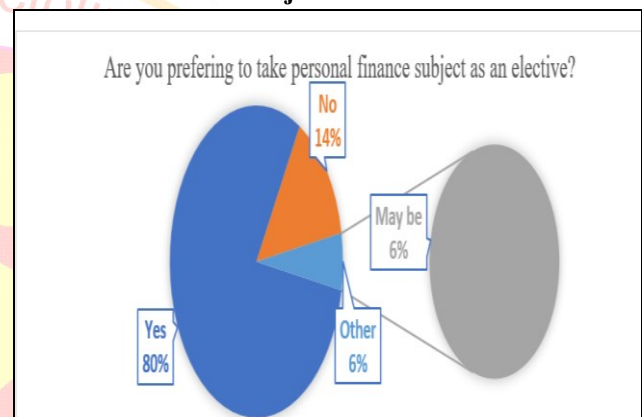
The above table and chart show that majority i.e.106 respondents are too much interested to increase their finance knowledge & remaining only 6 respondents are somewhat interested.

Table 9: Are you preferring to take personal finance subject as an elective?

Sr.No.	Particulars	Number of Respondents	Percentage
1	Yes	90	80
2	No	16	14
3	May be	06	06
	Total	112	100

(Source: Primary Data)

Figure 8: Are you preferring to take personal finance subject as an elective?



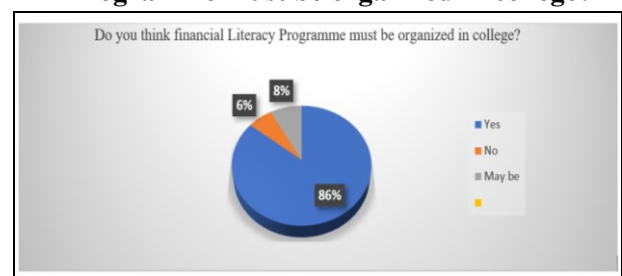
From the above table we can identify that majority of the respondents i.e.80 are preferred to take personal finance course as an elective if offered.

Table 10: Do you think financial Literacy Programme must be organized in college?

Sr.No.	Particulars	Number of Respondents	Percentage
1	Yes	96	86
2	No	07	6
3	May be	09	8
	Total	112	100

(Source: Primary Data)

Figure 9: Do you think financial Literacy Programme must be organized in college?



From the above table and pie chart we can understand that, majority i.e. 80 respondents are of positive view that there should be Financial Education in Schools and Colleges, there are only 07 respondents who disagree with the need of financial literacy programs in the college campuses.

Findings:

1. It is observed that there are more female respondents than male respondents.
2. It is clear from the study that, Majority of respondents i.e., 94 respondents are saving up to Rs. 1000 per month.
3. Near about majority i.e., 94% of respondents have their own Bank Accounts.
4. From the study it reveals that majority i.e., 51 respondents are agreed and having an ability to manage their own finance. 39 respondents express that they are not having enough ability.
5. From the study it is clear that, majority of respondents are agreed that they have enough knowledge about Banking & Finance and have their own Bank Account.
6. In order to increase or learn financial knowledge respondents preferred various sources such as books, friends & their own self life experience, Guidance from Parents & Advertisements.
7. Majority respondents preferred to take personal finance course as an elective if offered.
8. In order to enhance the financial knowledge, majority respondents reveals that, financial literacy programmes should be organized in colleges.

Suggestions:

1. In order to increase the level of financial literacy among the students and the youth more informative programmes related to finance, investment should be organized in schools and colleges.
2. Just like as other subject, special subject related to finance must be introduced as a core subject in curriculum at primary as well as secondary levels.
3. Special Finance related workshops must be organized not only for Youth but also for Parents too so that parents also stimulate their kids.

4. for encouraging youth customers, about new technologies, the financial Institutions must take an active role and should sponsor financial Literacy awareness programmes in schools, colleges even at financial institutional premises.
6. Finance related Short-term online courses be organized with regular intervals.
7. Economic education and importance of circulation of money are also provided to students.

Conclusion:

Individuals with enough financial knowledge can develop various sources of income. Financial education may not occur in a vacuum. Financial decisions are not only important but also it was inseparable part of everyone's day to day life; one might as well learn about them. Peoples needs knowledge about financial know-how in order to differentiate between unlimited needs and limited wants. Financial Literacy has become one of the top priorities of everyone's day to life. Literate peoples tried to remove monetary losses & achieve the financial objectives. Various alternative investment options cater to a variety of needs, but the investor should be aware of them. When the peoples have knowledge about the financial needs, products available and able to assess the benefits & limitations of each product and suitability of the product for their specific needs, they are in a better position to decide what they want and feel empowered in a meaningful way. Even in order to enhance the knowledge about the finance, more awareness programme must be introduced at schools & college levels also the financial institutions like Banks, Insurance companies, Mutual Funds, Post Offices also organize awareness campaigns, workshops so that level of financial literacy amongst the peoples rises.

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