



To Access the Financial Knowledge of College Students

Yashasvi Yadav

Student, Medi-caps Institute Of Technology and Management (MBA), Medi-caps University, Indore

ABSTRACT

For people, businesses, and society as a whole, having a solid understanding of finance is essential to economic empowerment and stability. Students who grasp financial concepts will be better able to handle their personal finances since they will have the necessary information and abilities. This study compares the level of financial knowledge and difference in investment strategies among students specializing in human resource, marketing and finance. This study applied descriptive research design. The study uses convenience sample technique to gather primary data from 100 respondents who answer a questionnaire which is distributed among students from each discipline. The findings shows that level of financial knowledge is higher in finance students as compared to marketing and HR students. Growth investing and diversification are the most popular investment strategies among students, especially those with finance specialization. Students are not very comfortable in taking financial risk. Students are less confident in their ability to apply financial principles in real world.

Keywords: Financial Knowledge, Investment Strategies, Finance, Marketing, Human Resource Specialization.

1. Introduction

The field of financial knowledge is diverse and encompasses a wide range of concepts and principles that are crucial for efficiently managing finances and resources. Basically, financial understanding gives people and organization the knowledge and resources they need to successfully negotiate the complexities of current economic systems and make wise financial decisions. For people, businesses, and society as a whole, having a solid understanding of finance is essential to economic empowerment and stability. Understanding financial concepts, practices, and principles is crucial for reaching financial goals, making educated decisions, and navigating the complexities of contemporary economies in a world where money is a common means of exchange.

2. Concept- financial Knowledge

Understanding and awareness of different financial terms, fundamentals, products and practices are referred to as financial knowledge. It covered variety of terms, such as risk management, taxation, financial markets, debt management, borrowings, savings, investing and budgeting. Financial knowledge enables people to manage resources efficiently, take calculated risks, and achieve their financial objectives. It also helps them make decisions about their own.

A vast range of techniques and strategies are included in investment plans with the goal of minimizing risk and optimizing returns in financial markets. Investors use a range of methods, sensible to aggressive, depending on their time horizon, financial objectives, tolerance for uncertainty and market dynamics. Building a diverse portfolio, reaching financial goals, and handling the complexity of the investment environment all depends on having a solid understanding of various investment techniques.

Types of investment strategies-

- Asset Allocation
- Diversification
- Value Investing
- Growth investing
- Income Investing

Investment objectives function as the guiding concepts that influence investors' choices, approaches, and behaviors inside the financial markets. These goals offer a well-defined framework for resource allocation, risk management, and goal-setting in terms of finances.

Types of Investment Objectives-

- Capital Appreciation
- Income Generation
- Wealth Preservation
- Risk Management

Factors Influencing Investment Objectives:

- Risk Tolerance: One important aspect affecting investment goals is an investor's risk tolerance, or their capacity and willingness to tolerate changes in the value of their investments. While risk-tolerant investors might concentrate on capital appreciation, risk-averse investors might place a higher priority on capital preservation.
- Time Horizon: One of the most important factors in deciding on investing objectives is the time horizon, or the amount of time an investor plans to hold an investment before having to access the assets. Investors with longer time horizons might be able to adopt more aggressive investment methods that maximize growth potential.
- Financial Circumstances: Investment objectives are influenced by an individual's financial circumstances, which include income levels, expenses, debt obligations, and liquidity needs. While investors under financial pressure might give priority to risk management or income generation, individuals in stable financial situations might be more flexible in pursuing growth-oriented goals.
- Market Conditions: An investor's perception of risk and return can be influenced by economic conditions, market trends, and geopolitical events. This might have an impact on the investor's investing objectives. Investors may place a higher priority on risk management and wealth preservation than on ambitious growth goals during uncertain economic or market times.

This study compares the level of financial knowledge and difference in investment strategies among students specializing in human resource, marketing and finance. The specialization in finance program studies the complexities of corporate finance, investment analysis and financial management. Students who specialize in marketing gain knowledge about consumer behavior, pricing strategies, product creation, market analysis, and promotional techniques. The specialization of human resource {HR} focuses on talent acquisition, organizational growth, employee interactions, and strategic management of human capital.

3. Literature Review

Gupta & Dr. Singla (2024) the objective of the study is to examine the influence of financial literacy, financial behavior and compensation on speculation decisions. The results of this investigation demonstrate that financial competence has no impact on speculation decisions, but that financial and compensation behavior have an overall influence.

Khandelwal & Dr. Gupta (2023) the objective of the study is to investigate the different factors affecting investor's decision-making processes. The study examines the financial behaviors of newly employed college students in Raipur, focusing on their saving habits, financial literacy, risk tolerance and investment preferences. The result shows that newly employed students are likely to invest in shares and securities rather than generating income from boosting production. The main focus of this investigation is changes in link between investments and savings.

Savaliya (2023) the purpose of the study was to investigate financial literacy and how it affects the investing decision of investors. The objective of the study is to provide insight into investor satisfaction levels and investing pattern. The research findings offer significant insights for financial planners, investment advisors, and financial institutions to raise public awareness and promote financial literacy, which in turns helps individuals make better financial decisions.

Garg, Dr. Mehdi & Dr. Khan (2022) purpose of this study is to look into how young people currently invest. The study's main goal is to understand how young people save and take on risk, as well as to ascertain whether they prioritize liquidity over long-term growth or large returns. Due to quickly spreading of information through numerous means, youngsters are aware of the range of investing alternatives that are accessible to them.

Sharma (2021) study examines adult Indians between the ages of 18 and 55 years in terms of personal finance literacy and planning rates. The primary objective of the research was to propagate information and assess the level of people's literacy with respect to the essential concepts of personal financial planning and literacy. The findings indicated a lack of fundamental knowledge about personal finance and the planning tools associated with it, including the ones they were use. The government, the workplace, and all educational institutions need to think about taking the opportunity to educate people in order to improve the surroundings.

Sheth (2021) study focuses on the investment patterns and financial literacy of young people in Mumbai who have recently started jobs. Research suggests that today's newly employed youngsters require greater knowledge and understanding to manage their money and finances effectively. Young people who have recently started working need to take seminars and courses on personal finance at the graduation level because they are still financially illiterate. In addition, employer's want to schedule financial planning or money management sessions for their recently hired employees.

Prasad (2020) the purpose of this study is to find out the level of financial literacy among postgraduate management students in Hyderabad. According to the S & P Global Financial Literacy Survey, 2014, the study clearly shows that graduate students studying management in Hyderabad have an average

level of financial literacy than the national average. Male students have higher literacy level than female students, and urban students have higher financial literacy than students who were raised in rural, semi-rural and semi-urban areas.

Rai, Dua & Yadav (2019) study have shown a financial literacy level among working women in Delhi, India, in terms of financial knowledge, financial behavior & financial attitude. The results showed that working women's financial literacy is more strongly correlated with their financial attitude and behavior than with their financial knowledge.

Jayaraman & Jambunathan (2018) assess the financial literacy of Indian high school students. The results of study showed that they performed poorly on common financial literacy tests. Research revealed that there were gender disparities, with women outperforming men. It was also discovered that students who choose to major in commerce or economics had greater levels of financial literacy than those who choose to major in science. Financial literacy was found to be significantly influenced by parental participation as well. Student interviews revealed a lack of knowledge about the macroeconomic and societal effects of financial literacy.

Arianti (2018) objective of this study is to examine and determine the impact of income and financial knowledge on investment choices. The results of the study suggest that while money and financial behavior have significant impacts on investment decisions, financial literacy has little impact on those decisions.

Surendar & Sarma (2017) determine the technical and non-technical higher education teacher's level of financial literacy and personal financial planning knowledge. According, to the report, higher education teachers have satisfactory level of financial literacy. Furthermore, there is not a significant variation between technical and non-technical teachers' opinions regarding financial planning and literacy.

Singh & Raj (2015) focuses on level of financial literacy as well as the influence of personality, educational background and demographic traits. The majority of the students, according to the results, have a basic awareness of finance but they have no experience in credit, taxes, the stock market, financial statements or insurance. When it comes to conserving money, students are greatly impacted by their parents at home. The conclusion is that college students understand money concepts at a basic level. However, a few of the students' demographic, educational and their personality have an impact on their total level of financial literacy.

Bhushan (2014) investigated the connection between paid people's awareness of financial products and their level of financial literacy. Additionally, research is done on the connection between salaried people's investment behavior and financial literacy. The findings shows that people's level of financial literacy have an impact on their awareness and investing choices for financial assets.

4. Research Methodology

4.1 Objectives of the Study

- Comparing the level of financial knowledge among students majoring in finance, marketing and human resource.
- Determine the investment strategies preferred by finance, marketing and human resource students.
- Examining student's investment preferences, risk tolerance and attitudes towards various asset classes and financial instruments.
- Examine factors such as educational background, career aspirations, personal finance experience of the students.

4.2 Research Design

The term "research design" describes the structure that specifies the steps involved in carrying out a study. This study applied descriptive research design. The descriptive phase determines the sample's fundamental characteristics, whereas the correlational phase determines the relationship between the factors.

Data Collection Method

The study uses data from both primary and secondary sources. Primary data was collected by the questionnaire and secondary data was collected through various websites.

Tools for Data Collection

A comprehensive review of primary and secondary data sources is included in this research. The participants in the chosen sample were given the questionnaire and they were requested to answer it honestly and actively.

Sample Design

Sampling technique- Convenience sampling

Sample size- 100

5. Data Analysis

5.1 Demographic Profile

Gender

Gender	Frequency	Percentage
Male	58	58%
Female	42	42%

(Table 5.1.1)

Interpretation- The above table represents the distribution of gender, the table shows that 58% of respondents are male and 42% of respondents are female.

Age

Age Group	Frequency	Percentage
18-20	15	15%
21-23	60	60%
24-26	23	23%
27 & above	2	2%
Total	100	100%

(Table 5.1.2)

Interpretation- The data represents the age distribution majority of respondents are under the age of 21-23 which is 60%, 23% of respondents are under the age of 24-26 and 15% respondents are under the age of 18-20.

Education

Education	Frequency	Percentage
Graduate	23	23%
Postgraduate	77	77%
Total	100	100%

(Table 5.1.3)

Interpretation- The above table represents the education level of the respondents, 23% of respondents are graduated and 77% are post-graduated.

5.2 Nominal Questions-

Field of study

Field of Study	Frequency	Percentage
Finance	53	53%
Marketing	37	37%
Human Resources	10	10%
Total	100	100%

(Table 5.2.1)

Interpretation- The above distribution table represents, majority of the respondents are of finance field which 53%, respondents from field of marketing are 37% and remaining 10% respondents are from HR field.

Have you received any formal education on financial literacy?

	Frequency	Percentage
Yes	49	49%
No	51	51%
Total	100	100%

(Table 5.2.2)

Interpretation- According to the data, majority of the students do not received any formal education on financial literacy which is 51% and 49% of the respondents received formal education on financial literacy.

How would you rate your level of understanding of financial concepts?

Field of Study	Very Good	Good	Average	Poor	Very Poor	Total
Finance	21	22	8	1	1	53
Marketing	9	16	9	2	1	37
Human Resources	1	4	5	0	0	10
Total	31	42	22	3	2	100

(Table 5.2.3)

Interpretation- Above table shows that, with 21 out of 53 finance students rating their level of understanding of financial concepts as very good and 22 out of 53 rating it as good. In the field of marketing, 9 out of 37 respondents rated as very good and 16 out of 37, rated as good level of understanding of financial concepts. In the field of human resource, only 1 respondent rated very good. This implies that students of finance field have highest level of understanding of financial concepts as compared to marketing and human resource.

How confident do you feel in managing your personal finance?

Field of Study	Very confident	Confident	Neutral	Less confident	Not confident	Total
Finance	26	18	7	2	0	53
Marketing	7	8	7	3	12	37
Human Resources	2	0	3	2	3	10
Total	35	26	17	7	15	100

(Table 5.2.4)

Interpretation- According to the data, respondents from finance field generally feel more confident in managing their personal finance, with 26 out of 53 rating themselves as very confident. In the field of marketing, 7 out of 37 rating themselves as very confident and in the field of human resource student are less confident.

What type of investment do you prefer?

Field of Study	Stocks	Bonds	Mutual Funds	Real Estate	Other	Total
Finance	31	1	16	1	4	53
Marketing	5	2	14	1	15	37

Field of Study	Stocks	Bonds	Mutual Funds	Real Estate	Other	Total
Human Resources	3	1	2	1	3	10
Total	39	4	32	3	22	100

(Table 5.2.5)

Interpretation- Above distribution table shows that in the field of finance 31 out of 53 respondents prefer to invest in stocks the most. In the field of marketing, 15 out of 37 prefer other option for investment and in human resource field, respondents choose other option for investment.

What factors influence your risk tolerance?

Field of Study	Financial goal	Time horizon	Income level	Market conditions	Personal belief	Total
Finance	33	6	6	8	0	53
Marketing	7	7	3	11	6	37
Human Resources	10	5	5	2	1	10
Total	50	18	14	21	7	100

(Table 5.2.6)

Interpretation- As per the distribution table, across all the field of study, financial goals are the most influential factor on risk tolerance, with 50 out of 100 respondents indicating this factor. 21 out of 100 respondents choose market conditions as influential factor on risk tolerance. Personal belief is less prominent factor.

What are your preferred investment strategies?

Field of Study	Diversification	Buy & Hold	Value investing	Growth investing	Income investing	Other	Total
Finance	16	7	10	15	5	0	53
Marketing	7	5	4	11	6	4	37
Human Resources	4	4	2	0	0	0	10
Total	27	16	16	26	11	4	100

(Table 5.2.7)

Interpretation- Above distribution table represents, across all the field of study, diversification and growth investing are most preferred investment strategies. Buy & hold and value investing are evenly preferred across all field of study, while income investing is less preferred strategy.

On a scale of 1 to 5, how do your career aspiration influence your interest in financial knowledge and investment?

Field of Study	1(Strongly Motivated)	2	3	4	5(Not Motivated)	Total
Finance	33	6	6	8	0	53
Marketing	7	7	3	11	6	37
Human Resources	10	5	5	2	1	10
Total	50	18	14	21	7	100

(Table 5.2.8)

Interpretation- As per the results, finance students are strongly motivated by career aspiration as compared to marketing and human resource. It implies that respondents across all field of study demonstrate a significant level of motivation driven by career aspiration.

Findings

- Finance students have highest level of understanding of financial concepts.
- Finance students feel more confident in managing their personal finance, while human resource students feel less confident.
- Most preferred investment option is stock which is mostly preferred by the finance students.
- Across all the field of study, financial goals are most influential factor on risk tolerance.
- Diversification and growth investing are most preferred investment strategies.
- Finance field student's interest is strongly motivated by their career aspiration as compared to marketing and human resource.
- Most preferred investment objective are capital appreciation and income generation.
- Students are not very comfortable in taking financial risk.
- Most of the students prefer to receive investment information from online investment platforms.
- Investment decisions of students are influenced by specific values and belief within their family.
- Students are less confident in their ability to apply financial principles in real world.
- Students having finance specialization have very good experience with investment.

Conclusion

The research was conducted to study the financial knowledge of students specializing in finance, marketing and human resource field. Compared to students in other specialization, finance students have highest level of understanding of financial concepts and a higher degree of confidence in handling their personal finance. Students studying marketing and human resources may not fully comprehend financial concepts, but this might be tackled by implementing thorough financial awareness workshops. Students' craze for investing in the stock market is increasing day by day. Students risk tolerance levels are greatly impacted by their financial objectives, as well as their field of study. This implies that the attainment of personal financial goals is a significant factor in influencing investing choices.

Growth investing and diversification are the most popular investment strategies among students, especially those with finance specialization. This choice is consistent with the concepts of wealth accumulation and risk management. There is a strong connection between academic specialization and professional goals, as demonstrated by the motivation of finance students, who are primarily driven by their career aspiration. Students who want both growth and stability in their investment are most interested in capital appreciation and income generation. Students typically show feeling uncomfortable while taking financial risks, in spite of these goals.

Family values and beliefs have an impact on student's investing decisions, which highlights the important role of parental guidance in influencing financial behavior and attitude towards risk. Students lack confidence in implementing financial principles in everyday life, even with their theoretical knowledge, indicating a gap between academic learning and real-world application, especially for those who are in marketing and human resource specialization. The skills and confidence students need to handle financial issues outside of the classroom can be developed by including real-world activities, simulations, and case studies into the curriculum.

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