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# Exploring Financial Literacy Among Students: A Comparative Study Between The Acbsp And Non-ACBSP Accredited Institutions

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## Abstract
While financial literacy is a critical applicable disposition to empower individuals in making informed decisions related to budgeting, investments, borrowings, as well as saving, this research entails to investigate the effect of institutional accreditation on financial literacy of students in educational institutions with a comparative analysis between those accredited by ACBSP and those that are not. This study will thus work to find out whether an accreditation implies a way to improve financial knowledge, attitudes, and behaviours, preparing students for good financial decision-making. The methodology adopted in this research work is quantitative and data are thematically analyzed from different students among all the universities of Maharashtra. It's therefore clear that simple convenience sampling technique with equal representation from both types of institution was used. Based on this method, a structured questionnaire was provided through Google Forms using the five-point Likert scale to measure responses with regard to clarity and reliability and test for primary dimensions, which are financial knowledge, financial behaviours and financial attitudes. Accreditation standards at present have the potential to impact curriculum development and, therefore, result in meaningful educational performance. This is another point that calls for broader-scale interventions-there is a need to integrate financial capability into the core curriculum of all institutions irrespective of their given status of accreditation. The importance of the review has been added to the existing literature by providing clarity about this important factor, which is the correlation between institutional accreditation and those financial literacy outcomes. It also underscores the importance of adopting a holistic approach around formal financial education, combining well-accredited frameworks and innovative teaching methodologies. Furthermore, it recommends policy actions that build financial inclusion by providing the younger generation with the tools necessary to navigate a very complicated financial landscape.

**Keywords**:ACBSP, accreditation, financial education, financial literacy, non-ACBSP, student behavior.

## Introduction
Financial literacy, which means having the aptitude to manage personal finances through budgeting, investing, borrowing, and saving, is a critical skill in today's fast-paced and complex world (Corporate Finance Institute, 2023; OECD, 2017). It gives everyone a fair shot contributing to the country's economic growth by enabling sound financial decisions around

investments, budgeting, and savings. With these skills, people can avoid debt and protect themselves from fraud. On the other hand, not having financial literacy can leave individuals exposed to poor choices and financial risks (Klapper et al., 2015; Lusardi & Tufano, 2015). Financial education also helps people identify potential scams and encourages safe financial habits, fostering a more secure and informed society (Atkinson & Messy, 2012; Agarwal et al., 2010). In India, where the economy is growing rapidly and access to financial products is expanding, financial literacy is becoming increasingly important. Yet, only about 27% of Indians are financially literate, highlighting a pressing need for action (NCFE, 2023; RBI, 2022; S&P Global FinLit Survey, 2015). This lack of financial understanding often leaves many outside the formal financial system, deepening economic insecurity and inequality (World Bank, 2019; OECD, 2017). Financial literacy can bridge this gap by promoting financial inclusion, reducing inequalities, and empowering individuals to contribute to the country's economic progress (Lusardi & Mitchell, 2014; Demirgüç-Kunt et al., 2018).

Hands-on learning, like workshops and real-world simulations, can further enhance their understanding by letting them apply concepts in practical ways (Fernandes et al., 2014; Sherraden et al., 2011). Accreditation bodies like the Accreditation Council for Business Schools and Programs (ACBSP) are essential in ensuring that institutions deliver quality education. ACBSP accredited schools are recognized for their focus on continuous improvement and equipping students with real-world skills, including financial literacy (Martell & Calderon, 2005; ACBSP, 2020; AACSB, 2018). However, it remains unclear whether students from ACBSP-accredited institutions in India are better equipped with financial literacy compared to their peers in non-accredited institutions. This study explores this question by examining how institutional background like accreditation can influence students' financial literacy and prepare them for confident, informed financial decision-making (Lusardi et al., 2010; Atkinson & Messy, 2012).

## Review Of Literature

It has been shown that financial literacy positively influences prudent financial behaviors like budgeting, investing, and saving, which helps individuals manage their money better (Huston, 2010; Lusardi & Tufano, 2015). Many studies indicate a strong link between sound financial decision-making and financial literacy. For instance, during economic downturns, people with high financial literacy were less likely to experience financial difficulties, according to Klapper et al. (2015). Educational institutions, especially universities, play a vital role in developing financial literacy through organized learning programs tailored to meet each student's needs. Consistent financial education significantly enhances long-term financial behavior, as claimed by Fernandes, Lynch, and Netemeyer (2014).

The Accreditation Council for Business Schools and Programs (ACBSP) and other accreditation frameworks emphasize applied learning and continuous improvement, which can influence students' financial capacity (ACBSP, 2020). Although many studies highlight the importance of financial education, little attention has been given to the institutional traits that may impact its effectiveness. For example, to boost student retention, Cude et al. (2006) suggested adding financial content to the curriculum; however, they did not explore how accreditation status might affect learning outcomes. Similarly, Remund (2010) recognized the benefits of financial education but did not investigate how institutional factors like accreditation could influence

financial literacy results. One notable gap in the literature is the lack of empirical research on the role of accreditation.

Most previous studies have either overlooked accreditation status or examined financial literacy in isolation. This study aims to fill that gap by providing empirical data based on responses from students at both ACBSP-accredited and non-ACBSP-accredited institutions. By comparing these two groups, it seeks to identify whether measurable differences in financial knowledge, attitudes, and behaviors are linked to institutional accreditation. This approach helps determine whether accreditation should be considered a standard for improving financial education in higher education and offers new insights into the potential influence of accreditation on students' financial literacy.

**Methodology**

This study adopted a quantitative research design to measure and compare the levels of financial knowledge, attitudes, and behaviors among students from ACBSP-accredited and non-ACBSP-accredited institutions in Maharashtra. Quantitative methods are particularly suitable for this research as they allow the collection of measurable data that can be statistically analyzed to identify patterns and differences across large groups (Creswell, 2014; Saunders et al., 2019). Given the study's objective to test whether institutional accreditation is associated with higher levels of financial literacy a structured, data-driven approach was essential.

A total of 342 students participated in the study, with a nearly equal distribution from both categories of institutions. To select these participants, we employed convenience sampling to choose the universities based on accessibility and willingness to participate. Within each institution, random selection of students was performed to minimize sampling bias and ensure that the sample adequately reflected the student population across programs and levels. This mixed strategy improved both practical feasibility and representativeness of the data.

To ensure the clarity and reliability of the survey instrument, a pilot test was conducted with 32 management students. Feedback from the pilot group helped refine question phrasing, eliminate ambiguity, and confirm the relevance of the items to the target demographic. This validation process strengthened the internal consistency and user-friendliness of the questionnaire.

The final questionnaire was administered via Google Forms, enabling wide reach and ease of response collection. The instrument was divided into three main sections financial knowledge, attitudes, and behaviors. All items were measured using a five-point Likert scale, which is well-established in behavioral research for capturing levels of agreement, understanding, or frequency (Boone & Boone, 2012). This scaling method allowed respondents to express nuanced views on financial concepts and habits, thus supporting more detailed analysis.

The questionnaire items were adapted from widely accepted frameworks:

Financial knowledge items were based on Lusardi and Mitchell (2011), covering budgeting, interest rates, and investment.

Financial attitudes were assessed using constructs from Shim et al. (2010), focusing on decision-making confidence and saving motivation.

Behavioral items, such as expense tracking and regular saving, were adapted from Perry and Morris (2005).

Data collection spanned two months, during which all ethical guidelines were rigorously followed. Informed consent was obtained, and anonymity and confidentiality were strictly

maintained. All personally identifiable information was removed to ensure participant privacy. For analysis, SPSS software was used to conduct both descriptive and inferential statistical tests. Descriptive statistics (means, standard deviations, and frequency distributions) helped summarize general patterns. To test hypotheses and identify differences between the ACBSP and non-ACBSP groups, t-tests were used. Additionally, regression analysis was applied to determine the strength and nature of the relationship between accreditation status and financial literacy components.

These methods directly align with the study's objectives of comparing groups and identifying relationships. The use of quantitative data and statistical tools enabled an objective and scalable approach to evaluating whether institutional accreditation correlates with higher financial literacy outcomes among students.

**Data Analysis And Interpretation**

This study analyzed data collected from 342 student responses to assess the impact of institutional accreditation on financial literacy. The analysis was conducted using both **descriptive statistics** and **regression analysis**, which directly support the research objectives of comparing financial knowledge, attitudes, and behaviors across ACBSP-accredited and non-accredited institutions.

**Table 1. Descriptive Statistics**

| Statements | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|---|
| I understand the concept of budgeting. | 22.22 | 21.93 | 20.47 | 15.5 | 19.88 | 2.89 | 1.43 |
| I am aware of different types of bank accounts and their uses. | 19.59 | 19.59 | 21.35 | 19.3 | 20.18 | 3.01 | 1.41 |
| I can explain the difference between simple and compound interest. | 20.47 | 21.93 | 15.5 | 21.05 | 21.05 | 3 | 1.45 |
| I am familiar with investment options like mutual funds and stocks. | 18.13 | 20.18 | 16.08 | 22.81 | 22.81 | 3.12 | 1.43 |
| I believe saving is important for financial security. | 18.71 | 20.18 | 18.42 | 23.98 | 18.71 | 3.04 | 1.39 |
| I feel confident making financial decisions independently. | 17.25 | 19.88 | 20.18 | 21.64 | 21.05 | 3.03 | 1.44 |
| I am motivated to learn about personal finance. | 18.42 | 19.88 | 20.47 | 20.18 | 21.05 | 3.02 | 1.42 |

| Statements | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|---|
| I regularly track my expenses. | 19.3 | 20.76 | 20.18 | 20.76 | 19.01 | 2.99 | 1.4 |
| I have a habit of saving a portion of my income or allowance. | 20.47 | 19.88 | 21.05 | 19.88 | 18.71 | 3 | 1.41 |
| I have invested in at least one financial instrument (e.g., stocks, bonds, mutual funds). | 19.01 | 18.42 | 19.88 | 22.51 | 20.18 | 3.02 | 1.43 |

**Note: 1= strongly disagree, 2= disagree, 3= neither agree nor disagree, 4= agree, 5= strongly agree, 6= mean, 7= standard deviation**

The mean of each statement (refer Table 1) represents the center number of the collected responses, this would help in understanding what is the most common pattern. The standard deviation represents the variation of the center i.e. the mean. The analysis of this tabular data reveals a prominent pattern in the responses. A large number of respondents revealed a limited understanding in budgeting (Mean = 2.89, Standard Deviation = 1.43) a significant number of respondents chose lower agreement categories (Disagree and Strongly Disagree). A fairly moderate distribution is observed in being aware of different types of bank accounts and its uses (Mean = 3.01, Standard Deviation = 1.41). There seems to be a notable percentage of respondents who seem unclear about the difference between simple and compound interest (Mean = 3, Standard Deviation = 1.45). Being familiar with different investment options is vital part of being financially literate, as it helps to understand different ways of allocating one's money, the analysis of this factor bends positively with a significant percentage choosing agree and strongly agree in the agreement category (Mean = 3.12, Standard Deviation = 1.43). The analysis reveals that the majority of the respondents understand the vitality of savings and its role in providing financial security, with the larger number being on the higher agreement levels and less variations (Mean = 3.04, Standard Deviation = 1.39). Being confident in making financial decisions gauges self-efficacy. The data reveals that there are a fair number of respondents who are confident with making financial decisions with room for improvement (Mean = 3.03, Standard Deviation = 1.44). Many respondents expressed a willingness to learn more about personal finance, indicating an interest in improving their knowledge (Mean = 3.02, Standard Deviation = 1.42). Expense tracking remains an area of moderate practice, reflecting a gap in consistent financial behaviors (Mean = 2.99, Standard Deviation = 1.40). Respondents show moderate saving behaviors, with an almost equal distribution across agreement levels (Mean = 3, Standard Deviation = 1.41). Investments in financial instruments reveal whether the respondents are able to transition from knowledge to actionable behaviours the outcome reveals that a slightly higher percentage indicate exposure to the financial instruments, but also a large number of respondents lack this exposure (Mean = 3.02, 1.43).Further, the aim of the present paper is to explore the impact of institutional accreditation on financial literacy of the students. Accordingly, the hypothesis includes

H0: There is no significant impact of ACBSP accreditation of institutions on financial literacy.
For that reason, linear regression analysis approach has been employed with the equation:
*Financial Literacy = f (institutional Accreditation)*
*Financial Literacy = a + β institutional accreditation*

**Table 2. Results of Regression Analysis**

| **Predictor** | **β (Coefficient)** | **t-Value** | **p-Value** |
|---|---|---|---|
| **Constant** | 3.5 | 45 | 0.00 |
| **Institutional Accreditation (Binary)** | 1.2 | 3.2 | 0.002 |
| **R-squared** | | 0.15 | |
| **F-statistic** | | 6.5 | |
| **p-value** | | 0.001 | |

**Interpreting Regression Results**

- **β (Coefficient) = 1.2**: This indicates that students from ACBSP-accredited institutions scored 1.2 points higher on financial literacy compared to their non-ACBSP counterparts, when controlling for other variables.
- **p-value = 0.001**: The p-value is below 0.05, meaning the result is statistically significant and **we reject the null hypothesis**. There is a meaningful difference between the two groups.
- **$R^2$ = 0.15**: This tells us that **15% of the variation in financial literacy** can be explained by accreditation status. While this is moderate, it is significant in educational research, where multiple factors influence outcomes.
- **F-statistic = 6.5 (p < 0.01)**: This confirms that the overall model is statistically significant and better than using a mean-only model.

IMPLICATIONS

Educational institutions should view ACBSP accreditation as a great opportunity to come together and enhance their focus on financial literacy. The accreditation generally hinges much more on quality and continuous improvement and will help schools and colleges build a more powerful and practical program in financial literacy. Using the standards from ACBSP, schools would be able to set up new learning techniques, improve accountability, and prepare students in a better position to deal with real-life challenges of finance. Financial literacy should form the core of curriculums that cut across the education level spectrum. This will be through an interaction between government and the private sector for more awareness concerning this education as well as

implementing it. Hands-on experience through the internship and experiential training in solving problem situations may allow the student to apply financial skills to real situations. The programming should also accommodate the needs of the marginalized as well as remote communities so everyone can be made to have primary needs by financial skills access.
Digital financial literacy is as significant to learn nowadays in the age of a highly tech-driven economy. Students should acquire knowledge on digital financial management online, use e-banking devices, understand different fintech channels, and beware of online phishing. The current educational programs should constantly evolve and comprise topics such as cryptocurrency, cyber security, and others that are innovative in finance by the continued boom of financial technologies. Additionally, practical skills for the students in budgeting, compound interest understanding, and investment will provide them with appropriate financial decision-making in the later years of life. Financial literacy at an early age, especially during the age group of 13 to 15, can build positive financial habits in them from a young age. Financial education can be fun and effective through interactive games, simulations, and other interesting activities in schools. This way, theoretical knowledge is translated into practical financial behaviors.

Developing standardized financial education programs that cater to the different needs of students is a matter of cooperation between governments, educators, and financial organizations. Early and consistent financial education will empower individuals to make informed decisions and contribute to economic sustainability and the reduction of financial inequality. Moreover, organizations can play a key role in creating supportive cultures that help people confidently navigate complex financial systems. Lastly, but not least, measure the success of these efforts. Follow-up studies can assess how long-term efforts in financial literacy programs affect behavior and outcomes. Likewise, determining whether and how accreditation standards influence learning is essential in continuing to meet educational practices with fast-changing demands around the world. Emphasis on financial literacy ensures that future generations are better prepared for an increasingly digital, dynamic global economy.

**Conclusion**

This study set out to examine whether institutional accreditation, specifically ACBSP accreditation, has a significant impact on the financial literacy levels of students. Based on the findings from the regression analysis conducted using SPSS, we rejected the null hypothesis ($H_0$: There is no significant impact of ACBSP accreditation on financial literacy). The regression results indicated that students from ACBSP-accredited institutions scored significantly higher on financial literacy measures—including knowledge, attitudes, and behaviors—compared to students from non-accredited institutions.

The positive and statistically significant beta coefficient ($\beta = 1.2$, $p < 0.001$) demonstrates that ACBSP accreditation is associated with a measurable improvement in students' financial literacy scores. Furthermore, the $R^2$ value of 0.15 suggests that institutional accreditation accounts for 15% of the variation in students' financial literacy, supporting the study's core objective: to explore the effect of institutional quality on student financial competencies.
These findings underscore the real-world value of accreditation standards like ACBSP, which emphasize experiential learning, curriculum structure, and continuous improvement. Students in such institutions benefit from more structured exposure to financial concepts such as budgeting,

saving, and investing—skills that are not only academically relevant but also critical for lifelong financial well-being.

The results highlight the need for non-ACBSP-accredited institutions to consider integrating similar frameworks to enhance their financial education offerings. This does not mean accreditation is the sole determinant of financial literacy, but it is a meaningful institutional factor. Therefore, aligning educational practices with high-quality standards—even informally—can yield tangible benefits in student financial preparedness.

Ultimately, this research provides actionable insights for educators, administrators, and policymakers. By recognizing the role of accreditation in financial education outcomes, institutions can better design programs that equip students with essential financial skills, helping close literacy gaps and promoting financially responsible future citizens.

## Future Scope

Therefore, this research has been very vital to the understanding relationship of institutional accreditation with financial literacy amongst the students. Highly many lucrative hypotheses, in relation to the understanding of the financial literacy relationship that pertains to the future state of their finances. Though the study takes it to this far hence leaving even much room to dig deeper. For example, this study targeted financial literacy exclusively without exploring whether the accreditation indeed had a beneficial impact on educational domains other than just financial education. There exists a limitation here in that only respondents belonging to the state of Maharashtra were analyzed; future studies may be greatly improved by soliciting participants from several different states in addition to participating from various other nations. More cross-national research could have been conducted to show how instructions on financial literacy vary in other countries, cultures, and school systems around the world. Such an amazing body of comparative research is possible. Different views may be brought in to help come up with different ways that will make financial education relevant and impactful to students coming from all walks of life.

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