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Financial Literacy in Promoting Financial Investment Planning: A College Level Study

DR. A R. Nithya, Associate Professor[1], Ms. Ragini, Management Student[2], Ms. Preetha, Management Student[3]

[1]Hindustan Institute of Technology and Science, Chennai.
arnithya@hindustan.univ.ac.in
[2]Hindustan Institute of Technology and Science, Chennai
21325002@student.hindustanuniv.ac.in
[3]Hindustan Institute of Technology and Science, Chennai.
21301040@student.hindustanuniv.ac.in

Abstract
Purpose
The objective of this research study is to find out Impact of financial literacy in promoting financial investments among college students.
Design/methodology/approach:
The study approaches Qualitative research using descriptive research method.
Findings:
The most influencing variables on the investment planning are financial knowledge, financial risk perception, Cost of investment
Practical implications
– The practical implications are about giving information about the financial curriculum framing for the college students which might have impact on financial investments
Originality/value: After initiating primary data collection using questionnaire with measuring and ranking scales the variables such as financial knowledge, risk perception, cost of investment was found out.
Paper type: Empirical Research Paper

Keywords: Financial Literacy, Financial Knowledge, Financial Risk.

1. Introduction

Financial literacy refers to the knowledge and understanding of financial concepts, tools, and practices that enable individuals to make informed and effective financial decisions. It encompasses a range of topics, including budgeting, saving, investing, debt management, and understanding financial instruments. And financial knowledge is the information and awareness that individuals possess about financial matters. This knowledge is a key component of financial literacy and is essential for making sound financial choices.

Financial well-being is the overall state of an individual's financial health and security. It's not just about having money but also about having the skills and resources to manage and plan for one's financial future. Achieving financial well-being often involves a combination of financial literacy and the application of that knowledge to attain financial stability and achieve 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 making the commitment to 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 to 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 take intelligent choices which are consistent with their financial goals and conditions.

People who are more adept at budgeting and saving money can make plans that set expectations, hold themselves responsible for their finances, and chart a path to accomplish seemingly insurmountable objectives. Even if a person can't now afford their desire, they can always prepare ahead to improve their chances of realizing it. Armed with the right financial knowledge, people may make important decisions in life with more assurance since they know that they won't be taken by surprise or have their lives severely influenced by unanticipated 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 own 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 all must be essential in reaching financial stability.

Trigger Of The Study:

Financial literacy equips students with the knowledge and skills necessary to make informed financial decisions, empowering them to manage their money effectively. It enables students to create budgets, plan for expenses, and prioritize spending, promoting financial discipline and preventing overspending or debt accumulation. College often involves student loans and credit card usage. Financial literacy helps students understand the implications of debt, interest rates, and repayment options, enabling them to manage their debts wisely. Understanding financial concepts allows students to make educated investment decisions, potentially growing their wealth over time and securing their financial future. Financial literacy educates students about the risks associated with various financial instruments, enabling them to assess risks and make informed choices in investments or insurance. Knowledge of financial matters helps students negotiate salaries, understand tax implications, and plan for retirement or other long-term financial goals. Financial literacy instils an understanding of consumer rights and responsibilities, ensuring students can make informed decisions when purchasing goods or services. A financially literate population contributes to overall economic stability by reducing financial stressors and enabling individuals to participate more effectively in the economy. Financial literacy provides the skills to recognize scams and fraudulent schemes, protecting students from financial exploitation. Understanding financial matters fosters healthier relationships, as individuals can communicate effectively about financial goals, priorities, and expectations.

2. Literature Review

Koskelainen, et al (2023) Consumer habits as well as individual financial decisions have been influenced by technological innovations which are affecting financial services. The growing popularity of digital technologies provides individuals quick accessibility to a wide range of digital services, providing opportunities as well as challenges in handling finances. Financial technology, financial behaviour in modern surroundings, and behavioural changes are three important concepts that occur at the convergence from finances and digitization which 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, assessing digital financial literacy, and developing online educational resources. Furthermore, they emphasise 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 take financial choices have been related to a tendency to overestimate the long-term significance of a factor which is gradually increasing, thus illustrates the concept termed exponential expansion biases. Using an extensive population comprising Swedish individuals, study shows an adverse correlation between standard financial literacy indicators with an exponential expansion bias. Their findings show that investigating the relation among growth rate biases and finances in households before considering for financial literacy may result in inaccurate findings assuming the relationship between financial literacy and household decision-making.

Abreu, M., et al (2010) The Portuguese Securities Commission (CMVM) released the results of a survey among private investors open to study on May 2005. their objective was to figure out whether various levels of financial literacy among investors impact the choices they decide regarding diversification in their portfolios. They consider multiple elements of financial literacy while taking consideration of the different socioeconomic status and behavioural characteristics of investors as individuals. Based on their research, an investor's practise of diversifying benefits by obtaining a greater degree of education and expertise in finance. In addition, the range of assets that comprise individual portfolios of investors is significantly influenced by the knowledge source that they utilise to acquire knowledge regarding markets and services.

Engels, C., et al (2020) Based on this research, those who are more aware in finance are more successful in identifying scam. The probability of identifying scam doubles about three percentage points for each standard deviation advancement of financial experience. 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 behaviours related to basic financial management has a small impact on identifying scam. 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 in identifying scam. On considering it, the research advises that customer education programmes should expand their focus by including this.

Lotto, et al (2020) Utilising 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 household who are younger, wealthier, better educated, more engaged generally are likely to have higher knowledgeable about finances. Programmes need to focus upon marginalised populations such women, the elderly, and people who have minimal salaries and/or inadequate levels of education.
Niu, G., et al (2018) This research focuses on the relationship between retirement planning and financial literacy in China. Based on their research, individuals who rank high on financial literacy exams were not just more likely to consider for retirement, however, they also demonstrate a greater willingness to make use of financial markets in order to do it. Additionally, these relationships remain significant when the possible heterogeneity with financial literacy has been considered.
Clichici, D., et al (2022) A basic knowledge on financial terms within 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 in relationship to various European countries regarding monetary literacy measures. In addition, it aims to explore the international relationships of financial growth, economic growth, especially literacy in dealing with money. Although having the smallest Gross Domestic Product (GDP) per capita among EU nations, the outcomes indicate 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 benefiting by providing widespread availability of financial services for both economic and social reasons. The present research demonstrates, via an international analysis, shows financial 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 'utilisation of monetary instruments' with advanced financial systems where improved financial literacy had the greatest impact. In the other hand, countries having fewer advanced financial systems are the ones where education had a major effect in "access" to finance'. The enhancement of financial literacy must thus receive importance on building financial infrastructure in economic policies aimed on boosting financial inclusion.
Gautam, R. S., et al (2022) The objective of the paper was to determine whether financial literacy affects India's rural growth and financial integration. They gathered secondary data all through the three fiscal years, from 2018 to 2020, from 29 Indian states and two union territories. Panel data analysis (PDA) is utilised in the present investigation to assess 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, that is crucial for socioeconomic 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 which examines the perspective and methodologies of instructors when it comes to promoting financial knowledge. This case research focuses on the strategies utilised by instructors in Ontario and Québec, Canada, that consider as essential learners and deviate against standard practises whenever it relates to 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 which was conducted between 2019 and 2020. The findings highlight the individual educational methods these instructors utilise to change the standard financial knowledge curriculum.
yuliani, Y., et al (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 which 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 behaviours needed for effective money management, this approach aims to encourage people to take prudent financial choices which will enhance their financial condition.The current investigation has a double scoping objective. It firstly seeks to look at the direct impact of financial education on financial knowledge. Another objective aims to determine whether indirectly investment behaviour impacts the relationship between financial knowledge and financial literacy.
Baihaqqy, et al (2020) This study attempts to convey that investor's knowledge regarding financial knowledge and its impact on making investment choices on the financial markets are affected by their degree of education. This study used a quantitative descriptive methodology. The collection of data was conducted from 7 January to 7 February. By providing surveys to investors who were PT Bursa Efek members in February 2020. In this study, 108 investors were part of the

sample. The outcomes of the research show that Investors had an elevated degree of financial knowledge skills. There's a strong relationship between the investor's degree of education and their level of financial understanding, that impacts the investors with their financial decisions. To take a choice about investments, it can be stated by applying financial knowledge and making decisions in the capital markets.

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 benefit from financial literacy. This suggests that financial literacy is particularly significant for this demographic.

NICOLĂESCU, 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 official educational programmes, corporate training, and community-based projects. This paper further highlights the significance of continuing to invest in financial literacy being an essential element of methods to promote financial development, especially in context with changing economic conditions and advances in technology.

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 maintain an economic system's stability and have become recognised as vital in both developing and developed countries. At present, many countries are implementing several kinds of financial awareness programmes. 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 playing 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 programmes.

Bayar, Y., et al (2017). The 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. Utilising 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 have 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 behaviour, and financial attitudes connect with each other 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.

Zakaria, Z., et al (2017). Individuals are provided with greater versatility alternatives when it comes to financial services and products due to development in the financial sector. Several customers believe financial goods and services that are more complicated and harder to figure out. It makes very difficult individuals having low financial literacy (FL) for them to make prudent choices when concerning their investments and savings. As a result, the objective of this research aims to identify in the Malaysian context, the level of financial education and how it's associated with the tolerance for risk (RT) towards investments and savings. To investigate the relationship between the variables that were under study, statistics was analysed descriptively and statistically using nonparametric techniques, such as Chi-square and Spearman's Rank Correlation. The results suggest that the overall financial literacy in Malaysia is at moderate level. The study also found that overall financial literacy has a positive significant relationship with the level of Risk Tolerance towards saving and investment.

Llop, et al (2012) SAMs, or social accounting matrices, are commonly utilised for analysing the way revenue is generated. However, these data are equally helpful in evaluating the growth of price structures and the overall distribution of expenses. Through demonstrating the complicated relationships across activities, households, and factors, Roland-Holst and Sancho (1995) used the SAM framework to investigate the relationships between costs and prices. A capital account has been added as a natural component into the Roland-Holst and Sancho framework in this study as a component of an expanded examination of cost distribution processes. they were able to observe the way of pricing deal with external factors with regards of investing and saving due to its inclusion. They also provide a further analysis of the overall cost effects, grouping them accordingly to their degree of interdependence and isolating the impact of capital.

Rohatgi, et al (2019). A wide range of elements, such as the inflation rate, foreign exchange rate, per capita Gross Domestic Product (GDP), and others, has significant effects on the financial well-being of a country. In addition, by means of 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 behaviours 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 behaviours 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, there have been an abundance of interest 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 a 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 cointegration indicating a long-term balance between saves 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 therefore serve as the primary sources of long-term growth in a nation. The primary objective of the study is to investigate the relationship between savings and investment in the Indian economy from 1950–1951 to 2008–2009.This study provides strong proof of a lasting stability connection between savings and investment utilising annual data converted into their natural logarithms for a cointegration testing. A long-term, unidirectional causal relationship between the two variables is also shown by the vector error correction model, with saving had a result on investment. The short-term unidirectional causal link functioning in the identical direction has been confirmed by the Granger causality test as well. The outcome challenges traditional economic theories and confirms Keynes' theory of the relationship between saving and investment. This research indicates that it's obvious that ensuring high economic development involves achieving a balance between savings and investment. Thus, to attain this level of balance, policymakers must take into consideration the choice between monetary and fiscal policies.

YUNUSA, L., et al (2021) The financial institutions participating in the process of intermediation have encountered significant challenges because of an argument between deposit and lending rates. 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. In addition, utilising the Auto-Regressive Distributed Lag (ARDL) methodology, the research analyses the effects of deposit and lending rates on savings and investment, respectively, in Nigeria. The empirical findings indicate deposit and lending rate fluctuation as the primary cause to this issue. The ARDL results indicate that the rate of deposit has an advantageous impact on savings whereas the loan rate has an adverse impact on investment in Nigeria. Given the significant effect of these rates on saving, investment, and overall economic growth, it is crucial for monetary authorities to strive for the stability of interest rate.

King, R. R. L. et al (2009) Mechanical isolation tends to be ignored and underestimated from the standpoint of conserving energy investment in commercial and industrial applications, although becoming vital to facility operation and production procedures. What were the basic causes of such failure and whose obligation is it? During the last ten years, understanding of mechanical insulation has declined because of various kinds of issues. It seems obvious that there is an issue especially paired with the widespread perception that insulation provides an easy, one-time return on investment. This paper tries to investigate this problem through offering additional information, approaches, and resources to clarify insulation, a tried-and-true yet frequently underutilised technique for energy savings and lowering emissions. In view of today's high energy prices, the reliance on foreign energy sources, and renewed emphasis on environmental concerns, there has never been a more critical time to reevaluate our perception of insulation.

Research Gap:

Most of the study data which currently exists in financial literacy and the way it impacts investments is directed at people of all ages or professionals, disregarding the requirements and behaviours of students in college, an individual demographic with unique monetary requirements and perceptions of risk. A significant understanding barrier concerns whether specifically tailored financial literacy initiatives might promote investment behaviour in college students. It is essential to inquire the way

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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 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 behaviour and financial well-being as college students reach the workforce. In the end, solving the gaps in research will assist with establishing financial literacy programmes for college students which are efficient and encourage prudent investment decisions and long-term financial security.

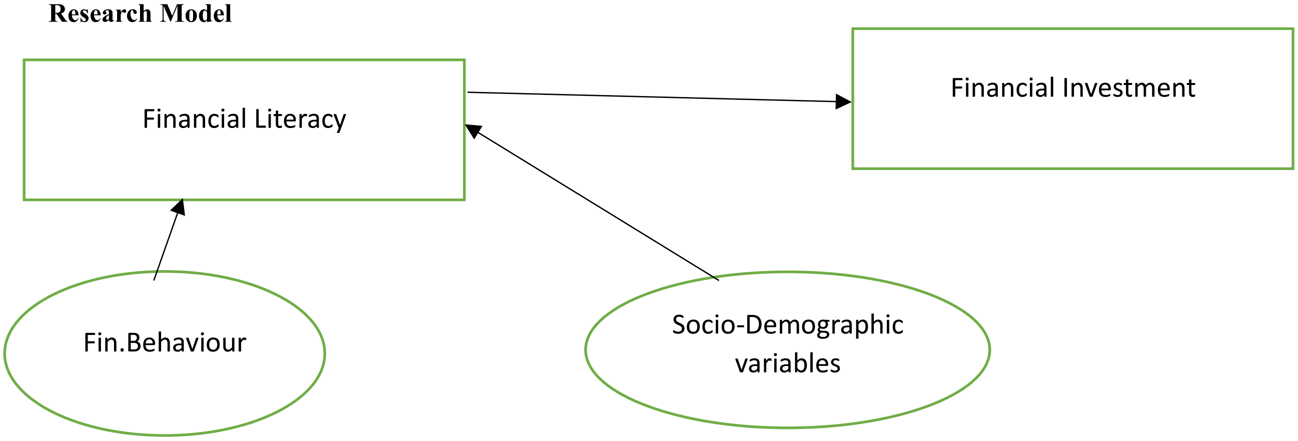
3. Objective Of the Study:

- To analyse the relationship between financial knowledge and financial literacy
- To analyse the impact of financial literature in investment planning.

4. Research Methodology:

This study will adopt a quantitative research design to examine the relationship between financial knowledge, financial literacy, and their impact on investment behaviours among college students. 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 behaviours, and demographic characteristics of the participants as primary data. Relevant literature and existing research studies was reviewed to provide context and background for the study as secondary data.

Research Model



Demographic var

Demographic variables

VARIABLES		FREQUENCY	PERCENTAGE
AGE	18-19	18	15.9
	20-21	67	59.3
	22-23	19	16.8
	24-25	9	8.0
INCOME	Less than 15000	22	19.5
	15000-30000	20	17.7
	30000-50000	17	15
	50000-80000	12	10.6
	80000-100000	13	11.5

	More than 100000	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 FIN-TECH COURSES	1	6	5.3
	2	16	14.2
	3	50	44.2
	4	33	29.2
	5	8	7.1
SUSTAINANBILITY AS A FACTOR OF INVESTMENT	Very important	50	44.2
	important	42	37.2
	Moderately important	20	17.7
	Not important	1	0.9

Hypothesis Tested:
H1: Analyzing the relationship between financial behavior and financial literacy.
H2: Analyzing the impact of socio-demographic variable in financial literacy.
H3: Analyzing the impact of financial literacy on financial investment.

Reliability test:

Reliability Statistics

Cronbach's Alpha	N of Items
.794	54

Interpretation

In the reliability test we found that the value of Cronbach alpha is 0.794 which is more than 0.5. This shows that the reliability of the research instrument and its items are reliable for conducting the survey.

Hypothesis tested	Test applied	Result	Decision criterion
There is no significant difference between financial literacy and financial risk perception.	**ANOVA- One way**	P value = 0.019	Reject null hypothesis so there is a significant difference between financial literacy and risk perception.

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There is a significant relationship between the knowledge before and after taking financial course.	**H-test**	P value = 0.839	Accept null hypothesis. There is a significant difference between the knowledge before and after taking financial course.
Correlation between investment choices before and after financial course	**Correlation**	r value = 0.97	It is highly positively correlated
There is a significant relationship between education qualification and knowledge on mutual funds.	**H-test**	P = 0.121	Null hypothesis is accepted. There is no significant relationship between education qualification and knowledge on mutual funds.
There is a significant relationship between age and knowledge about government schemes and policies	**H-test**	P = 0.512	Null hypothesis is accepted. There is no significant relationship between age and knowledge about government schemes and policies

Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	post office savings	3.73	113	1.633	.154
	post office savings	3.24	113	1.410	.133
Pair 2	stocks	3.06	113	1.284	.121
	stocks	2.87	113	1.073	.101
Pair 3	bonds	2.90	113	1.267	.119
	bonds	2.75	113	1.065	.100
Pair 4	d_mutual_funds	2.83	113	1.157	.109
	mutual funds	2.58	113	1.231	.116
Pair 5	e_fd	3.75	113	1.192	.112
	fixed deposits	3.55	113	1.356	.128
Pair 6	f_gold	4.01	113	1.206	.113
	gold	3.75	113	1.379	.130
Pair 7	g_cryptocurrency	2.68	113	1.284	.121
	crypto currency	2.50	113	1.296	.122

Paired Samples Correlations

		N	Correlation	Sig.
Pair 1	post office savings & post office savings	113	.262	.005
Pair 2	stocks & stocks	113	.291	.002
Pair 3	bonds & bonds	113	.227	.016
Pair 4	d_mutual_funds & mutual funds	113	.351	.000
Pair 5	e_fd & fixed deposits	113	.311	.001
Pair 6	f_gold & gold	113	.141	.137
Pair 7	g_cryptocurrency & crypto currency	113	.323	.000

Before taking-up financial courses:

Descriptive Statistics

	N	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	2.90	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				

After taking-up financial course:

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
post office savings	113	1	5	3.24	1.410
bonds	113	1	5	2.75	1.065
stocks	113	1	5	2.87	1.073
mutual funds	113	1	5	2.58	1.231
fixed deposits	113	1	5	3.55	1.356
gold	113	1	5	3.75	1.379
crypto currency	113	1	5	2.50	1.296
Valid N (listwise)	113				

Interpretation

In this analysis we noticed that the preference of investment has changed after taking up financial courses. All the investment avenues have significant value except gold. It shows that both people with and without financial knowledge mainly prefer to invest in gold. In rest of the investment avenues after taking financial courses the knowledge acquired is having the considerable impact on the investment planning. By descriptive statistics analysis we noticed that the mean value is higher for gold. this means that gold has the highest preference. when compared to other investment avenues gold plays a vital role in investments. After taking financial course the level of investment in gold has decreased. Even though it has decreased it holds the first rank among these avenues.

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.221[a]	.049	.040	1.269

a. Predictors: (Constant), after_fin_course

b. Dependent Variable: finrisk_effects

Interpretation

Regression analysis shows how people considered financial risk after taking financial courses. From the above the value of R is 0.221 indicating correlation between dependent variable (financial risk) and independent variable knowledge after financial course. R square value is 4% of independent variables explains about its impact on dependent variable. In ANOVA table the value of F (5.688) and its p value is significant.

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9.160	1	9.160	5.688	.019[b]
	Residual	178.769	111	1.611		
	Total	187.929	112			

a. Dependent Variable: finrisk_effects
b. Predictors: (Constant), after_fin_course

Interpretation
The F value is 5.688 and significance level is 0.019 which shows the model is fit for doing the analysis. It is clear that financial courses have significant effect on perception of risk. thus, financial courses have an impact on financial risk perception.

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.908	.434		4.396	.000
	after_fin_course	.297	.125	.221	2.385	.019

a. Dependent Variable: finrisk_effects

Interpretation
Here the significance level is 0.19. So, it is fit for doing the analysis. From this we can know that financial risk is being affected by the independent variable financial course. Student's perception of risk changes as they gain financial knowledge.

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.378[a]	.143	.119	.953

a. Predictors: (Constant), finrisk_effects, roi_factor, cost_of_investment
b. Dependent Variable: fin-knowledge_invt

Interpretation
This shows how the investment planning is done after acquiring financial knowledge. By verifying the R value, it shows 0.378 which is positively weakly correlated. R^2 (0.143) is the level by which it affects the relationship between financial knowledge and other independent variables is affected.

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	16.464	3	5.488	6.049	.001[b]
	Residual	98.899	109	.907		
	Total	115.363	112			

a. Dependent Variable: fin-knowledge_invt
b. Predictors: (Constant), finrisk_effects, roi_factor, cost_of_investment

Interpretation
The F value in the table is 6.049 and it is significant. So, the model is fit for doing the analysis. From the above the value of R is 0.378 indicating correlation between dependent variable (financial investment planning) and independent variables financial risk perception, return on investment, and cost of investment. R square value is 14% of independent variables explains about its impact on dependent variable. In ANOVA table the value of F (6.049) and its p value is significant.

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.303	.383		6.014	.000
	cost_of_investment	-.181	.104	-.159	-1.737	.035
	roi_factor	.038	.159	.022	.241	.810
	finrisk_effects	.248	.071	.317	3.515	.001

a. Dependent Variable: fin-knowledge_invt

Interpretation

Out of 3 variables, 2 variables have the significant relationship with the dependent variable. That is, cost of investment and financial risk perceptions have the significant relationship on financial investment planning. Even after taking financial courses, respondents consider cost of investment and financial risk before investing.

Practical Implication

In our study, we have noticed that financial literacy is the key factor that has a considerable effect on risk perception. The perception of risk has changed after taking up the financial courses. It has a considerable change on the financial investment choices.it also affects the investment planning of the budding managers. financial literacy has influencing relationship with investment planning. Education qualification and age have a considerable impact on financial literacy. so, in our study we conclude that financial literacy plays a pivotal role in financial investment planning. colleges and universities those seeking to update the curriculum have to keep financial literacy as an icon before framing curriculum in all institution. Courses having direct relationship between financial investment planning those can be given higher weightage. Practical application of financial knowledge through stimulation games, case studies, industrial visits, internships should be provided for the students.

5. Conclusion

In conclusion, the relationship between financial literacy and financial investment decisions is undeniably significant and complex. Individuals with higher levels of financial literacy are more likely to make informed, prudent, and rational investment choices. They tend to better understand financial products, assess risks, and plan for long-term financial goals. Financial literacy equips individuals with the tools and knowledge to navigate the complexities of the financial market's decisions. It is evident that financial literacy has a positive impact on investment behavior and, by extension, on an individual's overall financial well-being. Therefore, promoting financial education and improving financial literacy should be a priority, both at the individual and societal levels. Financial institutions, educational institutions, and government bodies play a crucial role in developing and implementing financial literacy programs to empower individuals to make wise investment decisions. Understanding the importance of financial literacy and its direct influence on investment behavior is not only beneficial for individuals but also for the overall economic stability of nations. A financially literate population is better equipped to participate in the financial markets, contribute to economic growth, and build a more secure financial future. As the financial landscape continues to evolve, the imperative for improving financial literacy remains a cornerstone of personal and economic prosperity.

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