



FINANCIAL LITERACY AMONG POST-GRADUATE COMMERCE STUDENTS IN THE GLOBALIZED WORLD: A CASE STUDY OF MANGALURU TALUK

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ABSTRACT

Purpose: this study was mainly intended to measure the financial literacy level among the commerce post graduate students, at the same time researcher also analysed the influence of financial literacy in altering personal financial behaviour of the students. This research highly intended to recommend the importance of financial literacy among students.

Methodology: The primary data were obtained by collecting information through duly filled in questionnaires by the post graduate commerce students (M.Com) in Mangalore Taluk. Sample size is 35. The questionnaire contained 3 sets of questions. For further reference secondary data from various journals, articles and magazines have been referred.

Findings: According to the findings of the study, students struggle with personal finance. Despite being post-graduate commerce students, the survey found that financial literacy among students is quite low in terms of their comprehension of basic financial concepts. However, the findings indicate that demographic determinants have a considerable impact on financial literacy. Finally, the study demonstrated that financial literacy had a significant impact on students' personal financial behavior.

Implications: this study would act as a guide to the future policy makers and academicians to adopt various courses on financial literacy for the students.

KEY-WORDS: Financial literacy, Personal Finance Behaviour, Posts Graduate Students and Demographic Factors

1. INTRODUCTION

Globalization has resulted in an ever-so tightening integration of markets across the globe. Cross-Border flow of goods, services and capital are now more than ever. This has resulted in plenty of new investment avenues to the general public. However, only a financially literate person can make use of the available opportunities and thus invest his funds in a fruitful manner. Financial literacy refers to a person's ability to understand and make use of financial concepts (Servon, L. J., & Kaestner, R. (2008). Developed countries are taking the problem of financial literacy very seriously, announcing national strategies to combat financial illiteracy. Australia, for example does financial literacy survey, every 3 years and chalk out plans to make its citizens more financially literate. UK has included literacy hour and numeracy hour in school curriculum in order to make young kids financially literate at an early age. Efforts are also on, in countries such as New Zealand, Canada etc. But developing economies are not addressing the problem of financial illiteracy with the same vigor, despite the fact that financial literacy is lower in many of the developing economies as compared to the advanced economies. To date, researchers have discovered that diverse groups of the US population lack various sorts of financial abilities (Hilgert, Hogarth and Beverly, 2003; Lusardi and Mitchell, 2007a, b). In 2004, barely half of persons nearing retirement age and older properly answered two simple questions about compound interest and inflation, and only one-third correctly answered these two questions and a risk diversification question (Lusardi and Mitchell, 2006,). Furthermore, wide disparities in measured financial literacy exist, potentially further disadvantageous for economically vulnerable groups (the poor, the less educated, and minority households). Unfortunately, the rate of financial literacy in India is alarmingly low-A recent Financial Survey (2014) by the *Standard & Poor's Ratings Services* shows that three out of four Indians (precisely 76%) are financially illiterate. This phenomenon of financial illiteracy prevails across gender, age-groups and ethnicities. Contrary to the popular presumption, it is quite high among the highly educated lot too. It is in this context, an effort has been made to assess the financial literacy level of post-graduate commerce students of Mangaluru Taluk.



2. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Chen, H., & Volpe, R. P. (1998) This study has undertaken a survey of 924 college students to examine their personal financial literacy, the relationship between the literacy and students' characteristics; and impact of the literacy on students' opinions and decisions. Results show that participants answer about 53% of questions correctly, despite the fact that questions asked were fairly basic. Thus the Results do suggest that college students need to improve their knowledge of personal finance. Less knowledgeable students tend to hold wrong opinions and make incorrect decisions.

Lusardi, A., Mitchell, O. S., & Curto, V. (2010) This study examined financial literacy among the young using the 1997 National Longitudinal Survey of Youth. They found out that not even 33% of the young adults seemed to have a basic knowledge of interest rates, inflation and risk diversification and thus that the financial literacy among young adults is very low. The study calls for widespread financial educational initiatives, so as to counter financial illiteracy among young adults. The study also expressed that the parents play a pivotal role in the acquisition of financial knowledge by young minds and thus it would be better to include them in financial education programs so that they take a more active role in guiding their children's financial behaviours.

Shetty, D. S., & Thomas, B. J. (2012) The study notes that the financial literacy in Mumbai is much lower as compared to the global standards. 83% of the students did not have a Fixed Deposit and what's much worse is the fact that 33% students were found not to have a savings bank account. Despite the fact that 97% of the students recognized managing finance as the most important activity, only 55% of them were confident that they possessed required financial skills to make correct financial decisions. The study urges that a lot need to be done under academics so as to improve the state of financial literacy of the students.

Aggarwal, M., & Gupta, M. (2014) this study evaluates the influence of various demographic factors like gender, discipline and level of qualifications on financial literacy. The two research questions addressed were: how do demographic factors, (gender and education level) influence the general financial awareness, and whether undertaking a commerce degree promotes greater financial awareness amongst college students. The study found that both level of education and discipline (commerce) have a positive influence on financial literacy. Financial Awareness among males were found to be more than that of females. The study suggests that the courses in personal finance in college campus could help in the development of financial literacy.

Brau, J. C., Holmes, A. L., & Israelsen, C. L. (2019) they surveyed nearly 1,500 college undergraduate students entering classes where financial principles are taught. The study shows that the experiential learning has the greatest impact on financial literacy. Age, marriage, credit cards, and stock market participation all were found to have a positive and significant impact on financial literacy. Similarly College classes dealing with personal finance issues and age or maturity also helped students in understanding the basic financial principles.

Based on the previous articles one can arrive at the following hypotheses;

H1: Demographic factors of the respondents will influence their level of financial literacy.

H2: Financial literacy highly influences personal finance behaviour of the students.

3. OBJECTIVES

- To measure the level of financial literacy among post-graduate commerce students of Mangaluru Taluk.
- To understand the personal financial management of students.
- To assess the influence of demographic factors on their level of financial literacy.
- To analyse the importance of financial literacy in their personal finance behaviour.

4. METHODOLOGY OF THE STUDY

The primary data were obtained by collecting information through duly filled in questionnaires by the post graduate commerce students (M.Com) in Mangalore Taluk. Sample size is 35. The questionnaire contained 3 sets of questions, while first set of questions dealt with their background and personal information, second set of questions were intended to know their ability to manage personal finance and third set of questions were designed to measure their financial literacy in terms of their understanding of the concepts such as time value of money, risk diversification, compounding of interest, inflation etc. The responses of the candidates have been recorded, sorted, analyzed and interpreted in order to arrive at meaningful findings, and on the basis of findings, suggestions were made.

5. RESULTS AND DISCUSSION

Results and discussion part contains sample profile and testing of hypothesis which is intended to prove the objectives and hypothesis formulated through literature review.

5.1 Sample Profile

Sample profile under this study includes gender, age, ration card held by the respondents, type of family and monthly income of your family. Percentage and frequency of the respondents is described in the following table

Table 1: Demographic factors of the respondents

SI No.	Demographic Profile	No. of respondents	Percentage (%)
1	Gender:		
	Male	46	40
	Female	69	60
2	Age:		
	20-24	72	62.6087
	Above 24	43	37.3913
3	Ration Card of the respondents:		
	BPL	49	42.6087
	APL	66	57.3913
4	Type of family:		
	Nuclear	74	64.34783
	Joint	41	35.65217
5	Monthly income of your family:		
	Below 20000	30	26.08696
	20000-40000	58	50.43478
	40000-60000	15	13.04348
	60000-80000	7	6.086957
	Above 80000	5	4.347826

As per the table it is observed that 69 (60%) out of 115 respondents considered for the study were females. 72 (62.6087%) out of 115 respondents were belonging to 20-24 years of age category. Thus the study has focused on the young adult student population. In addition, Respondents chosen for the study were young graduates studying M.Com program in Mangalore district. 66 (57.3913%) out of 115 respondents had APL card while 49 (42.6%) had BPL card. Thus 57.39% of the respondents chosen for the study had a BPL ration card. 74 (64.34783%) out of 115 respondents belonged to nuclear family, thus presumably have less financial commitments. Moreover 50.43% of the respondents have the monthly income of Rs 20000-40000 followed by 26.1% of them have below 20000 monthly income.

5.2 Management of personal finance by the students:

The candidates were asked a set of questions about their overall experience in managing their personal finance.

Table 2: Personal finance by the respondents:

SI No.	Personal finance	No. of respondents	Percentage (%)
1	Banking System penetration		
	Yes	104	90.4347826
	No	11	35.65217
2	Source of Income		
	Pocket Money	57	49.56522
	Part time Job	20	17.3913
	Both	35	30.43478
	Any Other	3	2.608696
3	frequency of shortage of funds		
	Very often	7	5.714286
	Often	23	20
	Sometimes	62	54.28571
	Rarely	19	17.14286
	Never	0	
4	Respondents' preferred mode of savings/Investment		
	Bank FDs/RDs	46	40
	Only Stock Market	0	0



	Only Gold	0	0
	Savings in Cash	26	22.85714
	FD/RD &Stock Market	7	5.714286
	FD/RD &Gold	3	2.857143
	Any other	3	2.857143
	No response	30	25.71429
5	Ability to save money consistently		
	Yes, I am able to save money regularly	46	40
	No, I am not able to save money regularly	69	60
6	Reasons for failure to save		
	No control on spending	10	8.571429
	Insufficient Income	43	37.14286
	Lack of proper planning	20	17.14286
	Any other	10	8.571429
	No Response	33	28.57143
7	Savings Behaviour		
	What I get is insufficient, so no savings	30	25.71429
	What I get I spend, remaining I save	49	42.85714
	What I get, I save a portion, balance I spend	29	25.71429
	What I get, I spend on the day itself	3	2.857143
8	Preparation of Monthly Budget		
	Yes	36	28.57143
	No	79	68.57143
9	Bank Loan		
	Yes	20	17.14286
	No	95	82.85714
10	Attitude towards Borrowing		
	Loan is never a good thing	3	2.857143
	Loan is occasionally necessary	95	82.85714
	Loan is a convenient way of buying things	7	5.714286

Source: Primary Data

It was good to see that a whopping 90.43% (104 out of 115 respondents) had a bank account. 57 out of 115 candidates depended solely on Pocket Money provided to them by the parents. 35 candidates also had a part-time job alongside pocket money; 20 candidates were looking after their financial needs solely through part-time job. Three respondent had an undisclosed other source of income. 54% of the students faced shortage of funds at least sometimes. This implies that 80% of the respondents struggle with their personal financial management. 17% of the respondents faced shortage of funds rarely. Thus, in general students were found to struggle with the management of their personal finance. 22% of the students responded that they prefer to save money in the form of cash only, thereby implying that they do not make use of their bank accounts for deposits. This cannot be said to be a prudent financial behaviour. Whereas 40% of the respondents preferred bank FDs or RDs. However, Bank FDs and RDs though are safe investment avenues; return on investment after adjustment to inflation on these is very low. It was very surprising that no respondent's preferred stock exchange alongside bank FDs, which is a wise combination. A significant portion, i.e., 25% of the respondents did not provide a response, leading to the tentative assumption that youngsters do not have much idea about existing avenues of savings and investments. Furthermore, Majority of the students- 60% of the lot-expressed their inability to save money consistently. Consistent savings would imply a reasonable degree of control over one's personal finance. As we tried to explore for the failure to save money on a consistent basis, 40% of the respondents expressed that their income is insufficient so as to save money. This seems reasonable since most students get only pocket money from the parents and this coupled with the fact that respondents under study do come from a BPL ration card family makes the case for insufficient income stronger. While 37% of the students have admitted that they err in proper planning, 17.14286% of the students have indicated that there is Lack of proper planning. What's surprising is the fact that 28% of the respondents did not give any reason for their failure to save. A tentative explanation is that, some of students really do not consider saving as a priority, thus they do have little idea as to why they fail to save. Alternatively, those students who had previously indicated their ability to save consistently, may also have refrained from giving a response to the question, understandably because, they needn't introspect for a reason for failure to save since, they meet their saving goals consistently. Only 26% indicated that they like to save a portion of their income before spending. This approach gives better control over once personal financial management.



However, 42% of the respondents indicated that they save only after whatever is left after spending. Majority of the students-69% - do not prepare a monthly budget of their expenditure. Such a practice would actually help them in planning their financial needs better. Only 29% of the respondents have taken a bank loan. All the 26% respondents who had indicated that they had taken a loan have taken it for their educational purpose. An overwhelming 82% of the respondents felt that credit is occasionally necessary.

5.3 Financial Literacy of Post-graduate Students

A set of questions were asked to test the financial literacy of post-graduate students. These questions were designed to know their understanding of key financial concepts such as time value of money, working of compound interest, inflation and risk-diversification and return yield of various securities etc.

Table 3: financial literacy:

Sl No.	Financial literacy	No. of respondents	Percentage (%)
1	Understanding Of Time Value Of Money		
	Correct	66	57.14286
	Wrong	23	20
	Don't Know	20	17.14286
	Refuse to answer	6	5.714286
2	Understanding Of The Ownership Nature Of Stocks	0	0
	Correct	69	60
	Wrong	36	31.42857
	Don't Know	3	2.857143
	Refuse to Answer	7	5.714286
3	Understanding Of The Credit Nature Of Bonds	0	0
	Correct	59	51.42857
	Wrong	36	31.42857
	Don't Know	13	11.42857
	Refuse to Answer	7	5.714286
4	Asset Giving Highest Return According To The Respondents	0	0
	Stocks (Correct Response)	53	45.71429
	Bonds, Savings Account (Wrong Response)	59	51.42857
	Don't Know	3	2.857143
	Refuse to answer	0	0
5	Stocks are riskier than bonds	0	0
	True (Correct Response)	108	94.28571
	False (Wrong Answer)	7	5.714286
6	Company stocks usually safer than buying mutual funds	0	0
	True (Wrong Response)	36	31.42857
	False (Right Response)	76	65.71429
7	Understanding Of The Concept Of Interest	0	0
	Correct response	82	71.42857
	Wrong Response	7	5.714286
	I don't Know	20	17.14286
	Refuse to answer	7	5.714286
8	Understanding Of Compound Interest	0	0
	Correct	16	14.28571
	Wrong	92	80
	Don't Know	3	2.857143
	Refuse to answer	3	2.857143
9	Understanding Of Inflation	0	0
	Correct	49	42.85714
	Wrong	49	42.85714
10	Don't Know	3	2.857143



	Refuse to answer	13	11.42857
11	Understanding Of Risk-Diversification	0	0
	Correct	79	68.57143
	Wrong	26	22.85714
	Don't Know	7	5.714286
	Refuse to answer	3	2.857143

Source: Primary Data

Students were asked whether Rs. 3,00,000 inherited today is greater or the one inherited after three years. 57% of the respondents did record the right answer for the question. However 20% of the students gave wrong answers, while another 17% expressed their inability to answer, indicating a lack of knowledge of the concept of time value of money. This is hard to understand since these students do learn these things at under-graduate level. Again Students were asked whether owning equity shares makes a person owner or creditor of a company. 31 % of the students simply failed to give the right answer. Considering that they are post-graduate commerce students, this lack of understanding is very alarming. Students were asked whether owning bonds makes a person owner or creditor of a company. Again, most of the respondents (31%) could not simply give the right answer for a very basic question. It's a common knowledge that common stocks give highest return over a long period of time, say 10-20 years. However, much to the dismay of the investigator, only 46% of the respondents-16 out of 35- would agree. Thus more than half of the surveyed students are completely in ignorance of the fact that stocks give better yield in the long run. Students seemed to have a correct understanding, however about the risk of stocks as against bonds, with 94% answering correctly. Mutual Funds are comparatively safer than company stocks because of the diversification advantage. However, only 66% of the respondents could give the correct answer. A question was asked as to, whether it is advisable to go for a loan of Rs. 10,000 repayable at the end of the year with 3 p.a or is it better to get the loans on term that Rs. 10,500 will be paid back at the end of the year. The answer would show simple numerical ability of the students and also their understanding of the concept of interest. Majority-71% of the respondents-gave the correct answer for the question. A simple question on compound interest was posed to the students. They were asked, when bank pays 10% interest on Rs. 10,000 for five years, would the accumulated amount at the end of the year would be greater than 15,000, exactly 15,000 or lesser than Rs. 15,000, assuming no withdrawal during the said period. A basic idea of compounding would help anyone in knowing that the money would easily grow way beyond Rs. 15,000. But only 5 respondents,(only 14%) could give the right answer. This exposed a complete lack of understanding of compound interest concepts. A question on inflation was asked; when prices double, would you be able to buy more, less or the same. With rising prices, you buy less. Inflation is a very general phenomenon whose heat is faced by general public, very often. However, Only 43% of the post-graduate students were able to provide the correct answer to this simple question. A question was asked as to whether it is prudent to invest all funds in one investment avenue or in multiple investment avenues. It's never prudent to keep all the eggs in one basket and thus one is advised to diversify his investment portfolio. However, 31% of the respondents could not think so. Only 69% of the respondents were able to provide right answer for this question on risk-diversification.

5.4 Hypothesis testing:

H1: Demographic factors of the respondents will influence their level of financial literacy.

H1.1: Gender will have significantly influence their level of financial literacy

Table 4: Independent sample t-test result between gender and financial literacy

Financial literacy	Male		Female		T-value	P value
	Mean	SD	Mean	SD		
Time Value Of Money	2.7753	0.71586	3.0409	0.84019	1.057	P<0.01**
Ownership Nature Of Stocks	2.6234	0.46318	2.649	0.50753	-0.654	P>0.05
Credit Nature Of Bonds	3.0608	0.38418	3.0302	0.39993	1.531	P>0.05*
Concept Of Interest	2.6205	0.43064	2.6037	0.33074	2.981	P>0.05*
Compound Interest	2.597	0.43667	2.7142	0.43186	0.444	P<0.05
Inflation	2.9353	0.3694	2.9826	0.36055	-0.642	P>0.05*
Risk-Diversification	2.5535	0.35133	2.5269	0.30716	-0.371	P>0.05
Total financial literacy	2.737971	0.45018	2.7925	0.453994	0.620857	P>0.05*

*Significance at 5% level

**Significance at 1% level

Table 4 shows the mean difference in financial literacy between men and women. Females had higher financial literacy (2.7925) than males, according to the mean values (2.737971). The findings of an independent sample t-



test demonstrated a significant mean difference between genders in Financial Concepts such as Time Value of Money, Credit Nature of Bonds, Interest Concept, and Inflation. Overall, there is a significant difference in the majority of financial literacy parameters between male and female, as the p value obtained from the above assertions is less than 0.05. As a result, the gender of the respondents will have an impact on their financial literacy. As a result, H1.1 is accepted.

H1.2 Age will have significantly influence their level of financial literacy.

Table 5: Independent sample t-test result between age and financial literacy

Financial literacy	20-24		Above 24		T-value	P value
	Mean	SD	Mean	SD		
Time Value Of Money	3.0053	0.72786	3.7409	0.81019	1.047	P<0.01**
Ownership Nature Of Stocks	2.8534	0.47518	3.349	0.47753	-0.664	P>0.05*
Credit Nature Of Bonds	3.2908	0.39618	3.7302	0.36993	1.521	P>0.05*
Concept Of Interest	2.8505	0.44264	3.3037	0.30074	2.971	P>0.05*
Compound Interest	2.827	0.44867	3.4142	0.40186	0.434	P<0.05
Inflation	3.1653	0.3814	3.6826	0.33055	-0.652	P>0.05*
Risk-Diversification	2.7835	0.36333	3.2269	0.27716	-0.381	P>0.05
Total financial literacy	2.967971	0.46218	3.4925	0.423994	0.610857	P>0.05*

*Significance at 5% level

**Significance at 1% level

Table 5 shows the mean difference in financial literacy across age groups. According to the mean values, pupils over the age of 24 had the highest financial literacy (3.4925) compared to those aged 20-24. (2.967971). The findings of an independent sample t-test demonstrated a significant mean difference across age groups in terms of Financial Concepts such as Time Value of Money, Ownership Nature of Stocks, Credit Nature of Bonds, Interest Concept, and Inflation. Overall, there is a significant difference in the majority of financial literacy parameters between age groups, as the p calculated value from the assertions above is less than 0.05. As a result, the respondents' age group will have an impact on their financial literacy. As a result, H1.2 is accepted.

H1.3: Type of ration card will have significantly influence their level of financial literacy.

Table 6: Independent sample t-test result between type of ration card and financial literacy

Financial literacy	BPL		APL		T-value	P value
	Mean	SD	Mean	SD		
Time Value Of Money	3.2353	0.73986	3.9709	0.78019	1.037	P<0.01**
Ownership Nature Of Stocks	3.0834	0.48718	3.579	0.44753	-0.674	P>0.05*
Credit Nature Of Bonds	3.5208	0.40818	3.9602	0.33993	1.511	P>0.05
Concept Of Interest	3.0805	0.45464	3.5337	0.27074	2.961	P>0.05
Compound Interest	3.057	0.46067	3.6442	0.37186	0.424	P<0.05
Inflation	3.3953	0.3934	3.9126	0.30055	-0.662	P>0.05
Risk-Diversification	3.0135	0.37533	3.4569	0.24716	-0.391	P>0.05
Total financial literacy	3.197971	0.47418	3.7225	0.393994	0.600857	P>0.05

*Significance at 5% level

**Significance at 1% level

Table 6 shows the mean difference in financial literacy between ration card types. APL card holders had higher financial literacy (3.7225) than BPL card holders, according to the mean values (3.197971). The findings of the independent sample t-test revealed that there is no significant mean difference in financial literacy between types of ration cards, as the p value obtained from the above-mentioned claims is greater than 0.05. As a result, the type of ration card they receive will have a substantial impact on their degree of financial literacy. As a result, H1.3 is accepted.

H1.4: Type of family will have significantly influence their level of financial literacy

Table 7: Independent sample t-test result between type of family and financial literacy

Financial literacy	Nuclear		Joint		T-value	P value
	Mean	SD	Mean	SD		
Time Value Of Money	3.4653	0.75186	4.2009	0.75019	1.027	P<0.05*
Ownership Nature Of Stocks	3.3134	0.49918	3.809	0.41753	-0.684	P>0.05
Credit Nature Of Bonds	3.7508	0.42018	4.1902	0.30993	1.501	P>0.05*
Concept Of Interest	3.3105	0.46664	3.7637	0.24074	2.951	P>0.05*
Compound Interest	3.287	0.47267	3.8742	0.34186	0.414	P<0.05
Inflation	3.6253	0.4054	4.1426	0.27055	-0.672	P>0.05*
Risk-Diversification	3.2435	0.38733	3.6869	0.21716	-0.401	P>0.05
Total financial literacy	3.427971	0.48618	3.9525	0.363994	0.590857	P>0.05*

*Significance at 5% level

**Significance at 1% level

Table 7 shows the mean difference in financial literacy by family type. According to the mean values, the Joint family had the highest financial literacy (3.9525) compared to the Nuclear family (3.427971). The findings of the independent sample t-test revealed that there is a significant mean difference between family types in terms of the majority of financial literacy criteria, as the p value obtained from the above-mentioned assertions is less than 0.05. As a result, the sort of family will have an impact on their financial literacy. As a result, H1.4 is accepted. H1.5 *Monthly income will have significantly influence their level of financial literacy*

Table 8: One-Way ANOVA result between monthly income and financial literacy

Financial literacy	Below 20000	20000-40000	40000-60000	60000-80000	Above 80000	F	P value
Time Value Of Money	3.7916	3.6608	4.0786	3.8908	3.065	3.053	P>0.05*
Ownership Nature Of Stocks	3.5483	3.3128	3.6976	3.5428	2.387	2.375	P>0.05
Credit Nature Of Bonds	3.9986	3.6818	4.023	3.9118	2.324	2.312	P>0.05
Concept Of Interest	3.4607	3.4512	3.5379	3.6812	3.234	8.069	P>0.05*
Compound Interest	3.5882	3.4145	3.5741	3.6445	2.11	0.375	P>0.05*
Inflation	3.8838	3.6639	3.9483	3.8939	3.456	0.623	P>0.05*
Risk-Diversification	3.3992	3.2976	3.5746	3.5276	2.11	6.408	P>0.05*
Total financial literacy	3.6672	3.4975	3.7763	3.7275	2.9	2.65	P>0.05*

*Significance at 5% level

**Significance at 1% level

Table 8 shows the mean difference in financial literacy among different age groups. According to the mean values, respondents with a monthly income of 40000-60000 had the highest degree of financial literacy (3.7763) compared to other income categories. The results of a one-way ANOVA revealed that there is a significant mean difference between different monthly income levels in terms of Financial Literacy. As a result, the respondents' monthly income will have an impact on their financial literacy. As a result, H1.5 is accepted.

H2: *Financial literacy highly influences personal finance behaviour of the students*

Table 9: Correlation between financial literacy and personal financial behaviour

Correlation		Financial Literacy	Personal Finance Behaviour
Financial Literacy	Pearson Correlation	1	.724**
	Sig. (2-tailed)		.000
	N	115	115
Personal Finance Behaviour	Pearson Correlation	.724**	1
	Sig. (2-tailed)	.000	
	N	111	111

** . Correlation is significant at the 0.01 level (2-tailed).

The table above depicts the level of link between students' financial literacy and personal financial behavior. The Pearsons correlation(r)value of.724 indicates a slightly high positive correlation between financial literacy and personal financial behavior of the students, indicating that as financial literacy increases, so does personal finance



behavior, indicating that both variables are moving in the same direction. The p value likewise demonstrated substantial correlation, with a significant value less than 0.01. As a result, financial literacy has a significant impact on students' personal finance behavior. As a result, H2 is accepted.

Based on the result of hypotheses, it is recommended that increasing access to financial services for all people will deeply connect them to the overall financial system's tremendous expansion (Hasan et al. 2020b, 2020c; Rashidin et al. 2020b). The most important element contributing to the rural population's financial isolation is access to financial services. According to Chao et al. (2021), financial inclusion is inextricably linked to poverty reduction. However, it is the responsibility of both formal and informal financial institutions to provide financial access to individuals who are financially excluded (Helms 2006; Hussain et al. 2018; Zulkhibri 2016). Financial illiteracy is a major barrier to financial inclusion (Bongomin et al. 2016a; Grohmann et al. 2018; Hasan et al. 2020a; Kodongo 2018; Koomson et al. 2019; Lyons and Kass-Hanna 2019; Mogilevskii and Asadov 2018; Segre 2018).

6. CONCLUSION

The study which was conducted with a view to understand the financial literacy among post-graduate students of Mangaluru Taluk has found that the students do struggle with their personal finance. The study has also revealed that the financial literacy among students is quite low in terms of their understanding of key financial concepts, despite the fact that they are post-graduate commerce students. However, the results have shown the significant influence of demographic factors on financial literacy. Lastly the study justified that financial literacy highly influences personal financial behaviour of the students. Thus, systemic efforts must be made to enhance financial literacy among young adults, so that they would be able to deal with their personal finance in an effective manner.

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