A STUDY ON FINANCIAL LITERACY AMONG COLLEGE STUDENTS WITH REFERENCE TO TIRUCHIRAPPALLI

Dr.M.Ravichandran[1]

[1]Assistant Professor,
Anna University,
BIT Campus, Trichy,
Tamil Nadu, India.

G.Ragupathi[2]

[2]Student,
Anna University,
BIT Campus, Trichy,
Tamil Nadu, India.

ABSTRACT

Financial literacy is the combination of the skills, financial knowledge, attitude, and behaviour which is necessary to take financial decision. Students have the ability to manage each transaction of personal finance and that will be helpful to take appropriate decisions with the support of financial literacy. The purpose of this study is to give more emphasis on financial literacy of students in the study area. This study also depicts the relationship between financial attitude and behaviour of students. This paper assessing the financial decision making among the college students. This study may help to make awareness among the selected group of respondents regarding their spending habits and savings. This study was undertaken with the help of secondary data source that are very much available in books, magazines, journals and internet. The collect data through the questionnaire from the respondents. The sampling technique will be used in this paper simple random sampling.

KEY WORDS: *financial knowledge, saving, attitude, financial behaviour*

INTRODUCTION

Financial literacy is defined as a "knowledge about the financial resources, concepts and technological tools in which the fundamental things are too smart in the case of money". Nowadays, there is a gradual reduction in the awareness about the finance knowledge, so the government should provide a training program for the people.

The importance of the study describes the way of spending the money for the students in each activity. That activity depends on the savings for each student. The students should have the ability to manage the personal finance. The study conducted in this time is mainly for the central government to announce the financial schemes. For this purpose only, this awareness is created among students.

OBJECTIVES OF THE STUDY

- To study the financial literacy among the college students.
- To analysis the factors that determines financial decision among the students.
- To assess the source of income & expenditure pattern of college students.
- To measure the relationship between financial literacy & students profile.

CONCEPT OF THE FINANCIAL LITERACY

Financial literacy is mainly used for the management of the personal finance. Financial literacy should be made as awareness among the college students to understand the financial products. OECD defines financial literacy, "As a combination of financial awareness, knowledge, skills, attitude, and behaviour necessary to make

sound financial decision and ultimately to achieve the individual well-being in finance".

Students have to achieve financial literacy through the financial education. Individuals are not well equipped with the saving decision-making. Financial literacy have some impacts for the financial decision making. Nowadays central government is providing lot of saving schemes as well as training program for improving our financial knowledge.

LITERATURE REVIEW

Hasmet Sarigul (2014), the purpose of the study is to determine the level of financial literacy among the university students. It involves in finding out the relationship between financial literacy and students characteristics. The relationship between financial literacy and demographic characteristics of the student were examined through the analysis of variance and logistic regression analysis.

Dr. Vijetha S.Shetty, Baby Jaison Thomas have taken initiatives to spread the banking services such as expanding the number of rural bank branches. Financial literacy plays a vital role for the success of great social initiatives. Three elements are considered for this study, such as financial inclusion, financial education and financial stability.

Noor azizah Shaari, Nurfadhllah abu hasan, Ramesh kumar, Mlar Ahmed provides results comprises of reliability and multiple linear regression analysis. There are six independent variables such as age, gender, business major, non-major business, spending habit and year of study. The results revealed that the spending habit and year of study have a significant positive relationship with the financial literacy.
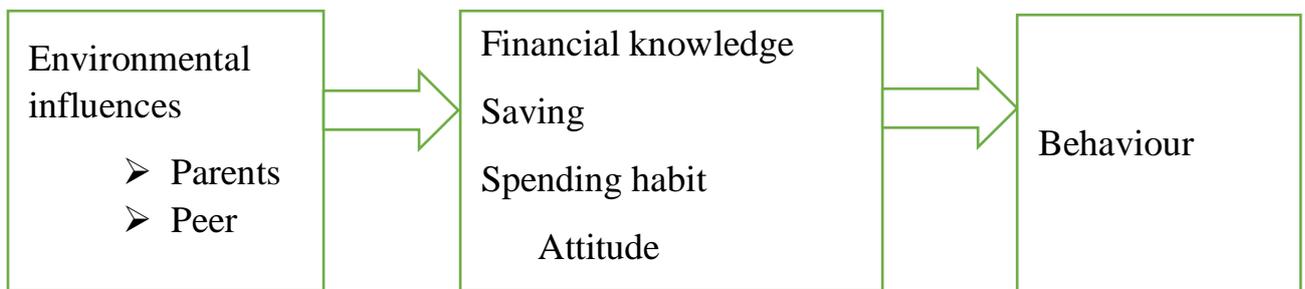
Sobhesh kumar agrawalla, Samir K. Barua, Joshy Jacob, Jayanth R.Varma (2013), the study influences various demographic factors on different dimensions for financial literacy among working people in urban areas of India. This study also investigates the relationship between the dimensions of financial literacy. This paper also provides an analytical basis for enunciating policy to enhance the financial literacy of youngsters in India.

(Dr. Monika Aggarwal, 2014)Dr. Monika Aggarwal, Dr. Meenu Gupta (2014), provides a study with the deregulation of financial markets and easier access to credit. The rapid growth of credit cards increases the trend for the financial market products and the government, to take more self-responsibility for retirement income and it makes the role of the financial literacy significant. Financial literacy level is found especially for the college students. This study also identified the areas where financial literacy is lacking. The educators, regulators and also the financial institutions are involved in financial planning courses with the help of adults, to achieve greater financial freedom and to be better equipped for retirement.

(Mireku, 2015)Kwame Mireku (2015), financial literacy have some recognitions as a key skill, that leads to healthy financial attitude and also the world will emphasise the importance of financial literacy over the increasing complex financial landscape, to make a case for financial literacy in the consideration of the various economic and financial development. It is important to assess the younger generation especially students who are going to be a future leaders, movers, and transformers of economy having necessary financial concepts. To study and explore three themes, to study document level of financial literacy among the students, to study the econometric model to assess the determinants of financial literacy, to examine the student's financial literacy, they should have influence on his or her financial opinion, decision and practices.

FRAMEWORK

Environmental influences	→	Financial knowledge	→	Behaviour
➢ Parents ➢ Peer		Saving Spending habit Attitude		

Financial Literacy is the combination of skills and attitudes, as well as the behavior of students, they should have better knowledge about money. So that the parents are providing money to the children. That the financial positions are determined as the financial knowledge, attitude, savings and spending habit, all these should be provided to the people. The variables are used to change the characteristics behavior among the college students. For the people, how to increase the financial literacy developed by the education level should determine the behavior of the student's career in the future.

RESEARCH METHODOLOGY

The research methods in which secondary data has been collected. Research design: descriptive method is used in this study.

In this study, attitude and behaviour of students are compared. Saving habit of Banks, Post offices as well as fixed deposits are explained. The nation have full focus on the economic growth and need for recent trends, it is to develop a vibrant and stable financial system. Financial literacy is very important for future period. The paper in using the Chi square test used in the paper. Analysis the data through the SPSS software package.

DISCUSSION

Financial literacy is considered as an important component for the sound financial decision- making capacity among the college students. It includes the awareness and basic knowledge about NSE, BSE and SEBI for college students. That the respondents among the college students will be effectively used for decision-making in cash management and the behaviour.

The results for financial literacy shows that the respondents who invested in banks and stock exchange has a higher financial literacy level. The students will have financially concern and also they have long term savings and investments and by having this long term vision they will experience better future.

The central government in India announces lot of things related to financial education. The government announces demonetization and digital India schemes, these are all introduced in our country. So the people should switch over to all the transactions electronically.

Government of India increases the people's financial literacy through various schemes, so that the Indian government provides training program. For the financial training institutions, the training program should be provided very effectively, that the outcome of training program increases and develops the financial literacy among the college students and peoples.

To spread the awareness about various financial products, the reserve bank of India announced lot of guidelines regarding financial literacy. That the financial literacy have lot of financial educational programs for students. Awareness will be given to people as well as students, that the awareness utilizes correct way to reach the people's financial literacy.

Financial literacy is especially for stock market, all the details are provided in regional language. That the finance oriented education is provided in school level. Economic education and importance of circulation of money for the growth of nation are also provided to students as well as the people.

ANALYSIS OF DATA

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
gender * tentative	100	100.0%	0	0.0%	100	100.0%

gender * tentative Crosstabulation

Count

		tentative					Total
		below 1000	2000-3000	3000-4000	4000-5000	above 5000	
gender	male	11	31	12	9	8	71
	female	10	13	3	2	1	29
Total		21	44	15	11	9	100

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	6.156[a]	4	.188
Likelihood Ratio	6.231	4	.183
Linear-by-Linear Association	5.246	1	.022
N of Valid Cases	100		

a. 3 cells (30.0%) have expected count less than 5. The minimum expected count is 2.61.

32

Table.1
H0 : There is no significant association between gender and tentative expenses.
H1 :   There is significant association between gender and tentative expenses.

$$6.156 < 9.488$$

Cal value < tab value

H0 Is accepted

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
gender * you	100	100.0%	0	0.0%	100	100.0%

gender * you Crosstabulation

Count

		you					Total
		very thrifty	somewhat thrifty	neutral	somewhat spending	very spending	
gender	male	20	19	17	9	6	71
	female	9	11	5	4	0	29
Total		29	30	22	13	6	100

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	3.806[a]	4	.433
Likelihood Ratio	5.447	4	.244
Linear-by-Linear Association	1.520	1	.218
N of Valid Cases	100		

a. 3 cells (30.0%) have expected count less than 5. The minimum expected count is 1.74.

Table.2

H0 : There is no significant association between gender and you
H1 :   There is significant association between gender and you.

$$3.806 < 9.488$$

Cal value < tab value

H0 Is accepted

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
age * expenses	100	100.0%	0	0.0%	100	100.0%

age * expenses Crosstabulation

Count

		expenses					Total
		strongly agree	agree	neutral	disagree	strongly disagree	
age	below 19 years	4	15	2	1	3	25
	20-21	5	13	3	6	7	34
	22-23	4	11	4	4	7	30
	24 above	3	2	3	1	2	11
Total		16	41	12	12	19	100

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	10.992[a]	12	.530
Likelihood Ratio	10.883	12	.539
Linear-by-Linear Association	1.330	1	.249
N of Valid Cases	100		

a. 14 cells (70.0%) have expected count less than 5. The minimum expected count is 1.32.

Table.3

H0 : There is no significant association between age and expenses.

H1 :   There is significant association between age and expenses.

10.992   < 21.026

Cal value < tab value

H0 Is accepted

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
live * account	100	100.0%	0	0.0%	100	100.0%

live * account Crosstabulation

Count

		account					Total
		saving	current account	recuring account	fixed deposit	others	
live	village	28	6	3	4	6	47
	town	13	3	4	3	2	25
	city	10	3	5	1	4	23
	metro city	2	1	1	0	1	5
Total		53	13	13	8	13	100

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	6.758[a]	12	.873
Likelihood Ratio	7.285	12	.838
Linear-by-Linear Association	1.051	1	.305
N of Valid Cases	100		

a. 14 cells (70.0%) have expected count less than 5. The minimum expected count is .40.

Table.4

H0 : There is no significant association between live and account.
H1 :   There is significant association between live and account.

$$6.758 \ < \ 21.026$$

Cal value < tab value

H0 Is accepted

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
family * purchasing	100	100.0%	0	0.0%	100	100.0%

family * purchasing Crosstabulation

Count

		purchasing					Total
		strongly agree	agree	neutral	disagree	strongly disagree	
family	individual	6	21	5	4	1	37
	joint family	11	32	7	2	6	58
	others	1	0	0	2	2	5
Total		18	53	12	8	9	100

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	18.931[a]	8	.015
Likelihood Ratio	17.535	8	.025
Linear-by-Linear Association	2.833	1	.092
N of Valid Cases	100		

a. 9 cells (60.0%) have expected count less than 5. The minimum expected count is .40.

Table.5

H0 : There is no significant association between family and purchase.
H1 :   There is significant association between family and purchase.

$$18.931 > 15.507$$

Cal value > tab value

H0 Is Rejected

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
occupation * parents	100	100.0%	0	0.0%	100	100.0%

occupation * parents Crosstabulation

Count

		parents					Total
		none	not much	not applicable	some	lot	
occupation	self employed	10	4	6	7	18	45
	government job	2	4	4	3	14	27
	private job	1	1	4	0	7	13
	others	2	0	2	2	9	15
Total		15	9	16	12	48	100

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	10.846[a]	12	.542
Likelihood Ratio	13.320	12	.346
Linear-by-Linear Association	2.399	1	.121
N of Valid Cases	100		

a. 13 cells (65.0%) have expected count less than 5. The minimum expected count is 1.17.

Table.6

H0 : There is no significant association between parents and occupation.
H1 :   There is significant association between parents and occupation.

$$10.846 \ < \ 21.026$$

Cal value < tab value

H0 Is accepted

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
income * situation	100	100.0%	0	0.0%	100	100.0%

income * situation Crosstabulation

Count

		situation					Total
		strongly agree	agree	neutral	disagree	strongly disagree	
income	below 10000	8	16	4	2	3	33
	11000-20000	4	26	5	1	7	43
	21000-30000	4	6	2	2	2	16
	31000 and above	1	3	2	2	0	8
Total		17	51	13	7	12	100

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	13.470[a]	12	.336
Likelihood Ratio	13.206	12	.354
Linear-by-Linear Association	.755	1	.385
N of Valid Cases	100		

a. 13 cells (65.0%) have expected count less than 5. The minimum expected count is .56.

Table.7

H0 : There is no significant association between income and situation.
H1 : There is significant association between income and situation.

$$13.470 \;<\; 21.026$$

Cal value < tab value

H0 Is accepted

HYPOTHESIS RESULTS

Hypothesis	Result
H0 is accepted	Negative
H0 is accepted	Negative
H0 is accepted	Negative
H0 is accepted	Negative
H0 is rejected	Positive
H0 is accepted	Negative

CONCLUSION

This paper concludes that the financial awareness among the college students as well as the students' attitude and behaviour is comparative study in this paper. The survey considers the students discipline in the study. That the study considers the better financial performance in the academic future, which is exclusively asked to the commerce students who are all having financial knowledge and financial literacy in the future period. This study is suggested to increase the financial knowledge among the college students in trichy district.

This study using about the chi square test analysis in SPSS software package. This above results is association between family and purchasing and mostly other result will be no association among the other hypothesis. This study

based on the family income among the student purchasing power finding in this study.

BIBLIOGRAPHY

1. Dr. Monika Aggarwal, D. M. (2014). *Awareness of Financial Literacy Among College Students*. garwal & Gupta, Apeejay - Journal of Management Sciences and Technology , 1-13.
2. Mireku, K. (2015). *FINANCIAL LITERACY AMONG UNIVERSITY STUDENTS: EVIDENCE FROM GHANA*. GHANA: Kwame Nkrumah University of Science and Technology.
3. Noor azizah Shaari, N. a. (2013). *FINANCIAL LITERACY: A STUDY AMONG THE UNIVERSITY STUDENTS*. INTERDISCIPLINARY JOURNAL OF CONTEMPORARY RESEARCH IN BUSINESS, 279-299.
4. Sarigul, H. (2014). *A Survey of Financial Literacy Among University Students* . The Journal of Accounting and Finance , 207-224.
5. Sobhesh kumar agrawalla, S. K. (2013). *FINANCIAL LITERACY AMONG WORKING YOUNG IN URBAN INDIA*. IIMA INDIA RESEARCH ANS PUBLICATION, 01-27.
6. Thamos, D. V. (n.d.). *A STUDY OF FINANCIAL LITERACY AMONGST THE COLLEGE Students*. Tactful Management Research Journal, 6-11.