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A Study On Financial Literacy And Its Determinants Among Non-Professional Undergraduate Students With Special Reference To Latur City.

Dr. Vyankat Dhondiba Dhumal

Assistant Professor,

Faculty of Commerce,

Rajarshi Shahu Mahavidyalaya, Latur, India

Abstract: Financial literacy is essential for young adults as they begin to manage their own finances in an increasingly complex economic environment. This study examines financial literacy levels and their determinants among non-professional undergraduate students in Latur City using a structured questionnaire aligned with the framework of the National Institute of Securities Markets. The findings indicate a moderate level of financial literacy, with commerce students and female students showing slightly higher financial awareness than others. However, gender and field of study do not have a significant influence on financial literacy, suggesting that knowledge gaps are broadly distributed across student groups.

Given the rapid expansion of digital financial services and growing access to credit in India, this moderate literacy levels raise concerns about students' vulnerability to poor financial decisions and digital financial risks. The study recommends integrating financial literacy education into undergraduate curricula across all disciplines, emphasising both knowledge and practical application, and strengthening institutional partnerships to promote responsible financial behaviour among young adults.

Keywords: Financial Literacy, Financial Knowledge, Financial Behaviour, Financial Attitude.

I. Introduction:

Financial literacy, defined as the ability to understand and effectively use various financial skills, including personal financial management, budgeting, and investing has become a crucial competence in today's increasingly complex economic environment. For undergraduate students, particularly non-professional students who may not receive formal education in finance or commerce, developing financial literacy is essential for making informed financial decisions and ensuring long-term economic well-being. Adequate financial knowledge enables students to manage personal expenses, avoid debt traps, plan for future financial needs, and cultivate responsible financial behaviour, which contributes to their overall academic and personal development. Understanding the current levels of financial literacy among these students is therefore vital to identify gaps and formulate appropriate educational interventions.

In India, the significance of financial literacy has grown rapidly due to the expansion of digital financial services, the rise of consumer credit, and increased access to student loans. Research indicates that financial literacy is influenced by multiple determinants such as socio-economic background, parental guidance, place of residence, academic discipline, and self-efficacy in decision-making. However, most studies focus on professional or commerce students in metropolitan cities, leaving a gap in understanding financial literacy among non-professional undergraduate students in smaller urban areas. This highlights the need for research that captures the financial knowledge, attitudes, and practices of students in regions like Latur, where economic exposure and educational opportunities may differ significantly.

This study aims to examine the financial literacy levels and identify the key determinants among non-professional undergraduate students in Latur City. By analysing the influence of socio-economic factors, academic discipline, and personal financial behaviours, the research seeks to provide comprehensive insights into the financial preparedness of these students. The findings are expected to inform educators, policymakers, and institutions about effective strategies to enhance financial education programs, improve financial decision-making skills, and foster a culture of responsible financial behaviour among young adults.

II.   Review of Literature:

1.   Agarwalla et al. (2015) studied financial literacy among 3,000 young working adults in urban India using a structured questionnaire. Financial literacy was measured using a set of objective financial knowledge questions and self-reported financial behaviour items. The data were analysed using descriptive statistics and regression analysis. The results showed low financial literacy levels, particularly among non-commerce graduates. Education level, income, and family background were significant predictors of financial literacy. The study concluded that financial education should be incorporated into general education and workplace training programs.

2.   Sekar and Gowri (2015) examined financial literacy among 200 Gen Y employees in Coimbatore City. Data were collected through questionnaires and analysed using correlation and regression techniques. The study found that education and income were significantly associated with financial literacy, while gender differences were not statistically significant. The authors concluded that financial literacy improves with higher education and income and recommended employer-supported financial education programs.

3.   Ramavhea et al. (2017) conducted study on 224 undergraduate students at a South African public university. Financial literacy was measured using objective knowledge questions and self-assessment scales. The authors used descriptive statistics and t-tests to analyse differences across faculties. The results showed low overall financial literacy, with business students performing significantly better than non-business students. The study concluded that universities should integrate financial education into all academic programs.

4.   Shyamala & Mahesh (2022) surveyed 150 millennials in Mysore City using a structured questionnaire. Financial literacy was measured using financial knowledge and behaviour scales. The authors used chi-square tests and ANOVA to examine the relationship between financial literacy and demographic variables. The results showed that income and occupation had a significant impact on financial literacy, while gender and education level were not significant. The study concluded that workplace-based financial education initiatives would be more effective than general awareness programs.

5.   Sastri and Nahda (2023) examined the determinants of financial literacy among 216 undergraduate students in Yogyakarta, Indonesia, using survey data and multiple linear regression analysis. Financial literacy was measured through a composite score based on financial knowledge and behaviour indicators. The regression results showed that gender and age were statistically significant predictors of financial literacy, while field of study, participation in financial education programs, parents' education, monthly allowance, and academic performance (GPA) did not have a significant effect. The findings suggest that demographic characteristics play a more influential role than academic or family background factors in explaining variations in students' financial literacy levels.

6.   Rao and Narayanasamy (2023) investigated financial capability among 380 undergraduate students across selected Indian universities, employing a multidimensional framework encompassing financial knowledge, financial planning, and financial self-efficacy. Utilizing multivariate statistical techniques, including mediation analysis, the study revealed that financial knowledge alone does not directly lead to positive financial behaviour unless accompanied by a strong sense of self-efficacy. The authors concluded that financial education programs should emphasize both knowledge enhancement and the development of students' confidence in applying financial concepts effectively.

7.   Jain and Mandot (2024) conducted an empirical study on financial literacy among 400 undergraduate students from universities in Gujarat and Maharashtra, using a structured questionnaire and analysing data through ANOVA and logistic regression. The findings indicated significant variations in literacy levels across academic disciplines and geographic location, with commerce students and urban residents demonstrating higher financial literacy. The study recommended the implementation of compulsory financial literacy courses for all undergraduate programs to promote informed financial decision-making and equitable knowledge dissemination.

III.   Objectives of the Study:

The primary aim of this study is to explore financial literacy and its determinants among non-professional undergraduate students in Latur City. To achieve this aim, the research has the following objectives:

1. To assess financial literacy among undergraduate students, examining their knowledge of financial concepts, budgeting, and money management practices.
2. To identify determinants influencing students' financial knowledge, including personal and educational factors.
3. To analyse the role of academic discipline, comparing financial literacy levels across different fields of study.

IV.   Hypotheses of the Study:

For the purpose of this study, the following hypotheses are formulated to examine the relationship between financial literacy and its key determinants, namely socio-demographic factors and field of study:

Null Hypotheses:

H_{01}:   Gender does not significantly influence financial literacy.

H_{02}:   Field of study does not significantly influence financial literacy.

H_{03}:   There is no significant interaction between gender and field of study affecting financial literacy.

Alternative Hypotheses:

H_{11}:   Gender significantly influences financial literacy.

H_{12}:   Field of study significantly influences financial literacy.

H_{13}:   There is a significant interaction between gender and field of study affecting financial literacy.

V.   Research Methodology:

A descriptive-cum-analytical research design has been adopted for the study with the descriptive component assessing the current financial literacy levels and the analytical component exploring relationships between literacy and key determinants, including socio-demographic characteristics and field of study.

The population consists of non-professional undergraduate students from various colleges in Latur City. A stratified random sampling technique was employed to ensure representation across gender, academic discipline, and socio-economic background. A total of 138 students were selected, providing a reliable sample for meaningful statistical analysis and generalization of results.

The respondents were administered a structured questionnaire-cum-quiz designed to assess multiple dimensions of financial literacy, including financial knowledge, financial behaviour, financial attitude, and

basic numerical literacy. The instrument was developed to quantify overall financial literacy on a standardized scale of 100. The questions were formulated with reference to the framework and content of the National Financial Literacy Quiz conducted by the National Institute of Securities Markets (NISM), thereby ensuring conceptual validity, standardization, and alignment with nationally recognized measures of financial literacy.

Data analysis was conducted by descriptive statistics, including percentages, means, and standard deviations, to assess financial literacy levels. Inferential statistics such as Chi-Square Test were applied to test the hypotheses and examine the impact of socio-demographic factors and field of study. Ethical norms were maintained throughout, ensuring voluntary participation, informed consent and confidentiality of responses.

VI. Data Analysis & Interpretation:

The data collected from 138 respondents were analysed with the help of Jamovi statistical software. The dataset was coded, cleaned, and screened for missing values and outliers prior to analysis. Descriptive statistics were employed to summarize the characteristics of the sample and the levels of financial literacy, while inferential statistical techniques such as ANOVA was used to test the hypotheses and examine the relationships among the study variables.

6.1 Gender wise distribution of respondents:

Descriptive Statistics	Gender	Score
N	Male	73
	Female	65
Mean	Male	55.7
	Female	56.8
Standard deviation	Male	17.9
	Female	15.4

The above table shows that the sample comprised 73 male and 65 female respondents. The mean financial literacy score of female students (56.8) is marginally higher than that of male students (55.7), indicating a slightly better average performance among females. However, the standard deviation is higher for males (17.9) compared to females (15.4), suggesting greater variability in financial literacy scores among male respondents. This implies that while some male students demonstrate very high levels of financial literacy, others perform relatively poorly, resulting in a wider spread of scores. In contrast, female students' scores are more consistently clustered around the mean.
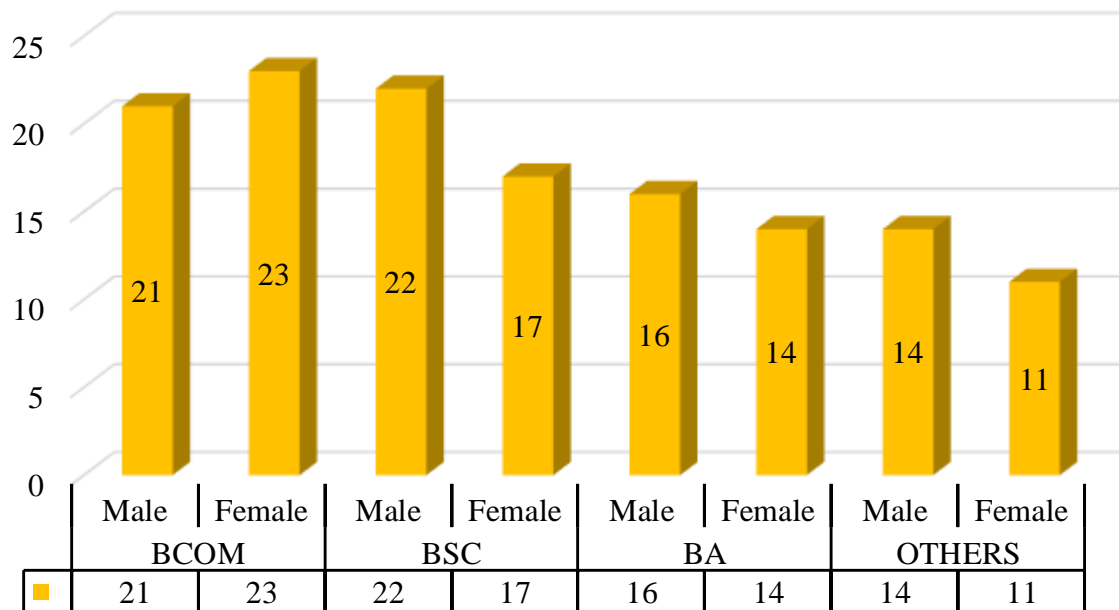
6.2   Field wise distribution of respondents:

Descriptive Statistics	Stream	Score
N	BCOM	44
	BSC	39
	BA	30
	OTHERS	25
Mean	BCOM	59.4
	BSC	54.6
	BA	55.0
	OTHERS	54.6
Standard deviation	BCOM	17.8
	BSC	17.1
	BA	17.0
	OTHERS	13.9

The descriptive statistics reveal that the largest group of respondents belongs to the B.Com stream (44 students), followed by B.Sc. (39), B.A (30), and other streams (25). This distribution suggests that commerce students are more prominently represented in the sample. The mean financial literacy score is highest among B.Com students (59.4), indicating that students enrolled in commerce-related programs tend to possess relatively higher financial knowledge and awareness. In comparison, students from B.Sc. and other streams report similar mean scores (54.6), while B.A students show a marginally higher mean (55.0). Although these differences in mean scores are not substantial, they reflect slight variations in financial literacy across academic disciplines. The standard deviations are fairly consistent across the B.Com, B.Sc., and B.A streams, ranging between 17.0 and 17.8, suggesting comparable variability in scores. However, the "Others" category shows a lower standard deviation (13.9), indicating greater homogeneity in financial literacy levels within that group.

6.3   Field and Gender wise distribution of Respondents:

Field and Gender wise distribution of Respondents

	BCOM Male	BCOM Female	BSC Male	BSC Female	BA Male	BA Female	OTHERS Male	OTHERS Female
■	21	23	22	17	16	14	14	11

The chart illustrates the distribution of respondents across academic streams and gender. In the B.Com stream, female respondents (23) marginally outnumber male respondents (21), indicating slightly higher female participation in commerce-related programs. In contrast, the B.Sc. stream shows a higher proportion of male respondents (22) compared to female respondents (17), suggesting a male dominance in science disciplines. A similar pattern is observed in the B.A stream, where male respondents (16) exceed female respondents (14). In the "Others" category, male respondents (14) also outnumber female respondents (11).

Overall, male respondents are slightly more represented across most streams, with the exception of B.Com, where female participation is higher. However, the differences are not substantial, and the distribution reflects a relatively balanced representation of both genders across fields of study. This balanced structure enhances the validity of comparative analysis between gender and academic stream, as it reduces the risk of sampling bias and ensures that the findings are reflective of the broader student population.

6.4   Testing of hypothesis:

To examine the influence of gender and field of study on financial literacy, and to test the corresponding null hypotheses, a two-way analysis of variance (ANOVA) was conducted. This technique enabled the simultaneous assessment of the main effects of each independent variable and their interaction effect on the dependent variable. The test result was as follows…

ANOVA - Score					
	Sum of Squares	**df**	**Mean Square**	**F**	**p**
Gender	23.9	1	23.9	0.0851	0.771
Field	624.5	3	208.2	0.7416	0.529
Gender ✱ Field	1119.0	3	373.0	1.3289	0.268
Residuals	36488.4	130	280.7		

The results of the two-way ANOVA indicate that gender does not have a statistically significant effect on financial literacy (F = 0.0851, p = 0.771). Similarly, field of study does not significantly influence financial literacy (F = 0.7416, p = 0.529). The interaction effect between gender and field of study is also not statistically

significant (F = 1.3289, p = 0.268). Since all p-values exceed the 0.05 level of significance, all three null hypotheses are accepted. These findings suggest that financial literacy levels do not differ significantly across gender, across academic streams, or across their combined influence among the respondents included in the study.

VII.   Conclusion:

This study measured financial literacy among 138 non-professional undergraduate students in Latur City and examined the influence of gender and field of study on their financial literacy levels. The descriptive analysis revealed a moderate overall level of financial literacy, with a mean score of approximately 56 out of 100. Commerce students demonstrated marginally higher scores compared to students from science, arts, and other streams, while female respondents showed a slightly higher mean score than male respondents. However, the results of the two-way ANOVA indicated that neither gender nor field of study had a statistically significant effect on financial literacy, and the interaction between gender and field of study was also not significant. Consequently, all three null hypotheses (H_{01}, H_{02}, and H_{03}) were retained for the present sample.

Although the inferential results did not establish statistically significant differences, the descriptive trends suggest that academic exposure and disciplinary orientation may still play a role in shaping students' financial knowledge and behaviour. The absence of statistical significance may be attributed to factors such as limited sample size, relatively high variability in scores within groups, and overlapping financial experiences across academic streams. These findings indicate that financial literacy among non-professional undergraduates is not strongly differentiated by demographic or academic characteristics, suggesting that gaps in financial knowledge are widespread rather than confined to specific subgroups.

In the context of India's rapidly evolving financial landscape — characterized by increased digital payments, expanding access to credit, and growing complexity of financial products — the moderate level of financial literacy observed in this study is a matter of concern. Students with insufficient financial knowledge and skills may be vulnerable to poor financial decision-making, over-indebtedness, and digital financial fraud. Therefore, the findings highlight the urgent need for systematic and inclusive financial education interventions at the undergraduate level. Financial literacy programs should be integrated across all academic disciplines, with a focus not only on conceptual understanding but also on practical application, critical thinking, and financial self-efficacy. Such initiatives would contribute to equipping young adults with the competencies required for responsible financial behaviour and long-term economic well-being.

VIII.   References:

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