



A Study on Awareness Towards Financial Literacy of MBA Graduates

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Abstract: Financial literacy is only information about the individual administration of funds. It gives you the twin advantage of shielding you from financial misrepresentation as well as anticipating a financially safe future. Money management education and personal financial management are the two aspects of financial literacy that are highly valued in India. In addition to learning how to budget, create income, save money, invest it, and use it for all of their expenses, students will also learn how to purchase. Indirectly or directly, this study aids in the education of students about the value of money management and financial literacy, which benefits our nation's ability to save and spend money. Studying awareness towards financial literacy among MBA graduates is the primary goal of this research paper. Simple random sampling methodology was used to do Survey among the MBA grads for attaining the aim of the current study and results are positive among MBA grads.

Index Terms - Financial Literacy, Financial Awareness, Investing, Budgeting, Stock Market.

I. INTRODUCTION

Financial literacy gives buyers the fundamental information and expertise expected to survey the appropriateness of different financial items and speculations accessible in the financial market. This advantage to the shoppers interprets itself as an advantage to the economy all in all. Fiscal knowledge is the cognitive understanding of fiscal factors and chops similar as budgeting, investing, borrowing, taxation and particular fiscal operation. The absence of similar chops is appertained to as being financially knowledgeable. An aggregate exertion of RBI, SEBI, IRDA National Center for Financial Education (NCFE) is laid out with the backing of fiscal area regulators for illustration Save Bank of India (RBI), Securities and Exchange Board of India (SEBI), Insurance Regulatory and Development Authority (IRDA) along with fresh help from Pension Fund Regulatory and Development Authority (PFRDA) and Forward Markets Commission (FMC), to upgrade fiscal knowledge and fiscal addition in India. NCFE conducts the National Financial Knowledge Assessment Test (NFLAT) constantly designated toward understudies of Classes. This test assists understudies with acquiring fiscal knowledge during training itself. NCFE has initiated FETP (Financial Education Training Program) for furnishing fair- inclined fiscal education to individualities and associations for perfecting fiscal knowledge in the country.

Blessy Roy and Dr. Ruchi Jain (May 2018) Their exploration objects were, to examine the position of working women in Jaipur in introductory banking knowledge & fundamentals of scale concept. Results from the analysis have revealed that the working women of Jaipur including those living in civic areas are not apprehensive of different scale conception and numerous of them do not consider it important. The major reason behind this is that ladies are largely ignorant about the recent scale inventions in the request.

J. Gajendra Naidu (August 2017) had studied the scale knowledge in India and the paper was published in the International Journal of Research in Business Studies and Management. His core ideal was to understand the knowledge position in India by using literature-grounded analysis. The study was qualitative and literature-grounded disquisition. Data composed from secondary sources which comprise exploration papers, websites, review papers, reports, and Journal papers.

Gulnoza Isomidinova et al. (2017) had studied the Determinants of scale knowledge a quantitative study among youthful scholars in Tashkent, Uzbekistan. A check system was used to collect data using a tone-administered questionnaire, the sample size for check was set at 110 repliers. The results of this study revealed that Financial Education has the lot of influence on scale knowledge of scholars in Uzbekistan.

Das, Sudhir. (2016) Except knowledge about share market, regulatory framework and corporate tax, the level of financial literacy not varying statistically according to area of studies. It is also found that maximum select indicators of financial literacy are dependent on control variables except source of income, attended financial related course and mentoring.

Thapa, Bharat & Nepal, Surendra. (2021) through the study it was analysed that college students have basic level of financial knowledge and their level of financial knowledge is determined by their family income, age, stream of education, type of college they study and their financial attitude.

Aisa Amagir et al (2018) This study has provided a systematic literature review on the extent to which financial education in schools can improve the financial literacy of children and adolescents, and enhance their capabilities as economic citizens. There are indications that, with regard to the three components of our definition of financial literacy, school-based financial education programs may improve children's and adolescents' financial knowledge and attitudes.

Kaushik et al (2023) The results suggest that the MBA group tends to perform slightly better in terms of basic literacy, advanced literacy, and total financial literacy compared to the BBA group. rather than focusing on the variables that influence financial literacy, this study thoroughly explores the exposure of financial literacy among business students. The findings highlight that there is no significant difference in the financial literacy and planning of male and female students.

Natali Amiranashvili (2023) showed many students had a good understanding of financial literacy, as there are numerous resources where they can gain corresponding knowledge under guidance or totally independently, there are still gaps in their knowledge and some concepts that they find challenging. Family and educational background play a significant role in shaping students' financial literacy, and access to financial education resources may also be a factor in their level of financial literacy.

Kamal Gupta et al (2014) assessed the position of scale knowledge amongst 87 micro-Entrepreneurs of Kanga quarter of Himalaya Pradesh grounded on recordkeeping, colorful institutional mindfulness, savings, investment plans, savings operation, and colorful loan products. It is set up that utmost repliers are responsive to bank loans, lower mindfulness about other scale institutions.

Singh et al (2022) financial literacy is influenced by financial knowledge, use of financial services, financial authority in decision-making, and financial planning. The results of the study indicate that enhancing college students' financial literacy requires time and effort.

Kamarudin et al (2023) In this study, challenges of the students were identified and repeated factors in the literature were listed in this study. Findings across studies indicated that financial literacy among students need further research because they financial management is quite low. They are facing problems such as low knowledge on financial management, financial communication problem and others.

Lee Ying, Tay. (2020). demonstrated low to moderate score in their knowledge of personal financial management and have some grasp of concepts such as time value of money, insurance provider, and types of investment. The study also highlights that higher score is found in certain demographic groups-gender, ethnicity and early exposure on personal finance education.

Singh et al (2013) it is found that although a fairly high degree of positive correlation is assumed to exist between education and financial literacy, but actually, even after receiving sufficient level of knowledge to become financially literate, people lack confidence in implementing their decisions. Educational programmes organised for imparting financial literacy are not able to reflect immediate improvement in the financial literacy levels because they hesitate taking decisions according to their mental satisfaction.

Djajadiningrat, Mosca (2023) study was collected through an online questionnaire also revealed a moderate level of financial literacy among high school students in Jakarta, with a score of 63.55. However, this score is very close to the lower end of the moderate spectrum, indicating a widespread low level of financial literacy.

Nguyễn, Thi. (2023) show that Vietnamese students have very weak financial knowledge, in which, even students are studying finance-banking or economics. The results also show that financial knowledge is not uniform in different school years, regions and majors.

Trivedi et al (2023) showed that Out of the four sub-areas of financial knowledge, low level is more prevalent investment followed by general personal financial literacy, saving and borrowing and insurance. On an average majority of students comes under low level of financial literacy; and no students under high level.

Arofah, A. A. (2019) research show that both financial literacy and self-efficacy have positive and significant effects on financial behaviour. Undergraduates with high financial literacy are more likely to hold investment and savings products and are less likely to hold debt-related products. Similarly, undergraduates who have high self-efficacy are likely to be better at managing their personal finances.

Jacobsen, C., & Correia, J. (2019) Survey demonstrate significant individual factors that can predict student financial literacy. Also shows that business students have a higher understanding of financial concepts and individuals who had a financial course before performed better.

Abdul Karim (2023) shows the understanding of how financial literacy can be used to teach university students about the effects of financial scams. It is hoped that the three elements of financial literacy being proposed namely, saving literacy, household debt literacy and investment literacy will assist experts in the field in improving the curriculum

Veena et al (2022) research show that the levels of financial literacy among the college students and found that it ranged to moderate level of knowledge research which showed that financial literacy among Indian youths is quite low as compared to the international standards

RESEARCH GAP

It is evident that with the above review of the literature and such studies are not conducted targeting the MBA grads in this part of the region. So hereby we present the below methodology

OBJECTIVE OF THE STUDY

To study the financial awareness towards financial literacy among the MBA Graduates

II. RESEARCH METHODOLOGY

In this study, MBA graduates were the target population. Self-administered questionnaires were utilized in a survey approach to gather data. The survey had a sample size of 100 respondents because of time constraints. To choose random sampling units that are the simplest and fastest to obtain for the research sample, simple random sampling was employed.

The cumbersome data was condensed into a many manageable groups and tables for further analysis. After analysis Interpretations were done i.e., to explain the findings grounded on analysis Tabulation of data was done wherein classified data were put in the form of tables.

III. RESULTS AND DISCUSSION

TABLE 1.0

Q1. What topics would you be interested in learning about financial literacy?

PARTICULARS	PERCENTAGE OF RESPONDENTS
Avoiding loans	16
Managing money	30
Budgeting	26
Savings	14
Investing	12
Personal spending	2
Total	100

From the table 1.0 it shows that 30% of people wants to learn about how to manage money, 26% of people are interested in budgeting, 16% of people are trying to know about how loans can be avoided, 14% of people are interested in savings, 12% of people are willing to know about the investing and at last 2% of people are sending on their personal spending.

TABLE 1.1

Q 2. Are you able to understand basic financial concepts like compound interest, credit scores, mutual funds etc.?

PARTICULARS	PERCENTAGE OF RESPONDENTS
Yes	64
No	22
May be	14
Total	100

Table 1.1 reveals 64% says that they understood the basic financial concepts and 22% says NO and 14% says MAY BE so they might know about the financial terms.

TABLE 1.2

Q 4. Which of the following financial product are you interested in investing?

PARTICULARS	PERCENTAGE OF RESPONDENTS
Pension funds	6
Mutual funds	40
Current & savings A/C	32
Stock & shares	22
Total	100

Table 1.2 reveals 40% of people are interested to invest in mutual funds, 32 of people are ready to invest in both current and savings account, 22% of people are willing to know about the stocks and shares and 6% of people are trying to know about the pension fund.

TABLE 1.3

Q 5. If you have/ has any money left right before the next allowance arrives, what would you usually do with it?

PARTICULARS	PERCENTAGE OF RESPONDENTS
We spend it on consumer goods	14
We keep it in cash	42
We deposit it or do not withdraw it from the account	24
Invest in any investment avenues	20
Total	100

Table 1.3 shows that things to be done through the left-out money. It allocates the money in different sources with several %, the chart shows that the money has spent more to the keeping of Money with the 42%, 24% of people willing to deposit, 20% of people are to invest the money in different avenues and lower preference is given to spend on consumer goods with 14%

TABLE 1.4

Q 7. Which investment do you feel more profitable?

PARTICULARS	PERCENTAGE OF RESPONDENTS
Direct equity	20
Mutual fund	40
National pension system	12
Bank fixed deposit	10
Gold	16
Public provident fund	2
Total	100

Table 1.4 it shows that the more profit in mutual fund with 40%, 20% profitability in direct equity, 16% profitability in gold, 12% profitability in national pension system, 10% shows the profit in making bank fixed deposit and remaining 2% relates to the public provident fund.

TABLE 1.5

Q 8. What factor should be considered when investing in the money market?

PARTICULARS	PERCENTAGE OF RESPONDENTS
Risk tolerance	24
Liquidity needs	32
Investment horizon	20
Market trends	24
Total	100

Table 1.5 reveals that the investing in money market with 32% is relating to the liquidity needs, 24% shows both market trends and risk tolerance, remaining 20% shows the investment horizon relates to the money market.

TABLE 1.6

Q 9. How do you typically make financial decisions regarding investment?

PARTICULARS	PERCENTAGE OF RESPONDENTS
Rely on advice from financial professionals	16
Conduct independent research and analysis	36
Trust personal instincts or gut feelings	22
I am not sure	26
Total	100

Table 1.6 shows that the financial decision relating to the investment 36% refers to the decisions to be made for conducting independent research and analysis and 22% relates to the gut feelings to make financial decisions in investment, 16% seeks to takes an advice from the financial professionals and remaining 26% of people are not sure to take financial decisions in an investment.

TABLE 1.7

Q 10. How do you react to short-term market fluctuation or sudden changes in stock prices?

PARTICULARS	PERCENTAGE OF RESPONDENTS
Panic and sell investment immediately	22
Stay clam and assess the situation before taking action	56
I am not sure	22
Total	100

Table 1.7 the sudden fluctuations in the stock prices, 56% of people are trying to be stay calm and assess the situation before taking an action, 22% of people are trying to be panic and sell investment immediately and remaining 22% of people are not sure about what to do.

TABLE 1.8

Q 11. What is the primary purpose of investing in the stock market?

PARTICULARS	PERCENTAGE OF RESPONDENTS
To earn a fixed interested rate on investment	32
To achieve long-term capital appreciation	60
To provide a stable income stream	8
Total	100

Table 1.8 it shows that the primary purpose of investing in stock market 60% shows to achieve long-term capital appreciation ,32% relates to earn a fixed interest rate during investing and remaining 8% tries to provide a stable.

FINDINGS

Majority of the respondents gave (30%) are interested to learn about how to manage the money regards to financial literacy. Most of the respondents gave (61%) are interested in learning about financial concepts including credit scores, mutual funds, and compound interest as well as consider purchasing a financial instrument tied to a mutual fund (40%). Considerably 56% of respondents stay calm and assess the situation before acting relating to the sudden changes in the stock prices. Also came to know that primary purpose of investing in stock market is to achieve long-term capital appreciation to the 60%. But notably financial decisions in investment can be done through conducting research and analysis with 36%.

SUGGESTIONS & CONCLUSION

Financial Education in Schools, Workplace Financial Education, Community Outreach Programs, Online Resources and Apps, Collaboration with Financial Institutions, Government Initiatives, Encourage Savings and Investment Habits: implementing these suggestions, individuals can gain the necessary knowledge and skills to navigate the complexities of personal finance, make informed decisions, and achieve their financial goals

The following study results show that there is financial awareness among the MBA students in majority considering the broader aspect which study has been covered. further researches can be carried out on the various instruments such as derivatives and foreign markets financial literacy.

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