

## **‘A STUDY ON FINANCIAL KNOWLEDGE AMONG COLLEGE STUDENTS OF RAJKOT CITY’**

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### **Abstract**

For the economic development financial system plays an efficient role. Financial knowledge refers as having an understanding and awareness of various financial products. To live a financially balanced life one should have knowledge about management of financial resources. The present study has been conducted with purpose to know and check the financial knowledge of college students of Rajkot City. A sample of 200 college students has been selected as part of study. Researcher gathered data by using questionnaire. To analysis data researcher used Mann-Witney U test and Kruskal Wallis test. The study revealed that there is no significant difference of education with the knowledge about investment concepts whereas with the field of education there is significant difference.

*Key Words:* Financial Knowledge, Financial Understanding, Financial Awareness

### **INTRODUCTION**

Financial knowledge is an essential life skill for students to acquire. However, many students lack basic financial literacy, which can lead to financial difficulties later in life. A study conducted by the National Financial Educators Council found that only 17% of high school students had a basic level of financial literacy. This lack of financial knowledge can have significant consequences for students, both in the short and long term. Without a fundamental understanding of concepts such as budgeting, saving, and investing, students may struggle to manage their finances effectively, leading to financial stress, debt, and other financial difficulties. Additionally, students who lack financial literacy may be more vulnerable to financial scams and predatory lending practices, which can have long-lasting negative impacts on their financial well-being. As such, it is critical that efforts are made to improve financial education and literacy among students, both in schools and in the wider community. This may include initiatives such as introducing personal finance courses in schools, providing resources and tools to help students manage their finances effectively, and raising awareness of the importance of financial literacy among parents, educators, and policymakers alike. Ultimately, by equipping students with the knowledge and skills they need to make informed financial decisions, we can help to ensure that they are better prepared for a financially secure future.

### **LITERATURE REVIEW**

- (Tania M, Stephanie M, and Vivi K, 2021) done research work on financial knowledge and financial learning. Data were collected from 81 faculties by survey in which total 206 questions asked by researcher on finance. Researcher analysed data with the help of structural equation model. The research finding shows that having financial confidence plays a important role in decision making. Also it was found that education has significant impact on financial knowledge and learning.

- (Lincy P, and Cyril C, 2019) done study to check relation between investment awareness and its pattern researcher taken sample after considering age, class of services and respondents income. It was found that those who have more income invest in high risky securities compare to those who have less income. People having low awareness make low investment in the market.
- **(Panayiotis A, and Dennis P, 2018)** conducted a research study to check the financial knowledge of students studied at university level. Total 881 respondents were selected as a part of study and data were collected by survey. Researcher asked basic questions of finance to know knowledge and found that only 36.9% having good financial knowledge. Researcher also found that demographic factors have significant impact on their investment knowledge.
- **(Tapasya M, and Shravasti J, 2017)** done research wok on financial awareness specific to independent women. Total 250 females have been selected as a part of sample. The study was descriptive in nature. Researcher revealed that females are not much confident about financial decisions. Also financial education and demographics variables have significant impact on their learning.
- **(Neha B, 2016)** done a research work on financial knowledge and education. The research work was theoretical in nature and based on secondary data. Data were collected from different websites and from authorises. As per results, investment understanding is very low in India and for that authorities has to take various steps, also there is need to continue monitor the polices. Researcher suggests to arrange awareness campaign, seminars also develop syllabus in a way to improve knowledge levels.

## **RESEARCH DESIGN**

**Title: The title of the research study is as under:**

“A STUDY ON FINANCIAL KNOWLEDGE AMONG COLLEGE STUDENTS OF RAJKOT CITY”

**Objectives of the study: The main objectives of the research study are as under:**

- To know financial knowledge among college students.
- To check the difference between education and knowledge about various investment concepts.
- To check the difference between field of education and knowledge about various investment concepts.

### **Sample Design:**

The sample size of research study is 200 college students. For selection of sample, researcher used convenient sampling method.

### **Data Collection:**

This study is purely depended on the **Primary data** and data were collected with the help **Questionnaire**. Researcher checked the reliability of data and found that data were reliable.

<b>Reliability Statistics</b>	
Cronbach's Alpha	N of Items
.900	6

### **Tools & Technique:**

Researcher used Mann-Whitney U test and Kruskal-Wallis test, to check the difference between education and field of education with knowledge about various investment concepts.

**Hypothesis of the study:**

- Ho: There is no significant difference between education and knowledge about various investment concepts.
- Ho: There is no significant difference between field of education and knowledge about various investment concepts.

**Analysis and Interpretation:**

**Table: 1 A Table representing Demographics in the Sample**

Variables	Particulars	Frequency	Percentage (%)
<b>Gender</b>	Male	111	55.5
	Female	89	44.5
Age	17-20	130	65.0
	21-23	52	26.0
	Above 24	18	9.0
Current Education	UG	152	76.0
	PG	48	24.0
Field of Education	Science	55	27.5
	Commerce	101	50.5
	Arts	44	22.0
Total	----	200	100

(Source: Primary Data)

The composition of several demographic characteristics is shown in the table above. 200 replies in all were gathered and looked at. Male students are 111 whereas female students are 89 at college, as seen by the table, which reveals that male students make up 55.5% of the overall sample while female students make up 44.5%. Of 200 responders, 65% are in the 17 to 20 age group, 26% are in the 21 to 23 age range, and 9% are over the age of 24. In terms of education, 48 students are in the PG programme and 152 are UG students. According to the subject of study, 55 people have backgrounds in science, 101 in business, and 44 in the arts.

**Table: 2 Source of information about investment and Gender**

Source of Information * Gender Cross tabulation				
Male		Gender		Total
		Female		
Source	Family members	24	30	54
	Friends	31	14	45
	Television	4	5	9
	Internet	34	23	57
	Newspapers	3	5	8
	Advisers and Professionals	15	12	27
Total		111	89	200

(Source: Primary Data)

The information pertaining to Gender and the Source of Investment Information is displayed in the above table. Out of 200 total respondents, 111 men and 89 women were polled. 30 female students are receiving knowledge from family members, compared to 24 male respondents who received information from family members. In the study of male students, 31 reported acquiring information from peers, compared to 14 female students. Male respondents are 4 and female students are 5 when it comes to television. In the study of men, 34 reported utilizing the internet to find out information, compared to 23 female students. In the case of newspapers, men make up 3 and women make up 5. 15 male students receiving information from advisors and professionals, and in case of female students it is 12.

**Table: 3 Source of information about investment and Education**

Source of information * Education Cross tabulation				
UG		Education		Total
		PG		
source	Family members	37	17	54
	Friends	35	10	45
	Television	6	3	9
	Internet	43	14	57
	Newspapers	8	0	8
	Advisers and Professionals	23	4	27
Total		152	48	200

(Source: Primary Data)

The information about education and the sources of investment information is shown in the table above. Out of 200 responders, 48 were in the PG category and 153 were in the UG category. In the UG, 37 students receive information from family members, whereas in the PG, 17 pupils do so. 10 PG students receive knowledge from their friends, compared to 35 UG students who receive information from their friends. For television, there are 06 UG students and 03 PG students. 14 PG students and 43 UG students respectively use the internet to obtain information. Just 8 UG students used newspapers as a source for information, and no PG students do so. In case of advisers and professionals UG students are 23 and PG students are only 4.

**Table: 4 Source of information about investment and Field of education**

Source of information * Field of education Cross tabulation					
Science		Field of education			Total
		Commerce	Arts		
source	Family members	18	24	12	54
	Friends	14	19	12	45
	Television	1	5	3	9
	Internet	13	34	10	57
	Newspapers	1	5	2	8
	Advisers and Professionals	8	14	5	27
Total		55	101	44	200

(Source: Primary Data)

The information on the educational field and the information source for investments is displayed in the above table. Out of 200 responders, 55 are from the scientific field, 101 are from business, and 44 are from the art field. 24 students in the field of commerce, 18 students in the field of science, and 12 students in the field of the arts all get information from family members. 14 scientific students, 19 commerce students, and 12 arts students were employed when using friends as a source. Students utilized TVs as a source for financial information in science only a, in commerce 5 and arts 3. 13 students in the science department use the internet to research topics, compared to 34 students in the commerce department and 10 students in the arts. Only 01 science student, 05 commerce students, and 02 arts students used newspapers as a source of knowledge. 8 science students, 14 commerce students, and 5 arts students are receiving advice from advisors and experts.

**Table: 5 Mann Whitney U test**

Test Statistics	AIA
Mann-Whitney U	3636.500
Z	-.035
Asymp. Sig. (2-tailed)	.972

(Source: Primary Data)

The mean of education and the source of investment information are compared by researchers using the Mann-Whitney U test. The Z score for this exam was -.035, and the test result was 3636.500. The significant P-value was.972, making the results significant. Thus, the null hypothesis is accepted, demonstrating that there is no significant variation in understanding of various investing concepts between education. Thus, the outcomes are as per expectations.

**Table: 6 Kruskal Wallis test**

Test Statistics	AIA
Kruskal-Wallis H	15.848
df	2
Asymp. Sig.	.000

(Source: Primary Data)

In the above result of the Kruskal-Wallis H test, the average of the test statistic was 15.848. The degrees of freedom (df) for this test was 2 and the significance level (Asymp. Sig.) was 0.000, which indicates that there is a significant difference between field of education and knowledge about various investment concepts.

#### **LIMITATIONS OF THE STUDY:**

- The entire research effort is restricted to Rajkot City, because data was acquired from college students who are solely from Rajkot.
- The study only included 200 college students.
- Time and resources are further constraints.
- The study has been done using a variety of statistical approaches, each of which has its own limits.
- The study is based entirely on primary data, and the data that were obtained at the primary level were always based on respondents' attitudes and views.

#### **CONCLUSION:**

With regard to understanding of various investment ideas, it was discovered that education, out of the entire 4 demographical variables, does not significantly differ from other factors. But, when it comes to understanding different financial ideas, educational backgrounds range significantly. Moreover, research demonstrates that demographic factors have a considerable influence on respondents' financial literacy. Also, researchers discovered that commerce students have a greater comprehension of finances than those in the arts and sciences. Thus, the researcher contends that a syllabus should be created that specifically addresses investing knowledge and information for students majoring in the humanities and sciences. To live a financially stable life today, investing understanding is essential. So, it is crucial for students to increase their investing literacy because there are more young people in India than everywhere else.

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