

A project report on “SAVINGS AND EXPENSES PRACTICES AMONG HATIM STUDENTS”



A report submitted to Department of Commerce, Higher And Technical Institute, Mizoram (HATIM) for the academic year 2022-23

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CERTIFICATE

This is to certify that the dissertation entitled “A Study on Savings and Expenses practices among HATIM students” submitted to the Mizoram University for the award of the degree of Bachelor of Commerce, is a record of research work carried out by Lalmangaihzaui Chawngthu, Roll No. 2123BCOM021, IV Semester B.Com. She has fulfilled all the requirements laid down in the regulations of Mizoram University. This dissertation is the result of her investigation into the subject. Neither the dissertation as a whole nor any part of it was ever submitted any other University for any degree.

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DECLARATION

I, *LALHMANGAIHZAUVI CHAWNGTHU*, hereby declare that the subject matter of this dissertation is the record of work done by me, that the contents of this dissertation did not form to anybody else, and that the dissertation has not been submitted by me for any research degree in any other university or institute. This is being submitted to the Mizoram University for the degree of Bachelor of Commerce.

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ACKNOWLEDGEMENT

I would like to give my sincere thanks **Mr. Vuansanga Vanchhawng**, the Principal, HATIM College and **Miss Vankhawpuimawii PACHUAU**, Head Department of Commerce for giving us the opportunity to undertake a study and make a project report.

I would also like to thank our overall supervisor **Miss Vankhawpuimawii PACHUAU** for the guidance and support.

Thank you,
Lalmangaihzaui Chawngthu

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INTRODUCTION

Savings refers to the money that a person has left over after they subtract out their consumer spending from their disposable income over a given time period. Savings, therefore, represents a net surplus of funds for an individual or household after all expenses and obligations have been paid.

Savings are kept in the form of cash or cash equivalents (e.g. as bank deposits), which are exposed to no risk of loss but also come with correspondingly minimal returns.

Savings represents an individual's unspent earnings. It is the amount that remains after meeting the household and other personal expenses over a given period, for example, on a monthly basis.

Methods of saving include putting money aside in, for example, a deposit account, an investment funds, or a cash. Saving also involves reducing expenditures, such as recurring costs. In terms of personal finance, saving generally specifies low risk preservation of money, as in a deposit account, versus investment, wherein risk is a lot higher in economics more broadly, it refers to any income not used for immediate consumption. Saving is closely related to physical investment, in that the former provides a source of funds for the latter. By not using income to buy consumer goods and services, it is possible for resources to instead be invested by being used to produce fixed capital, such as factories and machinery.

WHAT IS SAVING ?

Saving is the portion of income not spent on current expenditures. In other words, it is the money set aside for future use and not spent immediately. Why should we save money? Saving can be used to accomplish objectives in the short-term such as buying a mobile phone, or in the longer run such as continuing to study, or else buying a car or a house.

Saving money can also help us cover unexpected expenses, such as an illness, replace an appliance that cannot be repaired or make an emergency trip.

Savings is the balance that remains after meeting of the consumption needs of an individual. People who buy credit and have incremental EMI commitments would have little or none to save on a monthly basis. Savings help in pooling up funds for the future.

WHY IS SAVING IMPORTANT ?

Saving can be as simple as keeping aside money on a monthly basis or even investing small amount on a monthly basis. Saving can help in meeting financial commitment at a future

date, for example, to buy a house. Saving can help you earn more money with investment. Even money kept idle in a bank savings account earns interest annually.

The cost of education is increasing. Each year, student fees rise, making it more difficult to pay for education without going into debt. It is challenging, but with proper planning and commitment, you can ensure that your children graduate from college debt-free. Having a minor saving account is your best bet, as it is targeted at children.

It is necessary that we remind ourselves of the importance of saving money regularly.

IMPORTANT OF SAVING AMONG THE YOUTH

Saving money is important at a young age. Life is unpredictable, and we would want to have money when life throws us down. Most young people squander money because they're meeting their needs. However, we must understand that the world doesn't always operate linearly. We could lose our high-paying job, or some medical emergency might come up, and it is here that our savings come in to save us.

Young age is the best time for saving money. However, most people of the young generation are much fonder of spending money but a little saving can bring a great change in their future. They often have a misconception that saving money is sacrificing enjoyment. True, but not totally. As said sacrificing a little will bring in a great change. Most of the time, people do not get the important of saving money at early age yet they need to know that.

Starting to save money at the early age assures a secure old age. Basically at early age young people do not have any such expenses as all their responsibilities are fulfilled but their family. Therefore, it is always better to save as much as possible when responsibilities is less but money is more.

A very important expense of anyone's life is medical expenses. No one knows when the need of medication arises. Therefore, it is very important for everyone to save money their medical treatment. If the saving practice is started at early age it becomes very easy to overcome any emergency situation.

1.1 Review of Literature

Dr. Rekha Atri (2012) Spending and saving habit of youth in the city of Indore with the age group of 14-30 years were studied. There is a radical difference observed in the spending behaviour of the youth of our country. The study concludes that there is a huge influence of peer groups in the youth below 19 years while making purchase decisions. A difference was also observed on the gender wise purchase behaviour and their saving habits.

Furnham(1999) Over 250 British children and adolescents completed a questionnaire on the sources of personal income (pocket money/allowance, part time job, gifts) as well as how much they have saved where it was stored, and what purpose it was intended the participants also responded to various attitude statements about money and the economic situation in general.

Jones and Martin,(1997) Different households have different way of living and similarly different spending patterns. In the western culture, the young individual are more independent at the age of 18 and start their earning and living separate than their parents home and this is known as the traditional nature of the young individual.

Peng et al.,(2007) conducted study to analyse the impact of financial education on the financial knowledge and saving rates of the high school and college. The study was conducted through an online survey measuring past and current financial experiences, demographic characteristics, income and savings. The results suggest that personal financial course improves financial literacy. The savings of the college before and after the course were found higher than savings of school. The study highlights the importance of finance courses to develop saving habits at the college level.

Jobst, Vicki J. (2009) offered a course entitled “Managing Your Personal Spending and Savings” to college students to increase financial literacy. The data reports improvement in the money management skills of the students. After taking the course, students were able to pay their credit card bills on time, prioritise their spending and avoid overdraft. During the course, the participants developed the habit of keeping track of their savings and personal spending, 7 learned to reduce the purchase of unnecessary items, etc. The participants of the course started a savings program to save money for retirement and emergencies and starting using cash instead of credit cards to watch their spending.

Abhijeet Birari & Umesh Patil (2014) The research conducted in Aurangabad city shows the total average spending per month made by junior, graduate and postgraduate students is rupees 2196, rupees 2652 and rupees 4920 respectively. There are significant differences in spending of junior, graduate and postgraduate students in 8 out of 11 spending categories. There are no gender wise significant differences in 7 out of 11 spending categories. Youth spend a large portion of their money on shopping, fast food, and mobiles.

1.2 RATIONALE OF THE PROJECT

This project is to find out the spending and saving behaviour among the college students. It is important in order to pay more attention to how they spend their income and save each month, in which they can quickly identify any leftover money, which can increase their emergency fund. The main reason behind the study is the college students saving habit is declining spend more than their income. This study shows how college students maintain their financial requirements with limited income and high expenses.

1.3 Statement of the project

As the culture keeps on developing, the spending and saving habits of the students have been changing so much. College students have started to spend more money on edible stuffs and life style by using their pocket money given by their parents. With the increase in standard living of adults, the young ones have been empowered with more money and have got more spending power. The student's amount of savings has become less according to their income. This study is conducted to understand the saving and spending habits of college students.

1.4 Objectives

- To find out the spending habit of the students.
- To identify the difference between male and female students spending and saving habits.
- To study the spending and saving pattern of STUDENTS FROM four departments (BCOM, BA, BSW and BCA).

1.5 Research Methodology

1.5.1 Sources of Data:

For the purpose of this research, the study was primarily based on primary data questionnaire. The study covered the student of HATIM for the purpose of collecting data. Hence, the respondents of questionnaire were the sources of data for the present study.

1.5.2 Sampling Design:

The data were collected from 30 students.

1.5.3 Method of data collected:

Number of questions were prepared to suit the objectives of the study. This was followed by data collection and responses of every item in the questionnaire were interpreted.

In order to analyse the interpret this data collected various tools like graph and mean are employed.

1.6 Limitations of the study:

- The study is purely based on 30 respondents only
- The area of the study is confirmed only in HATIM College
- The data are mainly extracted from questionnaire asking open ended and semi open-ended questions. It may not be exact opinion of the respondents, so there has been a lack of reliability.

CHAPTERISATION

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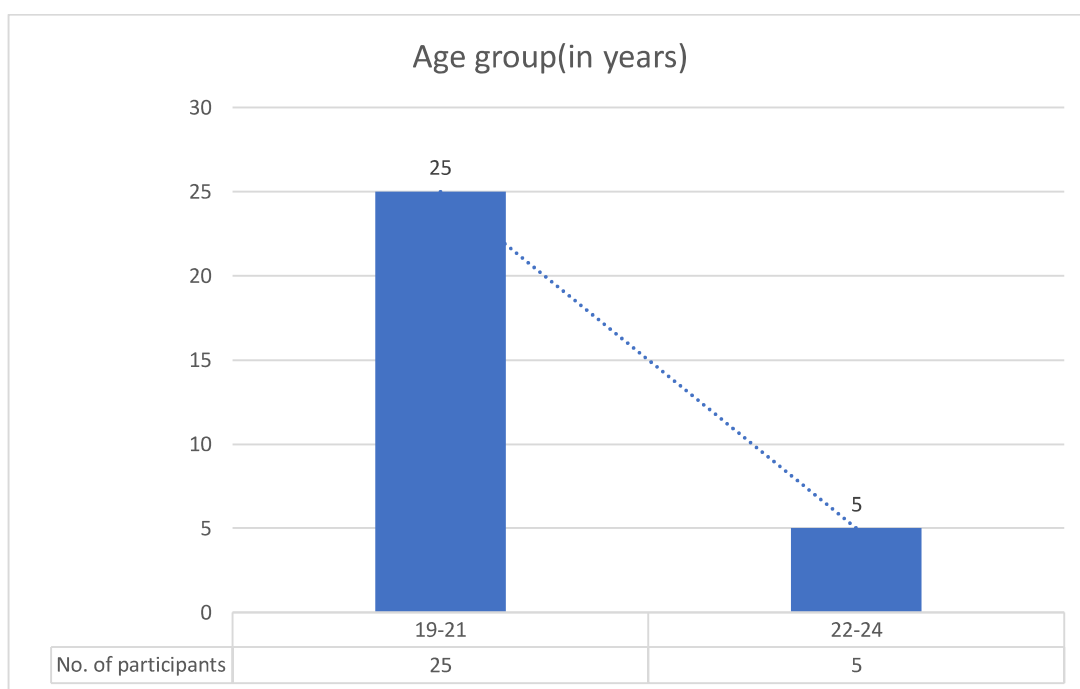
Chapter-II

DATA INTERPRETATION

2.1 DATA ANALYSIS

2.1.1 Age group of participants:

Age group(in year)	No. of respondents
19-21	25
22-24	5

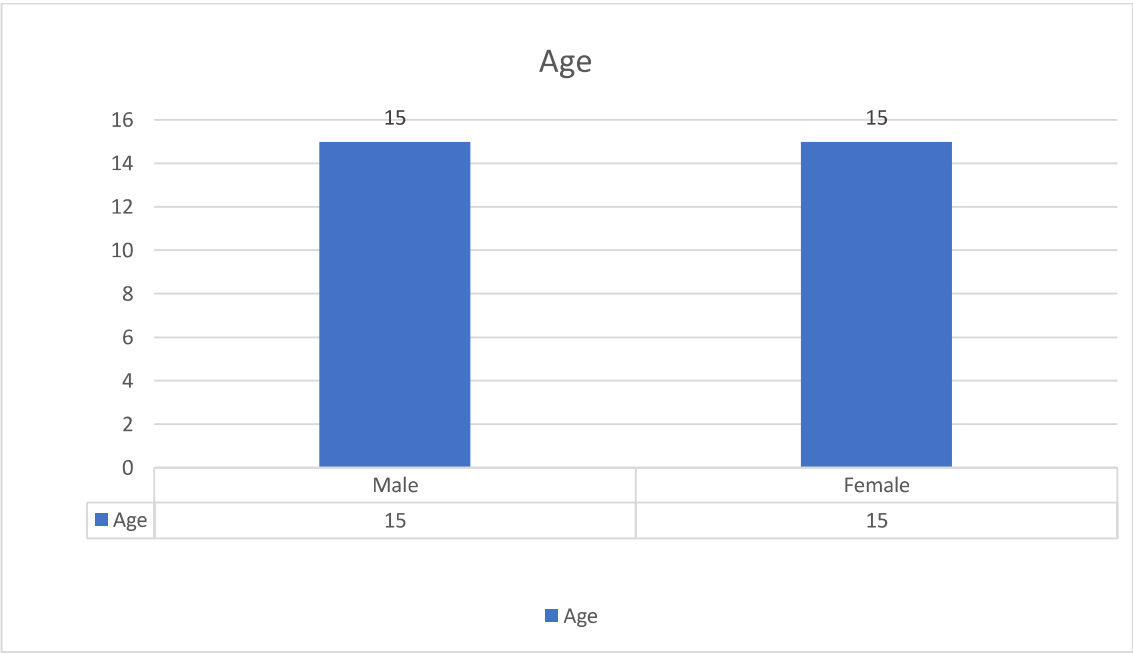


Interpretation:

The maximum respondents belong to the age group of 19-21 years and the minimum respondents belong to the age group age 22-24 year.

2.1.2GENDER:

Gender	Total
Male	15
Female	15

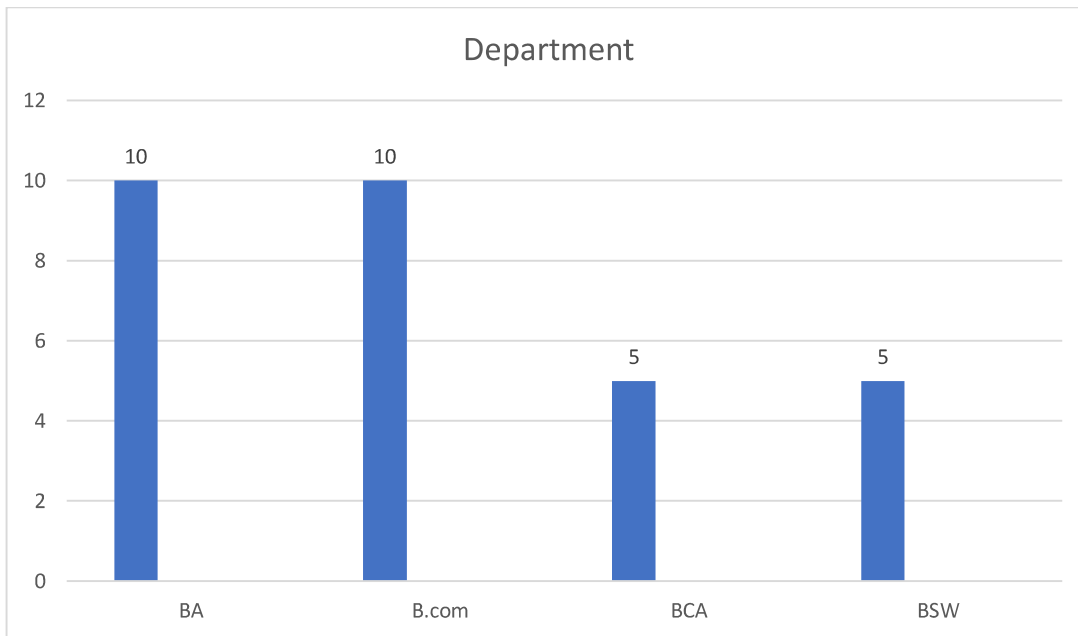


Interpretation:

The total respondents of male and female are equal (15).

2.1.3 DEPARTMENT:

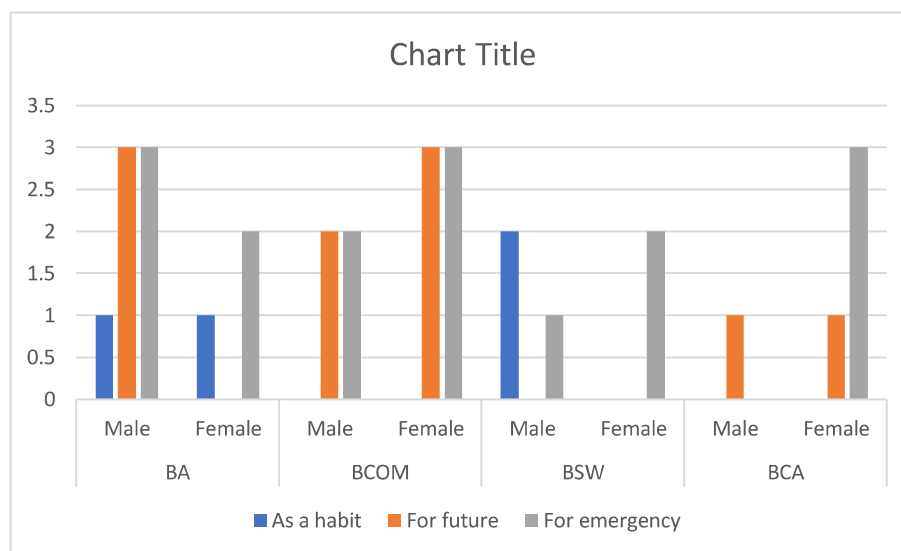
Department	No. of participants
BA	10
B.com	10
BCA	5
BSW	5



Interpretation:

The total no. of participants in BA and B.com are equal (10) and the total no. of participants in BCA and BSW are equal (5).

Sources	BA		BCOM		BSW		BCA	
	Male	Female	Male	Female	Male	Female	Male	Female
pocket money	1	3	0	6	1	2	1	3
scholarship	0	0	1	0	0	0	0	0
other ways	6	0	3	0	2	0	0	1



2.1.4 Sources of income in each department:

Interpretation:

BA: In the department of BA, their main sources of income is from other ways and the least is from pocket money.

B.com: In the department of B.com, their main sources of income is from pocket money and some male students are from other ways and scholarship.

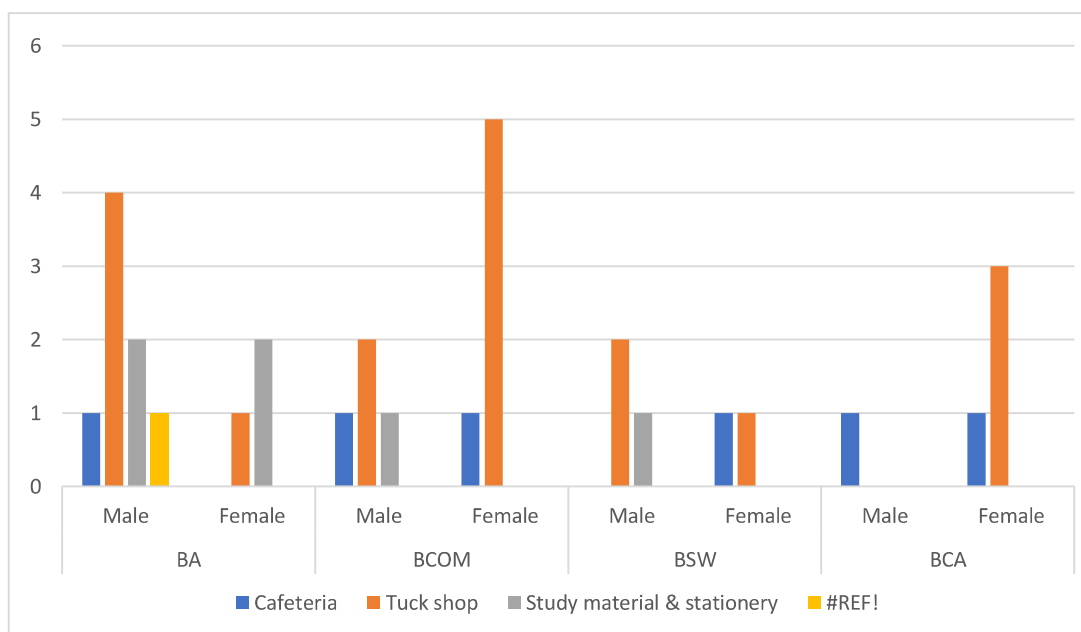
BSW: In the department of BSW, their main sources of income is from pocket money and some male students are from other ways.

BCA: In the department of BCA, their main sources of income is from their pocket money and some female are from other ways.

2.1.5 PURPOSE OF SAVINGS

Interpretation:

Purpose	BA		BCOM		BSW		BCA	
	Male	Female	Male	Female	Male	Female	Male	Female
As a habit	1	1	0	0	2	0	0	0
For future	3	0	2	3	0	0	1	1
For emergency	3	2	2	3	1	2	0	3
For travelling	0	0	0	0	0	0	0	0



BA: In the department of BA, the male students save their money equally for future and emergency. Among the female students they save their money mostly for emergency and habit.

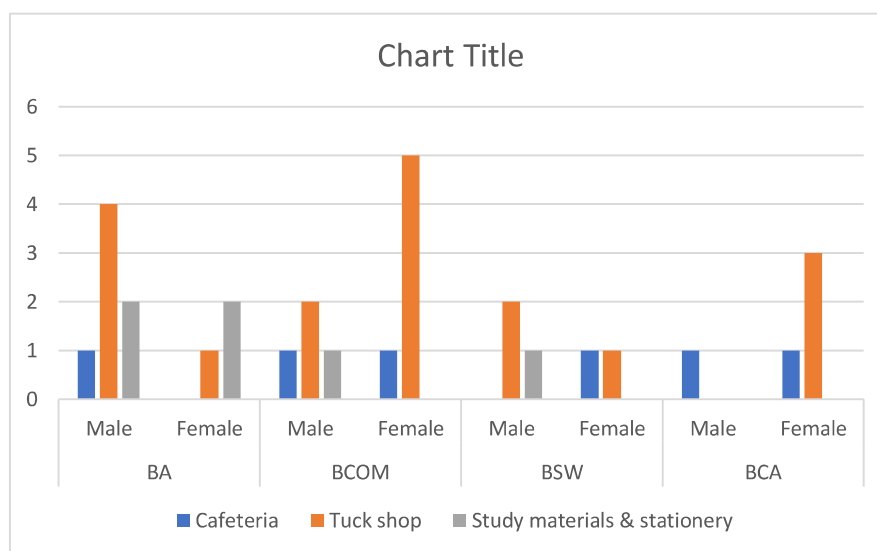
B.com: In the department of B.com, the male students have saving equally for future and emergency. Among the female students they save equally for future and emergency.

BSW: In the department of BSW, male students save their money for emergency and also their habit and female save for emergency only.

BCA: In the department of BCA, one male student save his money for future and female students save for emergency and future.

2.1.6AMOUNT SAVE PER MONTH

Percent%	BA		BCOM		BSW		BCA	
	Male	Female	Male	Female	Male	Female	Male	Female
Below 25%	4	2	2	6	2	2	0	4
25%-50%	2	0	2	0	1	0	0	0
50-70%	1	1	0	0	0	0	1	0



Interpretation:

BA: In the department of BA, 4 male and 2 female students save below 25% per month, 2 male students save 25-50% per month and 1 male and 1 female student save 50-70% per month.

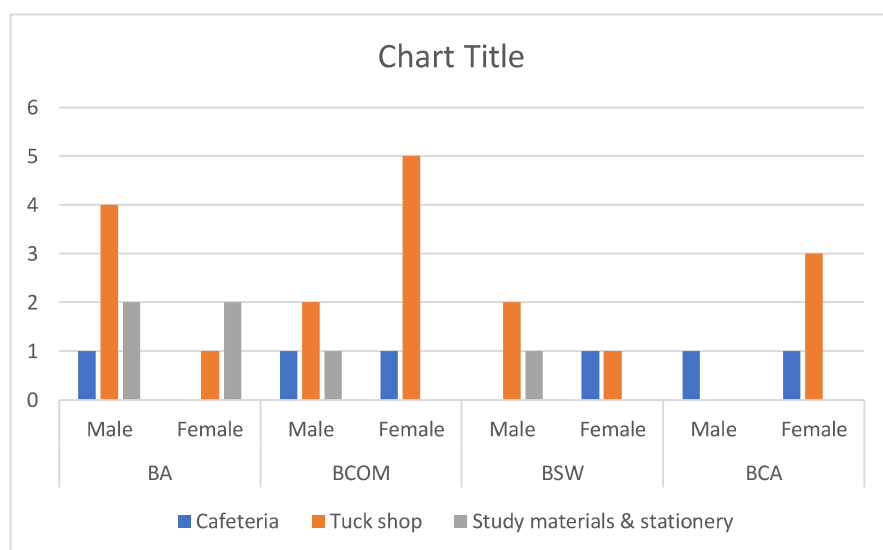
B.com: In the department of B.com, 2 male and 6 female students save below 25% per month, 2 male save 25-50% per month.

BSW: In the department of BSW, 2 male and 2 female save below 25% per month and 1 male student save 25-50% per month.

BCA: In the department of BCA, 4 female save below 25% per month and 1 male save 50-70% per month.

2.1.7 SPEND MOST

BA		BCOM		BSW		BCA	
Male	Female	Male	Female	Male	Female	Male	Female
1	0	1	1	0	1	1	1
4	1	2	5	2	1	0	3
2	2	1	0	1	0	0	0



Interpretation:

BA: In the department of BA, 4 male and 1 female students spend mostly in the tuck shop, 2 male and 2 female students spend for study materials & stationery and 1 male spend in the cafeteria.

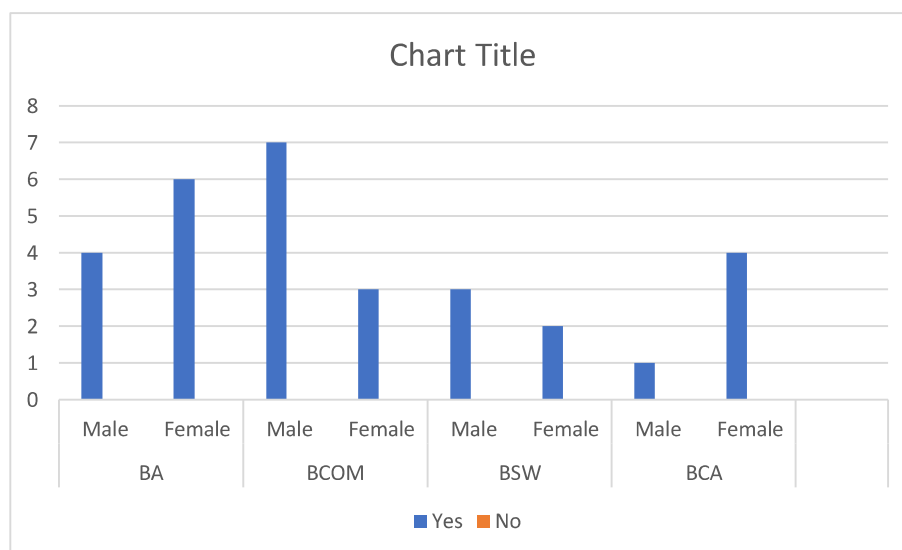
BCOM: In the department of BCOM, 2 male and 5 female students spend mostly in the tuck shop, 1 male and 1 female students spend in the cafeteria and 1 male student spend for study materials & stationery.

BSW: In the department of BSW, 1 female and 2 female students spend mostly in the tuck shop and 1 male student spend for study materials & stationery and 1 female spend in the cafeteria.

BCA: In the department of BCA , 1 male and 1 female students spend for the cafeteria and 3 female students spend in the tuck shop.

2.1.8SAVINGS:

Saving	BA		BCOM		BSW		BCA	
	Male	Female	Male	Female	Male	Female	Male	Female
Yes	4	6	7	3	3	2	1	4
No	0	0	0	0	0	0	0	0



Interpretation:

BA: In the department of BA, the maximum of male and female respondents have savings.

B.com: In the department of B.com, the maximum male and female respondents have savings.

BSW: In the department of BSW, the maximum of male and female respondents have savings.

BCA: In the department of BCA. The maximum of male and female respondents have savings.

CHAPTER-III

RESULTS AND DISCUSSIONS

Major Result:

This chapter finally highlights the result of the study from the data collected from 30 respondents

Demographic profile of the respondents:

i) There were 30 respondents in data collections. I specified the respondents according to their age group i.e 19-21 and 22-24. Out of 30 respondents, 25 were aged between 19-21 while the remaining 5 were aged between 22-24.

ii) The total number of respondents to which the data has been collected were from 30 to which both 50% were both female and male.

iii) I specified the group according to their department. Out of 30, There were two 10 from the respondents which were BA and B.COM, while the remaining 10 were divided into 5/5 which were BCA and BSW.

iv) The respondents were asked whether the sources of income from each department were getting, I specified them in terms of pocket money, scholarship and others.

a) **BA:** In the department of BA, the male students save their money equally for future and emergency. Among the female students they save their money mostly for emergency and habit.

b) **B.Com:** In the department of B.com, the male students have saving equally for future and emergency. Among the female students they save equally for future and emergency.

c) **BSW:** In the department of BSW, male students save their money for emergency and also their habit and female save for emergency only.

d) **BCA:** In the department of BCA, one male student save his money for future and female students save for emergency and future.

v) The respondents were asked whether they have saved their savings for purpose use. I specified into departments to which they were given different options i.e AS A HABIT, FOR FUTURE, FOR EMERGENCY and FOR TRAVELLING.

a) **BA:** In the department of BA, the male students save their money equally for future and emergency. Among the female students they save their money mostly for emergency and habit.

b) **B.com:** In the department of B.com, the male students have saving equally for future and emergency. Among the female students they save equally for future and emergency.

c) **BSW:** In the department of BSW, male students save their money for emergency and also their habit and female save for emergency only.

d) **BCA:** In the department of BCA, one male student save his money for future and female students save for emergency and future.

vi)The respondents were asked whether the amount of money they've saved per month.It were divided into Departments and were specified according to their %(Below 25%,25-50% and 50-70%)

a) **BA:** In the department of BA, 4 male and 2 female students save below 25% per month, 2 male students save 25-50% per month and 1 male and 1 female student save 50-70% per month.

b) **B.com:** In the department of B.com, 2 male and 6 female students save below 25% per month, 2 male save 25-50% per month.

c) **BSW:** In the department of BSW, 2 male and 2 female save below 25% per month and 1 male student save 25-50% per month.

d) **BCA:** In the department of BCA, 4 female save below 25% per month and 1 male save 50-70% per month.

vii)The respondents were asked whether they have spent their money monthly for groceries and personal needs in the College Café, Tuck shop and study material. I divided into different department and asked them where they spend most(Café, Tuck shop and study material and stationery).

a) **BA:** In the department of BA, 4 male and 1 female students spend mostly in the tuck shop, 2 male and 2 female students spend for study materials & stationery and 1 male spend in the cafeteria.

b) **BCOM:** In the department of BCOM, 2 male and 5 female students spend mostly in the tuck shop, 1 male and 1 female students spend in the cafeteria and 1 male student spend for study materials & stationery.

c) **BSW:** In the department of BSW, 1 female and 2 female students spend mostly in the tuck shop and 1 male student spend for study materials & stationery and 1 female spend in the cafeteria.

d) **BCA:** In the department of BCA , 1 male and 1 female students spend for the cafeteria and 3 female students spend in the tuck shop.

viii)The respondents were asked whether they have Saved their money.I divided into different Departments.

a) **BA:** In the department of BA, the maximum of male and female respondents have savings.

b) **B.com:** In the department of B.com, the maximum male and female respondents have savings.

c) **BSW:** In the department of BSW, the maximum of male and female respondents have savings.

d) **BCA:** In the department of BCA. The maximum of male and female respondents have savings.

CHAPTER-IV

Suggestions and Conclusions

Suggestions

Spending is increasing in youth people in order to control spending:

- Because waking up at late, the students did not have time for breakfast so they need to spend money to satisfy their hunger, if they can manage their time they can save more money.
- Try to note down the expense always which can give a clear picture of the nature of spending in different items. Savings can be increased by reducing the shopping and by reducing the use of gadgets etc.
- Try to figure out the expensive materials that we usually buy and try to reduce the expense.

Conclusions

This study is concerned with the spending and saving habits among the students of HATIM College. It was found that most of our respondents spend more than they save but their spending avenues. The most of their income were from their pocket money and scholarship and the spending is to cafeteria and most of them practiced saving but the amount is not that much; most is around 25%-50%. The reasons of their saving are mostly for future and emergency.

From this we conclude that the students have savings but they spend more than they save and students are less aware about importance of saving.

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Appendix

Hello... My name is Lalhmangaihzaui Chawngthu of B.com IV Semester studying in HATIM. I am doing a research on the topic of "Saving and Expenses Practices among HATIM students" and the purpose of my studies is to find out the spending and saving habits of college students and the source income of college students.

I will be grateful if you could kindly spare your precious time for answering the questions as per instructions.

QUESTIONNAIRE

Age : _____

Gender : ☐ Male ☐ Female ☐ Others

Department : B.Com ☐ B.A ☐

B.S.W ☐ B.C.A ☐

1.Sources of income

- a)pocket money b)scholarship
c)other ways

2.in which way you make saving?

- a)bank account b)piggy bag
c)other ways

3)Do you have your own bank account

- a)yes b)no

4. From the following areas, where do you spend the most?

- a) Cafeteria b) Tuck Shop
c) Study materials and stationaries c) Other ways

5. What is your saving and spending status?

- a) Saving less than spending b) Saving equal to spending
c) Saving greater than spending

6. What is your mean of transportation of college?

- a) College Bus b) Bike
c) Car d) Walking

7. How much amount do you earn per month?

- a) Less than Rs. 1000 b) Rs. 1000 – Rs. 3000
c) Rs. 3000 – Rs. 5000

8. Do you have savings?

a) Yes

b) No

9. How much amount will you save per month?

a) Below 25%

b) 25% - 50%

c) 50% - 70%

10. What is your purpose of savings?

a) As a habit

b) for higher studies

c) for future

d) for emergency

e) for travelling

11. Amount spent on last week?

a) Less than 300

b) 300 – 500

c) 500 – 1000

12. How long have you been saving money for?

a) Less than 6 months

b) 6 months – 1 year

c) 1 year – 2 years

13. Do you have income?

a) Yes

b) No

14. How often do you go for shopping?

a) Once in a month

b) Twice in a month

c) Three to four times a month

d) Weekly

15. Which of the following factors affect your spending between –

a) Family

b) Friends

c) Income

16. Who encourage you to save?

a) Friends

b) Family

c) Teachers

d) Myself

e) Others

17. Size of family

a) Up to 4.

b) 5-7

c) 8-10

18. Occupation of head of the family

a) Government servant

b) Work in private sector

c) Business.

d) Others

19. Monthly income for family

a) 60000.

b) 60000-80000

c) 80000-100000.

d) above 1 lakh