

***“A Study of Financial Literacy Among College Students in Lunglei, Mizoram”***



***A report submitted to Department of Commerce, Higher And Technical  
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**CERTIFICATE**


This is to certify that the dissertation entitled “A Study of Financial Literacy Among College Students in Lunglei, Mizoram” submitted to the Mizoram University for the award of the degree of Bachelor of Commerce, is a record of research work carried out by Jakob Lalremruata, Roll No. 2123BCOM015, IV Semester B.Com. He has fulfilled all the requirements laid down in the regulations of Mizoram University. This dissertation is the result of his investigation into the subject. Neither the dissertation as a whole nor any part of it was ever submitted any other University for any degree.

Date: 8<sup>th</sup> May, 2023

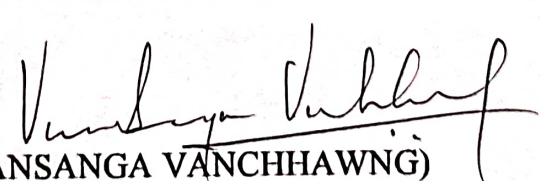
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## DECLARATION

I, "*Jakob Lalremruata*", 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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*“Jakob Lalremruata”*



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## **CHAPTER I**

### **INTRODUCTION**

## CHAPTER 1

### **Abstract**

*Financial literacy is a starting point for sustainable development for individuals, businesses and the economy. The present study attempts to analyze the status of financial literacy among College Students in Lunglei. To accomplish the objective, an exploratory design is adopted and primary data is collected from 2 Colleges functioning in the Lunglei district of Mizoram. To quantify the status of financial literacy among the college students, developed questionnaire was used. The study is an attempt to estimate the three factors of financial literacy, viz. financial knowledge, financial behavior and financial attitude. The findings show that the financial literacy among the College Students in the Lunglei district is satisfactory.*

### **1. Introduction**

In recent years, financial literacy has become a buzzword in academic writings and professional discussions and is playing a critical role in financial reforms across the globe. It has also become a major challenge faced by different nations. Although modern technology, investments opportunities and liberalization policy have made new financial products and services widely accessible, majority of the population are still ill-equipped to make informed financial decisions to analyze complex financial products (Lusardi and Mitchell, 2007). Financial literacy and financial inclusions are integral to each other; they are both important for sustaining the economic growth of the nation (Subbarao, 2003).

“Financial literacy is the ability to make informed judgements and to take effective decisions regarding the use and management of money. Financial literacy is therefore a combination of a person’s skills, knowledge, attitudes and ultimately their behaviors in relation to money” (ANZ Bank, 2011).

#### **1.1 Financial literacy a conceptual framework**

Financial Literacy is a combination of awareness, knowledge, skill, attitude, and behavior necessary to make sound financial decision and ultimately achieve individual financing wellbeing (Organization or Economic Co-operation and Development). Other definition by President Advisory Council on Financial Literacy, Financial literacy consist of ability to use knowledge and skills to manage Financial resources effective for lifetime (Paillella, 2016). Financial literacy is the ability to collect important information, and also

differentiating between diverse financial options, discussing financial issues, planning and proficiently answer the effect of financial decision making.

Financial literacy is a conceptual model containing six basic components:

(i) Saving borrowings; (ii) Personal budgeting; (iii) Economic issues; (iv) Financial concepts; (v) Financial services; (vi) Investing. Saving borrowings related to the knowledge of saving and borrowing, evaluate and ability to make financial planning. Personal budgeting related to the understanding of budgeting based on the personal income. Economic issues related to the understanding about economic issues in a country or worldwide. Financial concept related to understanding the basic financial concept.

## **1.2 Literature review**

Some of the important literature concerning Financial literacy across the world were reviewed as under to highlight their findings.

Many people understand that financial education is needed at all ages in order to avoid costly mistakes that can lead to long-term impacts on younger people.

(Pramesh Chettri, 2019) in his study of “Financial Literacy in Darjeeling District” stated that People need to be properly educated about new and existing financial products available in the global market so that they can reap the benefits of earning higher returns after careful analysis and interpretation. The study also finds that economically marginalised households in Darjeeling district are neither skilled nor knowledgeable in financial matters, and that incompetent financial management will have a negative impact on their future lives.

Walstad, Rebek, and MacDonald (2010). In their study of ‘Financial Education and Financial Literacy by Income and Education Groups’, founded the financial curriculum, *Financing Your Future* (FYF), increased student knowledge of personal finance. Financial literacy encompasses financial knowledge, financial behaviour and financial attitude of the individual. Every individual required knowledge and skills for the financial decision and management of money in their daily lives.

Adetunji & David West (2019) in their study of ‘The Relative Impact and Financial Literacy on Financial Inclusion in Nigeria’, founded that young women living in the rural area were more vulnerable and more financially excluded than other groups. So, he suggested that low cost of financial services should be provided among vulnerable groups with financial literacy and others intervention from the providers and the government and donor agencies.

(Lusardi & Mitchell, 2014) also in their study of 'The Economic Importance of Financial Literacy; Theory and Evidence', Financial literacy is as important a skill as reading, writing and math skill and, are thus everyone should have knowledge about it in order to survive the complex financial world. Financial literacy implies the ability of individuals to understand manage and plan their personal finances.

Manchanda (2019) in her study 'Influence of Financial Literacy and Investment Pattern of decision-making behaviour among working women' shows that age, education, occupation and income have a significant impact on the financial literacy of the respondents. The study also finds that among the low-risk financial products Savings Account was their main preference followed by Public Provident Fund and Bank Fixed Deposits. Among the moderate risk Life insurance was the most preferred whereas among the high-risk Equity shares was their most preferred financial products. Among the traditional investment avenues Gold was their main choice.

Other studies(Peng, Bartholomae, Fox and Cravener, 2007) in their study of 'The Impact of Personal Finance Education Delivered in High School and College Courses', estimated how financial education affects College students. College personal finance course increased a person's investment knowledge which then increased the likelihood of saving. Information about investment knowledge may be more relevant for college students which explains why the college course was the only effective course.

Furthermore,(Mauldin, Lusardi and Mitchell 2014). In their study of 'The Economic Importance of Financial Literacy; Theory and Evidence' stated that people with lower income saw that a lack of financial knowledge to be a barrier to financial behaviors specifically saving. It is hypnotized that financial education would improve financial literacy which is consistent with much previous research. While similar research has not been done specifically looking at the cost of acquiring financial knowledge for those with lower education it's expected to have a similar relationship with financial education - those with lower education would be more affected by financial education because they have fewer means of learning the information on their own and would need others and education to help.

Agarwal, Kureel & Yadav (2017) in their article of 'A Study on Future Plan for Increasing Financial Literacy Among People', argued that youth should be educated about financial literacy, this will be beneficial not only for the individual but for the whole community, and it can open new doors for the youth as well. They suggested that some basic principles should be kept in mind while preparing development programme for financial literacy. These are effective mission and clear vision to help the community and improvement in standard of living in other curriculum areas. The review of the literature highlights that financial literacy is low in India, especially among women and youngsters who are struggling with their basic financial knowledge.



### **1.3 RATIONALE OF THE STUDY**

In this project, college students in Lunglei, Mizoram, a small predominately tribal state in North East India, will have their financial inclusion level assessed. The study's primary goals are to assess the degree to which college students used these financial services, pinpoint the issues they encounter, and make recommendations for how to increase financial inclusion among them. This study will examine the extent of financial inclusion among college students in Lunglei, Mizoram, a tiny and predominately tribal state in North East India. Even though Government and RBI have taken an immense step for financial inclusion, that is not enough without proper response from the target public. Thus, financial inclusion requires efforts on the parts of three parties-RBI, all the banks and also the general public for its better progress.

### **1.4 Objectives of research**

1. To identify the socio-economic profile of the respondents.
2. To identify the spending pattern of the students.
3. To identify the students' financial decisions on how they spend or save.
4. To provide suggestions (if any).

## **1.5 RESEARCH METHODOLOGY**

### **1.5.1 Sample Size**

The sample size consists of around 50 respondents from Lunglei Colleges and random sampling was used to collect the data.

### **1.5.2 Data Collection**

Questionnaire framed by OECD (2018) was used to collect primary data in which questions on financial knowledge, financial behavior, financial attitude, financial awareness and preference of the respondents were asked. Secondary data are collected from books, journals, internet etc.

### **1.5.3 Method**

The study is conducted in Lunglei colleges, for the purpose of the study 50 respondents are selected as sample by using purposive sampling method. First, analyzing levels of financial literacy among the college students using a new nationally representative dataset(OECD 2008): Financial Literacy Questionnaire. Second this dataset is used to examine how levels if financial literacy differed across a wide range of sociodemographic characteristics, family characteristics and peer characteristics. Third, multivariate analysis to identify several key determinants of financial literacy among college students. In what follows, the financial literacy is described in analyzing representative sample of college students.

## **1.6 Limitations of the Project**

The limitations of the project are as follow;

1. The respondents may not answer the questionnaire given out to them truthfully.
2. The study is conducted in a very limited short time. Therefore there is no limited time to cover more samples as the sample taken were less in numbers.
3. During the survey many respondents may not answer the questionnaire handed out to them in a proper manner.

**CHAPTER II**  
**ANALYSIS AND INTERPRETATION**

## CHAPTER 2

### ANALYSIS AND INTERPRETATION

#### 2.1 Analysis and Interpretation

This chapter analyses the demographic background of the respondents. It also analyses the study of financial literacy among the college students in Lunglei.

##### 2.1 Socio - economic background

In this section, the researcher analyzed the socio economic background of the respondents.

##### 2.1.1 Age of respondents

Table 2.1.1 indicates the age of the respondents. The respondents are classified into different age groups. The first age group is a representation of the respondents between 15-20 years, the second group represents 21-25 years, and the third group represents the age group above 25 years.

**Table 2.1.1 Age group of the respondents**

Age	Frequency	Percentage
15-20	13	26%
20-25	31	62%
25 above	6	12%
Total	50	100%

The table 2.1.1 shows that 62% of the respondents are between the age group of 20-25. The second largest age group consists of 15-20 years which constitutes 26% and 12% respondents belong to the age group of 25 above .

### 2.1.2 Gender distribution of the respondent

Table 2.1.2 indicates the gender of the respondents. The gender of the respondents is classified into two categories, viz., Male and Female.

**Table 2.1.2 Gender of the respondents**

Gender	Frequency	Percentage
Male	23	46%
Female	27	54%
Total	50	100%

With regard to the gender composition of the respondents, it was found that 46% were Male respondents and the remaining 54% were Female respondents.

### 2.1.3 Marital status of the respondents

Table 2.1.3 indicates the marital status of the respondents.

**Table 2.1.3 Marital Status**

Status	Frequency	Percentage
Married	0	0%
Unmarried	50	100%
Total	50	100%

The table shows that all of the respondents are unmarried.

## 2.2 Financial literacy backgrounds

### 2.2.1 Have you ever learned how to manage your money in a class?

Table 2.2.1 indicates that have the students learned how to manage their money in a class.

**Table 2.2.1 Have you ever learned how to manage your money in a class?**

Factors	Frequency	Percentage
Yes	6	12%
No	44	88%
Total	50	100%

The above table shows that 12%(6) of the students have learned how to manage their money in classes and 88%(44) have not learned how to manage their money in classes. It can be noticed that majority of the respondents have not learned how to manage their money in Schools or classes.

### 2.2.2 Thinking about the School/college textbooks that you have used in the last 6 months.

Table 2.2.2 show how the respondents used textbooks in school/college in the last 6 months.

**Table 2.2.2 Thinking about the School/college textbooks that you have used in the last 6 months.(A specific textbooks on money matters/A textbooks on other subjects that discusses money matters).**

Factors	Frequency	Percentage
Yes	11	22%
No	39	78%
Total	50	100%

From the above table out of 50 respondents we can see that 22%(11) respondents have studied about money matters in their school/college and 78%(39) respondents have not studied about money matters in their previous classes.

### 2.2.3 Have you heard of, or learned about, the following terms

(I) Interest Payment

(II) Budget

(III) Bank loan

(IV) Depreciation

(V) Shares/stocks



Table 2.2.3 indicates the whether the respondents have heard or learned about the given options.

**Table 2.2.3 Have you ever heard of, or learned about, the following terms.**

		<b>Frequency</b>	<b>Percentage</b>
Interest Payment	Yes	16	32%
	No	34	68%
Budget	Yes	22	44%
	No	28	56%
Bank loan	Yes	41	82%
	No	9	18%
Depreciation	Yes	12	24%
	No	38	76%
Shares/Stocks	Yes	9	18%
	No	41	82%
Total (In each options)		50	100%

From the table we can see that 32%(16) respondents learned about Interest Payment while 68%(34) don't, it shows that the larger number of respondents doesn't learned about Interest Payment, and 44%(22) respondents learned about Budget while 56%(28) don't, and 82%(41) respondents learned about Bank loans while 18%(9) don't, we can see that majority of the respondents learned about Bank loans, and 24%(12) learned about Depreciation while 76%(38) respondents don't, it is shown that most of the respondents doesn't know about Depreciation, and 18%(9) of the respondents know about Shares/Stocks while 82%(41) respondents don't, from here we can see that majority of the respondents doesn't know about Shares/Stocks.

#### **2.2.4 How often have you encountered the following types of tasks or activities in a school class in the last 6 months?**

**(I)Describing the purpose and uses of money**

**(II)Exploring the differences between spending money on needs and wants**

**(III)Exploring ways of planning to pay an expense**

**(IV)Discussing the rights of consumers when dealing with financial institutions**

**(V)Discussing the ways in which money invested in the stock market changes value over time**

**(VI)Analyzing advertisements to understand how they encourage people to buy things**

Table 2.2.4 shows how often have the respondents encountered the types of the options.

**Table 2.2.4 How often have you encountered the following types of tasks or activities in a school class in the last 6 months?**

		<b>Frequency</b>	<b>Percentage</b>
(I)	Never	12	24%
	Sometimes	18	36%
	Often	20	40%
(II)	Never	33	66%
	Sometimes	12	24%
	Often	5	10%
(III)	Never	18	36%
	Sometimes	26	52%
	Often	6	12%
(IV)	Never	42	84%
	Sometimes	8	16%
	Often	0	0%
(V)	Never	38	76%
	Sometimes	9	18%
	Often	3	6%
(VI)	Never	34	68%
	Sometimes	15	30%
	Often	1	2%
Total (In each options)		50	100%

Table 2.2.4 indicates that out of 50 respondents 24%(12) respondents have never describe the purposes and uses of money while 36%(18) respondents have sometimes did it and 40%(20) of the respondents have often done it. Then 66%(33) respondents have never explored the differences between spending money on needs and wants while 24%(12) respondents have sometimes did it and 10%(5) of the respondents often did it. And 36%(18) of the respondents have never explore the ways of planning to pay an expense while 52%(26) respondents sometimes did it and 12%(6) respondents often did it. And 84%(42) of the respondents have never discussed the rights of consumers when dealing with financial institutions while 16%(8) respondents sometimes did it and it is shown that none of the respondents have 'often' discuss the topic. And 76%(38) respondents have never discussed the ways in which money invested in the stock market changes value over time, while 18%(9) respondents sometimes did it and 6%(3) of the respondents often did it. And lastly 68%(34) of the respondents analyzed advertisements to understand how they encourage people to buy things while 30%(15) have sometimes did it and 2%(1) respondent have often did it.

**2.2.5 Where did you get the information you need about money matters (Such as spending, saving, banking, investments)**

**(I)Parents/guardians or other relatives**

**(II)Friends**

**(III)Television or radio**

**(IV)The internet**

**(V)Magazines**

**(VI)Teachers**

Table 2.2.5 indicates where the respondents get the information they need about money matters.

**Table 2.2.5 Where did you get the information you need about money matters  
(Such as spending, saving, banking, investments)**

		<b>Frequency</b>	<b>Percentage</b>
(I)	Yes	43	86%
	No	7	14%
(II)	Yes	22	44%
	No	28	56%
(III)	Yes	19	38%
	No	41	82%
(IV)	Yes	27	54%
	No	23	46%
(V)	Yes	10	20%
	No	40	80%
(VI)	Yes	29	58%
	No	21	42%
Total (In each options)		50	100%

From Table 2.2.5 we can see that 86%(43) respondents have got their information about money matters (such as spending, savings, banking and investment) from their parents/guardians or other relatives while 14%(7) respondents don't. And 44%(22) respondents got their information from Friends while 56%(28) respondents don't. And 38%(19) respondents have got information from Television while 82%(41) respondents don't. And 54%(27) respondents have got their information from the Internet while the other 46%(23) respondents don't. And 20%(10) respondents have got their information from Magazines while the other 80%(40) respondents don't. And lastly 58%(29) respondents have

got their information from teachers while 42%(21) respondents don't, from these we can see that most of the respondents have learned/know how to manage their money in order to spend, save, invest or other banking services.

#### **2.2.6 How often do you discuss the following matters with your parents/guardians or other relatives?**

**(I)Your spending decisions**

**(II)Your savings decisions**

**(III)The family budget**

**(IV)Money for things you want to buy**

**(V)News related to economics or finance**

Table 2.2.6 indicates how often the respondents have discussed about the given money matters with their parents/guardians or other relatives.

**Table 2.2.6 How often do you discuss the following matters with your parents/guardians or other relatives.**

<b>Options</b>	<b>Responses</b>	<b>Frequency</b>	<b>Percentage</b>
(I)	Never	18	36%
	Once or twice a month	32	64%
	Almost everyday	0	0%
(II)	Never	26	52%
	Once or twice a month	11	22%
	Almost everyday	13	26%
(III)	Never	12	24%
	Once or twice a month	27	54%
	Almost everyday	11	22%
(IV)	Never	24	48%
	Once or twice a month	11	22%
	Almost everyday	15	30%
(V)	Never	43	86%
	Once or twice a month	7	14%
	Almost everyday	0	0%
Total (In each options)		50	100%

From table 2.2.6 we can see that 36%(18) respondents has never discussed their spending decisions with their parents/guardians or relatives while 64%(32) has discussed once or twice a month and none of the respondents have discussed it almost everyday. And 52%(26) respondents have never discussed about their savings decisions 22%(11) respondents has discussed once or twice a month and 26%(13) respondents has discussed it almost everyday. And 24%(12) respondents has never discussed about the family budget, and 54%(27) respondents have discussed once or twice a month, and 22%(11) respondents has discussed it almost everyday. And 48%(24) respondents has never discussed about money for things they want to buy, while 22%(11) respondents has discussed it once or twice a month, and 30%(15) respondents has discussed it almost everyday. And lastly 86%(43) respondents has never discussed about news related to economics or finance, while 14%(7) respondents has discussed about it once or twice a month, and none of the respondents has discussed about it almost everyday. It is shown that majority of the respondents have awareness on money matters.

### **2.2.7 Do you get money from any of these sources?**

**(I)An allowance or spending money for regularly doing chores at home**

**(II)An allowance or spending money, without having to do any chores**

**(III)Working outside school hours (e.g., summer job, part-time work)'**

**(IV)Working a family business**

**(V)Occasional informal jobs(eg., babysitting or mowing lawns)**

**(VI)Gifts from friends or relatives**

**(VII)Selling things (eg., at local markets or on eBay)**

Table 2.2.7 indicates that did the respondents got money from the given sources.

**Table 2.2.7 Do you get money from any of these sources**

		<b>Frequency</b>	<b>Percentage</b>
(I)	Yes	33	66%
	No	17	34%
(II)	Yes	24	48%
	No	26	52%
(III)	Yes	41	82%
	No	9	18%
(IV)	Yes	31	62%
	No	19	38%
(V)	Yes	14	28%
	No	36	72%
(VI)	Yes	50	100%
	No	0	0%
(VII)	Yes	50	100%
	No	0	0%
Total (In each options)		50	100%

From table 2.2.7 we can see that 66%(33) respondents got money from an allowance or spending money for regularly doing chores at home while the other 34%(17) respondents don't, and 48%(24) respondents got money from an allowance or spending money without having to do any chores while 52%(26) respondents don't, and 82%(41) respondents got money from working outside college hours while 18%(9) respondents don't, and 62%(31) respondents got money from working on a family business while the other 38%(19) respondents don't, and 28%(14) respondents got money from occasional informal jobs while the other 72%(36) respondents don't, and 100%(50) respondents got money from gifts from friends and relatives, and 100%(50) respondents got money from selling things. From these it is shown that most of the respondents got money from friends and relatives or by selling things.

#### **2.2.8 How much do you agree with the following statements about the way you handle your money?**

**(I) I can decide independently what to spend my money on.**

**(II) I can spend small amount of my money independently, but for larger amounts I need to ask my parents or guardian for permission.**

**(III) I need to ask my parents or guardians for permission before I spend any money on my own.**

**(IV) I am responsible for my own matters (eg., for preventing theft)**



Table 2.2.8 shows how much do the respondents agree with the options given above

**Table 2.2.8 How much do you agree with the following statements about the way you handle your money**

		<b>Frequency</b>	<b>Percentage</b>
(I)	Agree	48	96%
	Disagree	2	4%
(II)	Agree	50	100%
	Disagree	0	0%
(III)	Agree	39	78%
	Disagree	11	22%
(IV)	Agree	50	100%
	Disagree	0	0%
Total (In each options)		50	100%

From table 2.2.8 we can see that 96%(48) respondents agree that they can decide independently what to spend their money on, while the other 4%(2) respondents don't agree with the term. And 100%(50) respondents does agree that they can spend small amounts of money independently but have to ask for permission from their parents or relatives for larger amounts, and none of the respondents disagree with the term. And 78%(39) respondents agree that they need to ask for their parents or relatives to spend any amount of their money on their own, while 22%(11) respondents disagree with the term. And 100%(50) respondents agree that they are responsible for their own money matters. From these we can see that majority of the respondents are not independently spend their money but ask for permission from their parents or relatives.

**2.2.9. When you think about buying a new product using your allowance, how often you do any of the following?**

**(I) Compare prices in different stores.**

**(II) Compare prices between a store and an online store.**

**(III) Buy the product without comparing prices.**

**(IV) Wait until the price of the product gets cheaper before buying it.**

Table 2.2.9 shows that how often do the respondents do the given options when it comes to buying of products.

**Table 2.2.9 When you think about buying a new products using your allowance, how often do you do any of the following.**

		<b>Frequency</b>	<b>Percentage</b>
(I)	Never	0	0%
	Sometimes	46	92%
	Always	4	8%
(II)	Never	16	32%
	Sometimes	24	48%
	Always	10	20%
(III)	Never	12	24%
	Sometimes	36	72%
	Always	2	4%
(IV)	Never	17	34%
	Sometimes	26	52%
	Always	7	14%
Total (In each options)		50	100%

From Table 2.2.9 we can see that 92%(46) respondents sometimes compare prices in different stores while 8%(4) respondents always did it. And 32%(16) respondents never compare prices between stores and an online store while 48%(24) respondents sometimes did it too, and 20%(10) respondents always did it. And 24%(12) respondents buy products without comparing prices, and 72%(36) respondents sometimes did it too, and 4%(2) respondents always buy the products without comparing the prices. And lastly 34%(17) respondents never wait until the price of the product gets cheaper while 52%(26) respondents sometimes wait until the price gets cheaper, and 14%(7) respondents always wait until the price gets cheaper.

#### **2.2.10.Do you have any of the following things?**

**(I)An account with a bank or credit union.**

**(II)A debit card.**

**(III)A mobile app to access your account.**

Table 2.2.10 indicates does the respondents have any of the given options

**Table 2.2.10 Do you have any of the following things?**

		<b>Frequency</b>	<b>Percentage</b>
(I)	Yes	50	100%
	No	0	0%
(II)	Yes	4	8%
	No	46	92%
(III)	Yes	50	100%
	No	0	0%
Total (In each options)		50	100%

From table 2.2.10 we can see that majority of the respondents have got an account from bank or credit union and a mobile app to access their account. And 8%(4) respondents got debit card while majority 92%(46) respondents don't have their debit card.

**2.2.11.How confident would you feel about doing the following things?**

**(I)Making a money transfer (eg., paying a bill)**

**(II)Filling in forms at the bank.**

**(III)Understanding bank statements.**

**(IV)Understanding a sales contract.**

**(V)Keeping track of my account balance.**

**(VI)Planning my spending with consideration of my current financial situation.**

Table 2.2.11 indicates that how confident the respondents would feel when doing the given options

**Table 2.2.11 How confident would you feel about doing the following things**

		<b>Frequency</b>	<b>Percentage</b>
(I)	Confident	44	88%
	Not Confident	6	12%
(II)	Confident	48	96%
	Not confident	2	4%
(III)	Confident	27	54%
	Not confident	23	46%
(IV)	Confident	18	36%
	Not confident	32	64%
(V)	Confident	50	100%
	Not confident	0	0%
(VI)	Confident	47	94%
	Not confident	3	6%
Total (In each options)		50	100%

From the given table (table 2.2.11) it is shown that 88%(44) respondents are confident on making a money transfer while 12%(6) respondents are not confident in it. And 96%(48) respondents are confident on filling in forms at the bank, and the other 4%(2) respondents are not confident in filling in forms in bank. And 54%(27) respondents are confident in understanding bank statements while 46%(23) respondents are not confident in it. And 36%(18) respondents are confident in understanding a sales contract while the other 64%(32) respondents are not confident in it. And all of the respondents are confident on keeping track on their account balance. And lastly, 94%(47) respondents are confident on planning their spending with consideration of their current financial situation, while the other 6%(3) respondents are not confident in it.

**2.2.12. When using digital or electronic devices outside of the bank (eg., at home or in stores), how confident would you feel about doing the following things?**

**(I) Transferring money.**

**(II) Keeping track of my balance.**

**(III) Paying with a debit card instead of using cash.**

**(IV) Paying with a mobile phone (e.g., cell phone or tablet) instead of using cash.**

**(V) Ensuring the safety of sensitive information when making an electronic payment or using online banking.**

Table 2.2.12 indicates how confident would the respondents would feel when using digital or electronic devices outside of the bank on the following options.

**Table 2.2.12 When using digital or electronic devices outside of the bank, how confident would you feel about doing the following things**

		<b>Frequency</b>	<b>Percentage</b>
(I)	Confident	42	84%
	Not confident	8	16%
(II)	Confident	50	100%
	Not confident	0	0%
(III)	Confident	4	8%
	Not confident	46	92%
(IV)	Confident	50	100%
	Not confident	0	0%
(V)	Confident	12	24%
	Not confident	38	76%
Total (In each options)		50	100%

From the above table i.e., table 2.2.12 we can see that 84%(42) respondents are confident on transferring money while the other 16%(8) respondents are not confident. And all of the respondents are confident on keeping track of their balance. And 8%(4) respondents are confident on paying with a debit card while the other 92%(46) respondents are not confident on paying with debit card. And 100% of the respondents are confident on paying with a mobile device. And lastly, 24%(12) respondents are confident on ensuring the safety of sensitive information when making an electronic payment or using online banking, while 76%(38) respondents are not confident on ensuring the safety of sensitive information when making an electronic payment or using online banking.

**2.2.13.To what extent do you agree with the following statements?**

**(I)I enjoy talking about money matters.**

**(II)Young people should make their own decisions about how to spend their money.**

**(III)Money matters are not relevant for me right now.**

**(IV)I would like to run my own business in the future.**

Table 2.2.13 indicates whether the respondents agree with the given statements

**Table 2.2.13 To what extend do you agree with the following statements**

		Frequency	Percentage
(I)	Agree	49	98%
	Disagree	1	2%
(II)	Agree	35	70%
	Disagree	15	30%
(III)	Agree	46	92%
	Disagree	4	8%
(IV)	Agree	38	76%
	Disagree	12	24%
Total (In each options)		50	100%

Table 2.2.13 shows that 98%(49) respondents agree with the statement ( I enjoy talking about money matters) while 2%(1) respondent disagree with the statement. And 70%(35) respondents agree with the statement ( Young people should make their own decisions about how to spend their money) while the other 30%(15) respondents disagree with the statement. And 92%(46) respondents agree with the statement ( Money matters are not relevant for me right now) while the other 8%(4) respondents disagree with the given statement. And lastly 76%(38) respondents agree with the statement ( I would like to run my own business in the future) while, the rest of the respondents 24%(12) don't agree with the given statement.



**CHAPTER III**  
**RESULTS AND DISCUSSION**

## **CHAPTER 3**

### **RESULTS AND DISCUSSION**

#### **Major findings**

This chapter finally highlights the findings of the study from the data collected from 75 respondents.

#### **Demographic profile of the respondents**

The demographic status of the respondents is kind of the objective that this research tried to find out.

- 62 per cent of the respondents are between the age group of 20-25 and 26 per cent are between 15-20 years and above 25 years are only 12 per cent which indicates that majority of the youth are in colleges are aware of financial knowledge.
- 54 per cent of the respondents are female and 46 per cent of the respondents are male. And all of the respondents are unmarried.
- Most of the respondents are unemployed and did not have an income.

#### **Financial literacy background**

88 per cent of the respondents did not learn how to manage their own money in class and the rest 12 per cent of the respondents learn how to manage their own money in class, out of 50 respondents it can be noticed that majority of the respondents did not learn how to manage their own money.

78 per cent of the respondents did not use any of the textbooks that discusses about money matters and the other 22 per cent of the respondents used the textbooks that discusses about money matters, from these it is shown that out of 50 respondents majority of the respondents did not use any books/textbooks that discusses about money matters.

Interest Payment, Depreciation and Shares/Stocks are not so much known by the respondents as the study represent. While Budget and Bank Loans are well known by the respondents.

Out of 50 respondents most of them (76 per cent) are describing the purposes and uses of money and 24 per cent of the respondents has never described the purposes and uses of money. And majority of the respondents have never explored the differences between spending money on needs and wants. Most of the respondents explore the ways of planning to pay an expense while only 36 per cent of the respondents never did it. Majority of the respondents never discussed the rights of consumers dealing with financial institutions. And according to the study majority of the respondents have never discussed about the ways in which money invested in the stock market changes value over time. Also 68 per cent of the respondents never analyzed advertisements to understand how they encourage people to buy things.

Out of 50 respondents 86 per cent of them are getting information about money matters from their parents/guardians or other relatives, and 44 per cent of the respondents got their information from friends, and 38 per cent from the Television, and 54 per cent of the respondents got their information from the internet and 20 per cent of the respondents got the information from the magazines, and 58 per cent of the respondents got their information from their teachers. From this study we can see that majority of the respondents know about money matters from different sources.

From this study we can see that majority of the respondents discussed about spending decisions with their parents/guardians or other relatives and also discussed about family budget at a least of once or twice a month. On the other hand almost all of the respondents never discussed about news related to economic or finance. From the study we can see that majority of the students in Lunglei colleges are not too much aware of news relating to economic or finance instead discussed more about their spending decision and family budget.

66 per cent of the respondents got money from an allowance or spending money for regularly doing chores at home, 48 per cent of the respondents got money from an allowance or spending money without having to do any chores, and majority of the respondents (82 per cent) of the respondents got money from working outside college hours, and all of the respondents got money from gifts from friends and relatives and also by selling things. From this study it is shown that majority of the respondents have got money by working outside college hours and by doing chores at home.

Out of 50 respondents majority of them agree with the terms agree that they can decide independently what to spend their money on and all of the respondents agree that they can spend small amounts of money independently but have to ask for permission from their parents and other relatives. And all of the respondents agree that they are not responsible for their own money matters. From the study it can be seen that most of the college students can not independently handle their own money or they need to ask for permission from their parents and relatives.

Out of 50 respondents only 8 per cent of the respondents always compare prices in different stores, and the other 92 per cent of the respondents sometimes compare the prices in different stores. 32 per cent of the respondents never compare prices between stores and online stores, while more than half of the respondents sometimes compare the prices. 72 per cent of the respondents sometimes used to buy products without comparing prices. And out of 50 respondents only 14 per cent of the respondents wait until the product prices gets cheaper. From this study we can see that majority of the college students are not so much in savings or they are just spending their money on what they want without caring much of the prices.

Majority (88 per cent) of the respondents are confident on making a money transfer, and also 96 per cent of the respondents are confident on filling in forms at the bank, and 54 per cent of the respondents are confident in understanding bank statements. And all of the respondents are confident on keeping track on their bank account. Also majority of the respondents are confident on planning their spending with consideration of their current financial situation. From this we can see that majority of the respondents are confident on tracking their own bank account.

Almost all of the respondents agree with the term “I enjoy talking about money matters”, and 70 per cent of the respondents agree that young people should make their own decisions about how to spend their money. 92 per cent of the respondents agree that money matters are not relevant for them right now. Also 76 per cent of the respondents agree that they would like to run their own business in the future. These reveals that majority of the respondents are agreeing that they want to have their own decisions on how they spend their money but also agree that money matters are not relevant for them for now.

Majority of the respondents are in the age group between 20-25 years in which 54 per cent of them are female and 46 per cent of them are male which means female are a bit more aware of financial literacy.

The study shows that most of the respondents are mostly using mobile banking like UPI and other app. Also the respondents are not so much aware of commercial subjects like interest payment, depreciation, etc.

Most of the responses of all the 50 respondents are in a positive result that they are not deciding by their own on how they spend larger amount of their money by their own but asking permission from their parents/guardians or other relatives as they do not have an income.

**CHAPTER IV**  
**CONCLUSION AND SUGGESTION**

## **CHAPTER4**

### **SUGGESTION AND CONCLUSIONS**

#### **SUGGESTIONS:**

1. It is strongly advised that young people pay attention in order to gain a better understanding of finances.
2. It is crucial to teach young people how to make wise decisions.
3. It is advised that the youth remember that financial literacy is the understanding of how to make wise financial decisions.

#### **CONCLUSIONS:**

The majority of the respondents according to this study, are not financially independent of their parents or guardians, who must give them permission before they can spend more money as they see fit. The vast majority of the respondents use mobile banking services like UPI, YONO, Internet Banking etc. It appears that using these technologies is both simpler and safer. This study's findings demonstrate that the majority of respondents are not particularly informed about economic or financial news, focusing more on their own spending choices and family budgets. It may be inferred that while most respondents occasionally used to compare prices across different stores, very few respondents always did so.

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**APPENDIX 1: QUESTIONNAIRE**  
**(ENGLISH)**

## Appendix

### Financial Literacy Questionnaire

#### ***Instructions***

In this questionnaire you are being asked questions about your experience with money matters in school and outside of school/college. When you answer the questions, please think about all of your experiences during the last 12 months (that is, since this time last year), *even if you have changed school/college during this time*. There are no right or wrong answers. Your answers should be the ones that are right for you.

You may ask for help if you do not understand something or are not sure how to answer a question.

#### ***Personal Information***

**Gender:** Male ( ) Female ( )

**Age:**

**Address:**

**Ph.No:** (Discretionary)

**Marital Status:** Married ( ) Unmarried ( )

#### **Background Questions**

<b>1. Have you ever learned how to manage your money in a class?</b>
--

*(Please select one response in each row.)*

	<b>Yes</b>	<b>No</b>
<b>At school, in a subject or class specifically about managing your money</b>	( )	( )
<b>At school as part of another subject or class</b>	( )	( )

*(If yes in any, Please specify in two or three sentences on which subject you have learnt and how.)*

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## 2. Thinking about the school/college textbooks that you have used in the last 6 months:

(Please select one response in each row.)

	Yes	No	I don't know
Have you used a specific textbook on money matters?	( )	( )	( )
Have you used a textbook on some other subject that discusses money matters?	( )	( )	( )

## 3. Thinking about school/college classes in the last 6 months, have you heard of, or learned about, the following terms?

You may have heard about these terms from someone else, such as your parents/guardians or friends, but please only think about what you have heard or learned in school.

(Please select one response in each row.)

	Never heard of it	Heard of it, but I don't recall the meaning	Learned about it and I know what it means
Interest payment	( )	( )	( )
Budget	( )	( )	( )
Bank Loan	( )	( )	( )
Depreciation	( )	( )	( )
Shares/Stocks	( )	( )	( )

## 4. How often have you encountered the following types of tasks or activities in a school class in the last 6 months?

(Please select one response in each row.)

	Never	Sometimes	Often
Describing the purpose and uses of money	( )	( )	( )
Exploring the difference between spending money on needs and wants	( )	( )	( )
Exploring ways of planning to pay an expense	( )	( )	( )
Discussing the rights of consumers when dealing with financial institutions	( )	( )	( )
Discussing the ways in which money invested in the stock market changes value over time	( )	( )	( )
Analyzing advertisements to understand how they encourage people to buy things	( )	( )	( )

**5. Where do you get the information you need about money matters (such as spending, saving, banking, investment)?**

*(Please select one response in each row.)*

	<b>Yes</b>	<b>No</b>
Parents/guardians or other adult relatives	( )	( )
Friends	( )	( )
Television or radio	( )	( )
The Internet	( )	( )
Magazines	( )	( )
Teachers	( )	( )

**6. How often do you discuss the following matters with your parents (or guardians or relatives)?**

*(Please select one response in each row.)*

	<b>Never or hardly ever</b>	<b>Once or twice a month</b>	<b>Once or twice a week</b>	<b>almost everyday</b>
Your spending decisions	( )	( )	( )	( )
Your savings decisions	( )	( )	( )	( )
The family budget	( )	( )	( )	( )
Money for things you want to buy	( )	( )	( )	( )
News related to economics or finance	( )	( )	( )	( )

**7. Do you get money from any of these sources?**

*(Please select one response in each row.)*

	<b>Yes</b>	<b>No</b>
An allowance or spending money for regularly doing chores at home	( )	( )
An allowance or spending money, without having to do any chores	( )	( )
Working outside school hours (e.g., a summer job, part-time work)	( )	( )
Working in a family business	( )	( )
Occasional informal jobs (e.g., babysitting or mowing lawns)	( )	( )
Gifts from friends or relatives	( )	( )
Selling things (e.g., at local markets or on eBay)	( )	( )

**8.How much do you agree with the following statements about the way you handle your money?**

*(Please select one response in each row.)*

	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Agree</b>	<b>Strongly agree</b>
I can decide independently what to spend my money on.	( )	( )	( )	( )
I can spend small amounts of my money independently, but for larger amounts I need to ask my parents or guardians for permission.	( )	( )	( )	( )
I need to ask my parents or guardians for permission before I spend any money on my own.	( )	( )	( )	( )
I am responsible for my own money matters (e.g., for preventing theft)	( )	( )	( )	( )

**9.When you think about buying a new product using your allowance, how often do you do any of the following?**

*(Please select one response in each row.)*

	<b>Never</b>	<b>Rarely</b>	<b>Sometimes</b>	<b>Always</b>
Compare prices in different stores.	( )	( )	( )	( )
Compare prices between a store and an online store.	( )	( )	( )	( )
Buy the product without comparing prices.	( )	( )	( )	( )
Wait until the price of the product gets cheaper before buying it.	( )	( )	( )	( )

**10.Do you have any of the following things?**

*(Please select one response in each row.)*

	<b>Yes</b>	<b>No</b>	<b>I don't know what it is</b>
An account with a bank or credit union	( )	( )	( )
A debit card	( )	( )	( )
A mobile app to access your account	( )	( )	( )

**11.How confident would you feel about doing the following things?**

*(Please select one response in each row.)*

	<b>Not at all Confident</b>	<b>Not very Confident</b>	<b>Confident</b>	<b>Very Confident</b>
Making a money transfer (e.g., paying a bill)	( )	( )	( )	( )
Filling in forms at the bank	( )	( )	( )	( )
Understanding bank statements	( )	( )	( )	( )
Understanding a sales contract	( )	( )	( )	( )
Keeping track of my account balance	( )	( )	( )	( )
Planning my spending with consideration of my current financial situation	( )	( )	( )	( )

**12.When using digital or electronic devices outside of the bank (e.g., at home or in stores), how confident would you feel about doing the following things?**

*(Please select one response in each row.)*

	<b>Not at all Confident</b>	<b>Not very Confident</b>	<b>Confident</b>	<b>Very Confident</b>
Transferring money.	( )	( )	( )	( )
Keeping track of my balance.	( )	( )	( )	( )
Paying with a debit card instead of using cash.	( )	( )	( )	( )
Paying with a mobile device (e.g., cell phone or tablet) instead of using cash.	( )	( )	( )	( )
Ensuring the safety of sensitive information when making an electronic payment or using online banking.	( )	( )	( )	( )

**13.To what extent do you agree with the following statements?**

*(Please select one response in each row.)*

	<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Agree</b>	<b>Strongly Agree</b>
I enjoy talking about money matters.	( )	( )	( )	( )
Young people should make their own decisions about how to spend their money.	( )	( )	( )	( )
Money matters are not relevant for me right now.	( )	( )	( )	( )
I would like to run my own business in the future.	( )	( )	( )	( )

**Thank you very much for your cooperation in completing this questionnaire!**