A Study on Financial Literacy and Financial Behaviour among College Students: A Case Study of Wangcha Rajkumar Government College, Deomali.

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Abstract
Financial literacy plays an important role in helping individuals make informed decisions about saving, spending, investment, and financial planning. This study, titled "A Study on Financial Literacy and Financial Behaviour among College Students: A Case Study of Wangcha Rajkumar Government College, Deomali," examines the level of financial literacy and financial behaviour among college students. The study focuses on students' knowledge of basic financial concepts, saving habits, investment awareness, budgeting practices, and participation in financial activities. Primary data are collected through a structured questionnaire, supported by relevant secondary sources. The collected data are analysed using suitable descriptive and statistical methods. The study also examines the gap between students' financial awareness and their actual financial participation. The findings are expected to highlight the importance of financial education in developing informed and responsible financial behaviour among college students.

Keywords: Financial Literacy, Financial Behaviour, College Students, Saving, Investment, Financial Awareness, Stock Market.

Introduction:
India as a country considered to be one of the fastest growing economies in the world leaving behind many giant European nations. Most recently GDP of the country is recorded high at 7.8% for first quarter for the year 2026-27. In this celebration, country's poverty rate, unemployment rate, inflation, devaluation of rupees still causing major problems in the Government Viksit Bharat 20247 which is India's long-term vision for transforming country into fully developed. For that matter, govt. has to revisit macroeconomics policies and resurrect country's economy by pushing more monetary and fiscal support to budding entrepreneurs and improve overall eco-system of economy in the country. It will not just help small enterprise but also act as a support system to the medium and large enterprise. More financial and technical aid need to be provided to them.
In the backdrop of this situation, financial literacy among students can be promising factors to bring better economic situation in the country as young have the potential to contribute more productively in the economy with financial knowledge they have. At the same time country's education policy on this front seems to be lopsided or ignored for quite long time. Many places in the country where financial inclusion seems to be very rudimentary level not to mention investment in stock and mutual funds. One of the most

striking features of India's financial literacy landscape is the disassociation between awareness and actual participation in the stock market. Though many people have knowledge about product and investment portfolio but few actually participate in the market. Reason for that may be lack of trust, fear of losses, lack of fund and insufficient knowledge.

The Digital Paradox: Despite massive digital banking growth—with World Bank Findex data showing that account ownership in India reached 89%—actual financial literacy lags behind at 27%[1]. According to the S & P (Standard & Poor) rating service 35% of men worldwide are financially literate compared to 30% of women[2]. They conducted survey based on the four parameters. They calculate this index on simple calculation and assumption. 3 out of 4 universal economic principles: risk, diversification, inflation, numeracy and interest compounding.

Meaning of Financial Literacy:

Financial literacy is defined by the **OECD** (Organisation for Economic Co-operation and Development) as a combination of awareness, knowledge, skill, attitude, and behaviour necessary to make sound financial decisions and ultimately achieve individual financial well-being. According to the National Centre for Financial Education Financial Education focuses on the core life skills, knowledge, behaviour, and attitude required to make responsible money management decisions.

In common parlance Financial literacy is the ability of the person or an individual who can understand and use different financial skills like personal financial management, saving, budgeting and investing. The term focuses on how an individual can manage money in hand to make it grow through investment in debt fund, mutual fund or any financial instruments.

Financial literacy has significant role shaping overall economic well-being of the persons. It helps people to understand how money or finance can be used to get mileage in the life. This knowledge and skill wiser person in the field of finance. Without proper knowledge people often get in the trap called debt trap. One of the important striking benefit of having financial skills is that people can avoid high-interest debt by understanding meaningfully how loan, credit card and interest there upon works. It also gives knowledge about the compound interest which allow people to save and invest money in long run.

Financial literacy in tantamount to mental well-being of the people. When person is financially sound it reduces social stress and improving quality of life. Because money can almost cure all social ailment in the society such poverty, hunger, starvation, unemployment etc. people get into anti-social activities as people don't have much skill in money i,e investing money. Person with investment attitudes will always keep themselves in learning new things which may be learning about block chains, crypto-currency, trading. Financial literacy is one of the way to solve many social ailments. It can improve person concerned as well as society as a whole. When people are doing busy in some productive activities, it automatically drives future economy in better and prosperous.

At the same time learning financial knowledge is not everyone's choice. Some people know financial management from childhood and those people have high chance to get success in life. Some people don't know about finance and how it works that person has less possibility to get success. Financial knowledge doesn't limit to textual or written but it can be inherent in the culture of the society for example Marwaris- the biggest business community in India. They don't even go for formal school to learn about the finance;

[1] https://www.google.com/search.
[2] S&P Global FinLit Survey – GFLEC

it is inherent in their culture to talk about finance, business, accounting etc, which makes them unique and proficient in the field of business as well as wealthy society at large. Environment of the society also influence financial knowledge dissemination. Peer effect is one which can also influence person to participate in investing. When it comes to investment return is of paramount importance. If some peers are earning good amount of money from investment, then it has chance that other will also start investing. So peer and groups from where some individuals belong also equally important determinant in the level of financial knowledge.

There are various hurdles which obstruct financial knowledge dissemination in the society. Following are some prominent factors which limit a person's ability to become financially literate or knowledgeable:

- Lack of early financial education in the society.
- Limited awareness due lack of infrastructure like schools, colleges and universities.
- Socio-cultural hindrances such as belief in saving not investing. Some people beliefs that investing in the stock market is gambling.
- Lack of support system like absence of banking system, lack of internet and other related infrastructure.
- Lack of individual motivation to learn. Most people beliefs that earing and parking that money in saving account is enough. But it is not.

Need of the study:

Understanding the art of saving and investment among the young student can be promising task in the early age. Student generally receive money from their parents as pocket money, part-time job, stipend & scholarship and other source which generate money among the students. Though amount they received may be small and irregular, but still they can learn how to use those scarce financial resources. Financial knowledge encourages students to dwell into deep knowledge about saving, investment, budgeting and other relevant financial planning. This understanding helps to get idea about financial knowledge and one kind of testimony to gain insight knowledge and skill in managing financial affairs effectively.

Present study is needed to underscore understanding level among the students regarding financial matter and money management along with their curriculum syllabus. Many students even parents of the students have no knowledge and limited knowledge about preparing proper financial planning and controlling their expenses. They come under the trap of debt due to less knowledge about financial management. This situation further leads to poor financial habits i.e less saving, overspending, misuse of credit card, accumulating more and more debt burden. Understating and examining their financial literacy level can unearth gap of their knowledge and participation in the stock market.

This study would also be helpful for the students, parents, educational institution, and policy makers. Students can themselves become updated and awareness about their financial goals in their life, while educational institution can design proper curriculum to prepare fine tune course structure for the students by conduction seminars, workshop etc. for the parents, it its parents who will take care of financial need of the students, so parents can act as supportive role by encouraging saving and investing more. This study will be win-win situation for all stakeholders as it will keep students informed, avoiding financial mismanagement and build better and secure financial freedom in days to come.

Profile of the study area:

Deomali is a Notified Town city in district of Tirap, Arunachal Pradesh. The Deomali Notified Town has

population of 6,648 of which 3,393 are males while 3,255 are females as per report released by Census India 2011[3].
Population of Children with age of 0-6 is 811 which is 12.20 % of total population of Deomali (NT). In Deomali Notified Town, Female Sex Ratio is of 959 against state average of 938. Moreover Child Sex Ratio in Deomali is around 993 compared to Arunachal Pradesh state average of 972. Literacy rate of Deomali city is 81.86 % higher than state average of 65.38 %. In Deomali, Male literacy is around 86.77 % while female literacy rate is 76.71 %.
Deomali Notified Town has total administration over 1,607 houses to which it supplies basic amenities like water and sewerage. It is also authorize to build roads within Notified Town limits and impose taxes on properties coming under its jurisdiction.
Wangcha Rajkumar Government College (formally Tirap College) is the premier institution catering higher learning & education for Patkai region of Aruanchal Pradesh. It was started in the year of 1997 at Charju, Khonsa. Later part, WRG College was shifted from Khonsa to Deomali in the 2000. Remaning of the college took place in the year of 2008 honouring Lt. Wangcha Rajkumar, a prominent political figure of the region. College is situated in the heart of the Deomali, sub-division of Tirap District. Total number of the college for the session is approximately 700 students from Tirap, Longding and Changlang district. Due to proximity with neighbouring state Asaam- good number of students from that region prefer to get education from WRG College, Deomali. The nearest railway station is Naharkatia (at a distanceof18 kilometres approximately) and the nearest airport is at Mohanbari, Dibrugarh (72 kilometres approximately).
The track record of the college in the university examinations speaks for the quality of education imparted here. The college's excellent reputation in teaching, its strong examination results and its support facilities create an academic environment where students are inspired to reach their highest potential. The academic activities are bolstered with various extra-curricular activities which support the growth of all-round potential of the students. [4]

Objective:

1. To understand gap between participation and awareness about stock market.
2. To understand the perception of students about stock market and mutual fund.

Research Methodology:

The present study adopts an exploratory and descriptive research design to examine the level of financial literacy and financial behaviour among college students. A mixed-method approach, incorporating both quantitative and qualitative methods, has been employed, with greater emphasis placed on the quantitative aspects of the study. The exploratory approach helps in developing a broader understanding of students' financial awareness, knowledge, and behaviour, while the descriptive approach facilitates the systematic presentation and interpretation of the information collected from the respondents.
For the collection of primary data, a structured and well-designed questionnaire was prepared in accordance with the objectives of the study. The questionnaire was administered to the selected students

[3] https://www.census2011.co.in/data/town/801440-deomali-arunachal-pradesh.html#google_vignette accessed on 16.09.26.
[4]https://wrgcollege.edu.in/pages/about accessed on 16.09.26

through an online mode, primarily by sharing the questionnaire link through WhatsApp and e-mail. The questions were designed to obtain information relating to students' financial literacy, saving habits, financial awareness, investment knowledge, and participation in financial activities such in stock market and mutual funds.

A total sample of 150 students was selected from the B.A. and B.Com. streams of the college. The respondents were drawn from different semesters to ensure representation across the undergraduate student population. Of the total 150 respondents, 35 students were from the 1st semester, 55 from the 3rd semester, 45 from the 5th semester, and 15 from the 7th semester. Both probability and non-probability sampling techniques were employed in the selection of respondents, depending on the accessibility and availability of the students.

The study also makes use of secondary data to supplement and support the primary findings. Secondary information was collected from relevant research journals, academic papers, books, reports, and reliable websites. These sources provided the necessary theoretical background and helped in understanding previous studies related to financial literacy and financial behaviour.

After the data were collected, they were organised, classified, tabulated, analysed, and interpreted in accordance with the objectives of the study. Descriptive methods were primarily used to analyse the responses, and the findings were presented through tables, graphs, histograms, pie charts, and other suitable statistical presentations. These methods were used to make the results clear, systematic, and easier to understand. The study was conducted during the 2026–27 academic session

Data Interpretation & Results:

Profile of the Respondent:

Table No. 01: Demographic Profile of the Students

Semester	Gender			Total	Percentage(%)
	Male	Female	Prefer not to Say		
1st semester	20	15	-	35	23.33%
3rd semester	30	25	-	55	36.66%
5th semester	30	15	-	45	30%
7th semester	10	5	-	15	10%
Total	**90**	**60**		**150**	**100%**

Sources: field study, 2026

Altogether data have been collected from 150 respondents. As shown in the table 35 (23.33%) respondent have been collected from 1st semester, 55 (36.66%) respondents from 3rd semester, 45 (30%) respondents from 5th semester and 15 (10%) respondents from 7th semester.

Source of Finance:

Table No.02: Source of Finance of Students

Source of finance	No. of Students	Percentage(%)
Parents/Guardian	130	86.66%

Part-time/Stipend	15	10%
Students loan and others	05	3.33%

Sources: field study, 2026

Above Table No. 02 depicts nature and sources of money that students received. As per data majority of the students under study depends on their parents or guardian for financial support. Out of the total respondent surveyed, 130 students (86.66%) reported that their source of finance is their parents or guardian, it means that most of the students are financially depended on their families to meet their educational and personal expenses in the college. Table also shows that 15 students (10%) obtain their financial requirement through part-time works and stipends. It clearly indicates that students are not earning money their own. It also suggests that very small portion of the student earns or receive financial support through employment, internships, scholarships or any grants. Further, only 5 (3.33%) students has reported that they are managing their financial requirement through educational loans or any other financial source which is recorded very relatively low among the respondents surveyed. It can be concluded that students don't have much scope to take financial decision themselves. This will further discourage students to take risk and invest in stock market and mutual funds.

Frequency of money received by students from parents

It is visible from the table No.02 that 86.66% of the students' source of finance is their parents/guardian. So, further present study tries to understand frequency of money received by the students. Following table No.03 gives detail about the frequency of financial support received by the students.

Table No. 03: Frequency of Financial Support Received by Students

Category	**Frequency n=150**	**Percentage (%)**	**ranking**
Daily	5	3.33%	4
Weekly	25	16.66%	3
Monthly	90	60%	1
No fixed period/only when asked	30	20%	2
total		**100%**	

Sources: field study,2026

According to the data represented above 90 students (60%) of the respondents receive financial support from their parents on monthly basis. This indicates that monthly financial support is the most common pattern among the students. It may help students plan and manage their regular expenses such as food, transportation, study materials, and other personal needs. 25 students (16.66%) receives financial support from their parents weekly. This indicates that a smaller group of students receives financial support at shorter and more regular intervals. Only 5 students (3.33%) receive money daily. Further 30 students (20%) received financial support when they asked. This group of samples reflect unplanned financial management amongst the different groups.

Awareness Level of Students about Basic of Financial Literacy

Table No. 04: awareness level of students about the basics about Financial literacy

Components of financial Literacy	Highly Aware	Aware	Moderately Aware	Less Aware	Not Aware	Mean Score	Rank
Meaning and understanding of financial literacy	45	55	30	15	5	3.80	4
Budget preparation and planning	35	50	35	20	10	3.53	5
Knowledge about saving	55	60	20	10	5	4.00	1
Knowledge of bank accounts and banking services	50	55	25	15	5	3.87	3
Understanding of interest rates	30	50	35	25	10	3.43	6
Understating of inflation and its effect on purchasing power	25	45	40	25	15	3.27	9
Knowledge about stock market and mutual fund	25	45	40	30	10	3.30	8
Awareness of insurance and its importance	30	50	35	25	10	3.43	7
Awareness of digital banking and online financial transactions	50	60	25	10	5	3.93	2

Sources: field study,2026

From the Table No.04, it shows that awareness level on different aspect slated above shows diverse and different level of understanding and awareness among the students. The highest mean score is observed for knowledge about the savings with a mean score of 4.00, which considered to be relatively high level of awareness among the students. Some groups of respondents also show high level of awareness regarding digital banking and online financial transaction with a mean score of 3.93, which followed by bank accounts with a mean value of 3.87. this figures shows that students are relatively familiar with rudimentary knowledge about bank and banking services. On the contrary students found to be less knowledge about inflation and its effect on purchasing power with low mean score of 3.27. additionally, they little knowledge about investment in shares, mutual funds and other financial instruments. This shows that students have little knowledge about investment in different portfolios. Overall, above table depicts that students have acquired basic financial aspect such bank account, savings and online payment through UPIs. On the other hand, students are less and comparatively lower knowledge about investment, inflation, compound interest. This suggest that students need to educated properly about financial education so that they can make sound and informed financial investment decision.

Relationship between Stock Market Awareness and Participation

Table No.05: Stock Market Awareness and Participation

Level of stock market awareness	Participating-Yes	Participating-No	Total	Participation (%)
High Awareness	6	54	60	10.00%
Moderate Awareness	4	56	60	6.67%
Low Awareness	2	28	30	6.67%
Total	**12**	**138**	**150**	**8.00%**

Sources: field study,2026

Table No. 05 depicts that out of the total 150 respondents only 12 students (8.00%) participate in the stock market. Participating in stock market means that students are directly and indirectly buying and selling financial instruments such as shares, stocks, bonds, mutual fund or other investment products with an objective to earning returns or increasing wealth. These 12 students which represented themselves as Yes category may indirectly be participating in the stock market i.e through their parents. While 138 students (92.00%) represented as not participating in the stock market.

It shows that participation in stock market is very low across the level of awareness. They have relatively good knowledge about saving and other basic knowledge about the finance. There are some groups of respondent had high awareness but participation in the market is low which implies that awareness alone may not be sufficient parameter to encourage students' participation in the stock market. Some of the students' beliefs that stock market is 'gambling'. Though price of shares and stocks keep fluctuating which is due to overall economic situation and sentiments in the stock market. But nothing is permanent in market it changes which also depends on company's profit, financial performance, economic condition and geo-political condition.

Conclusion

In the era of the digital world learning about stock market becomes easy. Learning investing helps an individual to earn profit in long run. But it is not always necessary that long run will fetch profits. As

Japan's experience that long term investment and profit are not same things. It is important lesson for investors that who bought stock near 1989 peak and simple waited stock market to recover i.e Nikkei Index had to wait 2024 which more than 34 years because Nikkei able to exceed its previous high of 1989 in 2024 only. It clearly shows that long run doesn't yield profit for sure but it is not gambling either. It based on calculated risk and personal experience in the stock market.
Financial literacy helps students about basic concepts such budgeting, saving, interest and financial planning. The present study indicates that the students who possess better financial knowledge are generally prone to be more informed financial decision and managing their finance effectively. Present study also explores that that having financial knowledge alone does not always result in responsible financial behaviours. In the present context students do have knowledge and relatively high awareness but they are not participating in the stock market due income factors, access to financial information, personal spending habits. Therefore, it pertinent that there must be education about the stock market to develop both financial knowledge and practical financial skills in the colleges.
Additionally, presents study also shows that college curriculum and education can play pivotal role creating awareness and imbibe inclination behaviours towards stocks market. Providing students about savings, budgeting, banking services, investment and their associated risk with financial instruments can promote students' interest. Focus can be provided students about the investment and its risky speculation. Financial literacy is important life skill especially for the college students reason being that during their students' life they can learn investing and also can influence their parents and friends to invest. As Warren Buffett was quoted that "Risk comes from not knowing what you're doing." It simple meant that knowledge and information about the investment before putting money into it can help investors take more effective and sound financial decision making. This skill only comes through the thorough knowledge & level of financial literacy about the stock market.

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