

# **A Study on Impact of Demographic Factors on Financial Awareness among the Graduation Students in Commerce With Respect To Mysuru District**

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**Abstract:** *Financial literacy is the capability of understanding, analysing, interpreting and using financial matters for daily life. It is not only at personal level that individuals should understand the basic financial issues and use it for appropriate functioning of financial resources but also at business, community level. The need for financial literacy would continue to grow because individuals are expected to become more self-reliant. That is why financial literacy has become an increasingly significant research topic in developed and developing countries around the world. The present study is going to address the impact of demographic factor on financial awareness of especially graduation students in commerce. Sample of 117 were selected by Random Sampling method and data collected through structured questionnaire with the help of Google form, and data were analysed by t-test ANOVA and descriptive statistics. The study found that there is no significant difference between age, source of income, annual income of the family and financial awareness among the graduation students in commerce, but it also revealed that there is a significant difference between gender and financial awareness of among the graduation students in commerce.*

## **I. Introduction**

In an era marked by rapid economic transformations and evolving financial landscapes, financial awareness stands as a cornerstone, the ability to navigate complex financial decisions and understand the unique characteristics of economic systems is a crucial skill set for individuals entering the professional realm, Financial literacy is especially important for students pursuing studies in commerce, as it empowers them to comprehend and engage with the complex financial systems that shape our world. The ability to make informed decisions about budgeting, investments and financial planning not only secures a stable future for these students but also contributes to the overall economic well-being of the society

Commerce students with their focus on other subject are not develop a deep understanding of the complex financial mechanisms that govern businesses and economies. But academic ability alone might not be enough to prepare these kinds for the complex problems presented by the real-world financial environment. Therefore, it is crucial to promote financial awareness by arming people with the complexities of both personal and professional money in addition to theoretical understanding.

This study aims to uncover the depths of graduate students comprehension, attitudes and behaviours towards many financial elements by conducting an extensive investigation of their financial awareness. The study of commerce, a field closely related to economic theory and corporate operations, provides the perfect context for this enquiry. The goal of the study is to determine the current state of financial literacy and evaluate the student's readiness to deal with the shifting financial environments that they will face as future carers.

## **II. Literature Review**

**Narander KN and Saumya J (2017).** The results revealed medium levels of financial literacy. It also found that male students have higher levels of financial literacy. Commerce students display a higher level of financial literacy compared to arts and science students. A significant positive correlation is observed between financial literacy and financial behaviour.

**Bharat ST and Surendra RN (2021).** The results showed that most of the students have basic level of financial knowledge and students were highly influenced by their parents at home and they had positive attitude towards savings. It was also found that income, age, stream of education, types of college were determinants of financial knowledge and financial knowledge was unaffected by gender, university affiliation, financial behaviour.

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**Balanagalakshmi B et.al.,(2022).** The experiential findings exhibited that knowledge regarding various financial service factors has significant impact on getting financial access. Variables such as age, income level of parents, knowledge regarding depositing and withdrawing money and knowledge regarding interest rate etc. affected the overall access to finance.

### Objectives of the Study:

To analyse impact of demographic factors on financial awareness among the graduation students in commerce

### Hypotheses:

H0: There is no significant difference between demographic factors and financial awareness among the graduation students in commerce

### Research Methodology:

#### Reliability Statistics

Cronbach's Alpha	N of Items
0.963	20

Exploratory research method was employed to study the impact of demographic factors on financial awareness of students and the required data were collected from primary and secondary sources. Primary data were collected through structured questionnaire with the help of Google- form, the reliability test value of the questionnaire was  $0.963 > 0.8$ , it indicates that the statements were reliable to test the hypotheses. The samples were selected based on Simple Random Sampling method. Total 117 responses were considered for the present study to generalize the outcome of the study. Frequency, standard deviation, independent sample t-test and one way ANOVA were used for analysis and interpretation purpose.

## III. Result and Analysis

### Demographic Factors:

Demographic Factors	Frequency	Percentage	
Age	Below 18 years	8	6.8
	18-20 years	98	83.8
	above 20 years	11	9.4
Gender	Male	76	65.0
	Female	41	35.0
Annual Income of the Family	Below 1 Lakh	90	76.9
	1Lakh – 3 Lakh	19	16.2
	3 lakh-5 lakh	6	5.1
	above 5 lakh	2	1.7
Sources of Money	Employment	11	9.4
	Self-Employment	24	20.5
	Pocket Money	78	66.7

Source: Field Survey

The above table indicates the demographic factors of the respondents who have considered for the present study. Majority of the respondent were belongs to the age group of 18-20 years, from the male community. Respondent prime source of income was pocket money and majority of them were belongs to annual income of Rs. 1-3 lakhs.

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H01: There is no significant difference between age and financial awareness among the graduation students in commerce

### ANOVA

Financial Awareness of Graduate Students in Commerce

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	2.686	2	1.343	2.944	.057
Within Groups	51.997	114	.456		
Total	54.683	116			

Source: Field Survey

According to the above table the F value 2.944 and Sig. 0.057 > 0.05, so that null hypothesis has accepted that is 'There is no significant difference between age and financial awareness among the graduation students in commerce'. But study also revealed that there was a significant difference regarding preparing budget to manage their personal expenses (F value 2.778, sig. 0.41 < 0.05), understanding risk and reward which was involved with investment strategies (F value 3.399 & sig. 0.37 < 0.05) and collecting information related to the economic environment and its impact on personal finance (F value 3.379 & sig. 0.38 < 0.05),

H02: There is no significant difference between gender and financial awareness among the graduation students in commerce

### INDEPENDENT SAMPLE T-TEST

	t-value	Sig. (2-tailed)
Financial Awareness of Graduate Students in Commerce	2.283	0.024

Source: Field Survey.

According to the above table F value 2.283 & sig. 0.024 < 0.05, so that the null hypothesis is rejected and the alternative hypothesis 'There is a significant difference between gender and financial awareness among the graduation students in commerce' had accepted. But was also found that, there was no significant difference gender and seeking information about personal finance and investment options (t-value 0.296 & sig. 0.768 > 0.05), keeping savings for future uncertainties (t-value 0.607 & sig. 0.68 > 0.05), making informed financial decisions (t-value 0.410 & sig. 0.833 > 0.05).

H03: There is no significant difference between source of income and financial awareness among the graduation students in commerce

### ANOVA

Financial Awareness of Graduate Students in Commerce

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.771	2	.385	.826	.441
Within Groups	51.314	110	.466		
Total	52.084	112			

Source: Field Survey

According to the above table F value 0.826 & sig. 0.441 > 0.05, so that the null hypothesis 'There is no significant difference between source of income and financial awareness among the graduation students in commerce' has accepted. But it was also found that there is a significant difference between source of income and budgeting plan in place to manage their personal expenses (F-value 10.561 & sig. 0.00 < 0.05), confidence in analysing financial statements (F-value 7.937 & sig. 0.001 < 0.05) and ability of making informed financial decisions (F-value 4.889 & sig. 0.009 < 0.05).

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H04: There is no significant difference between annual income of the family and financial awareness among the graduation students in commerce

### ANOVA

Financial Awareness of Graduate Students in Commerce

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.376	3	.125	.261	.854
Within Groups	54.307	113	.481		
Total	54.683	116			

Source: Field Survey

According to the above table F value 0.261 & sig. 0.854 > 0.05, so that the null hypothesis 'There is no significant difference between annual income of family and financial awareness among the graduation students in commerce' has accepted.

### Findings:

- Students of different age group and gender were facing difficulties in preparing proper financial budget to handle their personal expenses.
- Majority of the students were not aware how the credit scores would impact their financial credit worthiness
- Understanding the concept of risk and reward involved in investment was not common among different age students.
- There was difference of opinion regarding availing opportunities for financial education and improvement.
- There was difference of opinion related to knowledge of different types of taxes and their implications on financial discipline.
- Majority of the students were not in a position to understand the causes for inflation and its impact on purchasing power.
- Source of income did not have any impact on financial awareness of graduation students in commerce

### Conclusions:

The level of financial awareness among graduate students plays a crucial role in shaping their financial well-being and future stability. As it was revealed from this exploratory research, a substantial number of graduate students were lack of understanding of key financial concepts, including budgeting, investing and debt management. This knowledge gap would be having long implications on their ability to make informed financial decisions. Recognizing these issues the educational institutions should provide an opportunity for students to develop the necessary financial skills and knowledge among the students. Students too have a responsibility to take an active role in enhancing their financial awareness. Engaging in continuous learning, seeking guidance from financial professionals and adopting prudent financial habits are essential steps toward achieving financial well-being.

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