



A STUDY ON FINANCIAL LITERACY AMONG THE INVESTORS OF THE BARDOLI REGION

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ABSTRACT

The present paper concentrates on assessing levels of financial literacy at Bardoli. The study also investigates the relationship between financial literacy and demographic factors like age, gender, occupation, education, monthly income. To find their level of financial literacy the primary data is collected through the structured questionnaire. Sample size is taken 100 respondents. The data is analysed through percentages. The study reveals that financial literacy level is low of the respondents of bardoli region and males possess higher financial literacy than the females. Thus it concluded that policy makers and all financial institutions that focus should be on micro level segment of individual's bardoli regions.

KEYWORDS :

INTRODUCTION

Financial literacy is the knowledge and understanding of the financial concepts such as earning, spending, saving, budgeting, borrowing, investing and applying it with confidence for making effective decisions in the financial market to manage personal financial resources efficiently. Due to rapid growth in Indian economy over the last decade and expansion of financial markets through liberalization, privatization and globalization have given a way to overabundance of financial products in banking, investment and loan products. For emerging market economies, ensuring adequate access to financial products and services is more important with the financial literacy initiatives focusing on creating demand for these products/services. The level of financial literacy largely depends upon the level of education and income, insurance, real estate, paying for college, budgeting, retirement and tax planning.

Key Components of Financial Literacy:-

1. Budgeting Basics

Creating and maintaining a budget is one of the most basic aspects of staying on top of your finances. In this modern day, it's easier than ever to create a budget with the help of websites and apps. It doesn't matter if math isn't your strong suit - thanks to these user-friendly tools, everyone can get help with keeping their finances on track. And, when utilized properly, they'll keep you in the know about where your money is actually going.

2. The Impact of Interest

While you may touch upon the concepts within a mathematics course, it's important to understand different aspects, like compound interest. Understanding the ins and outs of interest can impact your finances more than you likely realize, so it's an important concept to gain a better understanding of early on in life.

3. Staying Savvy by Saving

Obviously, saving is an important aspect of maintaining a healthy financial situation. But, the majority of students don't prioritize this aspect as much as they should. It's easy to ignore things like retirement since it seems so far off in the future. Learning to save early on can help you gain the knowledge, practice and set of skills you'll utilize throughout your entire life. Beginners can start working on this concept in the simplest sense, like saving money for a higher-ticket item they desire.

4. The Credit-Debt Roller-coaster

Maybe roller-coaster isn't the right term - perhaps, downward spiral is more accurate. Meaning: it's much easier to lose credit than gain it and many students don't realize how easy it is to ruin their credit - and how difficult it can be to regain credit - before it's too late. That's why it's crucial to provide knowledge on debt earlier than later.

5. Identity Theft Issues & Safety

In this modern day and age, identity theft is more prevalent than ever. Since everything is digital and just about everyone has shopped online at one point or another, your financial information is more vulnerable to fraud. Understanding this concept, along with preventative measures, like password protection and limiting the amount of information shared online can be the key to maintaining safe accounts or, inversely, can lead to financial ruin.

LITERATURE REVIEW

Ms. Priyanka Agarwal, Radhika Choudhary Kureel and Dr. Suman Yadav. (2017) conducted a research on "A Study on Future Plan for Increasing Financial Literacy among People" The Objectives of the study was To Study the initiative taken by Financial Regulators in India. And To provide future plan for increasing financial literacy among people through proposed School level Curriculum. The study was concluded that was based on secondary data collected from various publications. The researcher used variables like OECO, RBI, SEBI, IPDA, and PERDA to find the awareness of financial literacy among people. The study found that the investment behaviour of people and will ultimate's results in financial well being of individual.

Neha Ramnani Bhargava. (2018) conducted a research on "Study on Financial Literacy and Financial Education". The objective of the study was to understand the requirements and significance of financial literacy in today's era. The study was based on secondary data which was collected through journals, magazines, and the internet. This study concluded that in India, the level of financial literacy is very low, the researcher used variables like gender, age, education, income, and employment to determine the financial literacy.

Michael E. Hanna, Robert R. Hill, and Grady Predue. (2013) conducted a research on "School of Study and Financial Literacy". The objective of study was to examine the financial literacy of students in several schools of metropolitan universities. The study was based on primary data which was collected through undergraduate juniors and seniors at the metropolitan universities. The survey consist forty questions beyond the demographic data exploring each individual knowledge of finance. The researchers used ANOVA correlation regression to analyze the data collected. This study concluded that the level of financial literacy is low between all the undergraduate students; however there is statistical difference in the degree of financial illiteracy in some schools compared to others.

Gianni Nolin, Brenda J. Cude, Swarn Chatterjee. (2013) conducted a research on "Financial Literacy: A Comparative Study across Four Countries." The objective of study was to understand whether

factors associated with financial literacy in one country can be generalized to other countries as well, or whether unique national characteristics. This study concluded that there is significant difference in financial literacy among countries indicating that there are national and cultural differences in what households know and need to know about their personal finances.

Dr. J. Gajendra Naidu (2017) conducted a research on financial literacy in India. The objective of study was to study the level of financial literacy in India by using literature based analysis. This study concluded that due to rapid growth in Indian economy over the last decade and expansion of financial markets through liberalization, privatization and globalization have given a way to overabundance of financial products in banking, investment and loan products. Low level of financial literacy prevents individuals from making right choices regarding financial decisions.

RESEARCH METHODOLOGY

Objectives:

- To study the determinants which have impact on financial literacy.
- To study about the awareness of financial literacy among investors.
- To find the need of financial literacy among investors.
- To study about the factors affecting the financial literacy.

Research Design

Descriptive Analysis:

Descriptive study is used to study the situation. This study helps to describe the situation. A detail descriptive about present situation can be found out by the descriptive study. It involves the analysis of the situation using the primary data.

Data Collection:

For the preparation of the project type of data are used i.e. primary data & secondary data.

Primary Data:

Primary data are those data which are collected by the researcher for the first time for his use. These data are pure and therefore more reliable. Primary data gives the original picture of the study or situation for which they are collected.

In this project, the primary data are collected through the use of questionnaire.

Secondary Data:

Data has been collected from both internal and external sources such as personal records, annual report, published articles, websites, web links, etc.

Sampling Method:

Non probability sampling:

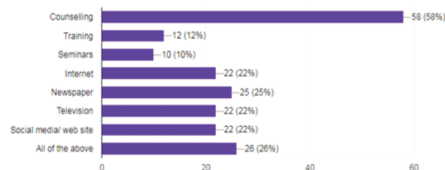
Non probability convenience sampling design is used in this project. One probability is that sampling procedure which does not afford any basis for estimating the probability that each item in the population has of being included in the samples.

Sample Size:

For this project, the sample size taken for the survey purpose is of 100 people from Bardoli region.

DATA ANALYSIS AND INTERPRETATION

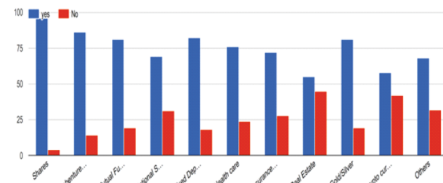
Financial literacy is gained by
100 responses



INTERPRETATION:

From the above table we can find that 58% respondents gained the information about financial literacy by counselling. 12% and 10% of the respondents are gaining information through Training and Seminars. From the social media web site respondents gained financial literacy by 22% and 22% of the respondents gained financial literacy by an internet. The other respondents gained information through Newspaper and Television are 25% and 22%. From the above graph we can find that majority of respondents gained financial literacy by Counselling than Newspaper then Social media web site than Television and then Internet. The minority of the respondents gained the financial literacy from the Seminars and Training.

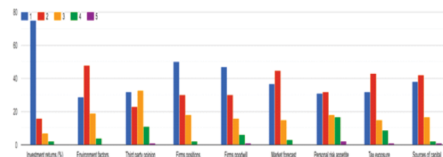
Do you aware about following Investment Avenue?



INTERPRETATION:

The above diagram shows the awareness of following avenue to the investors, 96% of the respondents are aware of the shares, 86% for the debenture and bonds, 81% for Mutual funds, 69% for the National Savings Certificate, Public Provident Fund ,P. Fund, Postal scheme, 82% for the Fixed Deposits, 76% for the Health estate, 72% for the Insurance policies, 55% for the Real estate, 81% for the gold/silver, 58% for the Crypto currency and 68% for the others investment avenue. So, as per the data collected we can say that the investors are having awareness about the investment avenue available in the market.

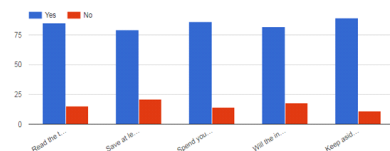
According to you which factors affect your investment decision? (Note: Highly Affected-1, Affected-2, Neutral-3, Not Affected-4, Highly not Affected-5)



INTER

The above chart shows the factor which affect to the investment decision made by the investors. Investment return is highly affect most to the investment decision while the environment factor is affect in the decision but as much the investment return, The third party opinion factor is may or may be affected to the investment decision while the Firms Positions and Firms Goodwill are highly affected to the investment decision for the investor, Market forecast is also affected but not highly affected as per the respondents while the Personal Risk Appetite and Tax Exposure is affected but not highly affected because here the investors invest their money by calculating the taxes and volatility of the security in the market and the sources of capital also affect to the decision because without proper sources of capital or income an investors cannot aim to gain profit or able to invest in the securities.

Do you aware about the following?



INTERPRETATION:

From the above diagram it indicates that the 85% of the

respondents Read The Things Carefully Before sign, 79% of the respondents save 10% From Their Income Every Month,86% of the respondents Spend Their Money On Their Needs First And Then On The Other Things They Want, 82% of the respondents are Having Willingness Of Investing Their Earnings On Portfolio To Meet Some Or All Of The Expenses and 89% of the respondents Keep Aside The Funds Or Money For The Emergency Or Rainy Day That Would Cover Their Expenses. So as per the response of the all respondents are very much good thus it indicate that the investors are aware about the following things.

CONCLUSION

This research study investigated the financial literacy among investors. Overall findings shows the awarness of investors tovars investment in various factors. Here investors mostly gained information from Social media/web site and television. Investors are less aware about Pradhan mantri mudra yojana and Indian gold coins. As a finance manager firm should suggest best government schemes to their investors. Majority of the respondents are aware about Debentures/Bonds the firm need to put more efforts for promoting various investment avenues. As per the study majority of the factors affect to the investment decision. Social media is the best way to aware the investors for various schemes for investment because of majority of the investors are under age group of 20-40. And majority of this age group are using social media more. So, it should be overcome the problems of the investors.

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