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How Financial Literacy Impact Financial Decisions?

[1]Ms. Priyal Aggarwal, [2]Ms. Simran Kushwaha, [3]Ms. Mansi Dhall,
[4]Mr. Ritik Chauhan, [5]Dr. Neetu Jain

[1,2,3,4]*M.B.A Student, Bharati Vidyapeeth (deemed to be university) Institute of Management and Research*

[5]*Assistant professor, Bharati Vidyapeeth (deemed to be university) institute of management and research*
neetu.jain@bharatividyapeeth.edu

Corresponding Author Email ID: priyalaggarwal379@gmail.com

ABSTRACT

Key Financial literacy, Financial Knowledge, Financial Attitude, Financial Awareness, Financial Behavior, Investment Decisions.

Investment decisions are decisions about the allocation of funds to investment opportunities in a way that allows the investor to obtain the highest possible return. This decision is very important for both individuals and companies as it determines their financial stability and profitability. In order to make sound investment decisions, an investor should have adequate financial knowledge or be financially literate to make these decisions. Investment decisions encompass the psychological, cognitive, social and behavioral aspects of an individual, and financial literacy broadly encompasses the parameters of financial knowledge, financial behavior, financial attitudes and financial awareness.

Purpose: The purpose of this study is to investigate the influence of financial knowledge on individuals' investment decisions. The objective of this work is to capture and analyze the interrelationship between financial knowledge and the interaction of factors that influence an investor's investment decision. The objective is to examine and measure the level of financial literacy (including financial knowledge, behavior, attitude, and awareness) of an individual and the influence it has on the investment decisions he or she makes.

Design/Methodology/Approach: This study will be conducted as a cross-sectional study. To conduct this research, a structured questionnaire will be prepared and a survey of individual investors will be conducted. Both qualitative and quantitative techniques will be used to analyze the impact and investigate the correlation between financial knowledge and investment decisions.

Findings: The study we conducted showed that financial literacy has a significant impact on the investment decisions made by an individual. The respondents who did not have sufficient knowledge of finance were reluctant to invest their money in various bonds and stocks. Investment decisions also depend on behavioral aspects, i.e. how a person behaves in various money-related issues and matters. Awareness of investment opportunities is also an important issue. We found that a number of respondents did not have adequate awareness of basic investment products available in the market.

Research limitations/implication: The limitation of this research could be the small sample that would limit its generalization. The findings from the research could be enhanced by a larger sample and by conducting comparative studies in other regions or economies, since this research might be limited to Indians only.

Sample size/sample bias: For example, let's say 100 hundred people should participate in survey. Each person may give individual results, but it does not mean that the same results belong to the whole population.

Access to data: You will not always be able to go through all the resources. You can't gather all the data you want for your research since it will take a lot of time. Because of it, your work might not cover each aspect.

Lack of time: Often deadlines are the reason why your study and research might not be complete. When we get a task, we have a limited amount of time to do it. To get a good grade, we need to submit the assignment prior to the deadline.

To conclude limitations are a good way to have an open discussion about what you discovered and how your results were affected by those limitations. Negative aspects of your study may even help you improve your research. Learn from your mistakes, and do your best to improve your work. If you need additional help with your work, you can always contact a professional to take care of it.

Practical Implications: The results of this study are important not only for the financial stability and well-being of the individual investor, but also for the development of public policy and for other interested parties. Financial literacy affects not only the financial health of individuals, but also the economy as a whole. An economy in which more people are financially literate has higher GDP and better opportunities, and this knowledge also helps people in the economy escape the clutches of poverty and helplessness.

Originality/Value: This look at is particular and groundbreaking in that it ambitions to explore each the actual direct and indirect outcomes of economic knowledge on investor behavior and funding decisions, that have formerly been studied separately. Because the

selections someone makes within the present will have an effect on her or him for an extended period of time, it's miles imperative for her or him to expand an know-how of the complete international of finance with a purpose to keep away from making the wrong desire of financial products. Therefore, financial literacy is of brilliant importance.

1. Introduction

Financial literacy is the interaction of knowledge about finance, debt and credit management. This knowledge is necessary to make sound and financially responsible decisions, as these decisions are critical to our lives. Financial literacy includes various skills such as budgeting, expense management, debt repayment, understanding the risk-return relationship of investment products, etc. Knowing these skills is critical because it significantly impacts individuals as they try to balance their budget, finance their children's education, buy a home, and secure their income in retirement. It helps individuals achieve financial freedom and stability in their lives.

In the modern world we live in, financial literacy is a top priority for most countries. It is important for individuals to understand basic financial concepts as this enables them to better manage their wealth, which in turn contributes to the economic growth of the nation. It has been shown that people who have adequate financial education and knowledge do better financial planning and are able to make the most of available financial resources to gain maximum benefits.

The task of managing money is becoming increasingly difficult, especially with the increasing complexity and accessibility of financial products and services. Today, in agricultural-based countries such as India, there is an abundance of money items that are accessible by any means. Even low-income people can open a bank account with no minimum balance, take out short-term loans, form self-help groups, etc. This gives them a range of options to choose from. Now it is up to people how and which alternatives they choose. Since people have a longer life ahead of them, the choices they make now will affect them over a longer period of time. This makes it a basic requirement to increase their knowledge of

finance to prevent them from making the wrong decisions. Due to evolving conditions, the changing needs of people as time progresses, and the dynamic nature of money, there is a critical requirement for continuous updating of financial skills among people of all ages.

In the midst of the current pandemic situation, one of the most important lessons for all of us is the importance of ensuring financial stability by having enough money to support our well-being in the event of a crisis. To help individuals save enough and avoid these challenges, financial education is critical. Most Millennials, who also happen to make up the majority of the workforce, are unprepared for a financial crisis. This was evident in the Covid 19 pandemic, where more than half of the workforce did not have an emergency plan that could cover even six months of expenses.

This may seem like an individual problem, but it affects the nation as a whole. Job loss due to COVID and lack of financial literacy has led to an increase in mortgage foreclosures. That being said, financial education can also help protect adults from fraud, which is unfortunately becoming more common. Financial literacy has very far-reaching effects on an economy, and improving it can lead the way to a global economy.

The importance of improving financial literacy has increased due to factors such as the development of new financial products, the complexity of financial markets, and changes in political, demographic, social, and economic factors. Some of these factors are briefly discussed below:

- **Complexity-** There are several options for savings and investment products. They offer different interest rates and several different options, forcing individuals to make decisions for which they are not adequately informed.

Complex financial instruments increase the pressure to make decisions and impact investments in assets, educational loans, etc.

- **Availability of alternatives** – The number of choices has increased tenfold in recent years. Individuals are exposed to a multitude of brokerage firms, banks, credit card companies, insurance companies, mortgage lenders, financial planners, and other financial service providers, all seeking assets and creating confusion for individuals.
- **Dynamic Financial Environments** – As we live in a global economy, the financial environment today is also a global market with numerous participants and all the more influencing factors. Financial markets tend to be volatile in a way that they have not been in the past. It is naturally difficult for investors to create and implement a financial plan.

This study aims to help understand not only the importance of financial literacy, but also the impact it has on investment decisions that in turn affect our lives. The objective of this work is to assess the relevance of these considerations in a rigorous context that helps link individuals' financial literacy to the investment decisions they make and the impact on their financial situation in a simple model.

The broad objectives of the study are as follows:

- Analyze the influence of financial literacy on investment decisions.
- Analyze the influence of financial behavior on investment decisions.
- Analysis of the impact of financial knowledge on investment decisions.

2. Literature review and hypotheses

After reviewing several research papers and analyzing as well as observing the facts by researchers, it can be said that financial decisions can be both rational and irrational. Each and every investment decision, be it that of an investor or a group of investors, involves psychological, cognitive, behavioral, and social aspects, as Asri

(2000) analyzed in his research. Hogarth (2002) defines financial literacy as "the way people understand and use basic knowledge of financial concepts to plan and manage their financial decisions, such as those related to investing, insurance, budgeting, and saving." Financial literacy includes the following components: Financial Knowledge, Financial Behavior, Financial Attitude, and Financial Awareness. Mugo (2016) has defined financial literacy as the most important financial concept that ensures an understanding of the following: -calculating interest rates, inflation, risk diversification in a portfolio, etc. Amos (2014) defined financial behavior as an individual's ability to budget, obtain credit, and save. OECD (2006) defined financial awareness as an individual's ability to understand financial literacy and its resources. Pankow (2012) defined financial attitude as state of mind, judgment, and opinion about finances. These things form the parts of attitude that are inseparable from the human mind, and they can influence financial decision making, which affects an investor's investment decision. This literature review presents the studies on the effects of financial knowledge, financial behavior, financial awareness and attitudes on the investment decisions made.

➢ **Investment Decisions & Financial knowledge**

In the research conducted by Greenspan (2002), he concluded that financial knowledge, when applied appropriately by individuals, can ensure that they derive maximum benefit from the planning and use of resources. He argued that if an individual increases their financial knowledge, they are more likely to be able to budget, save for their future, and make sound investment decisions. Researchers Robb and Sharpe (2009) used an Internet-based survey and electronically surveyed undergraduate and graduate students about their financial knowledge related to credit card use decisions. The results reflected that financial knowledge was the most important factor determining credit card use decisions. Researchers Rooij, Alessie, and Lusardi

(2007) found that financial knowledge was related to differentiation of financial instruments and risk diversification in the investment portfolio. This study also concluded that there is a need to improve the financial knowledge of individuals so that they can make wise financial decisions. Financial knowledge also influences the amount of finance that is used and saved, as well as the amount that should be invested. They argued that a person needs financial knowledge to make wise decisions about saving and investing.

➢ Investment Decisions & Financial Behavior

In the research conducted by Tyrimai (2013), he found that most of the households he surveyed save out of fear of an unexpected event occurring. People want to protect themselves against loss of income or emergency expenses. In their study Financial Behavior as a Necessity for Coping with Financial Literacy Problems, Brown and Graf (2012) showed that there is a strong influence of financial behavior on household investment in Switzerland. Financial behavior was measured by individuals' borrowing for their retirement savings and mortgages. The empirical results of the 1,500 households they surveyed showed a strong relationship between the level of financial behavior and the level of participation in financial markets, mortgage loans and retirement savings. The result of this study is consistent with the research conducted by Lusardi (2011) in Germany; both studies concluded that aggregate saving behavior is a prerequisite for investment decisions.

➢ Investment Decisions & Financial Attitude

In the research conducted by Ibrahim and Alqaydi (2013), they investigated the impact of financial attitudes on investment decisions in the United Arab Emirates. The result showed that people's personal financial attitudes have improved. It was found that dependence and use of credit cards decreased. The study was conducted using random sampling to reduce the risk of non-representative bias.

Researcher Ghauri (1995) found that most Singaporeans have a healthyfinancial attitude because they have a high level of financial literacy. This ensured that they were better able to cope with financial problems, engage in financial planning and management, and make investment decisions.

➢ Investment Decisions & Financial Awareness

In Puneet Bhushan's (2014) study, he examined the impact of financial literacy and investment behavior among employees in Indonesia and India. In his study, financial literacy was assessed in the dimensions of financial attitudes, knowledge, behavior, and awareness on a 5-Likert scale. The results of this study showed that a high level of financial literacy created financial awareness. Investment decisions became wiser, while individuals with low financial knowledge invested only in limited traditional products. Researchers Duflo and Saez (2003 and 2004, respectively) found evidence that individuals who had financial knowledge invested more wisely. They also found that investors who had professional experience in banking or a high level of education were skilled in financial matters and made investments easily.

Based on the various empirical studies mentioned above, our study tests the following hypothesis: -
(H1) Financial knowledge has a significant impact on investment decision.
(H2) Financial behavior has a significant influence on investment decision.
(H3) Financial awareness has a significant influence on the investment decision.
(H4) Financial attitude has a significant influence on the investment decision.

3. Research methodology:

To conduct this research study, both the validity of the financial literacy standard for different individuals and the hypothesis that financial literacy has an impact on investment decisions were tested using an online questionnaire. The target population

of the study was Indians in the Delhi NCR region. A total of 150 responses were received by the end of the survey period (June 2021). The survey was conducted randomly in a digital environment in online mode by contacting those who were willing to participate. The survey consisted of multiple-choice questions that assessed the respondents' profile, including their financial knowledge, attitudes, and financial behaviours, as well as their awareness of financial products. Financial literacy, the main topic of this study, was examined in four aspects as specified by the OECD (2013): financial attitude, financial behaviour, financial knowledge, and financial awareness. In this study, a cross-sectional design was adopted to test the model and hypotheses. Data from the survey on financial knowledge and investment decisions in different age groups were collected using self-administered questionnaires and purposive sampling. The nature of the questions was clearly described, and respondents were not allowed to choose more than one answer unless prompted. Necessary data cleaning was performed before the data were analyzed.

Population, sampling and data analysis:

Data collection for this study used a standardized survey design to obtain responses from the general public using a random sample. A list of friends and colleagues as well as some investors, etc. were contacted for the survey. These individuals were contacted through online platforms such as Whatsapp and Gmail. The survey was disseminated through various social media channels in order to get responses and thus achieve an appropriate sample size. The population from which a suitable sample was drawn consists of Indian households. The English version of the questionnaire was distributed based on the native language of the different households. The questionnaire was distributed in the form of Google form as due to the constraints of Covid-19 pandemic; it was not possible to distribute the questionnaire in person. The online mode allowed us to reach people faster and easier and

collect a large amount of data for the study. 150 people from different age groups, genders, occupations, etc. responded.

Participants:

A total of 150 individuals from the Delhi NCR region were surveyed. The data was collected through random sampling and the questionnaire was distributed randomly to cover different groups of people and to get a more comprehensive view of the level of financial literacy and its impact on investment by interviewing people with different demographic characteristics. The questionnaire is divided into subsections. The first section includes various demographic and socioeconomic variables such as age, gender, employment status, type of employment, monthly income, and education level. Of the respondents, (55.3%) were male and (44.7%) were female. Respondents from different age groups completed the questionnaire: 18-25years (57.3%), 26- 33years (10.7%), 34-41years (13.3%), 42- 49years (12%), 50 years and older (6.7%).

Measurement of financial literacy:

The questions we used were designed to determine the financial knowledge of different individuals and how it affects investment decisions. These questions include understanding of compound interest, inflation, diversification, and mortgages. The answers to these questions are used to determine a financial literacy score based on the percentage of questions answered correctly out of the total questions.

Characteristics of the questions:

The questionnaire is a combination of several true/false/white not, yes/no/maybe questions, and questions that use a five-point rating scale to test financial literacy and investment decision-making skills. In addition, the questionnaire measuring financial literacy was divided into four parts, evaluating questions on financial knowledge, behavior, attitude, and awareness related to finance.

Composition of the questionnaire:

COMPOSITION OF THE FINANCIAL LITERACY SURVEY		
QUESTION CATEGORY	**SUB CATEGORY**	**NUMBER OF QUESTIONS**
POPULATION DEMOGRAPHIC	Gender	1
	Age Group	1
	Occupation/Work Status	1
	Monthly Income level	1
FINANCIAL KNOWLEDGE	Basics of finance/economy	1
	Basics of financial transaction	1
	Loan/credit	1
	Wealth Building	2
FINANCIAL KNOWLEDGE IMPACT ON INVESTMENT DECISION		3
FINANCIAL ATTITUDE IMPACT ON INVESTMENT DECISION		5
FINANCIAL BEHAVIOUR IMPACT ON INVESTMENT DECISION		4
FINANCIAL AWARENESS	Basic financial awareness	1
	Level of knowledge about financial instruments	8
FINANCIAL BEHAVIOUR IMPACT ON INVESTMENT DECISION		1

➢ Behavioral economics concepts like "loss aversion" and "herd behavior" are mentioned in categories about financial behavior and financial attitude characteristics.

➢ Gender, age, place of residence, occupation, annual income, and familiarity with financial education are among the characteristics of survey samples.

➢ In conclusion, this survey has allowed for the study of data from a variety of angles, including age, area, participation in financial education, the degree of loss aversion and its impact on investment decisions made.

4. Analysis of data

The data has been collected in the form of an online survey questionnaire, in total 150 responses were received. The data was then turned to a tabular fo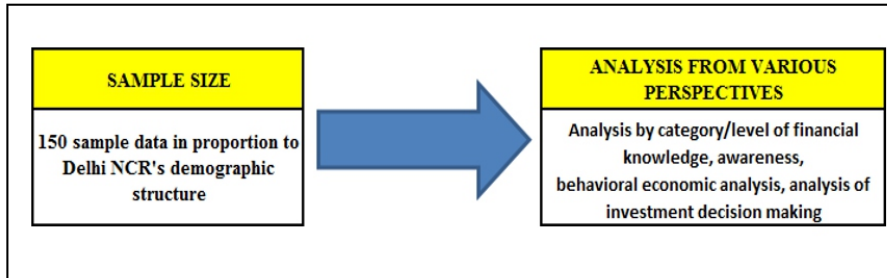rmat in order to reduce it so that it could be analyzed and relevant conclusions could be drawn from it. The data was analyzed using a variety of methodologies. Internal resources were employed to organize all of the data and materials, and a structured questionnaire was prepared to collect information from the respondents.

Four different types of scales were used in conducting this study. These are given below:-

1. **Nominal Scale:** For the demographic variables collected in the study nominal scale was used.
2. **Five Point Likert Scale:** This scale has been used several times in the questionnaire in order to understand the views, perspective, attitude and behavior of the respondents.
3. **Rating Scale:** Rating scale has been used in one question to assess to level of financial knowledge and awareness of respondents about certain financial instruments.

4. Dichotomous Scale: For True/false and Yes/No responses the dichotomous scale has been used.

The Figure given below shows the various perspectives from which data has been analyzed.

SAMPLE SIZE		ANALYSIS FROM VARIOUS PERSPECTIVES
150 sample data in proportion to Delhi NCR's demographic structure	→	Analysis by category/level of financial knowledge, awareness, behavioral economic analysis, analysis of investment decision making

5. Interpretation

Demographic profile of the respondents: The Demographic profile provides the basic details of the respondents such as their gender, age group, occupation/work status, and monthly income. The pie charts given below show the details related to it:

- **Gender:** Of the the total 150 respondents, 55% of data has been given by male population and 45% by females.
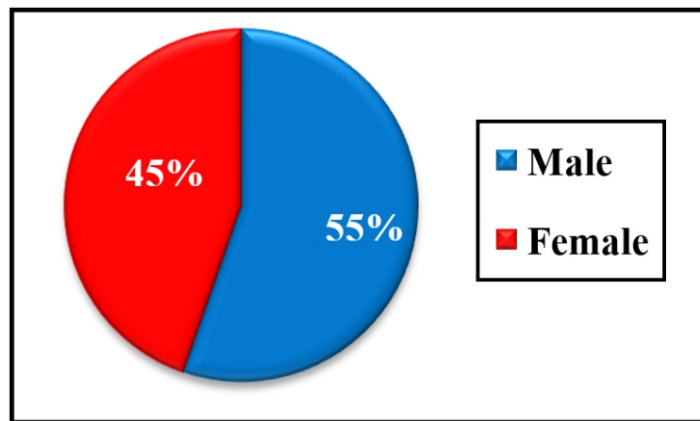
- **Age group:** Amongst the 150 responses received, 57% of the total respondents were in the age group of 18-22 years, 11% were within the age group of 26-30 years, 13% were in the 34-41 age group, 12% in the 42-49 age group and only 7% of the total respondents were in the age group of 50 and above.
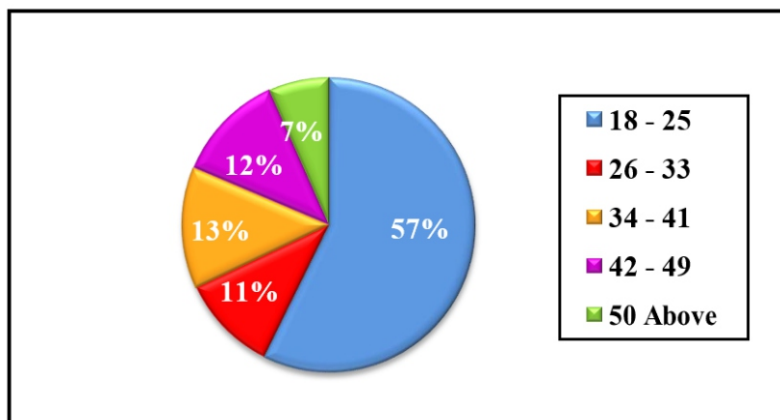
- **Work status:** Among the 150 responses received, 41% of the total population is of students, 22% are self employed, 24% are company employees, 5% are interns, 4% others and the last 4% consists of unemployed people.
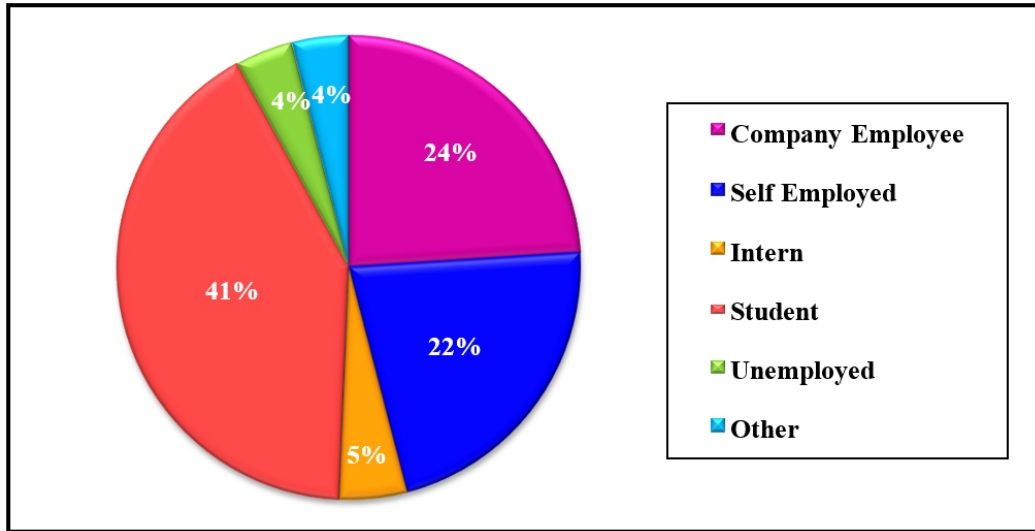
- Monthly income : The data is given in rupees , of the total 140 respondents 46% earn upto Rs.40,000 per month, 7% earn between Rs.41,000 – Rs.81,000, 19% earn Rs.82000 – Rs.1,22,000 and lastly 28% earn above 1,23,000
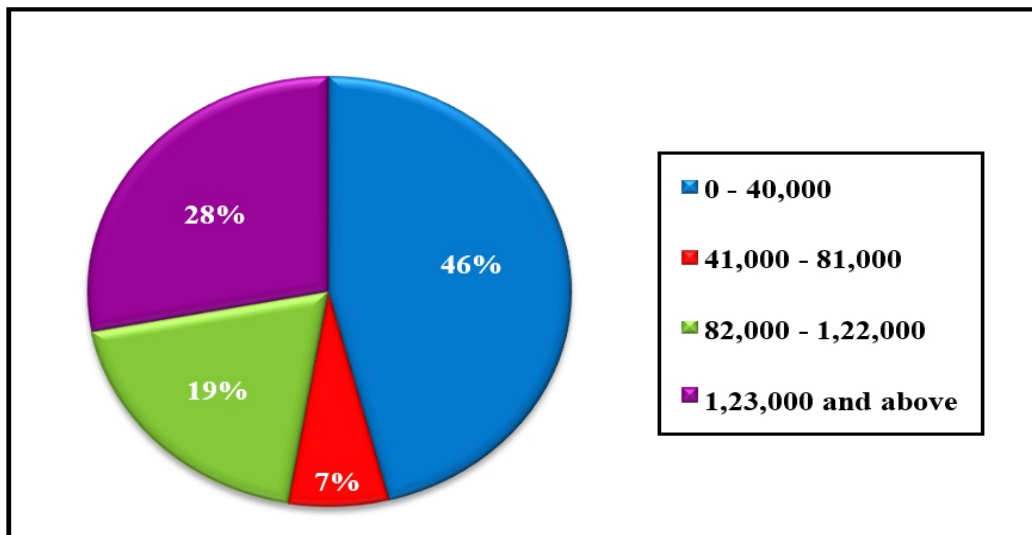
2. BASIC OVERVIEW OF RESPONDENTS FINANCIAL LITERACY

Under this category, two close ended questions were asked in which respondents were asked about whether according to them they have basic financial knowledge. Basic Financial knowledge means understanding of basic of money management and financing. This includes understanding of several concepts of finance such as inflation, interest rate calculations, simple and compound both.
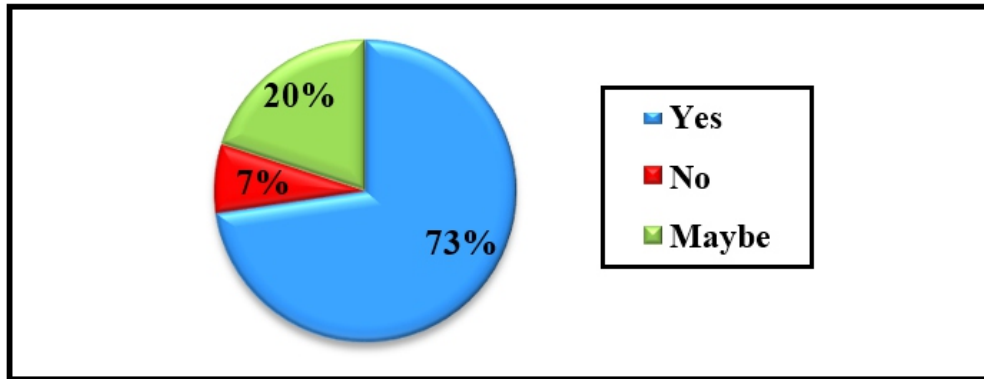
i. **UNDERSTANDING OF BASIC FINANCIAL CONCEPTS :** Among the 150 respondents, 73% marked Yes that have an understanding of the basic financial concepts, 20% marked Maybe as they were not fully aware about the concepts and not confident of their knowledge and the rest 7%
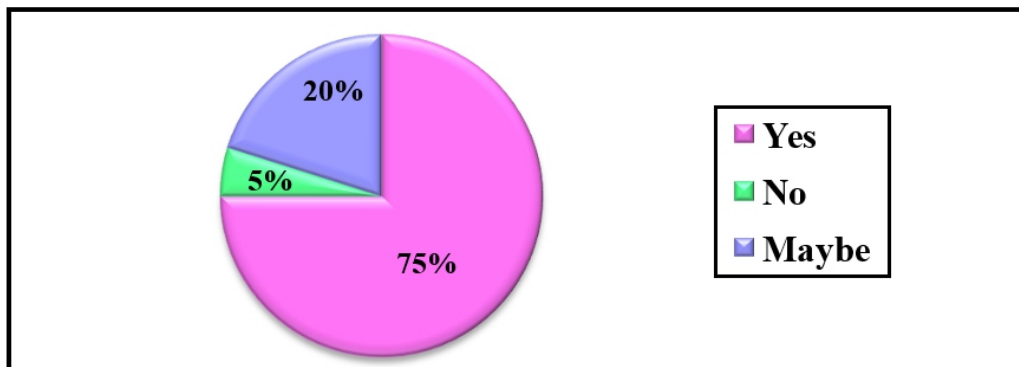
ii. marked No meaning they did not understand the basic financial concepts.

iii. AWARENESS ABOUT FINANCIAL SERVICES & PRODUCTS IN THE MARKET : 75% of the total respondents were aware about the financial products and services, 5% were unaware and the remaining 20% were unsure about it.

3. FINANCIAL KNOWLEDGE

Under this category the financial knowledge levels of the population is assessed and there investment decision making is checked. Financial knowledge refers to knowledge of money management, budget planning , interest calculation, loan and investment analysis. In this section assessment of financial knowledge and its impact on decision making has been tested.

**6. Level of financial knowledge of respondents:**

Level of financial knowledge has been assessed on basis of fours True/False/Don't know questions that cover various aspects of financial knowledge. These aspects are basic knowledge of financial transactions, finance and economy, loan/credit and last wealth building. These questions are given below:-

|	
Finance and Economy	High inflation means cost of living is increasing rapidly
Loan/Credit	When compared a 15-year mortgage requires higher monthly payments than a 30-year loan, but the total interest paid over the life of the loan will be less
Investment	An investment with high return is likely to be high risk
Wealth building	A single company's stock usually provides a safer return than a stock mutual fund

i. High inflation means cost of living is increasing rapidly –Among the total responses received 79% of the people answered correctly to this question, 13% answered incorrectly and 9% didn't know. Thus it can be concluded that most people have a basic understanding of finance and economy.
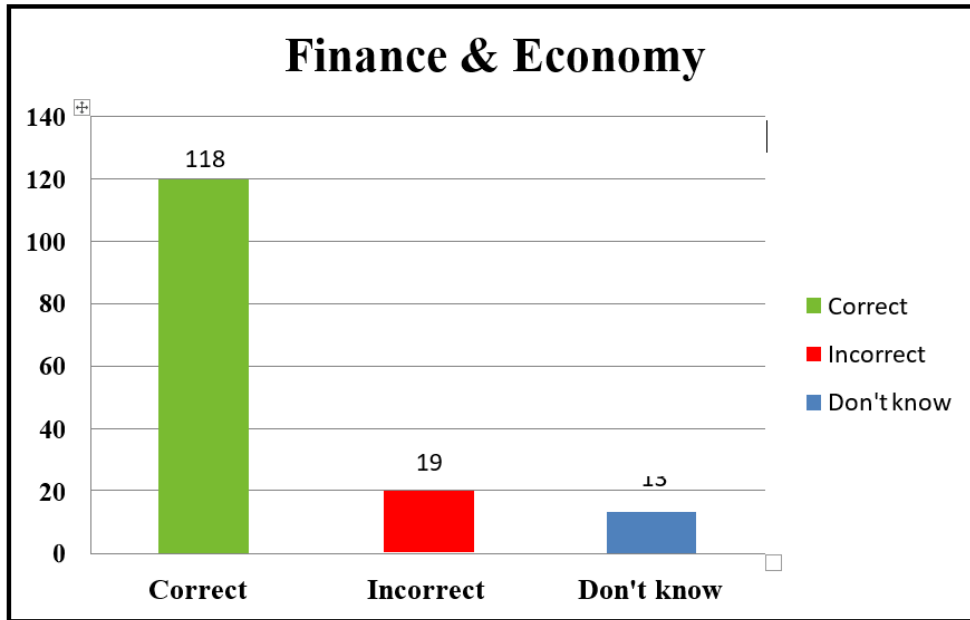
ii. When compared a 15 year mortgage requires higher monthly payments than a 30- year loan, but the total interest paid over the life of the loan will be less - Among the total responses received 28% of the people answered correctly to this question, 27% answered incorrectly and 45% didn't know. Therefore, it can be concluded that significant no. of respondents does not have appropriate knowledge about loans/credit.
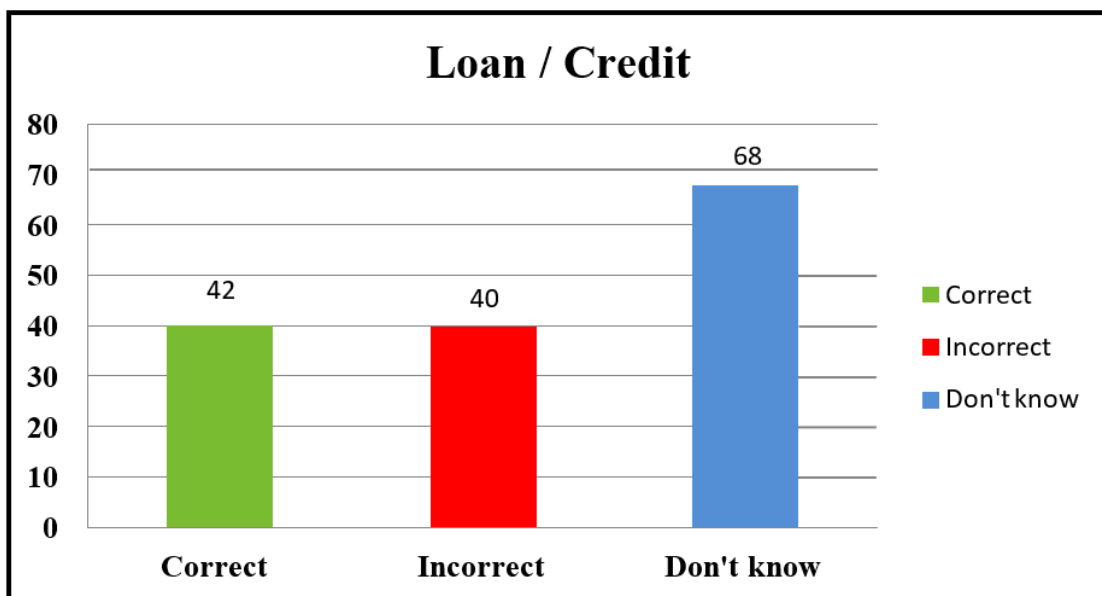
iv. A single company's stock usually provides a safer return than a stock mutual fund - Among the total responses received 52% of the people answered correctly to this question, 23%

answered incorrectly and 25% didn't know. Thus, it can be concluded that most people have knowledge about wealth building.
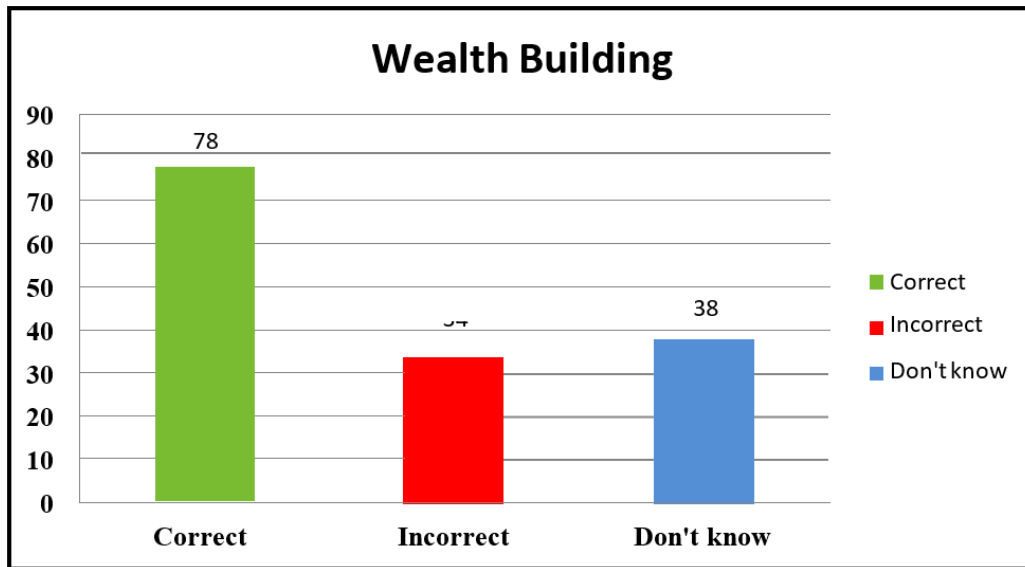
## 7. Assessment of financial knowledge of respondents

Based on the above answers received for the financial knowledge questions, it can be assessed

that only 14% of respondents have proper financial knowledge as they answered all questions correctly, however 86% of them were not able to either answer questions correctly or didn't know the answers.
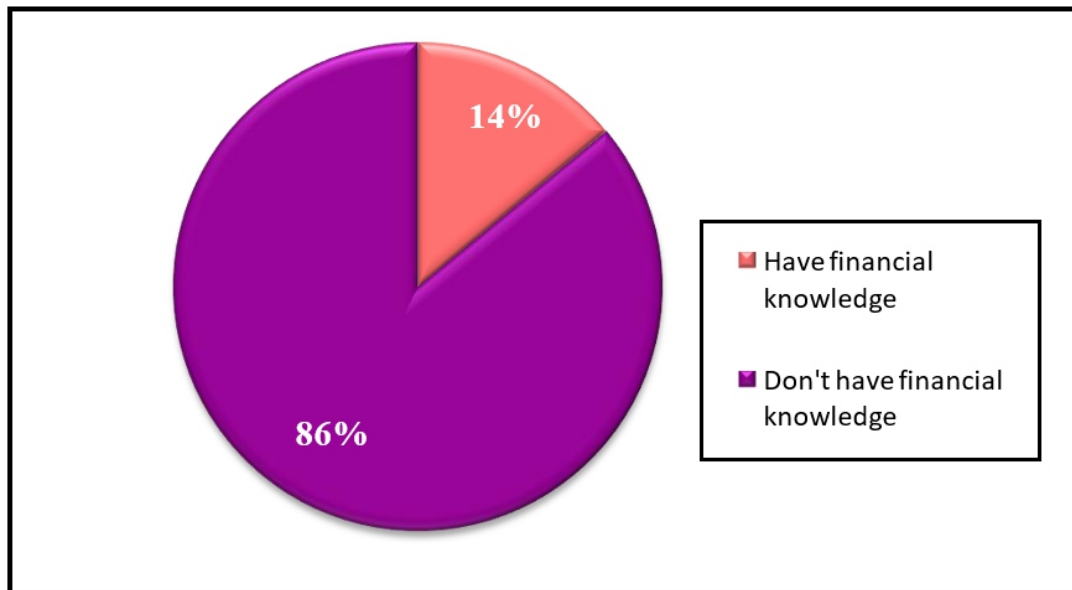

1. Preference of Respondents - Save and Invest: Among the total responses received 16% preferred to save, 19%

preferred Invest and 65% of the respondents preferred a mix of both.
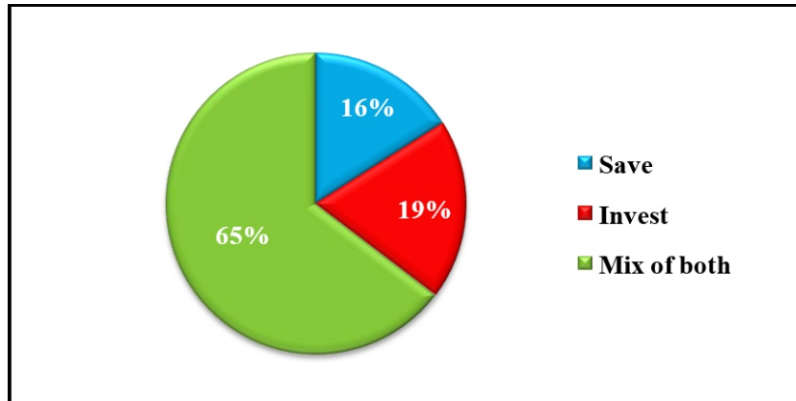
2. Mode of savings, preferred by the respondents: Among the total responses received 56% preferred to save using bank savings account, 21% preferred Money market saving account, 17% preferred certificate of deposit, 5% preferred fixed deposit and 1% preferred PPF.
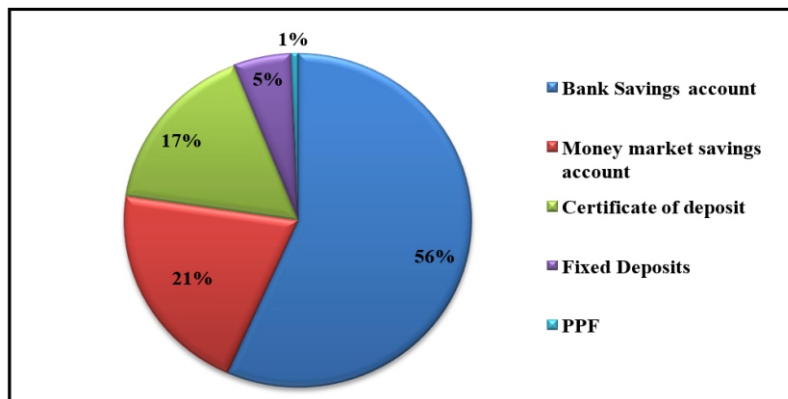
3. Mode of savings, preferred by the respondents: Among the total responses received 35% invest in mutual funds, 48% in shares, 13% in bonds, 2% in crypto currency and 1% each respectively in gold and mix portfolio investment.
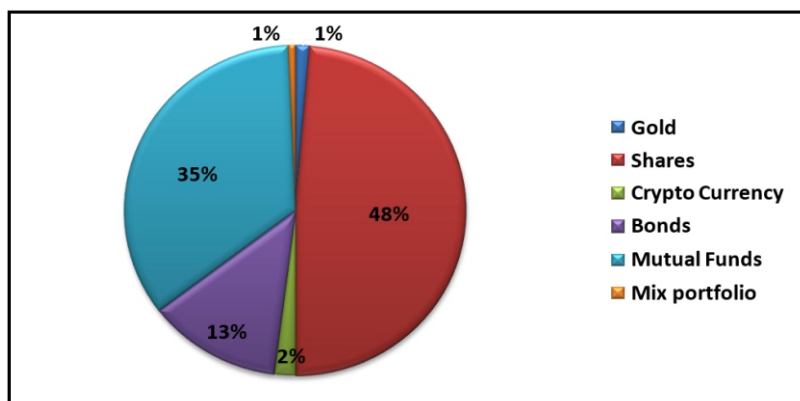
4. FINANCIAL ATTITUDE

Under this type the monetary stance of the public is evaluated and skilled financing resolution making is restrained. A person's economic stance is outlined as their spirits, belief, and doom about services. According to public education belief, skilled is a three-habit link that binds each one's conduct, atmosphere, and interior happenings, all of that influence idea and operation.

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Following questions were requested to determine the fiscal stance of the accused:

| I enjoy exploring multiple investment decision opportunities for my money |
| I am prepared to risk some of my money when saving or making an investment |
| When I consider investments that have an element of risk i feel anxious |
| I have good attitude towards saving money |
| When looking for high investment growth, I am willing to accept the possibility of greater losses to achieve it |

The questions consisted of a five-point rating Likert scale to gather the responses from the respondents. The data gathered has been displayed in form a graph given below, and data analysis for every question response has also been provided.
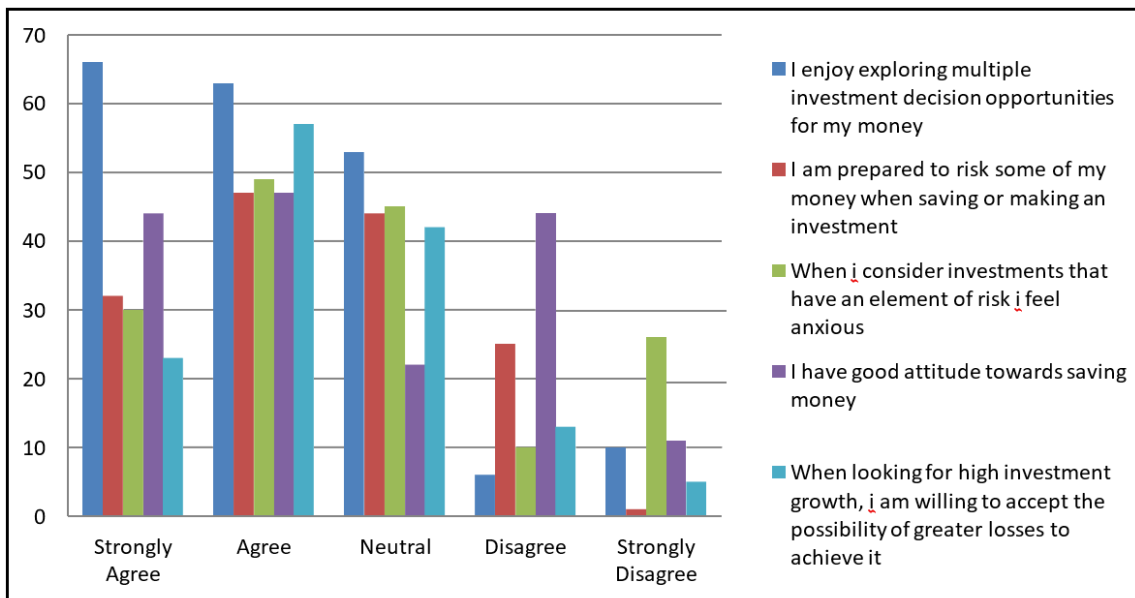
1.I enjoy exploring multiple investment decision opportunities for my money

Mean	30
Standard Error	12.18605761
Median	23
Standard Deviation	27.24885319
Sample Variance	742.5
Kurtosis	-1.9889263
Skewness	0.475725084
Range	64
Minimum	2
Maximum	66
Sum	150
Count	5

2. I am prepared to risk some of my money when saving or making an investment

Mean	30
Standard Error	10.07968253
Median	32
Standard Deviation	22.53885534
Sample Variance	508
Kurtosis	-0.25725014
Skewness	0.628180285
Range	56
Minimum	7
Maximum	63
Sum	150
Count	5

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3. When I consider investments that have an element of risk I feel anxious

Mean	29.4
Standard Error	9.394679345
Median	30
Standard Deviation	21.00714164
Sample Variance	441.3
Kurtosis	-2.52957742
Skewness	-0.053870083
Range	48
Minimum	5
Maximum	53
Sum	147
Count	5

4. I have good attitude towards saving money

Mean	29.2
Standard Error	10.13607419
Median	44
Mode	44
Standard Deviation	22.66495092
Sample Variance	513.7
Kurtosis	-3.213140787
Skewness	-0.580675818
Range	46
Minimum	3
Maximum	49
Sum	146
Count	5

5. When looking for high investment growth, i am willing to accept the possibility of greater losses to achieve it.

Mean	30
Standard Error	7.028513356
Median	25
Standard Deviation	15.71623365
Sample Variance	247
Kurtosis	-1.911308168
Skewness	-0.019320388
Range	37
Minimum	10
Maximum	47
Sum	150
Count	5

V. FINANCIAL BEHAVIOUR

Under this type the fiscal practice of the public is determined and skilled loan resolution making is hindered. A person's economic action concerns accompanying a person's operation concerning economic affairs. It is comparable to stance nevertheless commercial action is a result of individual's economic stance, that is the commercial stance you cultivate and touch dismiss is what drives you to act in the habit and outlines your attitude. For example, individual can announce, services is veryimportant for a life of ease and you need to have a good amount of it continually is named the stance while judgment habits to gain and conditional it is popular as the performance.
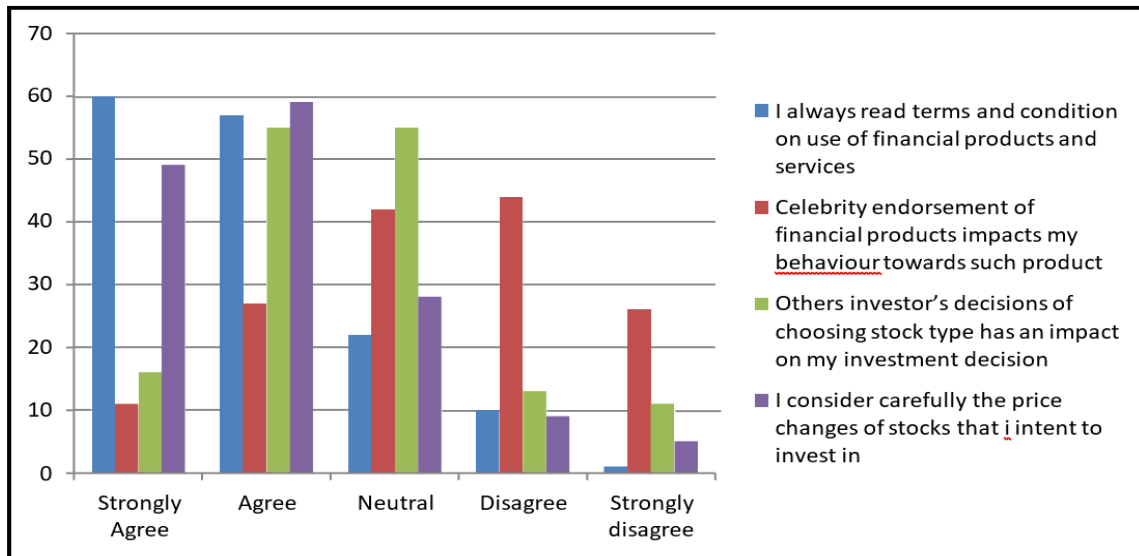
Following questions were requested to determine the monetary act of the accused:

| I always read terms and condition on use of financial products and services |
| Celebrity endorsement of financial products impacts my behavior towards such product |
| Others investor's decisions of choosing stock type has an impact on my investment decision |
| I consider carefully the price changes of stocks that i intent to invest in |

The questions consisted of a five-point rating Likert scale to gather the responses from the respondents. The data gathered has been displayed in form a graph given below, and data analysis for every question response has also been provided.

1. I always read terms and condition on use of financial products and services

Mean	30
Standard Error	12.11197754
Median	22
Standard Deviation	27.08320513
Sample Variance	733.5
Kurtosis	-2.858906857
Skewness	0.289068538
Range	59
Minimum	1
Maximum	60
Sum	150
Count	5

2. Celebrity endorsement of financial products impacts my behavior towards such product.

Mean	30
Standard Error	6.024948133
Median	27
Standard Deviation	13.47219359
Sample Variance	181.50
Kurtosis	-0.797623113
Skewness	-0.422255307
Range	33
Minimum	11
Maximum	44
Sum	150
Count	5

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3. Others investor's decisions of choosing stock type has an impact on my investment decision.

Mean	30
Standard Error	10.23718711
Median	16
Mode	55
Standard Deviation	22.89104628
Sample Variance	524
Kurtosis	-3.294982081
Skewness	0.581288314
Range	44
Minimum	11
Maximum	55
Sum	150
Count	5

4. I consider carefully the price changes of stocks that i intent to invest in.

Mean	30
Standard Error	10.65833008
Median	28
Standard Deviation	23.83275058
Sample Variance	568
Kurtosis	-2.487685355
Skewness	0.195575057
Range	54
Minimum	5
Maximum	59
Sum	1150
Count	5

VI. FINANCIAL AWARENESS

Under this category the financial awareness of the population is assessed and their investment decision making is checked. A person's financial awareness refers to their knowledge about the current market situation, economic condition, the financial products and services available in the market. Essentially it means that the person is up to date with the ever evolving and dynamic financial world.

Following questions were asked to assess the financial awareness of the respondents:

How often do you read about financial and economic information from sources such as newspapers, Internet etc.?
Before investing in a financial product, do you compare it with other products available in the market?
Given below is a list of financial products. On scale of 1 to 5 (1 being lowest, 5 being highest) list your level of knowledge and awareness about these products: Fixed Deposit, PPF, Mutual Funds, National Savings Certificate, Bonds, Shares, Loans and Insurance

1. How often do you read about financial and economic information from sources such as newspapers, Internet etc.?

As per the data collected, only 41 people or 27% people read financial news on a regular basis, 99 people or 66% read the news sometimes and 10 people or 7% never read financial news.
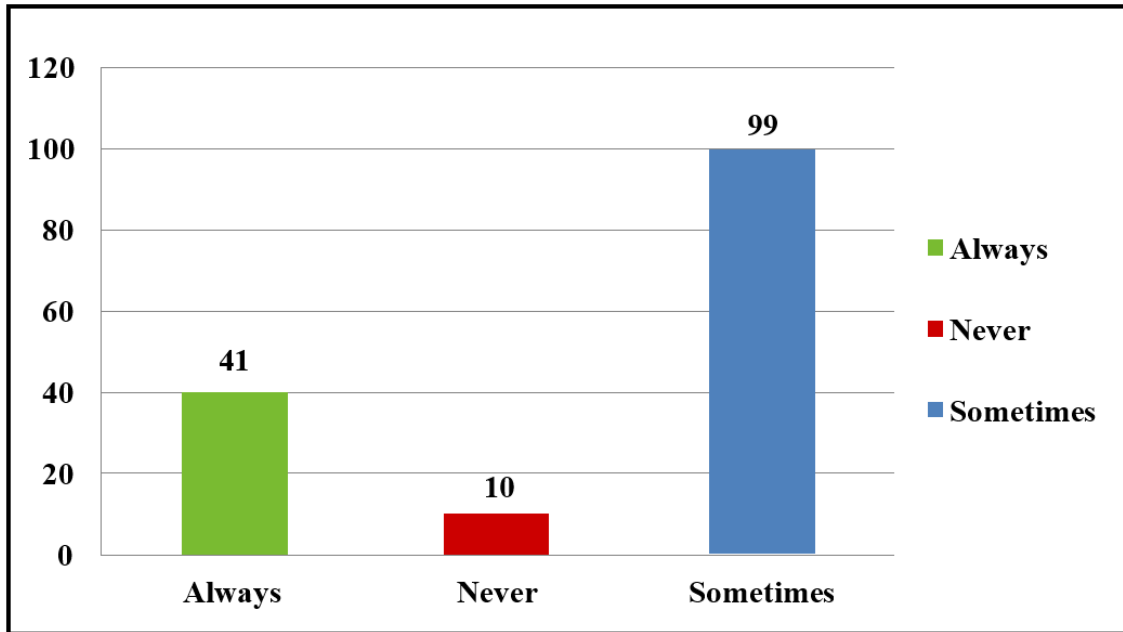
2. Before investing in a financial product, do you compare it with other products available in the market?

As per the data collected, only 86 people or 57% people read financial news on a regular basis, 58 people or 39% read the news sometimes and 5 people or 3% never read financial news.
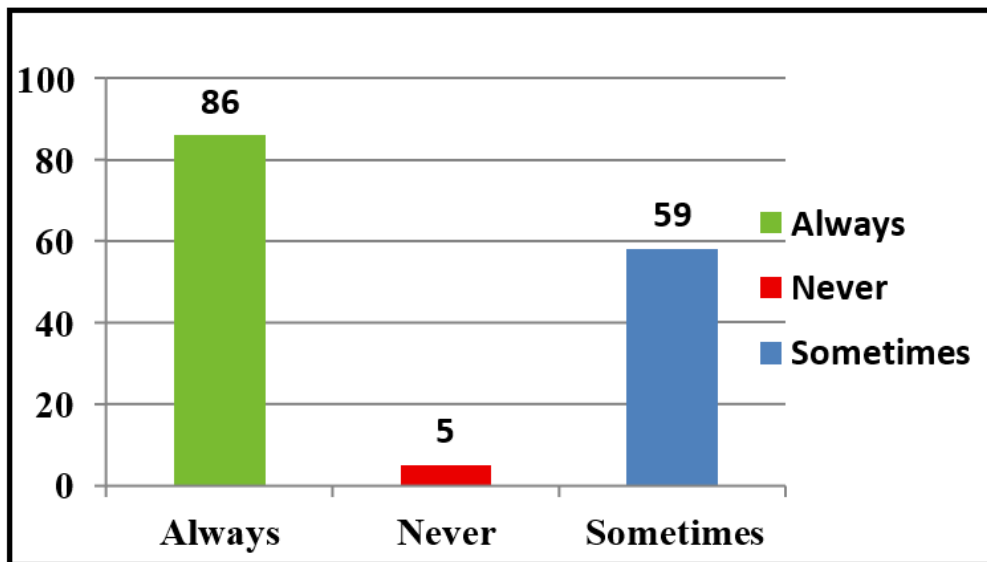
3. Given below is a list of financial products. On scale of 1 to 5 (1 being lowest, 5 being highest) list your level of knowledge and awareness about these products:

➢ Fixed Deposits
➢ Public Provident Fund
➢ Mutual Funds
➢ National Savings Certificate

➢ Shares
➢ Bonds/Debentures
➢ Loans
➢ Insurance

The Data in this question was analyzed for various different kinds of financial products and services. On a five-point rating scale respondents were asked to assess their level of awareness on key financial

instruments available in market these days.

Based on the chart below, it can be assessed that:

➢ Most people have high awareness about bank savings fixed deposit accounts on the other hand only few people are aware about the national savings certificate.

➢ People have more knowledge and awareness about shares rather than bonds or debentures.

➢ When it comes to mutual funds only few people are highly aware about it, rest had assessed their awareness level between low to medium.

➢ For Public Provident fund it can be seen that most of the respondents are well aware about it and majority of responses were in the medium to high awareness category.

➢ Similarly, for Loans and Insurance category as well, most people have awareness about them and majority of the responses which were received fell in the medium to high awareness category only.

➢ For National Savings certificate and Bonds/ Debentures it can be seen that most people are not sufficiently aware about these products and majority of the responses received for these two fell in the low to medium awareness category.
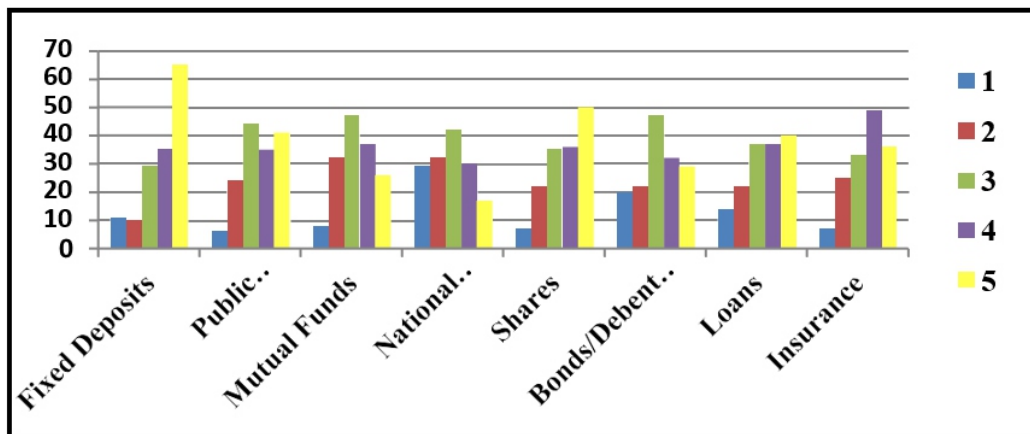
8. Conclusion

The study was approved to try the effect of commercial knowledge on contribution determinations of the people in and about Delhi. Financial knowledge uses measures in the form of monetary information, monetary demeanor, fiscal knowledge and monetary stances and their overall affect the financing conclusions created. A survey of 150 accused was attended by us. The results acquired accompanied that commercial knowledge has a meaningful effect on asset determinations created. The miscellaneous theories that we had proven so that appreciate the impact of commercial education have existed decided and their results are likely beneath:-

I. HYPOTHESES 1 RESULT:

FINANCIAL KNOWLEDGE HAS A SIGNIFICANT IMPACT ON INVESTMENT DECISIONS MADE

The test results show that economic information has a meaningful affect the loan determinations of family about the Delhi NCR. The results maybe decided that the raised monetary information of one, the better hopeful the property conclusions fashioned for one life.. It maybe visualized that most family the one have extreme fiscal information created better grant conclusions, for instance those the one had commercial information favorite to two together sustain and devote their services , this habit we can visualize that the guy is a making a mature choice by conditional few amount of services and background it aside as possible time of need finances and in the intervening time they are supplying a fraction of their profit in economic retail place they gain a attractive return on it. Thus we can decide, High commercial information will increase the ability of allocating, conditional and lending. There hopeful less fiscal stress and tension, Reduction of expenses through better organizing.

II. HYPOTHESIS 2 RESULT:

FINANCIAL BEHAVIOR HAS A SIGNIFICANT IMPACT ON INVESTMENT ECISIONS MADE

The test results show that commercial demeanor has a important affect the finance resolutions of people as political whole. The results maybe decided that the monetary nature of one will impact the money resolution fashioned by bureaucracy. Based on the survey we decided that most nation forever state the agreements and environments before establishing, it was still visualized that most financiers granted characteristics of spice demeanor. Most society place more inclined purchase a commercial fruit if different financiers displayed interest in it . Most folk are further aware of price vacillations in their properties and deal with those painstakingly before making an loan conclusion. In the end we can decide that monetary action has considerably jolted the money conclusion created by one.

III. HYPOTHESES 3 RESULT: FINANCIAL AWARENESS HAS A SIGNIFICANT IMPACT ON INVESTMENT DECISIONS MADE

The test results show that monetary knowledge has a important affect the expenditure conclusions of folk. The results signify that the bigger the consumer's fiscal knowledge, the better grant resolutions will should by ruling class. If one reads economic and financial revelation incessantly, and is knowledgeable about the monetary fruit and duties applicable to bureaucracy marketing, they are smart to form much better finance determinations that those the one are not sufficiently knowledgeable. Awareness helps in making better expenditure and fiscal resolution, Effective administration and services obligation. To conclude the fiscal knowledge has an effect on contribution resolution fashioned.

IV. HYPOTHESIS 4 RESULT:

FINANCIAL ATTITUDE HAS A SIGNIFICANT IMPACT ON INVESTMENT DECISIONS MADE

The test results show that monetary stances have a meaningful affect the money determinations of society. The results maybe decided that the type of commercial stance one has, impacts the somewhat property resolutions he will create. Financial stance impacts either one would preserve welcome services or install, it too impacts the type of property one is inclined create. For example: A services compelled individual, the one is ready to take risk, will purchase dangerous asset freedom to receive a extreme return and with the order reversed. Person the one prefers to sustain would not lend services in dangerous stock exchange fiscal device quite they preserve services through established deposit reports in banks. It is disclosed that a active fiscal stance on account of extreme commercial learning will help better expense conclusions. Financial question management, monetary preparation and administration in finance determinations will recover. And indicating degree economic stance is worried, it frees individual from redundant worries, helps avail advertise space and more imparts satisfaction by emancipation individual from tension. While custody a helpful stance takes plenty self assumption, consistency a helpful economic stance takes caution more. In the end we can decide that fiscal proficiency overall has an important affect type, somewhat grants one create. It still has a meaningful affect the number of collaterals one would contribution. Thus, economic learning impacts financing resolutions all at once. Thus, we can reply that larger the monetary knowledge wiser hopeful the expenditure resolutions created and with the order reversed.

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