

“Financial literacy among management students: Insights from universities in Nepal”

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FINANCIAL LITERACY AMONG MANAGEMENT STUDENTS: INSIGHTS FROM UNIVERSITIES IN NEPAL

Abstract

This study aims to examine the degree of financial literacy and practices of financial knowledge among MBA students in Nepal. Four prominent universities were selected for study: Tribhuvan University, Kathmandu University, Pokhara University, and Purbanchal University. The descriptive and analytical research approach was applied to analyze the data. Data were collected through questionnaires from 320 students by using convenience and stratified sampling methods. The analysis was conducted using the SPSS software system. The results highlight the complex interplay of factors influencing financial behavior and literacy among MBA students, emphasizing the importance of education, familial influence, and media exposure in shaping financial attitudes and decision-making. The study delves into several key aspects of financial behavior, influence, attitude, literacy, and knowledge sources among MBA students. Notably, respondents displayed positive financial behaviors such as reading for knowledge enhancement and prudent spending practices. Parental influence emerged as the most significant factor shaping financial decisions, followed by media and internet exposure. Respondents generally exhibited a favorable financial outlook and demonstrated understanding in various financial literacy domains, though areas for improvement, particularly in investment risk comprehension, were identified. The study shows how education, family influence, and media exposure affect MBA student’s financial think, how people handle finance, like their education and where they get information from. This is seen as reflected in financial literacy scores ranging from 1.43 to 3.86, with an average of 2.405 and a standard deviation of 0.449, suggesting below-average scores and reduced unpredictability.

Keywords

financial education, financial planning, university students, personal management, decision-making, budget, attitude, Nepalese context

JEL Classification

I21, D14, G21

INTRODUCTION

Financial literacy is the knowledge and understanding of the concepts and skills necessary for well-informed and effective decisions about money management. It belongs to managing personal finances, budgeting, saving, investing, debt management, and informed choices about financial policies and services. This concept is a crucial life skill that can help individuals and families achieve their financial goals and avoid financial pitfalls. This knowledge enhances the ability to manage various aspects of money, such as budgeting, saving, and investing.

Regarding the financial literacy of university students, there is limited research on financial literacy among Masters of Business Administration (MBA) students. Therefore, there is a need to identify the factors influencing financial literacy and evaluate its cur-

rent status in MBA students across Nepalese universities. The focus is on assessing how different factors correlate with financial literacy in MBA students in Kathmandu Valley. Additionally, it is vital to determine the current financial literacy practices among management students.

1. LITERATURE REVIEW

In recent years, the importance of financial literacy in higher education has grown significantly. As financial systems become more complex, equipping students with the skills to make informed financial decisions is crucial. Management programs are especially relevant, as future leaders must possess a solid understanding of financial concepts to succeed in their roles. This literature review examines studies by university MBA students to uncover their level of proficiency. The study aims to identify factors influencing financial literacy, highlight effective educational approaches, and suggest improvements for university programs.

Regarding the financial literacy, Kaur et al. (2015) remarked that financial incompetence could hinder individuals from achieving long-term goals like higher education, real estate acquisition, and retirement savings. Improving financial literacy positively affects individuals' financial decision-making and planning for significant life events. This is crucial for higher education students.

As per Shaari et al. (2013), college students often have increased financial responsibilities and challenges, including bill payments, credit card usage, employment, savings, budgeting, and debt management. Sarigul (2014) highlights that the first examination of financial literacy was conducted by the Jumpstart Coalition in 1997. Remund (2010) noted that the exploration of financial literacy dates back to 2000. Gupta and Kaur (2014) highlighted that the global financial crisis has prompted governments worldwide to prioritize the issue of financial literacy.

As per the needs of financial literacy, Miller et al. (2015) emphasized the growing need for financial literacy after the global financial crisis, which bears some resemblance to the approach used in this paper. The global financial crisis made the housing market collapse due to various factors. Surprisingly, its impact on the Nepalese economy was minimal. This led to a greater focus on finan-

cial literacy in the banking sector and additional measures by the central bank (Chaulagain, 2015).

In the context of Nepal, Nepal Rastra Bank (NRB, 2014) has remarked that financial literacy empowers individuals to make informed financial decisions and is crucial for most people. Most nations have demonstrated a strong desire to improve the financial literacy levels of their respective populations, actively promoting financial literacy through the dissemination of financial education (Özdemir et al., 2017). To achieve economic progress, it is crucial that both individuals and the national economy possess enhanced financial knowledge and skills.

The financial literacy influences by the different factors, as per Thapa and Nepal (2015) highlighted that income, age, stream of education, types of colleges, and attitude of students significantly influenced financial literacy. However, gender, university affiliation, financial behavior, and influences did not significantly affect financial knowledge. Xiao et al. (2014) analyzed that financial literacy impacts individuals' financial behavior. Many countries are now launching large-scale financial education programs, often with a focus on younger generations, to enhance financial literacy.

The study by Sucuahi (2013) examined gender differences regarding personal financial literacy among college students. The results show that women have lower financial knowledge and confidence. Women often prioritize English and humanities, while men focus on mathematics and science, possibly due to program content. It also highlighted the impact of individuals' prior experiences on financial literacy for both genders.

Financial literacy is a relatively recent educational development, gaining global recognition through the inquiry. College students need financial literacy to manage income, educational expenses, debt, and even small-scale investments or savings. Rizwan et al. (2015) discovered that demand arises from students' inadequate understanding of

the various financial products and services offered by banking systems, highlighting the need for financial literacy. Proficiency in handling debit and credit cards is also essential for their financial well-being, enabling them to make informed financial decisions.

In the context of the study of Indonesia, Setiawan (2020) assessed financial literacy among university students in Indonesia and found that financial illiteracy could lead to suboptimal financial decisions with significant consequences for individuals' future financial well-being. Khalisharani et al.'s (2022) cross-national study assessed Indonesian and Malaysian undergraduates' financial knowledge and attitudes toward financial conduct. Malaysian students had better financial habits, but Indonesian students did better on financial literacy. Multivariate regression research showed a statistically significant positive link between financial attitude and behavior among Indonesian and Malaysian students. Financial literacy hurts people's finances, except in Malaysia.

Regarding the study of financial knowledge, Brugiavini et al. (2020) showed that a small training intervention affects subjective and objective financial knowledge evaluations statistically and economically. Oseifuah et al. (2018) explored financial literacy among northern Ghanaian first-year university students. They found that students' monthly pocket money enhances their saving tendency, supporting the savings behavior theory that disposable income directly affects saving. Anderson et al. (2022) evaluated financial literacy, behavior, and obligatory loan entrance counseling of federal students.

The financial knowledge is necessary for information asymmetry, international market unpredictability, financial product complexity, and rapid financial technology development (Philippas & Avdoulas, 2021). The study examined financial literacy, fragility, and well-being and their causes. Bauer et al. (2000) developed a conceptual framework to understand how welfare assistance policies affect financial well-being. A systems-oriented approach shifts the framework's focus from welfare assistance to a select group to public welfare.

The financial literacy may affect due to economic power, Yıldırım et al. (2017) examined how economic power affects family financing behavior. Accordingly, irresponsible financial decisions

can lower a person's standard of living. Money-conscious people can better handle future economic challenges and advance the nation. Huston (2010) claimed that financial literacy influences financial education and outcomes. The study further extended financial literacy and used appropriate assessment methods to fully understand academic accomplishments and identify barriers to informed financial decisions.

Regarding the financial literacy of college students, Chen and Volpe (1998) examined 924 college students' financial literacy. Financial literacy and student attributes were examined to determine how this relationship affected student attitudes and choices. Danes and Hira (1987) defined the management skills of university students. Their study uses the latter strategy to supplement multivariate analyses. Greenspan (2001) targeted the Federal Reserve employees. Thus, the economy has undergone many changes to help market mechanisms meet the wide range of service demands.

Regarding the financial literacy of undergraduate and graduate students, Lantara and Kartini (2015) studied the financial literacy knowledge among undergraduate and graduate students. The study confirmed positive associations between education, academic disciplines, and financial literacy. Hung et al. (2009) investigated students' perspectives on their educational debt and its effects. Anh and Quang (2021) examined Vietnamese university students using social media to combat loan sharks and improve financial literacy in universities, which could enhance competitiveness, market efficiency, and cost savings.

Following the literature review, the purpose of this study is to examine the relationship between financial literacy and the demographic, educational, personality and cultural characteristics of MBA students in Kathmandu Valley, Nepal.

2. METHOD

The present analysis employs a descriptive and explanatory research approach. The level of familiarity that Master of Business Administration (MBA) students possess about financial literacy and practices is assessed across four distinct edu-

cational institutions in Nepal, namely Tribhuvan University (TU), Kathmandu University (KU), Pokhara University (PoU), and Purbanchal University (PU). Four factors – demographics, education, personality, and culture – were selected for the study. The descriptive research design was applied to analyze the data.

Kathmandu Valley is the prime location for two prominent institutions offering the Master of Business Administration (MBA) program. These institutions are the School of Management of Tribhuvan University (SOMTU), which is the constituent college of Tribhuvan University (TU), and the Kathmandu University School of Management (KUSOM), affiliated with Kathmandu University (KU). Additionally, there are six colleges affiliated with Pokhara University (POU) and five colleges affiliated with Purbanchal University (PU) in the Kathmandu Valley.

These universities have been authorized to offer the MBA program. As per the data from the University Grants Commission of Nepal, the number of MBA students enrolled in the Kathmandu Valley during the academic year 2020/21 was 2,850 (UGC Nepal, 2022). A representative sample of 320 individuals was selected for the study. From each university, 80 students were chosen, with an equal distribution of 160 female and 160 male students. Additionally, 80 students were selected from each semester. The size of the sample was within the top boundary of the 95% confidence range.

The study samples were collected by using a combination of convenience and stratified sampling methods. The selection process has been concluded for candidates recently enrolled in the MBA level in the sampled universities. A cohort of 25% of students from each university and semester was selected to facilitate comparisons across universities. A total of 80 male and 80 female students were selected to examine gender differences in financial literacy.

During the sampling procedure, precautions were taken to prevent the exclusion of students from diverse groups. Four-point Likert scale-based questionnaires were used to collect the data. The questionnaire's Cronbach alpha coefficient was determined to be 0.675%. Agnew and Cameron-Agnew

(2015) report that Cronbach's alpha value exceeding 0.6 falls within an acceptable range.

3. RESULTS

In order to facilitate the analysis and presentation of the results, the survey data were arranged chronologically to ensure adherence to the research objectives. This measure has been put in place to ensure that the research findings have been presented in a logical and sequential manner.

This study provides comprehensive outcome indicators that would apply to a diverse range of respondent characteristics to address the research inquiry. Several factors have been included in this study, such as age, gender, monthly family income, university affiliation, semester, financial attitude, financial influence, financial behavior, religion, belief, and values. Financial literacy is an additional factor in this study. The data were applied to generate the indicators derived from the replies of the research participants to the most current set of inquiries addressed to them.

Descriptive statistics were used to analyze the financial behavior of the respondents. The examination of students' expenditure and savings patterns, alongside their budgeting practices, insurance coverage, purchasing tendencies, investment choices, and financial documentation maintenance, constitutes a crucial area of inquiry within the realm of student finance.

Table 1 depicts the average values of variables pertinent to financial behavior, as measured among a sample of 320 MBA students. A score of one indicates a lack of veracity in relation to oneself, a score of two indicates a partial lack of truthfulness, a score of three indicates partial truthfulness, and a score of four indicates a high degree of truthfulness. The statement "Reading to increase financial knowledge" has the highest mean score of 3.00 and the lowest standard deviation of 0.809. This indicates that the majority of respondents concurred that reading can enhance their understanding of financial matters.

Similarly, the data disclosed that the mean value of the statement "Comparing prices when shopping

Table 1. Descriptive statistics toward financial behavior

Source: Results from data analysis.

Statements	N	Observed Mean	Mid-level Score	Std. deviation	Result compared to Mid-level Score 2.5
Budgeting and tracking of expenses	320	2.43	2.5	0.859	Insignificant
Comparing prices when shopping for purchases	320	2.74	2.5	0.806	Significant
Life insurance policy	320	2.21	2.5	1.118	Insignificant
Investing in the shares under IPO	320	2.34	2.5	1.070	Insignificant
Reading to increase financial knowledge	320	3.00	2.5	0.809	Significant
Maintaining adequate financial records	320	2.33	2.5	0.909	Insignificant
Spending less than income	320	2.60	2.5	.979	Significant
Planning and investing in a regular savings/ investment program	320	2.33	2.5	.916	Insignificant

for purchases” was 2.74, with a standard deviation of 0.806. This indicates that most respondents concur with the practice of comparing prices prior to making a purchase. In addition, the mean and standard deviation of the statement “Spending less than income” were 2.60 and 0.978, respectively. This indicates that the majority of respondents concur with the statement.

A significant proportion of respondents appeared to hold differing opinions regarding acquiring a life insurance policy, with a mean score of 2.21 and a standard deviation of 1.118. Conversely, the statement pertaining to engaging in share investments via initial public offerings (IPOs) yielded a mean score of 2.34, with a standard deviation of 1.0.

Table 2 presents the minimum and maximum scores obtained by the respondents in the domain of financial behavior, which are 1.38 and 3.50, respectively. These scores contribute to an overall mean of 2.499 and a standard deviation of 0.401. This suggests that the observed mean score, which represents poor financial behavior, has a lower value compared to the midpoint score of 2.5.

The extent to which various factors influenced participants in relation to financial knowledge was accounted for by the variables in this study. These factors include parental influence, peer influence, educational institutions, literary sources, media exposure, occupational experiences, life experi-

ences, and internet usage. Furthermore, this study examines the many facets of personal finance that individuals acquired knowledge about throughout their developmental years, including topics such as budgetary management, investment strategies, taxation principles, insurance policies, loan mechanisms, savings practices, financial record maintenance, and the dynamics of interest rates. The subjects in questions were addressed throughout the developmental stages of the individuals involved.

Table 3 displays the outcomes of the Likert scale, illustrating the mean average values within the designated ranges. Specifically, a rating of one corresponds to the absence of the attribute, a rating of two indicates a little presence, a rating of three signifies a moderate presence, and a rating of four denotes a substantial presence. Based on data in Table 3, the statement “Influenced by parents” has a higher mean value of 3.41 and a lower standard deviation value of 0.835. The findings indicate that the choices on the financial activities of the respondents were mostly influenced by their parents. The second observation reveals that participants exhibit a greater susceptibility to the influence of media and the internet, as shown by mean scores of 2.88 and 2.86 and corresponding standard deviations of 0.961 and 0.964, respectively.

Based on the perspective of a significant number of participants, their education, vocations, and life experiences no longer have any influence. The av-

Table 2. Overall mean and standard deviation of financial behavior

Source: Results from data analysis.

Domain	N	Minimum score	Maximum score	Mean	Std. deviation
Financial behavior	320	1.38	3.50	2.499	.401
Valid (List-wise)	320				

Table 3. Descriptive statistics of financial influence

Source: Results from data analysis.

Statements	N	Observed mean	Mid-level score	Std. deviation	Result compared to Mid-level Score 2.5
Influenced by parents	320	2.41	2.5	0.835	Significant
Influenced by friends	320	2.56	2.5	0.860	Significant
Influenced by colleges	320	2.14	2.5	0.901	Insignificant
Influenced by books and research papers	320	2.62	2.5	0.937	Significant
Influenced by media	320	2.88	2.5	0.961	Significant
Influenced by jobs	320	2.43	2.5	1.119	Insignificant
Influenced by experience	320	2.44	2.5	1.086	Insignificant
Influenced by interest	320	2.86	2.5	.964	Significant
Valid N (List-wise)	320		2.5		

Table 4. Overall mean and standard deviation of financial influence

Source: Results from data analysis.

Domain	N	Minimum score	Maximum score	Mean	Standard deviation
Financial influence	320	1.75	3.75	2.729	.416
Valid N(List-wise)	320				

erage score for college was 2.14, while the average score for job was 2.43. The college variable had a standard deviation of 0.901, whereas the life experiences variable showed a standard deviation of 1.119. The data shown in Table 4 indicates that individuals were influenced to varying extents by their reading material and social circles in relation to their financial situation.

Table 4 depicts that the minimum value reported by respondents in terms of financial influence was 1.75, whereas the maximum score reported by respondents was 3.75. The calculated overall mean of 2.729 suggests a higher level of variability.

Table 5. Frequency and percentage of activities learned at home while grouping

Source: Results from data analysis.

Activities	Frequency	Percentage
Budgeting	150	46.87%
Investing	145	45.31%
Taxes	60	18.75%
Insurance	110	34.37%
Loans	250	78.13%
Savings	285	89.06%
Interest rates	95	29.69%
Record keeping	120	37.50%

As per the data shown in Table 5, a significant proportion of students, comprising 89.06% and 78.13% of the total 320 respondents, had been exposed to material pertaining to savings and loans.

This was supported by the frequency numbers of 285 and 250, respectively. During the developmental stage, a relatively small proportion of students, specifically 60 individuals representing 18.75% of the total sample, acquired knowledge about taxes. Similarly, a lower number of students, precisely 145 individuals with a corresponding percentage of 45.31%, obtained information about interest rates.

The concept of attitude pertains to the cognitive and affective state of an individual, influenced by their ideas, values, emotions, and inclination toward certain behaviors. The attitude of the individual manifests in cognitive, affective, and behavioral responses to a given situation. The concept of financial attitude pertains to individuals' subjective perceptions and emotions about topics related to financial aspects. This encompasses the aptitude to sustain control over one's financial standing, the capability to utilize forthcoming earnings, the administration of personal funds, a disposition toward spending, as well as an outlook on credit cards and loans, among several other factors.

Table 6 exhibits that the statement on feeling capable of using future income to attain financial objectives has a larger mean value of 3.05 compared to the other statements. Additionally, it has a smaller standard deviation of 0.875. The data provide evidence that this specific statement has a greater average value compared to the other assertions.

Table 6. Descriptive statistics of financial attitude

Source: Results from data analysis.

Statements	N	Observed Mean	Mid-level Score	Std. Deviation	Result compared to Mid-level Score 2.5
Feel in control of the financial situation	320	2.79	2.5	0.941	Significant
Feel capable of using future income to achieve financial goals	320	3.05	2.5	0.875	Significant
Worry about managing finance	320	2.41	2.5	1.034	Insignificant
Uncertain about where money is spent	320	2.43	2.5	0.994	Insignificant
Feel credit cards are safe and risk-free	320	2.70	2.5	0.917	Significant
Feel capable of handling financial future	320	2.59	2.5	0.961	Significant
Afraid of loan	320	2.48	2.5	.999	Insignificant
Enjoy thinking about and have an interest in reading about money management	320	2.60	2.5	.979	Significant
Enjoy talking to peers about money-related issues	320	2.53	2.5	1.064	Significant
Valid N (List-wise)	320				

Hence, the participants exhibit a favorable financial outlook on their ability to effectively use forthcoming income. The data reveal that a significant proportion of participants hold the perception of having control over their present financial situation, as shown by the second-highest mean score of 2.79 and a standard deviation of 0.941. The participants showed mostly positive attitudes toward credit cards, acquiring knowledge about financial management, and developing the ability to effectively navigate their financial prospects.

Furthermore, the participants demonstrate a pessimistic disposition toward the assertion about experience concern regarding managing their financial resources. Based on the obtained data, individuals surveyed exhibit a relatively low mean score of 2.41 coupled with a comparatively higher value standard deviation, i.e., 1.034. This suggests that respondents generally did not express significant concerns about their competence in managing their financial affairs.

Table 7 presents the highest and lowest scores attained by respondents in relation to the financial attitude question. The highest score was 3.44, while the lowest score was 1.56. The mean value of the dataset was 2.620, with a corresponding standard

deviation of 0.338. If the calculated mean scores exceed the established standard of 2.5, the respondents possess a favorable disposition toward their financial convictions. On the contrary, a score of 2.5 often indicates that participants have a pessimistic perspective toward their financial convictions.

Next, it was essential to categorize the respondents based on their cultural, educational, psychological, and demographic characteristics. The financial literacy variable includes questions about taxation, banking, the stock market, inflation, money illusion, numeracy, and compound interest rates. Moreover, financial literacy includes a thorough understanding of how to manage personal finances, determine how inflation affects investment returns, capitalize on insurance to earn premium returns, take routine spending costs into account, and evaluate the risk and potential return of investments.

To accurately evaluate participants' overall financial literacy, it was essential to categorize the respondents based on their cultural, educational, psychological, and demographic characteristics. The financial literacy variable includes questions about money illusion, inflation, compound interest rates, taxation, stock market, banking, and numeracy. Similarly, the concept of financial lit-

Table 7. Overall mean and standard deviation of financial attitude

Source: Results from data analysis.

Domain	N	Minimum score	Maximum score	Mean	Std. deviation
Financial attitudes	320	1.56	3.44	2.620	.338
Valid N (List-wise)	320	–	–	–	–

Table 8. Descriptive statistics of financial literacy

Source: Results from data analysis.

Statements	N	Observed mean	Mid-level score	Std. deviation	Result compared to Mid-level Score 2.5
Sufficient knowledge for managing personal finance	320	2.49	2.5	0.971	Significant
Understand inflation and how it may impact future investment income	320	2.44	2.5	0.93	Significant
Insurance provides an opportunity to earn returns on premiums in the future	320	2.31	2.5	.952	Significant
It is likely to lose all of your money if you save it in more than one place	320	2.33	2.5	0.955	Significant
High inflation means that the cost of living is increasing rapidly	320	2.44	2.5	0.976	Significant
It is usually possible to reduce the risk of investing in the stock market by buying a wide range of stocks and shares	320	2.61	2.5	0.938	Insignificant
An investment with a high return is likely to be risky	320	2.22	2.5	1.044	Significant
Valid N (List-wise)	320				

eracy includes a thorough understanding of how to manage personal finances, determine how inflation affects investment returns, use insurance to earn premium returns, take routine spending costs into account, and evaluate the risk and potential return of investments.

As per Table 8, the average mean values were derived from the four-point Likert scale. The average score for the statement “An investment with a high return is likely to be risky” was 2.22 out of a maximum score of 5, with a standard deviation of 1.044. This finding suggests that the participants are more likely to agree with these statements. Moreover, the data support the notion that diversifying one’s investment portfolio by purchasing a diverse range of companies and shares generally leads to a lower level of risk in the stock market. This is evident from the higher mean value of 2.61 points and a larger standard deviation of 0.938 points.

Table 9 depicts that the minimum attainable score for financial literacy was 1.43, while the maximum attainable score was 3.86. The average score, as indicated by the mean, was 2.405, with a standard deviation of 0.449. This implies that the observed value of the mean score was found below the mean score of 2.5, implying a reduced level of unpredictability.

Table 9. Overall mean and standard deviation of financial literacy

Source: Results from data analysis.

Domain	N	Minimum score	Maximum score	Mean	Std. Deviation
Financial literacy	320	1.43	3.86	2.405	.449
Valid N (List-wise)	320	–	–	–	–

The findings indicate that the choices pertaining to financial activities of the respondents were mostly influenced by their parents, media, the internet, books, and research papers. The second observation reveals that participants exhibit a greater susceptibility to the influence of media and the internet, as shown by mean scores of 2.88 and 2.86, and corresponding standard deviations of 0.961 and 0.964, respectively. This indicates that knowledge of financial management was the origin of parents, the internet, media, books, and research papers. The knowledge on financial literacy provides skills to manage financial resources and enhance personal financial security. This enables a person to make better financial decisions, ultimately contributing to the overall well-being and avoid financial crises that boost mental health.

4. DISCUSSION

This study aimed to assess the financial literacy of Masters of Business Administration (MBA) students mainly in Kathmandu Valley. The study has focused on four key criteria. The paper found that students’ financial literacy is influenced by their parents’ financial behaviors, and initial exposure to financial concepts typically occurs within the family setting. The results of this study diverged from

Thapa and Nepal's (2015) findings but aligned with Bauer et al. (2000). Gender was found to have an impact on financial literacy, contrary to Ibrahim et al. (2009). However, there was no correlation between students' attitudes toward money and their financial literacy, which is consistent with Danes and Hira (1987). Nonetheless, this study showed significant gender disparities in financial literacy, contrary to Chen and Volpe (1998).

Family income did not appear to correlate with financial literacy, contrasting with Ibrahim et al. (2009), who linked education and discipline to higher financial literacy. This study evidences a significant relationship between financial literacy and financial attitude, which was often considered

essential for a healthy financial outlook. There was no observed correlation between financial literacy and financial attitude, consistent with academic discourse.

Additionally, the study highlighted the increasing influence of the internet and media on students' decision-making processes, aligning with a MasterCard study. Religious affiliation showed a continuous correlation with financial literacy, in line with Huston (2010). The present study identified the various factors of financial literacy to MBA students in Kathmandu Valley, including monthly income, education level, university affiliation, gender, parental support, exposure to media and the internet, and cultural values.

CONCLUSION

Financial literacy means being skilled at managing money effectively, ensuring financial stability throughout the life. The present study aims to understand how students in Nepal comprehend and handle financial matters, including where they get their financial knowledge. The study collected data from students studying in four well-known universities in Nepal. It used statistical analysis, like percentages and averages, to assess the results. The results showed that students understand banks, the stock market, inflation, and money illusion quite well. However, they seem to struggle with taxes and compound interest.

The paper tested various factors, like age, gender, university, and more; they affected financial literacy. The study found that financial literacy is influenced by family income, academic performance, university affiliation, gender, and age. However, financial literacy is distinct from other aspects of life. The study also found that students' financial literacy is related to their beliefs and values about money, but it does not necessarily affect their financial behavior.

AUTHOR CONTRIBUTIONS

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