

Factors Affecting Financial Literacy of University Undergraduates & Its Impact on Investment Behavior

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Abstract

Due to the lack of financial knowledge, investors are not able to furnish and utilize their invested funds in the investment. Financial literacy is an important thing since all people have to make decisions that are related to financial matters like day-to-day economic activities and investment activities. The main purpose of this study is to identify the factors affecting the financial literacy of university undergraduates and its impact on their investment behavior. In addition to that researchers evaluate the level of financial literacy of the undergraduate as well. Gender, Level of Study, Field of Study, and Parents' monthly income were evaluated against the dependent variable. A sample of 148 undergraduates who participated in government universities was used for the research. Primary data were collected using a questionnaire, which consisted of 21 questions and was used to get data on both independent and dependent variables. The data were analyzed from a Statistical Package for Social Scientists (SPSS) Software. The data analysis included validity analysis, descriptive analysis, t-test, and ANOVA. The findings show that there is a significant relationship between gender and financial literacy of undergraduates and their investment behavior. Further, this study shows that male undergraduates have invested in risky investments more than female undergraduates. We identified that overall undergraduates have a high level of financial literacy. However, there is no relationship between the income level of parents, Level of study, and field of study on the financial literacy of university undergraduates. University undergraduates exhibit a nuanced investment behavior, displaying a blend of caution and exploration. With a predominant focus on secure savings and short-term goals, coupled with a curiosity for higher-risk investments driven by personal interests, these students showcase a diverse approach that emphasizes stability alongside calculated ventures into potential growth opportunities.

Keywords: Financial Literacy, Investment Behavior, Undergraduates.