

A STUDY ON FINANCIAL LITERACY IN COMMUNITY
SUBGROUP-A CASE STUDY OF ENTREPRENEURS/SHOP OWNERS IN
THAZHAKKARA PANCHAYAT

PROJECT REPORT

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BISHOP MOORE COLLEGE, MAVELIKARA
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CERTIFICATE

This is to certify that the project entitled "A STUDY ON FINANCIAL LITERACY IN COMMUNITY SUBGROUP-A CASE STUDY OF ENTREPRENEURS/SHOP OWNERS IN THAZHAKKARA PANCHAYAT" is a bonafide record work done by Devanarayan Paiyoor (15919101007), Diya Mariyam Samuel (15919101008), Mekha Ravi (15919101038), Rakhi R (15919101043), Rehna R (15919101044) in partial fulfillment of the requirement for the Award of Degree of Bachelor of Commerce , University of Kerala.

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Declaration

We, the sixth semester B.Com students of Bishop Moore College, Mavelikara do hereby declare that this project work “**A STUDY ON FINANCIAL LITERACY IN COMMUNITY SUBGROUP-A CASE STUDY OF ENTREPRENEURS/SHOP OWNERS IN THAZHAKKARA PANCHAYAT**” under the guidance of Mr. Kunjummen T Tharian, Department of Commerce, is the result of original work done during the project time. The matter included in this report is not a reproduction of any source. We are declaring that this project report has not been submitted elsewhere for any other degree.

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CHAPTER 1: INTRODUCTION

INTRODUCTION

Financial literacy is the possession of the set of skills and knowledge that allows an individual to make informed and effective decisions with all of their financial resources. Raising interest in personal finance is now a focus of state-run programs in countries including Australia, Canada, Japan, the United States, and the United Kingdom. Understanding basic financial concepts allows people to know how to navigate in the financial system. People with appropriate financial literacy training make better financial decisions and manage money better than those without such training.

The Organization for Economic Co-operation and Development (OECD) started an inter-governmental project in 2003 with the objective of providing ways to improve financial education and literacy standards through the development of common financial literacy principles. In March 2008, the OECD launched the International Gateway for Financial Education, which aims to serve as a clearinghouse for financial education programs, information and research worldwide. In the UK, the alternative term “financial capability” is used by the state and its agencies: the Financial Services Authority (FSA) in the UK started a national strategy on financial capability in 2003. The US government established its Financial Literacy and Education Commission.

Financial literacy is based upon providing individuals sound financial knowledge and skills so that they can make informed financial decisions and take effective actions regarding their personal money management. However, the underlying message is aimed to adjust people’s core attitudes and beliefs, so that a change in financial behavior can help them reach a future of financial freedom and security.

We all know that our society is built on credit. It is a normal practice for most of us to borrow money to finance our current needs with the hope of future repayment. We borrow money in the form of student loans – to finance educational cost; credit cards and private loans – to finance consumer purchases; and mortgages – to finance homes.

Acquiring debts is a big part of who we are as a nation. In recent years, people began to question the value of acquiring material possessions at the expense of financial security and freedom. In 2008, the over-extension of consumer credit caused the collapse of banking systems and housing markets in many state.

STATEMENT OF THE PROBLEM

There is growing evidence that students are leaving high school not knowing fundamental information on such topics as debt, credit, insurance, or even basic banking services. With the growing technological complexity and sophistication of the banking and investment industry, core knowledge on these topics is vital for people to be able to understand even the most basic of monetary transactions. Through newspaper accounts, a person can see that bankruptcy rates are higher than at any other time in history.

Add this in to the rise of predatory lending practices such as “payday” loans and pawn shops, the overall increase in consumer debt ratios, the decrease in the personal savings rate, and the in appropriate use of credit and it is clear that consumers—and students—may not be making decisions based on knowledge of the financial marketplace and its impact on their lives. Due to changes in investment and pension plans, many workers are now also responsible for managing their own retirement funds. Many businesses have changed from employer-sponsored plans (such as a traditional pension) to a more worker-oriented Individual Retirement Account. This shifts the responsibility to the individual and illustrates another need for information.

Following certain cultures will enable individuals to become financially literate. Financial literacy does not determine how others are affected when an individual makes a financial decision, such as supporting a local store that will open opportunities for employment by creating ample benefits specifically for the community. Whereas shopping online is more likely to be a significant financial decision, but it will produce adverse effects on those who are running physical stores. It is essential to highlight the influences of financial decision making and how others are affected according to the definition of financial literacy. It includes cultural and personal values, socioeconomic status, life stages, professional associations, educational level, media, and much more.

Another main issue related to financial literacy is that only 17 states are providing financial education. Schools must give essential life lessons about financial skills to youngsters. This education will help them to monetize labor and manage their assets efficiently. There is a definite need for programs comprised of financial literacy skills to be offered to students to learn how to manage and implement their finances appropriately. Most of the financial literacy surveys conducted worldwide shows that a majority of the individuals are is not having sufficient knowledge to understand even basic financial fundamentals. And it is observed that most of the individuals do not have proper financial planning for their future.

In this study the survey is based on two categories of peoples, one is Entrepreneurs who sets up a business or businesses, taking on financial risks in the hope of profit. The other category is Shop owners , who owns or operates a store or shop.

It is observed that in the entrepreneurs including shop owners have average knowledge to take wise financial decision and to utilize their knowledge to interpret the correct data to utilize the market for financial gains. The problem considered in the study is the lack of financial awareness/ competence/ confidence/ attitude consequently ever increasing social and economic problems in the society especially the entrepreneurs and shop owners. We hope that this case study may prove that the need for Financial education in the society, so that the future society can fulfil their financial goals.

OBJECTIVES

- To study the level of financial literacy of the community subgroup Entrepreneurs / Shop owners.
- To analyse the knowledge of financial literacy among Entrepreneurs /Shop Owners.
- To identify the application of financial literacy among Entrepreneurs or shop owners.

- To ascertain the knowledge regarding the connection between risk alleviation and financial literacy among Entrepreneurs /Shop Owners.
- To assess the financial confidence of Entrepreneurs /Shop Owners.
- To assess the financial competence of Entrepreneurs /Shop Owners.

SCOPE OF THE STUDY

This study highlights the level and application of financial literacy among Entrepreneurs or shop owners in their businesses. The study provides a broad scope in relation to the subject covering the topic like financial awareness, financial competency, financial risk, financial planning and sustainability of businesses of Entrepreneurs /Shop Owners.

The sample collected for this study include responses from the community sub group Entrepreneurs /Shop Owners of Thazhakara Panchayat of Alappuzha district.

SIGNIFICANCE OF THE STUDY

The project work provides an impactful understanding of the subject related to the Fiscal learning among entrepreneurs and shop owners. Thus the study provides A broad scope in relation to the subject covering all essential elements such as financial Awareness, financial behaviour, financial competency and financial attitude/ motivation of entrepreneurs and shop owners.

Financial literacy is important because it equips one with the knowledge and skills we need to manage money effectively. Without it, our financial decisions and the actions we take or don't take lack a solid foundation for success. Due to an increasingly complex marketplace, people need greater knowledge about their personal finances and the economy as well as "real Life skills" (e.g., budgeting, reducing debt, paying interest, savings, investments etc.)

Financially literate one can manage money with confidence which means effectively allocating earnings to goals and limiting or attacking debts. If financial literacy and competency

can reduce the problems in the society, it is a very significant aspect to study on. Hence there is need to study whether these problems can be mitigated by providing Financial education. Some people learn basic financial knowledge through trial and error, yet this knowledge may not be sufficient for less financially educated ones like ward members to become smart and financially confident investors in today's society.

METHODOLOGY OF THE STUDY

SOURCES OF DATA

The study uses both primary and secondary data. Primary data is obtained through respondents, through schedule, Google form and personal interview. The secondary data are Collected from internet, magazines, books etc. In this project, the primary data are collected through Questionnaires, Google forms and Telephonic interview. The secondary data was only used for theoretical reference and the data's were collected mainly from internet, magazines, literature reviews, case studies that have been carried out, published and books.

SAMPLING DESIGN

Convenience sampling method is used to collect primary data. In this project the respondents to be surveyed are Entrepreneurs or Shop Owners in Thazhakkara Panchayat in Mavelikara, Alappuzha district in Kerala .

SAMPLE SIZE

Sampling survey is limited to 50 Entrepreneurs/shop Owners.

TOOLS FOR ANALYSISOF DATA

We used MS Office Excel to analyse and obtain Charts and diagrams.

The following tools were used for a the collected data:

1.Percentage Analysis

2.Table

3.Bar Diagram

4.Pie Chart

OPERATIONAL DEFINITION:

1. Entrepreneurs:- a person who sets up a business or businesses, taking on financial risks in the hope of profit.

2. Shop owners:-One who owns or operates a store or shop.

3. Financial Literate: - A person is considered as financially literate if the answer to the questions 1, 2 , 3, 4 and anyone of 5 to 11 is know well or apply. It means a person know well or apply the concept of Interest, Compound Interest, Inflation, Risk Diversification and Insurance .

4.Financial Competency: - A person is considered to be financial competent if his/her answer to the questions 12 to 16 is apply or use. It means a person is considered as financial competent if he apply or use the concept of Long term planning of the Expenses/ Income/ Savings/ Investment, aware of the Financial products and the Risk/Return characteristics, choosing financial products, access to financial products and stay informed.

5.Financial Confident:- A person is considered to be financially confident if answers to three questions from 17 to 19 and is apply /use or know well and similarly know well for any of the questions from 20 to 23. It means a person is considered as financially confident if he/she apply the concept of Independent financial decisions made and executed –current and long term and know where to seek help on financial matters, managing debt and Regulatory Authorities (RBI, IRDA, PFRDA, SEBI).

6. Financially motivated: - A person is considered to be financially motivated if answers to any three questions from 24 and 27 is apply or use. It means a person is considered as financially confident if he/she apply the concept of Day to day financial management and budgeting, habit of saving and investment.

LIMITATIONS OF THE STUDY

- The size of the sample took is relatively smaller. As bigger sample it would probably:
 - ✧ Enhance the reliability of research.
 - ✧ Some of the respondents hesitated to speak on their actual financial position as their Earning is unsatisfactory.
 - ✧ Time period is another constraint in the study.

CHAPTERISATION

Chapter 1 : Introduction

Chapter 2 : Review of Literature

Chapter 3 :Theoretical framework

Chapter 4:Data analysis and interpretation

Chapter 5 : Findings, Suggestions and Conclusion

Bibliography

Appendix

CHAPTER 2:
REVIEW OF LITERATURE

REVIEW OF LITERATURE

1. Sumit Agarwal (2010), examined investment behavior, liability choice, risk tolerance and insurance usage of 1,694 Hyderabad respondents who are interested in Personal finance. Data for analysis provided by investment Yogi Financial Advisory Services. Majority of respondents are financially literate they answered the numeracy, inflation and diversification questions correctly. Study found that majority of males with higher education level and aggressive investors are more literate than females and less educated.

2. Puneet Bhushan (2013), conducted survey of 516 salaried individuals of Himachal Pradesh using multistage sampling to check the financial literacy level. It is found that overall literacy level is low and financial literacy level of male is more than females. Level of education, income, nature of employment and place of work influence on financial literacy whereas geographical region does not influence on financial literacy.

3. Harsha V Jariwala (2014) assessed the financial literacy level of individual investors in Gujarat state, India and its effect on investment decision by considering 44 variables. The research found that 39.2% of 285 respondents are higher level of financial literacy and found that financial literacy does have statistically significant effect on investment decision.

4. V Mathavathani (2014), focused on financial Literacy of rural women in Tamilnadu based on 2 factors: knowledge, behaviour and attitude. It is found that very low financial literacy among rural women.

5. K N Narendra (2014), discussed the role of Financial planner in the era of overloaded information. Study suggested that the persistent and prolonged . Efforts by all stake holders to educate and bring down revolution in India.

6. Kamal Gupta (2014), assessed the level of financial literacy amongst 87 micro Entrepreneurs of Kangra district of Himalaya Pradesh based on record keeping, various institutional awareness, savings, investment plans, savings management and various loan products. It is found that most

respondents are responsive of bank loans, less awareness about other financial institutions. Overall possess low financial skills which reflected in deficient record keeping, poor cash management, improper savings habits, less awareness on financial products. Research suggested that to create more awareness and financial alternatives for well-being of micro entrepreneurs.

7.Lavanya Rekha Bahadur (2015), analyzed two pillar of the economy: financial literacy and financial inclusion and its current scenario as well as common people perspective about Financial instruments. Data collected from 202 Mumbai and Thane district individuals. It is found that level of financial literacy is very low and suggested to encourage financial literacy from school level, national level programs and seep effort to the grass root level.

8.Priyanka Agarwal, (2015), emphasis on financial literacy importance for managing finances and investment pattern of both teaching and non-teaching female staff (20 teaching and 20 non-teaching female staff) in education sector of Jhansi District. It is found that most of working women are aware of Investment Avenue and invest their savings in bank and post office fixed deposit. Visa Financial Literacy Survey (2014), depicts Indians are least financially literate people across the globe with youngsters and women struggling most with their financial knowledge. Only 25% of total population in India are financially literate and ranked 23rd among 28 countries.

9.Ratna Achuta Paluri (2016), analyzed factors influencing financial attitudes of Indian women to classify Indian women based on attitude with 9 variables: anxiety, interest in financial issues, intuitive decisions, precautionary savings, free spending, materialistic and fatalistic attitude, propensity to plan for long and short term Financial goals. Study used confirmatory factor Analysis to cluster the women of Nashik city. Based on cluster analysis classified customer . Into judicious consumers, conservative consumers, acquisitive consumers and unsure consumers. It is found that only one third of Respondents did not buy any financial products, Most preferred products were fixed deposit and Insurance. And also found that cluster 1 Followed by cluster 3 seems to be attractive for Marketers, cluster 4 is unattractive.

10. William B Walstad, Ken Rebeck(2017) The Test of Financial Literacy(TFL) was created to measure the financial knowledge of high school students. Its contents is based on the standards and benchmarks stated in the National Standards for Financial Literacy. The test development process involved extensive item writing and review. Further test analysis was conducted using an item response theory(IRT) model with four parameters to estimate item discrimination, item difficulty, guessing, and inattention. The IRT results indicate that the measure is effective in assessing student financial literacy across a broad range of student abilities.

11. Andrea Neri(2018) At the beginning of 2017, Banca d'Italia conducted a survey to investigate financial literacy and inclusion among Italian Adults. The survey is part of an OECD project to create an internationally comparable data set on this important topic. The questionnaire was developed by the OECD International Network on Financial Education(INFE). The Italian sample consists of about 2500 persons interviewed using two different methods.

12. Marc Oliver Rieger(2020) Financial literacy and its effects have been studied extensively in recent years. The measurement of this concept is, however, tricky and numerous measurement instruments exist. In this paper, we study the connection between these measures empirically. We find that these measures are often only slightly related and that this is so-far overlooked empirical problem in this field. As a result of my analysis, I suggest the combination of two measures as the best potential alternative to the existing measures. Finally, we analyze the predictive power of this suggested measure for stock investment decisions.

13. Yoshihiko Kadoya(2020) This study investigates the factors affecting financial literacy in Japan using data from Osaka University's Preference Parameter Study. He examine several demographic, socio-economic, and psychological variables drawn from the social learning, consumer socialization, and psychological theories of learning. The results indicate that the demographic factors of gender, age, and education; the socio-economic factors of income and occupation; and the psychological factor of perceptions of the future significantly affect the level of financial literacy. The results are robust to different measures of financial literacy and emphasize that social contact and people's future orientation can improve financial literacy levels in Japan.

**CHAPTER 3:
THEORETICAL FRAMEWORK**

MEANING

Financial literacy is the possession of the set of skills and knowledge that allows an individual to make informed and effective decisions with all of their financial resources. Financial literacy refers to the ability to understand and apply different financial skills effectively, including personal financial management, budgeting, and saving. Financial literacy makes individuals become self-sufficient, so that financial stability can be accomplished.

DEFINITION OF FINANCIAL LITERACY

The National Financial Educates Council defines financial literacy as, “possessing the skills and knowledge on financial matters to confidentially take effective action that best fulfills an individuals personal family and global community goals “.

Paul Global, Director , Students Money Management Center at the university of North Texas, defines financial literacy as ,”financial literacy is the end result of the financial education process when students are financially literate they can make informed financial decisions that can aid in improving their well-being”.

The Center for Financial Conclusion defines financial literacy as ,” The combination of knowledge, skills, attitudes and ultimately behaviors that translate into sound financial decisions and appropriate use of financial services”.

The President's Advisory Council on Financial Literacy defines personal financial literacy as “the ability to use knowledge and skills to manage financial resources effectively for a lifetime of financial well-being”.

According to Mason and Wilson (2000), a financial literacy is a “meaning – making process” in which individuals use a combination of skills, resources, and contextual knowledge to process information and make-decisions with knowledge of the financials consequences of that decision.

According to Organization for economic cooperation and development (OECD) “financial literacy has a combination awareness, knowledge, skill, attitude and behavior necessary to make sound financial decisions and ultimately achieve individual wellbeing”

IMPORTANCE OF FINANCIAL LITERACY

The need for financial literacy to incorporate financial inclusion is now widely recognized by all stakeholders including the policy makers , practioners, bankers, researchers and academicians across the globe.

In consonance with the OCED's global paradigm, the National Strategy for Financial Education aims at spreading such as to the awareness about basic financial products, bank accounts, in order to link new Users of Financial sector. Educating the existing users in the financial sector to make informed decisions. Ensuring customer protection from risks and fraud by making them vigilant. In order to promote financial literacy in India, individuals should be impacted with relevant skills of knowledge at various levels, but mainly in school to College. They should be enabled to put their skills and knowledge into practice through their ability & self-efficacy. The basic financial education at the intermediate and college level must include.

A robust understanding of financial planning. Knowledge of usage of basic financial products. Effective money management. Debt management prioritizing needs over wants understanding effective investment instruments, like SIP understanding terms of EMI.

Financial literacy is important for you because it will equip you with the knowledge and skill to manage your money effectively. Financial literacy will help you in understanding financial concepts in a better way and enable you to manage your finances efficiently. It will also help you in effective money management, financial decisions and achieving financial stability. Being financially literate is a skill that brings forth an assortment of benefits that can improve the standard of living for individuals through an increase in financial stability. Some of the benefits of being financially literate, ability to make better financial decisions. Effective management of money and debt, Greater equipped to reach financial goals. Reduction of expenses through better regulation. Less financial stress and anxiety. Increases in ethical decision making when selecting insurance, loans, investments and using a credit card. Effective creation of a structured budget. People who are financially literate are generally less vulnerable to financial fraud.

It helps in improving the financial knowledge of individuals. It brings clarity on basic financial concepts and principles such as compound interest, debt management, financial planning etc. It enables you to manage your personal finances efficiently. It helps in making appropriate financial decisions about investing, saving, insurance, managing debts, buying a house, child education, retirement planning etc. It helps in understanding the differences between assets and liabilities. It helps individuals to achieve financial stability and financial freedom. It helps in developing the skill set required for better financial planning and managing your money. It provides in-depth knowledge on financial education and strategies which are indispensable for achieving financial growth and success. It helps in generating, managing, saving, spending and investing money. It enables you to be debt free by inculcating financial knowledge and debt strategies.

- Understand how much you earn and spend : when building financial literacy making a budget is one important way to establish a true understanding of your income and expenses. Once you have a budget you can continue to track spending and revisit your spending plan regularly.
- Repay and avoid debt: Seeking out to lowest interest rates when comparing long term can save a substantial amount overtime and so can paying off credit card balance each month. So you don't accrue interest charges.
- Protect yourself from debt and bankruptcy :A crucial way to prevent debt from building is to create an emergency saving account. A financial literate saver knows how much to set aside. Ideally three to six months worth of expenses and aims to keep it at the level at all times.
- Work towards secure retirement: whatever your other short term plans save for retirement at the same time. When you have become financially literate , you will have a better idea on how much to save ,what type of retirement you want , and how to get there.

LEVELS OF FINANCIAL LITERACY

- **Level One:**

Functional finance- The essential to know finance

Individuals often come across terms like debit, credit, profit and tax in their monthly bank statement seen online or during visits to their banks. When an account holder takes money out of an account it is called debit. While credit is when money is added to the account profit is a financial gain. That is when cash or any asset value (anything your own) increases tax imposed by tax collection bodies and it is mandatory to pay it on time assets are resources that have an economic value attached to them liabilities are what you owe someone.

- **Level Two:**

Basic finance- They should know finance

The basic core competences of finance are what an individual should know beyond the essential terminology mentioned above these are saving, investing, spending, borrowings and protecting earnings. The money one brings home to spend on what one wishes could be through a paid job, self-employment, earnings or return on any investment. Saving and investment refer to growing your money through saving and then putting that money with financial institutions and other services where that money would grow. Spending is how you use the money to fulfill the needs of your life. Borrowing refers to the acquiring of a term of finance goal such as education. Protecting usually refers to insurance, retirement plans. It is a risk management tool for unforeseeable events.

- **Level Three:**

Intermediate finance-The better to know finance

Better to know than sorry later. Some financial aspects are highly important to understand because the current choice has an impact on the future. Interest is one of the key concepts. Interest is the money one has to pay because of a loan one has acquired. Interest is the rate that is applied on the loan repayment. It is essential to know the interest before taking a loan. A mortgage is a type of loan between an individual and a financial institution that enables the borrowed asset to be used as collateral.

collateral that can be sue by the bank. Financial institution up on facilitate to repay similarly A lease is to someone asset for an exchange of money paid at regular interval for a specified a period.

- **Level Four:**

Proficient finance- the good – to- know finance

It is always good to know the present scenario and predict the future based on it logical approach for finance on term that resonates with the statement is Inflation. Inflation is general increase in a price of common Out vise commodities. This translate into decrease purchasing power. Another important concept is of compounding interest. Compounding interest is a payment charged on previous payment plus interest amount for example two year 2% a compound interest on a Loan2% on 102 for the second year two percentage or 100 for Year makes the total amount of104 .04 payable is what one has to p pay out at the end of term. The value of assets declines or overtime with cheese account that for us depreciation.

- **Level Five:**

Expert Then known it all finance

One of the core concept is finance time value of money .TVM is a state money has a time value attached present value, future value, number of years invested in for and interest rate play a crucial role in determining, the value of money. Companies, celebrities come with the net worth value. Net worth is value of everything one own, Tangible and intangible minus all the liabilities one own.

ADVANTAGES OF FINANCIAL LITERACY

The main benefit of financial literacy is that it empowers us to make smart financial decisions. It provides the knowledge and skills we need to manage money effectively—budgeting, saving, borrowing, and investing. This means that we're better equipped to reach our financial goals and achieve financial stability.

The particular benefits of financial literacy will differ depending on a person's circumstances, but some common situations in which financial literacy can help include:

- **Saving for retirement.**
- **Creating and sticking to a balanced budget.**
- **Purchasing a home.**
- **Selecting insurance.**
- **Reducing expenses.**
- **Investing.**
- **Buying a car.**
- **Saving for college.**
- **Managing debt.**
- **Using credit cards.**

➤ **Established budget:**

One of the first steps in learning financial literacy is to create a budget that fits your income and expenses, and having a budget can guide you on how much money you have after any necessary expenses like rent or mortgage, utilities, transportation costs and food. Budgets can seem overwhelming if you're new to financial literacy, but they are often as simple as listing your income and expenses and making a plan for the money you have left over.

➤ **More savings:**

People who are financially literate often have the skills to save more effectively. Using your budget, you can establish a plan for how to save money. You might have a particular goal for

saving, like to make a big purchase, or you might simply want to save in case of an emergency. Financial literacy can teach you what you need to know to reduce your spending so that you have more to save. Establishing a savings account can mean that you may not need to turn to credit cards or loans in an emergency.

➤ **Less unnecessary spending:**

Using financial literacy to evaluate your spending habits can allow you to see where you are spending too much or where you might reduce your spending. Financial literacy and a budget can show you how even small expenses might add up. By examining your spending, you can reduce that spending in areas that aren't necessary or that are less important to you than your financial goals.

➤ **Investment accessibility:**

Investments can be a great way to grow your wealth, but they may seem daunting to understand. However, there are many resources that can teach you how investments work and the best way to get started with investing. Most retirement plans like 401(k)s and IRAs are investment plans, but you can also invest outside of a retirement plan. Investments can include stocks, bonds and property. Through your financial literacy skills, you can decide what the best ways are for you to invest.

➤ **Debt management:**

Debt is a regular part of many people's lives in the modern world, and it can be challenging to manage effectively. Financial literacy can help you understand the best ways to reduce your debt so that it's more manageable. Not all debt is necessarily bad, but being aware of how debt affects your finances, including your credit score, is quite important. You may find that you want to create a plan for reducing certain types of debt in order to live more comfortably, and financial literacy is a great path to doing that.

➤ **Less stress:**

Financial issues can be stressful, so learning financial literacy and being careful with your budget and debt can reduce this stress. It can also help you discover a financial plan for your

future that reduces some of your uncertainty about the future. Less stress is a benefit for all areas of your life, as it can positively affect your personal and professional life.

- The main advantage of financial literacy is that it enables us to make clever economic choices. It gives the understanding and tactics we need to manage money efficiently like budgeting, saving, investing, etc. It means better furnished to reach our financial goals and achieve financial security. Here I am sharing some advantages of financial literacy education as follows:

It gives you more charge over your finances when you understand financial literacy, leading to more active overall resolution, as finances affect everyone's living in every approach. Possibly less debt as you have a more solid understanding of the consequence of debt on your budget, cash flow, savings, credit report, etc. Learn the value of saving and beginning to save money as shortly as feasible, even if it's just a tiny amount. One being able to read financial statements to make business choices. Individuals being able to understand their balance sheet and interest rates on home loans, car loans, and credit cards, etc. Financially literate selves can plan and have plenty saved for their retirement. They won't need to strip down their lifestyle in quiet and continue to live on the same level they're currently living. Being financially literate is the skill to identify a bad financial deal. Bu financial literacy, one pays a lower cost for bills since make fewer financial mistakes.

FINANCIAL LITERACY IN WORLD SCENARIO

Based on this definition , 33 percent of adults world wide are financially literate this means that around 3.5 billion adults globally, most of them in developing economies lack an understanding of basic financial concepts. World wide just 1 in 3 adults show an understanding of basic financial concepts. Although financial literacy is higher among wealthy well educated and those who use financial services it is clear that billions of people are unprepared to deal with rapid changes in the financial landscape , credit products many of which carry high interest rates and complex terms are becoming more readily available. Government are pushing to increase financial inclusion by boosting access to bank accounts and other financial services but

unless people have the necessary financial skills these will easily leads to high debt, mortgage defaults or insolvency.

Countries with the highest financial literacy rates are Australia, Canada, Denmark, Finland, Germany, Israel, the Netherlands, Norway, Sweden, and The United Kingdom, where about 65 percent or more of adults are financially literate. On the other end of the spectrum, South Asia is home to countries with some of the lowest financial literacy scores, where only a quarter of adults—or fewer—are financially literate.

Financial literacy rates vary widely across the European Union . On average, 52 percent of adults are financially literate, and the understanding of financial concepts is the highest in northern Europe. Denmark, Germany, the Netherlands, and Sweden have the highest literacy rates in the European Union: at least 65 percent of their adults are financially literate. Rates are much lower in southern Europe. For example, in Greece and Spain, literacy rates are 45 percent and 49 percent, respectively. Italy and Portugal have some of the lowest literacy rates in the south. Financial literacy rates are also low among the countries that joined the EU in 2004 and after. In Bulgaria and Cyprus, 35 percent of adults are financially literate. Romania, with 22 percent financial literacy, has the lowest rate in the European Union.

Financial literacy rates differ enormously between the major advanced and emerging economies in the world. On average, 55 percent of adults in the major advanced economies—Canada, France, Germany, Italy, Japan, The United Kingdom, and the United States—are financially literate but even across these countries, financial literacy rates range widely, from 37 percent in Italy to 68 percent in Canada. In contrast, in the major emerging economies—the so-called BRICS (Brazil, the Russian Federation, India, China, and South Africa)—on average, 28 percent of adults are financially literate. Disparities exist among these countries, too, with rates ranging from 24 percent in India to 42 percent in South Africa.

FINANCIAL LITERACY IN INDIA SCENARIO

India's financial literacy rate among its young and adult population has been growing due to various factors including the recent advancement in technology and media coverage. The government of India and various regulators are constantly working towards growth by implementing financial literacy courses, workshops and schemes. From mobile banking to online payments and insurance; the country has a huge number of online financial services users. This helped improve India's financial literacy as the awareness and ease of insurance and banking increased. Importance of Financial Literacy in India financial literacy is one of the biggest assets of any country as it is directly proportional to the economic growth.

The significance of financial literacy in India are as follow:

- Development of rural areas: Reaching out to rural sections and working on their development can be achieved through financial literacy. This can be achieved by making people more aware about the available resources and right way of utilizing them.
- Ease in borrowing: Based on an RBI study, 42.9% of population borrowed money from informal sources and pay higher interests. A strong financial education can help small traders make informed decisions and make the best use of available resources.
- Ease in doing business transactions: The launch of Pradhan Mantri Jan Dhan Yojana has led to an addition of 280 million new bank accounts. These accounts have led to an ease in doing business and has also promoted cashless transactions to a great extent.
- Growth of MSMEs: MSMEs contribute to 29% of India's GDP with 50% of the exports coming from this sector. Financial literacy can help small businesses grow and even bring new businesses to the market.

In addition to the above, the government of India has also implemented several schemes in order to increase financial inclusion such as, Pradhan Mantri Jan Dhan Yojana, Jivan Jyoti Bhima , Atal Pension Yojana etc. These schemes are introduced for the ease of banking services, awareness, and general insurance awareness. In addition to this, the government arranges several financial literacy programs like financial education for children, retirement planning, commodity

future markets and insurance for school students to educate and spread awareness among the young population.

FINANCIAL LITERACY IN KERALA SCENARIO

Compared to other States in India , Kerala's path and model of economic development is different. Among the southern region Kerala (36 percent) state scored highest level in financial literacy followed by Karnataka (25 percent). Puducherry (21 percent) scored lowest level in financial literacy. On an average southern region scored 25 percent in financial literacy which is higher than all India level.

So far the research in this topic and the existing studies indicate that financial literacy is widespread and individuals do not possess the economic principles. The existing studies also show that individuals who are not financially literate tend to borrow at higher interest rates fail to refinance mortgages when it would be optimal to do so. The Kerala model of economic development has shown its brighter side in this regard has shown to higher educated, well employed women who are highly monthly income and residential location are found.

THAZHAKKARA PANCHAYAT PROFILE

Thazhakkara is a village in Alappuzha district in the Indian state of Kerala. Thazhakkara is one among five villages in Mavelikara Taluk in Alappuzha district. Justice C. T. Ravi Kumar, judge of Supreme Court of India, is a native of Thazhakkara. Thazhakkara panchayat has 21 wards. On the northern side is Achenkovil river, in the West Mavelikara municipality. Some of the industries based on Thazhakkara are:

- *) Travancore oxygen
- *) Sangrose Laboratories (in Mavelikara) which specializes in manufacturing of soft gelatin capsules. It is also one of only companies in the world to manufacture SSC ready mix concrete.

The local people have two opinions about the history of the name as Thazhakkara. When all these places were under the majestic rule of Edappally Swaroopam, this place was seen as Thazhakkara, since this area was at the top level socially, economically, educationally, culturally and geographically and later it became Thazhakkara.

CHAPTER 4:
DATA ANALYSIS
&
INTERPRETATION

INTRODUCTION

The study was conducted among the Entrepreneurs/Shop Owners of different age groups from Thazhakara Panchayat, Mavelikara in Kerala. The study focuses on analyzing the following objectives:

- To assess the financial literacy among the Entrepreneurs/Shop Owners .
- To measure the financial competence among the Entrepreneurs/Shop Owners.
- To understand the financial confidence prevailing among Entrepreneurs/Shop Owners.
- To study about the financial attitude/ motivation among the Entrepreneurs/Shop Owners .

The study is based on primary data. It is collected by distributing relevant questionnaire given to Entrepreneurs/Shop Owners and to arrive at a proper conclusion and interpret the data, bar diagrams, pie chart etc. were used.

Content of the Questionnaire

The questionnaire is regarding the financial literacy among the Entrepreneurs/Shop Owners with special reference to Thazhakkara Panchayat. It includes details regarding age, educational qualification, income and other personal details.

Awareness of various concept among Entrepreneurs or Shop Owners

Table 4.1

Awareness of the concept at Interest

Particulars	No:of respondents	Percentage
Heard	10	15%
Know well	8	14%
Apply/use	20	57%
Want to know more	12	14%
TOTAL	50	100%

Source: Primary Data

Interpretation:

Table 4.1 shows that out of total respondents, 15% of respondents heard of interest, 14% know-well about it, 57% apply/use and 14% want to know more about it.

Table 4.2

Awareness of the concept Compound Interest

Particulars	No:of respondents	Percentage
Heard	15	26%
Know well	9	10%
Apply/use	22	58%
Want to know more	14	6%
TOTAL	50	100%

Source: Primary Data

Interpretation:

Table 4.2 shows that out of total respondents, 26% of respondents heard of interest, 10% know-well about it, 58% apply/use and 6% want to know more about it.

Table 4.3
Awareness of the concept Penal Interest

Particulars	No:of respondents	Percentage
Heard	14	32%
Know well	31	50%
Apply/use	12	14%
Want to know more	31	4%
TOTAL	50	100%

Source: Primary Data

Interpretation:

Table 4.3 shows that out of total respondents, 32% of respondents heard of interest, 50% know-well about it, 14% apply/use and 4% want to know more about it.

Table 4.4
Awareness of the concept Inflation

Particulars	No:of respondents	Percentage
Heard	13	26%
Know well	21	41%
Apply/use	16	32%
Want to know more	0	0%
TOTAL	50	100%

Source: Primary Data

Interpretation:

Table 4.4 shows that out of total respondents, 26% of respondents heard of interest, 41% know-well about it, 32% apply/use and 0% want to know more about it.

Table 4.5
Awareness of the concept Risk Diversification

Particulars	No:of respondents	Percentage
Heard	13	26%
Know well	5	10%
Apply/use	29	58%
Want to know more	3	6%
TOTAL	50	100%

Source: Primary Data

Interpretation:

Table 4.5 shows that out of total respondents, 26% of respondents heard of interest, 10% know-well about it, 58% apply/use and 6% want to know more about it.

Table 4.6
Awareness of the concept Insurance

Particulars	No:of respondents	Percentage
Heard	8	20%
Know well	29	50%
Apply/use	11	25%
Want to know more	2	5%
TOTAL	50	100%

Source: Primary Data

Interpretation:

Table 4.6 shows that out of total respondents, 20% of respondents heard of interest, 50% know-well about it, 25% apply/use and 5% want to know more about it.

Table 4.7

Level of Finance Literacy of Entrepreneur/ Shop Owners

Basis	No of Respondents	percentage
Financially aware/ literate	40	80%
Not aware/ literate	10	20%
Total	50	100%

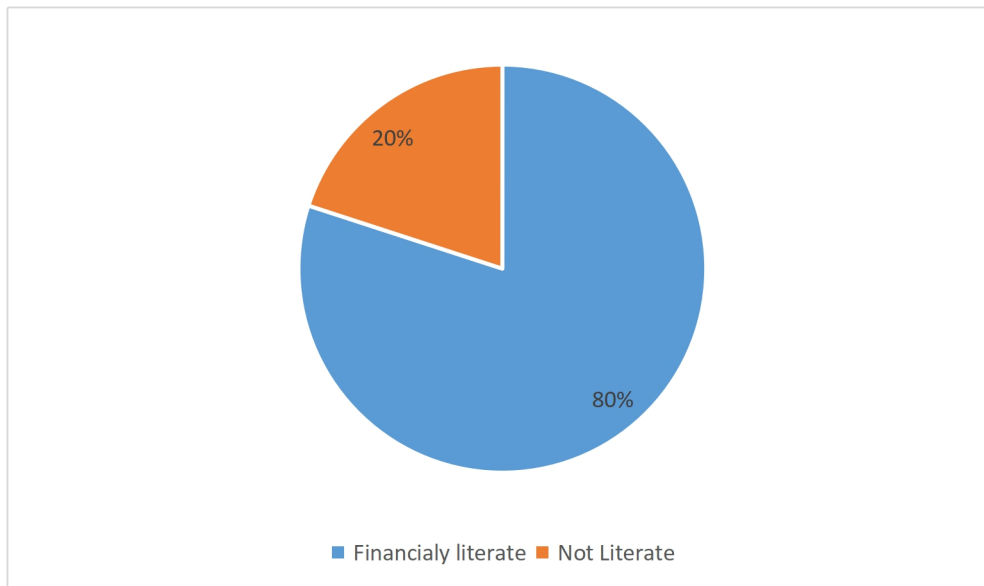
Source: Primary Data

Figure 4.7.1



Source: Table 4.7.1

Figure 4.7.2



Source: Table 4.7.2

INTERPRETATION

The above graph shows that 80% of respondents are financially aware / literate and 20% is not literate.

4.4 LEVEL OF FINANCIAL LITERACY AND SOCIOECONOMIC BACK GROUND OF THE RESPONDENT: ENTREPRENEURS/ SHOP OWNERS

We focused on the analysis of level of financial literacy and socio-economic background of Entrepreneurs/ Shop Owners, who have low financial literacy level. The factors considered in analysis includes Gender, Age, Marital status, Income, Education and Family type of respondents.

4.4.1 GENDER WISE DIFFERENCE IN FINANCIAL LITERACY

There are important knowledge gaps throughout the population. And there is considerable differences among gender wise literacy also. The following table and graph shows gender wise classification of respondents.

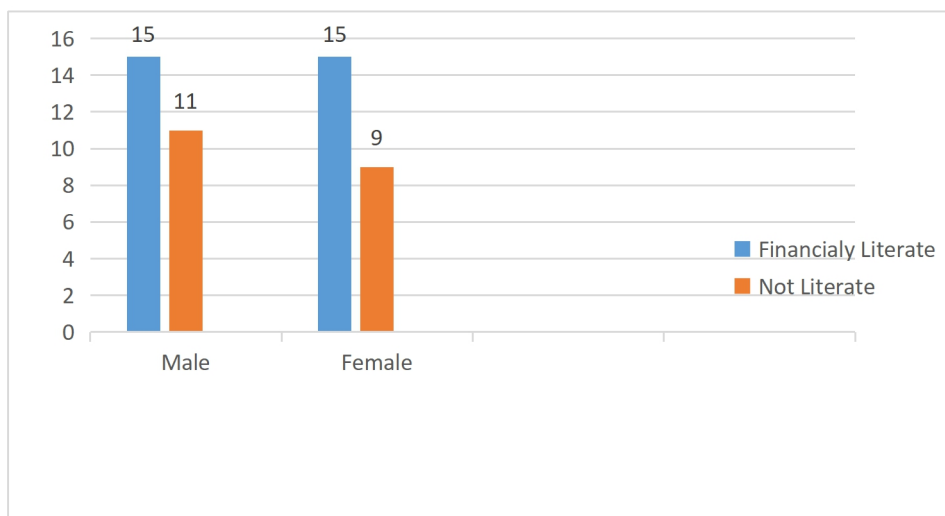
Table 4.8

Gender wise difference in level of financial literacy

GENDER	MALE	%	FEMALE	%	TOTAL	%
Literate	15	57.69%	15	62.50%	30	60%
Not Literate	11	42.30%	9	37.50%	20	40%
TOTAL	26	100.00%	24	100.00%	50	100.00%

Source: Primary Data

Figure 4.8



Source Table: 4.8

INTERPRETATION

The above graph shows that 57.69% male are literate and the 62.50% females are financially literate. Here we could see that females are more literate than males.

4.6.2 AGE WISE DIFFERENCE IN FINANCIAL LITERACY

At all ages whether at work or in our personal lives, we have to make decisions on a regular basis. Some decisions will be easier than others. As people tend to get older, decisions about topics such as health and retirement are considered more important. The difficult decisions we make later in life are often important and can impact our lives substantially – meaning there may be fewer opportunities to recover from any bad decisions we make.

In this study to analyse whether age has an impact on being financially literate or illiterate, the respondents were classified into three age groups: 18-35, 35-50 and above 50.

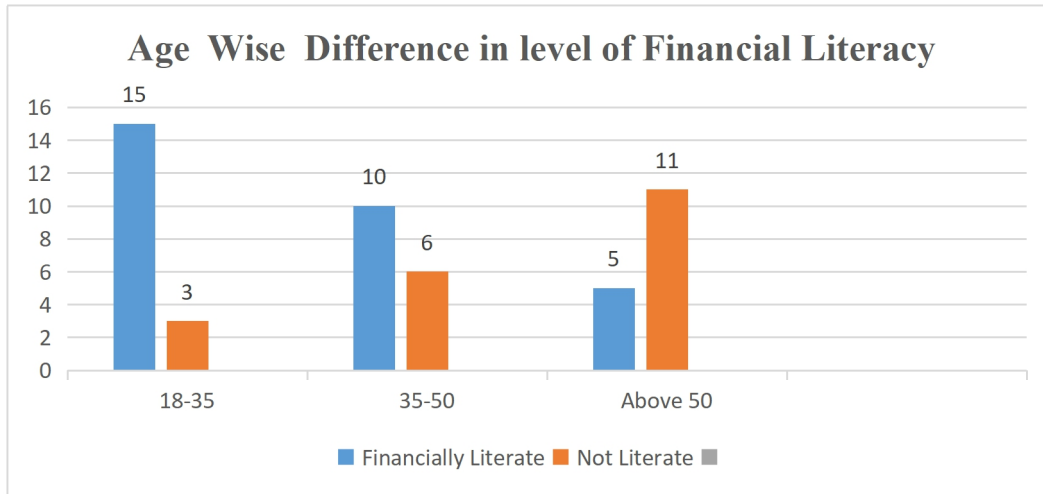
Table 4.9

Age wise difference in level of financial literacy

Age Group	18-35	%	35-50	%	Above 50	%	Total	%
Financially Literate/Aware/ Literate	15	83.33%	10	62.50	5	31.25%	30	60%
Not Aware/Literate	3	16.66%	6	37.50	11	68.75%	20	40%
TOTAL	18	100.00%	16	100%	16	100%	50	100%

Source: Primary Data

Figure 4.9



Source Table 4.9

INTERPRETATION

The above graph shows that 83.33% of respondents in age group 18 – 35 are financially literate and 62.50% of respondents in the age group 37 – 50 is literate. 31.25% of respondents in the age group above 50 literate. According to this study 18-35 age group respondents are more literate than other groups.

4.6.3 MARITAL STATUS WISE DIFFERENCE IN FINANCIAL LITERACY

Every person whether single or married wants to be financially independent & secure his/her future with enough funds. Although individuals may be equal in all aspects, when it comes to their financial planning needs, they are very different. They raise their money and increased wealth through investing in secure and risky assets. When it comes to investment, being single is a plenty advantageous and people are free to make financial decisions. They can create a desirable financial future. On the other hand, for married people dealing with money is one of the biggest challenges as they have to discuss many things with their spouses before making any financial plan. In this study to analyse the financial literacy of the respondents we have classified them on the basis of the marital status; i.e. Married / Single.

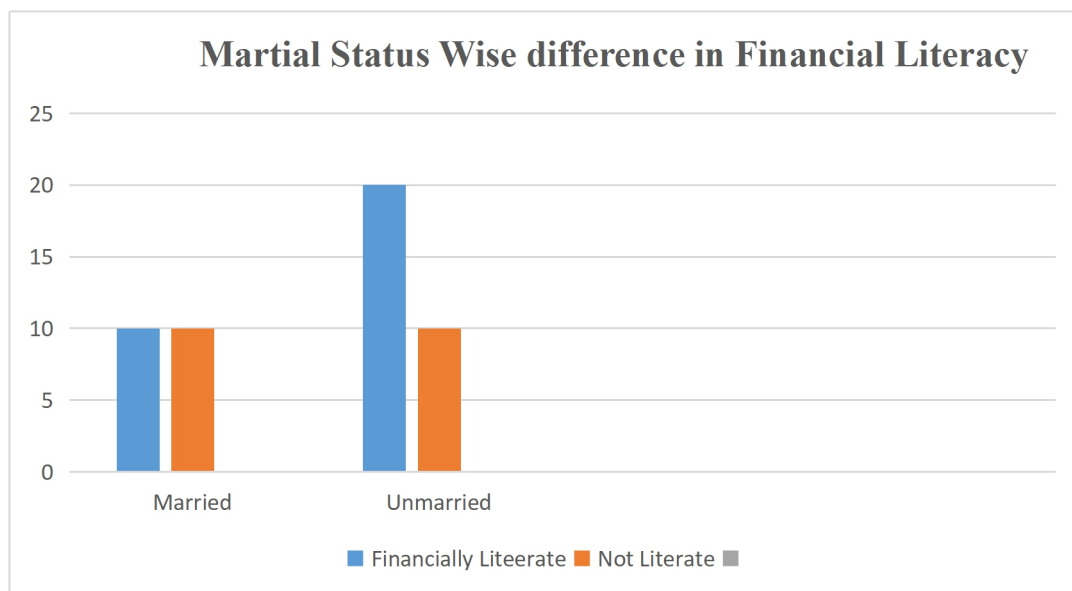
Table 4.10

Martial Status wise difference in level of financial literacy

Martial Status	Married	%	Unmarried	%	Total	%
Literate	10	50	20	66.66%	30	60%
Not Literate	10	50	10	33.33%	20	20%
TOTAL	20	100	30	100.00%	50	100%

Source: Primary Data

Figure 4.10



Source Table 4.10

INTERPRETATION

The above graph shows that 50% married are literate and the 66.66% of unmarried are financially literate. Here, we could see that majority of respondent has no significant impact on the level of financial literacy of respondents.

4.6.4 INCOME LEVEL WISE DIFFERENCE IN FINANCIAL LITERACY

People with low incomes see the most routine, ordinary experiences through different lenses than people with higher incomes, according to psychological research. It is evident that income does play a significant role in a person's financial decisions as well as financial planning. In this study to analyse the financial literacy of the respondents based on their income level, they are classified into three: Low Income, Middle Income and High Income. Low income include annual earnings up to 2 lakhs, Middle income means earnings between 2 and 5 lakhs. High income means earning above 5 lakhs.

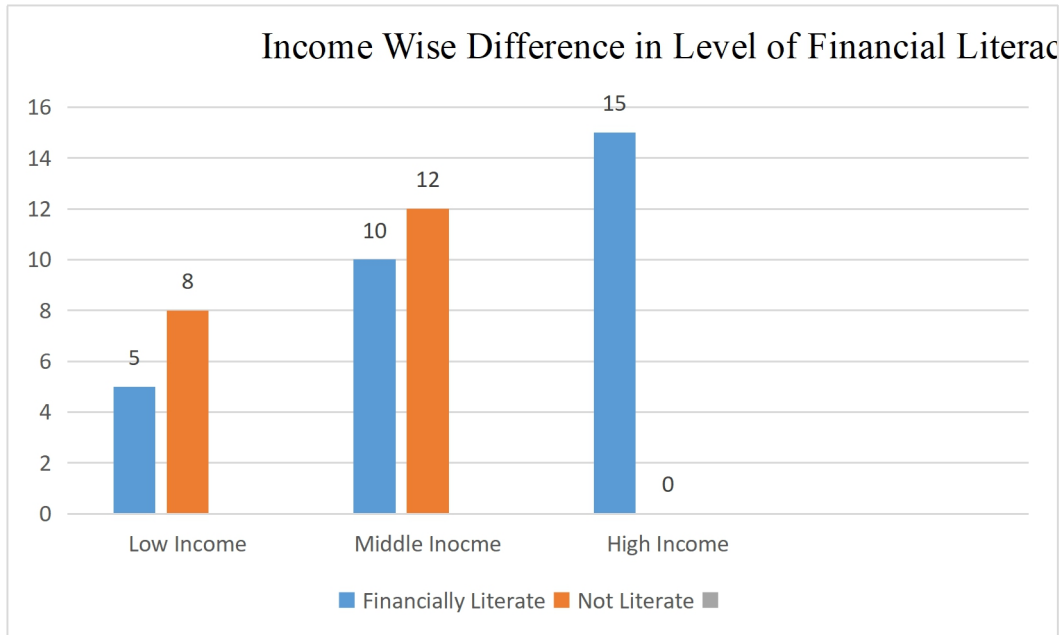
Table 4.11

Income wise difference in level of financial literacy

Income Group	Low Income	%	Middle Income	%	High Income	%	Total	%
Literate	5	38.46 %	10	45.45 %	15	100.00 %	30	60.00%
Not Literate	8	61.53 %	12	54.54 %	0	0	20	40.00%
TOTAL	13	100.00 %	22	100.00 %	15	100.00 %	50	100.00%

Source: Primary Data

Figure 4.11



Source Table 4.11

INTERPRETATION

The above graph shows that 38.46% of respondents in low income group are literate .45.45% of respondents of middle income an 100% respondents of high income are also literate. It is noted that income of the respondents has significant impact on level of financial literacy of respondents.

4.6.5 EDUCATION WISE DIFFERENCE IN FINANCIAL LITERACY

Education gives us knowledge of the world around us and changes it into something better. It helps us build opinions and have points of view on things in life. Education makes us capable of interpreting things, among other things. Also it's understood that the educational qualification of a person does influence his/her financial decisions and financial planning. In this study we have classified the respondents into four groups on the basis of their educational qualification: Below UG, UG, PG and above.

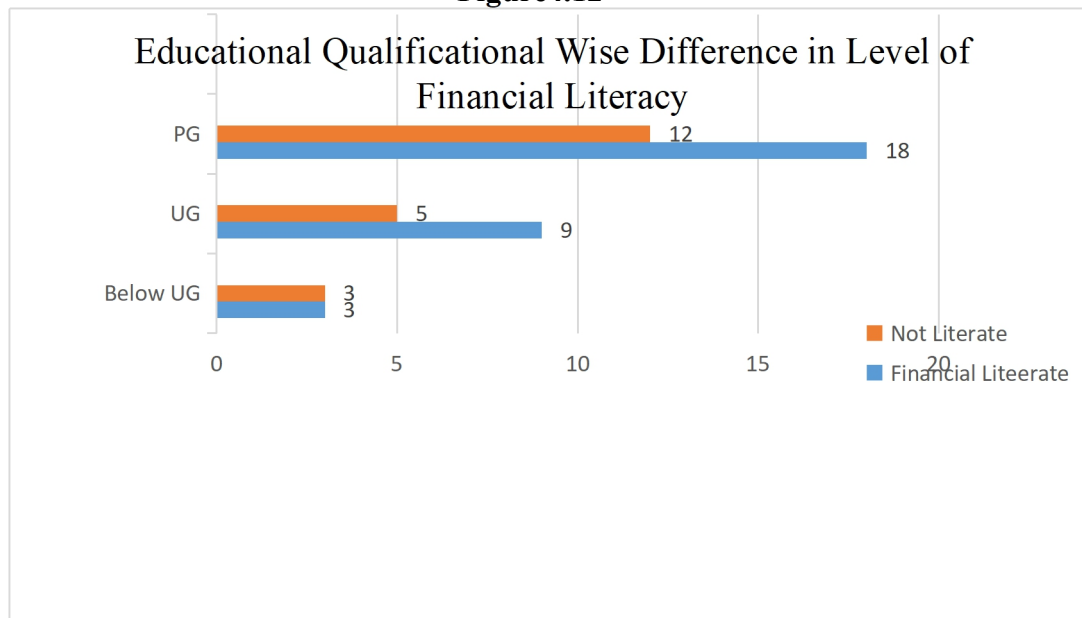
Table 4.12

Education wise difference in level of financial literacy

Education Group	Below UG	%	UG	%	PG	%	Total	%
Financially Aware/Literate	3	50%	9	64.28%	18	60%	30	60.00%
Not Aware/Literate	3	50%	5	35.71%	12	40%	20	40.00%
TOTAL	6	100.00%	14	100.00%	30	100%	50	100.00%

Source: Primary Data

Figure 4.12



Source Table 4.12

INTERPRETATION

The above graph shows that 50% of respondents in below graduation and 64.28% of respondents in Graduated group , 60% of respondents in post graduation group are literate.

4.6.6 FAMILY TYPE WISE DIFFERENCE IN FINANCIAL LITERACY

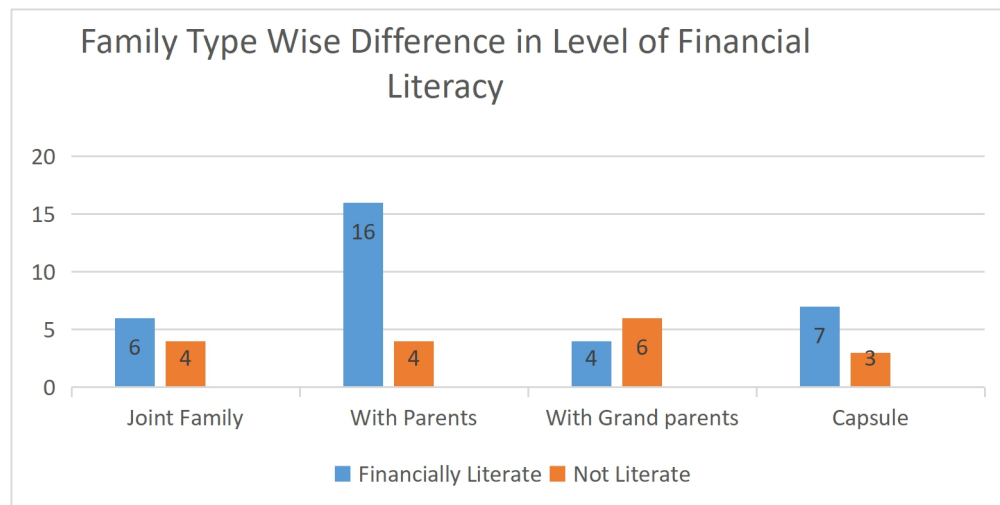
Family is the most influential group that develops individuals' financial behaviours. Family decision makers make decisions on behalf of all family members, including financial ones. Family is considered as the decision-making unit for many economic activities. Economic models dominate the research on financial decisions such as income, spending, savings, borrowing, asset accumulation, and investing, mostly at individual or household levels. In this study to analyse the financial literacy of the respondents they were classified into four main family types: With Parents, Joint Family of two or more families of same generation, Capsule 2 or 1+ child and With Parents and grandparents.

Table 4.13
Family type wise difference in level of financial literacy

Family Type	With Parent s	%	With parent s&G P	%	Joint Famil y	%	Caps ule	%	Total	%
Financially Aware/Literate	16	80%	4	40%	6	60%	7	70%	33	66%
Not Aware/Literate	4	20%	6	60%	4	40%	3	30%	17	34%
TOTAL	20	100%	10	100%	10	100%	10	100%	50	100%

Source: Primary Data

Figure 4.13



Source Table 4.13

INTERPRETATION

From the above data, it is seen that respondents living as capsule are 70% literate and 30% illiterate, respondents with parents are 80% financially literate and 20% illiterate, respondents with grand parents are 40% literate and 60% illiterate, respondents in joint family type 60% are literate and the rest are illiterate

4.7 LEVEL OF FINANCIAL COMPETENCY OF ENTREPRENEURS/ SHOP OWNERS

Financial Competency - A person is considered to be financial competent if his/her answer to the questions 13 to 17 is apply or use. It means a person is considered as financial competent if he apply or use the concept of Long term planning of the Expenses/ Income/ Savings/ Investment, aware of the Financial products and the Risk/Return characteristics, choosing financial products, access to financial products and stay informed.

4.7.1 LEVEL OF FINANCIAL COMPETENCY OF ENTREPRENEURS/ SHOP OWNERS

Table 4.14.1

Particulars	Heard Of	Know Well	Apply	Wish to know	Total
Long-term planning of: Expense / Income /Savings/ Investment	20	10	8	12	50
Awareness of Financial Products and the risk/return characteristics	12	5	13	20	50
Choosing financial products	18	7	10	15	50
Access to financial products	20	2	2	26	50
Stay informed	15	6	9	20	50

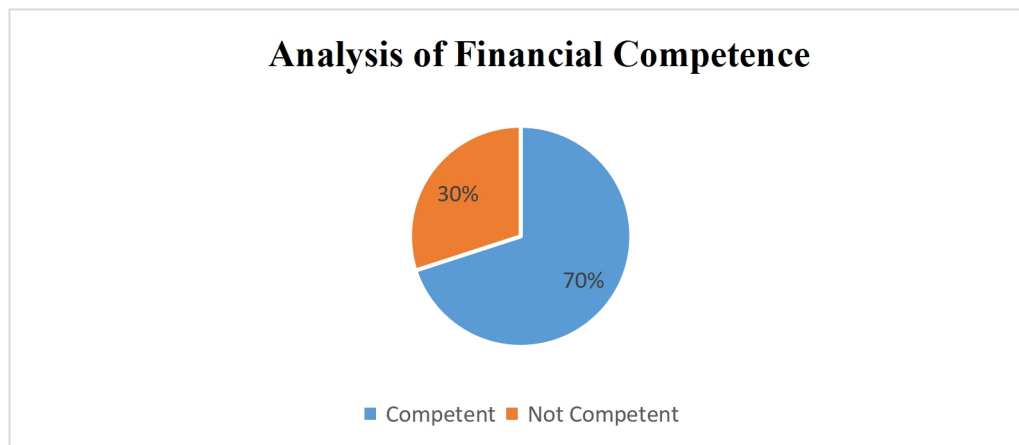
Source: Primary Data

Table 4.14.2

Particulars	No. of respondents	Percentage
Financially Competent	35	70%
Not financially Competent	15	30%
Total	50	100%

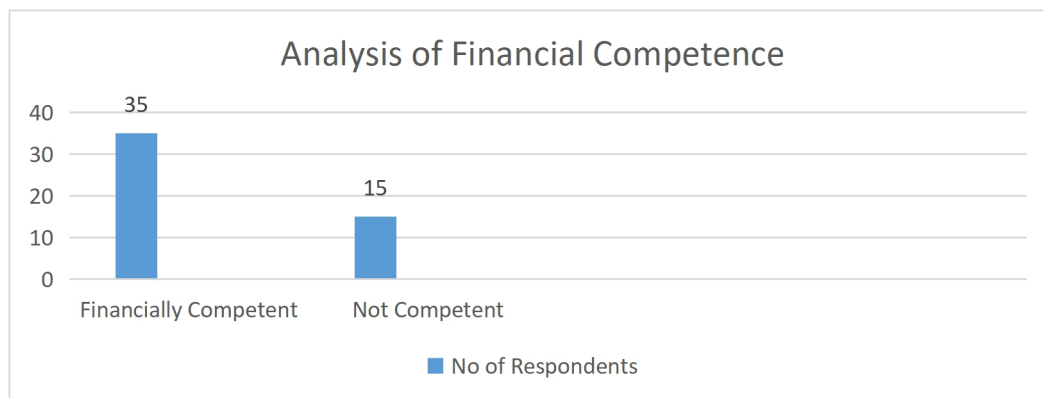
Source: Primary Data

Figure 4.14.1



Source Table 4.14.1

Figure 4.14.2



Source Table 4.14.2

INTERPRETATION

The above graph shows that 70% of Entrepreneurs/ Shop Owners are financially competent and 30% of Entrepreneurs/ Shop Owners are not financially competent.

4.8 LEVEL OF FINANCIAL CONFIDENCE OF ENTREPRENEURS/ SHOP OWNERS

Financial Confident - A person is considered to be financially confident if answers to three questions from 18 to 24 and is apply /use or know well and similarly know well for any of the

questions from 21 to 24. It means a person is considered as financially confident if he/she apply the concept of Independent financial decisions made and executed –current and long term and know where to seek help on financial matters, managing debt and Regulatory Authorities (RBI, IRDA, PFRDA, SEBI).

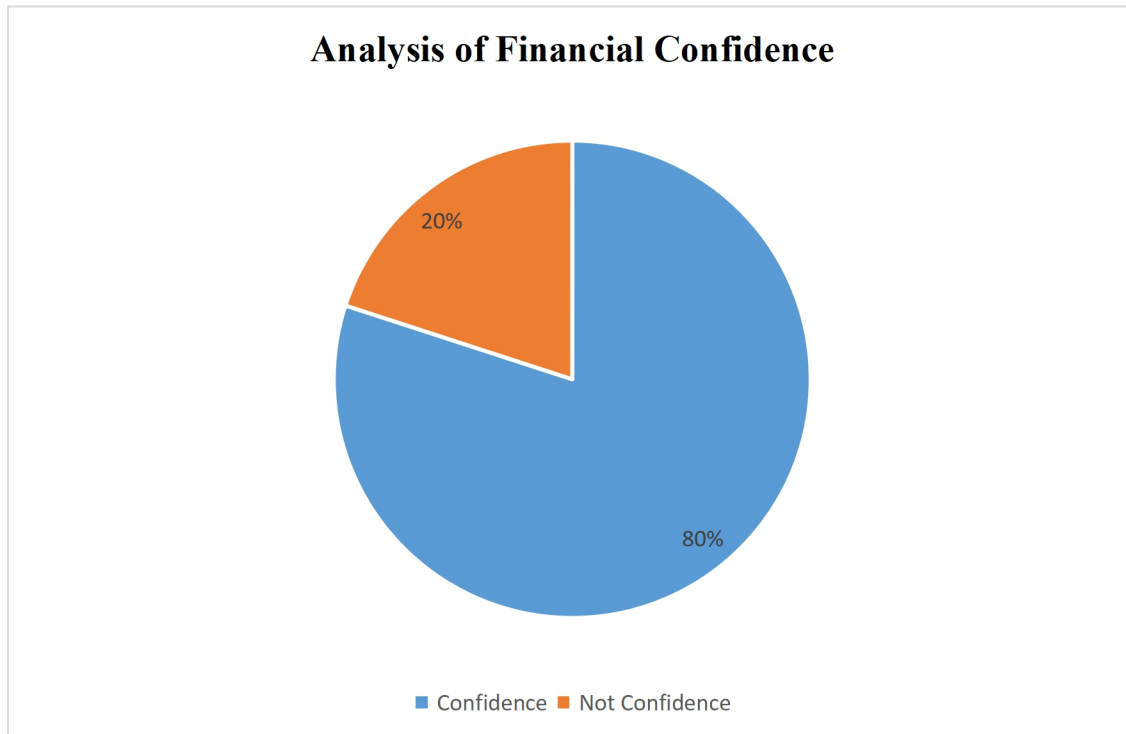
Table 4.15

Level of Financial Confidence of Entrepreneurs/ Shop owners

Basis	No. of Respondents	%
Financially Confident	40	80%
Not Confident	10	20%
Total	50	100%

Source: Primary Data

Figure 4.15.1



Source Table 4.15.1

Figure 4.15.2



Source Table 4.15.2

INTERPRETATION

The above graph shows that 80% of respondents are financially confident and 20% of respondents are not financially confident.

4.9 LEVEL OF FINANCIAL ATTITUDE/ MOTIVATION

Financially motivated - A person is considered to be financially motivated if answers to any three questions from 35 to 44 is apply or use. It means a person is considered as financially confident if he/she apply the concept of Day to day financial management and budgeting, habit of saving and investment.

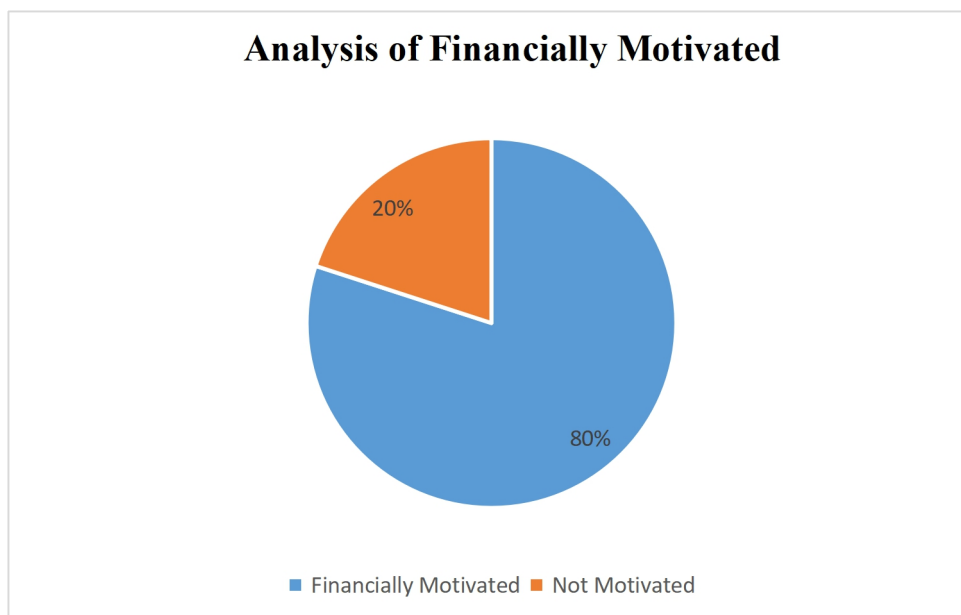
Table 4.16

Level of Financial Motivation of Entrepreneurs/Shop Owners

Basis	No. of Respondents	%
Financially motivated	40	80%
Not motivated	10	20%
Total	50	100%

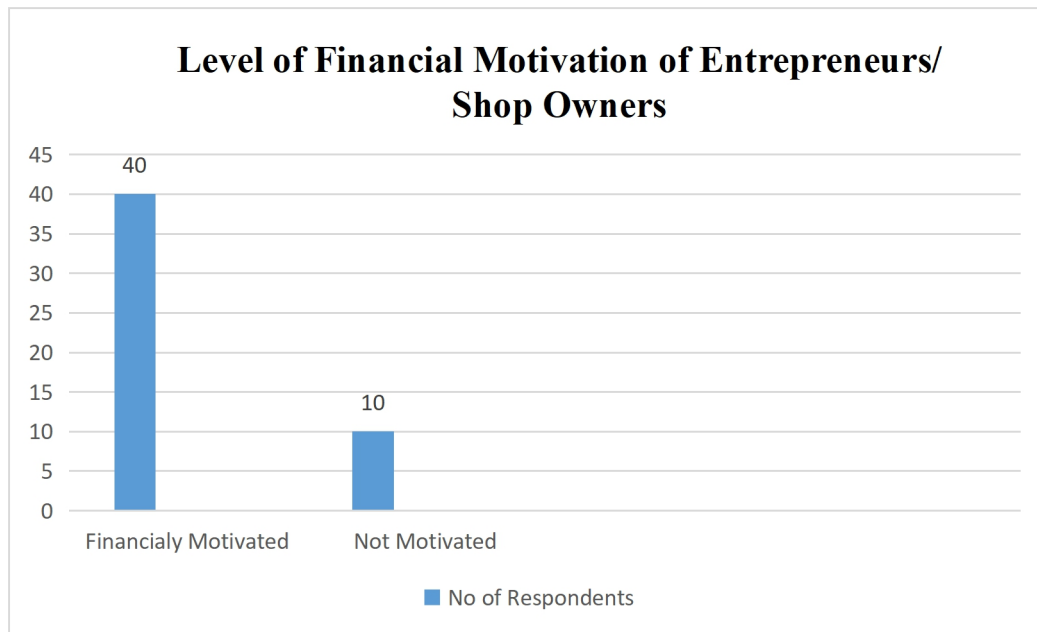
Source: Primary Data

Figure 4.16.1



Source Table 4.16.1

Figure 4.16.2



Source Table 4.16.2

INTERPRETATION

The above diagram / Graph shows that 80% of respondents are financially Motivated and 20% of respondents are not financially motivated.

4.10 ANALYSIS BASED ON FINANCIAL KNOWLEDGE

Some other analysis were made on the basis of data collected to analyse respondents knowledge to financial fraud, Saving and investment habit, Gender competency related to financial knowledge, Interest to the area of Financial Literacy.

4.10.1 KNOWLEDGE EXPOSED TO FINANCIAL FRAUD WISE CLASSIFICATION OF RESPONDENTS

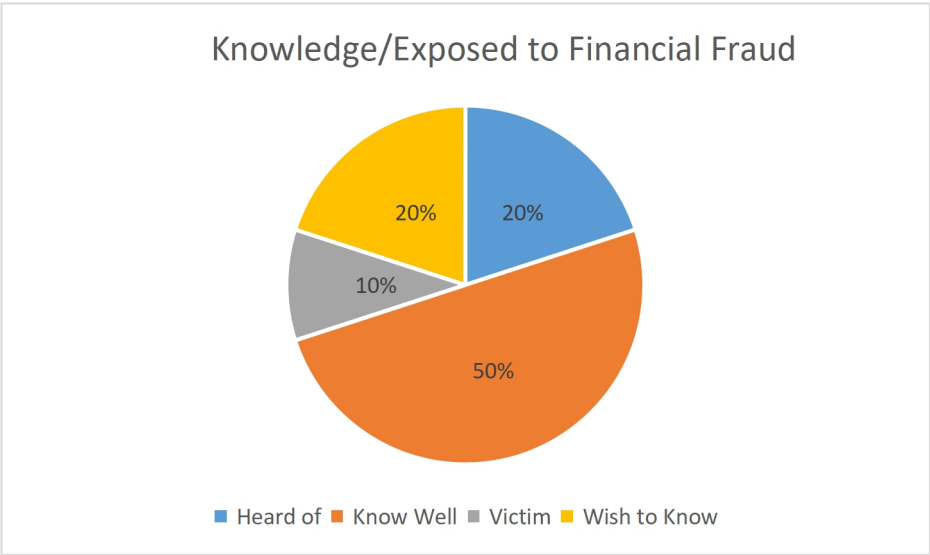
Table 4.17

Knowledge/Exposed to Financial fraud wise classification of Entrepreneurs/ Shop Owners

Particulars	No of Respondents	Percentage
Heard Of	10	20%
Know Well	25	50%
Victim	5	10%
Wish To Know	10	20%
Total	50	100%

Source: Primary Data

Figure 4.17.1



Source Table 4.17.1

Figure 4.17.2



Source Table 4.17.2

INTERPRETATION

The above graph shows that 20% of respondents Heard of Financial Fraud, 50% of respondents Know Well, 10% of respondents were victims of financial fraud and 20% respondents were want to know more about financial fraud.

4.10.2 SAVING AND INVESTMENT HABIT WISE CLASSIFICATION

Table 4.18

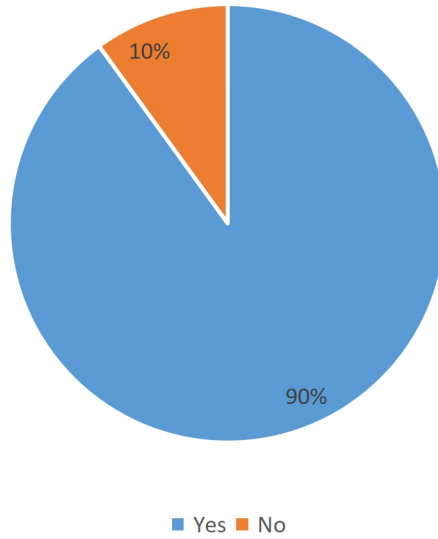
**Saving and Investment habit wise classification of Entrepreneurs/
Shop Owners**

Basis	No of Respondents	%
Yes	45	90%
No	5	10%
Total	50	100%

Source: Primary Data

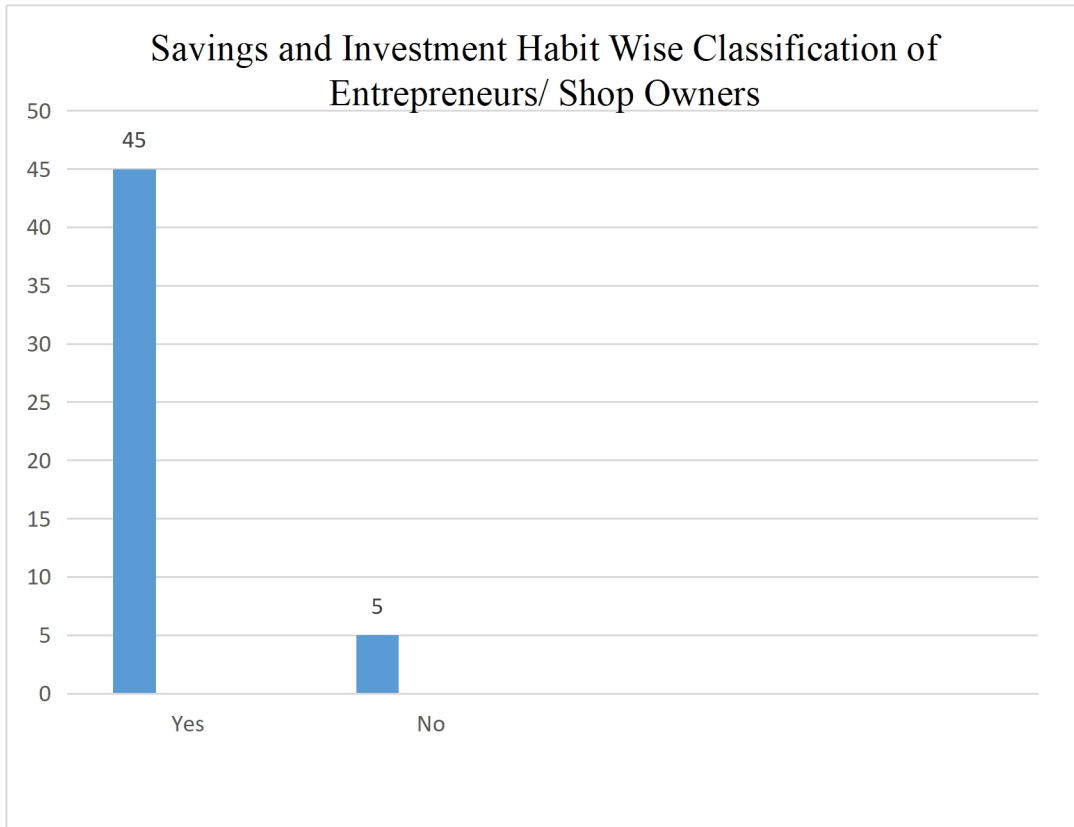
Figure 4.18.1

**Savings and Investment Habit Wise Classification
of Entrepreneurs/ Shop Owners**



Source Table 4.18.1

Figure 4.18.2



Source Table 4.18.2

INTERPRETATION

The above graph shows that 90% of respondents have saving and investment habit and 10% of respondents don't have saving and investment habit.

4.10.3 GENDER DISPARITY WISE CLASSIFICATION AMONG RESPONDENTS

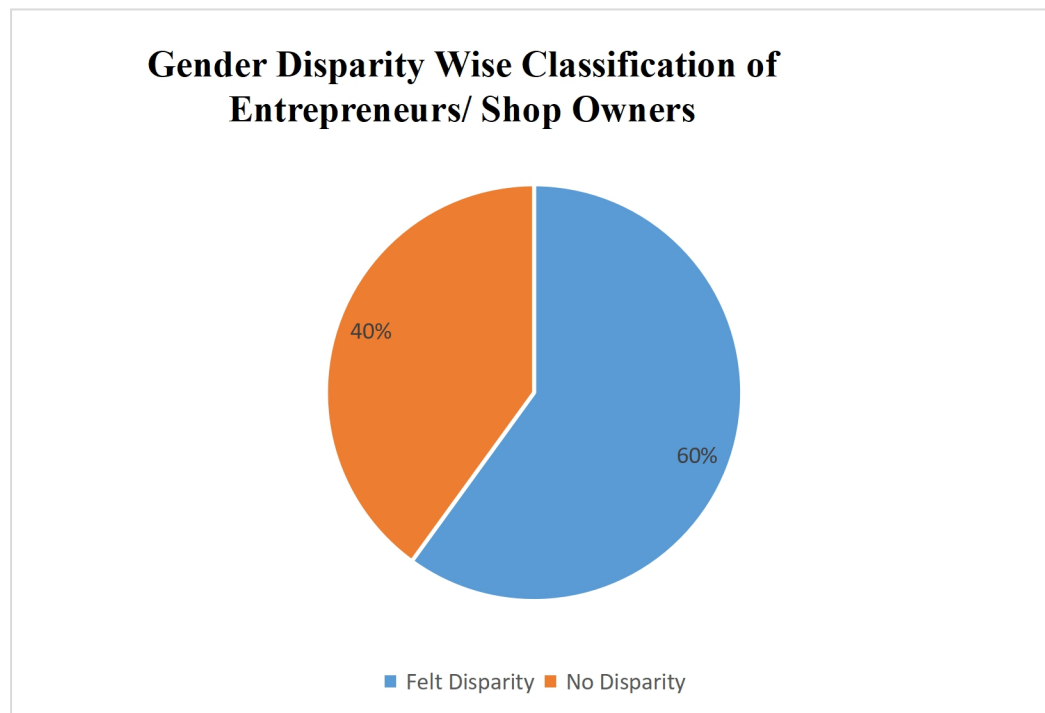
Table 4.19

Gender disparity classification of Entrepreneurs/ Shop Owners

Basis	No. of Respondents	%
Felt Disparity	30	60%
No Disparity	20	40%
Total	50	100%

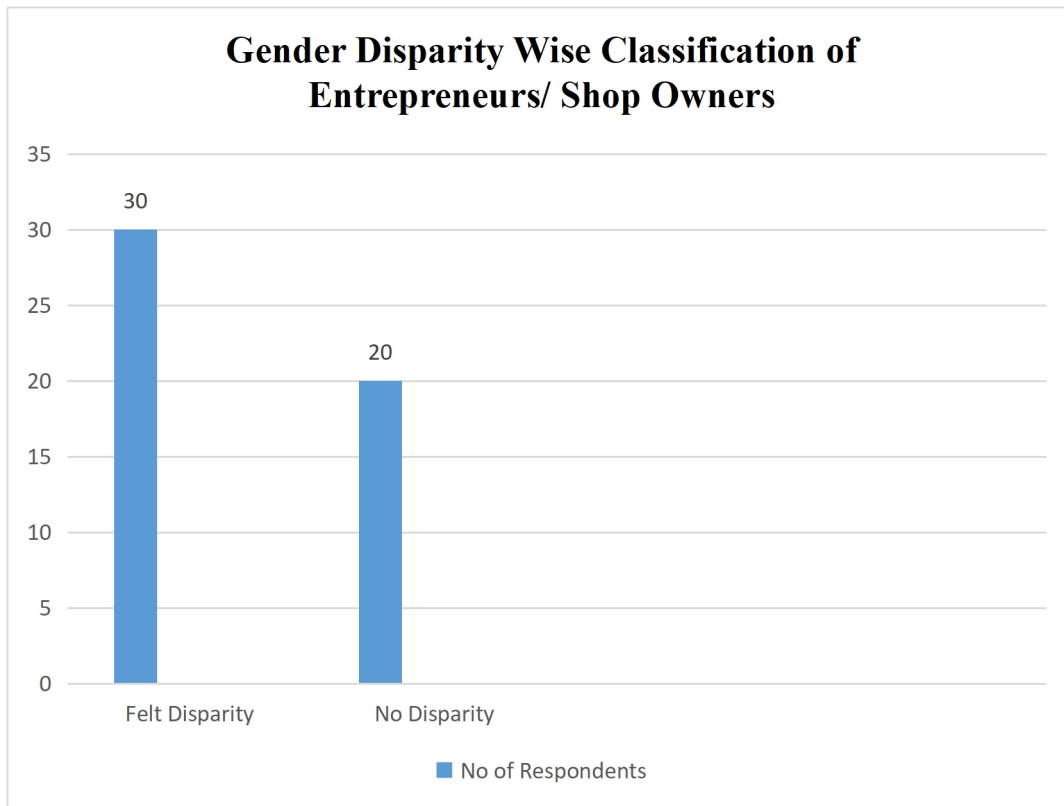
Source: Primary Data

Figure 4.19.1



Source Table 4.19.1

Figure 4.19.2



Source Table 4.19.2

INTERPRETATION

The above graph shows that 60% of respondents felt Gender disparity and 40% of respondents don't felt any Gender disparity in decision making.

Table 4.20

Awareness of the Concept of Health Insurance

Particulars	No:of respondents	Percentage
Heard	7	14%
Know well	10	20%
Apply/use	30	60%
Want to know more	3	6%
TOTAL	50	100%

Source: Primary Data

Interpretation:

Table 4.20 shows that out of total respondents, 14% of respondents heard of interest, 20% know-well about it, 60% apply/use and 6% want to know more about it.

Table 4.21

Awareness of the Concept of Crop Insurance

Particulars	No:of respondents	Percentage
Heard	20	40%
Know well	8	16%
Apply/use	20	40%
Want to know more	2	4%
TOTAL	50	100%

Source: Primary Data

Interpretation:

Table 4.21 shows that out of total respondents, 40% of respondents heard of interest, 16% know-well about it, 40% apply/use and 4% want to know more about it.

Table 4.22

Awareness of the Concept of Vehicle Insurance

Particulars	No:of respondents	Percentage
Heard	5	10%
Know well	10	20%
Apply/use	30	60%
Want to know more	5	10%
TOTAL	50	100%

Source: Primary Data

Interpretation:

Table 4.22 shows that out of total respondents, 10% of respondents heard of interest, 20% know-well about it, 60% apply/use and 10% want to know more about it.

Table 4.23

Awareness of the Concept of Third party Insurance

Particulars	No:of respondents	Percentage
Heard	20	40%
Know well	5	10%
Apply/use	15	30%
Want to know more	10	20%
TOTAL	50	100%

Source: Primary Data

Interpretation:

Table 4.23 shows that out of total respondents, 40% of respondents heard of interest, 10% know-well about it, 30% apply/use and 20% want to know more about it.

Table 4.24

Awareness of the Concept of Other General Insurance

Particulars	No:of respondents	Percentage
Heard	30	60%
Know well	6	12%
Apply/use	10	20%
Want to know more	4	8%
TOTAL	50	100%

Source: Primary Data

Interpretation:

Table 4.24 shows that out of total respondents, 60% of respondents heard of interest, 12% know-well about it, 20% apply/use and 8% want to know more about it.

Table 4.25

Awareness of the Concept of Group Insurance

Particulars	No:of respondents	Percentage
Heard	5	10%
Know well	15	30%
Apply/use	10	20%
Want to know more	20	40%
TOTAL	50	100%

Source: Primary Data

Interpretation:

Table 4.25 shows that out of total respondents, 10% of respondents heard of interest, 30% know-well about it, 20% apply/use and 40% want to know more about it.

**CHAPTER 5:
FINDINGS, SUGGESTIONS
&
CONCLUSION**

FINDINGS OF THE STUDY

From the study it was found that entrepreneurs or shop owners have adequate rate of financial literacy, as they deal mainly with business and related activities. They have much knowledge about financial aspects. They always seem to be more **financially confident, financially motivated and financially competent.**

- 1) **It is found that 80 percentage of entrepreneurs or shop owners are financially literate.**
- 2) **It is found that majority of entrepreneurs or shop owners have adequate knowledge on financial terms and aspects.**
- 3) **The less number of entrepreneurs who are exposed to financial fraud and the increased level of saving and investment habit among them clearly defines their applicability in financial aspects.**
- 4) **The study shows that 70 percentage of entrepreneurs or shop owners are financially competent and 30 percent are financially not competent.**
- 5) **It is found that 80 percentage of entrepreneurs or shop owners are financially confident and 20 percentage are not financially confident.**
- 6) The study shows that 80 percentage of entrepreneurs or shop owners are financially motivated and 20 percentage of entrepreneurs or shop owners are financially not motivated.
- 7) It is found that 57.69 percentage of males are literate and 62.5 percentage females are financially literate.
- 8) The study showed that 83.33 percent of respondents in age group 18-35 is literate and 62.50 percent of respondents in the age group 35 -50 is literate and 31.25 percentage of respondents of above 50 age are literate. And we found that 18-35 age group respondents are more literate than other groups.
- 9) Unmarried respondents found more literate than married respondents.
- 10) The study shows that 38.46 percentage of respondents in low income group are literate.

- 11) 50 percentage of respondents in below graduation and 64.28 percentage of respondents In Graduated group and 60 percentage Of respondents in post graduation group are literate. It is noted that education of the respondent has significant impact on level of financial literacy.
- 12) The study shows that 80 percentage respondents in with parents family and 57.14 percentage of respondents With parents and grandparents and 37.5 percentage respondents of joint family are found to be financially Literate. According to this study majority of the respondents are from with parents family type and literacy Rate seem to be higher in this category than others.
- 13) The study shows that 20 percentage of respondents Heard of Financial Fraud, 50 percentage of respondents Know Well, 10 percentage of respondents were victims of financial fraud and 20 percentage respondents were want to know more about financial fraud.
- 14) 90 percentage of respondents have saving and investment habit and 10 percentage Of respondents don't have saving and investment habit.
- 15) The study shows that 60 percentage of respondents felt Gender disparity and 40 percentage of respondents don't felt any Gender disparity in decision making.

SUGGESTIONS

The following suggestions are proposed for improving financial literacy :

- There are many online resources to increase financial literacy. Some educational resources provide tutorials that can cover single topics . Many of the cable news network have website with a finance tab.
- Begin to read the financial section of your local/regional newspaper and read financial magazines.
- Watch television programs offering financial information .A general rule of thumb is if it sounds easy to make lots of money quickly ,then it's probably an infomercial .
- Social media provides us with an insight on financial literacy.
- Take a financial literacy class at an adult education centre , or junior or four –year college, on subjects that will help you learn how to manage your finances .Take a course through an online media . There are also a multitude of self –help books and workbooks that teach finance and personal money management .
- Read finance and business newspapers like the Business line and The Financial Times .Both provides insight into world of finance and business.
- Start keeping a budget and do have a plan for the extra money.
- Form or join an investment club. The purpose of an investment club is to learn about investing in stock and to make a return on investments. This is a long-term commitment for a group of ten to fifteen individuals who want to learn about the stock market through investments in stocks.
- A financial calculator performs functions such as calculating loan payments ,interest rates, percentages, amortization schedules , and cash flow .They also solve time-value of money calculations such as annuities ,mortgages ,leases, and saving.
- Ask For Expert Advice and try to connect with a local CFO firm.
- Don't fall for the tricksters and be aware of the downfalls.
- Open a savings account and teach your kids how to save .Starting to learn about money management when young is key to improving financial literacy as an adult .A national coalition of organizations, tries to improve the financially literacy of K-12 and

college students through advocacy , research ,standards and educational resources .Ask questions ,read up and make every effort to know money better. Understanding the basics of managing money is vital for the well-being of people and empowering them financially.

CONCLUSION

Financial literacy provides the knowledge to make financially correct decisions that, impacts our daily lives. Using exploratory research, this study analyzed the financial literacy Level. It revealed in case of entrepreneurs or shop owners, majority are financially literate. It is concluded that, majority of the entrepreneurs or shop owners are financially confident, financially competent and financially motivated. The study of financial literacy level and socio economic background of entrepreneurs or shop owners concluded that females are more literate than males, unmarried respondents are more literate than married respondents. The study also points out that, the high income group respondents are financially more literate than low income and middle income respondents, respondents with higher Education are more literate than lower educated respondents.

It is also found that, entrepreneurs or shop owners who have close touch with finance and financial aspects are less exposed to financial fraud and they are well aware of the possibilities of related fraudulent activities . Analysis concluded that the entrepreneurs or shop owners have more saving and investment activities and more than half of respondents felt gender disparity in financial decision making. If an entrepreneur or shop owner are financially literate, he can spread their financial knowledge to a certain extent. This have a positive and enhanced impact on society's financial attitude. Moreover we the individuals can take initiatives to make ourselves and others financially literate. Making the people financially will make them empowered and will leads to development of financial system of our nation.

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- ◇ Business line
- ◇ <https://timesofindia.indiatimes.com/>
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MAGAZINES

- The Economist
- Money Magazine
- Forbes
- Consumer Reports Magazines

APPENDIX

QUESTIONNAIRE

1) Email:

2) Gender:

Male Female

3) Martial Status:

Single Married

4) Age:

18-36 37-55 Above 55

5) Your Higher Education:

Below UG UG PG and Above

6) Annual Income:

7) Phone Number:

8) Community Sub Group:

Autorickshaw Driver/Owner

Casual Workers

College Students

College Teachers

Drivers/Taxi

Educated Unemployed

Electrician/Plumber/Carpenter/Mechanic

Entrepreneur/Shop owners

Farmers/Agriculturist

Government Servants

Higher Secondary Students

Health Workers

Insurance Agents/Bank Employees

Retired Government Servants

Retired Private Employees

Private Employees

Sales Executive

School Teachers

Social Worker in Politics

Social Worker in Religion/Charity

Other: _____

9) If others please specify

10) Residing Ward in Thazhakkara

Mark only one oval:

Ward 1

Ward 2

Ward 3

Ward 4

Ward 5

Ward 6

Ward 7

Ward 8

Ward 9

Ward 10

Ward 11

Ward 12

Ward 13

Ward 14

Ward 15

Ward 16

Ward 17

Ward 18

Ward 19

Ward 20

Ward 21

Family Characteristics

11) Staying With Parents:

Yes No

12) Staying With Parents and Grandparents

Yes No

13) Joint Family

Yes No

14) Assessment of Financial Awareness

	Heard	Know-well	Apply	Want to know more
● Interest	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
● Compound Interest	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
● Penal Interest	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
● Inflation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
● Risk Diversification	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
● Insurance(life)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
● Health Insurance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
● Crop Insurance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
● Vehicle Insurance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
● Third party	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
● Other general	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- Group Insurance

15) Assessment of Financial Competence/ Behaviour

	Heard	Know-well	Apply	Want to know more
*Long-term planning of: Expense/income/saving/ Investment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Financial products and the risk and return Characteristics	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Choosing financial Products	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Access to financial Products	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Stay informed	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

16) Financial Attitude and Motivation

	YES	NO
Day to day financial management and budgeting	<input type="checkbox"/>	<input type="checkbox"/>
Numerology related fiance-in hand	<input type="checkbox"/>	<input type="checkbox"/>
NIFTY/SENSEX regularly watching changes	<input type="checkbox"/>	<input type="checkbox"/>
Knowledge of exposed to financial frauds	<input type="checkbox"/>	<input type="checkbox"/>
Family budgeting	<input type="checkbox"/>	<input type="checkbox"/>
Habit of saving	<input type="checkbox"/>	<input type="checkbox"/>
Recognised Gender disparity in financial matters	<input type="checkbox"/>	<input type="checkbox"/>
Owned/Shares/Bond/Future/Options/ETF/MF/ Gold fund/NSC	<input type="checkbox"/>	<input type="checkbox"/>
Dental Accounts owned by Self	<input type="checkbox"/>	<input type="checkbox"/>

