

Financial Behaviour among Students in Delhi NCR

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ABSTRACT

Young adults gain their skills from their parents and teachers when they are younger. Instead, when they enter college, students are forced to learn about money management, and some make mistakes that cost them several years of debt repayment. This research looks into financial behaviour. This is an exploratory study to determine Financial Behaviour among Students in Delhi and the National Capital Region. The analysis incorporates both the data primary as well as secondary data. The core data was collected via an online questionnaires survey. The research study's target population is students enrolled in MBA, BBA, M.COM, and B.COM programmes at colleges and universities in India's Delhi NCR region. The questionnaire was filled out by 335 students from Delhi NCR colleges who studied MBA, BBA, M.COM, and B.COM, as well as secondary data from journals, magazines, websites, and research papers. The IBM SPSS was used in this study to analyses the data. The acquired data was analysed using non-parametric MannWhitney U test of independent samples. According to the findings, there is no significant difference in financial behaviour among Delhi NCR students participating in MBA, BBA, M.COM, and B.COM programmes. The goal of the study is to evaluate the financial behaviour levelamong Delhi NCR students and to compare and contrast financial behaviour among Delhi NCR students.

Keywords : Basic Financial Behaviour, Exploratory Study.

Introduction

Financial Behaviour is a psychological study that focuses on the notion that investors are not always rational, have self-control limitations, and are impacted by biases. Short-term financial habits are credit management or money activities which provide regular feedback to remind people of what they need to do to improve their financial behaviour and avoid financial repercussions.

According to Falahati,Sabri, et. al., (2012)saving and spending behaviour were considered as two primary characteristics to measure financial

behaviour.To measure spending behaviour, an instrument was devised that included eleven items that required students to use a Yes or No scale to indicate whether students spent all their money on those products. Among the items on the list were mobile phones, Internet cafés, entertainment magazines, movies, games (bowling, snooker), beauty salons, cigarettes, narcotics, alcohol, gambling, and partying. The students' spending habits were calculated by adding the items they chose. The fewer the number of items purchased, the lesser the score, and the lowest number of items purchased

obtained the greatest score. Three items were adapted from Hilgert, Hogarth, et. al., (2003) instruments, and two new items were introduced to assess savings behaviour in the Malaysian setting. "Have own savings account," "saving times within six months," "saving for long-term," "saving for short-term," and "regarding account," "saving times within six months," "saving for long-term," "saving for short-term," and "regarding financial condition in university, have enough money that can be put into savings," were among the five items on the instrument. By combining the savings scores together, the savings behaviour was calculated. The highest score shows good saving habits, while lowest suggested bad saving habits. Summing spending and saving behaviour gave a score, with a higher score indicating effective financial behaviour and a less score indicating dangerous financial behaviour. As an observed variable, financial behaviour was incorporated into the model. When developing a scale, researchers must consider the dependability as well as the factor loading.

Literature Review

Research has shown that adult behaviour is learned through socialisation, which includes financial behaviour. Children raised in different cultures are likely to have diverse experiences with consumer socialisation and social learning, which moulds their views and behaviours in different ways. Moschis (1985) concluded that Parents can play an important role in teaching a general as well as a specific logical approach to consumption. While interacting with their children, parents can also encourage normative consumer skills. Parents influenced both economic and social motivation for spending among adolescents in an earlier study.

The socialisation process teaches college students how to manage their money. What an adolescent sees and learns as a youngster has an impact on how he or she will act as an adult. According to

Lusardi (2008) research, financial education programmes can help people save more money and make better financial decisions. Some researchers, on the other hand, discovered that the impact of financial education on financial behaviour is less certain (Mandell and Klein, 2009). Financial education was less helpful in influencing specific financial behaviour, such as debt management, according to Kaiser and Menkhoff (2017).

Sages and Grable (2009) In their study, they found that those with a lower level of financial risk tolerance have trouble making financial decisions and are dissatisfied with their money management skills. It implies that one's financial mindset and behaviour are intertwined. Financial behaviour refers to human behaviour that is relevant to financial decision-making and money management, such as developing and controlling an acceptable budget programme, paying bills quickly, and saving on a regular basis (Bhushan and Medury, 2014).

There is a gender gap in financial behaviour between men and women. Women, on the other hand, are more attentive about budgeting and keeping track of their funds, but they lack financial expertise, which influences several aspects of their financial behaviour (OECD, 2013).

Supported by Wagner (2015) who stated that financial literacy and financial education were found to be favourably connected. As a result, financial education will encourage people to behave responsibly with their money.

Objectives of the Study

1. To study the level of financial behaviour among students in Delhi NCR
2. To explore and compare financial behaviour among students in Delhi NCR

Research Hypotheses

HO₁ : The distribution of financial behaviour is normal.

HO₂ : There is no significant difference in the financial behaviour level among males & females students studying in universities and colleges in Delhi NCR

HO₃ : There is no significant difference in the financial behaviour level among the public and private universities.

Scope and Design of the Study

To investigate, compare, and assess the financial behaviour level among Delhi NCR students enrolled in MBA, BBA, M.COM, and B.COM courses in universities and colleges. A questionnaire on a 7-point scale was used to assess financial behaviour. The Likert scale ranges from one to seven points, with one indicating strong disagreement and seven indicating strong agreement. The information was gathered from 335 students in Delhi NCR's public and private institutions and colleges. To fulfil the study's goal, an exploratory research design is adopted.

Tools for Data Collection

An online questionnaire was used to obtain primary data for the study. The questionnaire has 12 closed-ended questions on a seven-point Likert scale, and the study's sample size was 335 students from Delhi NCR colleges and universities. Secondary information was gathered from a variety of research periodicals, journals, and newspapers.

Tools for Data Analysis

The data was analysed using a one-sample KS test and an Independent Samples Mann-Whitney U

Test. The data was examined with the help of the statistical package for social science (SPSS).

Reliability of The Measures

Cronbach's alpha is used to examine the measurements' reliability across the board. It is a measure of internal consistency. It enables us to assess the consistency of many factors. It is made up of estimations of how much variance in the scores of various variables can be attributable to chance or mistakes. A value of more than or equal to 0.7 is generally seen as satisfactory and indicative of constructability.

The Cronbach's alpha item is (.716). Hence, it is reliable data. We can take this forward for the analysis, shown in table 1.

Table 1	
Reliability statistics	
Cronbach's Alpha	No. of items
.716	16

Sources : SPSS output

Kolmogorovsmirnov Test

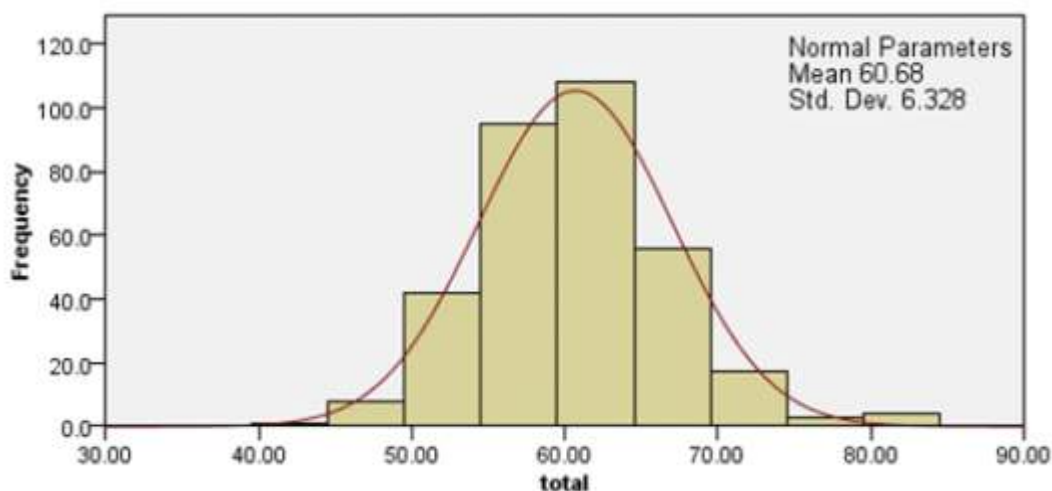
The test determines whether or not the data data are normally distributed. To identify which statistical test should be used to compare responder averages, the kolmogorov-smirnov test must be utilised.

The test's results demonstrate that financial behaviour among undergraduate and postgraduate students (BBA, B.COM, MBA, M.COM) does not follow a normal distribution, shown in table-2.

Table - 2 Hypothesis Test Summary				
	Null hypothesis	test	Sig.	Decision
1.	The distribution of financial literacy is normal with mean 60.68 and standard deviation6.328	One-sample Kolmogorov-smirnov test	.0021	Reject the null hypothesis
Asymptotic significance are displayed. The significance level is .05.				
Lilliefors corrected				
One-Sample Kolmogorov-Smirnov Normal Test Summary				
Total N		334		
Most Extreme difference	Absolute	.064		
	Positive	.064		
	Negative	-.044		
Test Statistic		.064		
Asymptotic sig. (2-sided test)		.0021		
Lilliefors corrected				

Figure-1 One-Sample Kolmogorov-Smirnov Normal Test

One-Sample Kolmogorov - Smirnov Test



Result and Discussion

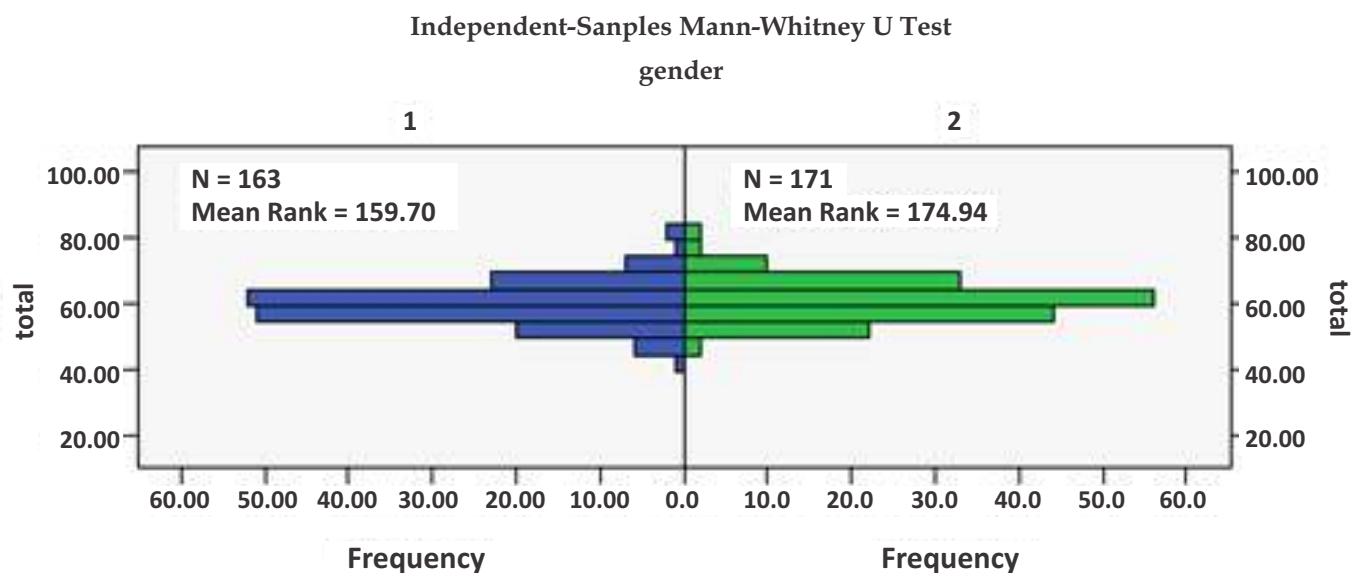
In order to examine the second hypothesis, that there is no substantial difference in the financial behaviour level among males and females studying in the universities and colleges in Delhi NCR, the Independent Samples Mann Whitney U Test was applied. The results retain the null hypothesis with a p value of .149, as shown in Table 3. This means there is no substantial difference in the financial behaviour level among males and females studying in the universities and colleges in Delhi NCR.

The mean values of male and female students studying in the universities and colleges in Delhi NCR do not differ significantly, and their mean values are 159.70 and 174.94, as shown in figure no. 2.

financial behaviour level among male and female students is the same. There is no difference. It means the behaviour of the students who are studying in the colleges and universities in Delhi NCR under courses like MBA, BBA, M.COM, and B.COM is at the same level. There is no substantial difference in the level of financial behaviour among male and female students.

Table - 3 Hypothesis Test Summary				
	Null Hypothesis	Test	Sig.	Decision
1	The distribution of financial behaviour is same across categories of males and females.	Independent Samples Mann-Whitney U Test	.149	Retain the null hypothesis.
Asymptotic significances are displayed. The significance level is .05				
Independent - samples Mann - Whitney U Test Summary				
Total number		334		
Mann-Whitney U		15,208.000		
Wilcoxon W		29,914.000		
Test Statistic		15,208.000		
Standard Error		880.765		
Standardized Test Statistic		1.444		
Asymptotic sig. (2sided test)		.149		

Figure No - 2 Independent - Sample Mann-Whitney U Test



The Independent Samples Mann-Whitney U Test was used to test the third hypothesis, that there is no substantial difference in financial behaviour levels between public and private universities in Delhi NCR.

Table 4 : Hypothesis test summary				
	Null Hypothesis	Test	Sig.	Decision
1	The distribution of financial literacy is same across categories of private and public universities	Independent Samples Mann - Whitney U Test	.375	Retain the null hypothesis.
Asymptotic significances are displayed. The significance level is .05				
Independent - samples Mann - Whitney U Test Summary				
Total number		334		
Mann - Whitney U		14,264.000		
Wilcoxon W		33,767.000		
Test Statistic		14,264.000		
Standard Error		866.686		
Standardized Test Statistic		.888		
Asymptotic sig. (2sided test)		.375		

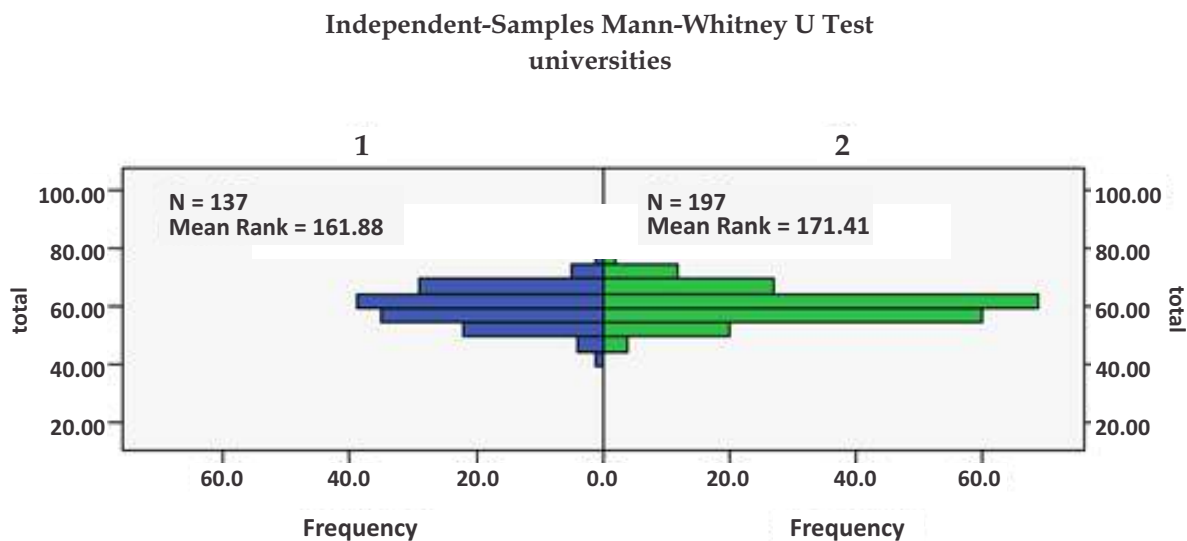
Source: author's calculation

Table 4 shows that the null hypothesis is retained with a p value of .375. This suggests that there is no discernible variation in the level of financial behaviour between public and private institutions and colleges in the Delhi NCR.

The mean values of public and private universities and colleges in Delhi NCR do not differ significantly. Their mean values are 161.88 and 171.41 respectively, which does not differ significantly, as shown in figure no. 3.

The level of financial behaviour among the public universities and private universities in Delhi NCR is the same. There is no difference. It means the behaviour of the students of the private and public colleges and universities in Delhi NCR under courses like MBA, BBA, M.COM, and B.COM is at the same level. Both public and private universities and colleges use the same education methods and techniques to educate their students. There is no substantial difference in the level of financial behaviour among the public and private universities and colleges in Delhi NCR.

Figure No. 3 Independent-sample Mann-Whitney U Test



Limitation

This study has the following limitations:

- This study only received replies from 365 people only.
- This field of study is exclusively available in Delhi (NCR).
- These figures are entirely based on the responses of the respondents.
- Many people were hesitant to express their true feelings.

Conclusion and Summary

Financial behaviour is very important nowadays. Financial Behaviour is all about the psychological study that focuses on the notion that investors are not always rational, have self-control limitations, and are impacted by biases.

The is an experimental study to analyse the level of

financial behaviour among students in Delhi and the National Capital Region. This study is based on both primary and secondary data. The core data was collected via an online survey. The research study's target population is students enrolled in MBA, BBA, M.COM, and B.COM programmes at colleges and universities in India's Delhi NCR region. The questionnaire was filled out by 334 students from Delhi NCR colleges who studied MBA, BBA, M.COM, and B.COM, as well as secondary data from journals, magazines, websites, and research papers. For analysing the data, the IBM SPSS tool was applied in this study.

As a result of the study, the data was not normally distributed, hence we used non-parametric test. The study's hypothesis is maintained: there is no substantial relationship between the level of financial behaviour among Males and Females students studying in universities and colleges in Delhi NCR, and when male and female students studying in public and private colleges and universities in Delhi NCR are compared, the mean values of male and female students studying in universities and colleges in Delhi NCR do not differ significantly. The mean values of public and private universities and colleges in Delhi NCR do not differ significantly. The mean values are 161.88 and 171.41 respectively, which does not differ significantly.

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