

**THE EFFECT OF FINANCIAL LITERACY ON INVESTMENT DECISIONS OF
UNIVERSITY STUDENTS IN KENYA.**

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DECLARATION

This research proposal is my original work and has not been submitted as a degree requirement in any other university.

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DEDICATION.

I would like to dedicate this project to my family members, especially my parents Julius Manyara, Florence Manyara, my siblings Evelyn Nkatha and Evans Mutuma. Thank you for the all-round support that you have given me throughout my university journey. Indeed, am indebted to you.

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I thank God the creator for showering me with abundant blessings, good health and strength which aided in completion of my project.

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To my lecturers whom I encountered during the course of my study thank you for the knowledge you equipped me.

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May God bless you abundantly.

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ABSTRACT

The study sought to find the effect of financial literacy on investment decisions of university students in Kenya. This study employed a descriptive design. Google doc questionnaires were used to collect data from respondents. Data was analyzed along the research questions. Descriptive statistics was used to analyze quantitative data and findings presented using charts and percentages tables using Microsoft excel. On the general usage of money by university students, the study established that most respondents noted that they spend money on food, clothes and entertainment. A higher percentage of those living off campus do not have enough money to last until the end of semester compared to those living on campus. Students living off campus spend more money on items that students on campus do not have to pay for, such as gasoline for commuting. On the extent of financial literacy, it was established that most university students strongly agreed that saving money for investments is important. On the type of investment chosen preferred by university students. Most respondents strongly agreed that they would prefer investing in saving accounts. They are relatively safe way to deposit and invest money as bank accounts are often insured up to a certain amount. There are also different types of accounts to choose from. Checking accounts are those most people are familiar with and are used to handle daily transactions. The study recommends that university management should establish a program designed to enhance student's financial literacy levels. As this will help them strengthen their decision-making on investments. The program should be tailor-made to meet the special needs of individual. There is a need for university students to be financially literate. This will trigger a positive investment decision because if low savings occur, the risk of low investment, which minimizes the possibility of accumulation of capital, is set in the vicious cycle of poverty and unemployment.

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

Financial literacy is the capacity to make informed choices in relation to the use and management of cash and to take efficient choices. Therefore, financial literacy is a mixture of a person's ability, understanding, behavior, and eventual financial behavior (ANZ Bank, 2011). Financial literacy, in the wider sense, relates to an awareness of economic circumstances and their impact on wider domestic decision making. A narrow definition of financial literacy is about the fundamental management of funds such as budgeting, savings, investment and insurance, etc. However, the restrictive perspective of financial literacy is especially important in the context of individual choices

Worldwide financial literacy is a problem because economic illiteracy leads to bad economic decision-making (Klapper, Lusardi & Van Oudheusden, 2015). This results in many people overborrowing, leading to their excessive debts, according to Roberts, Struwig and Gordon (2014). This elevated debt is of specific importance to families unable to save or improve their living standards (Capuano & Ramsay, 2011). In many cases parents cannot financially sustain their children's education because of the absence of savings and many other variables (Mbajiorgu, Maake, and Kayoka & Masafu 2012). The governments therefore implemented a student loan and the system for bursaries. It's called (HELB) in Kenya, for example. The primary aim of this program is to help learners to study in government universities financially. This loan includes tuition fees, lodging expenses, food, books and travel. However, when learners finish their studies, this loan must be paid back. While the system reduces the economic burden on parents, the debt of learners is increased.

Besides student debt, students spend more money each year than their average citizen (Nkosi, 2013). Students spend primarily cash, including gadgets, entertainment, alcohol, household rental, food and apparel, fuel, additional tuition and additional costs like transportation, toiletries and cosmetics (Nkosi, 2013). This demonstrates that every day, learners make economic choices with a long-term effect on their economic well-being, whether positive or negative. This would,

however, help learners to make sound economic choices by learning financially (Louw, Fouché & Oberholzer 2016).

Investment as an activity that is engaged by a person who have savings by committing their funds in capital assets/ goods and services, with an expectation of a profit. An essential element of investment is the anticipated return therefore management of the asset invested must be done to ensure that at least assets appreciate in value (Pandey, 2004). The investments in Baker and Nofsinger, (2010) and Thilakam (2012) have now become a vibrant field. The level of financial literacy for an individual depends heavily on a good investment decision. Financial literacy relates to the degree to which the person understands important financial ideas, the confidence and the capacity, while considering changing economic circumstances, to make suitable brief or long-term investment choices (Nye, Pete & Cinnamon, 2013).

Poor economic choices are often linked to poor financial literacy. For instance, Rooij (2009) explored the link between economic sophistication and wealth based on financial literacy particular interventions. Calvet (2009) found that bad economic complexity is related to prevalent errors in investing such as under diversity, portfolio inertia and a trend towards the sale and holding of rewarding stocks. An increasing literature has established strong connections between financial literacy and the behavior of savings and investment. For instance, De Bondt (2008) shows that retirement planning and securities investments are more probable for families with a greater level of financial literacy and planners with a significantly greater number of assets than no planners.

Financial literacy is an essential skill in the lives of the person, the family and the wider economy. The level of financial literacy of their citizens, especially among young people, has been increasingly concerned in both developed and developing countries in the last two decades. In addition, it appears in the literature that global financial analphabetism is a big motive for decreasing savings rates, increasing consumer liabilities, insufficient pension schemes, the basis for divorce, bad mental health and a range of other adverse or dissatisfied experiences, causing emotional stress, depression and a reduced self-esteem (Oseifuah, Gyekye and Formadi, 2018). This has brought recognition that better financial literacy capacities could contribute to better financial decision-making, and that such choices in turn could have a more beneficial effect not only on families, but also on the economic and financial stability of a nation in general.

In the face of more complex economic goods, services and technologies now accessible (Agnew & Harrison, 2015), the present and future economic decisions for today's youth will probably pose more challenges than those of previous generations. As life expectancy increases, welfare and professional advantages reduce and uncertain economic and job prospects increase, the young generation is likely to face additional financial hazards in adulthood (Lantara & Kartini, 2015).

Philippas & Tzora, (2017), claims that providing young individuals with adequate economic training can also help overcome the disparities in economic literacy owing to socio-economic status differentials. Recent studies show mixed outcomes for youth, especially for learners in advanced and developing nations, in financial literacy. This indicates that further variables need to be examined for their effect on financial literacy the young people. More importantly, the proof suggests that women undergraduate learners are not financially literate in comparison to masculine learners.

The government has made key attempts to increase economic liberty through Financial Sector Deepening (FSD). Financial literacy makes it possible to take informed cash choices, so you can borrow, save and spend wisely. The central bank has a direct stake in economic training and guarantees that business banks display government fees so that people can compare and decide (James, 2016). The participation of commercial banks was primarily based on their terms of their marketing operations, for example market activation. Admission to Kenyans in finance was deliberately created by other financial institutions like the Equity Bank and the KCB. In partnership with The Master Card Foundation, Equity Group Foundation (EGF) has partnered with Visa International to provide financing literacy programs to enable Kenyans to know how to efficiently handle their finances.

The ACT 2015 research recognized major causes of student attrition at universities across the nation. For withdrawal from the university, the two main variables were, unpreparedness of economic and academic resources (Habley, 2015). Although these factors have been recognized as similarly significant in university achievement by the chief academic officers, further study shows that student debt and economic stress are significant academic predictors too (Pleskac, Keeney, Merritt, Schmitt, & Oswald, 2011).

Every person requires to be active and intelligent in investment choices to handle the increasing living costs. The global economy has become more complicated and intelligent. Many people are

interested in one investment or another, because they make choices and later see the results of the investment as intriguing (Akims & Jagongo, 2017). Through investments in employee welfare and pension programs or by purchasing a life insurance scheme or some other type of investment as a real estate investment, nearly everybody is taking part in an investment or a share, including those who do not share in the acquisition and sale of particular economic resources such as the inventory. Today, however, investment is a vibrant area. The level of financial literacy of a person is a key factor for effective investment decisions. (Thilakam, 2012).

Financial literacy studies of business and non-business learners in Africa show low rates of economic literacy among learners at college. Oseifuah, Gyekye and Formadi, 2012 studies in Ghana show that a little bit more than half of (53.5%) of learners surveyed were financially instructed, while a significant 46.5% were not financially literate. This outcome is consistent with the results of the 2014 South African Oseifuah and Gyekye surveys. But according to a research undertaken by Kuntze, Wu, Wooldridge and Whang in 2019, the students of significant business records elevated levels of financial literacy in university pupils in America with financial and accounting learners with elevated mean financial literacy score postings.

Financial literature has been identified as a main component of the financial market returns formula, as it increases the decision-making of investors, regardless of whether they have a portfolio, have a skilled analyst, invest in equities or both (Brown, 2009).

Investment vehicles are investors' assets to move money from the present to the future in the hope of increasing their money's value. These include securities like stocks, bonds and warrants, actual resources like gold and actual estate. An investment vehicle can be either direct or indirect investments. When investors purchase securities issued by enterprises and governments and purchase true assets like precious metals, investors create direct investments. Indirect investments offer their money to investment companies which then invest in a variety of securities and assets, such as mutual and exchange-traded fund shares, hedge fund partnership shares, asset-secure securities, as well as retirement fund mortgage-backed securities and interest (Harris, n.d.) . Major equity (e.g., inventory or inventory of mutual funds), fixed earnings (e.g., bonds, CDs or annuities) and money-market tools (e.g. cash or money market funds) (Investment Basics and Vehicles, 2011). Which can be classified into high risk, medium risk and low risk.

The NSE, the highest performing market in East and central Africa, is traded on equities and bonds in Kenya. In the last sixty years, NSE (formerly Nairobi Stock Exchange) has undergone numerous modifications to make trading effective among investors; ATS (Authorized Trading Systems) is introduced, WAN (Wide Area Network) is implemented to operate even if not in Nairobi creation of the CHU to hear the complaints of the investors and finally to be a member of the FIRD and SIIA, all of which are intended to ensure precise and prompt market information ("History of Organization," n.d.).

Kenya has a total of 70 universities, as claimed by CUE of 2019, 32 of which are public universities and 38 private universities. In total, 138 classes with wide categorization as science or art are provided by these universities. Some of the challenges faced by universities particularly the public ones are; Inadequate / decreasing public funding, decayed infrastructures, curriculum that can't meet the current requirements of the market, decreasing quality, bad government and rigid governance structures, are particularly difficult for universities in general (Daily Nation, 2015). However, despite these challenges university education has continually been accessible to majority of Kenya's and widespread to other geographical areas of Kenya with the introduction of numerous satellite colleges as opposed to yester years where only the main campus existed hence higher education being accessible being limited to the privileged few.

1.2 Problem statement

With the recent high rate of unemployment and high living standards, university students are engaged in quick money generating activities like betting, borrowing loans from loan applications which they use for unnecessary expenses or activities. As a result, they end up being blacklisted by the CRB and will be denied access of loans in future. Moreover, they face a big risk of making wrong investment decisions including thinking that gambling and betting are part of investment and this confusion can expose them to loss of their money including school fees, which in the end will affect their school performance and their general well-being (Godfrey, 2018).

William (2009), economic literacy is often linked to beneficial abilities and behavioral features that can eventually enhance the life of the person in the classroom, at work and simply in general. It is essential to note, however, that there is a connection between being financially informed and having a beneficial psychological effect. Williams (2009) describes the concept that financial literacy leads in the end to healthy financial choices and conduct and trust. In this sense, it is

essential that this research takes into consideration how financial literacy can lead to psychological and economic advantages, it is essential to consider in this research how their background is influenced by the confidence of the respondents. Similarly, Cull (2011) studied and evaluated economic literacy among college pupils in Australia, in particular how corporate leaders scored against arts learners or education students. The study commonly promotes the concept that, apart from healthier economic behavior, powerful economic backgrounds have beneficial effects on the person, which is crucial because they show that a connection between financial literacy and academic achievement can most probably exist.

Most of these studies come from the developed nations where education infrastructure is continuously evolving unlike developing countries which still depend on other countries for their education systems hence one cannot use these studies' findings to generalize due to the many differences and unique challenges hence this research bridge the gap by assessing the effect of financial literacy on investment decisions of Kenyan university students

1.3 Research Objectives

1.3.1 General Objective

The general objective of this study is to analyze the effect of financial literacy on investment decisions of university students in Kenya.

1.3.2 Specific Objectives

- i. To assess the general usage of money by university students in Kenya
- ii. To assess the type of investment chosen by university students in Kenya.
- iii. To assess the level of financial literacy education among university students in Kenya.
- iv. To assess the effect of financial literacy on money usage by university students in in Kenya.
- v. To assess the effect of financial literacy on the type of investments chosen by university students in Kenya.

1.3.3 Research Questions

- i. What are the general usage of money by university students in Kenya?
- ii. What types of investment decisions are chosen by university students in Kenya?

- iii. What is the level of financial literacy among university students in Kenya?
- iv. How does financial literacy affect money usage by university students in Kenya?
- v. How does financial literacy affect the type of investments chosen by university students in Kenya?

1.4 Significance of the study

University students

This research is extremely important to the university students because they can learn to what extent financial knowledge, attitude, awareness and behavior will impact their investment decisions.

Managers of Financial institutions

The study is also important to managers of financial institutions and advisors since they will be able to discover areas to improve on when giving their investment advice.

Future researchers

Scholars gain from additional awareness in financial literacy and investment, as well as from study gaps in this research from future studies.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

This section aims to discuss applicable and related literature to the research topic, focuses on; theoretical review, conceptual framework, past studies and summary of similar study in the area.

2.2 Theoretical framework.

Theories present and characterize the theory which explains why the research problem is present and includes thoughts, their definitions and current speculations used in a study (Chinn & Brewer, 1993). Based on the research, accounting theory and decision-making theory are theories to be discussed.

2.2.1 Theory of Mental Accounting

Thaler introduced theory in 1985 and described the mental accounting as the cognitive process used in non-transferable quotas by the individuals for arrangement, assessment and keeping track of their finance. The result is that people split their funds into separate accounts according to subjective factors, and each account has various purposes. Certain assets are designated as existing assets for consumption, while others are designated as future incomes not immediately available. Framing implies that the meaning of an individual determines subjectively the value of the transaction they receive or foresee in the sense of cognitive accountability. Investors have a separate mental account for each property and, implicitly, a relationship with each other (Jordan & Miller, 2008). In turn, selling one of them is difficult.

According to Shefrin and Statman (1985) the principal concept of mental accounts is that decision makers want to distinguish the different sorts of games faced by separate accounts. Instead of measuring the entire investment, a new mental account is opened when a new stock is bought. The purchase value shall be used as the benchmark. A running setting for gains or losses in relation to the purchase price are then held on this account. It is impossible for creditors to close psychological accounts at a loss, which is a "broke-even" condition. Investors may avoid a loss because it is evidence that the initial judgment of investors was mistaken. While closing a stock account at a loss induces regret, closing at a gain induces pride (Shefrin & Statman, 2005).

Investors show reluctance to sell the loss-making investments as they fear realizing the related losses. They also organize the sale of losers so that regret feeling associated with the sale is restricted to one period. The quest for dignity and the avoidance of failure will lead to benefits and uncertainty. Regrets are strongest than pride. Investors may therefore be vulnerable to inaction rather than intervention because of their deep desire to escape regret. For example, if the prices of an asset rose and the buyer sold them, the pride of gain vanished when the prices of the asset continued to rise. The buyer will regret selling too soon. Therefore, some investors tend not to sell (inaction) when prices are rising or dropping. Investors are therefore divided into secure and risky investments by cognitive accounting.

2.2.2 Decision Theory

In 1968, Warner created this theory, it's a theory of behavior of people, and the version is prescriptive as well as descriptive. The version prescribes the action to maximize expected utility for an individual. The description version states that an individual chooses to do, so that the intended utility is maximized. A range of factors pursuing a wide range of targets influences the choices of university learners. Included are the economic data on the enterprise to invest in, the proper price for its products, and the best place for your company, and selection of funding, evaluation of investments and overall evaluation. A decision support system can be very valuable in these cases, so that the risk of possible losses can be minimized by mistaken decisions and the lack of information.'

Peterson (2009) explained that when the theory of decision is discussed, risk and insecurity can't be overlooked. Peterson says that the decision-maker understands the likelihood of feasible results in the event of a danger, ignorance and uncertainty, but in the event of ignorance there is an unknown likelihood or even no likelihood at all. The word insecurity is used to describe ignorance and danger as well as ignorance (Michael, 2015).

Decisions on investment are risky and unsure. In a report from Lin (2002), he discovered that personal variations in investment choices, individual features and demographics influence the search for data by investors. Risk, money invested, and relevant knowledge are personal variations in this research before an investor chooses a business idea to invest. Investors have taken measures to develop a plan, analyze the markets and buy properties that comply with the approach (Roberts & Henneberry, 2007).

2.3 Empirical literature.

2.3.1 General usage of money by university students in Kenya

In many ways, joining college is a transition from childhood to adulthood that transforms our lives. The college is often the first taste of liberty for a young adult, according to Howe (2011), making it easy for students to get overreached financially. Howe divides college costs into three types: tuition fees, housing and school meals, and other expenses. Of those three groups, complex costs are the hardest to manage, as they are the most difficult to estimate and have a wide range of items. However, Preston notes that most students in the U.S. graduate with a student loan payback of an average of \$19,000, up 58 percent from ten years ago (Preston, 2012). Increased efforts to educate university students about the true cost of debt could mitigate credit misuse.

The living state of a student influences the problems faced by the student. A higher percentage of campus residents have insufficient resources to last until the end of the semester relative to campus tenants. Students on campus spend more money on things, such as petrol for commuting, which students on universities do not have to pay for. Nonetheless, a higher percentage of campus students reported saving money by sapping meals. As their funds were not enough to last until the end of the semester, some students would borrow money from friends and apps for loans.

Several empirical studies have shown that a significant number of university students are lending to finance university education, which contributes to large amounts of debt, placing them at greater risk of economic problems following their graduation (Allen & Jover, 1997). It reaffirms the recent easy access to funds for senior high school and college students, but instead has demonstrated inadequate funding and thus became impulsive purchasers (Danes, Huddleston & Boicce, 1999). It calls for the importance of influencing high school and college students' behaviors and spending habits during their campus stay.

2.3.2 Type of investment chosen by university students

In order to generate more cash for their well-being students, university students are most likely to invest in saving accounts, investment in companies, stock, bills, assets, commodity and foreign trade investments (Finra, 2017). Bank accounts are a very common choice for investments and savings. Banks are fairly safe to deposit and to invest money as bank accounts often have a certain sum covered in them. Different kinds of accounts are available. Checking accounts are most known and used for daily transactions. There are low interest rates for checking accounts. There are other

possible options for investments, such as saving accounts, but higher rates or deposit certificates where the whole amount is deposited once and can't be withdrawn before the end of the deposit period. Account certificates pay fixed or variable interest rates typically between six months and five years. (Finra, 2017).

Risk variations are based on the disparity in investor capital, with more wealthy investors ready to take more risks (Cordell, 2011). The attitudes of students are distinctive and vary irrespective of their economic circumstances and influence their decisions about investment. It has been suggested to contribute to financial literacy, personality traits, and in particular to a general ability tolerate fear or seek excitation the trait of risk seeking in the field of investments (Zuckerman, 2011). Students may also vary in their tendency to focus instead of on potential losses, which is a tendency that (Higgins, 2012) described as a focus on prevention instead of promotion.

This emphasis may vary from person to person (for example, this is a characteristic), but may also change over time or circumstances for an individual (for example, a dispositional situation). The tendency to quantify outcomes for incentives, circumstances and asset classes is another situational variable or mental condition which can influence the risk aversion. Whatever the reason, if financial advisors and financial institutions are to be able to serve individual investors properly, it is necessary to analyze individual differences in investments made by students. It is widely agreed that the decision to invest an investor reflects their level of comfort with different investment strategies, and likely unhappiness with unfavorable investment outcomes (Hallahan, Faff & McKenzie, 2004). The modern portfolio theory, according to Yook and Everett (2013), assumes that optimal asset allocation in an investment portfolio takes account of the trade-off between expected levels of returns and uncertainty and acknowledges that individual investors have risk preference which impacts this optimization.

The amount of information available to university students comes from multiple sources and is daunting. Individual university students can invest through insurers, banks, brokering companies and other providers of investment services. Each chapter defines and discusses various classes of investment assets.

- 1) **Pension, bank accounts, insurance and real estate**

The pension system consists of state pensions in most countries. Countries like the UK have a program in which employers will enroll in pension schemes where they will spend a portion of their earnings to grow and they will obtain a lump sum or smaller portion of the money when the person retires. Pension plans provide tax-related incentives (Pension Funds Online, 2016). The UK has a government pension plan, in which people receive half of the total benefit, based on their working years. Equivalently, Finland has a tax-funded nation pension scheme, and everybody is guaranteed this kind of pension. Employees in Finland can receive pension coverage for jobs equal to their salary during work, which is in addition to the public pension provided to everyone (Tyoelake, 2017). The distinction between the United Kingdom and Finland is that in Finland the share will automatically be withheld, but in the United Kingdom citizens can opt out of the pension systems.

Insurance companies offer life insurance policies like insurance loan, where the guaranteed charges a lump sum and collects monthly payments prior to his death. The lump sum is deposited in the annuity to allow payment to an insured person to the financial markets (Arnold, 2012). The insured can also pay an annual fee and start collecting money from the insurance contract after a pre-specified number of years.

Real estate is a private investor investment option. The investor owns and rents the property to tenants who pay rent, often on a monthly basis, which provides a steady stream of income. The lender or landlord shall pay the mortgage loan, tax and property maintenance. Another way to benefit from the estate is through the appreciation of the property price. When you invest in real estate you should carefully consider the venue, the condition of the property and cost and you can employ a professional property manager to manage the house. Risks include poor landlords, the estate being empty for several months and potential price depreciation (Investopedia, 2017).

2) **Bonds, stocks, funds and other exchange-traded instruments**

Companies, governments and others lend money and issue bonds in one way. Bonds are an option for investment where the debtor undertakes to pay default fees, usually a monthly interest payment to the creditor and at the end of the loan term returns the principal amount. The expected return is therefore smaller, as the bond holders were guaranteed dividends, than that for equity investors. Exception to lower returns are high-yield securities. Public and private markets are typically for debt and individual investors in secondary markets. State bonds, corporate bonds and other

securities like municipal bonds are the most well-known types of bonds (Arnold, 2012 & Finra, 2017).

Investors invest their money in a company as shares or equities. When investing in a company, the shareholder is equal to the capital invested to owner of the company. The shares of companies are traded around the world in stock exchanges, e.g. in London securities. Investors do not promise any returns. Stocks are considered more volatile than bonds. Increasing the price of the stock or dividend payments reward investors as businesses enter a profitable business. The investors receive dividends out of the profits made by the company. Firms will re-acquire their own shares by reducing the number of outstanding shares, thus increasing the balance of their shares (Arnold, 2012 & Finra, 2017).

Mutual funds are a form of investment that banks and other financial institutions have made accessible to investors. A mutual fund brings money to the stock pool from many investors and invests the cash. Any investor investing in the fund must retain the shares in its capital invested in proportion to its value. Mutual funds can be explicitly or implicitly managed if active activities in management are more frequent and seek to exceed the bottom line for the Mutual funds. Passive mutual funds are attempting to create the index. Management fees shall vary and only shares, securities, different industries, money markets, or balance funds invested in a combination of assets will be invested with funds. The mutual fund's strength is that it can be diversified into hundreds of stocks (Arnold, 2012 & Finra, 2017).

The ETFs follow an index or sector and create themselves as shares issuing firms. Investors collect funds to purchase shares in an index, such as the Standard & Poor's 500 index. The benefit compared to traditional mutual funds, which ETFs trade on stock exchanges and have lower costs, can also be canceled or generated depending on the demand. During trading hours, ETF rates are quoted as equal to shares. ETFs may be reproduced physically or synthetically, which means that the actual ETF buys real shares while artificial ETFs are dependent on derivative methods and are regarded as risky (Arnold, 2012).

The options are contracts in which a party has the right to purchase or sell a financial instrument at a particular value, however not in accordance with a fixed date. For example, businesses may issue calling options in which the owner of the option will purchase the underlying stock. The benefit of the options is to buy the contract number, but only pay a premium for this option. You

may also be allowed to sell the underlying asset by keeping a placement agreement on a certain date. The markets are open to secondary contract options (Arnold, 2012).

3) Commodity Futures

The commodity futures contracts are deals in the future which are intended to buy or sell a certain quantity of the commodity at a specified price. Metals, petroleum, grains and animal products, financial instruments and currencies are part of the commodities. Trading in future contracts on the ground of a commodity exchange shall be carried out with limited exceptions. The CFTC is the federal governmental agency responsible for overseeing the futures of commodity, commodities options and exchange swaps. Anyone trades futures or gives advice on future trading, must register with the National Future Association (NFA), an independent public regulator. Until investing in the future of products, verify that the entity and the company are registered and that disciplinary actions take place. Use the history of the NFA.

2.3.3 Level of financial literacy among university students

Bhushan (2014) examined the connection between financial literacy and the investment behavior in Himachal Pradesh, India of individuals who earn monthly salary from government and non-government jobs. Three dimensions of financial behavior, actions, information and understanding have been tested on financial literacy. Bhushan argued that a high level of financial literacy provided a greater financial understanding, so that wiser investment choices are likely to be made as compared to low financial literacy. Those with poor financial know-how are typically restricted when it comes to investing in small conventional goods.

In a study conducted in Malaysia, Delafrooz and Laily (2011) studied to what extent financial literacy has affected savings behavior. The research was done using quantitative methods and was distributed to 2246 workers, both in the public and the private sectors, with self-administered questionnaires. The findings show that saving behaviors, whereby individuals with low rates of financial literacy do not expect to save and eventually face financial problems in the future, are significantly influenced by financial literacy.

The Hilgert, Hogarth and Beverly research (2003) was consistent with the analysis mentioned above. Researchers analyze the correlation between US household awareness and actions using the secondary data taken in 2001 from the Monthly Consumer Surveys of the University of Michigan. This survey was conducted through telephone interviews with 1004 households in the

region. The researchers found the association between financial knowledge and saving behavior. The results show that households obtain higher (quiz correctly responded) financial scores in the savings index tend to be higher (more saving habits are achieved). The researchers therefore concluded that increased financial awareness would lead to improved behavior.

However, research conducted by Sabri and MacDonald (2010) also shows that financial literacy has a significant and important impact on the saving activity of university students. There were 3,850 students from 11 Malaysian Universities, and questionnaires were sent to 350 students from each of the target universities randomly selected. As a result of this research, respondents with a better knowledge of personal finances appear to conduct themselves effectively.

2.3.4 Consumption and investment behavior among male and female university students

A parent, who have different expectations for a sons and daughters also, raise boys and girls differently (Thorne, 2003). Families of daughters are usually strictest than sons. Household chores for daughters are higher than for sons (Brusdal & Berg, 2010). Therefore, attitudes about money will discriminate between the sexes. Edwards (2007) suggests that the children were more proactive in their spending actions with their family, more dependent on parents for their assistance and are more likely to discuss their own financial situations with their parents. I propose that parents socialize their children in two ways, making them more dependent. Firstly, parents can give daughters more real financial help than sons and secondly, parents can provide social assistance by listening to daughters who are more open to them than sons about financial circumstances.

In general, men are ready for homeownership, taxation and investment financial work more than women (Clarke, 2005). Most men are more competent in society and usually hold better positions in the family and in the workplace. Money and earnings amounts are therefore seen as power measures that indicate a degree of authority. (Pinyuchon & Gray: 214, 1997).

Gender affects both men and women's behavior, as men and women have a different upbringing and socialization with family (Hare-Mustin & Marecek, 1990). The behavior and actions of the people are influenced by social processes of learning. As a result of age, social learning may differ. More specifically, people will socialize differently, based on their race, in money and financial conduct. A couple of previous studies have shown how gender differences contribute to disparities in financial behavior. For example, men aged 13-18 in Thailand spend more money than women

(Wiangwisad, 2008). The economic consciousness of male university students is greater than female university students in the United States (Jones, 2005; Borden, 2008). In the US, male students are both financially independent, financially secure and safe compared with female students (Carpenter & Moore, 2008). In reality, female college students in the U.S. are more likely than men to take risks using credit cards (Lyons, 2006). There was also evidence that male high school students had a better financial role than women in Malaysia (Ibrahim, 2009).

Students, men and women frequently differ from these different sources in their earnings. In general, female students receive fewer than male students. The income of Finnish males was higher than that of females (Wilska & Haanpää 2005). This was the case for the weekly income of both their parents and the pocket money they received. Often women have more responsibility than men, because of their own expenses they have less money. A research study from Lintonen (2006) found that male students obviously had more money in line with those from Wilska and Haanpää, (2005) than female students in their fingertips. Danes and Haberman (2007) analyzed US Data Universities and found the same number of men and women as part-time students. However, male students have been paid more than female. Kooreman (2007) found in the Netherlands that women have less jobs and less education than men. Brusdal and Berg (2010) found that Norwegian students were seeking their parents' money, when they began to work for money, before completing high school at the age of about 18.

Women spend more on clothes than men; men spend more than twice as much on alcohol as women (Kooreman, 2007). Women use their own clothing and hobbies more for themselves, while men spend on sports equipment, computers and computer games. Females were helped a little bit better than parenting men by books (Brusdal & Berg, 2010). A Thai study by young people aged 14-22 has shown that men spend more in theatre, sports, media, entertainment and attractions than women. Females spend more money than men on cosmetics and gifts. The prices of both clothes and personal decorative objects, shoes, mobile telephones, Internet and learning equipment do not differ substantially (Saimek, 2009).

2.3.5 Consumption and investment behavior among business related and non-business-related university students

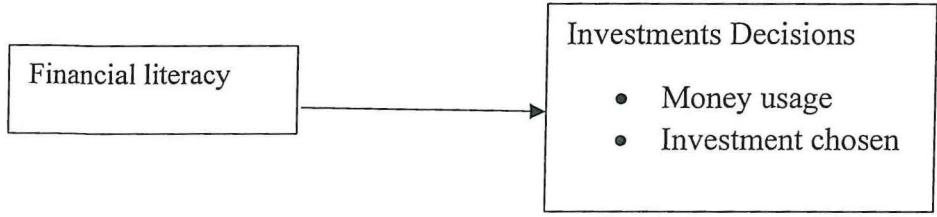
For Duflo and Saez (2003 and 2004) and Madrian, Shea (2001) and others find little or no effects of financial education services on saving and investments. There are many doubts whether it is worth trying to improve financial literacy, due to the inconsistent results on the success of financial

education programme. In United Arab Emirate, Al-Tamimi and Kalli (2009) tried to find the correlation between financial literacy and investment decision making will be explored by taking a realistic sample of two hundred ninety investors. Financial literacy, as shown by the financial education, was found to be falling short of the expected level. Investors who had work experience in banking or had high educational degrees and especially those trained in business related courses like finance matter were found to make most investment with ease.

A final-year study in Italy assessed financial knowledge, with students split into two classes, students from business and nonbusiness schools. The researchers found that business education strengthened the financial literacy of students and the comprehension of economic issues. Business courses also influenced the digital investment attitudes of the student's but the peer student's community had no such change without business courses. They noticed that women and poorer students, with lower mathematics and Italian levels, have made the most progress (Becchetti, Caiazza & Coviello, 2011). This study signals that post-business course attitudes and even actions may shift. Expanding financial knowledge may increase the understanding of people's investment.

A dissertation was based on the students' awareness in Finland about investment tools, where they want to invest and how banks want to approach them. The study showed the best knowledge of stocks, pension plans or index loans for students taking business courses relative to students taking other courses. Bank accounts and shares led by mutual funds were of highest investment value, the index loan was the least interesting (Aakula, 2010). The connection between investment and products that respondent's best knew and understood seems to be clearly apparent. The study showed that people funded their savings by saving money or earning salaries. Those with an advanced qualification had more experience of different investment strategies and were more interested in investing than those without academic qualifications (Aakula, 2010). The research suggests that business-related courses usually lead to better investment awareness and, possibly, to higher investment interest and possibility for students.

2.4 Conceptual framework.



Independent variable

Dependent variable

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction.

The research methodology used for conducting study is the focus of this section. It defines the design of studies, population, and the design of samples, information collection methods, the evaluation and the reporting of studies.

3.2 Research Design

A study design offers requirements for data collection and analyzes so that the research purpose's importance is coupled with the system economy (Kothari, 2009). The work uses a concise method of analysis. This method requires empirical information to be obtained and analyzed to describe the current condition of a scientific phenomenon (Orodho,2004). Similarly, Kothari (2009) describes description study as a study that describes a specific person or group.

This design method is suitable for the study because it allows for critical analysis of variables that is to be studied. In a descriptive research the data is collected using structured questionnaires, structured interviews and observation methods, mainly designed to provide quantitative data.

3.3 The Population of Study

Mugenda (2009) defines the target population as an entire range of persons, cases or artifacts with certain common features to which the investigator intends to make the results of the study generalizable. According to Cooper and Schindler (2008), similarly notes that population is defined as the total collection of elements under study whereby references must be made. Therefore, the target population for this study will be university students from both public and private university, but due to the high university student population, the study will focus on Strathmore University, Kenyatta University, and University of Nairobi. University of Nairobi had about 98,000 in the year 2016, but this number is expected to be high. According to Strathmore University admissions, the university has a student population of over 4,500 as at 2019.

3.4 Sampling Design

A sample for a study is a subset of a population selected for observation or questioning as a representative of the general population, to provide general and statistical information about that population (Mugenda, 2013). As a result of the huge number of universities, the study will only focus on two as a representative of the entire population. Strathmore University, Kenyatta University and University of Nairobi will be used to represent private and public universities respectively, two hundred questionnaires will be sent to the prospective participants (90 UON, 38 Strathmore University, 72 KU).

3.5 Data Collection

This process involves primary sources of data. Primary data will be obtained from questionnaires which will be given to respondents who were expected to fill them within a day and then return them. The tool that will be used to collect data is a questionnaire which will be administered to students and given time to fill as I wait for them to finish. Participation will be voluntary as the student's consent will be asked first. A questionnaire is defined as a report that consists of certain questions printed or type on a certain number of forms (Mugenda, 2003; Kothari, 2004) the questionnaires will comprise of relevant questions of the study to be taken which mainly will include close ended questions with a few open ended questions. Close ended questions provide a few alternative answers to be chosen by respondent. Responses from close ended questions are easier to compare and analyze.

3.6 Data Analysis & Presentation.

The analysis of data includes the reduction of accumulated information to manageable size, the creation of summaries, trends and application of statistical methods (Cooper & Schindler, 2014). Data analysis will start by going through the filled questionnaire to ensure they are filled correctly. The data will then be coded, cleaned, analyzed, and interpreted. The data analysis techniques that will be used in this study is descriptive statistics and inferential statistics. The data analysis results will then be presented using tables, graphs, and pie charts. Data will be analyzed using excel.

3.7 Ethical Considerations

When collecting information, the investigator considers that the respondent is confidential, and that the questionnaire is administered independently. The authority of all interested parties shall be asked before information collection.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Introduction.

The interpretation and presentation of the study is given in this paragraph. The information has been gathered using questionnaires in Google form that have been sent to university students and which are provided in pie charts, tables and percentages to arrive at the final conclusions.

4.2 Background information.

4.2.1 Response rate.

This is the number of participants who participated in the case. The research considered a population of 200 customers. According to the results, 81% of respondents responded while 19% did not answer.

Source: Primary data, 2019

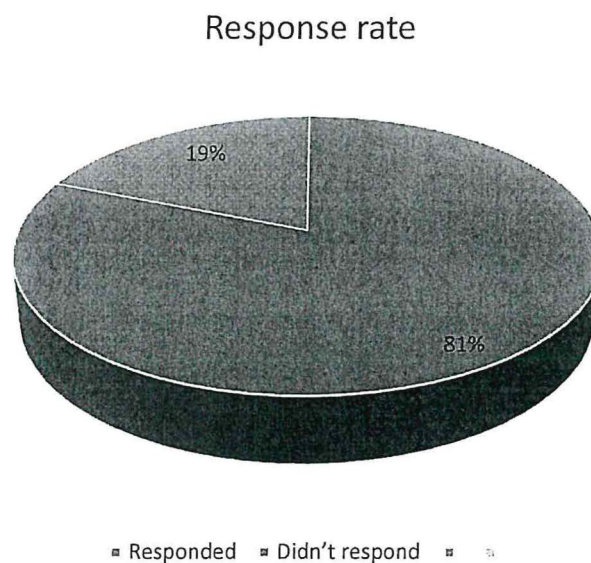


Figure 1: Response rate

4.3 Demographic analysis

This section presented the information of the demographics of the respondents which included Gender, age and level of education.

4.3.1 Gender distribution of the respondents.

From the data collected majority (59.7%) of the respondents were male while fewer (40.3%) were female. The gender of the respondents was relatively well represented.

Source: Primary data, 2019

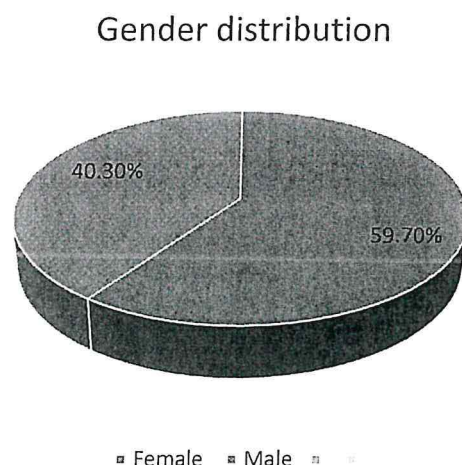


Figure 2: Gender distribution of the respondents

4.3.2 Age of respondents

The respondents were also asked to indicate their age figure 4.3 shows the age of the respondents. 58.5% fall between 18-22 years, 25.2% fall between 22-24 years, 15.1% fall between 24-30 years and 1.3% were above 30 years.

Source: Primary data, 2019.

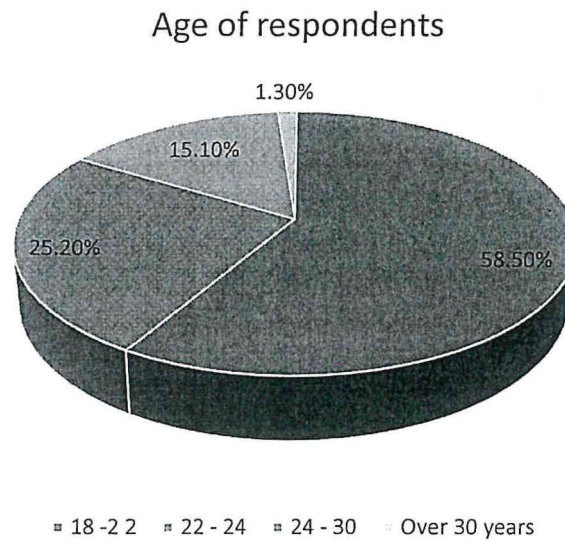


Figure 3: Age of respondents

4.3.3 Level of education

The chart below shows the level of education the sampled respondents. The results show that 84.8% of the respondents had or were pursuing a degree, 8.9% had a post graduate degree, 5.7% had a diploma degree and 0.6% had certificate level.

Source: Primary data, 2019

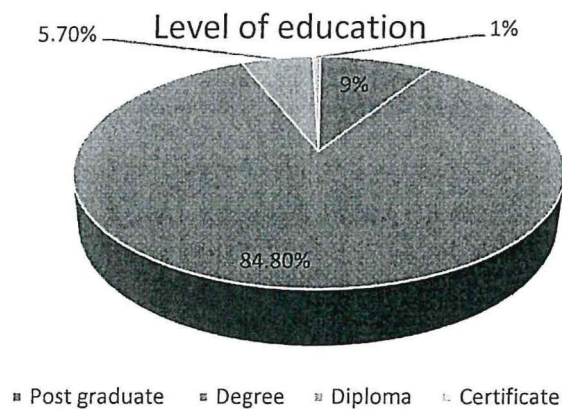


Figure 4: Level of education

4.4: General usage of money by university

The table below shows the respondents responses towards the effect of financial literacy on investment decisions of university students. From the sampled population, most respondents noted that they spend money on food (Mean 4.43) (SD -1.273). More so most of the population also spend money on clothes (Mean 3.63) (SD -0.478). However, most university student are less likely to spend money on cosmetic products (Mean 2.33) (SD 0.821).

Table 1: General usage of money

Statement	Mean	SD
a) Food	4.42592	-1.273
b) Clothes	3.62963	-0.478
c) Entertainment gadgets, computer games, phones etc.	2.802469	0.349
d) Alcohol	2.567901	0.567
e) Cosmetics	2.333333	0.821

Source: Researcher, 2019

4.5: Extent of financial literacy

From the data collected, it has been established that most university students strongly agreed that saving money for investments is important (Mean 4.15) (SD -1.429). More so most of the respondents have a personal budget (Mean 3.25) (SD -0.527). However, a huge portion of the respondents noted that they don't engage in gambling with their money on bets (Mean 1.59) (SD1.139).

Table 2: Extent of financial literacy

Statement	Mean	SD
a) I have a personal budget.	3.253086	-0.527

b) My student allowance income each month is regular and reliable.	2.969136	-0.243
c) I currently owe money to a friend or a family member as a loan.	2.222222	0.503
d) I currently owe money to a loan app.	2.055556	0.670
e) I gamble with money with bets.	1.58642	1.139
f) I have an investment plan	2.839506	-0.114
g) Saving money for investments is important	4.154321	-1.429

Source: Researcher, 2019

4.6: Type of investment chosen

The table below shows the respondents responses towards the type of Investment University students would probably choose to invest in. From the sampled population, most respondents strongly agreed that they would prefer investing in saving accounts (Mean 3.62) (SD -0.622). More so most of the population also agreed that they invest in businesses (Mean 3.57) (SD 0.586). However, most respondents noted that foreign exchange investment was the least likely for them to invest in (Mean 2.28) (SD 0.71).

Table 3: Type of investment chosen

Statement	Mean	SD
a) Savings Accounts	3.617284	-0.622
b) Business investments	3.574074	0.586
c) Stocks and Bonds	2.703704	0.288
d) Real Estate	2.783951	0.288
e) Foreign Exchange investment	2.283951	0.71

Source: Researcher, 2019

4.7: Consumption and investment among male students

The table below shows the male students' responses towards consumption and investment. From the sampled population, most respondents strongly agreed that they try to save their money (Mean 4.19) (SD -0.952). More so most of the population also agreed that they save money only when they want to buy something soon. (Mean 4.05) (SD -0.777). However, most respondents they don't spend their money as soon as they get it (Mean 2.15) (SD 1.09).

Table 4 : Consumption and investment among male students

Statement	Mean	SD
a) I will spend money as soon as I get it	2.15525	1.09
b) I try to save my money.	4.19472	-0.952
c) I will save money only when I want to buy something in the near future.	4.015625	-0.777
d) Having a lot of money is not my goal.	2.59375	0.647

Source: Researcher, 2019

4.8: Consumption and investment among female students

The table below shows the female students' responses towards consumption and investment. From the sampled population, most respondents strongly agreed that they try to save their money (Mean 4.44) (SD -1.409). More so most of the population also agreed that they save money only when they want to buy something soon. (Mean 3.39) (SD -0.347) However most respondents they don't spend their money as soon as they get it (Mean 2.07) (SD 0.972).

Table 5 : Consumption and investment among female students

Statement	Mean	SD
e) I will spend money as soon as I get it	2.068421	0.972
f) I try to save my money.	4.442105	-1.409

g) I will save money only when I want to buy something in the near future.	3.389474	-0.347
h) Having a lot of money is not my goal.	2.231579	0.801

Source: Researcher, 2019

4.9: Consumption and investment among business related course students

The table below shows the business-related course student's responses towards consumption and investment. From the sampled population, most students agreed that business courses have made them to be more financially literate (Mean 3.62) (SD -0.589) and they make better investment decisions (Mean 3.412) (SD -0.412). However, the respondents disagree that they save more because they did a business course (Mean 2.05) (SD 0.974).

Table 6 : Consumption and investment among female students

Statement	Mean	SD
a) Business course have made me be more financially literate.	3.616071	-0.589
b) Because of business courses I make better investment decisions.	3.412844	-0.412
c) I save more because I did a business-related course.	2.05357	0.974

Source: Researcher, 2019

5.0: Consumption and investment among nonbusiness related course students

The table below shows the nonbusiness related course student's responses towards consumption and investment. From the sampled population, most students were not sure if they would have done a business course, they would have been more financially literate (Mean 2.92) (SD -0.469). Most students also disagreed that they have made bad investment decisions because they didn't do

a business course (Mean 2.25) (SD 0.194). However, the respondents disagree that they save less because they didn't do a business course (Mean 2.17) (SD 0.28).

Table 7 : Consumption and investment among nonbusiness related course students

Statement	Mean	SD
a) If I did a business course, I would have been more financially literate.	2.925373	-0.469
b) I have made bad investment decisions because I didn't do a business course.	2.257576	0.194
c) I save less because I didn't do a business course.	2.171875	0.28

Source: Researcher, 2019

5.1 Summary of findings

The study sought to analyze the effect of financial literacy on investment decisions of university students in Kenya. The study found that most students spend money on food, clothing, and entertainment from the information collected. However, the residential status of the student influences the face of the problem. A higher percentage of campus residents do not have the money needed to live on campus until the end of the semester. Students also recognized the importance of saving money. Students should invest in save accounts because they are a relatively safe way of depositing and investing money, as bank accounts are often insured to some degree. Various kinds of accounts can also be selected. Checking accounts are most known and used for daily transactions. The behaviors of students are distinctive, and they influence their investment choices, regardless of their financial circumstances. The function of the investment risks may be correlated with financial literacy, personality traits, a generalized ability to tolerate fear or pursue a thrill.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

This is the final chapter in this study which gives the summary of the findings, the discussion, conclusions and the recommendations of the study based on the objectives of the study; it further gives suggestions for further findings. The study sought to analyze the effect of financial literacy on investment decisions of university students in Kenya. The data collection instruments used for the study were structured questionnaires which were divided into sections based on the research question. Descriptive study was used in the study and Microsoft excel and E-views was used in the analysis of data.

5.1 Discussion of research findings

The population of this study comprised of university students in Kenya. A total of 162 questionnaires were completed and most of the respondents fell in the age gap of 18 to 22 years. Descriptive research design was utilized, and convenience sampling technique used. Descriptive statistics mostly mean was used to analyze data. Data was presented in form of tables and charts to clarify and enable easy understanding.

5.2 General usage of money by university students.

From the sampled population, most respondents noted that they spend money on food, clothes and entertainment. However, student's residential status influences the problems student's faces. A higher proportion of those who live on campus do not have enough money for the duration of the semester compared with those who live off campus. Students off campus spend more money on things, such as petrol for transport, which students do not have to pay on campus. Nonetheless, a higher number of campus students reported saving money by skipping foods. Because their money did not last until the end of the six months, several students had to borrow money from friends and loan applications.

Several empirical studies indicate that many university students borrow to fund their college education, resulting in a significant increase in debts that make them more likely after graduation to face financial difficulties (Allen & Jover 1997). It reiterates that high school and college

students had easy access to money in recent times but, on the contrary, they demonstrated poor financial knowledge and therefore were pushy buyers (Danes, Huddleston & Boyce, 1999). It demands an immediate need for influencing senior high school and college student behaviors and spending habits during their campus stay.

5.3 Extent of financial literacy

From the data collected, it was established that most university students strongly agreed that saving money for investments is important. The results also show that financial literacy had a positive and significant effect on the saving activity of university students they are in agreement with studies conducted by (Sabri & MacDonald, 2010). They had 3850 students from 11 Malaysian universities and questionnaires were distributed to 350 students from the target universities selected randomly. The finding of this study suggests that participants with greater personal finance awareness appear to participate in active saving behavior. This is also verified by the Research by Hilgert, Hogarth and Beverly (2003), which is consistent with the study mentioned above. Researchers are examining the relationship between US Household knowledge and behavior using secondary data from a monthly consumption survey carried out in 2001 by the University of Michigan. In this sample, 1004 households in the state are surveyed by telephone. The researchers found the association between financial knowledge and economical behavior. The results show that households with higher levels of financial resources (quiz correctly responded) tend to have higher saving values (more saving activities have been accomplished). The researchers therefore concluded that increasing financial knowledge can lead to better savings.

5.4 Type of investment chosen

From the sampled population, most respondents strongly agreed that they would prefer investing in saving accounts. These results are consistent with Finra (2017), which found in his study that bank accounts are a very common investment and savings choice. It is a fairly safe way to deposit and invest money, as bank accounts are often covered to some extent. You can also choose between various types of accounts. Most people know about and are used to conduct daily transactions with control accounts. University students will most likely invest in Save Accounts, Business Investment, Stock, Bonds, Commodity and Foreign Exchange Investment to produce more money. Students have different risk attitudes, irrespective of their financial circumstances, that influence their investment choices. It has been suggested to relate to financial literacy, personality

characteristics, particularly a widespread willingness to tolerate anxiety and to seek excitation in an investment area (Zuckerman, 2011).

5.5 Conclusion

Financial knowledge of university students needs to be continuously improved through advertising or marketing. The involvement of the student's participants in these activities will lead to a positive culture of investment and eventually reduce the level of risk uncertainty and spread the investment culture. There is a need for ongoing awareness sessions with a view to generating positive attitudes among university students to increase the likelihood of investing in particular safety. The aim of these sessions should be to promote positive financial conduct such as increased savings, investments and income limits.

The first objective of the study sought to determine the general usage of money by university students. The results indicate that majority of the respondents noted that they spend money on food and clothes. The second objective of the study sought to determine the type of investment chosen by university students. The results indicated that most students would prefer investing in saving accounts. The researcher recommended that there is a need for university students to be financially literate. This will trigger a positive investment decision because if low savings occur, the risk of low investment, which minimizes the possibility of accumulation of capital, is set in the vicious cycle of poverty and unemployment. In order to further improve the financial literacy of university students through such workshops, school management should continuously conduct seminars and workshops which trigger the investment culture both in the short and long term, resulting in positive economic developments. The third objective of the study sought to determine the type of investment chosen by university students. The results indicated that most students strongly agreed that saving money for investments is important. The university management should establish a program designed to enhance student's financial literacy levels. As this will help them strengthen their decision-making on investments. The program should be tailor-made to meet the special needs of individual. Nonetheless, financial literacy has no significant influence on the type of investment chosen.

5.6 Suggestions for Further Studies

The current study examined the effect of financial literacy on investment decisions of university students in Kenya. A similar study among students in alternative counties is needed as this study mostly focused on students in universities based in Nairobi.

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APPENDICES

Appendix I: Questionnaire

Introduction:

My name is Edna Manyara, a Strathmore University undergraduate student pursuing a Bachelor of commerce degree. I am carrying out a research on the effect of financial literacy on investment decisions of university students in Kenya. This is in partial fulfillment of the requirement for the degree of Bachelor of Commerce.

This questionnaire is issued purely for academic purposes. The information you provide is anonymous and will be treated with the highest confidentiality. Therefore, as a respondent, your cooperation, sincerity and honesty will be highly appreciated.

Part I: General information

1. Gender:

Male

Female

2. What is your age bracket?

a) 18-22 years

b) 22-24 years

c) 24-30 years

d) Over 30 years

3. What level are you academically?

Certificate level

Diploma level

Undergraduate level

Post Graduate level

PART II: General usage of money by university

4. Please indicate the commodity or activity you are most likely to spend your money on. Using one the following five-point scale: 1=strongly disagree; 2= Disagree; 3=Neutral; 4=Agree; 5= strongly agree.

Statement	1	2	3	4	5
i. Food					
ii. Clothes					
iii. Entertainment gadgets, computer games, phones etc.					
iv. Alcohol					
v. Cosmetics					

Part III: Extent of financial literacy

5. Please indicate your ranking of the extent you agree with the following statements using one the following five-point scale: 1=strongly disagree; 2= Disagree; 3=Neutral; 4=Agree; 5= strongly agree.

Statement	1	2	3	4	5
i. I have a personal budget.					

ii. My student allowance income each month is regular and reliable.					
iii. I currently owe money to a friend or a family member as a loan.					
iv. I currently owe money to a loan app.					
v. I gamble with money with bets.					
vi. I have an investment plan					
vii. Saving money for investments is important					

Part IV: Type of investment chosen

6. Indicate the investment you are likely to venture into using one the following five-point scale on the extent you consider the following areas of risks when making investment decisions: 1. Not at all, 2. small extent, 3. Moderate extent, 4. Great extent, 5, very great extent.

Statement	1	2	3	4	5
i. Savings Accounts					
ii. Business investments					
iii. Stocks and Bonds					
iv. Real Estate					
v. Foreign Exchange investment					

Part V: Consumption and investment among male and female students

7. Please indicate your ranking on the following using one the following five-point scale:
1=strongly disagree; 2= Disagree; 3=Neutral; 4=Agree; 5= strongly agree.

Statement	1	2	3	4	5
i. I will spend money as soon as I get it					
ii. I try to save my money.					
iii. I will save money only when I want to buy something in the near future.					
iv. Having a lot of money is not my goal.					

Part VI: Consumption and investment among business and non-business students

For this part. Kindly fill the first questionnaire if you are taking a business course and second the second questionnaire if you are not a taking a business course.

8. Please indicate to extent you agree to the following statements using one the following five-point scale: 1=strongly disagree; 2= Disagree; 3=Neutral; 4=Agree; 5= strongly agree.

Business related course students

Statement	1	2	3	4	5
i. Business course have made me be more financially literate.					
ii. Because of business courses I make better investment decisions.					
iii. I save more because I did a business-related course.					

Nonbusiness related course students

Statement	1	2	3	4	5
i. If I did a business course I would have been more financially literate.					
ii. I have made bad investment decisions because I didn't do a business course.					
iii. I less because I didn't do a business course.					

Edna 5

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