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## "Creating Financial Literacy amongst Non-Commerce Students" – A Study on the Intellectual Curiosity of NEP Batch Undergraduate Students of Mangalore University, DK, Karnataka

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**Abstract:** 'Intellectual curiosity' is built in a child right from childhood. As a toddler, his/her parents should create an environment of being curious to learn something new, as he starts growing, family and neighbours and when he moves to school and college, his teachers. But teachers need to be backed up by a good education system, which systematically helps to build knowledge by bridging the gap between what is known and what has to be known by the student to survive in this modern era. The rising inflation is an alarm that an individual may find it difficult to live their dream life on just a mere salary or only one source of Income. He needs to find another source of income, which is nothing but investing in different avenues of investment. It is observed that most of the students discontinue their education after graduation. A student from a commerce or Business administration background will have little interest or knowledge about the different avenues of investment, including investing in mutual funds and the stock market. But what about the non-commerce background students? Thanks to the National Education Policy (NEP), which has framed a syllabus in which it is mandatory to gain knowledge about Financial Investments for all undergraduates. Thus, in this paper, an attempt has been made to assess the success rate of NEP in creating financial literacy among non-commerce students of Mangalore University.

### Introduction

Henry Fayol's 'Division of Labour' gained more popularity back in those days. However, this principle may be applicable only in the production sector. But in our modern-day life, it has become mandatory to be 'generalised' rather than being 'specialised'. In this digital era, investing in the stock market has caught everyone's eye. Since it does not require any degree or additional qualification, many have invested in the stock market and have changed their fortune. Some have earned and many have lost. A study made by Fidelity – A brokerage firm, states that 55% of individual investors lose money, 25% meet break-even even and only the remaining 20% make a profit. Thus, learning about the stock market has become a need of the day.

Keeping this in mind, India's Central government implemented the 'National Education Policy', widely known as NEP in the year 2020. NEP was introduced to bring holistic development in student by changing the curriculum and enhancing their skills, which will develop entrepreneurial skills in them.

The Karnataka government was the first state to implement NEP 2020 by launching "Karnataka Education Policy 2020" in August 2020. Thus, one of the major reforms made by the education department was making it mandatory for all the branch students to learn the 'Financial Education and Investment awareness' subject.

In India, 18 years is regarded as the legal age. So, this is the best time for students to think about their future and their investment plans. Therefore, "Financial Education & Investment Awareness" was introduced to all the 2nd year students, in which they learn all the avenues of investment and also the basics of investing in the stock market and mutual funds under Mangalore University.

Further, clarification was given by Mangalore University that the students must be handled by Commerce / Business Administration or Economics department-trained staff. MUCTA (Mangalore University Commerce Teachers' Association) in association with NSE, rested the responsibility on their shoulders and conducted various training programmes for teachers. Thus, it eased the role of teachers to gain knowledge and create the materials for study as per the requirements.

#### Literature Review

- **Dr. Vijetha S. Shetty and Baby Jaison Thomas** in their study on "A Study of Financial Literacy Amongst the College Students in Mumbai", included 100 students of Commerce, Science and arts students, revealed that students of Mumbai have very little knowledge of Financial literacy and are interested to gain knowledge about the subject if it is included in their curriculum.
- **Dr Swathi Sharma (2018)** in her paper "Financial Literacy in India: A Long Way to Go" felt that in a fast-moving economy like India, financial education is very low. It is the responsibility of the government and the RBI to take initiatives by conducting various campaigns on financial education and awareness to all the sections of society, especially women and youngsters.
- **Nidhi Goswami (2023)** in her study on "Financial Literacy and Education: Current Scenario of various Regulators of India" revealed that various financial institutions need to take up more initiatives towards making India a digital and cashless economy. Financial Literacy needs to be inculcated in the curriculum of students, right from their school days.
- **Kartik Tiwari (2023)** in his paper 'Impact of Financial Literacy in India' has identified various gaps and challenges such as low infrastructure, low level of financial inclusion and lack of financial awareness. According to the author, eliminating these hurdles will lead to the development of the economy.
- **Vidya Sarat. G, Karthik Rawal and Amitha N (2019)** in 'A Study on Financial Literacy among Students in Bangalore' reveal that financial literacy is low amongst Indian students compared to International students. Comparatively, the knowledge of college students of Bangalore stands out moderately. The education sector needs to be reformed by the government and the RBI to inculcate the habits of savings amongst students.
- **Ms Mani Goswami & Karan Dhawan (2017)** in their paper 'A Study on Financial Literacy among college students in Delhi / NCR' felt a need to make it mandatory to offer any subject related to personal finance to all discipline students on their campus. They also feel that the RBI, government, commercial banks and their parents need to take the initiative to promote a positive attitude towards financial literacy amongst the students.

#### Conceptual Framework

- **Intellectual Curiosity:** If we observe a child's growth, we can observe that until the child is interested in studying, you cannot make him/her score a rank. That urge should come from within the child; in other words, it is called 'Intellectual curiosity'. 'Intellectual curiosity' means an urge in a child/ student to learn something new about which the child is unaware.
- **Financial Literacy:** Financial literacy can be referred to as the developing skills required to make investment decisions through building knowledge of basic concepts of investments. Such knowledge can also help them to have good financial planning for their future life and also refrain from being trapped by scammers and fraudsters.

- **National Education Policy (NEP) 2020:** The Ministry of Human Resource Development (MHRD) of India released its New Education Policy (NEP) on 30th July 2020, which aimed to transform education policy after 34 years. NEP was set up with many objectives, such as foundational literacy, Technology integration, Equity and inclusion, reforms in the education sector, teacher training, assessment reforms, holistic development, etc. Thus, Karnataka was the first state in India to implement it in August 2020.
- **Non-Commerce Undergraduate:** These are the students who pursue education in another field of study, other than topics related to commerce and business administration, such as arts, computers, engineering, medicine, physics, etc. Under Mangalore University, there are courses such as BA, B.Sc., BSW, BCA, etc.
- **Avenues of Investment:** This term means the various paths that an individual can channel his savings and convert it into investments, including banks, post offices, the stock market, real estate, Mutual funds, bitcoins, insurance, etc., for his future and retirement purposes. These avenues may be short-term, medium-term or long-term investments. Each avenue is associated with varying risks. One needs to keep in mind various factors such as his and his family's income, age, dependents, regularity of income, risk-taking capacity, etc., before investing in these avenues.

#### Objectives

- To assess the Intellectual curiosity among non-commerce undergraduate students on investments, which is otherwise not covered by their stream.
- To evaluate the success of NEP in creating financial Literacy amongst students.
- Whether to include investment-related subjects for Non-commerce students under the revised NEP(SEP)

#### Scope of the Study

The study was made on 160 students, belonging to Non-Commerce streams of Mangalore University, i.e., BA, B.Sc, BCA, BSW, etc., who have already learnt "Financial Education & Investment awareness" subject in their III or IV semester during their graduation under NEP syllabus.

#### Research Methodology

This study is based on Primary & Secondary data. Primary data was collected through the circulation of questionnaires amongst non-commerce students. i.e., BA, B.Sc and BCA Students of Mangalore University. Since the researcher is also into teaching the subject, the behaviour /attitude of students towards the subject was identified in the respective subject classrooms. Secondary data has been collected through books, internet browsing and through the circulars from Mangalore University. The study was conducted on 160 students. Chi-Square was applied to understand the relations between the variables.

#### Analysis

#### Distribution showing the Degree of Respondents' level of confidence and the Investment Avenues (A study by application of Chi-Square)

Avenues of Investment	Degree of Respondent's Confidence					Total
	Strongly Confident	Confident	Neutral	Less Confident	Not Confident	
FD	69	55	32	02	02	160
RD	32	65	53	08	02	160
Bonds	28	57	53	14	08	160
Equity Market	28	55	45	20	12	160
Gold (Physical)	40	47	51	16	06	160
Gold (Digital)	20	49	65	16	10	160
Real Estate	32	41	55	24	08	160
Mutual Funds	49	67	34	08	02	160
Insurance	53	55	45	02	04	160
<b>Total</b>	<b>351</b>	<b>491</b>	<b>433</b>	<b>111</b>	<b>54</b>	<b>1440</b>

Source: Survey data

**Null Hypothesis (H<sub>0</sub>):** There is no significant association between the investment avenue and the degree of confidence of respondents.

**Alternative Hypothesis (H<sub>a</sub>):** There is a significant association between the investment avenue and the degree of confidence of respondents.

**Chi-Square Statistic**  $\chi^2 = 134.19$ , Degrees of Freedom (df) = 32 and p-value =  $1.79 \times 10^{-14}$  (very small). Since the p-value is much smaller than 0.05, we reject the null hypothesis H<sub>0</sub>. This indicates that there is a **significant association** between the investment avenue and the degree of confidence of respondents. In other words, respondents' confidence levels vary significantly across different investment avenues.

**Relationship between the level of confidence in investing in the stock market and perception of risk in investment in the stock market among the respondents (A study by application of Chi-Square)**

Stock Market is Risky	Confidence in Investing in Stock Market					Total
	Very Low	Low	Neutral	High	Very High	
Yes (Risky)	16	24	30	12	08	90
No (Not Risky)	08	12	14	20	16	70
<b>Total</b>	<b>24</b>	<b>36</b>	<b>44</b>	<b>32</b>	<b>24</b>	<b>160</b>

Here, we apply the chi-square test to examine whether there exists any relationship between the level of confidence in investing in the stock market and the perception of risk in investment in the stock market among the respondents. We may make a null hypothesis that the level of confidence in investing in the stock market and the perception of risk in investment in the stock market among the respondents do not depend on each other. Under the null hypothesis, we calculate the value of the chi-square statistic as follows:

$$\chi^2 = \frac{N(ad - bc)^2}{(a + b)(a + c)(b + c)(b + d)}$$

$$\chi^2 = 14.8986$$

From the table of chi-square probabilities, we have  $\chi^2_{0.05}(4) = 9.49$

As the computed value 14.8986 is more than the table value (9.49), the hypothesis is to be rejected at a 5 per cent level of significance. So, we conclude that the level of confidence in investing in the stock market and perception of risk in investment in the stock market among the respondents are dependent on each other and are closely associated.

**Relationship between the level of confidence in investing in the stock market and the relevance of information on financial planning to students or among the respondents (A study by application of Chi-Square)**

Relevant Information on Financial Planning for Students	Confidence in Investing in the Stock Market					Total
	Very Low	Low	Neutral	High	Very High	
Yes	10	14	28	30	36	118
No	04	08	14	12	4	42
<b>Total</b>	<b>14</b>	<b>22</b>	<b>42</b>	<b>42</b>	<b>40</b>	<b>160</b>

Here, we apply the chi-square test to examine whether there exists any relationship between the level of confidence in investing in the stock market and the relevance of information on financial planning to students or among the respondents. We may make a null hypothesis that the level of confidence in investing in the stock market and the relevance of information on financial planning to students or among the respondents do not depend on each other. Under the null hypothesis, we calculate the value of the chi-square statistic as follows:

$$\chi^2 = \frac{N(ad - bc)^2}{(a + b)(a + c)(b + c)(b + d)}$$

$$\chi^2 = 7.8627$$

From the table of chi-square probabilities, we have  $\chi^2_{0.05}(4) = 9.49$

As the computed value 7.8627 is less than the table value (9.49), the hypothesis is to be accepted at a 5 per cent level of significance. So, we conclude that the level of confidence in investing in the stock market and the relevance of information on financial planning to students or among the respondents do not depend on each other and are not closely associated or are independent of each other.

**The table shows the perception of the respondents about the returns made through investments, before and after learning about the subject.**

Investment Avenue	Before Learning	After Learning
Stock market	45	<b>61</b>
Fixed deposits (FD)	40	22
Mutual funds	26	<b>36</b>
Crypto currency	18	14
Saving Deposit (SB)	12	04
Insurance	06	10
Real investments	06	04
Recurring deposits (RD)	04	02
Physical Gold	02	05
Bonds	01	02
Total	160	160

Source: Primary Data

The above table clearly shows a shift in the perception of the majority of the respondents from the traditional form of investments to the stock market and mutual funds from the point of view of higher returns.

**The table shows the perception of the respondents about the safety of investments, before and after learning about the subject.**

Investment Avenue	Before Learning	After Learning
Fixed Deposits (FD)	59	63
Saving Deposit (SB)	28	10
Mutual funds	<b>28</b>	<b>48</b>
Physical Gold	14	11
Insurance	10	06
Stock market	10	12
Recurring deposits (RD)	06	04
Crypto currency	04	02
Bonds	01	04
Total	160	160

Source: Primary Data

The above table shows that there is no drastic change in the perception of the respondents regarding the safety of investments in investments before and after learning about the subject. But a major shift can be observed in mutual funds. They feel mutual funds are safer than investing in the stock market and less safe than Fixed deposits.

The following table shows the degree of confidence in various investments by the respondents.

Investment Avenue	Strongly confident	Confident	Moderately confident	Unconfident	Extremely unconfident
Fixed Deposits (FD)	70	54	32	2	2
Recurring Deposits (RD)	34	62	54	2	8
Bonds	28	58	54	8	12
Stock Market (Equity Market)	28	56	46	12	18
Gold (Physical)	40	48	52	6	14
Gold (Digital/Sovereign)	20	50	66	10	14
Real Estate	34	42	56	8	20
Mutual Funds	50	68	34	2	6
Insurance	54	56	44	4	2

Source: Primary Data

The above chart shows that the overall confidence of the respondents has increased in investing in various avenues, which indicates the success of NEP's objective of introducing subjects related to financial education.

#### Self-assessment of investment knowledge after learning the subject.

Knowledge Gained by Respondents	Number of Respondents	Percentage (%)
0-20% (No Knowledge)	05	3.13
21-40% (Basic Awareness)	15	9.38
41-60% (Some Understanding)	40	25.00
61-80% (Good Understanding)	55	34.38
81-100% (Highly Knowledgeable)	45	28.13
<b>Total</b>	<b>160</b>	<b>100</b>

Source: Primary Data

By observing the above table, we can understand that the majority i.e, 43.38% of the students have gained an understanding of 61-80%. 28.13% have gained high knowledge, and 25% of them have gained average knowledge about the subject.

#### Findings

The study highlights several key observations regarding the financial habits and awareness levels of students. It is observed that nearly 74% of the respondents save money from their pocket money, whereas 26% do not engage in any form of savings. In terms of demographic distribution, the highest number of respondents (43%) belong to rural areas, followed by 36% from urban areas and 21% from semi-urban regions. This demographic insight provides context for understanding the students' exposure to financial concepts.

Further, the study reveals that 42% of the students have investments in their name. Among them, around 60% of the investments are made by their parents, 25% by the students using their own earned money, and the remaining by other family members. However, it is noted that a significant 96.3% of the respondents' families have no history of investing in the stock market or mutual funds. This finding implies a lack of generational knowledge transfer in financial investments, leading families to prefer traditional and low-risk investment avenues such as gold, fixed deposits (FDs), and recurring deposits (RDs).

The learning experience of students about new avenues of investment is encouraging, with 60.5% reporting that they gained more knowledge, 16% feeling happy, and 19.8% maintaining a neutral stance. This indicates that the majority of the students are satisfied with the insights gained through the subject. Correspondingly, around 21% of the respondents strongly agree, 54.3% agree, and 20% are neutral about the belief that a person can multiply savings through investments. This shows a growing understanding among students that wealth creation is achievable through proper investment strategies.

In terms of investment preferences, 29.6% of the respondents favour only safe avenues despite lower returns, 27.2% prefer taking higher risks for potentially higher returns, while 43.2% prefer a diversified approach to balance between risk and safety. These preferences reflect a varied but thoughtful approach to investment planning among students.

The study also uncovers future financial intentions, where nearly 24% of the respondents aim to save and invest around 50% of their salary, 22% plan to invest 40%, and 12.3% intend to invest 30% once they begin earning. This demonstrates an early realisation among students of the importance of disciplined financial planning.

Regarding the subject of 'Financial Education and Investment Awareness,' around 82.7% of the respondents found it easy, while 17.3% considered it tough. This suggests the subject is well-received and may benefit from additional in-depth content to cater to the interested majority. Similarly, 37% of the students strongly agree, 38.3% agree, and 19.8% are neutral in expressing happiness about learning investments under the National Education Policy (NEP), indicating a positive reception.

Furthermore, about 22% of the students strongly agree, 54% agree, and 18.5% express satisfaction with the current syllabus content, yet the findings indicate room for improvement. According to 23.5% of the respondents who strongly agree, along with 51.9% who agree, the subject has effectively created investment awareness. An equal 23.5% remain neutral, reinforcing that the primary objective of the NEP—to foster financial literacy—has been successfully met.

Finally, it is observed that around 69.1% of the respondents are eager to acquire more in-depth knowledge about the stock market, including derivatives, commodities, and chart analysis. This suggests that the subject has not only imparted foundational knowledge but also sparked intellectual curiosity among non-commerce students to explore advanced investment concepts.

#### Limitations of the Study

- The respondents are impatient and lazy to answer the questionnaire. Thus, the number of respondents is less than expected.
- There will be a difference in the degree of curiosity developed by the students based on the teacher's knowledge and their way of teaching it through mock practical sessions. Again, the creation of curiosity depends on the various facilities such as mobile phones, live stock market using an LCD, internet, etc., which may not be available in all the government colleges.
- This study is made only on the non-commerce students of Mangalore University. Thus, the data may not be applicable to generalise the conclusion for the entire state or the nation's success on NEP.

#### Recommendations

I strongly recommend and request that the State Government reintroduce this subject to all degree students

#### Conclusion

A brief study on the Intellectual curiosity of the Non-commerce students of Mangalore University indicates the intention of introducing a mandatory subject on Financial literacy. i.e., Financial Education and Investment awareness to all the degree-pursuing students was an excellent move towards the progress of the nation and has been welcomed by students as well as teachers, wholeheartedly. Sadly, such an excellent subject has been eliminated from the curriculum for all non-commerce students in the revised syllabus of NEP. i.e., as per the revision made by the Karnataka state government (SEP) in 2024-25. As knowledge of Swimming and first-aid is considered a Life-saving skill and is very essential to survival, even a subject like financial education should be considered as a Financial Literacy skill to grow and prosper in life. Thus, Financial Education and Investment awareness (or equivalent subject) has to be made a mandatory subject like the constitution and Environmental Studies, but in the II or III year of the student's degree life and should be re-introduced under revised NEP (SEP).

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