

**A COMPARATIVE STUDY OF FINANCIAL LITERACY
AMONG THE MIZO RESIDING INSIDE AND
OUTSIDE MIZORAM**

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A COMPARATIVE STUDY OF FINANCIAL LITERACY AMONG
THE MIZO RESIDING INSIDE AND OUTSIDE MIZORAM

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Submitted

In partial fulfillment of the requirement of the Degree of Doctor of Philosophy in
Commerce of Mizoram University, Aizawl.



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Accredited 'A' Grade by NAAC in 2014-2019

CERTIFICATE

This is to certify that the thesis entitled “A Comparative Study of Financial Literacy Among the Mizo Residing Inside and Outside Mizoram” submitted to Mizoram University for the award of the Degree of Doctor of Philosophy in Commerce is a research work carried out by Mr. Binod Murmu, Research Scholar in the Department of Commerce, Mizoram University under my supervision and it has not been previously submitted for the award of any research degree to any other university/Institute.

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DECLARATION

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January, 2022

I, Binod Murmu, hereby declare that the subject matter of the thesis entitled “A Comparative Study of Financial Literacy Among the Mizo Residing Inside and Outside Mizoram” is the record of work done by me, that the contents of this thesis did not form basis of the award of any previous degree to me or to do the best of my knowledge to anybody else, and that the thesis has not been submitted by me for any research degree in any other University/Institute.

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PREFACE

Financial literacy is a set of skills and knowledge that enables a person to make informed and effective financial decisions with all of the financial resources available to him. It facilitates an individual in navigating the financial world and helps them in making informed decisions about their money, as well as reducing the chances of being misled on financial matters. The importance of financial literacy and its role in financial inclusion has been recognised by all possible stakeholders around the world, including policymakers, bankers, practitioners, researchers, and academics. In India, RBI has been taking an active part in improving financial literacy in the country. In this context, a project called “Project Financial Literacy” has been already implemented. With a view to support the vision of the Government of India and Financial Sectors Regulators by empowering various sections of the population to develop adequate knowledge, skills, attitude and behaviour, the National Centre for Financial Education (NCFE) along with RBI, SEBI, PFRDA, IRDAI and other relevant stakeholders has adopted a National Strategy for Financial Education 2020-2025 a multi-stakeholder approach to achieve financial well-being of all the Indians.

The present study focuses on examining the financial literacy of the Mizos residing in their home state and those who are living outside the state. A comparative analysis is performed to investigate the difference that exist in the financial literacy level of the Mizos as a result of place of their livelihood. The study also attempts to understand the awareness and preferences of the financial product among the Mizos and its association with the financial literacy. The study relied on primary data; the research instrument used to collect primary data was a survey questionnaire, which includes multiple-choice questions and 5 points Likert’s Scale. Secondary data was gathered from previous research, reports, websites etc and was used whenever it was necessary.

This research aims to make a significant contribution to the field of financial literacy and to assist all the stakeholders who are involved in promoting financial literacy and investment behaviour.

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LIST OF ABBREVIATIONS

<i>ANZ</i>	Australian and New Zealand Bank Group Ltd.
<i>ATM</i>	Automatic Teller Machine
<i>BC</i>	Business Correspondent
<i>BYST</i>	Bharatiya Yuva Shakti Trust
<i>BCAs</i>	Business Correspondent Agents
<i>BHIM</i>	Bharat Interface for Money
<i>BSE</i>	Bombay Stock Exchange
<i>C.D Ratio</i>	Credit Deposit Ratio
<i>CRA</i>	Central Record-Keeping Agencies
<i>CAB</i>	Central Autonomous Bodies
<i>CGT</i>	Compulsory Group Training
<i>CFAT</i>	Canara Financial Advisory Trust
<i>CERE</i>	Centre for Environmental Research and Education
<i>CCFL</i>	Citi Centre for Financial Literacy
<i>CFL</i>	Centres for Financial Literacy
<i>DNB</i>	De Nederlandsche Bank
<i>DICs</i>	District Industries Centres
<i>FLP</i>	Financial Literacy Programme
<i>FI</i>	Financial Institution
<i>FLCs</i>	Financial Literacy Centres
<i>FLW</i>	Financial Literacy Week
<i>FLCCs</i>	Financial Literacy and Credit Counselling Centres
<i>FAFLC</i>	Federal Ashwas Financial Literacy Centres
<i>FLAME</i>	Financial Literacy Agenda for Mass Empowerment
<i>FLAB</i>	Financial Literacy Advisory Body India
<i>FEPA</i>	Financial Education Programme for Adults
<i>FETP</i>	Financial Education Training Programme
<i>FACT</i>	Financial Awareness and Consumer Training
<i>FLCs</i>	Financial Literacy Centres

<i>FLIS</i>	Financial Literacy and Inclusion Survey
<i>FINO</i>	Financial Inclusion Network and Operations
<i>IFI</i>	Index of Financial Inclusion
<i>IIFL</i>	India Infoline Group
<i>IRDAI</i>	Insurance Regulatory and Development Authority of India
<i>ISMW</i>	Indian School of Microfinance for Women
<i>IFLI</i>	Indian Financial Literacy Initiative
<i>ICIC</i>	Industrial Credit and Investment Corporation of India
<i>KVIC</i>	Khadi and Village Industries Commission
<i>MFI</i>	Micro-Finance Institution
<i>MSME</i>	Micro Small and Medium Enterprise
<i>MKCL</i>	Maharashtra Knowledge Corporation Ltd.
<i>MRB</i>	Mizoram Rural Bank
<i>MSSP</i>	Money Smart School Program
<i>NABARD</i>	National Bank for Agriculture and Rural Development
<i>NER</i>	North Eastern Region
<i>NPS</i>	National Pension Scheme
<i>NSIM</i>	National Institute of Securities Market
<i>NGOs</i>	Non-Government Organisation
<i>NSFE</i>	National Strategy for Financial Education
<i>NCFE</i>	National Centre for Financial Education
<i>NBFC-MFI</i>	Non-Banking Financial Company - Micro Finance Institution
<i>NSE</i>	National Stock Exchange
<i>NFLAT</i>	National Financial Literacy Assessment Test
<i>OECD/INFE</i>	Organisation for Economic Co-operation and Development/International Network on Financial Education
<i>PFRDA</i>	Pension Fund Regulatory and Development Authority
<i>PACFL</i>	President's Advisory Council on Financial Literacy
<i>PISA</i>	The Programme for International Student Assessment

<i>PMJDY</i>	Pradhan Mantri Jan Dhan Yojana
<i>RBI</i>	Reserve Bank of India
<i>RSETI</i>	Rural Self Employment Training Institutes
<i>SEBI</i>	Securities and Exchange Board of India
<i>SAB</i>	State Autonomous Bodies
<i>ST</i>	Schedule Tribe
<i>SC</i>	Schedule Caste
<i>SLBC/BLBC</i>	State Level Bankers' Committee/ Block Level Bankers' Committee
<i>SHG</i>	Self Help Group
<i>UNDP</i>	United Nation Development Programme
<i>US</i>	United States
<i>UAE</i>	United Arab Emirates
<i>US</i>	United States
<i>UPI</i>	Unified Payments Interface
<i>USSD</i>	Unstructured Supplementary Service Data
<i>UTI</i>	Unit Trust of India

CHAPTER 1

INTRODUCTION

1.1 Introduction

Financial literacy is the awareness about the management of personal finances. It enhances a person's understanding of financial matters and equips them with the information and skills needed to evaluate the various financial products and investments available in the market. It enables individuals to take decisions for the advancement and improvement of their social, cultural, economic and environmental conditions (Chettri, 2019). Earlier researches in the field of financial literacy suggest that those with a low level of financial literacy face problems with issues relating to their personal finance.

In recent years, financial literacy has become a buzzword in academic writings and professional discussions and is playing a critical role in financial reform across the globe. It has also become a major challenge faced by different nations. Although modern technology, investments opportunities and liberalization policy have made new financial products and services widely accessible, majority of the population are still ill-equipped to make informed financial decisions or analyze complex financial products (Lusardi and Mitchell, 2007). Financial literacy and financial inclusion are integral to each other; they are both important for sustaining the economic growth of the nation (Subbarao, 2013).

In India, the Reserve Bank of India (RBI) has been actively taking part in improving financial literacy in the country. In this context, a project called “Project Financial Literacy” has been implemented. During 2019 to 2020 as a part of financial literacy initiatives, 1,48,444 financial literacy related activities were conducted by around 1467 Centres for Financial Literacy (CFLs) operational throughout the country.

Under Utkarsh, the RBI is working toward the following objectives in order to achieve greater financial inclusion and credit delivery:

- Implementation of the action plans laid down by National Strategy for Financial Inclusion 2019-24;

- The department will continue to monitor the implementation of the Expert Committee recommendations on Micro Small and Medium Enterprise's (MSME);
- Complete the end-line impact assessment survey for the CFLs pilot project; and
- Expand the CFLs project by establishing 1,199 CFLs covering 3,592 blocks across the country and raising financial literacy levels.

1.2 Definition of Financial Literacy

Different Organizations, authorities, researchers have used different definitions of financial literacy, resulting in no uniform definition. Many researchers used different names such as economic literacy, financial knowledge, financial capabilities, etc. Following are some definitions of financial literacy used in different research studies conducted across the world.

- Anthes (2004) stated that “personal financial literacy is the ability to read, analyse, manage and communicate about the personal financial conditions that affect material well-being”.
- Financial Literacy denotes one's understanding and knowledge of financial concepts and is crucial to the effective consumer's financial decision-making” (Fox, Bartholomae and Lee, 2005).
- Organisation for Economic Co-operation and Development (OECD) (2005) defines financial education as “the process by which financial consumers/investors improve their understanding of financial products and concepts and, through information, instruction and/or objective advice, develop the skills and confidence to become more aware of financial risks and opportunities, to make informed choices, to know where to go for help and to take other effective actions to improve their financial well-being”.
- “Financial literacy or financial education can broadly be defined as providing familiarity with and understanding of financial market products, especially rewards and risks, in order to make informed choices” (Reddy, 2006).

- “Financial literacy is the ability to interpret, communicate, compute, develop independent judgments and take actions resulting from those processes in order to thrive in our complex financial world” (Danes and Haberman, 2007).
- “Financial Literacy is the ability to use knowledge and skills to manage one’s financial resources effectively for lifetime financial security” (Mandell, 2007).
- “Financial Literacy is defined as the ability to use knowledge and skills to manage financial resources effectively for a lifetime well-being” (President's Advisory Council on Financial Literacy, Annual Report, 2008).
- Financial education can be broadly defined as “the capacity to have familiarity with and understanding of the financial market products, especially rewards and risks in order to make informed choices. Viewed from this standpoint, financial education primarily relates to personal financial education to enable individuals to take effective actions to improve overall well-being and avoid distress in financial matters” (Chakrabarty, 2009).
- Financial literacy has been invariably defined as “(a) a specific form of knowledge (b) the ability or skills to apply that knowledge (c) perceived knowledge (d) good financial behaviour and even (e) financial experiences” (Hung, Andrew, Yoong 2009).
- “Financial literacy is the ability to make informed judgments and effective decisions regarding the use and management of money and wealth” (Gale and Levine, 2010).
- “Financial literacy is the ability to understand how money works in the world, how someone manages to earn or make it, how that person manages it, how he/she invests it (turn it into more) and how that person donates it to help others” (Markus & Veresiu, 2014).
- The Australian and New Zealand Bank Group Ltd. (ANZ) survey (2015) defines financial literacy as “the ability to make informed judgements and to

take effective decisions regarding the use and management of money and is a complex combination of a person's skills, knowledge, attitudes and ultimately their behaviour in relation to money".

- According to the RBI, Financial Literacy can be broadly be defined as “providing familiarity with and understanding of financial market products, especially rewards and risks in order to make informed choices”.

Thus, financial literacy is the person's ability to understand and use knowledge and skills to manage personal finance matters and effective utilization of financial products available to him.

1.3 Elements of Financial Literacy

Different researches have been conducted worldwide in which financial literacy has been assessed using a well-structured multidimensional test. According to the Organization for Economic Co-operation and Development (OECD), this scale includes three constructs: financial knowledge, financial behaviour, and financial attitude (OECD, 2013).

Elements of Financial Literacy

- **Financial Knowledge:** One of the criteria used for determining an individual's financial literacy level is his or her knowledge about monetary and financial concepts. It covers the basic understanding of financial concepts such as the importance of saving, simple and compound interest calculation, time value of money, inflation, risk-return relationship, risk diversification benefits, and numeracy skills. Other things being equal, better financial decisions are associated with greater financial knowledge and understanding, as well as higher financial management skills.
- **Financial Behaviour:** This is another aspect of financial literacy that has an impact on an individual's financial well-being. It is determined by how individuals act and make financial decisions, such as paying bills on time, keeping track of finances, saving for the future, relying less on borrowings, making plans for future financial needs, controlling unnecessary money and

thinking before making any purchases, etc. People who act sensibly while dealing with monetary and financial issues in their lives are more likely to have a secure financial future than those who act irresponsibly.

- **Financial Attitude:** Another crucial aspect of financial literacy is a person's attitude and preferences. Apart from information, people's attitudes regarding short-term wants versus long-term future planning, spending versus saving priorities, and other monetary matters affect people's behaviour and hence play a vital role in determining their financial future. For example, people who have a positive attitude toward short-term desires may save less for the future, even though they have a better awareness of financial matters and will be less likely to have a prosperous financial future. Recognising the importance of financial attitude in future financial security, financial attitude training is included in the curriculum of financial education in India's national policy for financial education.

1.4 Status of Financial Literacy around the World

Various research on Financial Literacy is done worldwide. The 2012 edition of the Visa Global Financial Literacy Barometer survey has ranked India at 23rd in a list of 28 countries on the financial literacy front, just ahead of Morocco, South Africa and Vietnam. The study observed that many people in India set aside savings to survive a financial rainy day, but the lack of money management discussions in the family may set the stage for their children to struggle with finances.

According to the annual Master Card Financial Literacy Index survey, which was conducted between April and May 2013 and included 7,756 respondents aged 18 to 64 years old, India is ranked second last out of 16 countries in the Asia-Pacific region, and it is above Japan with 59 index points.

Table 1.1 shows the financial literacy level among the G20 countries. On average, people scored just 12.7 out of a possible 21 for financial literacy. Overall levels of financial literacy are highest in France, due to the extent to which individuals are exhibiting positive financial behaviour. Canada and China are the only other G20 country with an average score above 14 out of 21. India scored 3.7 in financial

knowledge, 5.6 in financial behaviour, 2.6 in financial attitude and 11.9 in the overall financial literacy which is below the average score by G20 countries of 11.9.

Table 1.1: Average Financial Literacy Scores of G20 Countries

Country	Average Financial Knowledge Score (max 7)	Average Financial Behaviour Score (max 9)	Average Financial Attitude Score (max 5)	Average Financial Literacy Score (max 21)
Argentina	4.1	4.4	2.9	11.4
Brazil	4.3	4.6	3.1	12.1
Canada	4.9	46.2	3.5	14.6
China	4.7	6.2	3.1	14.1
France	4.9	6.7	3.2	14.9
Germany	4.8	5.8	3.2	13.8
India	3.7	5.6	2.6	11.9
Indonesia	3.9	5.7	3.7	13.4
Italy	3.5	4.4	3.1	11
Japan			3.4	
Korea	4.9	5.8	3.2	13.9
Mexico	4.1	5	3	12.1
Russian Federation	4.1	5.1	2.9	12.2
Saudi Arabia	3.9	5.6	0.1	9.6
South Africa	3.7		3.1	
Turkey	4.6	4.8	3.1	12.5
United Kingdom	4.2	5.6	3.2	13.1
Average, G20 Countries	4.3	5.4	3	12.7

Source: OECD, 2017

*Note: G20 countries that are excluded from this table do not have comparable data.

Table 1.2 presents a report on an international survey on financial literacy by OECD International Network on Financial Education (INFE) in 2020. From the table, it can be seen that among the participating countries Hongkong (71.1%) has the highest percentage of financial literacy followed by Slovenia (70%) and Austria (68.5%). The table also shows that on an average 60.5% of the respondents have scored the minimum cut off mark on financial literacy which is 1.5 % less than the OECD 2011 survey.

Table 1.2: Financial Literacy Score (OECD, 2020)

Country	Financial Knowledge Score	Financial Behaviour Score	Financial Attitude Score	Financial Literacy Score
Hong Kong, China	88.2	64.8	58.3	71.1
Slovenia	68.7	69.6	72.5	70
Austria	76	66.3	61.9	68.5
Germany	73.7	62.9	61.2	66.1
Estonia	70.7	58.8	62.1	63.5
Indonesia	53.2	69.7	66.8	63.5
Portugal	56.8	65.2	64.9	62.3
Korea	65.7	59.8	61.3	62.1
Poland	71.1	60.6	52.4	62.1
Czech Republic	64.9	59.1	62.9	62
Moldova	55.6	60.6	61.4	59.8
Malaysia	52.3	68.1	54.9	59.7
Russia	68.7	54.6	56	59.6
Hungary	65.6	49.9	65.1	58.8
Croatia	63.4	55.5	55.6	58.6
Bulgaria	56.9	59.3	57.6	58.5
Georgia	62.5	56.3	50	57.6
Peru	58	56.5	58.9	57.6
North Macedonia	56.1	56.2	56.1	56.1
Montenegro	56.7	52.3	52.8	54.5
Columbia	54.9	53.2	52	53.5
Romania	48.3	55.7	54.7	53.4
Italy	56.1	46.3	61	53
Malta	32	57.9	56.5	48.9
France	68			
Thailand	56		77.3	
Average	62.8	59.2	59.2	60.5
OECD-11	65.8	59.2	61.6	62

Source: OECD-INFE International Survey of Financial Literacy 2020

1.5 Financial Literacy in India

According to the survey conducted by Standard and Poor's in 2015, India is home to 17.5% of the world population and over 76% of the adults in India lack basic financial literacy, and they don't understand the most basic and key financial concepts. In the survey on Global Financial Literacy in 2012 conducted by VISA, only 35% of Indians are financially literate.

Table 1.3 presents a summary of research conducted by the National Centre for Financial Education (NCFE) on the financial literacy of different states of India. The table highlights that in a survey conducted in the year 2013, states such as Goa, Kerala and Manipur are among the highest financially literate states in India whereas states like Chhattisgarh, Mizoram, Bihar, Nagaland, Sikkim were among the lowest financially literate states. Mizoram possessed a mere 6 per cent financial literacy level which is second only to Chhattisgarh which possessed only a 4 per cent financial literacy level.

A report on National Financial Literacy and Inclusion Survey (NCFE-FLIS) in 2019 revealed that 27.18 % of the respondents had achieved a minimum target score/ minimum threshold score in each of the components of financial literacy prescribed by OECD-INFE. The table also shows that North East India has also shown an improvement in financial literacy from 15% in 2013 to 33% in 2019. Though there is an increase in financial literacy level at different zones, there is a lot of improvement still needed to be done at the all-India level.

Table 1.3: Financial Literacy Level in India

Sl. No.	States	Level of Financial Literacy	Zone	2013*	2019
				Level of Financial Literacy	
1	Arunachal Pradesh	10%	North East	15%	33%
2	Assam	20%			
3	Manipur	36%			
4	Meghalaya	24%			
5	Mizoram	6%			
6	Nagaland	8%			
7	Tripura	21%			
8	Bihar	8%	East Zone	15%	20%
9	Odisha	9%			
10	Sikkim	8%			
11	West Bengal	21%			
12	Andaman and Nicobar Island	14%			
13	Chhattisgarh	4%	Central Zone	14%	21%
14	Madhya Pradesh	23%			
15	Uttarakhand	23%			
16	Uttar Pradesh	10%			
17	Chandigarh	38%	North Zone	21%	32%
18	Haryana	21%			
19	Himachal Pradesh	16%			
20	Jammu and Kashmir	18%			
21	Punjab	13%			
22	Rajasthan	20%			
23	Delhi	32%			
24	Goa	50%	West Zone	27%	37%
25	Gujarat	33%			
26	Maharashtra	17%			
27	Daman and Diu	29%			
28	Dadra and Nagar Haveli	31%			
29	Andhra Pradesh	23%	South Zone	25%	30%
30	Karnataka	25%			
31	Kerala	36%			
32	Tamil Nadu	22%			
33	Puducherry	21%			
34	Lakshwadeep	22%			

Source: National Centre for Financial Education Report, 2013 & 2019

Note: *Average Literacy Score calculated at zone level.

** NCFE 2019 survey does not present state-wise data.

1.6 Mizoram: A Brief Profile

Mizoram is a small landlocked state in North East India occupying a total geographical area of 21,087 sq. km. The state is bounded by Myanmar in the eastern and southern parts with a 404 km international boundary. In the west, it is bounded by Chittagong hill tracts of Bangladesh with 318 km international boundary and the state of Tripura with 66 km inter-state boundary. In the north, it is bounded by the Cachar district of Assam with a 123 km inter-state boundary and also Manipur with a 95 km interstate boundary. The state occupies great strategic importance within the north-eastern corner of India due to its long international boundary with Myanmar and Bangladesh (Ray 2002). According to the 2011 census, the population of Mizoram is 1,091,014 and is the 2nd least populous state in the country.

North East Region is among the categories of the low level of financial inclusion. It has a Financial Inclusion Index of 0.350 which is below the all-India average index of 0.812. Mizoram showing an Index of 0.377 which is among the medium level of financial inclusion (Bora, 2020).

Undoubtedly, like the rest of the region, Mizoram is also economically backward. However, socially it is one of the most developed. It has 91 per cent literacy, social coherence and enterprise among the people. It is also disadvantaged due to its difficulty in access to the rest of the country, poor communication situation and its land located situation (Lalrinmawia, 2012).

The backward region, difficult access to the other parts of the country, poor communication, etc. are some reasons because of which Mizos (the native residents of the state of Mizoram) in the home state are deprived of better investment opportunities. Keeping these points in mind, this study is an attempt to know the financial literacy level of Mizos. The present study is an attempt to estimate and analyze the status of financial literacy among Mizos who are living in their home state-a backward region, and those living outside-developed regions.

1.7 Mizos

The Mizos are indigenous people in the Indian state of Mizoram and its neighbouring areas. The Mizo's are different tribes, closely knitted together by common tradition, custom, culture, mode of living, language and rites. Mizo is a generic name and was already in use when the Britishers came to this territory. Mizo includes different clans, such as Lushai, Hmar, Ralte, Paite, Darlawng, Dulien, Sukte, Fanai, Lakher, Falam, Jahao, Renthlei, etc. These clans bear the name of their ancestral father (Ray, 2002).

1.8 Significance and Scope of the Study

Financial literacy is playing a crucial role in financial reform around the world. Despite the fact that modern technology, investments, and liberalisation have made new financial goods and services broadly available, much of the people still remain incompetent to make informed financial decisions or assess complex financial products (Lusardi and Mitchell, 2007).

Lack of financial literacy also leads to long-term issues, which can have a significant impact on an individual's financial well-being. For example, Indians, on an average, do not have more than three months of savings, in case they face an emergency. Because of increased consumption expenditure, the overall domestic savings rate too has dropped over the last couple of years (Nayak, 2012).

Financial Literacy is the doorway to effective human capital formation. Financial skills will help to raise the standard of living and contribute to overall growth (Roy, 2020). With the increasing needs and importance of financial literacy in the present days complex financial market, the present study aims to examine and gain a deeper understanding of the financial literacy level of Mizos. Therefore, this thesis proposes to make an in-depth study of financial literacy among Mizos living within the geographical boundary of Mizoram and such Mizos who are residing outside the state. Thus, the study is not just providing detailed information about the financial literacy level of Mizos, but it is also giving information about differences in financial literacy level because of changes in investment opportunities and environment. A sample of 300 Mizos had been selected for the study. The study has some important

policy implications, namely concerning the design of the programme and strategies aimed at promoting financial literacy. This study also contributes to the body of knowledge in the academic fields, research institutions and individuals.

1.9 Research Design

The following section on research design is an outline of the logical and systematic plan prepared for directing a research study. It specifies the objectives of the study, the methodology and techniques adopted for achieving the objectives. It highlights the blueprint for the collection, measurement and analysis of data (Majhi and Khatua, 2018).

1.9.1 Research Problem

According to the research done by ANZ (Australia and New Zealand Banking Group Ltd) on financial literacy, the result shows that people from disadvantaged postcodes have lower levels of financial literacy than those from more affluent areas (ANZ, 2008). Years back, thousands of people in Mizoram were cheated through *Chiahpuam* Ponzi scheme, known in local parlance as *Kar Khat Bank* (or One Week Bank) as the depositors were returned with huge interests on a weekly basis. The promoters of the fake financial institution advertised as being linked to the Foreign Exchange system and also being financed from overseas by rich benefactors who wanted to help the poor Mizo's. Their claims were so convincing that thousands of people, including government cashiers, church organizations and even bank employees, invested their money in the scheme. This shows the flaws in their financial decision-making and with the *Financial Inclusix Score* of 43.2, which is among the bottom six of different states in India (CRISIL, 2018) is a serious endeavour in this regard to study their financial literacy level. The North Eastern Region of India (NER) has more population per branch (i.e., 19,465) as compared with the population at all India level which is having only 13,916. Likewise, the percentage of rural branches is also higher in the region as indicates as 65 per cent against the percentage of 48.2 per cent as the all-India level comparatively. The Credit-Deposit Ratios (CD Ratio), however, indicates that there is a decline ranging from 54.9 in 1990 to 39.3 in 2018 in

the region whereas there is an increase at the all-India level as it shows 60.7 per cent in 1990 to 76.7 per cent in 2018 (RBI, 2019). Further, it is also noticeable that in India the Credit Deposit Ratio is 73.79% whereas in Mizoram 36.38% (Bora, 2020). It indicates lack of investment, slow progress of banking and lack of financial literacy and awareness/understanding of financial products among prospective customers in the North Eastern Region (NER) in general and Mizoram, in particular.

Financial Inclusion and Financial Literacy are two factors of a country's financial stability. Financial literacy is vital in the context of inclusive growth and is the doorway to effective human capital formation. The review of available literature (presented in Chapter – 2) reveals that even though some research on the status of financial inclusion and investment awareness has been done in Mizoram, but evidence of systematic and dedicated attempt to estimate and analyse financial knowledge, financial behaviour, financial attitude and financial literacy is rare. Further, another dimension of research which is almost absent is to compare the status of financial literacy of Mizos residing within the state and residing outside the state.

Considering the above discussion, there is a need to undertake a study to estimate and analyse the financial literacy among the Mizos residing in the state of Mizoram and to compare the same with the Mizos who are residing outside the state of Mizoram. Thus, the present study is on the topic “A Comparative Study of Financial Literacy among the Mizo Residing Inside and Outside Mizoram”.

1.9.2 Objectives of the Study

The main objective of the study is to measure the level of financial literacy among the Mizos living in the home state and outside the state. The sub-objectives of the study are:

1. To examine the differences that exist in the financial literacy level of the Mizos in their home state and outside states.
2. To study the association between financial literacy and various socio-economic and demographic factors.
3. To find out how the financial literacy level of the respondents affects the awareness and preference for financial products.
4. To provide suggestive measures.

1.9.3 Hypotheses

- H₀₁. There is no significant association between gender and financial literacy level of the respondents.
- H₀₂. There is no significant association between the age and financial literacy level of the respondents.
- H₀₃. There is no significant association between the number of family members and the financial literacy level of the respondents.
- H₀₄. There is no significant association between educational qualification and financial literacy level of the respondents.
- H₀₅. There is no significant association between the annual income and financial literacy level of the respondents.
- H₀₆. There is no significant association between employment and the financial literacy level of the respondents.
- H₀₇. There is no significant association between the financial literacy programs attended and the financial literacy level of the respondents.
- H₀₈. There is no significant association between place of livelihood and the financial literacy level of the respondents.

1.9.4 Research Methodology

The primary objective of the study is to determine the level of financial literacy among Mizos. For the purpose of the study 200 Mizos residing in the state of Mizoram and 100 Mizos residing outside the state was chosen. The Mizos from outside states are chosen from Delhi, Kolkata, Mumbai, Bangalore, Patna and Ranchi which represents east, west, north and south of the country. Only those Mizos are considered as a part of the study who are residing at their respective place for more than 3 years and whose annual income is more than Rs. 3 lakhs. These criteria were adopted based on informal discussions with the Mizos living in the home state and outside the state. After reviewing the existing literature in the area of the research, it was found suitable to use the questionnaire developed by OECD-INFE for the purpose of the study. The respondents were asked to answer questions including their personal profile, financial

literacy (financial knowledge, financial behaviour, financial attitude) and their awareness and preference towards selected financial products.

1.9.5 Scoring procedure for financial literacy

Different researchers have used different methods for measuring financial literacy level. For the purpose of the study, the researcher has used the scoring procedure framed by OECD further used by Atkinson and Messy (2012) and Desdemona and Sreekala (2015) was used for measuring the financial literacy level. The questionnaire consists of 8 questions on financial knowledge, 8 questions on financial behaviour, 3 questions on financial attitude and questions on awareness and preference for financial products.

For each correct answer 1 was given and for incorrect answer 0 was given.

The financial knowledge score is determined by adding all scores under the knowledge category. As a result, an individual will have a minimum score of 0 and a maximum score of 8. The financial knowledge of an individual is considered to be poor when the score is less than 3, average when the score is 4 and 5 and high when the score is between 6 and 8.

The financial behaviour score is determined by adding all scores under the behaviour category. As a result, an individual will have a minimum score of 0 and a maximum score of 8. The financial behaviour of an individual is considered to be poor when the score is less than 3. If the score is 4 and 5 it is considered to be average and a score between 6 and 8 as positive financial behaviour.

The financial attitude score is determined by adding all scores under the attitude category. As a result, an individual will have a minimum score of 0 and a maximum of 5. The financial attitude of an individual is considered to be poor when the score is less than 3. A score of 3 is considered to be with average financial attitude and a score between 4 and 5 as a positive financial attitude.

Financial literacy score for an individual is determined by taking a weighted average of financial knowledge score, financial behaviour score and financial attitude

score. Weights used are 50 per cent for financial knowledge, 30 per cent for financial behaviour and 20 per cent for financial attitude. The aggregate score of 1 to 3 is considered as low financial literacy, a score of 4 to 5 was considered as average financial literacy and a score of 6 and above was considered as high financial literacy.

1.9.6 Sampling

For the purpose of the study, 300 Mizos were selected. Out of which 200 Mizos were residing in the state of Mizoram while 100 Mizos (Delhi-32, Kolkata-35, Mumbai-10 Bangalore-10 Patna-6 and Ranchi-7) were those who reside outside Mizoram. Snowball sampling method was used to identify the respondents who fulfill the finalized criteria.

1.9.7 Data Collection

The study consists of both primary data and secondary data. To collect primary data for the research, a structured questionnaire developed by OECD was used. The questionnaire was divided into three parts. The first part of the questionnaire was based on the socio-economic and demographic profiles of the respondents namely, gender, age, annual income, educational qualification, number of family members, place of livelihood and financial literacy program attended. The second part of the question was based on financial literacy i.e., financial knowledge financial behaviour and financial attitude and the third was based on financial products awareness and preference. Personal Interviews and online methods were used for collecting the questionnaires. The questionnaire was translated into Mizo language and both English and Mizo were used for collecting the questionnaire. The detailed questionnaire is attached in appendix 1.

Secondary data for the study have been collected from various published and unpublished sources, like journals, books, newspapers, websites of various govt and non-govt organizations, like the Reserve Bank of India, OECD, etc. Besides, various reports on financial literacy were also consulted like, NABARD annual reports, RBI Annual reports, MasterCard survey on financial literacy, The ANZ Survey of Adult Financial Literacy in Australia, International Survey of Adult Financial Literacy,

OECD study on financial literacy etc. Policy documents like National strategy for financial literacy (RBI) etc. were also extensively consulted.

1.9.8 Data Analysis

For the purpose of the research, the primary data was collected through a well-structured questionnaire and different statistical tools have been used for analysing data.

- **Simple Percentage Method:**

A percentage is a numerical value or ratio that can be stated as a fraction of 100. In this study it is used for describing the frequency of the profile of the respondents.

- **Mean:**

A mean is the simple mathematical average of a set of two or more numbers. In this study mean value is calculated to determine the average score of financial knowledge, financial behaviour, financial attitude and financial literacy.

- **Fishers Exact Test:**

Fisher's exact test is a statistical significance test used in the analysis of contingency tables. Fisher's exact test is appropriately used to test the association between the variables.

- **Chi-Square Test**

Chi-Square test is a test for testing the association between categorical variables in the same population. It measures how expectations are compared to actual observed data. In this study, Chi-Square test is used for estimating the influence of an independent variable on dependent factors

- **Correlation analysis**

Correlation is an analysis of covariation between two or more variables. For the purpose of the study, correlation analysis is used to measure the relationship between financial literacy and the three components of financial literacy i.e. financial knowledge, financial behaviour and financial attitude.

1.10 Presentation of the thesis

The researcher has divided the thesis into seven chapters in which the first three chapters are related to the theoretical part and the last four chapters is related to the data analysis and interpretation.

Chapter 1-Introduction: The first chapter deals with the general introduction on the concept of financial literacy and financial products, an overview of Mizoram, significance of the study, research gap, objectives of the study, hypotheses of the study and research methodology.

Chapter 2-Review of Literature: The second chapter presents the review of the earlier studies conducted on financial literacy and financial instruments. Various studies conducted in India and other countries were reviewed.

Chapter 3-Financial literacy initiatives: The third chapter discusses various financial literacy initiatives carried out by different financial institutions engaged in the promotion of financial literacy in the country.

Chapter 4-Status of Financial Knowledge, Financial Behaviour and Financial Attitude: The fourth chapter deals with data analysis on the status of financial knowledge, financial behaviour and financial attitude in which various aspects of financial knowledge, behaviour and components were discussed.

Chapter 5-Factors determining Financial Literacy: The fifth chapter deals with the analysis of financial literacy and the factors determining the financial literacy level of the respondents were discussed.

Chapter 6-Financial Instruments: Awareness and Preferences: The sixth chapter deals with data analysis on financial instruments and its relationship with socio-economic and demographic and also its association with financial literacy level were presented and discussed.

Chapter 7-Summary of Findings, Suggestions, Scope for future studies and Conclusion: The seventh chapter presents the summary of the findings, suggestions, scope for future studies and conclusion.

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CHAPTER 2

REVIEW OF LITERATURE

2.1 Introduction

The review of literature is the foundation of research; without it, research would be fruitless. A researcher can use it to discover the beneficial and negative aspects of prior studies. A literature review has not only provided theoretical information but also helped in framing the methodologies for the current research. In this chapter, the concept relevant to the present study is reviewed, compiled and presented in a logical order. The research focuses on two areas of personal finance i.e., financial literacy and financial products. Thus, the literature has been reviewed along these two dimensions of personal finance. Various articles, studies, reports, and surveys undertaken by various researchers in India and overseas have been cited in this chapter in order to conduct a thorough assessment of literature for the current research.

2.2 Studies outside India

Danes and Hira (1987) in their study surveyed 323 college going students from Iowa State University using a 51-items questionnaire to assess their knowledge of insurance, credit cards, record keeping, personal loans and overall financial management. Their findings indicate that education is needed among the students in specific money management areas. Male respondents perform better than females in most areas of money management, married students are more knowledgeable than unmarried students, and upper-class men are more knowledgeable than lower-class men. Overall, the finding shows college students possessed low financial knowledge.

Perry & Morris (2005) in their study examined the relationship between consumer financial knowledge, income and locus of control on the financial behaviour of 10997 individuals. Ethnicity is included as a potential moderator of the effects of these three variables on financial behaviour. The findings suggest that consumer's propensity to save, budget and control spending depends partly on their level of

perceived control over outcomes as well as knowledge and financial resources. Evidence of race and ethnicity as moderators is mixed.

Volpe et. al. (2006) surveyed 212 benefit administrators in charge of personal finance programs in the US-based companies in order to specify important personal finance issues for working adults and assess their level of knowledge. The results revealed that the least important areas were estate planning and investment. Specifically, the least important topics were having knowledge of mutual fund prospectuses, mutual fund fees, and expense ratios. The participants also indicated that working adults were actually least knowledgeable about the same topics that they viewed as least important. In general, the benefit administrators indicated that the level of knowledge of working adults was relatively low.

Roos et. al. (2007) in their study devised two special modules for De Nederlandsche Bank (DNB) household survey to measure financial literacy and study its relationship to stock market participation. The findings of the study revealed that the majority of the respondents have basic financial knowledge and have some grasp of concepts such as compound interest, inflation, and time value of money. However, only a few goes beyond these three basic concepts; most of the respondents do not understand the difference between bonds and stocks, the relationship between prices of bonds and its interest rates, and the basic understanding of risk-return diversification. Most importantly, the study reveals that financial literacy influences financial decision-making and those respondents with low literacy are significantly less likely to invest in the stock market.

Lusardi and Mitchell (2008) in their study indicated the financial literacy level of the women in the higher age group of the United States is very low. Moreover, the vast majority of women have made no retirement planning calculations. Furthermore, the financial knowledge and planning of the respondents are closely related to each other: women who are more financially literate are more likely to plan and become a successful planner. Their findings raise concerns about the ability of women to make sound savings and investment decisions over a long period of time. In an environment

where individuals rather than employers and governments are charged with handling retirement finances, consumers must become more financially literate in order to be more successful at retirement.

Cole et al. (2009) in their study of financial literacy, financial decisions and demand for financial services present compelling new evidence from the two most populous countries in the world that in a developing world financial literacy plays an important role in predicting the financial behaviour of an individual. These well-documented correlations in developed countries have prompted governments, non-profits, and businesses to promote financial literacy as a means of broadening the depth and breadth of the financial system. Their findings also show that a well-designed and delivered financial literacy training programme in Indonesia did not increase the demand for bank accounts among the general population. The surveyed data from Indonesia and India also shows that financial literacy is an important predictor correlate of household financial behaviour and household well-being.

Tamimi and Kalli (2009) in their study analyse the impact of financial literacy on the financial decisions of investors from the United Arab Emirates (UAE). The findings of the study indicates that investors' financial literacy is very low and is far below the required level. The level of financial literacy has been found to be affected by income, education, and workplace activity. Respondents with high income possessed high educational degrees, and those respondents who work in finance/banking or investment had a higher financial literacy level than others which is as expected. Financial illiteracy, on the other hand, exists regardless of the respondents' age. A significant difference was found between gender and financial literacy of the respondents and women possessed lower financial literacy compared to male respondents. Finally, the finding shows that there is a relationship between financial literacy and investment decisions. Religious reasons have the most influence on investment decisions, while rumours have the least influence.

Lusardi et. al. (2010) in their study used data from the National Longitudinal Survey of Youth in 2007-08 to investigate financial literacy among young people in

the United States. The research questions they sought answers related to the preparedness of the young to make sound financial decisions, determinants of financial literacy among the young and policy initiatives required to improve the financial literacy of the young. They found that young people possessed a low level of financial literacy which is consistent with the other studies in which different research findings shows that financial literacy tends to be generally low among the youth. The study also shows that socio-demographic characteristics, as well as family financial situation and sophistication had a significant influence on the financial literacy level of the respondents. Specifically, the result also shows that there was a significant difference between men and women in terms of financial literacy, with women having a lower level of financial literacy.

Taylor (2010) in his study measures the financial capability and its determinants of British households using survey data. The study shows the lowest financial capability among young unemployed single adults living in households with other unrelated non-working adults. In contrast, older men and women in full-time work with an employed spouse have the most financial capability.

Sabri et al. (2010) in their study investigated the impact of personal and family background, academic ability, and childhood experiences on the financial literacy of college students in Malaysia. Out of the 3,850 questionnaires distributed to five public colleges, five private colleges, and one public university, 2,519 were used. The t-tests were used to determine the significance of mean differences in financial literacy for predictors with two categories, and the analysis of variance was used to determine the significance of literacy mean differences with multiple category variables. In a step-by-step procedure, hypotheses were tested using ordinary least squares multiple regressions.

The results showed that the average score on the 25-item of financial knowledge is 11.77, which was less than half of the questions answered correctly by the students. The study also shows that Chinese students have lower mean scores than Malay, Indian, and other ethnic groups. The students from private colleges have lower financial literacy scores than students from public colleges while first-year students

while those students who never had an experience discussing finances with parents are also likely to have low scores. College students who lived off-campus were more likely to have greater financial knowledge compared to those on campus, probably because they have more financial responsibilities and liabilities as the researchers suggested. Another interesting finding from the study was that the level of financial literacy of students from less well-off families was greater than those from upper-income families.

Huston (2010) in his study focuses on developing a standardized measurement for financial literacy. The construct, content, method of measure, and scoring procedure of 71 financial literacy studies are analysed to produce results that can create industry standards for future use. Across these studies, three main barriers are identified: 1) a lack of definition for what financial literacy means, 2) measures of financial literacy are not comprehensive, and 3) most studies do not include a guide for measurement interpretation. Huston concludes by proposing an appropriate definition of financial literacy, an acceptable amount of content areas, and a rating method to provide consistent industry-wide results. While not a one-size-fits-all approach, Huston's proposals provide a consistent measure for further research and support of financial literacy and its impact on individual welfare.

Jappelli (2010) in his study uses international panel data on 55 countries from 1995 to 2008, merging economic literacy with a large set of macroeconomic and institutional variables. The finding shows that financial and economic competence varies significantly across countries and that human capital indicators (PISA test scores and college attendance) are positively related to economic literacy. Furthermore, inhabitants of countries with more generous social security systems are generally less literate, lending support to the hypothesis that the incentives to acquire economic literacy are related to the number of resources available for private accumulation. The descriptive analysis shows that literacy varies quite substantially among countries, and the regression analysis shows that its level depends on educational achievement, social interactions (as proxied by the share of urban population) and mandated savings in the form of social security contributions. The

contribution rate is used as an (inverse) proxy for financial market deepening to minimise the reverse causation between financial literacy and financial development. The findings can be rationalised using a standard human capital model, where financial knowledge depends on cognitive ability and incentives to accumulate knowledge are directly related to the level of household resources invested in financial markets and particularly in pension funds.

Lusardi et. al. (2011) in their report highlights two main findings. First, financial literacy is rather low in the population and most Americans are not familiar with fundamental concepts that should form a basis for financial decision-making. Given the current shift toward more individual responsibility for financial well-being. Second, there is considerable geographic variation in financial literacy that only a few studies are beginning to document. Some of these differences are due to demographic and economic characteristics across states, but these variables cannot explain all of these differences.

Allgood and Walstad (2011) conducted a study on “The effect of perceived and actual financial literacy on financial behaviours.” In this study, a combined measure of financial literacy was used, which included both a test score of actual financial literacy and a self-rating of overall financial literacy. The combined measures were found to provide a better understanding of how financial literacy influences financial behaviours. A large national survey of 28,146 U.S. adults and households was used to investigate how overall financial literacy affects financial behaviour across five financial elements, namely credit cards, investments, loans, insurance, and financial advice. Four to five financial behaviours were included for each topic to demonstrate the consistency of the findings within and across topics. The probit analysis results showed that both actual and perceived financial literacy have a significant influence on financial behaviours, and that perceived financial literacy can be as important as or more important than actual financial literacy. The reviewed studies emphasised that the socioeconomic and demographic profiles of the respondents are associated with saving and banking habits, money management, debt practices, financial inclusion, and financial literacy.

Atkinson and Messy (2012) in their paper present the findings from an OECD International Network on Financial Education pilot study undertaken in 14 countries. The study focuses on differences in financial knowledge, behaviour, and attitude across countries as well as within countries based on socio-demographics. The finding shows that a sizable proportion of the population in each of the countries surveyed lacks financial knowledge. Moreover, there is still a lot of room for improvement in terms of financial behaviour. Attitudes have been shown to vary widely among different countries.

Scheresberg (2013) examines financial literacy and financial behaviour in a sample of approximately 4,500 young adults aged 25 to 34 in his research paper based on data from the 2009 National Financial Capability Study. The result shows that the majority of young adults lack basic financial knowledge. Financial literacy is particularly low among certain demographic groups, such as women, minorities, and those with lower incomes and respondents with less education. However, a high level of education does not guarantee financial literacy. Only 49 per cent of young adults with an education qualification of graduation and 60% of young adults with a postgraduate education could correctly answer three simple questions designed to assess financial literacy. The finding also shows that respondents with better financial outcomes are those who possessed higher financial literacy or confidence in their math or personal finance knowledge: they are less likely to practice high-cost borrowing methods, and they are more likely to plan for retirement or have emergency savings.

Mahdzan and Tabiani (2013) in their study investigated the impact of financial literacy on individual saving behaviour in the context of an emerging market in Malaysia. To study the relationship under investigation, a survey of approximately 200 people was conducted in Klang Valley, Malaysia. Other determinants of individual saving such as regularity of saving, risk-taking behaviour, and socio-demographic characteristics, were also investigated. The results of Probit regression revealed that financial literacy had a significant and positive impact on individual saving. In addition, regularity of saving savings, gender, educational level and income

all have a positive influence on the probability of saving. The findings of the study also suggest that policymakers should work to improve household financial literacy level by implementing various financial education programmes in order to influence national saving rates.

Marzieh (2013) in his study shows age and education level of the respondents have a positive relationship with financial literacy and financial well-being, married people are more financially literate than unmarried and the study also shows that financial literacy leads to better financial wellbeing and less financial concern.

Nayebzadeh et. al. (2013) in their study on University Professors' Financial Literacy level shows that university professors lack critical financial information for dealing with their financial problem. The study also found a significant relationship between financial literacy and marital status, but no significant relationship was found between financial literacy and age, employment status and education level of the respondents.

Nicoline et. al. (2013) in their study analyse the differences in the financial literacy of four countries i.e., Canada, Italy, UK and US. The study found that there is a significant difference in the financial literacy of the four countries. This indicates that there is a difference in cultural and national differences in what the household knows and the need to know about their personal finance. The study also suggests that policymakers should consider the differences when developing the tools for assessing the financial literacy level of these countries.

Navickas et. al. (2014) in their study has shown that young households lack basic financial literacy concepts like simple interest and compound interest. This influences their decision-making when it comes to choosing mortgages, leasing, bank deposits, retirement funds, and so on. In the long run, these decisions can add up to a large sum of money, that is the reason why financial literacy education programmes must be implemented. The tendency towards inflation is also very clear-even 40 per cent of the total population does not understand how inflation rates affect their

purchasing power, which is also a sign of a very low financial literacy level. The results also show that a portion of Lithuanian young people have money to save and invest, but only 44 per cent understand the fundamental difference between stocks and corporate bonds, implying that even though people have money to invest, they lack the knowledge to do so. Despite all the observations made by policy-makers or researchers made by scientists there is still very little done to raise the financial literacy of young households. So, lack of financial literacy means that households cannot manage their personal finances properly and spend a lot of money on impulsive and unnecessary buying, which eventually leads to less amount of savings and lower investment returns. Moreover, it might reduce countries' competitiveness in the global market in a long term perspective.

Loke (2015) in his study analyses the financial knowledge and behaviour of working adults in Malaysia. The probit model was used for analysing the financial knowledge of the respondents. The study found that significant effects on levels of financial knowledge were found in education, ethnicity, type of profession and the availability of government pension whereas financial illiteracy cut across genders and age. Furthermore, the level of financial knowledge has a significant impact on budgeting, investments and preparing for financial emergencies whereas financial distress is not affected by the level of financial knowledge.

Meszaros and Hill (2015) in their study identified that financial literacy and economic literacy of next-generation could be increased by teaching students of primary grades onward the interplay of work, education and income.

Dam and Hotwani (2017) in their study analyse the relationship between age and income with financial planning. The result shows that the majority of the respondents set financial goals but are unaware of how to meet their future financial goals. The investors are also not correctly aware about which products to invest into.

Murendo and Mutsonziwa (2017) conducted a study on "financial literacy and savings decisions by adult financial consumers in Zimbabwe." For the purpose of

the study 4000 adults' respondents were selected. The result shows that women possessed a lower level of financial literacy than men, respondents from rural areas exhibit a lower level of financial literacy compared to urban respondents. The finding also shows that financial literacy positively influences the saving behaviour of rural and urban respondents and also positively influences formal and informal savings.

OECD/INFE (2017) in their study of Financial Literacy among adults of G20 countries found that 54 percent of male and 43 percent of female respondents possess the minimum target score of financial literacy. The overall result also shows that 48.5 percent of the respondents scored the minimum target in Financial Knowledge, 52 percent in Financial Behaviour and 48% in Financial Attitude.

Babych et al. (2018) in their study Financial Inclusion, Financial Literacy and Financial Education in Georgia states that there is adequate access to financial services among the respondents, but that does not lead to higher usage of financial services and the study also shows that majority of the respondents are quite aware with the basic financial concepts but the financial literacy level is inadequate. The study analyses the relationship between financial literacy and income and education of the respondents and the result shows that financial literacy is correlated with the education and income of the respondents.

OECD/INFE (2020) conducted an international survey of financial literacy among the adults of 26 countries. The result shows that 62.8% of the respondents in Financial Knowledge, 59.2% of the respondents in Financial Behaviour, 59.2% of the respondents in Financial Attitude and 60.5 % of the respondents in Financial Literacy were able to score the minimum target score.

2.3 Studies in India:

Agarwal et al. (2010) in their study of financial literacy and financial planning: Evidence from India shows that the majority of the respondents from India are financially literate. The findings of the study also reveal that male respondents are more financially literate than female respondents, no significant difference was shown among the different age group and income group and respondents with higher education tend to be more financially literate than respondents with lower education. The study on risk tolerance of the respondents shows that male tends to take more risk than females.

Kefela (2010) in his study on “The Case for Financial Literacy in Developing Countries: Promoting Access to Finance by Empowering Consumers” found that Financial Literacy plays an important role in promoting access to finance. The study also shows that having access to financial products such as Saving accounts or Insurance can greatly affect consumers' financial future and their financial wellbeing.

Seth et al. (2010) analysed the financial literacy level and investment preference of investors from Delhi and National Capital Region. 34 questions related to basic financial knowledge were asked to the respondents. The finding shows that 96% of the respondents have a savings account, 98% of the respondents have awareness about Life insurance but only 45% of them show preference to invest in it, 92% of the respondents know about mutual funds but only 24% invest in it. The finding also shows that advertisements on television and newspaper were the main source of information. The result of the chi-square test shows that no relationship was found between age and financial literacy of the individuals whereas a significant relationship was found between respondents' income and financial literacy level.

UNDP-NABARD Report (2011) “State Level Financial Literacy Strategies”, published in 2011 make a remark that the spirit of Financial Literacy of Financial Inclusion is to achieve inclusive development; to provide better access to financial products or services, to reduce risk, to improve poor people's livelihoods and

ultimately, to achieve inclusive growth. Financial Literacy, Innovative Processes: Knowledge sharing and Capacity Building are the main focus of the NABARD-UNDP initiatives. The initiative aims to provide socio-economic empowerment to the poor and vulnerable segment of the society. The mission is to improve financial literacy among the poor and vulnerable section of the society by implementing and organising financial literacy programmes (FLPs) with clearly defined roles and responsibilities for all key stakeholders involved in FL/FI, to achieve complete financial inclusion of all parts of society, including the poor and vulnerable, on a long-term basis.

The strategy adopted is to get informed stakeholders of Financial Literacy, on the strength of institutional network up to field level, work on a Mission mode, in a cohesive and concerted manner; with defined roles, responsibilities and expectations; on a sustainable model; under defined leadership and direction; with a focus on the ‘target group’ and in a conducive environment; to strengthen the design and delivery of Financial Literacy with an initial focus on attracting attention through increased awareness of the target population and on need-based pilots; structured project management approach including periodic review/monitoring/follow-up and assessment of impact/outcome.

Agarwalla et al. (2012) in their study to find financial literacy among students, young employees and retired in India shows that compared to global standards the financial knowledge score of the Indian is very low. Respondents do not understand compound interest, risk-return, inflation and diversification. Indians seem to have positive financial behaviour, the score for financial behaviour was higher than the global standard. Financial behaviour is related to the financial knowledge of the respondents. The study also shows that the financial knowledge of men is higher than female and the financial knowledge score of rural regions is lower than urban regions. The financial behaviour and financial attitude are marginally higher among women than men and education and urban background does not have an influence on the financial attitude score of the respondents.

D’Silva et al. (2012) in their study assessed the financial literacy level of 100 females’ respondents in the city of Mumbai. The result from the study shows that most

of the respondents are financially illiterate and invest their money in safe investment avenues like bank deposits and insurance and only a few respondents invest in the stock market, mutual funds etc. which yield a higher return. The study also shows that many respondents do not have adequate knowledge on using online financial services and do not make use of services like debit card, credit card, online funds transfer. The result of the hypothesis tested shows that usage of online banking services depends on the educational level of the respondents, females prefer a more secured form of investment avenues, working status of females does not impact the investment decision and educational qualification of females plays an important role in accessing financial expertise.

Bonte and Filipiak (2012) conducted a study on “Financial Literacy, information flows and caste affiliation: An Empirical evidence from India.” The result of the study shows financial literacy has a positive association with social interaction and the awareness for various financial instruments tends to be lower among the backward caste. The finding of the study also shows that the investment behaviour of the respondents is not affected by caste affiliation and social interaction.

Bindhu (2013) in his Doctoral Thesis “Financial Literacy and Income Level Influences on the Savings and Investment Pattern of Urban City Households (An Empirical Study with Special Reference to Coimbatore City)” observed that the financial literacy of female investors is higher than male investors. The study also shows that young investors (25-35 years) prefer to invest in financial products than those in the age group of above 40 years. The respondents show more preference towards financial products which are safe and have high liquidity. The elaborated study also shows that the major reason for investing their money is to meet their social obligations like wards marriage, self’s marriage or repaying of debts etc.

Jariwala (2013) in his research paper finds that out of the total of respondents of 385, 39.50% have a higher level of financial literacy whereas 60.80% have a lower level of financial literacy. The study also shows that the level of financial literacy does not have a significant impact on the investment decision of the respondents.

Mathivanan and Mohanaranjani (2013) examined the gap between financial literacy and saving/investment behaviour of working women. The result of their findings shows that the awareness for traditional saving/investment was very high among women, but have actively shifted their saving/investment avenues from traditional bank saving avenues to modern and technically advanced avenues. The finding also shows that financial literacy was low among the elder women.

Mathivathani & Velumani (2014) conducted a study on Financial Literacy among rural women in Tamil Nadu. The study reveals that the financial literacy of the respondents are very low and social, cultural, physical, educational and financial barriers are the major barriers in acquiring financial knowledge.

Ramasawmy et. al. (2013) in their study assessed the level of awareness of financial literacy among management students. The study considered four fundamental aspects of financial literacy viz. level and importance, definition and theories, constraints and measures. The main aim of the study is to illustrate the relationship between financial literacy and the respondent's demographic profiles. The result of the study shows that age, gender, language, race and income level of the respondents does not have an impact on financial education.

Arora and Marwaha (2012) in their study analyse the pattern of investment of 250 individual stock investors in Punjab. The finding of the study shows that among the different investment avenues, bank fixed deposits were the most preferred followed by gold and stocks. The study also shows that four factors that influence the investment preference include, projected benefits, personal financial needs, taxation benefits and security needs. The most preferred sources of information are the internet, investment advisors and recommendations by family members.

Arora and Marwaha (2013) conducted a study on awareness of stock market investment and the financial literacy level of 100 individual stock market investors in Punjab. The study found that investors are highly aware about Equity and have moderate awareness towards Mutual funds. Investors have the slightest level of

awareness towards Bonds, Derivatives/Futures/Options/Swaps, Commodities and Debentures.

Shetty and Thomas (2013) in their study analyse the financial literacy of 100 college students in the age group of 18-23 years from Mumbai. The findings of the study show that the financial knowledge of college students is very low and is below the global standard. The main reason for poor financial knowledge is due to a lack of numerical skills. Therefore, the study suggests that more focus should be given to the students as well as faculties to increase their financial literacy level.

Sima (2013) in his study of financial literacy among retired Indians in Rajkot city indicates that 88% of retired persons are literate and the remaining 12% are illiterate.

Altaf (2014) in his study attempts to assess the financial literacy level of management students at the Central University of Kashmir. Four fundamentals' aspects in financial literacy are considered, namely, level of importance, definitions and theories, constraints and measures to improve financial literacy have been taken to aid the study. The results of the study indicate that overall, students do not have a satisfactory level of financial literacy knowledge and skills. In terms of definitions and theories of financial education, in almost all the statements, in which individuals use a combination of skills, resources, and contextual knowledge to process information and make decisions, are rejected by the students. For constraints of financial literacy, the students have a good perception of constraints for financial literacy. Financial and time constraints, lack of personal interest, lack of information, failures of financial institutions to present information in a way that attracts interest, and a lack of government initiatives to promote financial awareness among the public are viewed as the most significant constraints for financial literacy by respondents. For the measures and ways to improve financial literacy, students have a good perception of the ways. In addition, the results of the analysis suggest that the students do perceive financial literacy programs to be broadcasted on radio and televisions as an effective way to improve financial literacy. However, they do believe that financial awareness

programs in college and university curriculum will be a good and effective initiative to improve financial literacy.

Barua and Sane (2014) in their study evaluated the impact of a mandatory financial education program on customers of an urban micro-finance institution (MFI) headquartered in Mumbai and having branches in both Mumbai and Gujarat. The study suggests that financial literacy led to the decline in the days of repayment of the loans. The study also shows that financial literacy helps those homogeneous groups of reserved castes to overcome their initial disadvantage of low financial literacy relative to those in mixed caste groups.

Battacharjee (2014) in his study reveals that the respondents' level of financial literacy is not very high. Financial literacy level has been influenced by age, education, income and nature of employment whereas it does not get affected by gender of the population. Moreover, the study recommended that it is time for policymakers and regulators to adopt appropriate strategies like introducing subjects based on finance in the secondary level of education rather than confining only in commerce based higher level of education and also encourage programs to ensure a higher level of financial literacy amongst the population.

Bose and Sardana (2014) in their study of financial literacy in rural areas suggest that financial literacy has to be positioned with a broader conceptual view of the financial system. Further financial literacy material must evolve from below and also hints that campaign mode of financial literacy will allow broader engagement and participation of the public. Further financial literacy will not be effective if it is not accompanied by adequate outreach.

Gupta and Kaur (2014) in their study of Financial Literacy among 100 Micro entrepreneurs in Kangra district show that respondents have poor financial skills, which is demonstrated by their poor record-keeping practise poor cash management, poor saving habits, and a lack of knowledge about various financial products and instruments.

Muthulakshmi (2014) in her study observed the financial literacy among rural women in Tirunelveli district. The study found that the financial literacy level and the level of awareness for different investment avenues is very low among majority of the rural women.

Subha and Priya (2014) in their study on the factors determining financial literacy of households reveals that financial literacy is influenced by six factors, they are managing debt and credit, confidence and attitudes, skills, personality, knowledge and understanding, and future financial planning. The study also proved that financial literacy is the powerful predictor of demand for financial consultancy services.

Bhushan (2014) in his study of the relationship between financial literacy and investment behaviour among salaried individuals of Himachal Pradesh shows that except for post office savings, respondents who possessed high financial literacy level have higher awareness level for all the financial products. Significant differences was found in the awareness level of the respondents and bank deposits, savings accounts, public provident fund, mutual funds, investment in stock market and bonds. The study also found that respondents who possessed a low financial literacy level primarily tends to invest in traditional and safe investment avenues and did not invest much in those investment avenues which are relatively riskier and give higher returns.

Desdemona and Sreekala (2015) assessed the trend of Financial Literacy and its relation with educational status among the villagers of TN Palayam in Puducherry. The study reveals that the residents of Puducherry with higher educational status have better Financial Knowledge, improved Financial Literacy and are financially more capable than the residents of Puducherry with no education or with a low level of educational status. In the advanced global scenario with a number of financial products and risky financial markets, making thoughtful and informed decisions about finances is more important; therefore people should be financially literate and capable.

Filipiak et al. (2015) in their paper empirically investigates the role of nurture for the frequently reported differences in financial knowledge between women and men and uses a quasi-experimental framework comparing individuals who live in a matrilineal environment with those in a patriarchal environment in India. The results of our empirical analyses show that women, on average, are less likely to know about different financial instruments and practices than men. In contrast, no differences in financial knowledge between women and men exist in the matrilineal cultural environment. Matrilineal women are also more financially literate than women who live in patriarchal regions. Education, English language skills and the use of different information sources like TV and radio explain a large part of these differences in financial knowledge among women.

Lachhwani and Chaurasia (2015) in their study of Financial Literacy in Kutch Region indicate that on an average 74% are financially literate. Females are found to be slightly less financially literate than men. Moreover, single status groups are more financially literate than married which is an alarming situation and there is a serious need to train married people on financial literacy in order to improve the financial wellbeing of their families. The study also shows that the age group between 23-29 is more financially literate than any other age group, while the reverse is the case with the age group 18-22. People with a high-income group with an income of more than 5 lakhs p.a were found to be more financially literate than those with a less income group. The focus of imparting financial program training should be accordingly for the low-income group. In educational qualification, less qualified respondents are less financial literate.

Negi and Gupta (2015) in their study attempts to study the financial literacy level of the people living in Shimla and its relationship between the demographic, socio-economic and cultural profile of the respondents with their financial literacy level. The Chi-Square test was applied for the purpose of the study which shows that gender, occupation and education of the respondents plays an important role in determining the financial literacy level of the respondents.

The study found that the level of financial literacy is higher among the male respondents than female respondents and the age of the respondents does not play a significant role in determining the financial literacy level. Government and semi-government or private sector employees possessed better financial literacy than respondents with their own business. The study also shows that education plays a significant role in determining the financial literacy of the respondents whereas the type of family and marital status of the respondents does not have a significant impact in determining the financial literacy level of the respondents.

Arora (2016) in her study assessed the financial literacy among working Indian women in the state of Rajasthan. The OECD questionnaire was used for the purpose of the study. The financial literacy level of women was assessed based on their personal financial knowledge, attitude and behaviour. The result shows that only a few respondents possessed a high level of financial knowledge. Respondents of urban areas possessed higher financial knowledge than respondents from origin. Financial knowledge is higher among educated and urban respondents. The result also shows that many women have positive financial behaviour about money and financial matters. The overall result of the study shows that the general awareness about financial planning tools, techniques is poor among women.

Pareek and Dixit (2016) in their study shows that youth respondents do not have the adequate financial knowledge to manage their finances. It was also found that men and women do not have a significant difference in the case of knowledge. It was also observed that youths have knowledge but not apply the knowledge they have in the financial markets. The study concludes that people have theoretical knowledge but practically they are unable to use their knowledge and are confused.

PFRDA (2016) conducted a survey on Financial Literacy and National Pension System awareness among the Govt. employees in India. The result of the survey reveals that among the respondents who participated in the survey, the financial literacy level is highest among the National Pension System subscribers from Central Autonomous Bodies whereas it was lowest among the State Govt. subscribers.

The results on the comparison of different states in India shows that Gujarat, Uttaranchal, Himachal Pradesh, Punjab were among the states who possessed high financial literacy whereas states in North Eastern Region like Arunachal Pradesh, Meghalaya, Manipur and Nagaland were among the states who possessed low financial literacy level.

Among the various age groups, participants in the age group of 36-40 years, 41-45 years, 46-50 years possesses high financial literacy level whereas financial literacy level was lowest among 18-25-year age group.

The results on the comparison of male and female respondents shows that 29 percent of male subscribers have a high financial literacy level whereas it was 19 percent among the female subscribers who participated in the survey. The result also shows that 23 percent of male subscribers and 30 percent of female subscribers who participated in the survey possessed a low financial literacy level.

Out of the total 10,111, among the Government employees who participated in the survey 5075 respondents belongs to Central Government/CAB employees and 5036 respondents belongs to State Government/SAB employees. For the purpose of the study, an online survey was conducted by PFRDA, in collaboration with the Central Record-keeping Agency (CRA) between 14th July and 18th August, 2016 to assess the financial literacy level and National Pension System awareness of government employees.

Dube and Asthana (2017) in their study found that the financial literacy level of Uttar Pradesh is only 10% which is half of the Financial literacy of India (i.e., 20%) and is also less than the central zone (i.e 14%). The result also shows that among the four states in the central zone Uttar Pradesh stands third in Financial Attitude, last in Financial Behaviour and third in Financial Knowledge.

Goel and Khatik (2017) in their study on investors awareness and preferences towards Mutual Funds among 90 respondents of Mathura shows that most of the respondents are aware of Mutual Funds but an important fraction of the respondents

does not invest in it because of lack of full knowledge. The study also suggests that the government should take initiatives in order to literate the investors and train the advisors.

Nabard (2017) conducted an All-India Rural Financial Inclusion Survey across 29 Indian states, surveying 40,327 households. According to the study, only 11.3 percent of the total respondents were financially literate. The study also reveals that 73 percent of the total amount invested by the households were in physical assets, while the remaining 27 percent were invested in financial assets.

Singh and Kumar (2017) conducted a study on financial literacy among 168 female teaching faculties of Banaras Hindu University. The study found that respondents with good working positions do not have confidence in taking their investment decision. The study also shows that Fixed deposit was the most preferred investment avenue among the respondents.

Gunther and Ghosh (2018) in their study of Deciphering financial literacy in India: Evidence from states shows that female respondent shows 5.6 per cent lower financial literacy than their male counterpart, rural respondents possess 2 per cent lower financial literacy than their urban peers and being married improve the financial literacy level by 0.8 per cent. Further, the result also shows that financial literacy level becomes lower as the age of the respondent's increases and also being full time employed improves financial literacy. The result of the multivariate regression shows that there is a statistically significant difference between gender, location, employment, education, technology, debt and financial literacy of the respondents.

Nilankannu and Slevraj (2018) in their study of the Saving and Investment pattern of college teachers found that college teachers are sensitive about their safety for their choice of investment. The study also shows that a significant relationship was found between annual income and savings whereas no significant relationship was found between age and investment preferences. More preferences for low-risk

financial products was found and the awareness for high-risk financial products was low.

Shashidhar and Shivashankarhi (2018) in their study of Financial Literacy: An awareness study shows that the respondents are quite aware of the financial concepts like compound interest and laws concerning land ceiling, tenancy and immovable property. The respondents invest their money mainly in diamonds and do not have adequate exposure to insurance. The study also shows that financial literacy can be improved among the respondents.

Chhetri (2019) in his study of Financial Literacy in Darjeeling District suggest that people need to be properly educated about new and existing financial products available in the global market so that they can reap the benefits of earning higher returns after careful analysis and interpretation. The study also finds that economically marginalised households in Darjeeling district are neither skilled nor knowledgeable in financial matters, and that incompetent financial management will have a negative impact on their future lives.

Jayanthi and Rau (2019) in their study obtained 126 respondents from rural Tamil Nadu households. The study found that education, marital status, family type, and bank relationship were all positively related to financial literacy. Whereas, Age, gender, occupation, and number of dependents, on the other hand, are not significantly related to financial literacy. Because there is a positive relationship between financial literacy and banks, banks must actively participate in re-designing educational programmes, workshops, and training methods on financial issues for people of all levels in rural areas.

Koti (2019) conducted a study on the financial literacy of 100 women respondents in Dharwad District. The study found that 30% of the respondents have good financial literacy. Respondents do not concentrate on investment in fixed deposits and gold markets and are very careful in choosing their investment avenues and mainly invest them in lower-risk investment avenues.

Manchanda (2019) in her study Influence of Financial Literacy and Investment Pattern of decision-making behaviour among working women shows that age, education, occupation and income have a significant impact on the financial literacy of the respondents. The study also finds that among the low-risk financial products Savings Account was their main preference followed by Public Provident Fund and Bank Fixed Deposits. Among the moderate risk Life insurance was the most preferred whereas among the high-risk Equity shares was their most preferred financial products. Among the traditional investment avenues Gold was their main choice.

Sangeetha et. al. (2019) in their study on the impact of financial literacy on investment behaviour and consumption behaviour of the middle-class in Karnataka among 444 respondents shows that financial literacy influences the investment behaviour and consumption behaviour of the respondents.

Shanti and Murty (2019) in their study analyse 450 women respondents from Andhra Pradesh. The study's primary goal was to determine the impact of financial literacy on women and the association of different socio-economic variables with financial literacy. The finding of the study shows that the age and income of the respondents are positively associated with Financial Literacy whereas education has no association with financial literacy level.

Rai et. al. (2019) in their study investigated the relationship between financial knowledge, financial behaviour, financial attitude and financial literacy among 394 working women from various private and public sectors from Delhi shows that financial behaviour and financial attitude has a significant association with financial literacy, whereas financial knowledge is not associated with financial literacy.

Agarwal (2020) in her study found that majority of working women are not aware about low, medium, high and traditional investment avenues. The result of the hypothesis tested indicates that variable like educational qualification, work sector, age, education qualification etc. have significant impact on financial literacy. Financial literacy has a significant and positive impact on investment behavior.

Vyas (2020) conducted a research on impact of financial literacy on post retirement financial planning among salaried individuals among 500 respondents across 3 different cities. The finding shows no significant association between Financial Knowledge, Financial Behaviour, Financial Attitude and Post Retirement financial Planning among Salaried Individuals. The study also found no significant impact of Financial Literacy on Post Retirement financial Planning among Salaried Individuals

Goyal and Kumar (2021) in their paper reveals a consistent lack of financial literacy among all populations, from developed to developing countries. This is a wake-up call for policymakers and other stakeholders, who should emphasise the importance of taking steps to improve financial literacy and, as a result, individual and societal financial well-being. In general, researchers are making significant efforts to learn more about the subject. There is a lot of room for theoretical development, contextual coverage, and methodology contributions. Financial literacy is a topic with far-reaching implications for economic well-being, and its advancement can pave the way for a more competitive and stable economy.

Kandari et. al. (2021) in their study revealed a significant relationship between socioeconomic variables and financial inclusion. According to the study's overall analysis, the likelihood of having a bank account, using mobile banking, and obtaining credit increases with an individual's financial literacy in the state's hill rural regions. Furthermore, the study shows that women are more vulnerable than men in terms of mobile usage and credit availability.

2.4 Studies in Mizoram and North East India

Das (2011) in his study observed that higher income groups have a strong preference for stock market investments, whereas among the lower- and middle-income groups the most popular investing options are insurance and banks. The findings also show that some criteria, such as education level, financial system awareness, investor age, and so on, have a substantial impact when selecting on investment possibilities.

Singh (2012) in his study of the insurance sector in Mizoram found that 65 percent of households with life insurance policies have two or more policies, while the rest have only one life insurance policy. The finding also shows that 30% of insurance policyholders have a sum assurance (SA) of Rs. 50,000 to Rs. 1 lakh, 24.38 percent have a SA of Rs. 1 lakh to Rs. 2 lakhs, about 20% have a SA of Rs. 2 lakhs to Rs. 5 lakh and only 10.63 percent have a SA of Rs.5 lakh or more. About two-thirds of the policies owned by the respondents were endowment or money-back plans, indicating the popularity of these two types of policies among the respondents.

Vanlalhlana (2014) in his study of household investment behaviour in Aizawl city found that Fixed deposits, savings deposits and life insurance are known quite well by the majority of the respondents whereas the awareness level of respondents on the other investment terms were relatively low. The findings also shows that more than half of the respondents preferred medium risk level for investing their money and only 3.36 per cent preferred high risk level. Fixed deposits was the most preferred investment choice followed by life insurance, real estate, provident funds and small saving schemes.

Vanlalmuana and Gupta (2015) in their study of Financial Inclusion among private schools' teachers in Aizawl found that, despite being considered literate and well-equipped with financial resources, school teachers did not go beyond a basic savings account. Even 15% of them do not have access to a basic savings account.

Lalremruati and Fanai (2018) in their study of Financial Inclusion of Food and Grocery Shop owners in Aizawl found that 97.33 percent of the respondents were financially included. Preference for doing transactions in cash, low income and assets, lack of financial knowledge, branch attitude of bank officials, limited number of banks in the local area, and cumbersome banking procedures are the main problems faced by food and grocery store owners in availing/accessing banking services.

Sailo and Singh (2019) in their study of financial literacy among college teachers shows that financial literacy is relatively low among college teachers. Respondents are familiar with the low-risk investment avenues but the knowledge decreases with the increase in the risk involved. The result also shows that Life Insurance was the most popular investment avenue among the respondents.

Lalrinmawii (2019) in her study of Financial Inclusion: A case study of Aizawl District concluded that the availability of a bank in a person's village/locality, as well as the place or area where a person resides, is the most important factor influencing financial exclusion. People who live in Sihphir have more bank accounts than those who live in Muthi. This is due to the fact that Sihphir has two banks, whereas Muthi does have a bank in their village. The finding of the study also shows that since every credit has been done through banks, even National Rural Employment Guarantee Scheme money has been transferred through bank accounts, most of the women now have bank accounts.

Das and Mahapatra (2019) in their study of financial literacy in Assam concluded that the level of financial literacy among Assamese people is satisfactory when compared to the national average, but progress toward development is always desired. The study discovered a strong and positive link between financial literacy and two of its dimensions: financial knowledge and behaviour. The relationship between financial literacy and financial attitude is weak, indicating that Assamese people lack a strong financial attitude.

Bora (2020) in her study of Financial Inclusion in India: A case study of North-Eastern states reveals that among the eight states of NER Tripura is the most financially inclusive states with an intermediate level of financial inclusion followed by Assam, Sikkim, Mizoram and Meghalaya. However, the financial inclusion index score was low in the states of Arunachal Pradesh, Manipur and Nagaland. The study also depicts that physical availability of financial services is still to meet the need in NER compared to national average. In terms of financial service usage, the situation is worse for all the states.

2.5 Research Gaps

Financial Inclusion and Financial Literacy are two factors of a country's financial stability. Financial literacy is vital in the context of inclusive growth and is doorway to effective human capital formation. It helps an individual to manage his expenses, make better financial moves and achieve his financial goals. On reviewing the existing literature, most of the research was based on international studies and studies related to particular states and sections of the population in India and comparatively less research has been done in the North-East India context. The review of literature also reveals that some research on financial inclusion and investment have been done in Mizoram. However, to the researcher best knowledge, very few publications can be found where systematic attempt has been made to examine the financial literacy of Mizos so far. As a result, there is a need to investigate this research topic in terms of the relationship between financial literacy and investment options, as well as perform a comparative analysis of Mizo in the home and outside states.

Therefore, the researcher attempts to bridge the gap by undertaking an in-depth study of Financial Literacy and investment patterns among the Mizos.

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CHAPTER 3

FINANCIAL LITERACY INITIATIVES IN INDIA: AN OVERVIEW

3.1 Introduction

Financial Literacy is globally recognised as a fundamental need for all the population. In most developed and developing countries, financial literacy is becoming a new trend in order to raise awareness about money management, budgeting, saving and investing, banking, credit, insurance, and other protection-related products and services. The majority of countries are implementing a cohesive and organised national financial education policy. In India, various stakeholders, financial regulators, financial institutions and organisations have taken initiatives to impart financial literacy to a different section of society. This chapter aims to illustrate some of the initiatives taken throughout the country.

3.2 Initiatives by Financial Regulators

3.2.1 Insurance Regulatory and Development Authority of India (IRDAI)

IRDAI as a major stakeholder in promoting financial literacy in India has done regular activities and various initiatives. As a part of their content development initiative a brochure, policyholders handbooks, comic book series and virtual tour in 12 vernacular languages were made. Quiz, seminars, and consumer awareness on various aspects of insurance were conducted. Further, awareness campaigns/programmes to convey the rights and duties of the policyholders through various channels were undertaken. IRDAI has also participated in the Jago Grahak Jago programme organised by the Ministry of Consumer Affairs, Food and Public Distribution, Government of India to educate consumers. IRDAI also conducts the insurance awareness campaign 'Bima Bemisaal' to create awareness to the general public about insurance products and also has launched www.policyholder.gov.in for the education of policyholders.

3.2.2 National Payments Corporation of India (NCPI)

To create awareness and literacy sessions on RuPay, Immediate Payment Service, Aadhaar Enabled Payment Service, and Unstructured Supplementary Service Data- *99# NPCI started working with Public Sector Banks (PSUs) and private sector banks. While conducting awareness and literacy sessions NPCI also distributed posters, ATM screens, web banners, SMS, emailers, etc. for digital payment literacy and fraud awareness. NPCI is also conducting a pan-India series of financial literacy campaigns under its 'Campus Connect' initiative.

3.2.3 Pension Fund Regulatory and Development Authority (PFRDA)

In the year 2018, PFRDA has also launched a dedicated website called "Pension Sanchay". The main aim of the website is to address the need of financial literacy from the perspective of retirement planning. The content of the website has been designed keeping into view the four most important concepts in financial decision making, knowledge of interest rates, interest compounding, inflation and risk diversification. The website has a separate blog segment where blogs written by the professionals in the financial sectors and the officers of the authority are made available which provides meaningful insight regarding the fundamentals of finance, banking and investments.

3.2.4 Reserve Bank of India

The Reserve Bank of India has launched a project called "Project Financial Literacy" which aims to disseminate information to various target groups regarding the central bank and general banking concepts. The project is designed to be implemented in two modules: in one module, Money Kumar will familiarize you with the roles and functions of the Reserve Bank of India. Raju will introduce banking concepts through other modules. Some of the steps taken by RBI and other stakeholders to promote Financial Literacy in India are:

Outreach visits: The Reserve Bank of India Top Executives make outreach visits to remote villages with the purpose to better understand the position at the ground

level, spreading awareness about the benefits and advantages of being connected to formal financial system and disseminating information about the function performed by Reserve Bank of India

RBI website – Reserve Bank of India has provided a link related to financial education on their website. Various materials in English, Hindi and 11 other vernacular languages are provided on their website. The material includes comic books on money and banking for children, messages, films, financial education games and a link to the Banking Ombudsman Scheme.

Awareness – RBI has been raising awareness through the distribution of pamphlets, comic books, plays and skits, organizing stalls at local fairs and exhibitions, and participation in information/literacy programmes organised by the press. Financial planning books for students and new professionals have also been published.

Financial Literacy Centres (FLCs)- As at the end of December 2020, there were 1,478 Financial Literacy Centres (FLCs) in the country. While 1,48,444 financial literacy activities were undertaken during 2019-20 (April-March), a total of 45,588 financial literacy activities were conducted by the FLCs during the period April-December 2020.

Conducting Town Hall events- Town Hall meetings are being held across the country, including Tier II and smaller cities, to bring together commercial banks and other stakeholders.

Monetary museum- The RBI also sets up a monetary museum to raise public awareness about money and banking and to disseminate information about the history of money.

Mobile Financial Literacy vans- Banks' use mobile Financial Literacy vans in the North Eastern States to create awareness programmes on various Government-sponsored self-employment schemes which involve bank loans and subsidies from government agencies such as KVIC, DICs, and SC/ST.

Mass media campaign- Banks tie-ups with educational institutes for mass media campaigns, financial awareness workshops/helplines, books, pamphlets, and publications on financial literacy by NGOs and financial market participants, and so on.

Rural livelihood missions at the national and state levels have a large number of field functionaries to provide proper handholding support to a large number of Self-Help Groups. A large number of bank websites/portals/state level bankers' committees disseminate information on banking services.

Conduct of Financial Literacy programmes by **Rural Self Employment Training Institutes.**

The Reserve Bank published a comprehensive Financial Literacy Guide on its website, which banks are advised to use as a standard curriculum to impart a basic conceptual understanding of financial products and services. The financial literacy guide includes a trainer's guide, operational guidelines for conducting financial literacy camps, and financial literacy materials such as posters. The guide also includes a financial diary, which will be distributed to the target audience in order for them to keep track of their income and expenses as the first step toward financial planning. Since 2016, the RBI has conducted Financial Literacy Week (FLW) to spread a specific financial education message across the country through a focused campaign. From August 8 to 12, 2021, the RBI will host Financial Literacy Week with the theme "Credit Discipline and Credit from Formal Institutions."

3.2.5 Securities and Exchange Board of India (SEBI)

SEBI with an initiative to provide basic financial education conducts programs through resource persons. Eligible individuals are empanelled as resource persons in districts and are given training on different aspects of finance by SEBI. These resource persons conduct free workshops in the local language. Topics related to the basic concept of finance, banking, pension and investment are covered in the workshop among the target groups. Financial education booklets are also distributed during the workshops. Students visiting SEBI and Financial Education Booklet are also a part of the financial literacy initiative. Various investor programs, regional seminars, commodities awareness programs, and mass media campaigns are also conducted by SEBI.

SEBI has also taken various initiatives for sector focused financial education such as:

- a. Investor awareness programs by SEBI recognized Investors' Associations
- b. Regional Seminars in association with Exchanges/Depositories
- c. Commodity awareness programs by SEBI recognized Commodity Derivatives Trainer.

3.2.6 Small Industrial Development Bank of India (SIDBI)

SIDBI as a part of their financial education programs has launched Samriddhi, the virtual assistant on the Udyami Mitra portal on April 02, 2018. Which will guide budding entrepreneurs across a wide range of topics ranging from kinds of loans to handholding support. During the Kumbh Mela, SIDBI has also initiated a special project by setting up a Swavalamban stall and created financial awareness aimed at spreading entrepreneurship culture across the nation through games (Kaun Banega Udyami), Nukkad Natak/ puppet shows, financial literacy videos and disseminated information on schemes such as MUDRA, CGTMSE, Stand-up India and so on.

3.3 Initiatives by Commercial banks

3.3.1 Axis Bank

Axis bank as a part of their financial literacy initiative launch Digi-Prayas which is aimed to impart financial literacy to 80,000 people across the country. The programme is undertaken in 24 selected villages with the purpose to impact the population which is yet to make a digital journey by educating them about the benefits of digital banking and less cash economy. The bank also conducts Financial Literacy camps under its flagship programme 'Pragatishala' a part of the financial literacy initiative established by Akshar to promote financial literacy. The Bank as a part of their financial literacy initiatives conducts training to educate people on basic financial concepts such as the importance and needs of savings, insurance, future investment, pension planning, loans, repayments of debts, credit limits and so on. Financial literacy helps an individual with the necessary knowledge and the needs to better manage their

financial lifecycle and make informed decisions and choices about various financial products available in the market based on their risks and returns. Banks in the rural branches conduct financial literacy camps at least once a month using a module developed by the Reserve Bank of India. The bank has also incorporated an “Axis Sahyog” micro-lending initiative where women groups need to undergo Compulsory Group Training (CGT) on financial aspects before disbursement of loans to them. As a part of the PMJDY initiative, the Bank also conducts surveys to determine the financial inclusion levels. To impart financial literacy the Bank also used a survey platform. Beneficiaries of Axis Bank Foundation livelihood programs are first educated on basic financial concepts only then basic savings accounts and loans are provided to them. The bank also runs a “Train the Trainer” programme on financial literacy for Business Correspondents, who then spread the word in villages. And apart from these specific initiatives, the Bank also uses different platforms like digital and radio to raise consumer awareness about financial issues.

During the fiscal year 2020-21, on the Rural Lending vertical, in collaboration with its BC partners, the bank has also conducted Financial Literacy and Health Awareness programmes in 22 states and one union territory. In 2021, the bank has also launched a new initiative called Sachetana, which aimed to raise awareness about COVID-19-related personal safety and hygiene and more than 8 lakhs customers were reached out through financial literacy and preventive healthcare awareness drives.

3.3.2 Bank of Baroda

Bank of Baroda as a part of its Corporate Social Responsibility initiative has opened 51 Financial Literacy and Credit Counselling Centres named as “SAARTHEE” in nine different states in India. The main objective of these centres is to steer all those who are under financial distress and educating people to avoid financial mess. In both rural and urban areas, they offer financial counselling, financial literacy, and banking awareness.

The following are the major initiatives taken towards financial literacy in rural parts of the country:

- The Baroda Swarojgar Vikas Sansthan (Baroda RSETI) is a trust established by the Bank in 2003 to carry out skill-building activities for unemployed rural youth and to provide them with handholding support until they settle in their venture. The Bank has set up 49 such centres across the country.
- There are 51 “SAARTHEE” Financial Literacy & Credit Counselling Centres (FLCCs) which are operational across the country.
- Around 52 Baroda Grameen Paramarsh Kendras in rural areas provide financial education, credit counselling, information sharing and problem-solving on technical issues, as well as synergy and liaison with other organisations for value-added services and development activities.
- Mobile Micro Finance Loan Factory was established with the goals of providing credit and banking services to SHGs at their doorstep through the SHG–Bank linkage programme, ensuring hassle-free and prompt credit delivery to SHGs in as little as four days.
- The “BYST-BoB Entrepreneurship Development Programme” (BYST) offers loans, business mentors, training, networking, and marketing to disadvantaged young dynamic micro-entrepreneurs.
- The bank has also adopted 3266 schools in India to teach financial literacy to children in schools. Financial Literacy Sessions/Camps/Chaupals are held on a regular basis by branches in schools, villages, and BC. Standardized financial literacy materials, such as comic books and audio-visuals in vernacular languages, have been released to help spread financial literacy.

Bank has also provided knowledge sharing, problem solving and credit counselling through our 87 Financial Literacy and Credit Counselling Centres (FLCC). Since its inception, 30,94,565 persons have been benefited from the services of FLCCs.

3.3.3 Bandhan Bank

The Bank conducts a financial literacy programme that aims to increase financial inclusion in rural communities by increasing financial literacy. The programme encourages participants to become more financially aware and confident.

The goal is to raise financial awareness among rural and disadvantaged women, allowing them to better plan their personal finances. They're also taught how to use a variety of banking services, such as insurance and pension plans.

3.3.4 Bank of India:

As a part of their financial literacy initiative Bank of India has started Abhay Credit Counselling Centre. At this centre, financial literacy programmes will be an ongoing process. The bank also strives to conduct educational sessions frequently to create awareness about proper financial planning. The bank has 51 Financial Literacy Centres functioning across the country.

3.3.5 Bank of Maharashtra:

The bank as a part of their Financial Literacy Project provides Financial Literacy Materials such as Booklet and Flyers in Hindi, English, Marathi and also uses audio-visual aids to spread financial literacy. The bank also has 61 Financial Literacy Centres functioning in the country to provide counselling to the customers.

3.3.6 Canara Bank

Bank has established Financial Literacy and Credit Counselling Centres christened as "AMULYA" in the States of Kerala, West Bengal, Karnataka and Bihar to educate the rural poor and imparting the objectives of financial inclusion and the various banking and financial products and services available to them especially at their doorsteps. In order to spread Financial Literacy through Financial Literacy Centres, the Bank has set up Canara Financial Advisory Trust (CFAT) in 2020 headed by the Principal Trustee. The bank currently has 82 Financial Literacy Centres functioning across the country.

3.3.7 Federal Bank

In consonance with RBI directives, the bank has established a Trust namely "Federal Ashwas Trust". The Federal Ashwas Trust's main objective is to establish and

run "Federal Ashwas Financial Literacy Centres" (FAFLC) to provide financial education to the general public.

Credit counselling is provided by counsellors who are retired bank employees to current and prospective customers of all banks at all locations. The counsellors visit different branches of all banks in their area and spread the information to the customers about the availability of Federal Ashwas Financial Literacy Centre. Counsellors also attend Banker's Committee meetings at the Block and District levels, requesting banks and government departments to inform the public about the services and facilities provided by FAFLCs. FAFLCs' services are well-used by the general public, particularly by students and parents seeking educational loans.

Financial literacy programmes intend to provide basic banking knowledge to people across various corners of life. The financial literacy classes are organized and conducted by the branches. The bank conducts:

- Financial literacy and education programmes in the 12 villages, with a special focus on Government schools and aided higher secondary schools. These classes are intended to provide lessons on basic banking concepts to school children.
- The Bank also conducts workshops in Alappuzha and 60 other locations across Kerala to educate rural residents about bank financial services and the benefits of participating in those schemes.
- Base level financial literacy training to Kudumbasree groups was conducted by bank Branches (Kudumbasree Groups are Community Development Societies promoted by the Govt. of Kerala under its Poverty Eradication Scheme)

RBI has attached top priority for imparting Financial Education and awareness among school children. They have also published many financial literacy materials for the general public.

3.3.8 HDFC Bank

HDFC as a part of their financial inclusion and literacy initiative conducts educational camps throughout different states of India with an aim to impart essential knowledge in savings, investments and access to organised sources of finance. More than 1,42,00,000 participants are covered under Financial Literacy Programmes and more than 18,84,000 Financial Literacy Programmes are conducted.

3.3.9 Indian Bank

Indian bank as a part of their financial literacy initiative observed Financial Literacy week on the 1st week of June 2019 to promote awareness on the theme of “farmers” and “Micro Small and Medium Enterprises (MSMEs)” in March 2020. The financial literacy week was observed by various zones with the objectives of bringing awareness among the people about the formalization, collateral-free loan, discounting of receivables, rehabilitation of stressed and timely repayment. Financial Literacy Week in 2021 initiated by RBI was observed by several Zones from 8th -12th Feb 2021. It was focused on the theme of **credit discipline and credit from formal financial institutions**. The aim was to spread the message of responsible borrowing, borrowing from formal institutions, and timely repayments of loans and EMIs to citizens of India.

3.3.10 ICICI Bank

The ICICI Foundation offers a Financial Literacy Program to raise awareness about organised banking, such as savings, credit, remittance, insurance, and investments. The programme is run by ICICI Academy for Skills financial literacy counsellors and faculty. The main goal of these programmes is to raise financial product awareness, improve beneficiaries' decision-making abilities, and develop a sustainable financial system. This initiative reaches out to schools, colleges, and individuals from economically disadvantaged groups such as rickshaw drivers, construction workers, and retail entry-level employees, among others. Members of the armed forces, such as jawans, are also given programmes.

3.3.11 Punjab National Bank

To promote financial literacy in rural areas and to create awareness about the Bank's schemes, a Documentary Film 'VARDAAN' was launched which was screened by the Bank at the Kisan Goshthies, Farmer Training Centres, Rural Self Employment Training Institutes (RSETIs), etc. for the farming community and also at the Bank's own training centres for creating awareness among the staff members.

The Bank undertakes Financial Literacy dissemination programme as per guidelines issued by RBI /Indian Banks Association (IBA). The financial literacy campaign is being taken on a priority basis as per the following key approaches:

- Financial Literacy is being disseminated through a network of BC networks and branches through financial literacy material standardized by IBA.
- Film of IBA on financial literacy is also being shown.
- Students of schools, colleges & Skilling centres are targeted for financial literacy by Business Correspondent Agents (BCAs).
- The printing and distribution of financial literacy material in the state of Gujarat (in Gujarati), Maharashtra (in Marathi) & Madhya Pradesh (in Hindi) has been completed. The number of camps /Schools and colleges covered in Gujarat was 67, M.P was 197 and Maharashtra was 172.

Punjab National Bank under its financial inclusion and literacy initiative launched 'Gram Sampark Abhiyan' a nationwide campaign centered on four key themes like digital, credit, social security and financial literacy that will encapsulate various activities and prescribes the cherished theme of 'Atma Nirbhar Bharat'. The campaign will cover 526 districts in 24 states.

3.3.12 South Indian Bank

South Indian Bank under their financial literacy initiative has set up Financial Literacy Centres in 13 blocks in the state of Kerala and 7 centres in the State of Tamil Nadu. These Financial Literacy Centres are branded under the name "SIB JYOTHIS".

3.3.13 UCO Bank

The bank has 34 Financial Literacy centres across the country and has recruited 29 counsellors for conducting financial literacy camps. During the 2019-2020 financial year, 3655 Financial Literacy camps were conducted involving 203772 participants. Under the initiative of NABARD financial literacy awareness programmes for different segments of the population have been initiated. Awareness on digital literacy and safety measures to be adopted while doing e-transaction was taught during the programme.

3.3.14 Union Bank

The Bank has established 77 (as on date) Financial Literacy and Credit Counselling Centres (FLCCs) on its own in its lead areas/other areas as per the requirement of local Govt./ SLBC/BLBC or may associate with other Banks in non-lead areas for establishing a Trust to promote financial literacy.

- Bank's Financial Literacy Centres (FLCCs) provide free financial literacy/education, credit counselling services and create awareness among the public regarding their rights and responsibilities in banking services.
- Bank is striving to educate people in rural and urban areas with regard to various financial products and services available from the Bank, such as, organizing group meetings, Gram Sabhas, participation in publicity campaign such as "Swabhiman", distribution /display of publicity materials on Financial Institution such as posters, pamphlets, organizing skits, magic shows, debates, essay writing competition, quiz for school children in villages, etc. It will also conduct training and capacity building programmes of Business Correspondent (BC) to enable them to pass the Indian Institute of Banking and Finance certification course.
- Bank is availing the services of the BCs for conducting Financial Literacy campaigns and recoveries in the adopted villages. Business facilitation is one of the important activities of the BCs. To enable them to meet such expectations, Corporate BC will provide class room or on the job training to the BCs.

- Financial literacy is one of the topics covered at Staff training college and staff training centres.
- Financial and Digital literacy programmes include basic education on savings, credit, insurance, pension etc. and to be more specific on digital banking aspects like UPI, USSD, BHIM and other mobile apps.
- Branch Managers and officers handling financial institutions and collaborating with BCs are also imparted training at regular intervals by the Bank for bringing attitudinal changes for appreciation of financial institutions, bring in ownership and develop camaraderie with BCs.

3.3.15 YES Bank:

YES Bank during the FY 17-18 conducts Financial Literacy Camps in 32 districts in different parts of the state i.e., Gujarat, Haryana, Madhya Pradesh, Punjab and Rajasthan in which 50000 plus beneficiaries were targeted. Through these camps, participants were familiarised with topics such as savings, debts, insurance pension, relevant govt. schemes, rewards and risks associated with various financial products in the market.

The bank has also launched a website (<http://www.thedigitaldiya.in>) in which every visit to the microsite by a user lit up a digital diya. For every digital diya lit, the bank adds an equal amount of funds towards spreading Digital Financial literacy.

The 1st YES DIGI Village was launched in Abhimayupur (erstwhile Amin) in Haryana, empowering 100+ farmers through digital & financial literacy sessions and introduction of Sim Se Pay, India's first mobile banking solution for feature phone users & villagers with no internet connectivity.

3.4 Initiatives by other agencies

3.4.1 Arohan Financial Services Limited

Arohan Financial Services Limited is a leading Non-Banking Financial Company (NBFC)- Micro Finance Institution (MFI) with operations in financially

under-penetrated low-income states of India. Arohan provides income generating loans and other financial inclusion related products to customers who have limited or no access to financial services. As of September 30, 2020, approximately 2.21 million borrowers were served in 17 states. These included 12 of the 14 low-income states in India. Arohan's financial literacy program is designed to educate customers with respect to financial planning, cash flow and budgeting, savings, debt, insurance, investment and banking via in-person training, as well as general awareness campaigns.

3.4.2 Centre for Environmental Research and Education (CERE)

CERE in partnership with Tata Capital has been developing a Financial Literacy Programme which mainly targets the students at the secondary level. The main aim of the programme is to develop a robust scalable web-based platform that would take financial literacy across different schools in India in tandem with the curriculum and examination developed by National Financial Literacy Assessment Test (NFLAT).

3.4.3 Citi Centre for Financial Literacy (CCFL)

The Citi Centre for Financial Literacy (CCFL) was established on September 10th, 2005 with the objective of spreading financial literacy among the poor, particularly women, with the goal of increasing their financial awareness, knowledge, and skills so that they can manage their finances and become financially self-sufficient, as well as providing them with a better and more secure future. The CCFL has its head office at Ahmedabad and functions from there with the help of regional centres across the country. The prime activity of CCFL is to share the concept of financial literacy across the country and has an estimated outreach of 50,000 stakeholders from 89 Micro Finance organisations, out of which 4,00,000 are Self Help Groups.

Based on the objectives, CCFL, aims to take up financial literacy as a National Financial Literacy Drive and further to take a movement amongst the poor. The ten States which would be covered through this Drive are, Tamil Nadu, Karnataka, West Bengal, Rajasthan, Manipur, Uttar Pradesh, Gujarat, Bihar, Chhattisgarh and Orissa.

CCFL conducts programmes such as:

- Concept sharing workshop
- Mass awareness Campaigning.
- Training of Trainers on financial literacy.

3.4.4 FINO PayTech

FINO PayTech has conducted Financial Literacy Programmes in over 12 states across the country in the process of empowering over 5 lakh unbanked masses. Innovative methods to make the programs interactive are adopted like using communication material in local languages to convey the message of financial literacy. The program helps in creating awareness about banking services and products. FINO has also successfully executed Financial Literacy Programmes for World Bank, IFC, microfinance opportunities, ICICI Bank, UNDP-NABARD and NABARD.

3.4.5 Financial Literacy Advisory Body India (FLAB):

FLAB is a non-profit organisation incorporated under Sec. 25 of the Companies Act. It is a company for financial education which is dedicated to improving financial literacy in India. The main objective is to create a financially aware and empowered India. It works with the government, educational institutions and other stakeholders in the country to promote financial literacy in the country. FLAB has already conducted more than 1200 workshops covering 25 states and more than 125 cities throughout India.

3.4.6 India Infoline group

FLAME (Financial Literacy Agenda for Mass Empowerment) is a financial education and awareness initiative launched by India Infoline Group (IIFL), an integrated financial services provider. The FLAME initiative will help common people gain financial growth and security through better awareness and education on the variety of financial products while avoiding the lure of and loss from unrealistic claims made by unscrupulous agents and Ponzi schemes.

IIFL has planned an elaborate set of activities as part of the FLAME initiative, including financial awareness workshops in 1000 cities across India, a comprehensive mass media campaign, books and publications, financial awareness helpline and Flame portal-www.flame.org.in.

3.4.7 Indian School of Microfinance for Women

The Indian School of Microfinance for Women (ISMW), which began in June 2003, is a microfinance initiative aimed at meeting the sector's capacity-building requirements. The focus of the school is mainly on the lives of women who are the primary beneficiaries of microfinance interventions. The school views microfinance not only as a means of reducing poverty, but also as a means of empowering women and increasing their assets.

Objectives:

- Enhance the capacity of the sector
- Provide thrust to microfinance practice and thinking
- Be an educational innovator
- Build a conducive environment for strengthening and spreading microfinance through policy advocacy
- Build an institute of international repute

3.4.8 Indian Financial Literacy Initiative (IFLI)

IFLI is an NGO engaged in spreading Financial Literacy across India. IFLI conducts various social programs for underprivileged communities in collaboration with other NGOs. The organisation has trained over 60,000 people (15000) families of various communities across India.

3.4.9 Moneylife Foundation

Moneylife Foundation is a non-profit organisation launched on 6th Feb, 2010 mainly engaged in spreading financial literacy, consumer awareness and advocacy and works towards safe and fair market practices through workshops, round table meetings, white papers, research, awareness campaigns, grievance redressal,

counselling, etc. to create and promote enlightened public opinion on various issues affecting the investors and consumers.

3.4.10 NSE - MKCL Financial Literacy Program

A basic course in personal financial management has been launched by the National Stock Exchange (NSE) and Maharashtra Knowledge Corporation Ltd. (MKCL). The main objective of the course is to teach students basic personal finance concepts. The course covers basic language topics like income, taxation, spending, savings and investment options, borrowing, risk management, and budgeting. The course teaches participants about various products that can be used to meet their financial needs as well as the advantages of prudent financial behaviour.

The course is presently available at select MKCL's Authorised Learning Centres. The course comprises 14 modules of approx. 60 minutes each. At the end of the course, there will be an online examination and successful candidates will be provided with an NSE-MKCL certification.

3.4.11 National Centre for Financial Education (NCFE)

National Centre for Financial Education (NCFE) is a Section 8 (Not for Profit) company promoted by RBI, SEBI, IRDAI and PFRDA. The main objectives of NCFE is to promote Financial Education across India and to create financial awareness and empowerment through financial education campaigns. NCFE conducts different workshops, conclaves, trainings, programmes, campaigns and discussion forums to promote financial literacy in the country. The programmes conducted by NCFE includes Financial Education Programme for Adults (FEPA) to create financial awareness among adults in India, Financial Education Training Programme (FETP) a training programme for school teachers to become a money-smart teachers, Money Smart School Program (MSSP) a programme to provide financial education to the class VI to X students and Financial Awareness and Consumer Training (FACT) a training programme for graduate and post graduate students on topics related to them.

3.4.12 Parinaam Foundation

Diksha Financial Literacy Programme is a programme by Parinaam's Foundation and is the largest programme under the foundation. The programmes are designed to reach low-income families and impart all the knowledge and give them the tools required to save safely, reduce risk and make informed intelligent decisions. Diksha is a structured, 5-module financial training program for 5 weeks designed by Parinaam Foundation. Diksha imparts basic financial skills-and understanding of cash flow, income, expenditure, use of a financial diary, an overview of available savings instruments, how to save, best practices to borrow within capacity so that loans can be repaid easier. The training programs are conducted in 12 languages.

3.4.13 Samhita Microfinance

Samhita Microfinance, together with its technology partner eCubeH Research Labs launched a campaign on financial literacy training. It has been among the most ambitious of any such campaign globally, in terms of its scale, scope, target audience and local language tools. The main focus of the program is to provide training for women in the management of savings, expenditures, debt, investments, risk mitigation tools, and financial planning for the present and the future.

3.4.14 Smile Foundation

Smile Foundation, in collaboration with Sanchayan Society, launched the Sanchayan Financial Literacy Programme, a financial literacy project for underprivileged youth aimed at facilitating their financial inclusion and teaching them how to make the best use of available financial instruments. As part of India's financial literacy initiatives, the Sanchayan Financial Literacy Program has received international recognition from the Organization for Economic Cooperation and Development (OECD). The programme covers topics such as banking fundamentals, investment management, the Indian economy, the global financial crisis, and the features of various financial instruments and the risk and return associated with each financial instrument are taught.

3.4.15 UTI Mutual Fund

UTI mutual fund has launched the largest investor education initiative called 'Swatantra'. As a part of the initiative, three UTI knowledge caravans had travelled through almost all the states in India and more than 1300 investors meets were conducted. The investor education initiative was conducted in 10 different languages and covered over 300 cities.

3.5 Financial Literacy Initiative in Mizoram

Many commercial banks have organised different Financial Awareness programmes throughout Mizoram and one of their functions is Corporate Social Responsibilities. Some of the financial literacy initiatives taken up by some of the banks are:

3.5.1 National Centre for Financial Education:

The NCFE's Financial Education Training Programmes initiative aims to improve financial literacy in the country by providing unbiased personal financial education to individuals and organisations. The programme, which is built on two pillars of education and awareness, aims to create a long-term financial literacy campaign that can help people improve their lives. Around 90 teachers attended the program from various parts of Mizoram and around Aizawl attended and were certified as Money Smart Teacher.

Topics such as banking, investments, insurance, pension, financial planning, financial inclusion schemes, grievance redressal process, etc.

3.5.2 Mizoram Rural Bank (MRB)

Financial Literacy Awareness Camps Following the need of the hour and taking cues from RBI's policies and initiatives, MRB has launched Financial Literacy Awareness Camps to create awareness among rural people and encourage them to use Card technology, ATMs, micro-ATMs, PoS transactions, use Mobile Banking, Mobile Wallets and to highlight the role of Bank Mitras engaged by the Bank. Street shows

have been deployed in the villages with the above contents so as to attract the rural customers to upgrade their financial and technical skills. The publicity material in the form of pamphlets, brochures and banners were distributed during the camps to spread the message of financial awareness among the rural people. The Bank has conducted 333 literacy camps, NABARD sanctioned grant assistance for all the programmes.

3.5.3 National Stock Exchange (NSE) and Bombay Stock Exchange (BSE)

NSE and BSE in collaboration with SEBI have been conducting various workshops, seminars, webinars on investor awareness programmes in Mizoram with the objective to educate and empower participants and create financial literacy so that they can make sound decisions with respect to their personal finances in future.

3.5.4 Reserve Bank of India:

Reserve Bank of India the central bank of India organised Financial Literacy week 2019 from June 3 to June 7, 2019. The theme of the function was “Responsible Borrower and Agricultural Finance. Various initiatives like leaflets and posters were distributed to build awareness and disseminate information. The bank has also undertaken a centralised mass media campaign on Door darshan and All India Radio to disseminate financial awareness to the farmers in Mizoram.

3.5.5 YES Bank

YES BANK has launched the services with Mizoram Cooperative Apex Bank Ltd, Aizawl, and subsequently plans to launch it across the country. The pilot launch takes place against the backdrop of the Government’s digital payments drive and is a part of YES BANK’s ongoing efforts to broad base the Digital Payments infrastructure in India and also complements the bank’s extensive bouquet of state of the art digital offerings as a leader in technology and innovation in the banking sector.

SIMsePAY will cater to the large section of Indian population who remain unbanked or under banked due to lack of access to smartphones and mobile internet (close to 650 million feature phones). This represents a very large inherent market need, and hence a huge scope for the SIMsePay solution.

3.6 Conclusion

In a developing country like India, it is a great challenge to include financially excluded people in financial inclusion. India has adopted various financial education programmes to reach out to economically disadvantaged people and includes those who are financially excluded. It is apparent from the previous discussion that in India RBI and different financial regulators like SEBI, PFRDA, IRDA, NSE, BSE and various commercial banks etc. has taken an active part in financial education programmes.

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CHAPTER 4

STATUS OF FINANCIAL KNOWLEDGE, FINANCIAL BEHAVIOUR AND FINANCIAL ATTITUDE

4.1 Introduction

In this complex financial world, in order to make an informed choice the knowledge and understanding of key financial concepts play an important role. Therefore, the chapter deals with an analysis of data related to the three important components of financial literacy i.e. financial knowledge, financial behaviour and financial attitude. To give an appropriate flow of the discussion, the chapter is divided into different sections. The chapter starts with an analysis of the socio-economic and demographic profile of the respondents in which place of livelihood, gender, age, family size, educational qualification etc. have been discussed. Then the results relating to financial knowledge, financial behaviour and financial attitude of the respondents have been presented and discussed.

4.2 Socio-Economic and Demographic Profile

The socio-economic and demographic profile of the respondents consists of their location, gender, age, educational qualification, number of family members, employment status, annual income and financial literacy programme.

4.2.1 *Distribution of Respondents by Location*

The sample respondents consist of 300 'Mizo' respondents, which includes 200 'Mizo' respondents who reside in Mizoram and 100 'Mizo' respondents who reside outside Mizoram.

Table 4.1: Place of livelihood

	Number of Respondents	Percent
Mizoram	200	66.70%
Outside Mizoram	100	33.30%
Total	300	100.00%

Source: Sample survey

4.2.2 *Distribution of Respondents by Gender*

Table 4.2 indicates the gender-wise classification of the respondents. From the total respondents of 300, 58.70% were male and 41.30% were female. Among 200 respondents of Mizoram, 55.5% were male and 44.5% were female. On the other hand, among 100 respondents from outside Mizoram, 65% were male and 35% were female

Table 4.2: Gender

		Gender		Total
		Male	Female	
Mizoram	Number	111	89	200
	Percentage	55.50%	44.50%	100.00%
Outside Mizoram	Number	65	35	100
	Percentage	65.00%	35.00%	100.00%
Total	Number	176	124	300
	Percentage	58.70%	41.30%	100.00%

Source: Sample survey

4.2.3 *Distribution of Respondents by Age*

Table 4.3 gives the description regarding the age of the respondents. It was found that 30.6% of the respondents belong to the age group of 31-40 years followed by 25.7% each in the age group of 41-50 years and upto 30 years. Among the respondents of Mizoram, the highest percentage (i.e. 28%) belongs to the age group of 31-40 years followed by 26% from the age group of 41-50 years, while among the respondents from outside Mizoram the highest percentage (i.e. 37%) belongs to the age group of upto 30 years followed by 36% from the age group of 31-40 years.

Table 4.3: Age

		Age				Total
		Upto 30	31-40	41-50	Above 50	
Mizoram	Number	40	56	52	52	200
	Percentage	20.00%	28.00%	26.00%	26.00%	100.00%
Outside Mizoram	Number	37	36	25	2	100
	Percentage	37.00%	36.00%	25.00%	2.00%	100.00%
Total	Number	77	92	77	54	300
	Percentage	25.70%	30.60%	25.70%	18.00%	100.00%

Source: Sample survey

4.2.4 Distribution of Respondents by Family Size

Table 4.4 gives the description regarding the number of their family members. The table indicates that the maximum percentage i.e., 53% of the 300 respondents surveyed were of the families with 5-7 members, followed by 34.7% of families with 2-4 members, and the remaining 12.3% belong to families with more than 7 members. The majority of the respondents of Mizoram i.e., 57.5% belong to families with 5-7 members, followed by families with 2-4 members (i.e. 30%), and families with more than 7 members (i.e. 12.5%). On the other hand, the majority of respondents from outside Mizoram i.e., 44% belongs to families with 2-4 and 5-7 members, while the remaining 12% belong to families with more than 7 members.

Table 4.4: Number of family members

		Number of family members			Total
		2-4	5-7	Above 7	
Mizoram	Number	60	115	25	200
	Percentage	30.00%	57.50%	12.50%	100.00%
Outside Mizoram	Number	44	44	12	100
	Percentage	44.00%	44.00%	12.00%	100.00%
Total	Number	104	159	37	300
	Percentage	34.70%	53.00%	12.30%	100.00%

Source: Sample survey

4.2.5 Distribution of Respondents by Educational Qualification

Table 4.5 depicts the group considering the educational qualification of the sample population. The table shows that 33% of the respondents have completed their graduation, 26% were post-graduates, 22.3% have completed their 12th standard and the rest 18.7 % were respondents with 10th standard education. Among the respondents of Mizoram, 32.5% have completed their graduation, 28.5% were 12th standard, 11.5 % were post-graduates and the rest 27.5% were with 10th standard education. Whereas, among the respondents from outside Mizoram, 55% have completed their post-graduation, 34% were graduates, 10% were 12th standard and 1% belong to upto 10th standard.

Table 4.5: Educational qualification

		Educational qualification				Total
		10th	12th	Graduation	Post-Graduation	
Mizoram	Number	55	57	65	23	200
	Percentage	27.50%	28.50%	32.50%	11.50%	100.00%
Outside Mizoram	Number	1	10	34	55	100
	Percentage	1.00%	10.00%	34.00%	55.00%	100.00%
Total	Number	56	67	99	78	300
	Percentage	18.70%	22.30%	33.00%	26.00%	100.00%

Source: Sample survey

4.2.6 Distribution of Respondents by Income

Table 4.6 highlight the annual income of the sample population. The income-wise classification of the respondents shows that, out of the total respondents, a maximum (i.e. 60.7%) of respondents have an annual income of 3-4 lakhs, followed by 15.3% having an income of 4-5 lakhs and 8.7% of the respondents have an income between 5-6 lakhs. Among the respondents of Mizoram, maximum (i.e. 66%) have an annual income between 3-4 lakhs, 17% have 4-5 lakhs annual income, 9% have an annual income of above 6 lakhs and the rest 8% have 5-6 lakhs annual income. Further,

among the respondents from outside Mizoram, 50% have an annual income of 3-4 lakhs, 28% have an annual income of above 6 lakhs, 12% have 4-5 lakhs annual income and the rest 10% have an annual income of 5-6 lakhs.

Table 4.6: Annual income

		Annual income (in lakhs)				Total
		3-4	4-5	5-6 l	Above 6	
Mizoram	Number	132	34	16	18	200
	Percentage	66.00%	17.00%	8.00%	9.00%	100.00%
Outside Mizoram	Number	50	12	10	28	100
	Percentage	50.00%	12.00%	10.00%	28.00%	100.00%
Total	Number	182	46	26	46	300
	Percentage	60.70%	15.30%	8.70%	15.30%	100.00%

Source: Sample survey

4.2.7 Distribution of Respondents by Employment

From table 4.7, it has been observed that out of the total respondents, 55.7% were government servants, 27.3 % were engaged in non-government and 17% were self-employed. Among the respondents of Mizoram, majority 63% were government servants, followed by 13.5% engaged in non-government sector and the rest 23.5% were self-employed. In contrast, among the respondents from outside Mizoram majority (i.e. 55%) were non-government workers, followed by 41% in government and the rest 4% were self-employed.

Table 4.7: Employment

		Employment			Total
		Govt.	Non-Govt.	Self-Employed	
Mizoram	Number	126	27	47	200
	Percentage	63.00%	13.50%	23.50%	100.00%
Outside Mizoram	Number	41	55	4	100
	Percentage	41.00%	55.00%	4.00%	100.00%
Total	Number	167	82	51	300
	Percentage	55.70%	27.30%	17.00%	100.00%

Source: Sample Survey

4.2.8 Distribution of Respondents by Financial Literacy Programme Attended

Table 4.8 depicts the number of respondents who have attended financial literacy programmes. Only 16.5% of Mizoram and 20% from outside Mizoram have attended any financial literacy programme. The results from both Mizoram and outside Mizoram shows that the majority (i.e. 82.3%) of the respondents have not attended any financial literacy programme.

Table 4.8: Number of respondents who attended financial literacy programme

		Have you attended any financial literacy programme?		Total
		No	Yes	
Mizoram	Number	167	33	200
	Percentage	83.50%	16.50%	100.00%
Outside Mizoram	Number	80	20	100
	Percentage	80.00%	20.00%	100.00%
Total	Number	247	53	300
	Percentage	82.30%	17.70%	100.00%

Source: Sample survey

4.3 Financial Knowledge

Financial knowledge comprises eight questions, which are used for assessing the numerical ability of the respondents and their financial awareness. The questions were divided into 8 categories:

1. Ability of Division
2. Understanding of Time Value of Money
3. Understanding of Interest paid on Loan
4. Knowledge of Interest and Principal
5. Knowledge on Compound Interest
6. Understanding of Risk and Return

7. Knowledge about Inflation and
8. Knowledge about Diversification

The questions were based on multiple choices, and for each correct answer a score of 1 was given and for every incorrect answer 0. Thus, a total score of 8 is possible for financial knowledge. The level of financial knowledge among the respondents is classified into 3 categories, High Financial Knowledge, Average Financial Knowledge and Poor Financial Knowledge. A scale used by OECD/INFE (2011), Agarwalla et al. (2013) and Desdemona & Sreekala (2015) was adopted. Based on the total score, the respondents are grouped into 3 categories:

1. Poor Financial Knowledge : 0-3 score
2. Average Financial Knowledge : 4-5 score
3. High Financial Knowledge : 6-8 score

4.3.1 Division

Table 4.9 represents the respondent's answer to the division question. The result shows that the majority (i.e. 98.67%) of the respondents have answered the question correctly which is higher than the all-India score of 85% (NCFE 2019). The table also shows that 98% of Mizoram and 98.67% from Outside Mizoram have answered the question correctly. Thus, it is evident from the result that the majority of the respondents of both Mizoram and outside Mizoram are comfortable in calculation of mathematical division.

Table 4.9: Basic Numeracy Skills

		Correct	Wrong	Total
Mizoram	Number	196	4	200
	Percentage	98.00%	2.00%	100.00%
Outside Mizoram	Number	100	0	100
	Percentage	100.00%	0.00%	100.00%
Total	Number	296	4	300
	Percentage	98.67%	1.33%	100.00%

Source: Sample survey

4.3.2 Time Value of Money

Table 4.10 shows the respondents answer to the time value of money question. The result shows that 82.7 % of the respondents were able to answer the question correctly which is much higher than all India level i.e., 46% (NCFE, 2019), 53% among G20 countries (OECD/INFE, 2017), 64% in Gujarat (Patel, 2018) and 59.9 % (OECD/INFE,2020). The table also depicts that 70% of Mizoram and 86% from outside Mizoram have answered the question correctly. The overall result shows that respondents from outside Mizoram are more conversant regarding time value of money compared to the respondents of Mizoram.

Table 4.10: Calculation of Time value of money

		Correct	Wrong	Total
Mizoram	Number	160	40	200
	Percentage	80.00%	20.00%	100.00%
Outside Mizoram	Number	88	12	100
	Percentage	88.00%	12.00%	100.00%
Total	Number	248	52	300
	Percentage	82.70%	17.30%	100.00%

Source: Sample survey

4.3.3 Interest Paid on Loan

Table 4.11 highlight the respondent's answer to interest paid on loan. The question was correctly answered by 96.5% of Mizoram and 97% of the respondents from outside Mizoram. The overall result shows an overwhelming 96.7% of the respondents have a good understanding of interest paid on loan which is higher than the percentage of correct answers at all India level i.e., 75% (NCFE, 2019), 80% among G20 countries (OECD/INFE,2017) and 84.4% (OECD/INFE, 2020).

Table 4.11: Calculation of Payment of Interest on Loan

		Correct	Wrong	Total
Mizoram	Number	193	7	200
	Percentage	96.50%	4.50%	100.00%
Outside Mizoram	Number	97	3	100
	Percentage	97.00%	3.00%	100.00%
Total	Number	290	10	300
	Percentage	96.70%	3.30%	100.00%

Source: Sample survey

4.3.4 Simple Interest

Table 4.12 shows the respondents' response to the interest plus principal question. It was found that 90.50% of Mizoram and 96.0 % from outside Mizoram have answered the question correctly. The percentage of the correct answer is higher among the respondents from outside Mizoram. Only 7.3% of the total respondents were unable to give the correct answer while the majority (i.e. 92.3 %) of the total respondents answered the question correctly, which is higher than the percentage of correct answers at all India level, which is 58.0% (NCFE, 2019), 51% among G20 countries (OECD/INFE, 2017) and 57.1% (OECD/INFE,2020). Thus, the overall result indicates that respondents have a good understanding of calculating simple interest

Table 4.12: Calculation Interest plus principal

		Correct	Wrong	Total
Mizoram	Number	181	19	200
	Percentage	90.50%	9.50%	100.00%
Outside Mizoram	Number	96	4	100
	Percentage	96.00%	4.00%	100.00%
Total	Number	277	23	300
	Percentage	92.30%	7.30%	100.00%

Source: Sample survey

4.3.5 Compound Interest

Table 4.13 shows the respondents' responses to the question of compound interest. Only 24.7% of the total respondents of which 21% of Mizoram and 32% from outside Mizoram correctly answered the question, whereas the majority (i.e. 75.3%) of total respondents, 79 % of Mizoram and 68% from outside Mizoram were unable to calculate the right answer. Thus, it is evident from the result that the majority of respondents from both Mizoram and outside Mizoram have a poor understanding of compound interest, which is one of the most important aspects of finance. At the all-India level, only 6% (NCFE, 2019) were able to correctly answer the Compound Interest question whereas among the G20 countries 42% (OECD/INFE, 2017) and 26.3% among the participating countries of OECD survey (OECD/INFE,2020).

Table 4.13: Calculation of Compound Interest

		Correct	Wrong	Total
Mizoram	Number	42	158	200
	Percentage	21.00%	79.00%	100.00%
Outside Mizoram	Number	32	68	100
	Percentage	32.00%	68.00%	100.00%
Total	Number	74	226	300
	Percentage	24.70%	75.30%	100.00%

Source: Sample survey

4.3.6 Risk and Return

The response to the risk and return question is shown in table 4.14. The result shows that 85.3% of the total respondents were able to give the correct response, which is higher than the national average of 84% (NCFE, 2019), 78% among G20 countries (OECD/INFE, 2017), 80.0% in Gujarat (Patel, 2018) and 77.1% (OECD/INFE,2020). Only 14.7% of the total respondents were unable to give the correct answer. Among the respondents of Mizoram 83.8% and from outside Mizoram 88.0% are able to give

the correct answer. Overall, the results show that respondents have a good understanding of risk and return.

Table 4.14: Risk and Return on Investment

		Correct	Wrong	Total
Mizoram	Number	150	29	200
	Percentage	83.80%	16.20%	100.00%
Outside Mizoram	Number	88	12	100
	Percentage	88.00%	12.00%	100.00%
Total	Number	238	41	300
	Percentage	85.30%	14.70%	100.00%

Source: Sample survey

4.3.7 Inflation

Table 4.15 shows that 88.6% of the total respondents correctly answered an inflation-related question, which is higher than the percentage of correct answers at the national level, which is 81% (NCFE, 2019), 77% among G20 countries (OECD/INFE, 2017), 71% in Gujarat (Patel, 2018) and 78% (OECD/INFE,2020). Only 11.4 % were unable to answer correctly. Of the respondents of Mizoram, 83.3% were able to give the correct answer whereas 94.9% of the respondents from outside Mizoram give the correct answer. The overall result shows that the majority of the respondents have good knowledge of inflation.

Table 4.15: Respondents Understanding of Inflation

		Correct	Wrong	Total
Mizoram	Number	163	28	200
	Percentage	85.30%	14.70%	100.00%
Outside Mizoram	Number	94	5	100
	Percentage	94.90%	5.10%	100.00%
Total	Number	257	33	300
	Percentage	88.60%	11.40%	100.00%

Source: Sample survey

4.3.8 Diversification

The respondent's response to diversification is shown in the table 4.16. Only 43.5 % of the total respondents were able to correctly answer the question about diversification, which is lower than the national average of 61% (NCFE, 2019) and 72% in Gujarat (Patel, 2018). The question was correctly answered by 31.8 % of the residents of Mizoram and 61.8 % of those from outside the state. The result also shows that the respondents from outside Mizoram have good knowledge of diversification as compared to the respondents of Mizoram. The result of the OECD survey on G20 countries (OECD/INFE,2017) and OECD survey among different countries (OECD/INFE,2020) shows that on an average 59% and 58.9% can correctly answer the question on diversification respectively.

Table 4.16: Respondents Understanding of Diversification

		Correct	Wrong	Total
Mizoram	Number	48	103	200
	Percentage	31.80%	68.20%	100.00%
Outside Mizoram	Number	60	37	100
	Percentage	61.90%	38.10%	100.00%
Total	Number	108	140	300
	Percentage	43.50%	56.50%	100.00%

Source: Sample survey

4.3.9 Gender and Financial Knowledge

Table 4.17 represents the level of financial knowledge of the respondents with respect to their gender. The result shows that out of 111 male respondents of Mizoram, 65 respondents (i.e. 58.6%) possessed high knowledge, 44 respondents (i.e. 39.6%) possessed average knowledge and the remaining 02 respondents (i.e. 1.8%) possessed a poor level of financial knowledge. On the other hand, out of total 65 male respondents from outside Mizoram, 57 respondents (i.e. 87.7%) possessed high and the remaining 8 respondents (i.e. 12.3%) possessed an average level of financial knowledge. The result shows that the percentage of high-level financial knowledge is higher among respondents from outside Mizoram than the respondents of Mizoram.

Among 89 female respondents of Mizoram, 55 respondents (i.e. 61.8%) possessed high, 30 respondents (i.e. 33.7%) possessed average and the remaining 4 respondents (i.e. 4.5%) possessed a poor level of financial knowledge. Whereas out of 35 female respondents from outside Mizoram 31 respondents (i.e. 88.0%) possessed high and the remaining 04 respondents (i.e. 11.4%) possessed an average level of financial knowledge. Female respondents from outside Mizoram have a higher percentage of high-level financial knowledge as compared to respondents of Mizoram.

Overall, there isn't much of a difference in the percentage of high-level financial knowledge between male and female respondents. The findings of the study contradict with the earlier findings of Atkinson and Messy (2012) and Agarwalla et. al. (2012) where their finding shows that male respondent shows a higher percentage of high financial knowledge and it also contradicts with the findings of Kamboj (2017) where the study shows female respondents possessed higher percentage of high financial knowledge than male respondents.

Results from the NCFE (2019) survey on Financial Literacy in India and G20 OCED/INFE (2017) survey of Financial Literacy among G20 countries also highlighted that male respondents are more knowledgeable than females.

**Table 4.17: Classification on the basis of Gender and Financial Knowledge
Level of the Respondents**

Place of livelihood			Financial Knowledge Level			Total
			Poor	Average	High	
Mizoram	Male	Number	2	44	65	111
		Percentage	1.80%	39.60%	58.60%	100.00%
	Female	Number	4	30	55	89
		Percentage	4.50%	33.70%	61.80%	100.00%
	Total	Number	6	74	120	200
		Percentage	3.00%	37.00%	60.00%	100.00%
Outside Mizoram	Male	Number	-	8	57	65
		Percentage	-	12.30%	87.70%	100.00%
	Female	Number	-	4	31	35
		Percentage	-	11.40%	88.60%	100.00%
	Total	Number	-	12	88	100
		Percentage	-	12.00%	88.00%	100.00%
Total	Male	Number	2	52	122	176
		Percentage	1.10%	29.50%	69.30%	100.00%
	Female	Number	4	34	86	124
		Percentage	3.20%	27.40%	69.40%	100.00%
	Total	Number	6	86	208	300
		Percentage	2.00%	28.70%	69.30%	100.00%

Source: Sample survey

4.3.10 Age and Financial Knowledge

The respondents' level of financial knowledge with respect to their age is presented in Table 4.18.

Among the age group of up to 30 years, 55% of Mizoram possessed high level, 42.5% average level and the remaining 2.5% were found having poor level of financial knowledge. On the other hand, 83.8% from outside Mizoram secured a high level while the remaining 16.2% reflected average level of financial knowledge. The result shows that among the age group of up to 30 years, the respondents from outside

Mizoram possessed a higher percentage of high-level financial knowledge as compared to the respondents of Mizoram.

Among the age group of 31-40 years, 62.5% of Mizoram reflected high level, 30.4% possessed average level and the remaining 7.1% were found with a poor level of financial knowledge. Further, 91.7% of respondents from outside Mizoram were found with a high level and the remaining 8.3% possessed an average level of financial knowledge. The result shows that in this age category, the respondents having a high level of financial knowledge are comparatively higher among the respondents from outside Mizoram.

Among the age group of 41-50 years, 53.8% of Mizoram achieved high while remaining 46.2% reflected an average level of financial knowledge and 92% from outside Mizoram possessed high while remaining 8% reflected an average level of financial knowledge.

Among the respondents above 50 years of age, 67.3% of Mizoram were found to possessed high, 30.8% average and 1.9% were found with a poor level of financial knowledge. On the other hand, half of the respondents from outside Mizoram possessed high while the remaining half reflected an average level of financial knowledge. The result shows that in contrast with the other age group the percentage of high-level financial knowledge is higher among the respondents of Mizoram than the respondents from outside Mizoram.

The overall result shows that the highest percentage of high financial knowledge is possessed by the age group of 31-40 years (i.e. 73.9%), followed by less than 30 years age (i.e. 68.8%), above 50 years age (i.e. 66.7%) and 41-50 years age (i.e. 66.2%). The finding is consistent with the findings of NCFE (2019) survey where the study found a decrease in financial knowledge with the increase in age of the respondents. Whereas, it contradicts with the findings of Kamboj (2017) and Sudheshna (2018) where the finding shows that the lowest percentage of high financial knowledge is possessed by the age groups of below 30 and tends to improve with age of the respondents. Lusardi & Mitchell (2011), Atkinson & Messy (2012) also found that financial literacy is low among the younger age group.

Table 4.18: Classification on the basis of Age and Financial Knowledge Level of the Respondents

Place of livelihood			Financial Knowledge Level			Total
			Poor	Average	High	
Mizoram	Upto 30	Number	1	17	22	40
		Percentage	2.50%	42.50%	55.00%	100.00%
	Between 31-40	Number	4	17	35	56
		Percentage	7.10%	30.40%	62.50%	100.00%
	Between 41-50	Number	0	24	28	52
		Percentage	0.00%	46.20%	53.80%	100.00%
	Above 50	Number	1	16	35	52
		Percentage	1.90%	30.80%	67.30%	100.00%
	Total	Number	6	74	120	200
		Percentage	3.00%	37.00%	60.00%	100.00%
Outside Mizoram	Upto 30	Number	-	6	31	37
		Percentage	-	16.20%	83.80%	100.00%
	Between 31-40	Number	-	3	33	36
		Percentage	-	8.30%	91.70%	100.00%
	Between 41-50	Number	-	2	23	25
		Percentage	-	8.00%	92.00%	100.00%
	Above 50	Number	-	1	1	2
		Percentage	-	50.00%	50.00%	100.00%
	Total	Number	-	12	88	100
		Percentage	-	12.00%	88.00%	100.00%
Total	Upto 30	Number	1	23	53	77
		Percentage	1.30%	29.90%	68.80%	100.00%
	Between 31-40	Number	4	20	68	92
		Percentage	4.30%	21.70%	73.90%	100.00%
	Between 41-50	Number	0	26	51	77
		Percentage	0.00%	33.80%	66.20%	100.00%
	Above 50	Number	1	17	36	54
		Percentage	1.90%	31.50%	66.70%	100.00%
	Total	Number	6	86	208	300
		Percentage	2.00%	28.70%	69.30%	100.00%

Source: Sample survey

4.3.11 Number of Family Members and Financial Knowledge

Table 4.19 represents the respondent's level of financial knowledge with respect to their number of family members.

Among the number of family members between 2-4, 60% of Mizoram possessed high financial knowledge while the remaining 31.7% and 8.3% were found to possessed average and poor financial knowledge respectively. Whereas, 86.4% from outside Mizoram possessed high financial knowledge and the remaining 13.6% possessed average financial knowledge.

Among the number of the family members between 5-7, majority (i.e. 55.4%) of Mizoram possessed high financial knowledge, 41.7% are found to possessed average level and the remaining 0.9% possessed poor financial knowledge. On the other hand, 88.6% from outside Mizoram possessed high financial knowledge and the rest 11.4% possessed an average level of financial knowledge.

Among the number of family members above 7, 72% of Mizoram were found to have high financial knowledge while the remaining 28% possessed average financial knowledge and among the respondents from outside Mizoram, 91.7% possessed high financial knowledge and the remaining 8.3% reflects average financial knowledge.

The overall result shows that among the three groups the highest percentage of high financial knowledge is possessed by family members above 7 (i.e. 78.4.9%) followed by 2-4 (i.e. 71.2%) and 5-7 (i.e. 66.0%).

Table 4.19: Classification on the basis of Number of family members and Financial Knowledge Level of the Respondents

Place of livelihood			Financial Knowledge Level			Total	
			Poor	Average	High		
Mizoram	2-4	Number	5	19	36	60	
		Percentage	8.30%	31.70%	60.00%	100.00%	
	5-7	Number	1	48	66	115	
		Percentage	0.90%	41.70%	57.40%	100.00%	
	Above 7	Number	0	7	18	25	
		Percentage	0.00%	28.00%	72.00%	100.00%	
	Total	Number	6	74	120	200	
		Percentage	3.00%	37.00%	60.00%	100.00%	
	Outside Mizoram	2-4	Number	-	6	38	44
			Percentage	-	13.60%	86.40%	100.00%
5-7		Number	-	5	39	44	
		Percentage	-	11.40%	88.60%	100.00%	
Above 7		Number	-	1	11	12	
		Percentage	-	8.30%	91.70%	100.00%	
Total		Number	-	12	88	100	
		Percentage	-	12.00%	88.00%	100.00%	
Total		2-4	Number	5	25	74	104
			Percentage	4.80%	24.00%	71.20%	100.00%
	5-7	Number	1	53	105	159	
		Percentage	0.60%	33.30%	66.00%	100.00%	
	Above 7	Number	0	8	29	37	
		Percentage	0.00%	21.60%	78.40%	100.00%	
	Total	Number	6	86	208	300	
		Percentage	2.00%	28.70%	69.30%	100.00%	

Source: Sample survey

4.3.12 Educational Qualification and Financial Knowledge

Table 4.20 depicts the respondents' level of financial knowledge with respect to their educational qualifications. Among the respondents of Mizoram with education attainment upto 10th standard, 56.4% possessed high-level financial knowledge, 41.8% average level and the remaining 1.8% possessed poor level financial knowledge. On the other hand, all the respondents from outside Mizoram possessed high-level financial knowledge.

Among the respondents who attain 12th standard, 54.4% from Mizoram possessed high-level financial knowledge, 40.4% reflected average and the remaining 5.3% possessed poor level financial knowledge whereas 80% from outside Mizoram possessed high-level financial knowledge and the rest 20% of the respondents were found to possessed average level financial knowledge.

Among the graduate respondents, 63.1% of Mizoram possessed high-level financial knowledge, 33.8% possessed average and the remaining 3.1% possessed poor level financial knowledge. On the other hand, 82.4% of the respondents of outside Mizoram possessed high-level financial knowledge and 17.6% of the respondents possessed average level financial knowledge.

Among the post-graduate respondents, 73.8% of Mizoram possessed high-level financial knowledge and 26.1% possessed an average level of financial knowledge while among the respondents from outside Mizoram 97.2% possessed high-level financial knowledge and 7.3% possessed average level financial knowledge.

The overall result shows that among the four categories the highest percentage of high-level financial knowledge is possessed by post-graduate (i.e. 87.2%) followed by graduates (i.e. 69.7%), 12th standard (i.e. 58.2%) and 10th standard (i.e. 57.1%). Chen and Volpe (2002), Kamboj (2017), Sudheshna (2018) and NCFE (2019) also found in their study that financial knowledge increases with the increase in education.

Table 4.20: Classification on the basis of Educational Qualification and Financial Knowledge Level of the Respondents

Place of livelihood			Financial Knowledge Level			Total	
			Poor	Average	High		
Mizoram	Upto 10th	Number	1	23	31	55	
		Percentage	1.80%	41.80%	56.40%	100.00%	
	12th	Number	3	23	31	57	
		Percentage	5.30%	40.40%	54.40%	100.00%	
	Graduation	Number	2	22	41	65	
		Percentage	3.10%	33.80%	63.10%	100.00%	
	Post-Graduation	Number	-	6	17	23	
		Percentage	-	26.10%	73.90%	100.00%	
	Total	Number	6	74	120	200	
		Percentage	3.00%	37.00%	60.00%	100.00%	
	Outside Mizoram	Upto 10th	Number	-	-	1	1
			Percentage	-	-	100.00%	100.00%
		12th	Number	-	2	8	10
			Percentage	-	20.00%	80.00%	100.00%
Graduation		Number	-	6	28	34	
		Percentage	-	17.60%	82.40%	100.00%	
Post-Graduation		Number	-	4	51	55	
		Percentage	-	7.30%	92.70%	100.00%	
Total		Number	-	12	88	100	
		Percentage	-	12.00%	88.00%	100.00%	
Total		Upto 10th	Number	1	23	32	56
			Percentage	1.80%	41.10%	57.10%	100.00%
		12th	Number	3	25	39	67
			Percentage	4.50%	37.30%	58.20%	100.00%
	Graduation	Number	2	28	69	99	
		Percentage	2.00%	28.30%	69.70%	100.00%	
	Post-Graduation	Number	0	10	68	78	
		Percentage	0.00%	12.80%	87.20%	100.00%	
	Total	Number	6	86	208	300	
		Percentage	2.00%	28.70%	69.30%	100.00%	

Source: Sample survey

4.3.13 Annual Income and Financial Knowledge

Table 4.21 depicts the respondents' level of financial knowledge with respect to their annual income. Among the respondents with an income of 3-4 lakhs, 55.3% of Mizoram possessed high-level financial knowledge, 40.9% were found to have average level and the remaining 3.8% possessed poor level financial knowledge whereas, 88.0% from outside Mizoram possessed high-level financial knowledge and the remaining 12.0% possessed average level of financial knowledge.

Among the respondents with an annual income of 4-5 lakhs, 76.5% of Mizoram possessed high-level financial knowledge, 20.6% possessed average level financial knowledge and the rest 2.9% of the respondents possessed poor level financial knowledge. On the other hand, 83.3% of the respondents from outside Mizoram possessed high-level financial knowledge and 16.7% possessed average level financial knowledge.

Among the respondents with an annual income of 5-6 lakhs, 68.8% of Mizoram possessed high-level financial knowledge and the remaining 31.3% possessed average level financial knowledge whereas among the respondents from outside Mizoram, 90.0% of the respondents possessed high-level financial knowledge and only 10.0% of the respondents possessed average level financial knowledge.

Among the respondents with an annual income of above 6 lakhs, 55.6% of the respondents within Mizoram possessed high-level financial knowledge and 44.4% average level financial knowledge. On the other hand, 89.3% of the respondents of outside Mizoram possessed high-level financial knowledge and the remaining 10.7% possessed average level financial knowledge among the respondents from outside Mizoram.

The overall result shows that among the four categories the highest percentage of high-level financial knowledge is possessed by respondents with annual income 4-5 lakhs (i.e. 78.3%) followed by 5-6 lakhs (i.e. 76.9%), above 6 lakhs (i.e. 76.1%) and 3-4 lakhs (i.e. 64.3%). The study is in contrast with the findings of Kamboj (2017) where the study finds that the lowest income group does not necessarily have the lowest percentage of high financial knowledge.

Table 4.21: Classification on the basis of Annual Income and Financial Knowledge Level of the Respondents

Place of livelihood			Financial Knowledge Level			Total	
			Poor	Average	High		
Mizoram	3-4 lakhs	Number	5	54	73	132	
		Percentage	3.80%	40.90%	55.30%	100.00%	
	4-5 lakhs	Number	1	7	26	34	
		Percentage	2.90%	20.60%	76.50%	100.00%	
	5-6 lakhs	Number	0	5	11	16	
		Percentage	0.00%	31.30%	68.80%	100.00%	
	Above 6 lakhs	Number	0	8	10	18	
		Percentage	0.00%	44.40%	55.60%	100.00%	
	Total	Number	6	74	120	200	
		Percentage	3.00%	37.00%	60.00%	100.00%	
	Outside Mizoram	3-4 lakhs	Number	-	6	44	50
			Percentage	-	12.00%	88.00%	100.00%
4-5 lakhs		Number	-	2	10	12	
		Percentage	-	16.70%	83.30%	100.00%	
5-6 lakhs		Number	-	1	9	10	
		Percentage	-	10.00%	90.00%	100.00%	
Above 6 lakhs		Number	-	3	25	28	
		Percentage	-	10.70%	89.30%	100.00%	
Total		Number	-	12	88	100	
		Percentage	-	12.00%	88.00%	100.00%	
Total		3-4 lakhs	Number	5	60	117	182
			Percentage	2.70%	33.00%	64.30%	100.00%
	4-5 lakhs	Number	1	9	36	46	
		Percentage	2.20%	19.60%	78.30%	100.00%	
	5-6 lakhs	Number	0	6	20	26	
		Percentage	0.00%	23.10%	76.90%	100.00%	
	Above 6 lakhs	Number	0	11	35	46	
		Percentage	0.00%	23.90%	76.10%	100.00%	
	Total	Number	6	86	208	300	
		Percentage	2.00%	28.70%	69.30%	100.00%	

Source: Sample Survey

4.3.14 Employment and Financial Knowledge

Table 4.22 shows the financial knowledge level of the respondents based on their employment status. Among the Government employees, majority of Mizoram, i.e. 61.9% possessed high financial knowledge and the remaining 38.1% possessed average financial knowledge. However, among the respondents from outside Mizoram, 97.6% of the respondents possessed high financial knowledge and only 2.4% possessed average financial knowledge.

Among the non-government employees, the respondents within Mizoram possessed high financial knowledge (i.e. 70.4%), average financial knowledge (i.e. 14.8%) and poor financial knowledge (i.e. 14.8%) whereas it was high (i.e. 83.6%) and average (i.e. 16.4%) financial knowledge among the non-government employees from outside Mizoram.

Among the self-employed, 48.9% of Mizoram achieved high financial knowledge, 46.8% have average and the remaining 4.3% possessed poor financial knowledge. On the other hand, half of the respondents from outside Mizoram (i.e. 50%) possessed high financial knowledge and the remaining 50% possessed average financial knowledge

The overall result shows that among the three employees the highest percentage of high financial knowledge is possessed by non-government employees (i.e. 79.3%) followed by government employees (i.e. 70.7%) and self-employed (i.e. 49.0%). The study is consistent with the findings of Kamboj (2017) and NCFE (2019) where the finding shows that self-employed have the lowest financial knowledge score.

**Table 4.22: Classification on the basis of Employment and Financial Knowledge
Level of the Respondents**

Place of livelihood			Financial Knowledge Level			Total
			Poor	Average	High	
Mizoram	Govt.	Number	0	48	78	126
		Percentage	0.00%	38.10%	61.90%	100.00%
	Non-Govt.	Number	4	4	19	27
		Percentage	14.80%	14.80%	70.40%	100.00%
	Self-Employed	Number	2	22	23	47
		Percentage	4.30%	46.80%	48.90%	100.00%
	Total	Number	6	74	120	200
		Percentage	3.00%	37.00%	60.00%	100.00%
Outside Mizoram	Govt.	Number	-	1	40	41
		Percentage	-	2.40%	97.60%	100.00%
	Non-Govt.	Number	-	9	46	55
		Percentage	-	16.40%	83.60%	100.00%
	Self-Employed	Number	-	2	2	4
		Percentage	-	50.00%	50.00%	100.00%
	Total	Number	-	12	88	100
		Percentage	-	12.00%	88.00%	100.00%
Total	Govt.	Number	0	49	118	167
		Percentage	0.00%	29.30%	70.70%	100.00%
	Non-Govt.	Number	4	13	65	82
		Percentage	4.90%	15.90%	79.30%	100.00%
	Self-Employed	Number	2	24	25	51
		Percentage	3.90%	47.10%	49.00%	100.00%
	Total	Number	6	86	208	300
		Percentage	2.00%	28.70%	69.30%	100.00%

Source: Sample Survey

4.3.15 Financial literacy programme and Financial Knowledge

Table 4.23 represents the respondent's level of financial knowledge with respect to their financial literacy programme attended. Among the respondents who have attended financial literacy programmes, 66.7% of Mizoram have a high level of financial knowledge, 30.3% possessed an average level and only 3% of the respondents possessed poor financial knowledge. On the other hand, 85% of the respondents from outside Mizoram were found to have a high level of financial knowledge and the remaining 15% possessed an average level of financial knowledge. A comparison between respondents from Mizoram and outside Mizoram shows that the respondents from outside Mizoram have a higher percentage of high-level financial knowledge than respondents from Mizoram.

Among the respondents who have not attended financial literacy programmes, 58.7% of Mizoram have a high level of financial knowledge, 38.3% average level and the remaining 3% possessed poor financial knowledge. On the other hand, among the respondents from outside Mizoram, 88.8% have high-level and the remaining 11.3% have an average level of financial knowledge.

Overall, the result shows that the percentage of respondents with high-level financial knowledge is higher among those who have participated in a financial literacy programme.

Table 4.23: Classification on the basis of Financial Literacy Programme and Financial Knowledge Level of the Respondents

Place of livelihood			Financial Knowledge Level			Total
			Poor	Average	High	
Mizoram	No	Number	5	64	98	167
		Percentage	3.00%	38.30%	58.70%	100.00%
	Yes	Number	1	10	22	33
		Percentage	3.00%	30.30%	66.70%	100.00%
	Total	Number	6	74	120	200
		Percentage	3.00%	37.00%	60.00%	100.00%
	No	Number	-	9	71	80

Outside Mizoram	Yes	Percentage	-	11.30%	88.80%	100.00%
		Number	-	3	17	20
	Total	Percentage	-	15.00%	85.00%	100.00%
		Number	-	12	88	100
		Percentage	-	12.00%	88.00%	100.00%
Total	No	Number	5	73	169	247
		Percentage	2.00%	29.60%	68.40%	100.00%
	Yes	Number	1	13	39	53
		Percentage	1.90%	24.50%	73.60%	100.00%
	Total	Number	6	86	208	300
		Percentage	2.00%	28.70%	69.30%	100.00%

Source: Sample Survey

4.4 Financial Behaviour

For measuring the financial behaviour of the respondents, a total of 8 questions were used and the responses were measured using 5 points Likert's scale and some multiple-choice questions. A total score of 8 was possible and a score of 1 was given for that response which indicates desirable financial behaviour and otherwise 0. The level of financial behaviour among the respondents is classified into 3 categories, Positive Financial Behaviour, Average Financial Behaviour and Poor Financial Behaviour. A scale used by OECD (2011), Agarwalla et. al (2013) and Desdemona & Sreekala (2015) was adopted. Based on the total score the respondents were group into 3 categories:

1. Poor Financial Behaviour : 0-3 score
2. Average Financial Behaviour : 4-5 score
3. Positive Financial Behaviour : 6-8 score

4.4.1 Purchase Consideration

Table 4.24 represents the respondents' response to the question on whether they carefully consider purchases before buying something. Among the respondents from Mizoram

- 93.5% of the respondents agree
- 5.0% of the respondents were uncertain, and
- 1.5% of the respondents disagree.

Among the respondents from Outside Mizoram

- 84% of the respondents agree
- 1.0% of the respondents were uncertain, and
- 15.0% of the respondents disagree

The result shows that the percentage of respondents who carefully consider purchases was higher among the respondents of Mizoram (i.e. 93.5%) than outside Mizoram (i.e. 84%). Overall, the majority of the respondents (i.e. 90.33%) carefully consider their purchases which is higher than the national level of 75% and 77% at the northeast level (NCFE,2019)

Table 4.24: Careful consideration for purchases before buying

		Before I buy something, I carefully consider whether I can afford it.					Total
		Completely disagree	Disagree	Uncertain	Agree	Completely Agree	
Mizoram	Number	0	3	10	97	90	200
	Percentage	0.00%	1.50%	5.00%	48.50%	45.00%	100.00%
Outside Mizoram	Number	12	3	1	33	51	100
	Percentage	12.00%	3.00%	1.00%	33.00%	51.00%	100.00%
Total	Number	12	6	11	130	141	300
	Percentage	4.00%	2.00%	3.70%	43.30%	47.00%	100.00%

Source: Sample survey

4.4.2 Bill Payment

Table 4.25 depicts the respondents' response to the question on whether they pay their bills on time. Among the respondents of Mizoram

- 92% of the respondents pay their bills on time
- 4% of the respondents were uncertain, and
- 4% of the respondents do not pay their bills on time.

Among the respondents from outside Mizoram

- 84% of the respondents pay their bills on time
- 2% of the respondents were uncertain, and
- 14% of the respondents do not pay their bills on time.

The result shows that respondents who pay their bills on time was higher among Mizoram (i.e. 92%) than from outside Mizoram (i.e. 84%). The overall result shows that 89.3% of the total respondents do pay their bills on time which is higher than the all-India level of 63% (NCFE, 2019).

Table 4.25: Timely Payment of Bills

		I Pay my bills on time					Total
		Completely disagree	Disagree	Uncertain	Agree	Completely Agree	
Mizoram	Number	2	6	8	105	79	200
	Percentage	1.00%	3.00%	4.00%	52.50%	39.50%	100.00%
Outside Mizoram	Number	8	6	2	36	48	100
	Percentage	8.00%	6.00%	2.00%	36.00%	48.00%	100.00%
Total	Number	10	12	10	141	127	300
	Percentage	3.30%	4.00%	3.30%	47.00%	42.30%	100.00%

Source: Sample survey

4.4.3 Keep watch on financial affairs

Table 4.26 shows the respondents' response to whether they keep a close watch on their financial affairs.

Among the respondents of Mizoram,

- 78% of the respondents keep a close watch on their financial affairs
- 15% of the respondents were uncertain, and
- 7% of the respondents do not keep a close watch on their financial affairs

Among the respondents from outside Mizoram,

- 73% of the respondents keep a close watch on their financial affairs
- 10% of the respondents were uncertain, and
- 17% of the respondents do not keep a close watch on their financial affairs.

The result shows that 78% of the respondents of Mizoram and 74% of the respondents from outside Mizoram keeps a close watch on their financial affairs. Overall, it can be seen that majority (i.e. 76.4%) of the total respondents keep a close watch on their financial affairs. However, it is lower than the national level of 83% and Northeast level of 81% (NCFE,2019).

Table 4.26: Financial affairs

		I keep close watch on my financial affairs.					Total
		Completely disagree	Disagree	Uncertain	Agree	Completely Agree	
Mizoram	Number	1	13	30	98	58	200
	Percentage	0.50%	6.50%	15.00%	49.00%	29.00%	100.00%
Outside Mizoram	Number	4	13	10	36	37	100
	Percentage	4.00%	13.00%	10.00%	36.00%	37.00%	100.00%
Total	Number	5	26	40	134	95	300
	Percentage	1.70%	8.70%	13.30%	44.70%	31.70%	100.00%

Source: Sample survey

4.4.4 Setting up long term goals and strive to achieve them

Table 4.27 shows the respondents' response to whether they set long-term goals and strive to achieve them.

Among the respondents of Mizoram

- 62% of the respondents set long-term goals and strive to achieve them

- 29% of the respondents were uncertain, and
- 9% of the respondents do not set long-term goals and strive to achieve them

Among the respondents from outside Mizoram

- 68% of the respondents set long-term goals and strive to achieve them
- 14% of the respondents were uncertain, and
- 18% of the respondents do not set long-term goals and strive to achieve them.

The result shows that the percentage of respondents setting long-term goals and striving to achieve them is lesser among the respondents of Mizoram (i.e. 62%) as compared to the respondents from outside Mizoram (i.e 68%). The result also shows that the respondents who do set long-term goals and strive to achieve them is lesser among Mizoram (i.e. 9%) than from outside Mizoram (i.e. 18%). The overall result shows that 64% of the total respondents set long-term goals and strive to achieve them which is lower than the national level of 82% and Northeast level of 84% (NCFE,2019).

Table 4.27: Long Term goals

		I set long-term financial goals and strive to achieve them.					Total
		Completely disagree	Disagree	Uncertain	Agree	Completely Agree	
Mizoram	Number	7	11	58	72	52	200
	Percentage	3.50%	5.50%	29.00%	36.00%	26.00%	100.00%
Outside Mizoram	Number	3	15	14	42	26	100
	Percentage	3.00%	15.00%	14.00%	42.00%	26.00%	100.00%
Total	Number	10	26	72	114	78	300
	Percentage	3.30%	8.70%	24.00%	38.00%	26.00%	100.00%

Source: Sample survey

4.4.5 Household Budget

Table 4.28 shows the respondents' response to the question on the preparation of a household budget. Only 51.5% of Mizoram have a household budget, on the other hand, it was 58% respondents from outside Mizoram. The overall result shows that

53.37% of the total respondents have a household budget which is less than the all India level of 74% (NCFE 2019).

Table 4.28: Preparation of Household budget

		Do you have a household budget?		Total
		Yes	No	
Mizoram	Number	103	97	200
	Percentage	51.50%	48.50%	100.00%
Outside Mizoram	Number	58	42	100
	Percentage	58.00%	42.00%	100.00%
Total	Number of Respondents	161	139	300
	Percentage	53.37%	46.33%	100.00%

Source: Sample survey

4.4.6 Evaluation of Option before selection of financial products

Table 4.29 depicts the respondents' behaviour for choosing financial products. Among the respondent of Mizoram, the majority (i.e. 68.5 %) of the respondents considered several products from different companies, 2.5% of the respondents considered various products from one company, 16.0% of the respondents didn't consider any other products at all, 2% of the respondents looked around but find no other products to consider and 11% of the respondent's answered don't know.

Among the respondents from outside Mizoram the majority (i.e. 72%) of the respondents considered several products from different companies, 12.0% of the respondents considered various products from one company, 8% of the respondents didn't consider any other products at all, 5% of the respondents looked around but find no other products to consider and 3% answered don't know.

The overall result depicts that majority of the respondents (i.e. 69.7%) considered several products from different companies which is higher than all India level of respondents who have evaluated various financial products before selection of financial products i.e., 9% (NCFE 2019) and also higher than the findings of Shah

(2015) where his study among the respondents of Gujarat shows that 51% of the respondents collect all the information about the products. 5.7% of the respondents considered various products from one company, 13.3% of the respondents didn't consider any other products, 3.0% of the respondents looked around but find no other products to consider and 8.3% answered don't know.

Table 4.29: Statement describing how product is chosen

		Place of livelihood		Total
		Mizoram	Outside Mizoram	
I considered several (products/loans/policies/accounts) from different companies before making my decision	Number	137	72	209
	Percentage	68.5%	72.0%	69.67%
I considered the various (products/loans/policies/accounts) from one company.	Number	5	12	17
	Percentage	2.5%	12.0%	5.67%
I didn't consider any other (products/loans/policies/accounts) at all.	Number	32	8	40
	Percentage	16.0%	8.0%	13.33%
I looked around but there were no other (products/loans/policies/accounts) to consider.	Number	4	5	9
	Percentage	2.0%	5.0%	3.0%
Don't Know	Number	22	3	25
	Percentage	11.0%	3.0%	8.3%
Total	Number	200	100	300
	Percentage	100%	100%	100%

Source: Sample Survey

4.4.7 Mode of Savings

Table 4.30 represents the respondents' preferences for modes of saving. Among both the respondents of Mizoram and outside Mizoram, majority of the respondents prefer building up a balance of money in their bank account and also in their savings account as their mode of savings whereas saving cash at home was the main mode of savings at the all India level (NCFE 2019).

Table 4.30: Different Mode of Savings

Mode of Savings	Place of livelihood				Total	%
	Mizoram		Outside Mizoram			
	Number	%	Number	%		
a) Saving cash at home or in your wallet	23	11.5%	8	8.0%	31	10.3%
b) Building up balance of money in your bank account	144	72.0%	71	71.0%	215	71.7%
c) Paying money into a saving account	101	50.5%	70	70.0%	171	57.0%
d) Giving money to family to save on your behalf	9	4.5%	16	16%	25	8.3%
e) Saving in an informal savings clubs	19	9.5%	3	3%	22	7.3%
f) Buying financial investment products, other than pension funds	12	6%	11	11%	23	7.7%
g) Or in some other way (including remittances, buying livestock or property)	27	13.5%	18	18%	45	15.0%
h) Has not been actively saving	16	8%	4	4%	20	6.7%

Source: Sample Survey

4.4.8 Sources of information about various investment avenues

Table 4.31 shows the source of information about the various investment avenues. Among the respondents of Mizoram, 27% of the respondents get information from the information picked from the branch, 17% from the advice from friends/relatives (who are not working in the financial services industry), and 13% from the recommendation from an independent financial adviser/broker.

Among the respondents from outside Mizoram, 23% get an information from the branch, 17% from the product-specific information found on the internet, and 15% from the information from the sales staff.

The overall result shows that 25.7% of the respondents get information from the branch, 11.7% from the advice from friends/relatives (who are not working in the financial services industry) and 10.7% from a recommendation from the independent financial adviser/broker.

Table 4.31: Sources of Information influencing the choice of investment avenues

	Mizoram		Outside Mizoram		Total	
	Number	%	Number	%	Number	%
Unsolicited information sent through the post	6	3.0	3	3.0	9	3.0
Information picked up in a branch	54	27.0	23	23.0	77	25.7
Product specific information found on the internet	10	5.0	17	17.0	27	9.0
Information from sales staff of the firm providing the products(including quotes)	9	4.5	15	15.0	24	8.0
Best-buy tables in financial pages of newspapers/magazines	9	4.5	3	3.0	12	4.0
Best-buy information found on the internet	3	1.5	10	10.0	13	4.3
Specialist magazines/publications	2	1.0	1	1.0	3	1.0
Recommendation from independent financial adviser or broker	27	13.5	5	5.0	32	10.7

Advice of friends/relatives(not working in the financial services industry)	34	17.0	1	1.0	35	11.7
Advice of friends/relatives(who working in the financial services industry)	18	9.0	6	6.0	24	8.0
Employer's advice	0	0.0	2	2.0	2	.7
Newspaper articles	1	0.5	0	0.0	1	.3
Television or radio programmes	1	0.5	4	4.0	5	1.7
Newspaper advertisements	1	0.5	1	1.0	2	.7
Television advertisements	0	0.0	3	3.0	3	1.0
Other advertisements	1	0.5	0	0.0	1	.3
My own previous experience	17	8.5	4	4.0	21	7.0
Other source	2	1.0	0	0.0	2	.7
Don't Know	5	2.5	2	2.0	7	2.3
Total	200	100.0	100	100.0	300	100.0

Source: Sample survey

4.4.9 Gender and Financial Behaviour

Table 4.32 depicts the respondents' level of financial behaviour in relation to their gender.

Among the male respondents of Mizoram, 72.2% possessed positive financial behaviour, 21.6% possessed average and the remaining 7.2% possessed a poor level of financial behaviour. Whereas among the male respondents from outside Mizoram, 64.6% possessed positive financial behaviour, 24.6% possessed average and the remaining 10.8% possessed a poor level of financial behaviour. The result shows that respondents of Mizoram have a higher percentage of positive financial behaviour than respondents from outside Mizoram.

Among female respondents, 74.2% of Mizoram possessed positive, 21.3% possessed average and the remaining 4.5% of the respondents possessed a poor level of financial behaviour. On the other hand, 77.1% of the respondents possessed high financial behaviour, 20% average and the remaining 2.9% possessed poor financial behaviour level. In contrast to male respondents, female respondents from outside Mizoram have a higher percentage of positive financial behaviour as compared to respondents of Mizoram.

The overall result shows that the female respondents were found to have a higher positive financial behaviour than male respondents. The finding is in contrast with the findings of Herdjiona et. al. (2018) in which no difference was found between the financial behaviour of male and female respondents. Results from NCFE (2019) survey on India and G20 OECD (2017) survey among G20 countries shows that a higher proportion of male respondents achieved minimum target score than female.

Table 4.32: Classification on the basis of Gender and Financial Behaviour Level of the Respondents

			Financial Behaviour Level			Total
			Poor	Average	Positive	
Mizoram	Male	Number	8	24	79	111
		Percentage	7.20%	21.60%	71.20%	100.00%
	Female	Number	4	19	66	89
		Percentage	4.50%	21.30%	74.20%	100.00%
	Total	Number	12	43	145	200
		Percentage	6.00%	21.50%	72.50%	100.00%
Outside Mizoram	Male	Number	7	16	42	65
		Percentage	10.80%	24.60%	64.60%	100.00%
	Female	Number	1	7	27	35
		Percentage	2.90%	20.00%	77.10%	100.00%
	Total	Number	8	23	69	100
		Percentage	8.00%	23.00%	69.00%	100.00%
Total	Male	Number	15	40	121	176
		Percentage	8.50%	22.70%	68.80%	100.00%
	Female	Number	5	26	93	124
		Percentage	4.00%	21.00%	75.00%	100.00%
	Total	Number	20	66	214	300
		Percentage	6.70%	22.00%	71.30%	100.00%

Source: Sample Survey

4.4.10 Age and Financial Behaviour

Table 4.33 represents the respondent's level of financial behaviour with respect to the age of the respondents. Among the age group of upto 30 years, 60% of Mizoram possessed positive, 25.5% have average and 17.5% have poor financial behaviour. On the other hand, 70.3% from outside Mizoram possessed positive, 27% have average and the remaining 2.7% possessed poor financial behaviour.

Among the age group of 31-40 years, 75% of Mizoram achieved positive financial behaviour, 23.2% possessed average financial behaviour and the remaining 1.8% were found to possessed poor financial behaviour. Further, 61.1% of the respondents from outside Mizoram were found to have positive financial behaviour, 27.8% average and the remaining 11.10% possessed poor financial behaviour. The result shows that among this age category the respondents of Mizoram have a higher percentage of positive financial behaviour than respondents from outside Mizoram.

Among the age group of 41-50 years, 82.7% of Mizoram were found to possessed positive financial behaviour while the remaining 17.3% have average financial behaviour and 84% of the respondents from outside Mizoram possessed positive financial behaviour, 4% average and the remaining 12% possessed poor financial behaviour. It is clear from the result that among the age category of 41-50 years, respondents from outside Mizoram have a higher percentage of positive financial behaviour as compared to the respondents of Mizoram.

Among the age group of above 50 years, 62.9% of Mizoram possessed positive financial behaviour, 23.1% have average financial behaviour and 7.7% have poor financial behaviour. On the other hand, 100% of the respondents from outside Mizoram were found to have average financial behaviour. The result shows that the respondents of Mizoram have a higher percentage of positive financial behaviour than respondents from outside Mizoram.

The overall result shows that among the four age groups the highest percentage of positive financial behaviour is possessed by age group 41-50 years (i.e. 83.1%), followed by 31-40 years (i.e. 69.6%), above 50 years (i.e. 66.7%) and upto 30 years (i.e. 64.9%). It is clear from the result that the percentage of positive financial behaviour is higher among the middle age group which is consistent with the findings

of Kamboj (2017) in which her study also found that financial behaviour is higher among the middle age group whereas findings of Sudheshna (2018) shows that financial behaviour increases with the increase in age of the respondents and findings of NCFE (2019) show the same level of financial behaviour among all the age group which is in contrast with the findings of the current research.

Table 4.33: Classification on the basis of Age and Financial Behaviour Level of the Respondents

Place of livelihood			Financial Behaviour Level			Total
			Poor	Average	Positive	
Mizoram	Upto 30	Number	7	9	24	40
		Percentage	17.50%	22.50%	60.00%	100.00%
	Between 31-40	Number	1	13	42	56
		Percentage	1.80%	23.20%	75.00%	100.00%
	Between 41-50	Number	0	9	43	52
		Percentage	0.00%	17.30%	82.70%	100.00%
	Above 50	Number	4	12	36	52
		Percentage	7.70%	23.10%	69.20%	100.00%
	Total	Number	12	43	145	200
		Percentage	6.00%	21.50%	72.50%	100.00%
Outside Mizoram	Upto 30	Number	1	10	26	37
		Percentage	2.70%	27.00%	70.30%	100.00%
	Between 31-40	Number	4	10	22	36
		Percentage	11.10%	27.80%	61.10%	100.00%
	Between 41-50	Number	3	1	21	25
		Percentage	12.00%	4.00%	84.00%	100.00%
	Above 50	Number	0	2	0	2
		Percentage	0.00%	100.00%	0.00%	100.00%
	Total	Number	8	23	69	100
		Percentage	8.00%	23.00%	69.00%	100.00%
Total	Upto 30	Number	8	19	50	77
		Percentage	10.40%	24.70%	64.90%	100.00%
		Number	5	23	64	92

	Between 31-40	Percentage	5.40%	25.00%	69.60%	100.00%
	Between 41-50	Number	3	10	64	77
		Percentage	3.90%	13.00%	83.10%	100.00%
	Above 50	Number	4	14	36	54
		Percentage	7.40%	25.90%	66.70%	100.00%
	Total	Number	20	66	214	300
		Percentage	6.70%	22.00%	71.30%	100.00%

Source: Sample Survey

4.4.11 Number of Family members and Financial Behaviour

Table 4.34 shows the respondent's level of financial behaviour in relation to their number of family members.

Among the family members between 2 to 4, 73.3% of the respondents of Mizoram possessed positive financial behaviour, 20% average and 6.7% were found to possessed poor financial behaviour. Whereas, 70.5% of the respondents from outside Mizoram were found to have positive financial behaviour, 20.5% average financial behaviour and 9.1% with poor financial behaviour.

Among the family members between 5 to 7, 74.8% of the respondents of Mizoram possessed positive financial behaviour, 18.3% possessed average financial behaviour and 7% of the respondents possessed poor financial behaviour (7.0%). On the other hand, 65.9% of the respondents from outside Mizoram were found to have positive financial behaviour, 27.3% average financial behaviour and the remaining 6.8% of the respondents possessed poor financial behaviour.

Among the family member of above 7, 60% of the respondents of Mizoram were found to have positive financial behaviour while 40% of the respondents possessed average financial behaviour and 75% of the respondents from outside Mizoram possessed positive financial behaviour, 16.7% average financial behaviour and the remaining 8.3% possessed poor financial behaviour. Among the different categories except for family members above 7, the percentage of positive financial behaviour is higher among the respondents of Mizoram than the respondents from outside Mizoram.

Thus, the overall result shows that among the three groups the highest percentage of positive financial behaviour is possessed by family members between 5 to 7 (i.e. 72.3%) followed by 2 to 4 (i.e. 72.1%) and above 7 (i.e. 64.9%).

Table 4.34: Classification on the basis of Number of Family Members and Financial Behaviour Level of the Respondents

Place of livelihood			Financial Behaviour Level			Total	
			Poor	Average	Positive		
Mizoram	2-4	Number	4	12	44	60	
		Percentage	6.70%	20.00%	73.30%	100.00%	
	5-6	Number	8	21	86	115	
		Percentage	7.00%	18.30%	74.80%	100.00%	
	Above 7	Number	0	10	15	25	
		Percentage	0.00%	40.00%	60.00%	100.00%	
	Total	Number	12	43	145	200	
		Percentage	6.00%	21.50%	72.50%	100.00%	
	Outside Mizoram	2-4	Number	4	9	31	44
			Percentage	9.10%	20.50%	70.50%	100.00%
5-6		Number	3	12	29	44	
		Percentage	6.80%	27.30%	65.90%	100.00%	
Above 7		Number	1	2	9	12	
		Percentage	8.30%	16.70%	75.00%	100.00%	
Total		Number	8	23	69	100	
		Percentage	8.00%	23.00%	69.00%	100.00%	
Total		2-4	Number	8	21	75	104
			Percentage	7.70%	20.20%	72.10%	100.00%
	5-6	Number	11	33	115	159	
		Percentage	6.90%	20.80%	72.30%	100.00%	
	Above 7	Number	1	12	24	37	
		Percentage	2.70%	32.40%	64.90%	100.00%	
	Total	Number	20	66	214	300	
		Percentage	6.70%	22.00%	71.30%	100.00%	

Source: Sample Survey

4.4.12 Educational Qualification and Financial Behaviour

Table 4.35 reveals the respondent's level of financial behaviour with respect to their educational qualification.

Among the respondents with education qualification of 10th standard, 70.9% of the respondents of Mizoram possessed positive financial behaviour, 23.6% have average financial behaviour and 5.5% have poor financial behaviour. On the other hand, 100% of the respondents from outside Mizoram possessed poor financial behaviour.

Among the respondents who attain 12th standard education, 70.2% of the respondents of Mizoram were found to possess positive financial behaviour, 21.1% with average financial behaviour and the remaining 8.8% attained poor financial behaviour. Further, 60% of the respondents from outside Mizoram possessed positive financial behaviour while 40% were found to have average financial behaviour. The result shows that the percentage of positive financial behaviour is higher among the respondents of Mizoram than respondents from outside Mizoram.

Among the graduate respondents, 76.9% of the respondents of Mizoram possessed positive financial behaviour, 16.9% have average financial behaviour and 6.2% have poor financial behaviour. Whereas among the respondents from outside Mizoram, 70.6% of the respondents were found to have positive financial behaviour, 14.7% average and the remaining 14.7% possessed poor financial behaviour. A comparison between respondents of Mizoram and outside Mizoram shows that consistent with 12th standard respondents the percentage of positive financial behaviour is higher among the graduate respondents of Mizoram.

Among the post-graduate respondents, 69.6% of the respondents of Mizoram were found to have positive financial behaviour while the remaining 30.4% have average financial behaviour and 70.9% of the respondents from outside Mizoram possessed positive financial behaviour, 25.5% average financial behaviour (25.5%) and 3.6% possessed poor financial behaviour (3.6%). In contrast with 10th, 12th and graduate respondents the percentage of positive financial behaviour is higher among the respondents from outside Mizoram.

The overall result shows that among the four categories the highest percentage of positive financial behaviour is possessed by graduates (i.e. 74.7%) followed by post-

graduate (i.e. 70.5%), 10th standard (i.e. 69.6%) and 12th standard (i.e. 68.7%). The finding is in consistent with the findings of Kamboj (2017), Vidya (2017), Sudheshna (2018), NCFE (2019), where Graduate and Post graduate respondents shows a higher percentage of financial behaviour than the lower educational group.

Table 4.35: Classification on the basis of Educational Qualification and Financial Behaviour Level of the Respondents

Place of livelihood			Financial Behaviour Level			Total
			Poor	Average	Positive	
Mizoram	Upto 10th	Number	3	13	39	55
		Percentage	5.50%	23.60%	70.90%	100.00%
	12th	Number	5	12	40	57
		Percentage	8.80%	21.10%	70.20%	100.00%
	Graduation	Number	4	11	50	65
		Percentage	6.20%	16.90%	76.90%	100.00%
	Post-Graduation	Number	0	7	16	23
		Percentage	0.00%	30.40%	69.60%	100.00%
	Total	Number	12	43	145	200
		Percentage	6.00%	21.50%	72.50%	100.00%
Outside Mizoram	Upto 10th	Number	1	0	0	1
		Percentage	100.00%	0.00%	0.00%	100.00%
	12th	Number	0	4	6	10
		Percentage	0.00%	40.00%	60.00%	100.00%
	Graduation	Number	5	5	24	34
		Percentage	14.70%	14.70%	70.60%	100.00%
	Post-Graduation	Number	2	14	39	55
		Percentage	3.60%	25.50%	70.90%	100.00%
	Total	Number	8	23	69	100
		Percentage	8.00%	23.00%	69.00%	100.00%
Total	Upto 10th	Number	4	13	39	56
		Percentage	7.10%	23.20%	69.60%	100.00%
	12th	Number	5	16	46	67
		Percentage	7.50%	23.90%	68.70%	100.00%
	Graduation	Number	9	16	74	99
		Percentage	9.10%	16.20%	74.70%	100.00%

	Post-Graduation	Number	2	21	55	78
		Percentage	2.60%	26.90%	70.50%	100.00%
	Total	Number	20	66	214	300
		Percentage	6.70%	22.00%	71.30%	100.00%

Source: Sample Survey

4.4.13 Annual Income and Financial Behaviour

The below table 4.36 depicts the respondent's level of financial behaviour with respect to their annual income.

Among the respondents with an annual family income of 3-4 lakhs, 68.9% of the respondents of Mizoram falls under the category of positive financial behaviour, 22.0% under the category of average financial behaviour and only 9.1% have poor financial behaviour whereas among the respondents from outside Mizoram, 70% have positive financial behaviour, 20% have average financial behaviour and the remaining 10% have poor financial behaviour. Thus, it is evident from the result that the percentage of positive and poor financial behaviour is slightly higher among the respondents from outside Mizoram.

Among the respondents with an annual income of 4-5 lakhs, it can be seen from the table that majority (i.e. 82.4%) of the respondents of Mizoram possessed positive financial behaviour while the remaining 17.6% have average financial behaviour. On the other hand, 66.7% of the respondents from outside Mizoram possessed positive financial behaviour and the remaining 33.3% of the respondents possessed average financial behaviour. Thus, unlike the previous income group, the respondents of Mizoram have a much higher percentage of positive financial behaviour than respondents from outside Mizoram.

Among the respondents with an annual income of 5-6 lakhs, 81.3% of the respondents were found to have positive financial behaviour while the remaining 18.8% have average financial behaviour. Further, among the respondents from outside Mizoram, 100.0% have positive financial behaviour.

Among the respondents with an annual income of above 6 lakhs, 72.2% of the respondents of Mizoram have positive financial behaviour and the rest 27.8% have average financial behaviour. On the other hand, among the respondents from outside

Mizoram, 57.1% falls in the category of positive financial behaviour, 32.1% in the category of average financial behaviour and only 10.7% have poor. Thus, it is clear from the result that among this income group the percentage of positive financial behaviour is higher among the respondents of Mizoram and also no respondents of Mizoram fall in the category of poor financial behaviour.

Overall result shows that among the four income categories the highest percentage of positive financial behaviour is possessed by respondents with annual income 5-6 lakhs (i.e. 88.5%) followed by 4-5 lakhs (i.e. 76.9%), 3-4 lakhs (i.e. 9.2%) and above 6 lakhs (i.e. 63.0%). The finding contradicts with the findings of Kamboj (2017) and Sudeshna (2018) which their study found that higher income is associated with better positive financial behaviour.

Table 4.36: Classification on the basis of Annual Income and Financial Behaviour Level of the Respondents

Place of livelihood			Financial Behaviour Level			Total
			Poor	Average	Positive	
Mizoram	3-4 lakhs	Number	12	29	91	132
		Percentage	9.10%	22.00%	68.90%	100.00%
	4-5 lakhs	Number	0	6	28	34
		Percentage	0.00%	17.60%	82.40%	100.00%
	5-6 lakhs	Number	0	3	13	16
		Percentage	0.00%	18.80%	81.30%	100.00%
	Above 6 lakhs	Number	0	5	13	18
		Percentage	0.00%	27.80%	72.20%	100.00%
	Total	Number	12	43	145	200
		Percentage	6.00%	21.50%	72.50%	100.00%
Outside Mizoram	3-4 lakhs	Number	5	10	35	50
		Percentage	10.00%	20.00%	70.00%	100.00%
	4-5 lakhs	Number	0	4	8	12
		Percentage	0.00%	33.30%	66.70%	100.00%
	5-6 lakhs	Number	0	0	10	10
		Percentage	0.00%	0.00%	100.00%	100.00%
	Above 6 lakhs	Number	3	9	16	28
		Percentage	10.70%	32.10%	57.10%	100.00%

	Total	Number	8	23	69	100
		Percentage	8.00%	23.00%	69.00%	100.00%
Total	3-4 lakhs	Number	17	39	126	182
		Percentage	9.30%	21.40%	69.20%	100.00%
	4-5 lakhs	Number	0	10	36	46
		Percentage	0.00%	21.70%	78.30%	100.00%
	5-6 lakhs	Number	0	3	23	26
		Percentage	0.00%	11.50%	88.50%	100.00%
	Above 6 lakhs	Number	3	14	29	46
		Percentage	6.50%	30.40%	63.00%	100.00%
	Total	Number	20	66	214	300
		Percentage	6.70%	22.00%	71.30%	100.00%

Source: Sample Survey

4.4.14 Employment and Financial Behaviour

Table 4.37 shows the financial behaviour level of the respondents based on their employment status.

Among Government employees, 74.6% of the respondents of Mizoram possessed positive financial behaviour, 20.6% average and 4.8% have poor financial behaviour. On the other hand, 80.5% of the respondents from outside Mizoram possessed positive financial behaviour, 14.6% possessed average financial behaviour and the remaining 4.9% possessed poor financial behaviour. The result shows that government employees from outside Mizoram have a higher percentage of positive financial behaviour than government employees of Mizoram

Among the non-government employees, 70.4% the respondents of Mizoram possessed positive financial behaviour, 22.2% average financial behaviour and 7.4% have poor financial behaviour. Further among the respondents from outside Mizoram, it was found that 60% have positive financial behaviour, 30.9% have average financial behaviour and 9.1% have poor financial behaviour. In contrast to government employees, non-government employees of Mizoram have a higher percentage of positive financial behaviour than non-government employees from outside Mizoram

Among the self-employed, 68.1% the respondents of Mizoram were found to have positive financial behaviour and the remaining 23.45% and 8.5% possessed

average and poor financial behaviour respectively. Whereas among the respondents from outside Mizoram, 75% were having positive financial behaviour while the remaining 25% possessed poor financial behaviour. Self-employed respondents from outside Mizoram were found have a higher percentage of positive financial behaviour than self-employed people of Mizoram.

Overall result shows that among the three employees, government employees (i.e. 76.0%) have the highest percentage of positive financial behaviour whereas self-employed have the highest percentage of poor financial behaviour. The study is in consistent with the findings of Kamboj (2017), Vidya (2017), Sudeshna (2018) and NCFE (2019) where the study found that government employees has better positive financial behaviour than the non-government and self-employed.

Table 4.37: Classification on the basis of Employment and Financial Behaviour Level of the Respondents

Place of livelihood			Financial Behaviour Level			Total
			Poor	Average	Positive	
Mizoram	Govt.	Number	6	26	94	126
		Percentage	4.80%	20.60%	74.60%	100.00%
	Non-Govt.	Number	2	6	19	27
		Percentage	7.40%	22.20%	70.40%	100.00%
	Self-Employed	Number	4	11	32	47
		Percentage	8.50%	23.40%	68.10%	100.00%
	Total	Number	12	43	145	200
		Percentage	6.00%	21.50%	72.50%	100.00%
Outside Mizoram	Govt.	Number	2	6	33	41
		Percentage	4.90%	14.60%	80.50%	100.00%
	Non-Govt.	Number	5	17	33	55
		Percentage	9.10%	30.90%	60.00%	100.00%
	Self-Employed	Number	1	0	3	4
		Percentage	25.00%	0.00%	75.00%	100.00%
	Total	Number	8	23	69	100
		Percentage	8.00%	23.00%	69.00%	100.00%
Total	Govt.	Number	8	32	127	167
		Percentage	4.80%	19.20%	76.00%	100.00%

	Non-Govt.	Number	7	23	52	82
		Percentage	8.50%	28.00%	63.40%	100.00%
	Self-Employed	Number	5	11	35	51
		Percentage	9.80%	21.60%	68.60%	100.00%
Total		Number	20	66	214	300
		Percentage	6.70%	22.00%	71.30%	100.00%

Source: Sample Survey

4.4.15 Financial Literacy Programme and Financial Behaviour

Table 4.38 represents the respondents' level of financial behaviour with respect to their financial literacy programme attended.

Among the respondents who have attended financial literacy programmes, 87.9% of the respondents of Mizoram falls in the categories of positive financial behaviour while the remaining 12.1 falls in the categories of average financial behaviour. Further, 75% of the respondents from outside Mizoram have positive financial behaviour, 15.0% have average financial behaviour and the rest 10.0% have poor financial behaviour. A comparison between respondents of Mizoram and outside Mizoram shows that the respondents of Mizoram have a higher percentage of positive financial behaviour than respondents from outside Mizoram.

Among the respondents who have not attended financial literacy programmes, 69.55% of the respondents of Mizoram were found to have positive financial behaviour, 23.4% have average financial behaviour and 7.2% have poor financial behaviour. On the other hand, 67.5% of the respondents from outside Mizoram have positive financial behaviour, 25.0% have average financial behaviour and the remaining 7.5% have poor financial behaviour. The result shows that the percentage of positive financial behaviour is higher among the respondents of Mizoram than respondents from outside Mizoram.

The overall result shows that among the respondents who have not attended any financial literacy programme the percentage of positive financial behaviour was 68.8% whereas it was 83.0% among the respondents who have attended financial literacy programme.

Table 4.38: Classification on the basis of Financial Literacy Programme and Financial Behaviour Level of the Respondents

Place of livelihood			Financial Behaviour Level			Total
			Poor	Average	Positive	
Mizoram	Yes	Number	0	4	29	33
		Percentage	0.00%	12.10%	87.90%	100.00%
	No	Number	12	39	116	167
		Percentage	7.20%	23.40%	69.50%	100.00%
	Total	Number	12	43	145	200
		Percentage	6.00%	21.50%	72.50%	100.00%
Outside Mizoram	Yes	Number	2	3	15	20
		Percentage	10.00%	15.00%	75.00%	100.00%
	No	Number	6	20	54	80
		Percentage	7.50%	25.00%	67.50%	100.00%
	Total	Number	8	23	69	100
		Percentage	8.00%	23.00%	69.00%	100.00%
Total	Yes	Number	2	7	44	53
		Percentage	3.80%	13.20%	83.00%	100.00%
	No	Number	18	59	170	247
		Percentage	7.30%	23.90%	68.80%	100.00%
	Total	Number	20	66	214	300
		Percentage	6.70%	22.00%	71.30%	100.00%

Source: Sample Survey

4.5 Financial Attitude

Financial Attitude also forms an important component of financial literacy. For the evaluation of financial attitude, the respondents were asked 3 questions related to their financial attitude i.e., the extent of belief in planning, propensity to save and propensity to consume. The financial attitude questions were presented in the form of statements and the respondents were asked to state their attitude using 5 points Likert's scale (Completely Agree, Agree, Uncertain, Disagree and Completely Disagree). Since the statements are negatively worded, disagreement represents a positive attitude. The level of financial attitude among the respondents is classified into 3 categories, Positive Financial Attitude, Average Financial Attitude and Poor Financial Attitude. A scale used by Desdemona and Sreekala (2015) was adopted. Based on the total score the respondents were group into 3 categories:

1. Poor Financial Attitude : Score less than 3
2. Average Financial Attitude : Score of 3
3. Positive Financial Attitude : Score of 4 and above

4.5.1 Propensity to save

Table 4.38 represents the respondent's response to the statement "I find it more satisfying to spend money than to save it for the long term". Among the respondents from Mizoram,

- 36% of the respondents agree with the statement
- 12% of the respondents were uncertain and
- 52% of the respondents disagree with the statement

Among the respondents from outside Mizoram,

- 34 % of the respondents agree with the statement
- 13% of the respondents were uncertain and,
- 53% of the respondents disagree with the statement.

The overall result shows that 35.3% of the respondents agree with the statement, 12.3% were uncertain and 52.3% of the respondents disagree with the statement. The all India level report also shows that 11% of the respondents agree with the statement, 13% were uncertain and 76% of the respondents disagree with the statement (NCFE 2019). The result shows that positive attitude towards the propensity to save money is

very low as compared to the national level. The result also shows that the attitude towards long term saving is not high among both the respondents of Mizoram and Outside Mizoram.

Table 4.39: Respondents Propensity to Save

		I find it more satisfying to spend money than to save it for the long term					Total
		Completely disagree	Disagree	Uncertain	Agree	Completely Agree	
Mizoram	Number	26	78	24	57	15	200
	%	13.00%	39.00%	12.00%	28.50%	7.50%	100.00%
Outside Mizoram	Number	22	31	13	22	12	100
	%	22.00%	31.00%	13.00%	22.00%	12.00%	100.00%
Total	Number	48	109	37	79	27	300
	%	16.00%	36.30%	12.30%	26.30%	9.00%	100.00%

Source: Sample Survey

4.5.2 Belief in Planning

Table 4.39 presents the respondent's response to the statement “I tend to love for today and let tomorrow take care of itself”. Among the respondents from Mizoram,

- 14% of the respondents agree with the statement
- 12% of the respondents were uncertain, and
- 74% of the respondents disagree with the statement.

Among the respondents from outside Mizoram,

- 37% of the respondents agree with the statement
- 16% of the respondents were uncertain, and
- 57% of the respondents disagree with the statement.’

The overall result shows that 18.3% of the respondents agree with the statement, 13.3% were uncertain and the majority 68.3% of the respondents disagree with the statement, which means that the majority 68.3% have a positive attitude towards the statement. The all India level report also shows that 14.0% of the respondents agree with the statement, 15.0% were uncertain and 71.0% of the respondents disagree with the statement (NCFE 2019). This shows that the percentage of positive financial attitude

towards planning for the future is lower than the national level. The table also shows that the respondents of Mizoram (i.e. 74%) have a more positive attitude towards the statement than respondents from outside Mizoram (i.e. 57%).

Table 4.40: Planning for Future

		I tend to live for today and let tomorrow take care of itself					Total
		Completel y disagree	Disagree	Uncertain	Agree	Completel y Agree	
Mizoram	Number	39	109	24	22	6	200
	%	19.50%	54.50%	12.00%	11.00%	3.00%	100.00%
Outside Mizoram	Number	6	51	16	12	15	100
	%	6.00%	51.00%	16.00%	12.00%	15.00%	100.00%
Total	Number	45	160	40	34	21	300
	%	15.00%	53.30%	13.30%	11.30%	7.00%	100.00%

Source: Sample Survey

4.5.3 Spending Money

Table 4.40 presents the respondent's attitude towards the statement “Money is there to spend”. Among the respondents from Mizoram

- 71.5% of the respondents agree with the statement
- 7.5% of the respondents were uncertain, and
- 11% of the respondents disagree with the statement.

Among the respondents from outside Mizoram,

- 46% of the respondents agree with the statement
- 19% of the respondents were uncertain, and
- 35% of the respondents disagree with the statement.

The overall result shows that 69.7% of the respondents agree with the statement, 11.3% were uncertain and only 19% of the respondents disagree with the statement, which means that only 19% of the total respondents have a positive attitude towards the statement. The all India level report also shows that 7.0% of the respondents agree with the statement, 24.0% were uncertain and 69.0% of the respondents disagree with the statement (NCFE 2019). Thus, in comparison to the national level, the percentage

of positive attitudes towards savings is very low among the respondents. The result also shows that only 11% of the respondents have a positive attitude towards the statement as compared to 35% from the respondents from outside Mizoram.

Table 4.41: Respondents Attitudes toward Spending of Money

		Money is there to spent					Total
		Completel y disagree	Disagree	Uncertain	Agree	Completel y Agree	
Mizoram	Number	7	15	15	117	46	200
	%	3.50%	7.50%	7.50%	58.50%	23.00%	100.00%
Outside Mizoram	Number	5	30	19	38	8	100
	%	5.00%	30.00%	19.00%	38.00%	8.00%	100.00%
Total	Number	12	45	34	155	54	300
	%	4.00%	15.00%	11.30%	51.70%	18.00%	100.00%

Source: Sample Survey

4.5.4 Gender and Financial Attitude

Table 4.41 represents the level of financial attitude of the respondents with respect to their gender.

Among the male respondents, only 15.3% of Mizoram indicated a positive financial attitude, 44.1% indicated average and the rest 40.5% of the respondents indicated a poor level of financial attitude. On the other hand, 26.2% of the respondents from outside Mizoram possessed a positive financial attitude, 30.8% possessed average and 43.1% possessed a poor level of financial attitude. The result shows that the percentage of positive and poor financial attitude is higher among the respondents from outside Mizoram.

Among female respondents, 12.4% of the respondents of Mizoram have positive, 48.3% average and 39.3% have a poor level of financial attitude. Further, among the female respondents from outside Mizoram, 14.3% have positive, 60% have average and 25.7% have a poor level of financial attitude. Consistent with the findings of Male respondents' Female respondents from outside Mizoram possessed a higher percentage of positive financial attitude than female respondents from Mizoram.

The overall result shows that only 19.3% of male and 12.9% of female respondents possessed a positive financial attitude. The finding is in contrast with the findings of Herdjiona et. al. (2018) in which no difference was found between the financial attitude of male and female respondents and also with the findings of the OECD (2017) survey among G20 countries and INFE (2019) survey on all India where their findings highlighted that female respondent shows higher positive attitude than male respondents.

Table 4.42: Classification on the basis of Gender and Financial Attitude Level of the Respondents

Place of livelihood			Financial Attitude Level			Total
			Poor	Average	Positive	
Mizoram	Male	Number	45	49	17	111
		Percentage	40.50%	44.10%	15.30%	100.00%
	Female	Number	35	43	11	89
		Percentage	39.30%	48.30%	12.40%	100.00%
	Total	Number	80	92	28	200
		Percentage	40.00%	46.00%	14.00%	100.00%
Outside Mizoram	Male	Number	28	20	17	65
		Percentage	43.10%	30.80%	26.20%	100.00%
	Female	Number	9	21	5	35
		Percentage	25.70%	60.00%	14.30%	100.00%
	Total	Number	37	41	22	100
		Percentage	37.00%	41.00%	22.00%	100.00%
Total	Male	Number	73	69	34	176
		Percentage	41.50%	39.20%	19.30%	100.00%
	Female	Number	44	64	16	124
		Percentage	35.50%	51.60%	12.90%	100.00%
	Total	Number	117	133	50	300
		Percentage	39.00%	44.30%	16.70%	100.00%

Source: Sample Survey

4.5.5 Age and Financial Attitude

Table 4.42 represents the respondents' level of financial attitude with respect to their age. Among the age group of upto 30 years, 57.5% of the respondents of Mizoram possessed an average level of financial attitude while the rest 42.5% of the respondents possessed a poor level of financial attitude and among the respondents from outside Mizoram 16.2% have positive, 48.6% have average and 35.1% have poor financial attitude. The result shows that the percentage of respondents with a positive financial attitude is very low among both the respondents of Mizoram and outside Mizoram.

Among the age group of 31-40 years, 10.7% of the respondents of Mizoram reflected positive financial attitude, 48.2% possessed average and the remaining 41.1% were found to possessed poor financial attitude. Whereas among the respondents from outside Mizoram, 27.8% indicated positive, 38.9% indicated average and the remaining 33.3% indicated poor financial attitude. The result shows that among this age category the respondents having a positive financial attitude is higher among the respondents from outside Mizoram.

Among the age group of 41-50 years, the respondents of Mizoram have 21.2% positive, 40.4% have average level and 38.5% have poor financial attitude. On the other hand, 24% of the respondents from outside Mizoram have a positive financial attitude, 32 % average level and 44% have poor financial attitude. The result shows that among the age category of 31-40 years the percentage of respondents with positive financial attitude is slightly higher among the respondents from outside Mizoram.

Among the age group of above 50 years, 21.2% of the respondents of Mizoram indicated positive, 40.4% average and 38.5% indicated poor financial attitude. Further, among the respondents from outside Mizoram, 50% possessed an average financial attitude while 50% possessed a poor financial attitude. The result shows that in contrast with the other age group the percentage of positive financial attitude is higher among the respondents of Mizoram than the respondents from outside Mizoram.

The overall result shows that among the different age categories the highest percentage of positive financial attitude is possessed by the age group between 41-50 years (i.e. 22.1%) followed by above 50 years (i.e. 20.4%), 31-40 years (i.e. 17.4%) and upto 30 years (i.e. 7.8%). It can be concluded from the result that the percentage

of positive financial attitude is higher among the higher age group which is in consistent with the findings of Vidya (2017), Kamboj (2017) and NCFE (2019) where their finding shows an increase in the financial attitude with the increase in the age of the respondents.

Table 4.43: Classification on the basis of Age and Financial Attitude Level of the Respondents

Place of livelihood			Financial Attitude Level			Total
			Poor	Average	Positive	
Mizoram	Upto 30	Number	17	23	0	40
		Percentage	42.50%	57.50%	0.00%	100.00%
	Between 31-40	Number	23	27	6	56
		Percentage	41.10%	48.20%	10.70%	100.00%
	Between 41-50	Number	20	21	11	52
		Percentage	38.50%	40.40%	21.20%	100.00%
	Above 50	Number	20	21	11	52
		Percentage	38.50%	40.40%	21.20%	100.00%
	Total	Number	80	92	28	200
		Percentage	40.00%	46.00%	14.00%	100.00%
Outside Mizoram	Upto 30	Number	13	18	6	37
		Percentage	35.10%	48.60%	16.20%	100.00%
	Between 31-40	Number	12	14	10	36
		Percentage	33.30%	38.90%	27.80%	100.00%
	Between 41-50	Number	11	8	6	25
		Percentage	44.00%	32.00%	24.00%	100.00%
	Above 50	Number	1	1	0	2
		Percentage	50.00%	50.00%	0.00%	100.00%
	Total	Number	37	41	22	100
		Percentage	37.00%	41.00%	22.00%	100.00%
Total	Upto 30	Number	30	41	6	77
		Percentage	39.00%	53.20%	7.80%	100.00%
	Between 31-40	Number	35	41	16	92
		Percentage	38.00%	44.60%	17.40%	100.00%
	Between 41-50	Number	31	29	17	77
		Percentage	40.30%	37.70%	22.10%	100.00%

	Above 50	Number	21	22	11	54
		Percentage	38.90%	40.70%	20.40%	100.00%
	Total	Number	117	133	50	300
		Percentage	39.00%	44.30%	16.70%	100.00%

Source: Sample Survey

4.5.6 Number of Family Members and Financial Attitude

Table 4.44 depicts the respondents' level of financial attitude with respect to their number of family members. Among the family with 2-4 members, 11.7% of the respondents of Mizoram indicated a positive financial attitude, 48.3% indicated average financial attitude and 40% indicated financial attitude. Whereas among the respondents from outside Mizoram, 20.5% have a positive financial attitude, 43.2% have an average financial attitude and 36.4% have a poor financial attitude. The result shows that the percentage of positive financial attitude is higher among the respondents from outside Mizoram.

Among the respondents of Mizoram with 5-6 members, 17.4% of the respondents indicated a positive financial attitude, 42.6% average and the remaining 40% have poor financial attitude. In comparison, 25% of the respondents from outside Mizoram possessed a positive financial attitude, 43.2% have an average financial attitude and 31.8% have a poor financial attitude. The results show that respondents from outside Mizoram have a higher percentage of positive financial attitudes.

Among the number of family members with 7 and above, only 4% of the respondents of Mizoram possessed a positive financial attitude, 56% have an average financial attitude and 40% have a poor financial attitude. On the other hand, 16.7% of the respondents from outside Mizoram possessed a positive financial attitude, 25% with average financial attitude and a majority 58.3% possessed a poor financial attitude. The result shows that only 4% of the respondents from Mizoram have a positive financial attitude which is lesser than the respondents who possessed a positive financial attitude among the respondents from outside Mizoram.

The overall result shows that among the different categories the highest percentage of positive financial attitude is possessed by family members with 5-6 members (i.e. 19.5%), followed by 2-4 members (i.e. 15.4%) and above 7 (i.e. 8.1%).

Table 4.44: Classification on the basis of Number of Family Members and Financial Attitude Level of the Respondents

Place of livelihood			Financial Attitude Level			Total	
			Poor	Average	Positive		
Mizoram	2-4	Number	24	29	7	60	
		Percentage	40.00%	48.30%	11.70%	100.00%	
	5-6	Number	46	49	20	115	
		Percentage	40.00%	42.60%	17.40%	100.00%	
	Above 7	Number	10	14	1	25	
		Percentage	40.00%	56.00%	4.00%	100.00%	
	Total	Number	80	92	28	200	
		Percentage	40.00%	46.00%	14.00%	100.00%	
	Outside Mizoram	2-4	Number	16	19	9	44
			Percentage	36.40%	43.20%	20.50%	100.00%
5-6		Number	14	19	11	44	
		Percentage	31.80%	43.20%	25.00%	100.00%	
Above 7		Number	7	3	2	12	
		Percentage	58.30%	25.00%	16.70%	100.00%	
Total		Number	37	41	22	100	
		Percentage	37.00%	41.00%	22.00%	100.00%	
Total		2-4	Number	40	48	16	104
			Percentage	38.50%	46.20%	15.40%	100.00%
	5-6	Number	60	68	31	159	
		Percentage	37.70%	42.80%	19.50%	100.00%	
	Above 7	Number	17	17	3	37	
		Percentage	45.90%	45.90%	8.10%	100.00%	
	Total	Number	117	133	50	300	
		Percentage	39.00%	44.30%	16.70%	100.00%	

Source: Sample Survey

4.5.7 Educational Qualification and Financial Attitude

Table 4.45 highlights the respondent's level of financial attitude with respect to their educational qualification.

Among the respondents of Mizoram with education qualification of upto 10th standard, 18.2% possessed positive financial attitude, 36.4% have average financial attitude and 45.5% have poor financial attitude. On the other hand, 100% of the respondents from outside Mizoram possessed a poor financial attitude.

Among the respondents who attain 12th standard education of Mizoram, 12.3% of the respondents show positive financial attitude, 49.1% have average financial attitude and the remaining 38.6% have poor financial attitude. Further, among the respondents from outside Mizoram, 10% of the respondents were found to have a positive financial attitude, 60% with average and the remaining 30% have poor financial attitude. The result clearly shows that the percentage of positive financial attitude is higher among the respondents of Mizoram than respondents of outside Mizoram.

Among the graduate respondents of Mizoram, 12.3% have a positive financial attitude, 50.8% have an average financial attitude and 36.9% have a poor financial attitude. In comparison, among the respondents from outside Mizoram, 38.2% indicated a positive financial attitude, 29.4% average and 32.4% shows a poor financial attitude. It can be seen from the result that the percentage of positive financial attitude is higher among the respondents from outside Mizoram.

Among the post-graduate respondents of Mizoram, 13% have a positive financial attitude, 47.8% have an average financial attitude and 39.1% have a poor financial attitude. On the other hand, 14.5% of the respondents from outside Mizoram possessed a positive financial attitude, 45.5% possessed an average financial attitude and the remaining 40% have a poor financial attitude (i.e. 40.0%). A comparison between respondents of Mizoram and outside Mizoram shows that the percentage of positive financial attitude is higher among the post-graduate respondents of outside Mizoram.

The overall result shows that among the different categories the highest percentage of positive financial attitude is possessed by Graduate (i.e. 21.2%) followed by 10th standard (i.e. 17.9%), Post graduate (i.e. 14.1%) and 12th standard (i.e. 11.9%).

The result also shows that the percentage of poor financial attitude is highest among the less educated respondents. The finding is in contrast with the findings of NCFE (2019) where financial attitude is highest among the respondents who does not have formal education and financial attitude decreases with the increase in education of the respondents.

Table 4.45: Classification on the basis of Educational Qualification and Financial Attitude Level of the Respondents

Place of livelihood			Financial Attitude Level			Total	
			Poor	Average	Positive		
Mizoram	Upto 10	Number	25	20	10	55	
		Percentage	45.50%	36.40%	18.20%	100.00%	
	12th	Number	22	28	7	57	
		Percentage	38.60%	49.10%	12.30%	100.00%	
	Graduation	Number	24	33	8	65	
		Percentage	36.90%	50.80%	12.30%	100.00%	
	Post-Graduation	Number	9	11	3	23	
		Percentage	39.10%	47.80%	13.00%	100.00%	
	Total	Number	80	92	28	200	
		Percentage	40.00%	46.00%	14.00%	100.00%	
	Outside Mizoram	Upto 10	Number	1	0	0	1
			Percentage	100.00%	0.00%	0.00%	100.00%
		12th	Number	3	6	1	10
			Percentage	30.00%	60.00%	10.00%	100.00%
Graduation		Number	11	10	13	34	
		Percentage	32.40%	29.40%	38.20%	100.00%	
Post-Graduation		Number	22	25	8	55	
		Percentage	40.00%	45.50%	14.50%	100.00%	
Total		Number	37	41	22	100	
		Percentage	37.00%	41.00%	22.00%	100.00%	
Total		Upto 10	Number	26	20	10	56

		Percentage	46.40%	35.70%	17.90%	100.00%
	12th	Number	25	34	8	67
		Percentage	37.30%	50.70%	11.90%	100.00%
	Graduation	Number	35	43	21	99
		Percentage	35.40%	43.40%	21.20%	100.00%
	Post-Graduation	Number	31	36	11	78
		Percentage	39.70%	46.20%	14.10%	100.00%
	Total	Number	117	133	50	300
		Percentage	39.00%	44.30%	16.70%	100.00%

Source: Sample Survey

4.5.8 Annual Income and Financial Attitude

Table 4.46 depicts the respondents' level of financial attitude with respect to their annual income.

Among the respondents of Mizoram with an annual income of 3-4 lakhs, 12.9% have a positive financial attitude, 40.2% have an average financial attitude and a majority 47.0% have poor financial attitude, whereas among the respondents from outside Mizoram, 26% have a positive financial attitude, 34% have an average financial attitude and 40% have a poor financial attitude.

Among the respondents with an annual income of 4-5 lakhs of Mizoram, 5.9% possessed a positive financial attitude, 70.6% have average financial attitude and 23.5% have poor financial attitude. On the other hand, it was 33.3% positive financial attitude, 33.3% average financial attitude and 33.3% poor financial attitude among the respondents from outside Mizoram.

Among the respondents with an annual income of 5-6 lakhs of Mizoram, 25.0% possessed a positive financial attitude, 37.5% have average financial attitude and 37.5% have poor financial attitude. Further, among the respondents from outside Mizoram, 40% of the respondents were found to have an average financial attitude and 60% have a poor financial attitude.

Among the respondents with an annual income of above 6 lakhs, 27.8% of the respondents of Mizoram possessed a positive financial attitude, 50.0% have an average financial attitude and 22.2% have a poor financial attitude. Whereas among the

respondents from outside Mizoram, 17.9% possessed a positive financial attitude, 57.1% have an average financial attitude and 25% have a poor financial attitude.

The overall result shows that among the different categories the highest percentage of positive financial attitude is possessed by the income of above 6 lakhs (i.e. 21.7%), followed by 3-4 lakhs (i.e. 16.5%), 5-6 lakhs (i.e. 15.4%) and 4-5 lakhs (i.e. 13%). The study is in consistent with the findings of Kamboj (2017) and Sudeshna (2018) where their findings show that financial attitude is highest among the highest income group.

**Table 4.46: Classification on the basis of Annual Income and Financial Attitude
Level of the Respondents**

Place of livelihood			Financial Attitude Level			Total	
			Poor	Average	Positive		
Mizoram	3-4 lakhs	Number	62	53	17	132	
		Percentage	47.00%	40.20%	12.90%	100.00%	
	4-5 lakhs	Number	8	24	2	34	
		Percentage	23.50%	70.60%	5.90%	100.00%	
	5-6 lakhs	Number	6	6	4	16	
		Percentage	37.50%	37.50%	25.00%	100.00%	
	Above 6 lakhs	Number	4	9	5	18	
		Percentage	22.20%	50.00%	27.80%	100.00%	
	Total	Number	80	92	28	200	
		Percentage	40.00%	46.00%	14.00%	100.00%	
	Outside Mizoram	3-4 lakhs	Number	20	17	13	50
			Percentage	40.00%	34.00%	26.00%	100.00%
4-5 lakhs		Number	4	4	4	12	
		Percentage	33.30%	33.30%	33.30%	100.00%	
5-6 lakhs		Number	6	4	0	10	
		Percentage	60.00%	40.00%	0.00%	100.00%	
Above 6 lakhs		Number	7	16	5	28	
		Percentage	25.00%	57.10%	17.90%	100.00%	
Total		Number	37	41	22	100	
		Percentage	37.00%	41.00%	22.00%	100.00%	

Total	3-4 lakhs	Number	82	70	30	182
		Percentage	45.10%	38.50%	16.50%	100.00%
	4-5 lakhs	Number	12	28	6	46
		Percentage	26.10%	60.90%	13.00%	100.00%
	5-6 lakhs	Number	12	10	4	26
		Percentage	46.20%	38.50%	15.40%	100.00%
	Above 6 lakhs	Number	11	25	10	46
		Percentage	23.90%	54.30%	21.70%	100.00%
	Total	Number	117	133	50	300
		Percentage	39.00%	44.30%	16.70%	100.00%

Sample Survey

4.5.9 Employment and Financial Attitude

Table 4.47 shows the financial attitude level of the respondents based on their employment status.

Among the government employees of Mizoram only 15.9% of the respondents possessed positive financial attitude, 41.3% of the respondents possessed average financial attitude and 42.9% of the respondents possessed poor financial attitude whereas it was positive financial attitude (i.e. 36.6%), average financial attitude (i.e. 34.1%) and poor financial attitude (i.e.29.3%). Among the government employees from outside Mizoram.

Among the non-government employees, the respondents from Mizoram possessed positive financial attitude (i.e. 11.1%), average financial attitude (i.e. 55.6%) and poor financial attitude (i.e. 33.3%) whereas it was positive financial attitude (i.e. 12.7%), average financial attitude (i.e. 45.5%) and poor financial attitude (41.8%) among the non-government employees from outside Mizoram.

Among the self-employed the respondents from Mizoram possessed positive financial attitude (i.e. 10.6%), average financial attitude (i.e. 52.2%) and poor financial attitude (i.e. 36.2%) whereas it was average financial attitude (i.e. 50.0%) and poor financial attitude (i.e. 50.0%) among the self-employed from outside Mizoram.

The overall result shows that among the three employees the highest percentage of positive financial attitude is possessed by government employees (i.e.

21.0%) followed by non-government employees (i.e. 12.2%) and self-employed (i.e. 9.8%). Vidya (2017) and Sudheshna (2018) also found that government employees possessed a higher percentage of positive financial attitude than the non-government and self-employed whereas the findings of Kamboj (2017) and NCFE (2019) shows the percentage of positive financial attitude highest among the self-employed.

Table 4.47: Classification on the basis of Employment and Financial Attitude Level of the Respondents

Place of livelihood			Financial Attitude Level			Total
			Poor	Average	Positive	
Mizoram	Govt.	Number	54	52	20	126
		Percentage	42.90%	41.30%	15.90%	100.00%
	Non-Govt.	Number	9	15	3	27
		Percentage	33.30%	55.60%	11.10%	100.00%
	Self-Employed	Number	17	25	5	47
		Percentage	36.20%	53.20%	10.60%	100.00%
	Total	Number	80	92	28	200
		Percentage	40.00%	46.00%	14.00%	100.00%
Outside Mizoram	Govt.	Number	12	14	15	41
		Percentage	29.30%	34.10%	36.60%	100.00%
	Non-Govt.	Number	23	25	7	55
		Percentage	41.80%	45.50%	12.70%	100.00%
	Self-Employed	Number	2	2	0	4
		Percentage	50.00%	50.00%	0.00%	100.00%
	Total	Number	37	41	22	100
		Percentage	37.00%	41.00%	22.00%	100.00%
Total	Govt.	Number	66	66	35	167
		Percentage	39.50%	39.50%	21.00%	100.00%
	Non-Govt.	Number	32	40	10	82
		Percentage	39.00%	48.80%	12.20%	100.00%
	Self-Employed	Number	19	27	5	51
		Percentage	37.30%	52.90%	9.80%	100.00%
	Total	Number	117	133	50	300
		Percentage	39.00%	44.30%	16.70%	100.00%

Sample Survey

4.5.10 Financial literacy programme and Financial Attitude

Table 4.48 represents the financial attitude level of the respondents with respect to their financial literacy programmes attended.

Among the respondents who have attended financial literacy programmes, 15.2% of the respondents of Mizoram have a positive financial attitude, 51.2% have an average financial attitude and 33.3% have a poor financial attitude. Further, among the respondents from outside Mizoram, 10.0% of the respondents have a positive financial attitude, 15.0% have an average financial attitude and the rest 75.0% have a poor financial attitude. A comparison between respondents of Mizoram and outside Mizoram shows that the respondents of Mizoram have a higher percentage of positive and average financial attitude whereas the percentage of poor financial attitude is higher among the respondents from outside Mizoram.

Among the respondents who have not attended financial literacy programmes, 13.8% of the respondents of Mizoram have a positive financial attitude, 44.9% have an average financial attitude and 41.3% have a poor financial attitude. On the other hand, 25% of the respondents from outside Mizoram have a positive financial attitude, 47.5% have an average financial attitude and 27.5% have a poor financial attitude. The result shows that the percentage of positive and average financial attitude is higher among the respondents from outside Mizoram whereas the percentage of poor financial attitude is higher among the respondents of Mizoram.

The overall result shows that among the respondents who have not attended any financial literacy programme the percentage of positive financial attitude was 17.4% whereas it was 13.2% among the respondents who have attended financial literacy programmes.

Table 4.48: Classification on the basis of Financial Literacy Programme and Financial Attitude Level of the Respondents

Place of livelihood			Financial Attitude Level			Total
			Poor	Average	Positive	
Mizoram	Yes	Number	11	17	5	33
		Percentage	33.30%	51.50%	15.20%	100.00%
	No	Number	69	75	23	167
		Percentage	41.30%	44.90%	13.80%	100.00%
	Total	Number	80	92	28	200
		Percentage	40.00%	46.00%	14.00%	100.00%
Outside Mizoram	Yes	Number	15	3	2	20
		Percentage	75.00%	15.00%	10.00%	100.00%
	No	Number	22	38	20	80
		Percentage	27.50%	47.50%	25.00%	100.00%
	Total	Number	37	41	22	100
		Percentage	37.00%	41.00%	22.00%	100.00%
Total	Yes	Number	26	20	7	53
		Percentage	49.10%	37.70%	13.20%	100.00%
	No	Number	91	113	43	247
		Percentage	36.80%	45.70%	17.40%	100.00%
	Total	Number	117	133	50	300
		Percentage	39.00%	44.30%	16.70%	100.00%

Source: Sample survey

4.6 Conclusion

It can be concluded from this chapter that respondents are quite aware of different financial terms such as division, time value of money, interest paid on loan, simple interest, risk and return and inflation whereas the understanding of compound interest and diversification was poor among the respondents. Respondents demonstrate positive behaviour towards purchase consideration, bill payment, financial affairs and long-term goals while only half of the respondents have a

household budget. The researcher also found that while the respondents had favourable financial knowledge and behaviour, their financial attitudes were quite poor where more than one-third of the respondents possessed poor financial attitude resulting in a decline in their financial literacy level. The result also suggests that the level of financial knowledge and financial attitude is higher among the respondents from outside Mizoram, whereas the financial behaviour level is higher among the respondents of Mizoram.

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CHAPTER 5

FACTORS DETERMINING FINANCIAL LITERACY

5.1 Introduction

Financial Literacy has become one of the top priorities in most of countries. It helps an individual in proper management of finances. It entails understanding financial products and services as well as possessing the necessary skills for sound financial management. Lack of financial literacy can result in poor spending decisions, increased debt, and a wealth gap between generations. Learning to be financially literate yields immediate results as well as long-term gains. Therefore, the chapter endeavours to measure the Financial Literacy level and the factors determining the Financial Literacy level of the respondents through the data that has been gathered and also to analyse empirical evidence and observations in order to find an answer for the study. Hypothesis related to various socio-economic and demographic variables has also been tested.

5.2 Financial Literacy

Financial Literacy is a combination of financial knowledge, financial behaviour and financial attitude (OECD 2016). For obtaining the financial literacy level of the respondents the score of the respondents in each variable was summed up. Financial Literacy score is determined by taking a weighted average of Financial Knowledge score, Financial Behaviour score and Financial Attitude score. Weights used are 50% for Financial Knowledge, 30% for Financial Behaviour and 20% for Financial Attitude. The aggregate score of 1 to 3 is considered as low financial literacy, a score of 4 to 5 was considered as average financial literacy and a score of 6 and above was considered as high financial literacy.

5.2.1 Gender and financial literacy level

Table 5.1 highlights the financial literacy level of the respondents based on their gender. It can be seen from the table that among 111 male respondents of Mizoram, 47 respondents (i.e. 43.3%) have high financial literacy while the remaining 64 respondents (i.e. 57.5%) have average financial literacy. Whereas, among 65 male respondents from outside Mizoram, 37 respondents (i.e. 56.9%) have high financial literacy and the remaining 28 respondents (i.e. 43.1%) have an average financial literacy level. Thus, it is evident from the result that majority of the respondents of Mizoram possessed average financial literacy while the majority of the respondents from outside Mizoram possessed high financial literacy. The percentage of high financial literacy is higher among respondents from outside Mizoram and also no male respondents of Mizoram and from outside Mizoram possessed low financial literacy.

Among 89 female respondents of Mizoram, 36 respondents (i.e. 40.40%) indicated high financial literacy, 50 respondents (i.e. 56.20%) indicated average and the remaining 3 respondents (i.e. 3.40%) indicated low financial literacy. On the other hand, out of 35 female respondents from outside Mizoram, 24 respondents indicated high financial literacy (i.e. 68.6%) while 11 respondents (i.e. 31.4%) indicated average financial literacy. Thus, it can be seen from the result that majority of female respondents of Mizoram possessed average financial literacy whereas majority of the female respondents from outside Mizoram possessed high financial literacy. The result also shows that female respondents from outside Mizoram possessed a higher percentage of high financial literacy than female respondents of Mizoram.

The overall result shows that not much difference was found between financial literacy of male and female respondents which is in contrast with the findings of Fonseca, et al. (2009), Ford and Kent (2010), Lusardi and Mitchell (2011), Olga and Kharchenko (2011), Jariwala (2012), G20 OECD (2017), NCFE (2019) and OECD (2020) where male respondents show a higher percentage of high financial literacy level.

Table 5.1: Classification on the basis of Gender and Financial Literacy level of the Respondents

Place of livelihood			Financial Literacy level			Total
			Low	Average	High	
Mizoram	Male	Number	0	64	47	111
		Percentage	0.00%	57.70%	42.30%	100.00%
	Female	Number	3	50	36	89
		Percentage	3.40%	56.20%	40.40%	100.00%
	Total	Number	3	114	83	200
		Percentage	1.50%	57.00%	41.50%	100.00%
Outside Mizoram	Male	Number	-	28	37	65
		Percentage	-	43.10%	56.90%	100.00%
	Female	Number	-	11	24	35
		Percentage	-	31.40%	68.60%	100.00%
	Total	Number	-	39	61	100
		Percentage	-	39.00%	61.00%	100.00%
Total	Male	Number	0	92	84	176
		Percentage	0.00%	52.30%	47.70%	100.00%
	Female	Number	3	61	60	124
		Percentage	2.40%	49.20%	48.40%	100.00%
	Total	Number	3	153	144	300
		Percentage	1.00%	51.00%	48.00%	100.00%

Source: Sample survey

5.2.2 Age and financial literacy level

Table 5.2 represents the respondent's level of financial literacy with respect to their age. Among the age group of upto 30 years, only 27.5% of the respondents of Mizoram were found to have high financial literacy while more than one-third (i.e. 72.5%) of the respondents have average financial literacy. On the other hand, 51.4% of the respondents from outside Mizoram have high financial literacy and 48.6% have average financial literacy. It is evident from the result that among the age category of

upto 30 years, the respondents from outside Mizoram have a higher percentage of high financial literacy as compared to the respondents from Mizoram.

Among the age group of 31-40 years, 41.1% of the respondents of Mizoram possessed high financial literacy, 53.6% possessed average financial literacy and 5.4% possessed low financial literacy. Further, among the respondents from outside Mizoram, 69.4% possessed high financial literacy while 30.6% possessed average financial literacy. Thus, the result shows that the respondents from outside Mizoram are more financially literate than the respondents of Mizoram.

Among the age group of 41-50 years, 44.2% of the respondents of Mizoram have shown high financial literacy while more than half (i.e. 55.8%) have shown average financial literacy. On the other hand, majority of the respondents from outside Mizoram have shown high financial literacy and 32% average financial literacy. The result shows that among the age group of 41-50 years, respondents from outside Mizoram have a higher percentage of high financial literacy.

Among the age group of above 50 years, half of the respondents (i.e. 50%) of Mizoram indicated high financial literacy and 50% of the respondents have average financial literacy whereas, among the respondents from outside Mizoram, 100% of the respondents have shown average financial literacy. The result clearly shows that among the age group of above 50 years, respondents of Mizoram have a higher percentage of high financial literacy.

The overall result shows that among the four age groups the highest percentage of high financial literacy is possessed by the age group 31-40 years (i.e. 52.2%), followed by 41-50 years (i.e. 51.9%), above 50 years (i.e. 48.1%) and upto 30 years (i.e. 39.0%). The study is in congruent with the findings of Kamboj (2017), OECD (2020) where the finding shows that the age group of below 30 has the least percentage of good financial literacy level. The findings also support the results of Ali & Mbarire (2014) in which the result shows that the financial literacy level was low among the young and old respondents and was high among the middle-aged respondents.

Table 5.2: Classification on the basis of Age and Financial Literacy level of the Respondents

Place of livelihood			Financial Literacy level			Total
			Low	Average	High	
Mizoram	Upto 30	Number	0	29	11	40
		Percentage	0.00%	72.50%	27.50%	100.00%
	Between 31-40	Number	3	30	23	56
		Percentage	5.40%	53.60%	41.10%	100.00%
	Between 41-50	Number	0	29	23	52
		Percentage	0.00%	55.80%	44.20%	100.00%
	Above 50	Number	0	26	26	52
		Percentage	0.00%	50.00%	50.00%	100.00%
	Total	Number	3	114	83	200
		Percentage	1.50%	57.00%	41.50%	100.00%
Outside Mizoram	Upto 30	Number	-	18	19	37
		Percentage	-	48.60%	51.40%	100.00%
	Between 31-40	Number	-	11	25	36
		Percentage	-	30.60%	69.40%	100.00%
	Between 41-50	Number	-	8	17	25
		Percentage	-	32.00%	68.00%	100.00%
	Above 50	Number	-	2	0	2
		Percentage	-	100.00%	0.00%	100.00%
	Total	Number	-	39	61	100
		Percentage	-	39.00%	61.00%	100.00%
Total	Upto 30	Number	0	47	30	77
		Percentage	0.00%	61.00%	39.00%	100.00%
	Between 31-40	Number	3	41	48	92
		Percentage	3.30%	44.60%	52.20%	100.00%
	Between 41-50	Number	0	37	40	77
		Percentage	0.00%	48.10%	51.90%	100.00%
	Above 50	Number	0	28	26	54
		Percentage	0.00%	51.90%	48.10%	100.00%
	Total	Number	3	153	144	300
		Percentage	1.00%	51.00%	48.00%	100.00%

Source: Sample Survey

5.2.3 Number of family members and Financial Literacy Level

Table 5.3 highlights the financial literacy level of the respondents in relation to their number of family members. Among the family members between 2-4, 43.3% of the respondents of Mizoram reflected high financial literacy, 51.7% average financial literacy and only 5% were found to have low financial literacy. Further, 65.9% of the respondents from outside Mizoram have high financial literacy while the remaining 34.1% have average financial literacy. It has been found from the result that majority of the respondents of Mizoram have average financial literacy whereas majority of the respondents from outside Mizoram have high financial literacy.

Among the number of family members between 5-7, 40.9% of the respondents of Mizoram possessed high financial literacy while 59.1% have average financial literacy. On the other hand, 56.8% of the respondents from outside Mizoram have high financial literacy and the remaining 43.2% have average financial literacy. No respondents of both Mizoram and outside Mizoram were found in the categories of low financial literacy.

Among the number of family members above 7, 40% of the respondents of Mizoram possessed high financial literacy while 60% possessed average financial literacy whereas 58.3% of the respondents from outside Mizoram were found to possessed high financial literacy while the remaining 41.7% possessed average financial literacy.

The overall result shows that among the three groups the highest percentage of high financial literacy is possessed by family members between 2-4 (i.e. 52.9%) followed by above 7 members (i.e. 45.9%) and 5-7 members (i.e. 45.3%). The study is in contrast with the findings of Sekar and Gowri (2015) where the finding shows that financial literacy increases with the increase in the number of dependents.

Table 5.3: Classification of the Number of Family Members and Financial Literacy level of the Respondents

Place of livelihood			Financial Literacy level			Total	
			Low	Average	High		
Mizoram	2-4	Number	3	31	26	60	
		Percentage	5.00%	51.70%	43.30%	100.00%	
	5-6	Number	0	68	47	115	
		Percentage	0.00%	59.10%	40.90%	100.00%	
	Above 7	Number	0	15	10	25	
		Percentage	0.00%	60.00%	40.00%	100.00%	
	Total	Number	3	114	83	200	
		Percentage	1.50%	57.00%	41.50%	100.00%	
	Outside Mizoram	2-4	Number	-	15	29	44
			Percentage	-	34.10%	65.90%	100.00%
5-6		Number	-	19	25	44	
		Percentage	-	43.20%	56.80%	100.00%	
Above 7		Number	-	5	7	12	
		Percentage	-	41.70%	58.30%	100.00%	
Total		Number	-	39	61	100	
		Percentage	-	39.00%	61.00%	100.00%	
Total		2-4	Number	3	46	55	104
			Percentage	2.90%	44.20%	52.90%	100.00%
	5-6	Number	0	87	72	159	
		Percentage	0.00%	54.70%	45.30%	100.00%	
	Above 7	Number	0	20	17	37	
		Percentage	0.00%	54.10%	45.90%	100.00%	
	Total	Number	3	153	144	300	
		Percentage	1.00%	51.00%	48.00%	100.00%	

Source: Sample Survey

5.2.4 Educational qualification and financial literacy level

Table 5.4 depicts the respondent's level of financial literacy with respect to their educational qualification. Among the respondents with education qualification of upto 10th standard, 34.5% of the respondents of Mizoram indicated high financial literacy while the remaining 65.5% indicated average financial literacy and among the respondents from outside Mizoram, 100% of the respondents were found to have average financial literacy.

Among the respondents who attain 12th standard education, 35.1% of the respondents of Mizoram possessed high financial literacy, 59.6% have average financial literacy and 5.3% have poor financial literacy. Further, half of the respondents (i.e. 50%) of Mizoram have high financial literacy and the remaining 50% have average financial literacy.

Among the graduate respondents, 49.2% of the respondents of Mizoram have shown high financial literacy while the remaining 50.8% have average financial literacy. On the other hand, 58.8% of the respondents from outside Mizoram possessed good financial literacy and 41.2% possessed average financial literacy.

Among the post-graduate respondents, it can be seen that 52.2% of the respondents of Mizoram have high financial literacy while 47.8% have average financial literacy and among the respondents from outside Mizoram, 65.5% possessed high financial literacy and the remaining 34.5% possessed average financial literacy.

The overall result shows that among the four categories the highest percentage of good financial literacy is possessed by post-graduate (i.e. 61.5%), followed by graduate (i.e. 52.5%), 12th standard (i.e. 37.3%) and 10th standard (i.e. 33.9%). Thus, it can be observed that there is a direct relationship between education and financial literacy. The result is consistent with the findings of Lusardi & Mitchell (2006, 2008), Bhushan et. al. (2013), Aggarwal et. al. (2014), Sekar & Gowri (2015), Kamboj (2017), Vidya (2017) and NCFE (2019) where their finding also shows financial literacy increases with the increase in educational level.

Table 5.4: Classification on the basis of educational qualification and Financial Literacy level of the Respondents

Place of livelihood			Financial Literacy level			Total	
			Low	Average	High		
Mizoram	Upto 10th	Number	0	36	19	55	
		Percentage	0.00%	65.50%	34.50%	100.00%	
	12th	Number	3	34	20	57	
		Percentage	5.30%	59.60%	35.10%	100.00%	
	Graduation	Number	0	33	32	65	
		Percentage	0.00%	50.80%	49.20%	100.00%	
	Post-Graduation	Number	0	11	12	23	
		Percentage	0.00%	47.80%	52.20%	100.00%	
	Total	Number	3	114	83	200	
		Percentage	1.50%	57.00%	41.50%	100.00%	
	Outside Mizoram	Upto 10th	Number	-	1	0	1
			Percentage	-	100.00%	0.00%	100.00%
12th		Number	-	5	5	10	
		Percentage	-	50.00%	50.00%	100.00%	
Graduation		Number	-	14	20	34	
		Percentage	-	41.20%	58.80%	100.00%	
Post-Graduation		Number	-	19	36	55	
		Percentage	-	34.50%	65.50%	100.00%	
Total		Number	-	39	61	100	
		Percentage	-	39.00%	61.00%	100.00%	
Total		Upto 10th	Number	0	37	19	56
			Percentage	0.00%	66.10%	33.90%	100.00%
	12th	Number	3	39	25	67	
		Percentage	4.50%	58.20%	37.30%	100.00%	
	Graduation	Number	0	47	52	99	
		Percentage	0.00%	47.50%	52.50%	100.00%	
	Post-Graduation	Number	0	30	48	78	
		Percentage	0.00%	38.50%	61.50%	100.00%	
	Total	Number	3	153	144	300	
		Percentage	1.00%	51.00%	48.00%	100.00%	

Source: Sample Survey

5.2.5 Annual income and financial literacy level

Table 5.5 highlights the respondents' level of financial literacy with respect to their annual family income. Among the respondents of Mizoram with an annual family income of 3-4 lakhs, 39.4% of the respondents were found to have high financial literacy, 58.3% have average financial literacy and 2.3% have low financial literacy whereas among the respondents from outside Mizoram, 58% have high financial literacy and the remaining 42% have average financial literacy.

Among the respondents with an annual family income of 4-5 lakhs of Mizoram, 44.1% possess high financial literacy while 59.9% have average financial literacy, whereas it was 58.3% high financial literacy and 41.7% average financial literacy among the respondents from outside Mizoram.

Among the respondents with an annual family income of 5-6 lakhs, 50% possessed high financial literacy and 50% have average financial literacy. Further, it was found that 90% of the respondents of Mizoram have high financial literacy and only 10% have average financial literacy.

Among the respondents with an annual income of above 6 lakhs, the table shows that 44.4% of the respondents of Mizoram indicated high financial literacy while the remaining 55.6% have average financial literacy. On the other hand, 57.1% of the respondents from outside Mizoram have high financial literacy and 42.9% have average financial literacy.

Overall, it can be seen that among the four categories the highest percentage of high financial literacy is possessed by the respondent with an annual income of 5-6 lakhs (i.e. 65.4%) followed by above 6 lakhs (i.e. 52.2%), 4-5 lakhs (i.e. 47.8%) and 3-4 lakhs (i.e. 44.5%). The study is consistent with the findings of Bhushan et. al. (2013), Kamboj (2017) and NCFE (2019) where the finding shows that financial literacy increases with the increase in income level of the respondents.

Table 5.5: Classification on the basis of Annual Family Income and Financial Literacy level of the Respondents

Place of livelihood			Financial Literacy level			Total	
			Low	Average	High		
Mizoram	3-4 lakhs	Number	3	77	52	132	
		Percentage	2.30%	58.30%	39.40%	100.00%	
	4-5 lakhs	Number	0	19	15	34	
		Percentage	0.00%	55.90%	44.10%	100.00%	
	5-6 lakhs	Number	0	8	8	16	
		Percentage	0.00%	50.00%	50.00%	100.00%	
	Above 6 lakhs	Number	0	10	8	18	
		Percentage	0.00%	55.60%	44.40%	100.00%	
	Total	Number	3	114	83	200	
		Percentage	1.50%	57.00%	41.50%	100.00%	
	Outside Mizoram	3-4 lakhs	Number	-	21	29	50
			Percentage	-	42.00%	58.00%	100.00%
4-5 lakhs		Number	-	5	7	12	
		Percentage	-	41.70%	58.30%	100.00%	
5-6 lakhs		Number	-	1	9	10	
		Percentage	-	10.00%	90.00%	100.00%	
Above 6 lakhs		Number	-	12	16	28	
		Percentage	-	42.90%	57.10%	100.00%	
Total		Number	-	39	61	100	
		Percentage	-	39.00%	61.00%	100.00%	
Total		3-4 lakhs	Number	3	98	81	182
			Percentage	1.60%	53.80%	44.50%	100.00%
	4-5 lakhs	Number	0	24	22	46	
		Percentage	0.00%	52.20%	47.80%	100.00%	
	5-6 lakhs	Number	0	9	17	26	
		Percentage	0.00%	34.60%	65.40%	100.00%	
	Above 6 lakhs	Number	0	22	24	46	
		Percentage	0.00%	47.80%	52.20%	100.00%	
	Total	Number	3	153	144	300	
		Percentage	1.00%	51.00%	48.00%	100.00%	

Source: Sample Survey

5.2.6 Employment status and financial literacy level

Table 5.6 shows the financial literacy level of the respondents based on their employment status. From the table, it can be seen that 43.7% of the Government employees of Mizoram indicated high financial literacy while the remaining 56.3% indicated average financial literacy and 78% of the respondents from outside Mizoram shows high financial literacy while 22% shows average financial literacy.

Among the non-government employees, 40.7% of the respondents of Mizoram possessed high financial literacy, 48.1% average financial literacy and only 11.1% possessed poor financial literacy. Further, it was also found that 50.9% of the respondents from outside Mizoram possessed high financial literacy and the remaining 49.1% possessed average financial literacy.

Among the self-employed, majority 63.8% of the respondents of Mizoram have average financial literacy while 36.2% of the respondents have high financial literacy. On the other hand, 75% of the respondents of Mizoram have average financial literacy while 25% of the respondents have high financial literacy.

Overall, the result indicated that among the three employees the highest percentage of high financial literacy is possessed by government employees (i.e., 52.1%) followed by non-government employees (i.e., 47.6%) and self-employed (i.e. 35.3%). Also, the result shows that majority of the government employees have high financial literacy whereas majority of self-employed have average financial literacy. The findings of Kamboj (2017), Vidya (2017) and NCFE (2019) survey of financial literacy in India also shows that Government employees possess the highest prevalence of financial literacy followed by private employees.

Table 5.6: Classification on the basis of Employment Status and Financial Literacy level of the Respondents

Place of livelihood			Financial Literacy level			Total
			Low	Average	High	
Mizoram	Govt.	Number	0	71	55	126
		Percentage	0.00%	56.30%	43.70%	100.00%
	Non-Govt.	Number	3	13	11	27
		Percentage	11.10%	48.10%	40.70%	100.00%
	Self-Employed	Number	0	30	17	47
		Percentage	0.00%	63.80%	36.20%	100.00%
	Total	Number	3	114	83	200
		Percentage	1.50%	57.00%	41.50%	100.00%
Outside Mizoram	Govt.	Number	-	9	32	41
		Percentage	-	22.00%	78.00%	100.00%
	Non-Govt.	Number	-	27	28	55
		Percentage	-	49.10%	50.90%	100.00%
	Self-Employed	Number	-	3	1	4
		Percentage	-	75.00%	25.00%	100.00%
	Total	Number	-	39	61	100
		Percentage	-	39.00%	61.00%	100.00%
Total	Govt.	Number	0	80	87	167
		Percentage	0.00%	47.90%	52.10%	100.00%
	Non-Govt.	Number	3	40	39	82
		Percentage	3.70%	48.80%	47.60%	100.00%
	Self-Employed	Number	0	33	18	51
		Percentage	0.00%	64.70%	35.30%	100.00%
	Total	Number	3	153	144	300
		Percentage	1.00%	51.00%	48.00%	100.00%

Source: Sample Survey

5.2.7 Financial literacy programme attended and financial literacy level

Table 5.7 represents the respondents' level of financial literacy with respect to whether they have attended financial literacy programme or not. Among the respondents who have attended financial literacy programmes, majority 54.5% of the respondents of Mizoram have high financial literacy while the remaining 45.5% have average financial literacy and among the respondents from outside Mizoram, majority 65% of the respondents have high financial literacy while 35% of the respondents have average financial literacy. The result clearly shows that majority of the respondents of both Mizoram and outside Mizoram possessed high financial literacy and also the respondents from outside Mizoram have a higher percentage of high financial literacy than respondents of Mizoram.

Among the respondents who have not attended financial literacy programmes, 38.9% and 59.3% of the respondents of Mizoram possessed high and average financial literacy respectively while only 1.8% of the respondents possessed low financial literacy. On the other hand, 60% of the respondents from outside Mizoram were found to possessed high financial literacy and 40.0% with average financial literacy. The result indicated that majority of the respondents of Mizoram possessed average financial literacy whereas majority of the respondents from outside Mizoram possessed high financial literacy.

It can be seen from the data that among the respondents who have not attended any financial literacy programme the percentage of high financial literacy was 45.7% whereas it was 58.5% among the respondents who have attended financial literacy programmes which clearly indicates that financial literacy programmes have an impact on the financial literacy level of the respondents. The finding is consistent with the finding of Wagner (2019) in which people who received financial education are more likely to have higher financial literacy scores.

**Table 5.7: Classification on the basis of Financial Literacy Programme and
Financial Literacy level of the Respondents**

Place of livelihood			Financial Literacy level			Total
			Low	Average	High	
Mizoram	No	Number	3	99	65	167
		Percentage	1.80%	59.30%	38.90%	100.00%
	Yes	Number	0	15	18	33
		Percentage	0.00%	45.50%	54.50%	100.00%
	Total	Number	3	114	83	200
		Percentage	1.50%	57.00%	41.50%	100.00%
Outside Mizoram	No	Number	-	32	48	80
		Percentage	-	40.00%	60.00%	100.00%
	Yes	Number	-	7	13	20
		Percentage	-	35.00%	65.00%	100.00%
	Total	Number	-	39	61	100
		Percentage	-	39.00%	61.00%	100.00%
Total	No	Number	3	131	113	247
		Percentage	1.20%	53.00%	45.70%	100.00%
	Yes	Number	0	22	31	53
		Percentage	0.00%	41.50%	58.50%	100.00%
	Total	Number	3	153	144	300
		Percentage	1.00%	51.00%	48.00%	100.00%

Source: Sample survey

5.3 Results of Hypothesis tested

A hypothesis is an explanation for a phenomenon which can be tested in some way which ideally either proves or disproves the hypothesis (Majhi and Khatua, 2011).

The study has 8 hypotheses. The results of the hypotheses tested are given below:

5.3.1 Hypothesis 1: Association between Gender and Financial Literacy Level

H₀₁ There is no significant association between Gender and Financial Literacy Level of the respondents.

Table 5.8 represents the output of the Chi-square test. The test was performed at a 5% level of significance.

Among the respondents of Mizoram and outside Mizoram the Fisher's Exact test significance value is 0.179 and 0.289 with a degree of freedom 2. Since the significance value is greater than 0.05 among both the respondents of Mizoram and outside Mizoram the null hypothesis is accepted. Hence, there is no significant association between gender and financial literacy level of the respondents of Mizoram and outside Mizoram. Similarly, Fisher's Exact test significance value for the total respondents (0.130) is also greater than 0.05 the null hypothesis is accepted. It can be concluded that there is no association between gender and financial literacy level among the total respondents. The result is in consistent with the findings of Joseph (2012) but is in contrast with the findings of Lusardi and Mitchell (2011), Gloria (2012), Jariwala (2012), Bhushan (2014), Gupta (2018) and Patel (2018) where their finding shows an association between gender and financial literacy level.

Table 5.8: Fisher’s Exact Test to measure the association between Gender and Financial Literacy Level of the respondents

Place of livelihood		Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)
Mizoram	Pearson Chi-Square	3.803 ^c	2	.149	.179
	Likelihood Ratio	4.920	2	.085	.154
	Fisher's Exact Test	3.381			.179
	Linear-by-Linear Association	.504 ^d	1	.478	.497
	N of Valid Cases	200			
Outside Mizoram	Pearson Chi-Square	1.298 ^e	1	.255	.289
	Continuity Correction ^f	.854	1	.355	
	Likelihood Ratio	1.317	1	.251	.289
	Fisher's Exact Test				.289
	Linear-by-Linear Association	1.285 ^g	1	.257	.289
	N of Valid Cases	100			
Total	Pearson Chi-Square	4.400 ^a	2	.111	.114
	Likelihood Ratio	5.443	2	.066	.100
	Fisher's Exact Test	3.920			.130
	Linear-by-Linear Association	.083 ^b	1	.773	.822
	N of Valid Cases	300			

5.3.2 Hypothesis 2: Association between Age and Financial literacy level

H₀₂ There is no significant association between Age and Financial Literacy Level of the respondents.

Table 5.9 represents the output of the Chi-square test. The test was performed at a 5% level of significance.

Among the respondents of Mizoram and Outside Mizoram, Fisher’s Exact test significance value is 0.078 and 0.106 respectively with a degree of freedom 6. Since the significance value is greater than 0.05, the null hypothesis is accepted. Hence, there

is no association between age and financial literacy level among the respondents of Mizoram and Outside Mizoram. The Fisher's Exact test significance value of the total respondents is 0.140 which is greater than 0.05, the null hypothesis is accepted. Thus, it can be concluded that there is no association between age and financial literacy level of the respondents. The finding is consistent with the previous research by Gloria (2014), Bhushan (2014) and Joseph (2012) whereas it is in contrast with the findings of Patel (2018) and Gupta (2018), Agarwal (2020).

Table 5.9: Fisher's Exact Test to measure the association between Age and Financial Literacy Level of the respondents

Place of livelihood		Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)
Mizoram	Pearson Chi-Square	12.867 ^c	6	.045	.037
	Likelihood Ratio	12.877	6	.045	.041
	Fisher's Exact Test	9.541			.078
	Linear-by-Linear Association	4.905 ^d	1	.027	.027
	N of Valid Cases	200			
Outside Mizoram	Pearson Chi-Square	6.170 ^e	3	.104	.093
	Likelihood Ratio	6.824	3	.078	.088
	Fisher's Exact Test	5.624			.106
	Linear-by-Linear Association	.498 ^f	1	.481	.542
	N of Valid Cases	100			
Total	Pearson Chi-Square	11.085 ^a	6	.086	.073
	Likelihood Ratio	11.414	6	.076	.075
	Fisher's Exact Test	8.207			.140
	Linear-by-Linear Association	1.413 ^b	1	.235	.245
	N of Valid Cases	300			

5.3.3 Hypothesis 3: Association between Number of family members and financial literacy level

H₀₃ There is no significant association between number of family members and Financial Literacy Level of the respondents.

Table 5.10 represents the output of the Chi-square test. The test was performed at a 5% level of significance.

Among the respondents of Mizoram and outside Mizoram the Fisher's Exact test significance value is 0.182 and 0.682 with a degree of freedom 4 and 2 respectively. Since the significance value is greater than 0.05 in both respondents of Mizoram and outside Mizoram the null hypothesis is accepted. Hence, there is no association between number of family members and financial literacy level of the respondents of Mizoram and outside Mizoram. Similarly, the Fisher's Exact test significance value for the total respondents (0.126) is also greater than 0.05, the null hypothesis is accepted. It can be concluded that there is no association between the number of family members and financial literacy level among the total respondents. The result is in contrast with the finding of Gloria (2014), where their finding shows an association between the number of family members and financial literacy level.

Table 5.10: Fisher's Exact Test to measure the association between Number of Family Members and Financial Literacy Level of the Respondents

Place of livelihood		Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)
Mizoram	Pearson Chi-Square	7.504 ^e	4	.112	.118
	Likelihood Ratio	7.735	4	.102	.112
	Fisher's Exact Test	5.712			.182
	Linear-by-Linear Association	.047 ^d	1	.829	.914
	N of Valid Cases	200			
Outside Mizoram	Pearson Chi-Square	.805 ^e	2	.669	.682
	Likelihood Ratio	.809	2	.667	.682
	Fisher's Exact Test	.866			.682

	Linear-by-Linear Association	.559 ^f	1	.455	.547
	N of Valid Cases	100			
Total	Pearson Chi-Square	7.881 ^a	4	.096	.097
	Likelihood Ratio	8.605	4	.072	.070
	Fisher's Exact Test	6.520			.126
	Linear-by-Linear Association	.362 ^b	1	.547	.550
	N of Valid Cases	300			

5.3.4: Hypothesis 4: Association between educational qualification and financial literacy level

H₀₄ There is no significant association between educational qualification and Financial Literacy Level of the respondents.

The above table represents the output of the Chi-square test. The test was performed at a 5% level of significance.

Among the respondents of Mizoram and outside Mizoram the Fisher's Exact test significance value is 0.114 and 0.468 with a degree of freedom 6 and 3 respectively. Since the significance value is greater than 0.05 in both respondents of Mizoram and outside Mizoram the null hypothesis is accepted. Hence, there is no association between educational qualification and financial literacy level of the respondents of Mizoram and outside Mizoram. In contrast to the findings from the respondents of Mizoram and Outside Mizoram the Fisher's Exact test significance value for the total respondents is 0.001 which is less than 0.05, the null hypothesis is rejected. It can be concluded that there is a significant association between educational qualification and financial literacy level among the total respondents. From the above table, it is also seen that Cramer's V value is significant at 0.001 and the degree of association between the variables is 19.8%. The finding is consistent with Gloria (2014), Joseph (2012), Bhushan (2014), Potrich et. al (2015) Gupta (2018), Patel (2018), Agarwal (2020) where their finding shows education having a significant association with financial literacy.

Table 5.11: Fisher’s Exact Test to measure the association between Educational Qualification and Financial Literacy Level of the Respondents

Place of livelihood		Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)
Mizoram	Pearson Chi-Square	11.842 ^c	6	.066	.060
	Likelihood Ratio	11.820	6	.066	.063
	Fisher's Exact Test	8.832			.114
	Linear-by-Linear Association	4.001 ^d	1	.045	.047
	N of Valid Cases	200			
Outside Mizoram	Pearson Chi-Square	2.599 ^e	3	.458	.480
	Likelihood Ratio	2.912	3	.405	.504
	Fisher's Exact Test	2.598			.468
	Linear-by-Linear Association	1.875 ^f	1	.171	.197
	N of Valid Cases	100			
Total	Pearson Chi-Square	23.560 ^a	6	.001	.000
	Likelihood Ratio	22.249	6	.001	.001
	Fisher's Exact Test	18.879			.001
	Linear-by-Linear Association	13.910 ^b	1	.000	.000
	Cramer’s V	.198			.001
	N of Valid Cases	300			

5.3.5 Hypothesis 5: Association between Annual Income and Financial literacy level

H₀₅ There is no significant association between Annual Income and Financial Literacy Level of the respondents.

Table 5.12 represents the output of the Chi-square test. The test was performed at 5% level of significance.

Among the respondents of Mizoram and outside Mizoram the Fisher's Exact test significance value is 0.953 and 0.259 with a degree of freedom 6 and 3 respectively. Since the significance value is greater than 0.05 in both respondents of Mizoram and outside Mizoram the null hypothesis is accepted. Hence, there is no association between income and financial literacy level of the respondents of Mizoram and outside Mizoram. Similarly, Fisher's Exact test value for the total respondents is 0.497 which is also greater than 0.05 thus, the null hypothesis is accepted. It can be concluded that there is no association between income and financial literacy level among the total respondents. The result is consistent with the findings of Gloria (2014) but contrast with the findings of Jariwala (2012), Joseph (2012), Bhushan (2014), Gupta (2018) and Patel (2018) where their findings show an association between income and financial literacy level.

Table 5.12: Fisher's Exact Test to measure the association between Annual Income and Financial Literacy Level of the Respondents

Place of livelihood		Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)
Mizoram	Pearson Chi-Square	2.252 ^c	6	.895	.911
	Likelihood Ratio	3.188	6	.785	.862
	Fisher's Exact Test	1.686			.953
	Linear-by-Linear Association	.961 ^d	1	.327	.364
	N of Valid Cases	200			
Outside Mizoram	Pearson Chi-Square	3.935 ^e	3	.269	.276
	Likelihood Ratio	4.675	3	.197	.220

	Fisher's Exact Test	4.008			.259
	Linear-by-Linear Association	.123 ^f	1	.726	.755
	N of Valid Cases	100			
Total	Pearson Chi-Square	5.973 ^a	6	.426	.396
	Likelihood Ratio	7.038	6	.317	.299
	Fisher's Exact Test	4.908			.497
	Linear-by-Linear Association	2.856 ^b	1	.091	.093
	N of Valid Cases	300			

5.3.6: Hypothesis 6: Association between Employment and Financial literacy level

H₀₆ There is no significant association between Employment and Financial Literacy Level of the respondents.

Table 5.13 represents the output of the Chi-square test. The test was performed at a 5% level of significance.

Among the respondents of Mizoram and outside Mizoram the Fisher's Exact test significance value is 0.014 and 0.006 with a degree of freedom 4 and 2 respectively. Since the significance value is less than 0.05 in both respondents of Mizoram and outside Mizoram, the null hypothesis is rejected. Hence, there is a significant association between employment status and financial literacy level of the respondents of Mizoram and outside Mizoram. Similarly, the Fisher's Exact test significance value for the total respondents (0.021) is also less than 0.05, the null hypothesis is rejected. It can be concluded that there is a significant association between employment status and financial literacy level among the total respondents. From the above table, it is also seen that Cramer's V value is significant at 0.014 and the degree of association between the variables is 14.5%. The result is consistent with the findings of Jariwala (2012), Joseph (2012), Bhushan (2014), Patel (2018) and Agarwal (2020) where their finding shows an association between employment status and financial literacy level of the respondents.

**Table 5.13: Fisher’s Exact Test to measure the association between
Employment and Financial Literacy Level of the Respondents**

Place of livelihood		Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)
Mizoram	Pearson Chi-Square	20.453 ^c	4	.000	.002
	Likelihood Ratio	13.265	4	.010	.009
	Fisher's Exact Test	11.167			.014
	Linear-by-Linear Association	1.065 ^d	1	.302	.334
	N of Valid Cases	200			
Outside Mizoram	Pearson Chi-Square	9.542 ^e	2	.008	.006
	Likelihood Ratio	9.867	2	.007	.007
	Fisher's Exact Test	9.549			.006
	Linear-by-Linear Association	9.445 ^f	1	.002	.003
	N of Valid Cases	100			
Total	Pearson Chi-Square	12.549 ^a	4	.014	.013
	Likelihood Ratio	12.374	4	.015	.013
	Fisher's Exact Test	10.071			.021
	Linear-by-Linear Association	4.485 ^b	1	.034	.040
	Cramer’s V	.145			.014
	N of Valid Cases	300			

5.3.7: Hypothesis 7: Association between Financial Literacy Programme and Financial literacy Level

Ho7 There is no significant association between Financial Literacy Programme attended and Financial Literacy Level of the respondents.

Table 5.14 represents the output of the Chi-square test. The test was performed at a 5% level of significance.

Among the respondents of Mizoram and outside Mizoram the Fisher’s Exact test significance value is 0.228 and 0.800 with a degree of freedom 2 and 1

respectively. Since the significance value is greater than 0.05 in both respondents of Mizoram and outside Mizoram the null hypothesis is accepted. Hence, there is no association between financial literacy programme and financial literacy level of the respondents of Mizoram and outside Mizoram. Similarly, the Chi-square significance value for the total respondents (0.215) is also greater than 0.05, the null hypothesis is accepted. It can be concluded that there is no association between financial literacy programmes and financial literacy level among the total respondents.

Table 5.14: Fisher’s Exact Test to measure the association between Financial Literacy Programme and Financial Literacy Level of the Respondents

Place of livelihood		Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)
Mizoram	Pearson Chi-Square	3.138 ^c	2	.208	.185
	Likelihood Ratio	3.566	2	.168	.185
	Fisher's Exact Test	2.649			.228
	Linear-by-Linear Association	3.081 ^d	1	.079	.099
	N of Valid Cases	200			
Outside Mizoram	Pearson Chi-Square	.168 ^e	1	.682	.800
	Continuity Correction ^f	.024	1	.878	
	Likelihood Ratio	.170	1	.680	.800
	Fisher's Exact Test				.800
	Linear-by-Linear Association	.166 ^g	1	.683	.800
	N of Valid Cases	100			
Total	Pearson Chi-Square	3.257 ^a	2	.196	.187
	Likelihood Ratio	3.765	2	.152	.151
	Fisher's Exact Test	2.749			.215
	Linear-by-Linear Association	3.148 ^b	1	.076	.082
	N of Valid Cases	300			

5.3.8 Hypothesis 8: Association between the place of livelihood and financial literacy Level

H₀₈ There is no significant association between the place of livelihood and Financial Literacy Level of the respondents.

Table 5.15 represents the output of the Chi-square test. The test was performed at a 5% level of significance.

The Chi-square significance value is .004 at a degree of freedom 2. Thus, the null hypothesis is rejected and hence, it is found that there is a significant association between financial literacy and the place of livelihood of the respondents. From the above table, it is also seen that Cramer's V value is significant at 0.004 and the degree of association between the variables is 19.2%. The finding is consistent with the findings of Joseph (2013), Bhushan (2014) and Patel (2018).

Table 5.15: Chi-Square Tests to measure the association between Place of Livelihood and Financial Literacy Level of the Respondents

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	11.017 ^a	2	.004
Likelihood Ratio	11.953	2	.003
Linear-by-Linear Association	10.889	1	.001
Cramer's V	.192		.004
N of Valid Cases	300		

5.4 Correlation between Financial Knowledge, Financial Behaviour, Financial Attitude and Financial Literacy

Table 5.16 shows the mean score and standard deviation of the total respondents. It can be seen that the mean score is 6.02 for financial knowledge, 6.13 for financial behaviour, 3.07 for financial attitude and the weighted financial literacy score is 5.46 which falls in the category of average financial literacy level. Table 5.17 represents the correlation among the three components of financial literacy i.e., financial knowledge, financial behaviour and financial attitude. The results of the

correlation analysis revealed that financial literacy is positively associated with financial knowledge, financial behaviour and financial attitude. The finding is consistent with the findings of Rai et. al (2019) in which the study shows a significant association of financial behaviour and financial attitude with financial literacy whereas it contradicts with the findings that financial knowledge is not associated with financial literacy.

Table 5.16: Descriptive Statistics

	Mean	Std. Deviation	N
Financial Knowledge	6.0233	1.19200	300
Financial Behaviour	6.1333	1.51101	300
Financial Attitude	3.0727	.77510	300
Financial Literacy	5.4633	.83907	300

Table 5.17: Correlation Analysis to measure the relationship between Financial Knowledge, Behaviour, Attitude and Financial Literacy Level of the Respondents

		Financial Knowledge	Financial Behaviour	Financial Attitude	Financial Literacy
Financial Knowledge	Pearson Correlation	1	.125*	.151**	.804**
	Sig. (2-tailed)		.031	.009	.000
	N	300	300	300	300
Financial Behaviour	Pearson Correlation	.125*	1	.135*	.658**
	Sig. (2-tailed)	.031		.019	.000
	N	300	300	300	300
Financial Attitude	Pearson Correlation	.151**	.135*	1	.366**
	Sig. (2-tailed)	.009	.019		.000
	N	300	300	300	300

Financial Literacy	Pearson Correlation	.804**	.658**	.366**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	300	300	300	300

*. Correlation is significant at the 0.05 level (2-tailed).

**. Correlation is significant at the 0.01 level (2-tailed).

5.5 Conclusion

Financial literacy is essential since it provides us with the knowledge and skills to effectively manage our money. Being financially literate helps an individual to be better prepared for facing financial roadblocks. It helps an individual in taking the right decision and will reduce the likelihood of personal financial distress. A financially literate person should be proficient in three major aspects of financial literacy i.e., financial knowledge, financial behaviour and financial attitude. The result of the analysis of the primary data shows that more than half of the total respondents of Mizoram (i.e. 57%) possessed an average level of financial literacy whereas nearly two-third of the respondents (i.e. 61%) from outside Mizoram possessed high financial literacy. This could be the fact that the respondents of Outside Mizoram are more exposed to taxation and are more tax literate than the respondents of Mizoram. Majority of the respondents possessed high financial knowledge and financial behaviour while their attitude towards financial management is poor.

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CHAPTER 6

FINANCIAL INSTRUMENTS: AWARENESS AND PREFERENCES

6.1 Introduction

Savings and investments play a significant role in a country's economic development. It is a key decision that determines an individual's future. In India, the household sector remains the largest contributor to the country's capital formation. Previous studies and research show that investors are risk-averse and prefer traditional investment avenues (Suchitra, 2015). According to research from around the world, individuals possess a low knowledge on investment concepts, which leads to irresponsible behaviour when making investment decisions. Individuals demonstrate a lack of knowledge and understanding about pensions and investment options and in complex situations they make less optimal decisions to avoid risk (Collard, 2009).

This chapter deals with an analysis of data related to financial products. The chapter starts with an analysis of financial awareness among the respondents and then the investment preference of the respondents towards various financial products with respect to various socio-economic and demographic profiles has been analysed and discussed. The financial products are grouped into three categories i.e., Low risk, Moderate risk and High risk. Low-risk financial products consist of financial products such as Bank Fixed Deposits, Savings Account, Public Provident Fund, Post Office Savings, National Saving Certificate, Kisan Vikas Patra and Pension Funds. Moderate risk financial products consist of Life Insurance, Mutual Funds, Bonds, Debentures and High risk financial products consist of Stock and Shares, Commodities Market and Forex Market. Results relating to factors affecting financial investment decisions have been discussed, and hypotheses have been tested to find out the relationship between investment preference and financial literacy level of the respondents.

Frequency, percentage and Fisher's exact test was used to analyse the data.

6.2 Financial product awareness

Question on financial products awareness was asked to seek the respondent's awareness for different financial products available in the market. Despite the fact that RBI and different stakeholders have taken different initiatives to improve the awareness the fact is that the awareness for moderate and high-risk financial products still remain low. Table 6.1 indicates the awareness for financial products among the respondents of Mizoram and outside Mizoram. The results show that respondents from outside Mizoram are more knowledgeable about all financial products. Further, when it comes to low-risk financial products the result shows that Kisan Vikas Patra is less popular among both respondents. In comparison to other financial products only small portion of the respondents are aware of Bonds, Debentures, Commodities Market, and Forex Market.

Thus, it can be concluded that the respondents are more familiar with low risk financial products like a savings account, fixed deposits as compared to moderate risk and high risk financial products.

The study is consistent with the findings of C Thilakam (2012) and Chettri (2019) in which respondents have the highest awareness for Savings Account followed by Bank Fixed Deposits, Life Insurance, Post Office Savings etc.

Table 6.1: Respondents Awareness for Financial Product.

Financial Products	Mizoram	Outside Mizoram	Overall
	Frequency	Frequency	Total
	%	%	%
LOW RISK			
Bank Fixed Deposits	164	95	259
	82	95	86.33
Savings Account	195	100	295
	97.5	100	98.33
Public Provident Fund	54	70	124
	27	70	41.33
Post Office Savings	133	77	210
	66.5	77	70
National Savings Certificate	34	56	90
	17	56	30
Kisan Vikas Patra	24	22	46
	12	22	15.33
Pension Funds	105	83	188
	52.5	83	62.66
MODERATE RISK			
Life Insurance	165	94	259
	82.5	94	86.33
Mutual Funds	54	62	116
	27	62	38.66
Bonds	24	35	59
	12	35	19.66
Debentures	22	31	53
	11	31	17.66
HIGH RISK			
Stock and Shares	50	66	116
	25	66	38.66
Commodities Market	20	35	55
	10	35	18.33
Forex Market	14	46	60
	7	46	20

Source: Sample survey

6.3 Financial Product Preferences

6.3.1 Gender and Financial Product preference

Table 6.2.a indicates the preference for financial products among the male and female respondents of Mizoram and outside Mizoram. Among the respondents of Mizoram, the result shows that except for Post Office Savings Male respondents have a higher preference low-risk financial products. Further, no preference was shown by female respondents for financial products like National Savings Certificate and Kisan Vikas Patra. For moderate risk financial products, the preference for life insurance is higher among female respondents. Male respondents showed more preference for mutual funds and bonds, and no preference for debentures was shown by both male and female respondents. For high-risk financial products, no preference was shown by female respondents.

Among the respondents from Outside Mizoram, the result shows that, for low-risk financial products, the preference for Bank Fixed Deposits is higher among the female respondents, while for other low-risk financial products male respondents showed higher preference. For moderate risk financial products, the preference for Life Insurance is higher among female respondents. Male respondents showed more preference for Mutual Funds, and no preference was shown for Bonds and Debentures by both male and female respondents. For high-risk financial products, female respondents showed a higher preference for Stock and Shares, and no preference for Commodities and Forex Market was shown by both male and female respondents.

Table 6.2.a: Classification on the basis of Gender and Financial Product preference of Mizoram and Outside Mizoram

Financial Products	Mizoram		Total	Outside Mizoram		Total
	Male	Female		Male	Female	
	%	%	%	%	%	%
LOW RISK						
Bank Fixed Deposits	44	29	73	40	25	65
	39.6	32.6	36.5	61.5	71.4	65
Savings Account	108	84	192	62	33	95
	97.3	94.4	96	95.4	94.3	95
Public Provident Fund	9	7	16	11	3	14
	8.1	7.9	8	16.9	8.6	14
Post Office Savings	28	31	59	4	1	5
	25.2	34.8	29.5	6.2	2.9	5
National Savings Certificate	4	0	4	9	3	12
	3.6	0	2	13.8	8.6	12
Kisan Vikas Patra	2	0	2	4	0	4
	1.8	0	1	6.2	0	4
Pension Funds	19	10	29	13	1	14
	17.1	11.2	14.5	20	2.9	14
MODERATE RISK						
Life Insurance	41	40	81	40	26	66
	36.9	44.9	40.5	61.5	74.3	66
Mutual Funds	7	1	8	6	0	6
	6.3	1.1	4	9.2	0	6
Bonds	2	0	2	0	0	0
	1.8	0	1	0	0	0
Debentures	0	0	0	0	0	0
	0	0	0	0	0	0
HIGH RISK						
Stock and Shares	1	0	1	2	4	6
	0.9	0	0.5	3.1	11.4	6
Commodities Market	3	0	3	0	0	0
	2.7	0	1.5	0	0	0
Forex Market	2	0	2	0	0	0
	1.8	0	1	0	0	0

Source: Sample survey

Table 6.2.b represents the preference for financial products among the male and female respondents. The result shows that among the low-risk financial products except for Post office savings male respondents have a higher preference for low-risk financial products i.e., Bank Fixed Deposits, Public Provident Fund, Post Office Savings, National Savings Certificate, Kisan Vikas Patra, Pension Funds than female respondents. Among the moderate risk financial products, the result shows that the preference for Life Insurance was higher among the female respondents and for mutual funds and bonds male respondents have a higher preference. Both male and female respondents does not show any preference for debentures. Among the high-risk financial products, female respondents exhibited more preference for Stock and Shares than male respondents, and for Commodities Market and Forex Market, only 1.7% and 1.1% preference was shown by male respondents and no preference among female respondents. The table also shows that both male and female respondents are risk-averse and invest their money mainly in Savings Account, Fixed Deposits and Life Insurance. The finding contradicts with the findings of Mittal and Vyas (2007), Verma (2008) and Chettri (2019) where the study shows that females prefer Bank Fixed Deposits, Post Office Deposits and least prefers Equity Shares and vice versa with male and is comparable with the studies of Aswinprabha and Pandian (2016) and Manchanda (2019) in which their studies shows that majority of women investors prefer bank deposits for making their investment, followed by life insurance, gold or silver and least preferred investment avenues are equity shares and mutual funds.

Table 6.2.b: Classification on the basis of Gender and Financial Product preference of the Respondents

Financial Products	Gender		Total
	Male	Female	
	%	%	%
LOW RISK			
Bank Fixed Deposits	84	54	138
	44.7	43.5	46
Savings Account	170	117	287
	96.6	94.4	95.7
Public Provident Fund	20	10	30
	11.4	8.1	10
Post Office Savings	32	32	64
	18.2	25.8	21.3
National Savings Certificate	13	3	16
	7.4	2.4	5.3
Kisan Vikas Patra	6	0	6
	3.4	0	2
Pension Funds	32	11	43
	18.2	8.9	14.3
MODERATE RISK			
Life Insurance	81	66	147
	46	53.2	49
Mutual Funds	13	1	14
	7.4	0.8	4.7
Bonds	2	0	2
	1.1	0	0.7
Debentures	0	0	0
	0	0	0
HIGH RISK			
Stock and Shares	3	7	7
	1.7	3.2	2.3
Commodities Market	3	0	3
	1.7	0	1
Forex Market	2	0	2
	1.1	0	0.7

Source: Sample survey

6.3.2 Age and Financial Product preference

Table 6.3.a shows the respondent preference for financial products with relation to their age. Among the age group of upto 30, respondent of Mizoram shows more preferences for Savings Account, Life Insurance, Bank Fixed Deposits and Post Office Savings, whereas respondents from outside Mizoram shows more preference towards Savings Account, Bank Fixed Deposits and Life Insurance.

Among the age group of 31-40, respondent of Mizoram shows more preference towards Savings Account, Life Insurance, Post Office Savings and Bank Fixed Deposits. The preference for other financial products was very low. On the other hand, among the respondents from outside Mizoram, Savings Account was the highest preference followed by Life Insurance and Bank Fixed Deposits. The preference for high risk and moderate risk financial products was very low among the respondents.

Among the age group of 41-50, respondents of Mizoram showed the most preference for Savings Account followed by Life Insurance, Bank Fixed Deposits and Post Office Savings. Among the respondents from Outside Mizoram, Savings Account was the most preferred followed by Life Insurance and Bank Fixed Deposits. The result also shows that 24% of the respondents showed a preference for National Savings Certificate.

Other than Savings Accounts, respondents in Mizoram's over 50 age group had a low preference for other financial products. Further, Savings accounts, bank fixed deposits, pension funds, and life insurance were the most popular financial products among respondents from outside Mizoram.

Table 6.3.a: Classification on the basis of Age and Financial Product preference of Mizoram and Outside Mizoram

Financial Products	Mizoram				Total	Outside Mizoram				Total
	Upto 30	31-40	41-50	Above 50		Upto 30	31-40	41-50	Above 50	
	%	%	%	%		%	%	%	%	
LOW RISK										
Bank Fixed Deposits	12	22	22	17	73	21	24	19	1	65
	30	39.3	42.3	32.7	36.5	56.8	66.7	76	50	65
Savings Account	40	52	50	50	192	34	35	25	1	95
	100	92.9	96.2	96.2	96	91.9	97.2	100	50	95
Public Provident Fund	2	2	5	7	16	4	7	3	0	14
	5	3.6	9.6	13.5	8	10.8	19.4	12	0	14
Post Office Savings	11	23	18	7	59	0	2	3	0	5
	27.5	41.1	34.6	13.5	29.5	0	5.6	12	0	5
National Savings Certificate	3	0	0	1	4	4	2	6	0	12
	7.5	0	0	1.9	2	10.8	5.6	24	0	12
Kisan Vikas Patra	0	1	0	1	2	0	4	0	0	4
	0	1.8	0	1.9	1	0	11.1	0	0	4
Pension Funds	4	9	8	8	29	2	7	4	1	14
	10	16.1	15.4	15.4	14.5	5.4	19.4	16	50	14
MODERATE RISK										
Life Insurance	15	28	24	14	81	18	26	21	1	66
	37.5	50	46.2	26.9	40.5	48.6	72.2	84	50	66
Mutual Funds	3	4	1	0	8	1	4	1	0	6
	7.5	7.1	1.9	0	4	2.7	11.1	4	0	6
Bonds	0	2	0	0	2	0	0	0	0	0
	0	3.6	0	0	1	0	0	0	0	0
Debentures	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
HIGH RISK										
Stock and Shares	0	0	0	1	1	3	1	2	0	6
	0	0	0	1.9	0.5	8.1	2.8	8	0	6
Commodities Market	0	3	0	0	3	0	0	0	0	0
	0	5.4	0	0	1.5	0	0	0	0	0
Forex Market	0	2	0	0	2	0	0	0	0	0
	0	3.6	0	0	1	0	0	0	0	0

Source: Sample survey

Table 6.3.b shows the respondents preference for financial products with respect to their age. Under the aspect of Low-risk financial products, the preference for bank fixed deposits is highest among the age categories of 41-50 years (i.e. 53.2%) and the lowest among the age categories of above 50 years (i.e. 33.3%), for savings account the highest preference is among the age group of 41-50 years and lowest preference among the age group of above 50 years, the preference for Public Provident Fund is low among all the age group with the highest preference among the age group of above 50 years and lowest among the age group less than 30. The preference for Post office savings is highest among the age group of 41-50 and lowest among above 50. For National Savings Certificate the highest preference was among the age group of upto 30 and the lowest among above 50. The preference for Kisan Vikas Patra is very low among all the age groups the highest preference was among the age group of 31-40 and no preference was shown among the age group of upto 30 and 41-50.

Under the aspect of moderate risk financial products, the preference for life insurance is highest among the age group of 31-40 and the least preference was among the age group of above 50. The preference for mutual funds was highest among the age group of 31-40 and no preference among the age group of above 50. The preference for bonds was shown by only 2.2% among the age group of 31-40 and no preference among the other age groups. The preference for debentures is nil among all the age groups.

Under the aspect of high-risk financial products, the preference for stock and shares is very low among all the age groups; the highest was only 3.9% among the age groups of upto 30 and the least preference was among the age group of 31-40. For Commodities Market and Forex Market, only 3.3% and 2.2% preference was shown among the age group of 31-40 respectively and no preference was shown by other age groups.

The overall result shows that Savings account, Life insurance, Bank Fixed deposits and Post office savings was the most prevalent mode of investment among all the age groups. The preference for medium and high-risk financial products was very low among all the age groups except for Life insurance. The preferences for Bank Fixed Deposits and Life Insurance decreased with the increase in age. The study is in contrast with the findings of Singh (2006) in which the finding shows that all the age

groups give importance to investment in equity and Mittal and Vyas (2007) in which the finding shows that young aged and middle-aged investors invest in mutual funds and debentures/bonds respectively.

Table 6.3.b: Classification on the basis of Age and Financial Product preference of the respondents

Financial Products	Age				Total
	Upto 30	31-40	41-50	Above 50	
	%	%	%	%	
LOW RISK					
Bank Fixed Deposits	33	46	41	18	138
	42.9	50	53.2	33.3	46
Savings Account	74	87	75	51	287
	96.1	94.6	97.4	94.4	95.7
Public Provident Fund	6	9	8	7	30
	7.8	9.8	10.4	13	10
Post Office Savings	11	25	21	7	64
	14.3	27.2	27.3	13	21.3
National Savings Certificate	7	2	6	1	16
	9.1	2.2	7.8	1.9	5.3
Kisan Vikas Patra	0	5	0	1	6
	0	5.4	0	1.9	2
Pension Funds	6	16	12	9	43
	7.8	17.4	15.6	16.7	14.3
MODERATE RISK					
Life Insurance	33	54	45	15	147
	42.9	58.7	58.4	27.8	49
Mutual Funds	4	8	2	0	14
	5.2	8.7	2.6	0	4.7
Bonds	0	2	0	0	2
	0	2.2	0	0	2.7
Debentures	0	0	0	0	0
	0	0	0	0	0
HIGH RISK					
Stock and Shares	3	1	2	1	7
	3.9	1.1	2.6	1.9	2.3
Commodities Market	0	3	0	0	3
	0	3.3	0	0	1
Forex Market	0	2	0	0	2
	0	2.2	0	0	0.7

Source: Sample survey

6.3.3 Number of family members and Financial Product preference

Table 6.4.a shows the preference for financial products in relation to their number of family members. Among the family members between 2-4, the respondents of Mizoram showed the most preference for Savings Account followed by Life Insurance, Bank Fixed Deposits and Post Office Savings. Except for Life Insurance, the preference for Moderate and High-risk financial products was very low among the respondents. Among the respondents from Outside Mizoram, Savings Account was the most preferred followed by Life Insurance, Bank Fixed Deposits and Public Provident Fund. Consistent with the respondents of Mizoram except for Life Insurance the preference for Moderate and High-risk financial products was very low among the respondents.

Among the family members between 5-7, the respondents of Mizoram showed the most preference for Savings Account followed by, Bank Fixed Deposits, Life Insurance and Post Office Savings. Whereas among the respondents from Outside Mizoram Savings Accounts was the most preferred followed by Bank Fixed Deposits and Life Insurance. Among both respondents of Mizoram and outside Mizoram the preference for Moderate and High-risk financial products was very low.

Among the family members of above 7, the respondents of Mizoram and Outside Mizoram showed the most preference for Savings Account followed by Life Insurance and Bank Fixed Deposits. The result also shows that 33.3% of the respondents from outside Mizoram showed a preference for Pension funds.

Table 6.4.a: Classification on the basis of Number of family members and Financial Product preferences of Mizoram and Outside Mizoram

Financial Products	Mizoram			Total	Outside Mizoram			Total
	2 to 4	5 to 7	Above 7		2 to 4	5 to 7	Above 7	
	%	%	%	%	%	%	%	%
LOW RISK								
Bank Fixed Deposits	21	42	10	73	27	28	10	65
	35	36.5	40	36.5	61.4	63.6	83.3	65
Savings Account	57	110	25	192	44	39	12	95
	95	95.7	100	96	100	88.6	100	95
Public Provident Fund	3	13	0	16	10	3	1	14
	5	11.3	0	8	22.7	6.8	8.3	14
Post Office Savings	20	32	7	59	2	2	1	5
	33.3	27.8	28	29.5	4.5	4.5	8.3	5
National Savings Certificate	1	3	0	4	4	5	3	12
	1.7	2.6	0	2	9.1	11.4	25	12
Kisan Vikas Patra	1	1	0	2	3	1	0	4
	1.7	0.9	0	1	6.8	2.3	0	4
Pension Funds	4	23	2	29	7	3	4	14
	6.7	20	8	14.5	15.9	6.8	33.3	14
MODERATE RISK								
Life Insurance	27	41	13	81	31	27	8	66
	45	35.7	52	40.5	70.5	61.4	66.7	66
Mutual Funds	3	5	0	8	5	1	0	6
	5	4.3	0	4	11.4	2.3	0	6
Bonds	0	2	2	0	0	0	0	0
	0	1.7	1	0	0	0	0	0
Debentures	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
HIGH RISK								
Stock and Shares	0	1	0	1	1	5	0	6
	0	0.9	0	0.5	2.3	11.4	0	6
Commodities Market	1	2	0	3	0	0	0	0
	1.7	1.7	0	1.5	0	0	0	0
Forex Market	0	2	0	2	0	0	0	0
	0	1.7	0	1	0	0	0	0

Source: Sample survey

Table 6.4.b shows the respondents preference for financial products with respect to their number of family members. Among the aspect of low-risk financial products, the preference for Bank Fixed Deposits is highest among family members of above 7 (54.1%) and lowest among 5 to 7(44%), consistent with Bank Fixed Deposits, the preference for Savings account is highest among the family members of above 7(100%) and least preference was among family members between 5 to 7 (93.7%). The highest preference for Public Provident Fund, Kisan Vikas Patra was among the family members of 2-4. The preference for Post Office Savings was almost the same for all the respondents. For National Savings Certificate the least preference was among the family members of 2-4 (4.8%) and the highest preference was shown among the family members of above 7 (8.1%). Family members between 5-7 show the highest preference for Pension Funds (16.4%) followed by family members of above 7 (16.2%).

Among moderate risk financial products, the highest preference for Life Insurance was among the family members of above 7 (56.8%) followed by 2-4 (55.8%) and 5-7 (42.8%). The preference for Mutual Funds was very low among all the groups; the highest preference was shown by family members between 2-4 (7.7%) and no preference was shown by family members of above 7. Only 1.3% of family members between 5-7 showed their preference toward Bonds. No preference was shown by all the respondents towards Debentures.

Among the high-risk financial products, the preference for these financial products is very low among all the groups. No preference for all the high-risk financial products i.e, Stock and Shares, Commodities Market and Forex Markets were shown by family members above 7 and only 3.8%, 1.3% and 1.3% of the family members between 5-7 shows their preference towards this high-risk financial product i.e., Stock and Shares, Commodities Market and Forex Markets respectively which is highest among all the family groups.

**Table 6.4.b: Classification on the basis of Number of family members and
Financial Product preferences of the Respondents**

Financial Products	No. of Family Members			Total
	2 to 4	5 to 7	Above 7	
	%	%	%	%
LOW RISK				
Bank Fixed Deposits	48	70	20	138
	46.2	44	54.1	46
Savings Account	101	149	37	287
	97.1	93.7	100	95.7
Public Provident Fund	13	16	1	30
	12.5	10.1	2.7	10
Post Office Savings	22	34	8	64
	21.2	21.4	21.6	21.3
National Savings Certificate	5	8	3	16
	4.8	5	8.1	5.3
Kisan Vikas Patra	4	2	0	6
	3.8	1.3	0	2
Pension Funds	11	26	6	43
	10.6	16.4	16.2	14.3
MODERATE RISK				
Life Insurance	58	68	21	147
	55.8	42.8	56.8	49
Mutual Funds	8	6	0	14
	7.7	3.8	0	4.7
Bonds	0	2	0	2
	0	1.3	0	0.7
Debentures	0	0	0	0
	0	0	0	0
HIGH RISK				
Stock and Shares	1	6	0	7
	1	3.8	0	2.3
Commodities Market	1	2	0	3
	1	1.3	0	1
Forex Market	0	2	0	2
	0	1.3	0	0.7

Source: Sample survey

6.3.4 Educational Qualification and Financial Product preference

Table 6.5.a depicts the preference for financial products with relation to the educational qualification of the respondents of Mizoram and outside Mizoram.

Among the 10th pass and 12th category, the respondents of Mizoram most preferred financial products were Savings Accounts followed by Bank Fixed Deposits, Life Insurance and Post Office Savings. Also, among the respondents of Mizoram, Savings Account was the most preferred financial product followed by Bank Fixed Deposits and Life Insurance. The preference for the rest of the financial products was very low among the respondents.

Among the Graduate's respondents of Mizoram, Savings Account was the most preferred followed by Life Insurance, Bank Fixed Deposits, Post Office Savings and Pension Funds whereas, among the respondents from Outside Mizoram, Savings Account was the most preferred followed by Bank Fixed Deposits and Life Insurance.

Among the Post Graduate, the respondents of Mizoram most preferred investment choice was Savings account followed by Post Office Savings, Life Insurance, Bank Fixed Deposits, Pension Funds. Whereas, among the respondents from Outside Mizoram Savings Account was the most preferred followed by Life Insurance, Bank Fixed Deposits and Public Provident Fund.

The overall result shows that among both the respondents of Mizoram and Outside Mizoram the preference for National Savings Certificate, Kisan Vikas Patra, Mutual Funds Bonds, Debentures, Stock and Shares, Commodities Market and Forex Market was very low among the respondents.

**Table 6.5.a: Classification on the basis of educational qualification and
Financial Product preference of Mizoram and Outside Mizoram**

Financial Products	Mizoram				Total	Outside Mizoram				Total
	10th	10+2	Graduation	Post-graduation		10th	10+2	Graduation	Post-graduation	
	%	%	%	%		%	%	%	%	
LOW RISK										
Bank Fixed Deposits	18	18	27	10	73	1	5	25	34	65
	32.7	31.6	41.5	43.5	36.5	100	50	73.5	61.8	65
Savings Account	53	54	62	23	192	1	9	34	51	95
	96.4	94.7	95.4	100	96	100	90	100	92.7	95
Public Provident Fund	2	3	7	4	16	0	1	3	10	14
	3.6	5.3	10.8	17.4	8	0	10	8.8	18.2	14
Post Office Savings	9	16	23	11	59	0	0	1	4	5
	16.4	28.1	35.4	47.8	29.5	0	0	2.9	7.3	5
National Savings Certificate	0	0	4	0	4	0	1	5	6	12
	0	0	6.2	0	2	0	10	14.7	10.9	12
Kisan Vikas Patra	0	0	2	0	2	0	0	1	3	4
	0	0	3.1	0	1	0	0	2.9	5.5	4
Pension Funds	2	7	15	5	29	0	1	5	8	14
	3.6	12.3	23.1	21.7	14.5	0	10	14.7	14.5	14
MODERATE RISK										
Life Insurance	18	25	27	11	81	1	6	24	35	66
	32.7	43.9	41.5	47.8	40.5	100	60	70.6	63.6	66
Mutual Funds	0	0	5	3	8	0	0	2	4	6
	0	0	7.7	13	4	0	0	5.9	7.3	6
Bonds	0	0	2	0	2	0	0	0	0	0
	0	0	3.1	0	1	0	0	0	0	0
Debentures	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
HIGH RISK										
Stock and Shares	0	0	1	0	1	0	3	0	3	6
	0	0	1.5	0	0.5	0	30	0	5.5	6
Commodities Market	0	0	3	0	3	0	0	0	0	0
	0	0	4.6	0	1.5	0	0	0	0	0
Forex Market	0	0	2	0	2	0	0	0	0	0
	0	0	3.1	0	1	0	0	0	0	0

Source: Sample survey

Table 6.5.b depicts the respondents' preference for financial products in relation to their educational qualifications. Among the low risk financial products, the preference for fixed deposits is highest among post graduate (i.e. 56.4%) and lowest among 10th (i.e. 33.9%) the result also shows that the higher the educational qualification the higher is the preference for Fixed Deposits, for Savings Account the preference is almost same for all categories the highest preference was among graduate (i.e. 97%) and lowest preference was shown by 10+2 (i.e. 94%), the preference for Public Provident Fund is less among all the categories, the highest preference was among the post graduate respondents (17.9%) and lowest was among 10th (i.e. 3.6%), for Post Office Savings the highest preference was shown by graduate respondents' (i.e. 24.2%) and less preference among the 10th respondents (i.e.16.1%), for National Savings Certificate the highest preference was among the graduate (i.e. 9.1%) and no preference was shown by the categories of 10th, the preference for Kisan Vikas Patra is very low among all the respondents, the highest preference was among the post graduate categories (i.e. 3.8%) and no preference was shown among 10th and 10+2 categories, for pension funds the highest preference was among the graduate categories (i.e. 16.7%) and the lowest preference was among the 10th categories (i.e. 3.6%).

Among the moderate risk financial products, the preference for Life Insurance gradually increases by educational level the highest preference was among the postgraduate (i.e. 59%) and the lowest among the 10th standard categories (i.e. 33.9%), for mutual fund respondents participation increased with the increased in education where 7.1% of graduates and 9% of postgraduate shows their preference while no preference was shown among the 10th and 10+2 categories. The preference for Bonds was shown only by 2% of the respondents from graduate categories and no preference among the other categories, and no preference for Debentures was shown among all the categories.

Among the high-risk financial products, the preference for stock and shares was very low among all the categories the highest preference was among the 10+2 categories (i.e. 4.5%) and 1% 3.8% among the graduates and post graduates respectively. For Commodities Market and Forex Market, only 3% and 2% of the graduate categories shows preference respectively and no preference was shown among the other categories.

Hence, from the above discussion, it can be concluded that the respondents' risk behaviour may improve as their educational level improves which is consistent with the findings of Gupta (2018).

Table 6.5.b: Classification on the basis of Educational Qualification and Financial Product preference of the Respondents

Financial Products	Educational Qualification				Total %
	10th	10+2	Graduation	Post-graduation	
	%	%	%	%	
LOW RISK					
Bank Fixed Deposits	19	23	52	44	138
	33.9	34.3	52.5	56.4	46
Savings Account	54	63	96	74	287
	96.4	94	97	94.9	95.7
Public Provident Fund	2	4	10	14	30
	3.6	6	10.1	17.9	10
Post Office Savings	9	16	24	15	64
	16.1	23.9	24.2	19.2	21.3
National Savings Certificate	0	1	9	6	16
	0	1.5	9.1	7.7	5.3
Kisan Vikas Patra	0	0	3	3	6
	0	0	3	3.8	2
Pension Funds	2	8	20	13	43
	3.6	11.9	20.2	16.7	14.3
MODERATE RISK					
Life Insurance	19	31	51	46	147
	33.9	46.3	51.5	59	49
Mutual Funds	0	0	7	7	14
	0	0	7.1	9	4.7
Bonds	0	0	2	0	2
	0	0	2	0	0.7
Debentures	0	0	0	0	0
	0	0	0	0	0
HIGH RISK					
Stock and Shares	0	3	1	3	7
	0	4.5	1	3.8	2.3
Commodities Market	0	0	3	0	3
	0	0	3	0	1
Forex Market	0	0	2	0	2
	0	0	2	0	0.7

Source: Sample survey

6.3.5 Annual Income and Financial Product preference

Table 6.6.a shows the preference for financial products among the respondents of Mizoram and outside Mizoram with respect to their annual income.

Among the income category of 3-4 lakhs, respondents of Mizoram most preferred financial products were Savings Account followed by Life Insurance, Bank Fixed Deposits and Post Office Savings. Among the respondents from Outside Mizoram, Savings Accounts was most preferred followed by Bank Fixed Deposits and Life Insurance.

Among the income category of 4-5 lakhs, respondents of Mizoram showed a preference for Savings Account, Life Insurance, Bank Fixed Deposits, Post Office Savings and Pension Funds. Among respondents from Outside Mizoram, Savings Accounts was most preferred followed by Bank Fixed Deposits, Life Insurance and Pension Funds. The table also shows that 16.7% of the respondents from Outside Mizoram prefers Stock and Shares which is the highest among all the income categories of both Mizoram and Outside Mizoram.

Among the income category of 5-6 lakhs, Savings Accounts followed by Bank Fixed Deposits, Pension Funds and Post Office Savings are the most preferred financial products among the respondents of Mizoram whereas among the respondents from Outside Mizoram, Savings Accounts, Life Insurance, Bank Fixed Deposits, Public Provident Fund and Kisan Vikas Patra were their major choice of financial products.

Among the income categories of Above 6 lakhs, among the respondents of Mizoram, Savings Account, Life Insurance, Bank Fixed Deposits, Post Office Savings, Public Provident Fund and Pension Funds were their major preference whereas among the respondents from Outside Mizoram, Savings Account, Life Insurance, Bank Fixed Deposits, Pension Funds, Public Provident Funds and Mutual Funds were their major preference. The overall result shows that as income increased, respondents from both Mizoram and outside Mizoram choice for financial products become more diversified. The findings in contrast with the findings of (Mittal and Vyas, 2007) and (Verma, 2008) in which Investors with middle-income groups invest in moderate investment avenues such as mutual funds.

Table 6.6.a: Classification on the basis of Family Income and Financial Product preference of Mizoram and Outside Mizoram

Financial Products	Mizoram				Total	Outside Mizoram				Total
	3-4 Lakhs	4-5 Lakhs	5-6 Lakhs	Above 6 Lakhs		3-4 Lakhs	4-5 Lakhs	5-6 Lakhs	Above 6 Lakhs	
	%	%	%	%		%	%	%	%	
LOW RISK										
Bank Fixed Deposits	41	15	9	8	73	38	9	7	11	65
	31.1	44.1	56.3	44.4	36.5	76	75	70	39.6	65
Savings Account	126	34	15	17	192	48	10	10	27	95
	95.5	100	93.8	94.4	96	96	83.3	100	96.4	95
Public Provident Fund	8	1	2	5	16	6	1	2	5	14
	6.1	2.9	12.5	27.8	8	12	8.3	20	17.9	14
Post Office Savings	36	11	5	7	59	2	1	1	1	5
	27.3	32.4	31.3	38.9	29.5	4	8.3	10	3.6	5
National Savings Certificate	4	0	0	0	4	8	0	1	3	12
	3	0	0	0	2	16	0	10	10.7	12
Kisan Vikas Patra	2	0	0	0	2	1	0	2	1	4
	1.5	0	0	0	1	2	0	20	3.6	4
Pension Funds	14	6	5	4	29	2	3	3	6	14
	10.6	17.6	31.3	22.2	14.5	4	25	30	21.4	14
MODERATE RISK										
Life Insurance	43	19	7	12	81	38	6	7	15	66
	32.6	55.9	43.8	66.7	40.5	76	50	70	53.6	66
Mutual Funds	7	1	0	0	8	1	0	0	5	6
	5.3	2.9	0	0	4	2	0	0	17.9	6
Bonds	0	2	0	0	2	0	0	0	0	0
	0	5.9	0	0	1	0	0	0	0	0
Debentures	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
HIGH RISK										
Stock and Shares	0	0	0	1	1	2	2	1	1	6
	0	0	0	5.6	0.5	4	16.7	10	3.6	6
Commodities Market	1	2	0	0	3	0	0	0	0	0
	0.8	5.9	0	0	1.5	0	0	0	0	0
Forex Market	0	2	0	0	2	0	0	0	0	0
	0	5.9	0	0	1	0	0	0	0	0

Source: Sample survey

Table 6.6.b depicts the overall preference for financial products with relation to their annual income. Among the low-risk financial products, the highest preference for Bank Fixed Deposits, Savings Account, Kisan Vikas Patra, Pension Funds was under the categories of those whose annual income is 5-6 lakhs. For Public Provident Fund, the highest preference was among those whose annual income is above 6 lakhs (i.e.21.7%) followed by 5-6 lakhs (i.e.15.4%). For Post Office Savings the highest preference was among 4-5 lakhs and National Savings Certificate was among 3-4 lakhs.

For moderate risk financial products, the highest preference for Life Insurance was among those whose annual income is above 6 lakhs (i.e. 58.7%) and the least preference was among 3-4 lakhs (i.e. 44.5%) which shows that the higher the income the higher the preference for Life Insurance. The preference for Mutual Funds is considerably low among the respondents, the highest preference was among the respondents whose annual income is above 6 lakhs (i.e. 10.9%). Only 4.3% of those whose annual income is 4-5 lakhs prefers Bonds as their mode of investment and the preference for Debentures was nil among all the respondents.

For high-risk financial products, the preference for stock and shares is less than 5% among all the respondents which is very low in comparison to low-risk financial products. Only 4.3% of the respondents whose annual income is 4-5 lakhs and 0.5% of those whose annual income is 3-4 lakhs prefers Commodities Market. And for Forex Market only 4.3% of the respondents whose annual income is 4-5 lakhs consider it as their mode of investment.

Table 6.6.b: Classification on the basis of Annual Income and Financial Products Preference of the Respondents

Financial Products	Annual Income				Total
	3-4 Lakhs	4-5 Lakhs	5-6 Lakhs	Above 6 Lakhs	
	%	%	%	%	%
LOW RISK					
Bank Fixed Deposits	79	24	16	19	138
	43.4	52.2	61.5	41.3	46
Savings Account	174	44	25	44	287
	95.6	95.7	96.2	95.7	95.7
Public Provident Fund	14	2	4	10	30
	7.7	4.3	15.4	21.7	10
Post Office Savings	38	12	6	8	64
	20.9	26.1	23.1	17.4	21.3
National Savings Certificate	12	0	1	3	16
	6.6	0	3.8	6.5	5.3
Kisan Vikas Patra	3	0	2	1	6
	1.6	0	7.7	2.2	2
Pension Funds	16	9	8	10	43
	8.8	19.6	30.8	21.7	14.3
MODERATE RISK					
Life Insurance	81	25	14	27	147
	44.5	54.3	53.8	58.7	49
Mutual Funds	8	1	0	5	14
	4.4	2.2	0	10.9	4.7
Bonds	0	2	0	0	2
	0	4.3	0	0	0.7
Debentures	0	0	0	0	0
	0	0	0	0	0
HIGH RISK					
Stock and Shares	2	2	1	2	7
	1.1	4.3	3.8	4.3	2.3
Commodities Market	1	2	0	0	3
	0.5	4.3	0	0	1
Forex Market	0	2	0	0	2
	0	4.3	0	0	0.7

Source: Sample survey

6.3.6 *Employment and Financial Product preference*

Table 6.7.a represents the preference for financial products among the respondents of Mizoram and outside Mizoram with respect to their employment status. The respondents were divided into three categories: government employees, non-government employees and self-employed. Among the Government Employees, the respondents of Mizoram most preferred financial products were Savings Account followed by Life Insurance, Bank Fixed Deposits, Post Office Savings and Pension Funds. Whereas among the respondents from Outside Mizoram, Savings Account was the most preferred followed by Bank Fixed Deposits, Life Insurance, National Savings Certificate and Pension Funds. The preference for other financial products was very low among the respondents.

Among the Non-Government Employees, Savings Account, Life Insurance and Bank Fixed Deposits were the most preferred financial products among both the respondents of Mizoram and Outside Mizoram.

Among the private employees, the respondents of Mizoram most preferred financial products were Savings Accounts, the preference for Bank Fixed Deposits and Life Insurance was low compared to Government and Non-Government Employees. Among the respondents from Outside Mizoram, Savings Accounts, Bank Fixed Deposits and Life Insurance were their major choice of Financial Products.

Table 6.7.a: Classification on the basis of Employment and Financial Product preference of Mizoram and Outside Mizoram

Financial Products	Mizoram				Total	Outside Mizoram			Total
	Govt.	Non-Govt.	Private	Govt.		Non-Govt.	Private		
	%	%	%	%		%	%	%	
LOW RISK									
Bank Fixed Deposits	50	10	13	73	31	32	2	65	
	39.7	37	27.7	36.5	75.6	58.2	50	65	
Savings Account	120	26	46	192	40	52	3	95	
	95.2	96.3	97.9	96	97.6	94.5	75	95	
Public Provident Fund	14	1	1	16	6	8	0	14	
	11.1	3.7	2.1	8	14.6	14.5	0	14	
Post Office Savings	49	4	6	59	3	2	0	5	
	38.9	14.8	12.8	29.5	7.3	3.6	0	5	
National Savings Certificate	4	0	0	4	9	3	0	12	
	3.2	0	0	2	22	5.5	0	12	
Kisan Vikas Patra	2	0	0	2	0	4	0	4	
	1.6	0	0	1	0	7.3	0	4	
Pension Funds	26	1	2	29	8	6	0	14	
	20.6	3.7	4.3	14.5	19.5	10.9	0	14	
MODERATE RISK									
Life Insurance	59	13	9	81	27	38	1	66	
	46.8	48.1	19.1	40.5	65.9	69.1	25	66	
Mutual Funds	8	0	0	8	4	2	0	6	
	6.3	0	0	4	9.8	3.6	0	6	
Bonds	2	0	0	2	0	0	0	0	
	1.6	0	0	1	0	0	0	0	
Debentures	0	0	0	0	0	0	0	0	
	0	0	0	0	0	0	0	0	
HIGH RISK									
Stock and Shares	0	1	0	1	2	4	0	6	
	0	3.7	0	0.5	4.9	7.3	0	6	
Commodities Market	3	0	0	3	0	0	0	0	
	2.4	0	0	1.5	0	0	0	0	
Forex Market	2	0	0	2	0	0	0	0	
	1.6	0	0	1	0	0	0	0	

Source: Sample survey

Table 6.7.b depicts the overall preference for financial products with respect to their employment status. The data shows that among the low-risk financial products, the preference for bank fixed deposits was highest among non-government employees (51.2%) and the least preference was among self-employed (29.4%), for savings

accounts the majority of the respondents' use savings account as their mode of savings the highest preference was among self-employed (96.1%) and least preference was among non-government employees (95.1%), the preference for Public Provident Fund is low among all the three categories, the highest preference was among the government employees (12%) followed by non-government (11%) and only 1% of self-employed showed their preference. The highest preference for Post Office savings was among the Government employees (31.1%) followed by self-employed (11.8%). No preference for National savings certificate and Kisan Vikas Patra was shown by self-employed while only 7.8% of government employees and 3.7% of non-government employees showed a preference for national savings certificate and only 4.9% of non-government employees and 1.2% of government employees showed a preference for Kisan Vikas Patra. The preference for Pension Funds is highest among the government employees (20.4%) and least among the self-employed (3.9%). Among the low-risk financial products, the overall result shows that government employees showed the highest preference for financial products like Public provident fund, Post office savings, National Savings Certificate, and Pension Funds. Maximum preference for Bank Fixed Deposits, Kisan Vikas Patra was shown by non-government employees and Self-employed showed a maximum preference for Savings account. Thus, it can be concluded that government employees are making more investment in most of the investment avenues than the non govt. and self-employed. The study is in consistent with Singh (2019) where the study shows that government employees are making more investments. This might be due to the fact that the government employees are getting more stable income. Whereas it is inconsistent with the findings of (Das et. al. 2008) in which their studies shows that government employees invest more in insurance and private employees on mutual funds.

Table 6.7.b: Classification on the basis of Employment and Financial Product Preference of the Respondents

Financial Products	Employment			Total
	Govt.	Non-Govt.	Private	
	%	%	%	
LOW RISK				
Bank Fixed Deposits	81	42	15	138
	48.5	51.2	29.4	46
Savings Account	160	78	49	287
	95.8	95.1	96.1	95.7
Public Provident Fund	20	9	1	30
	12	11	2	10
Post Office Savings	52	6	6	64
	31.1	7.3	11.8	21.3
National Savings Certificate	13	3	0	16
	7.8	3.7	0	5.3
Kisan Vikas Patra	2	4	0	6
	1.2	4.9	0	2
Pension Funds	34	7	2	43
	20.4	8.5	3.9	14.3
MODERATE RISK				
Life Insurance	86	51	10	147
	51.5	62.2	19.6	49
Mutual Funds	12	2	0	14
	7.2	2.4	0	4.7
Bonds	2	0	0	2
	1.2	0	0	0.7
Debentures	0	0	0	0
	0	0	0	0
HIGH RISK				
Stock and Shares	2	5	0	7
	1.2	6.1	0	2.3
Commodities Market	3	0	0	3
	1.8	0	0	1
Forex Market	2	0	0	2
	1.2	0	0	0.7

Source: Sample survey

6.3.7 Financial Literacy Programme and Financial Product preference

Table 6.8.a depicts the preference for financial products in relation to the financial literacy programme attended. Among the respondents who have attended financial literacy programme, respondents of Mizoram showed more preference towards Savings Account, Fixed Deposits, Life Insurance and Post Office Savings whereas among the respondents from Outside Mizoram, Savings Account, Bank Fixed Deposits, Life Insurance and Public Provident Fund was preferred. The table also shows that except for Life Insurance the preference for Moderate Risk and High-Risk Financial Products was very low among both the respondents of Mizoram and Outside Mizoram.

Among the respondents who have not attended financial literacy programme, respondents of Mizoram showed more preference towards Savings Account, Life Insurance, Bank Fixed Deposits and Post Office Savings whereas among the respondents from Outside Mizoram, Savings Accounts, Bank Fixed Deposit and Life Insurance was most preferred. In consistent with the respondents who have attended financial literacy programme except for Life Insurance the preference for Moderate Risk and High-Risk financial products was very low among the respondents of Mizoram and Outside Mizoram.

Table 6.8.a: Classification on the basis of Financial Literacy Programme and Financial Product preference of Mizoram and Outside Mizoram

Financial Products	Mizoram		Total	Outside Mizoram		Total
	Attended	Never Attended		Attended	Never Attended	
	%	%	%	%	%	%
LOW RISK						
Bank Fixed Deposits	19	54	73	15	50	65
	57.6	32.3	36.5	75	62.5	65
Savings Account	30	162	192	18	77	95
	90.9	97	96	90	96.3	95
Public Provident Fund	4	12	16	5	9	14
	12.1	7.2	8	25	11.3	14
Post Office Savings	8	51	59	0	5	5
	24.2	30.5	29.5	0	6.3	5
National Savings Certificate	1	3	4	4	8	12
	3	1.8	2	20	10	12
Kisan Vikas Patra	1	1	2	2	2	4
	3	0.6	1	10	2.5	4
Pension Funds	6	23	29	4	10	14
	18.2	13.8	14.5	20	12.5	14
MODERATE RISK						
Life Insurance	18	63	81	14	52	66
	54.5	37.7	40.5	70	65	66
Mutual Funds	0	8	8	1	5	6
	0	4.8	4	5	6.3	6
Bonds	0	2	2	0	0	0
	0	1.2	1	0	0	0
Debentures	0	0	0	0	0	0
	0	0	0	0	0	0
HIGH RISK						
Stock and Shares	1	0	1	0	6	6
	3	0	0.5	0	7.5	6
Commodities Market	1	2	3	0	0	0
	3	1.2	1.5	0	0	0
Forex Market	0	2	2	0	0	0
	0	1.2	1	0	0	0

Source: Sample survey

Table 6.8.b indicates the preference for financial products among the respondents who have attended financial literacy programmes and those who have not attended. The result shows that among the low-risk financial products except for Savings Account and Post Office Savings the preference for other financial products is higher among the respondents who have attended financial literacy programme. Among the moderate risk financial products, the result shows that for Life Insurance, the respondents who have attended financial literacy programme have a higher preference and for mutual funds and bonds in contrast to Life Insurance, respondents who have not attended any financial programme have higher preference. Among the high-risk financial products, respondents who have attended financial literacy programme have a higher preference for Commodities Market and for others i.e., Stock and Shares, and Forex Market the preference is higher among the respondents who have not attended any financial literacy programme.

Table 6.8.b: Classification on the basis of Financial Literacy Programme and Financial Products Preference

Financial Products	Financial Literacy Programme		Total
	Attended	Never Attend	
	%	%	
LOW RISK			
Bank Fixed Deposits	34	104	138
	64.2	42.1	46
Savings Account	48	239	287
	90.6	96.8	95.7
Public Provident Fund	9	21	30
	17	8.5	10
Post Office Savings	8	56	64
	15.1	22.7	21.3
National Savings Certificate	5	11	16
	9.4	4.5	5.3
Kisan Vikas Patra	3	3	6
	5.7	1.2	2
Pension Funds	10	33	43
	18.9	13.4	14.3
MODERATE RISK			
Life Insurance	32	115	147
	60.4	46.6	49
Mutual Funds	1	13	14
	1.9	5.3	4.7
Bonds	0	2	2

	0	0.8	0.7
Debentures	0	0	0
	0	0	0
HIGH RISK			
Stock and Shares	1	6	7
	1.9	2.4	2.3
Commodities Market	1	2	3
	1.9	0.8	1
Forex Market	0	2	2
	0	0.8	0.7

Source: Sample survey

6.4 Financial Product Awareness and Financial Literacy Level

Table 6.9 determines the association between financial literacy level and financial product awareness among the respondents. Fisher's exact test was used to determine the association between the two variables.

Among the respondents of Mizoram, the Fisher's exact test shows that since the significance value is less than 0.05 in the case of financial products like Bank Fixed Deposits, Public Provident Fund and Post Office Savings thus there is a significant association between financial literacy level and financial awareness of Bank Fixed Deposits, Public Provident Fund and Post Office Savings. The significance value for the rest of the financial products is more than 0.05 thus we can conclude that there is no significant association between financial literacy level and awareness for Savings Accounts, National Savings Certificate, Kisan Vikas Patra, Pension Funds, Life Insurance, Mutual Funds, Bonds, Debentures, Stock and Shares, Commodities Market and Forex Market.

Among the respondents from Outside Mizoram, no significant association was found between financial literacy level and Kisan Vikas Patra, Mutual Funds, Stock and Shares, Commodities Market whereas a significant association was found between financial literacy level and Bank Fixed Deposits, Public Provident Fund, Post Office Savings, National Savings Certificate, Pension Funds, Life Insurance, Bonds, Debentures and Forex Market.

The overall result shows that financial products such as Savings Account, Kisan Vikas Patra, Life Insurance, Mutual Funds and Commodities market have no significant association with the financial literacy level of the respondents whereas a

significant association was found between financial literacy level and financial products such as Bank Fixed Deposits, Public Provident Funds, Post Office Savings, National Savings Certificate, Pension Funds, Bonds, Debentures, Stock & Shares and Forex Market.

Table 6.9: Fishers Exact Test to Measure the Association between Financial Product Awareness and Financial Literacy Level

Financial Products	MIZORAM					OUTSIDE MIZORAM					TOTAL				
	Financial Literacy Level			T o t a l	Fisher's Exact test	Financial Literacy Level			T o t a l	Fisher's Exact test	Financial Literacy Level			T o t a l	Fisher's Exact test
	LOW	AVER AGE	HIG H			LOW	AVER AGE	HIG H			LOW	AVER AGE	HIG H		
	No.	No.	No.			No.	No.	No.			No.	No.	No.		
LOW RISK															
Bank fixed deposits	0	93	71	164	0.006	-	34	61	95	0.008	0	127	132	259	0
Savings Account	3	111	81	195	1	-	39	61	100		3	150	142	295	1
Public Provident Fund	0	21	33	54	0.002	-	20	50	70	0.002	0	41	81	124	0
Post Office Savings	0	81	52	133	0.021	-	25	52	77	0.027	0	106	104	210	0.039
National Savings Certificate	0	16	18	34	0.299	-	12	44	56	0	0	28	62	90	0
Kisan Vikas Patra	0	15	9	24	0.773	-	5	17	22	0.088	0	20	26	46	0.43
Pension Funds	0	61	44	105	0.245	-	27	56	83	0.005	0	88	100	188	0.006
MODERATE RISK															
Life Insurance	3	98	64	165	0.22	-	33	61	94	0.003	3	131	125	259	0.914
Mutual Funds	0	33	21	54	0.646	-	22	40	62	0.402	0	55	61	116	0.228
Bonds	0	12	12	24	0.666	-	8	27	35	0.018	0	20	39	59	0.008
Debentures	0	11	11	22	0.644	-	7	24	31	0.028	0	18	35	53	0.015
HIGH RISK															
Stock and Shares	0	28	22	50	0.834	-	22	44	66	0.131	0	50	66	116	0.021
Commodities Market	0	13	7	20	0.734	-	9	26	35	0.055	0	22	33	55	0.163
Forex Market	0	8	6	14	1	-	8	38	46	0	0	16	44	60	0

Source: Sample Survey

6.5 Financial Product Preferences and Financial Literacy Level

Table 6.10 determines the financial product preference and financial literacy level of the respondents. The table shows that among the respondents of Mizoram, the significance value for Bank Fixed Deposits is less than 0.05 therefore a significant association was found between financial literacy level and Bank Fixed Deposits and for the rest of the financial products the significant value is more than 0.05, therefore, no significant association was found between financial literacy level and Savings Account, Public Provident Funds, Post Office Savings, National Savings Certificate, Kisan Vikas Patra, Pension Funds, Life Insurance, Mutual Funds, Bonds, Stock & Shares, Commodities market and Forex Market.

Among the respondents from Outside Mizoram, a significant difference was found between financial literacy level and Bank Fixed Deposits and Life Insurance whereas for the rest of the financial products no significant association was found.

The overall result shows that a significant association was found between financial literacy level and Bank Fixed Deposits and Life Insurance which is consistent with the finding of Gupta (2018) whereas for the rest of the financial products no significant association was found.

Table 6.10: Fishers Exact Test to Measure the Association between Financial Product Preferences and Financial Literacy Level

Financial Products	MIZORAM					OUTSIDE MIZORAM					TOTAL				
	FINANCIAL LITERACY LEVEL			T O T A L	Fisher's Exact test	FINANCIAL LITERACY LEVEL			T O T A L	Fisher's Exact test	FINANCIAL LITERACY LEVEL			T O T A L	Fisher's Exact test
	LO W	AVER AGE	HIG H			LOW	AVER AGE	HIG H			LOW	AVER AGE	HIG H		
	No.	No.	No.			No.	No.	No.			No.	No.	No.		
LOW RISK															
Bank fixed deposits	0	29	44	73	0	-	18	47	65	0.002	0	47	91	138	0
Savings Account	3	107	82	192	0.241	-	36	59	95	0.375	3	143	141	287	0.201
Public Provident Fund	0	5	11	16	0.064	-	6	8	14	0.774	0	11	19	30	0.197
Post Office Savings	0	33	26	59	0.663	-	1	4	5	0.646	0	34	30	64	0.893
National Savings Certificate	0	4	0	4	0.191	-	3	9	12	0.358	0	7	9	16	0.67
Kisan Vikas Patra	0	2	0	2	0.525	-	1	3	4	1	0	3	3	6	1
Pension Funds	0	16	13	29	0.9	-	3	11	14	0.237	0	19	24	43	0.577
MODERATE RISK															
Life Insurance	0	45	33	81	0.135	-	17	49	66	0	3	62	82	147	0.002
Mutual Funds	0	7	1	8	0.241	-	2	4	6	1	0	9	5	14	0.494
Bonds	0	2	0	2	0.525	-	-	-	-	-	0	2	0	2	0.509
Debentures						-	-	-	-	-	-	-	-	-	-
HIGH RISK															
Stock and Shares	0	0	1	1	0.43	-	1	5	6	0.4	0	1	6	7	0.125
Commodities Market	0	3	0	3	0.298	-	-	-	-	-	0	3	0	3	0.271
Forex Market	0	2	0	2	0.525	-	-	-	-	-	0	2	0	2	0.509

Source: Sample Survey

6.6 Conclusion

Domestic savings and investments play an important role in any country's growth. Thus, from this chapter, it can be concluded that the respondents are much aware of the low-risk financial products and the awareness for moderate risk and high risk is relatively low. The respondents most preferred investment avenues were Savings Account, Bank Fixed Deposits, Life Insurance, Post office Savings and Public Provident Fund which means respondents are more risk-averse and are more interested in investment in low-risk financial products. The finding also shows that a significant association was found between financial literacy level and financial products preferences for Bank Fixed Deposits and Life Insurance. In general, most of the respondents considered different products of different companies before investing in it and information picked up from the branch was their main source of information.

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CHAPTER 7

FINDINGS, SUGGESTIONS AND CONCLUSION

7.1 Introduction

The main purpose of the chapter is to present the summary of the findings, suggestions and conclusion of the study. The main objective of the study is to find the financial literacy level of the Mizos living in Mizoram and outside Mizoram and a comparative study was made between the two groups. The study further identified how far the respondents are aware about the different financial products available in the market and their investment preferences. Both primary and secondary data is used for the purpose of the study.

The chapter starts with a summary of the findings on the socio-economic and demographic status of the respondents and the findings related to financial knowledge, financial behaviour, financial attitude, financial literacy and financial products awareness and preferences were discussed. The chapter ends with suggestions, prospects for future research and a conclusion.

7.2 Findings

The major findings of the study are presented as follows:

7.2.1 Socio-economic and Demographic status of the Respondents

- The sample consists of 300 'Mizo' respondents, which includes 200 'Mizo' respondents within Mizoram and 100 'Mizo' respondents from outside Mizoram.
- Out of the total respondents of 300, majority (i.e. 58.70%) of the respondents were male. Among 200 respondents of Mizoram, 55.5% were male and 44.5% were female and among 100 respondents from outside Mizoram, 65% were male and 35% were female.
- With regard to age, it has been found that the age group of 31-40 years occupy the biggest portion (i.e. 30.60%). Among the respondents of Mizoram, the highest percentage (i.e. 28%) belongs to the age category of 31-40 years.

Whereas, among the respondents from outside Mizoram, the highest percentage (i.e. 37%) belong to the age category of up to 30 years.

- It has been identified that more than half of the total respondents (i.e. 53%) belong to a family size of 5-7 members. Among the respondents of Mizoram, 57.50 % belong to the family size of 5-7 members while 44% of the respondents from outside Mizoram belong to both the family size of 2-4 and 5-7 members.
- With respect to educational qualification, one-third (i.e. 33%) of the total respondents have completed their graduation. Among the respondents of Mizoram, 32.5% have completed their graduation while 55% from outside Mizoram have completed their post-graduation. This shows that respondents from outside Mizoram are more educated.
- With regards to the financial status of the respondents, 60.7% of the total respondents reported their annual income as 3-4 lakhs. It was also found that 66% of Mizoram and 50% from outside Mizoram have an annual income of 3-4 lakhs.
- Based on occupation, out of the total respondents, 55.7 % were government servants, 27.3 % were engaged in non-government and 17% were self-employed. Meanwhile, 63% of the respondents within Mizoram were government servants while 55% from outside Mizoram were non-government workers.
- The study also found that only 17.7% of the total respondents have attended a financial literacy programme. Only 16.5% of Mizoram and 20% from outside Mizoram have attended financial literacy programmes. This reveals that majority of the respondents have not attended any financial literacy programme.

7.2.4 Financial Knowledge

- About the question on division, an overwhelming majority (i.e.98.67%) has responded to the question correctly. The question was correctly answered by 98% and 98.67% within and outside Mizoram respectively. It is evident that most of the respondents were comfortable in the calculation of division related question.
- Question related to time value of money was answered correctly by 82.7 % of the total respondents. Of which 70% of Mizoram and 86% from outside Mizoram have responded to the question correctly. It is evident that most of the respondents have a good understanding of the time value of money.
- It was found that 96.70% of the total respondents have correctly answered the question based on interest paid on loan. Among the respondents of Mizoram 96.5% and among the respondents from outside Mizoram 97% have correctly answered the question on interest paid on loan.
- Regarding the question on simple interest, 92.3% of the total respondents were found comfortable in the calculation of simple interest. Further, it was also found that 90.50% of Mizoram and 96% from outside Mizoram have given the correct answer.
- The study also found that 75.30% of the total respondents failed to give the correct answer on compound interest. Of which 79% of Mizoram and 68% from outside Mizoram had given incorrect answer. This reveals that a larger section of the respondents are unfamiliar with the calculation of compound interest.
- Findings of the study revealed that the risk and return question was correctly answered by 85.30% of the total respondents. Further, it was also found that 83.80% of Mizoram and 88% from outside Mizoram have given the correct answer for the same.
- With regards to the question on inflation, it was found that 88.60% of the total respondents have given the correct answer answered correctly by 88.60% of

the total respondents. 85.30% of the respondents of Mizoram and 94.90% of the respondents from outside Mizoram were able to give the correct answer. This shows that majority of the respondents have sound financial knowledge on inflation.

- In response to the question on diversification, 43.50% of the total respondents agreed that investing in the stock market by buying a wide range of stocks and shares reduce risk. Only 31.80% of Mizoram and 61.90% from outside Mizoram have correctly responded to the question. This reveals that a significant portion of the respondents within Mizoram are not familiar with diversification.
- With regard to gender, the overall result shows that 69.30% of male in relation to 69.40% of female possessed high financial knowledge indicating that there is not much difference between the two categories. Further, 29.5% of male in relation to 27.4% of female possessed average financial knowledge. The percentage of respondents with poor financial knowledge is very low, only 1.10% of males and 3.20% of female respondents possessed poor financial knowledge. The results on the comparison between male and female respondents of Mizoram and outside Mizoram reveals that both male and female from outside Mizoram were found to have higher financial knowledge. Whereas, the percentage of average financial knowledge is higher among male and female respondents of Mizoram.
- With respect to age, the finding shows that the majority of all the age categories possessed a high-level financial knowledge. The percentage of high-level financial knowledge is highest among the age group of 31-40 years (i.e. 73.90%), the percentage of average financial knowledge is highest among the age group of 41-50 years (i.e. 33.80%) and the percentage of poor financial knowledge was highest was among the age group of 31-40 years (i.e. 4.30%). The results on comparison between the different age groups of Mizoram and outside Mizoram shows that except for the age group of above 50 years, the percentage of respondents who possessed high financial knowledge is higher

among the respondents from outside Mizoram. Furthermore, except for those over the age group of 50 years, the percentage of respondents who possessed average financial knowledge is higher among the respondents of Mizoram. No respondents from outside Mizoram possessed poor financial knowledge.

- The findings on the number of family members and their financial knowledge reveal that respondents with the family member of above 7 acquired high financial knowledge with 78.40%, respondents with family members of 5-7 have the highest percentage of average financial knowledge (i.e. 33.30%) and the highest percentage of low financial knowledge is possessed by family members of 2-4 (i.e. 4.80%). A comparison between the different categories of financial knowledge between Mizoram and outside Mizoram shows that the percentage of high financial knowledge is higher among the respondents from outside Mizoram, resulting in a higher percentage of average and poor financial knowledge among the respondents of Mizoram.
- With regard to the educational qualification, positive relationship is found between education and high level of financial knowledge, the highest percentage is among the post-graduate (i.e. 87.20%). The percentage of respondents with average level financial knowledge is highest among those with 10th grade education (i.e. 41.10%), while those with 12th grade education have the highest percentage of poor financial knowledge (i.e. 4.50%). A comparison between Mizoram and outside Mizoram shows that in each category, majority of the respondents of Mizoram and outside Mizoram possessed high financial knowledge, with the respondents from outside Mizoram having a higher percentage. Respondents of Mizoram possessed a higher percentage of average and poor financial knowledge.
- With respect to annual income, respondents with an annual income of 4-5 lakhs possessed the highest percentage of high-level financial knowledge and income with 3-4 lakhs possessed the highest percentage of average and poor financial knowledge. A comparison between Mizoram and outside Mizoram reveals that in the different income categories, the percentage of high-level financial

knowledge is higher among the respondents from outside Mizoram, while the percentage of average level financial knowledge is higher among the respondents of Mizoram.

- With regards to employment, respondents with non-government employees possessed the highest percentage of high financial knowledge (i.e. 79.30%) and the lowest was among the self-employed (i.e. 49%). Self-employed possessed the highest percentage of average financial knowledge (i.e. 47%) and non-government employees have the highest percentage of poor financial knowledge (i.e. 4.90%). Respondents from outside Mizoram have a higher percentage of high-level financial knowledge among the government employees, non-government employees, and self-employed. And except for government employees, the percentage of average level financial knowledge is also higher among the non-government employees and self-employed from outside Mizoram.
- It has been found that respondents who have participated in financial literacy programmes have a higher percentage of high-level financial knowledge (i.e. 60%). A comparison between Mizoram and outside Mizoram who has attended and has not attended financial literacy programmes reveals that respondents from outside Mizoram possessed a higher percentage of high financial knowledge whereas respondents of Mizoram possessed a higher percentage of average financial knowledge.
- Overall, it was found that among the total respondents, 69.3% of the respondents were found to have high financial knowledge, 28.70% average and the remaining 2% of the respondents have poor financial knowledge. Further, it was also evident that 88% of the respondents from outside Mizoram possessed high financial knowledge as compared to 60% of the respondents of Mizoram. No respondents from outside Mizoram were found to possess poor financial knowledge.

7.2.3 Financial Behaviour

- Majority (i.e. 90.33%) of the total respondents were found to have carefully consider their purchasing power, which includes 93.5% of the respondents of Mizoram and 84% of the respondents from outside Mizoram.
- Regarding the question on bill payment, majority (i.e. 89.3%) of the total respondents were found to pay their bills on time. The percentage of respondents paying their bills on time is much higher among the respondents of Mizoram (i.e. 92%) compared to the respondents from outside Mizoram (i.e. 84%).
- It was found that 78% of Mizoram and 73% from outside Mizoram keep a close eye on their financial affairs.
- The study found that 64% of the total respondents set long-term goals and strive to achieve them. Further, 62% of Mizoram and 68% from outside Mizoram set long-term goals.
- Having a budget is an important behaviour indicator of sound financial management. It was found that in spite of the benefit for having a budget 46.63% of the total respondents does not prepare a budget. Further, it was also found that respondents preparing a budget is higher among the respondents from outside Mizoram.
- With regards to the evaluation of options before selection of financial products, majority (i.e. 69.67 %) of the respondents considered several products from different companies before making a decision and 13.33 % of the respondents did not consider any product at all. 68.5% of Mizoram and 72% from outside Mizoram have considered several products from different companies before making a decision while 16% of Mizoram and 8% from outside Mizoram did not consider any products at all.

- Among the set of variables for the mode of savings, it was found that building up a balance in the bank account and paying money into a savings account was the main mode of savings among the respondents.
- With regards to gender and financial behaviour, 68.80% of male and 75% of female respondents have positive financial behaviour while 22.70% of male and 21% of female respondents possessed average financial behaviour. It was also found that 8.5% of male and 4% of female respondents possessed poor financial behaviour. A comparative analysis between the gender of Mizoram and outside Mizoram shows male respondents of Mizoram were found to have a higher percentage of positive financial behaviour than their male counterparts from outside Mizoram. Whereas it was inverse in the case of female respondents. The finding also shows that the percentage of average and poor financial behaviour is higher among the male respondents from outside Mizoram.
- Findings on age and financial behaviour reveals that among the total respondents, the highest percentage of positive financial behaviour was among the age group between 41-50 years (i.e. 83.10%) and the least was among the age group of below 30 years (i.e. 64.90%). Further, the percentage of average financial behaviour was highest among the age group of above 50 years (i.e. 25.90%) and 10.40% of the age group below 30 years have poor financial behaviour which is highest among the four age groups. A comparison of different age groups of Mizoram and outside Mizoram shows that among the age group of below 30, the percentage of respondents who possessed positive financial behaviour is higher among the respondents of Mizoram whereas among the age group of 31-40 years and 41-50 years respondents from outside Mizoram possessed higher positive financial behaviour. There was no positive financial behaviour among the age group of above 50 years. The finding also shows that except for the age group of between 41-50 the percentage of respondents who possessed average financial behaviour is higher among the respondents from outside Mizoram. Among the age group of below 30, the percentage of poor financial behaviour is higher among the respondents of

Mizoram whereas among the age group of between 31-40 years the percentage of poor financial behaviour was higher among the respondents from outside Mizoram. There was no poor financial behaviour among the age group of 41-50 years and above 50 years of Mizoram and outside Mizoram respectively.

- The finding on number of family members and financial behaviour shows that family members between 5-7 (i.e. 72.30%) have the highest percentage of positive financial behaviour, family members above 7 (i.e. 32.40%) have the highest percentage of average financial behaviour and family members between 2-4 (i.e. 7.70%) have the highest percentage of poor financial behaviour. Further, a comparison between respondents of Mizoram and outside Mizoram shows that family members between 2-4 and 5-6 members of Mizoram have a higher percentage of positive financial behaviour whereas the same age group from outside Mizoram shows a higher percentage of average financial behaviour. Meanwhile, family members of above 7 from outside Mizoram has a higher percentage of positive financial behaviour while there is a higher percentage of average financial behaviour from outside Mizoram in the same age group. With regards to poor financial behaviour, a higher percentage was found in the age group of 2-4 of Mizoram and 5-6 from outside Mizoram.
- The finding on educational qualification and financial behaviour shows that respondents with educational qualification of graduation have the highest percentage of positive financial behaviour, respondents with educational qualification of post-graduation have the highest percentage of average level financial behaviour and the percentage of poor financial behaviour is highest among the graduates. A result on comparison between respondents of Mizoram and outside Mizoram shows that except for Post Graduate, respondents of Mizoram show a higher percentage of positive financial behaviour and except for 12th, the percentage of average financial behaviour is higher among the respondents of Mizoram. Respondents from outside Mizoram shows a higher percentage of poor financial behaviour in the categories of upto 10th, Graduation and Post-Graduation.

- With regards to annual income and financial behaviour, it was found that the majority of all the income categories have positive financial behaviour. An annual income of 5-6 lakhs has the highest with 88.50% and 69.20% with above 6 lakhs has the lowest percentage of positive financial behaviour. Respondents with an annual income of above 6 lakhs have the highest percentage of average financial behaviour while 3-4 lakhs income group has the highest percentage of poor financial behaviour. Further, among the income group of 3-4 lakhs, 4-5 lakhs and above 6 lakhs respondents of Mizoram show a higher percentage of positive financial behaviour while income group of 4-5 lakhs and above 5 lakhs from outside Mizoram shows a higher percentage of average financial behaviour.
- With respect to employment, government employees have the highest percentage whereas non-government employees have the lowest percentage of positive financial behaviour. On the other hand, non-government employees have the highest percentage of average financial behaviour and self-employed have the highest percentage of poor financial behaviour. Further, it was also found that government and self-employed from outside Mizoram possessed a higher positive financial attitude than the respondents of Mizoram and vice versa in the case of average financial behaviour. The percentage of poor financial behaviour was higher among the non-government and self-employed from outside Mizoram.
- With regards to financial literacy programmes, financial awareness programmes have a positive impact on the respondents from both outside and inside Mizoram. The comparative analysis shows that a higher percentage of positive financial behaviour was found among the respondents who have attended financial literacy programmes.
- Overall result on financial behaviour shows that 71.30% of the total respondents were found to possess positive financial behaviour while 22% were found to possess average financial behaviour. Only 6.70% of the total respondents reflected poor financial behaviour. It was also found that 72.50%

of the respondents of Mizoram as compared to 69% of the respondents residing outside Mizoram have positive financial behaviour while 21.50% of the respondents of Mizoram as compared to 23% of the respondents from outside Mizoram possessed average financial behaviour. Only 6% of the respondents of Mizoram and 8% of the respondents from outside Mizoram were found to possessed poor financial behaviour.

7.2.5 Financial Attitude

- The findings on the propensity to save shows that out of the total respondents, 52.3 % have a positive attitude of which 52% of Mizoram and 53% from outside Mizoram.
- Among the respondents of Mizoram 52% and from outside Mizoram 53% have a positive attitude towards savings for the long term.
- Majority (i.e. 68%) of the total respondents showed a positive attitude toward future planning. Among the respondents of Mizoram 74% and from outside Mizoram 57% have a positive attitude for their future.
- It was observed that 19% of the total respondents showed a positive attitude towards spending of money. Among the respondents of Mizoram 11% and from outside Mizoram 35% have a positive attitude towards spending money.
- With regards to gender, it was found that male respondents (i.e. 19.30%) in relation to female respondents (i.e. 12.90%) exhibits positive financial attitude, while male respondents (i.e. 39.20%) in relation to female respondents (i.e. 51.60%) exhibits average financial attitude. Further, it was also found that the percentage of poor financial attitudes is quite high among both male and female respondents. 41.50% of male respondents in relation to 35.50% of female respondents possessed poor financial attitude. A comparison between male respondents of Mizoram and outside Mizoram shows that male respondents of Mizoram possessed a higher percentage of average financial knowledge whereas male respondents from outside Mizoram were found to possess a

higher percentage poor and positive financial attitude. In relation to female respondents, female respondents of Mizoram possessed a higher percentage of poor financial attitude whereas female respondents from outside Mizoram possessed a higher percentage of average and positive financial attitude.

- The finding with regard to age and financial attitude shows that among the overall respondents, the highest percentage of positive financial attitude and poor financial attitude was among the age group of 41-50 years and the percentage of average financial attitude was highest among the age group of upto 30 years. Further, the finding also shows that except for the age category of above 50 the percentage of positive financial attitude is higher among the respondents from outside Mizoram and vice versa in case of average financial attitude. Respondents in the age group of 41-50 years and above 50 years from outside Mizoram reflected a higher proportion of poor financial attitude than the respondents of Mizoram.
- The findings based on the number of family members and financial attitude shows that the percentage of positive financial attitude is highest among the categories of 5-7 (i.e. 19.50%), the percentage of average financial attitude is highest among the categories of 2-4 (i.e. 46.20%) and the percentage of poor financial attitude is highest among the categories of above 7(i.e. 45.90%) which indicates that respondents with higher family members have poor financial attitude. In addition, it was also found that among all the three categories respondents from outside Mizoram have better financial attitude as compared to respondents of Mizoram.
- The finding on educational qualification and financial attitude shows the among the four categories the highest percentage of positive financial attitude is possessed by graduates (i.e. 21.20%), the highest percentage of average financial attitude is among the 12th pass (i.e. 46.40%) and the highest percentage of poor financial attitude is among the categories of 10th which indicates that percentage of poor financial attitude is highest among the least educated respondents. Further, among the respondents with higher education

respondents from outside Mizoram were found to exhibit a higher positive financial attitude.

- With regards to income and financial attitude, it was found that respondents with an income of above 6 lakhs has the highest proportion (i.e. 21.70%) of positive financial attitude, income with 5-6 lakhs has the highest proportion (i.e. 46.20%) of poor financial attitude and respondents with an income of 4-6 lakhs has the highest proportion (i.e. 60.90%) of average financial attitude. In addition, it has also been found that among the higher income group respondents of Mizoram possessed a higher proportion of positive financial attitude and except in income group of 3-4 lakhs respondents from outside Mizoram were found to have a higher proportion of poor financial attitude.
- The finding on employment and financial attitude shows that among the three categories govt. servants possessed the highest percentage of positive financial attitude, the percentage of average financial attitude is highest among the self-employed and the percentage of poor financial attitude is almost the same for all the three categories. Further, it was also observed that except for self-employed respondents from outside Mizoram possessed a higher positive financial attitude and the proportion of average financial attitude was higher among the respondents of Mizoram.
- In terms of the financial literacy programme and financial attitude, unexpectedly it was found that respondents who have not attended financial literacy programmes were found to have better financial attitude. Among the respondents who have attended financial literacy programme respondents of Mizoram were found to have a better financial attitude. On the other hand, among the respondents who have not attended financial literacy programme respondents from outside Mizoram were found to have a better financial attitude.
- Financial attitude is regarded as one of the most important components of financial literacy. The overall result on financial attitude shows that only 16.70% of the total respondents possessed a positive financial attitude while

44.30% and 39% of the total respondents were found to have average and poor financial attitude respectively. On further analysis, it was also found that 40% of Mizoram possessed a poor financial attitude as compared to 37% from outside Mizoram. Respondents with average financial attitude was higher among the respondents of Mizoram while the proportion of positive financial attitude was higher among the respondents from outside Mizoram.

7.2.5 Financial Literacy

- The study based on gender shows that female respondents were found to possess a marginally higher percentage of high financial literacy while male respondents were found to have a higher proportion of average financial literacy. Findings from the comparison between the same gender of Mizoram and outside Mizoram shows that 42.30% of Male within Mizoram possess high financial literacy as compared to 59.60% of the male respondents from outside Mizoram. On the other hand, 40.40% of female within Mizoram were found to have high financial literacy as compared to 68.90% of female from outside Mizoram. Thus, the study reveals that both male and female from outside Mizoram were found to have a better financial literacy level than their counterpart of Mizoram.
- Based on age, it has been found that age group of 31-40 years (i.e 52.20%) exhibits the highest percentage of high financial literacy followed by 41-50 years (i.e. 51.90%) while age group of upto 30 years (i.e. 61%) were found to have the highest proportion of average financial literacy. A comparison between respondents of Mizoram and outside Mizoram reveals that with the exception of those over the age of 50 years the respondents from outside Mizoram were found to have a higher percentage of high financial literacy and vice versa for average financial literacy level.
- In terms of the number of family members, it was found that family members between 2-4 members (i.e. 52.90%) have the highest percentage of high financial literacy followed by family members of above 7 members (i.e. 45.90%) and between 5-6 members (i.e. 45.30%). Further, it was also found

that family members between 5-6 (i.e. 54.70%) exhibits the highest percentage of average financial literacy followed by family members of above 7 with 54.10%. Among the respondents of Mizoram, 43.30% of 2-4, 40.90% of 5-6 and 40% of above 7 have high financial literacy while among the respondents from outside Mizoram, 65.90% of 2-4, 56.80% of 5-6 and 58.30% of above 7 possess high financial literacy. Overall, it was found that majority of the respondents from each family group from outside Mizoram were found to have a higher proportion of high financial literacy level.

- Based on the educational qualifications of the respondents, it was observed that financial literacy is positively related to the level of income i.e. it increases with the increase in educational qualifications of the respondents. Post graduates' (i.e. 61.50%) were found to possess the highest percentage of high financial literacy whereas those with educational qualifications upto 10th standard possessed the lowest (i.e.33.90%). The comparative analysis between Mizoram and outside Mizoram reveals that with the exception of respondents with a 10th-grade education, respondents from outside Mizoram have a higher percentage of high financial literacy.
- With regards to the income, 65.40% of income with 5-6 lakhs possess the highest percentage of high financial literacy, followed by 52.20% with an income of above 6 lakhs. Findings of the study also revealed that among the different income categories respondents of Mizoram exhibits a higher proportion of average financial literacy level as compared to respondents from outside Mizoram. Whereas, respondents from outside Mizoram possess a higher percentage of high financial literacy.
- In terms of employment status, government employees have the highest percentage of high financial literacy with 52.10%, followed by non-government employees (i.e. 47.60%) and self-employed (i.e. 35.30%). It has also been found that among the three categories, government and non-government employees from outside Mizoram shows a higher percentage of high financial literacy compared to their counterpart of Mizoram whereas

higher proportion of high financial literacy was found among the self-employed of Mizoram.

- Based on the financial literacy programmes attended, the overall result shows that respondents who have attended financial literacy programmes were found to be more financially literate than those who have not attended any financial literacy programme. Further, it was also found that among both the respondents who have attended and have not attended the programmes respondents from outside Mizoram were found to have a higher percentage of high financial literacy.
- The overall result on financial literacy shows that among the total respondents of 300, majority (i.e. 51%) possessed average, 48% have high and only 1% exhibits low financial literacy. Among 200 respondents of Mizoram, 57% possess average, 41.50% possess high and the rest 1.50% possess low financial literacy. On the other hand, among 100 respondents from outside Mizoram, majority (i.e. 61%) possessed high and the rest 39% possess average financial literacy. Thus, it can be concluded that the percentage of high financial literacy is much higher among the respondents from outside Mizoram. This reveals that respondents from outside Mizoram are more financially literate than the respondents of Mizoram which means place of livelihood has an influence on the financial literacy level of the respondents.

7.2.6 Association between financial literacy and socio-demographic profile of the respondents

- The significance value for the gender and level of financial literacy is 0.119 for Mizoram, 0.289 for outside Mizoram, and 0.130 for total respondents. In contrast to the previous findings, since the significance value is greater than 0.05 for Mizoram, outside Mizoram, and total respondents, there is no association between gender and financial literacy level of the respondents.

- In terms of the respondents' age and financial literacy level, the significance values for Mizoram, outside Mizoram, and total respondents were 0.078, 0.106, and 0.140, respectively. The Fisher's Exact test finds no association between respondents' age and financial literacy level.
- With regards to the number of family members and their financial literacy level, the significance value of Mizoram, outside Mizoram and total respondents were 0.182, 0.682 and 0.126 respectively. The Fisher's Exact test finds no association between number of family members and financial literacy level of the respondents.
- With regards to educational qualification, the significance value for the total respondents was less than 0.05 which means that education qualification has a significant association with the financial literacy level of the total respondents.
- It was observed that the significance value of income and financial literacy level of respondents was 0.953 for Mizoram, 0.259 for outside Mizoram and 0.497 for total respondents which shows that income has no significant association with financial literacy level.
- A significant association was observed between the employment status and financial literacy level of the respondents. The significance value for Mizoram was 0.014, outside Mizoram was 0.006 and total respondents was 0.021.
- No significant association was found between the financial literacy programme attended and financial literacy level of the respondents.
- Place of livelihood was observed to have a significant association with the financial literacy level of the respondents with the significance value of 0.001.
- The result of the correlation analysis shows that financial literacy is positively correlated with financial knowledge, financial behaviour and financial attitude.

7.2.7 Financial Products Awareness

- The result for financial product awareness shows that respondents within Mizoram had very little awareness of Public Provident Funds, National Savings Certificates, Mutual Funds, Bonds, Stock and Shares, Commodities Market, and Forex Market, whereas respondents from outside Mizoram had shown very little awareness for Kisan Vikas Patra, Bonds, Debenture, Commodities Market. The findings also show that respondents from outside Mizoram were more knowledgeable about various financial products than their counterparts within Mizoram. And despite the fact that the RBI and different stakeholders have undertaken various initiatives to raise awareness for various financial products, awareness of moderate-risk and high-risk financial products still remains low.

7.2.8 Financial Product Preferences

- Savings Account, Bank Fixed Deposits, and Life Insurance are the most preferred investment avenues among Mizos residing in Mizoram as well as outside Mizoram. The finding also shows that except for Life Insurance the preference for Moderate Risk and High-risk financial products was very low among both the respondents. The overall result shows that Savings Accounts was the most preferred investment avenues followed by Life Insurance, Bank Fixed Deposits, Public Provident Funds, Pension Funds and National Savings Certificate. Financial products such as Post Office Savings, Kisan Vikas Patra, Mutual Funds, Bonds, Debentures, Stock and Shares, Commodities Market and Forex Market were not particularly popular among the respondents.

7.2.9 Financial Literacy Level and Financial Product Awareness

- Among the respondents of Mizoram, there is a significant association between financial literacy level and financial awareness of Bank Fixed Deposits, Public Provident Fund and Post Office Savings. Among the respondents from Outside Mizoram, a significant association was found between financial literacy level and Bank Fixed Deposits, Public Provident Fund, Post Office Savings,

National Savings Certificate, Pension Funds, Life Insurance, Bonds, Debentures and Forex Market. The overall result shows that financial products such as Savings Account, Kisan Vikas Patra, Life Insurance, Mutual Funds and Commodities market have no significant association with financial literacy level of the respondents whereas significant association was found between financial literacy level and financial products such as Bank Fixed Deposits, Public Provident Funds, Post Office Savings, National Savings Certificate, Pension Funds, Bonds, Debentures, Stock & Shares and Forex Market.

7.2.10 Financial Literacy Level and Financial Product Preference

- Among the respondents of Mizoram, a significant association was found between financial literacy level and Bank Fixed Deposits. On the other hand, significant association was found between financial literacy level and preference for financial products such as Bank Fixed Deposits and Life Insurance among the respondents from outside Mizoram. The overall result shows that a significant association was found between financial literacy level and preference for Bank Fixed Deposits and Life Insurance whereas no significant association was found for rest of the financial products.

7.3 Suggestions

7.3.1 Suggestions to Individuals

- In order to enhance the financial literacy level, individuals should be willing to participate in seminars, workshops conducted by different stakeholders. This will improve their skills and knowledge related to financial matters and will become more self-assured in their financial behaviour and also will help them in possessing a positive financial attitude.
- Only 53.37% of the total respondents prepare and maintain a household budget. Therefore, individuals are suggested to have a household budget and make a proper plan for their investment.
- Most of the respondents are hesitant to take the risks and therefore tend to invest their money in low-risk financial products like Savings Account, Bank Fixed Deposits. Therefore, individuals are advised to enhance their adaptability towards their financial attitude and behaviour and should try to invest in moderate and high-risk investment avenues which could yield more return.
- Since the awareness and preferences for high-risk financial products is low among the respondents. Respondents should try to understand the benefits and drawbacks of various financial products and make use of various financial products available at the market.
- More than one-third of the respondents possessed a poor financial attitude. Therefore, individuals are suggested to make an effort to improve their financial attitude.

7.3.7 Suggestions to Policymakers and Government

- A significant portion of the respondents were unable to answer the question based on Compound Interest and Diversification correctly. Therefore, more

focus should be given in developing a skill set to understand the basics of compound interest and diversification.

- The finding clearly reveals that financial knowledge, financial behaviour and financial attitude has a positive correlation with the financial literacy of the respondents. Therefore, emphasis should be given to improve all the three aspects of financial literacy.
- Reserve Bank of India as a part of its strategy to improve financial literacy has made it compulsory to have compulsory financial education in elementary schools. Recently the Govt. of Mizoram has also started introducing important topics on RBI, Insurance, shares, IPO, Futures market etc at the high school level. Financial education is becoming more and more important in today's world therefore, education for finance should start from the basics and should be a part of a subject in school and college curriculum. This will help students to gain important knowledge on the concept of financial literacy. Thus, financial skills and knowledge development should ideally begin at home and continue in school, colleges and workplace.
- Despite the efforts of various regulatory bodies and banks, the number of people with high financial literacy is only 48%. As a result, various financial institutions should be committed to provide financial literacy training and counselling to individuals through a well-designed financial education program.
- Different stakeholders should conduct an investor awareness campaign in different places. The respondents of Mizoram and outside Mizoram have a low degree of awareness for moderate and high-risk financial products, which resulted in a lower desire for investing in moderate and high-risk financial products. As a result, concepts relating to various investment avenues available in the financial service market, such as Mutual Funds, Bonds, Debentures, Stock and Shares, Commodities Market, and Forex Market etc., should be discussed with participants, as well as the risk and return associated with it.

- Many NGOs in Mizoram, such as Young Mizo Association (YMA), Mizoram Hmeichhe Insuihkawm Pawl (MHIP), and Mizoram Zirlai Pawl (MZP) etc., are working for a noble cause. These non-governmental organisations (NGOs) could be further motivated to start financial literacy and awareness campaigns in Mizoram.
- The government's financial inclusion initiatives, such as the Pradhan Mantri Jan Dhan Yojana, has boosted the financial literacy level from 20% in 2013 to 27% in 2019. As a result, more such schemes to promote financial literacy activities in India should be implemented by the government.
- Every year, in a developed country like the United States, the month of April is designated as Financial Literacy Month, during which various aspects of financial literacy are taught to various segments of the population. The RBI's one-week financial literacy programme could be more effective if it was extended to a month.
- Because of their working environments, individuals working in different sectors possessed different levels of financial literacy. Therefore, policymakers must identify the sectors in which financial literacy is low and should take initiatives in those sectors by conducting financial literacy programmes.
- Different sections of the population are at different stage of their life. Therefore, the needs for financial education will be different for different people. Therefore, a module for financial education should be prepared separately for different segment of the society such as children, youth, adults etc.

7.4 Prospects for Future Research

- Since the respondents for this research are mainly from Aizawl district, one can expand the study as state-level financial literacy covering 11 districts of Mizoram using the methodology used in this study.

- The study is confined to only Mizo respondents; therefore, an inter-state study of financial literacy and financial inclusion is suggested.
- A study on the effectiveness of Financial Literacy programmes in Aizawl can be one of the areas for future research. Data from individuals before attending financial literacy programmes and after attending financial literacy programmes can be collected and comparative study can be done.
- Different banks have been taking an active part in financial literacy initiatives and banks have set up financial literacy centres across the country. Therefore, future work on the performance of different Financial Literacy centres across Mizoram and its effectiveness can be done.
- The role of different non-profit organisations engaged in imparting financial literacy could be a major area of research.
- A comparative study of financial literacy and tax literacy among the Mizos and Non-Mizos who are working in Mizoram could be an interesting area of research.
- A comparative study of financial literacy among North East India and South India who has the highest financial literacy level could be done.

7.5 Limitation of the study

- Since the study is related to a specific group of Mizos, the final conclusions drawn might not be applicable to other communities.
- The researcher has used snowball sampling techniques for collecting the data which could be a limitation as the representatives of the sample is not guaranteed.
- The sample from Mizoram are collected from Aizawl. Different districts could have different financial literacy levels. Therefore, this could be a drawback of the research.

7.6 Conclusion

The study examines the financial knowledge, financial behaviour and financial attitude of Mizos residing inside and outside Mizoram. The result shows that the majority of the respondents possessed a high level of financial knowledge and financial behaviour while the financial attitude of the respondents needs improvement as one-third of the respondents possessed a poor financial attitude. Overall, the result shows that majority of the respondents possessed a moderate level of financial literacy and respondents from outside Mizoram were found to have better financial literacy level. Fisher's exact test was used to analyse the association between financial literacy and socio-economic and demographic profile of the respondents. The result shows that gender, age, income, education and number of family members have no association with the financial literacy level of the respondents whereas a significant association was found between employment, place of livelihood and financial literacy level of the respondents. Savings Accounts, Bank Fixed Deposits, Life Insurance, Public Provident Fund and Post Office Savings were the major choice of investment avenues among the respondents of both Mizoram and outside Mizoram.

APPENDICES
APPENDIX-I
QUESTIONNAIRE

on

**A Comparative Study of Financial Literacy Among the Mizo Residing Inside
and Outside Mizoram**

Profile of Respondents:

1. Gender : Male [] Female []
2. Age (years) : Less than or equal to 30 []
31-40 []
41-50 []
Above 50 []
3. Number of family members: 2-4 [] 5-7 [] Above 7 []
4. Educational qualification:
Upto 10th []
10+2 []
Graduation []
Post Graduation []
Other (Please specify): _____
5. Annual Income(₹) : 3-4 Lakhs []
4-5 Lakhs []
5-6 Lakhs []
Above 6 Lakhs []
6. Employment: Govt.[] Non-Govt. [] Self Employed []
7. Place of livelihood: _____
8. Have you attended any financial literacy programme: Yes [] No []

Financial Knowledge:

1. Imagine that five brothers are given a gift of ₹1000. If the brothers have to share the money equally how much does each one get?
(a) 100 [] (b) 200 [] (c) 300 [] (d) 400 [] (e) Don't know []

2. Now imagine that the brothers have to wait for one year to get their share of ₹ 1000 and inflation stays at 6.75 percent. In one year's time will they able to buy:
(a) More with their share of the money than they could today []
(b) The same amount []
(c) Or, less than they could buy today []
(d) It depends on the types of things that they want to buy []
(e) Don't know []

3. You lend ₹25 to a friend one evening and he gives you ₹25 back the next day. How much interest has he paid on this loan?
(a) None [] (b) 1% [] (c) 2% [] (d) 1.5% [] (e) Don't know []

4. Suppose you put ₹100 into a no fee savings account with a guaranteed interest rate of 2% per year. You don't make any further payments into this account and you don't withdraw any money. How much would you be in the account at the end of the first year, once the interest payment is made?
(a) 100 [] (b) 102 [] (c) 110 [] (d) 104 [] (e) Don't know []

5. How much would be in the account at the end of five years?
(a) More than ₹110 []
(b) Exactly ₹110 []
(c) Less than ₹110 []
(d) It is impossible to tell from the information given []
(e) Don't know []

6. An investment with a high return is likely to be high risk.
 (a) True [] (b) False [] (c) Don't know []

7. High inflation means that the cost of living is increasing rapidly.
 (a) True [] (b) False [] (c) Don't know []

8. It is usually possible to reduce the risk of investing in the stock market by buying a wide range of stocks and shares.
 (a) True [] (b) False [] (c) Don't know []

Financial Behaviour:

	<i>Completely Agree</i>	<i>Agree</i>	<i>Uncertain</i>	<i>Disagree</i>	<i>Completely Disagree</i>
1. Before I buy something I carefully consider whether I can afford it.					
2. I Pay my bills on time					
3. I keep close personal watch on my financial affairs.					
4. I set long term financial goals and strive to achieve them.					

5. Does your household have a budget?
 (a) Yes [] (b) No [] (c) Don't know []

6. In the past 12 months have you been saving money in any of the following ways?

	Yes	No
a) Saving cash at home or in your wallet		
b) Building up balance of money in your bank account		
c) Paying money into a saving account		
d) Giving money to family to save on your behalf		
e) Saving in an informal savings club		
f) Buying financial investment products, other than pension funds		
g) Or in some other way (including remittances, buying livestock or property)		
h) Has not been actively saving		
i) Don't know		

Financial Products	7.(i)(a) Have you heard about any of these types of financial products?		7.(i)(b) Do you currently hold any of these types of products?	
	Yes	No	Yes	No
Bank Fixed deposits				
Savings Account				
Life insurance				
Public Provident fund				
Post Office Savings				
National Savings Certificate				
Kisan Vikas Patra				
Pension Funds				
Mutual Funds				
Stock and shares				
Bonds				
Debentures				

Commodities Market				
Forex Market				

7.(ii) Which of the following statements best describes how you last chose a product.

- (a) I considered several (products/loans/policies/accounts) from different companies before making my decision. []
- (b) I considered the various (products/loans/policies/accounts) from one company. []
- (c) I didn't consider any other (products/loans/policies/accounts) at all. []
- (d) I looked around but there were no other (products/loans/policies/accounts) to consider. []
- (e) Don't know []

7.(iii) And which sources of information do you feel most influenced your decision about which one to take out?

		Yes	No
Product-specific information	a) Unsolicited information sent through the post		
	b) Information picked up in a branch		
	c) Product specific information found on the internet		
	d) Information from sales staff of the firm providing the products(including quotes)		
Best buy guidance	e) Best-buy tables in financial pages of newspapers/magazines		
	f) Best-buy information found on the internet		
	g) Specialist magazines/publications		
	h) Recommendation from independent financial adviser or broker		

General advice	i) Advice of friends/relatives(not working in the financial services industry)		
	j) Advice of friends/relatives(who working in the financial services industry)		
	k) Employer's advice		
Media coverage	l) Newspaper articles		
	m) Television or radio programmes		
Advertisements	n) Newspaper advertisements		
	o) Television advertisements		
	p) Other advertisements		
Other	q) My own previous experience		
	r) Other source		
	s) Don't know		

8. (i) Sometimes people find that their income does not quite cover their living costs. In the last 12 months, has this happened to you?

a) Yes [] b) No [] c) Don't know []

(ii) If yes, what did you do to make ends meet the last time this happened?

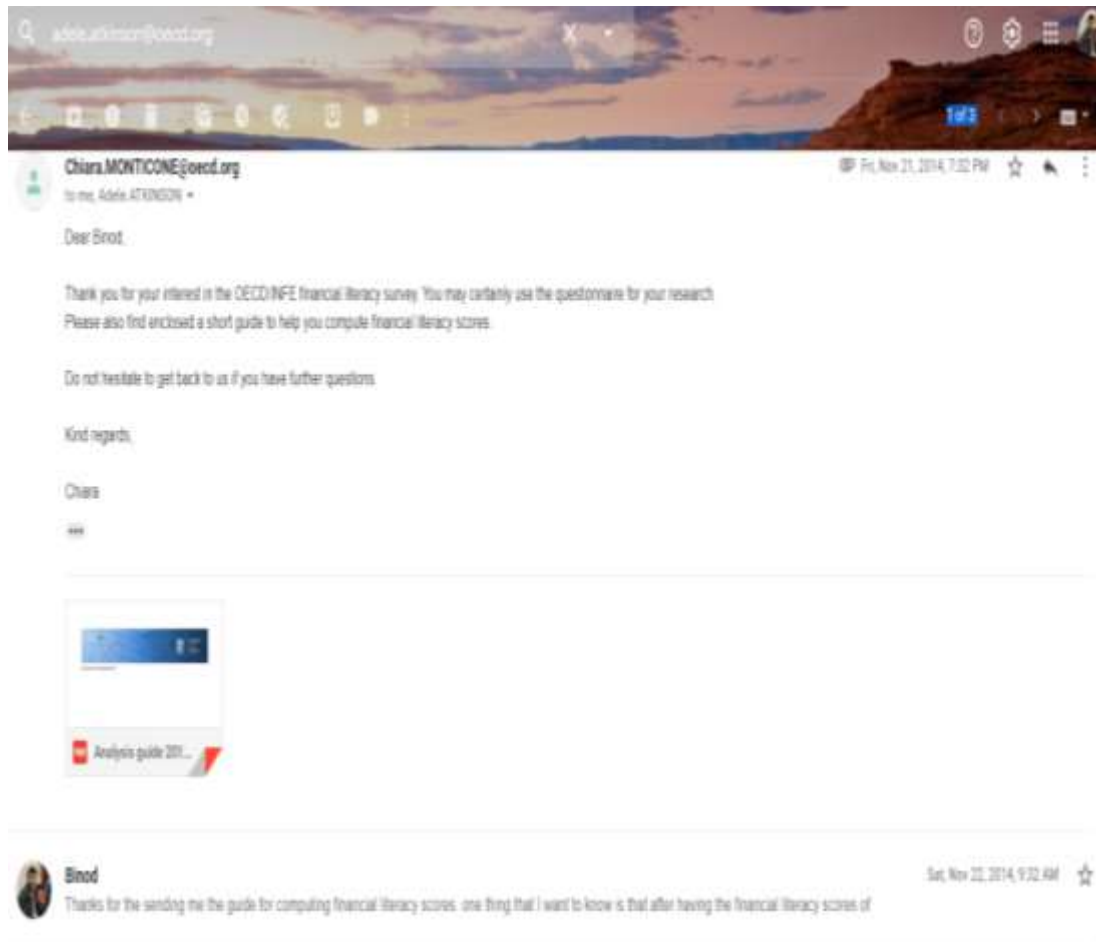
		Yes	No
Existing resources	a) Draw money out of savings or transfer savings into current account.		
	b) Cut back spending, spend less.		
	c) Selling something that I own		
Creating resources	d) Work overtime, earn extra money		
Access credit by using existing	e) Borrow food or money from family or friends		

contacts or resources	f) Borrow from employer/salary advance		
	g) Pawn something that I own		
	h) Take loan from my savings and loans clubs		
	i) Take money out of a flexible mortgage account		
	j) Apply loan/withdrawal on pension fund		
Borrow from existing credit line	k) Use authorised, arranged overdraft or line of credit		
	l) Use credit card for a cash advance or to pay bills/buy food		
Access new line of credit	m) Take out a personal loan from a financial service provider(including bank, credit union or microfinance)		
	n) Take out a payday loan		
	o) Take out a loan from an informal provider/money lender		
Fall behind/go beyond arranged amount.	p) Use unauthorised overdraft		
	q) Pay my bills late; miss payment		
Other responses	r) Other		
	s) Don't know		

Financial Attitude:

	<i>Completely Agree</i>	<i>Agree</i>	<i>Uncertain</i>	<i>Disagree</i>	<i>Completely Disagree</i>
1. I find it more satisfying to spend money than to save it for the long term					
2. I tend to love for today and let tomorrow take care of itself					
3. Money is there to spent					

APPENDIX-II
PERMISSION FOR USING QUESTIONNAIRE



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2007	HSSLC	St. Pauls Higher Secondary School	MBSE	Second Division
2010	B.COM	Govt. Hrangbana College	Mizoram University	First Division
2012	M.COM	Mizoram University	Mizoram University	First Division
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