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Research Article

Effect of Demographic Characteristics on Locus of Control, Personality Type and Financial Risk Tolerance among University Students in Pokhara

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ABSTRACT

Financial attitude and behavior on an individual may influence by the individual differences in term of demographic characteristics, locus of control, and personality traits. The aim of the paper was to determine the locus of control, personality type, and financial risk tolerance (FRT) among the university level students in Pokhara, as well as to examine the effect of demographic characteristics. To achieve the aim of the study a cross-sectional survey design was employed to collect primary data during the month of April and May 2025 by using structured questionnaire administrated via in-person and online platforms. A convenient sampling technique was applied to approach university students studying at different campuses in different programs. A 304 valid response was collected and used for analysis using descriptive and inferential statistical tools. Findings reveal that students generally exhibit an internal locus of control, with urban students demonstrating stronger beliefs in their ability to influence outcomes compared to rural students. The results showed no significant associations between locus of control and gender, academic level, monthly family income, and father's academic level. Personality traits showed a Type-A personality in general however, male students showed slightly stronger Type-A personality. Financially, students tend to be

cautious, preferring secure options such as bank accounts rather than engaging in riskier investments. Fear of loss or reliance on luck in the students showed psychological barriers in the students contributing to risk-averse tendencies. Male and master's level students showed greater financial risk tolerance (FRT) than female and bachelor's level students, as well as the source of family income also influenced FRT. These results bring out the role of demographic and socioeconomic factors play in melding the psychological and financial behaviors of students. It therefore emphasizes the need to provide appropriate intervention support in reducing their stress, increasing their engagement, and lowering their financial risk aversion.
Keywords: Demographic characteristics, financial risk tolerance, locus of control, personality type- A/B.

INTRODUCTION

Research findings demonstrated that financial behavior of a person depends on multiple factors which include personality Type A/B, locus of control, financial risk tolerance and different demographic characteristics. The psychological concept of locus of control (LoC) describes how people view their ability to shape events which affect their life outcomes. People who have an internal locus of control believe their actions produce results but those with an external locus of control attribute their outcomes to external factors. The concept plays a vital role in various academic and professional environments. Students who have an internal locus of control tend to link their academic achievements and failures to their personal actions which leads to higher motivation and self-regulation (Gill, 2023; Sidola et al., 2020). People who have an internal locus of control in their workplace tend to achieve higher job satisfaction and better performance because they believe their achievements stem from their individual work (Saboe & Spector, 2015). The personality Type-A/B concept was first described by Friedman and Rosenman in 1959. The concept has received extensive research since its introduction because of its impact on health and behavioral science. People with Type-A personality tend to display competitive behavior and rush through tasks with aggressive speed but Type-B individuals show more relaxed and less stressed behavior. Research indicates that university students' academic performance depends heavily on their Type A or Type B personality traits because these traits determine academic success (Aabida et al., 2019). Research indicates that personality Type-A/B affects financial risk tolerance with Type-A personalities showing higher risk-taking behavior (Sadiq & Akhtar, 2019).

People who feel they control their life outcomes tend to take more financial risks because they believe they can shape their financial results (Wong & Carducci, 2016). Research indicates that risk tolerance depends on age and education level and income status because these demographic factors interact with personality traits to influence investment choices (Waqar et al., 2023; Somma et al., 2021). Research indicates that people with Type-A personality tend to make more financial risks than Type-B personality holders because of their competitive nature and urgent decision-making approach (Sadiq & Akhtar, 2019).

People who believe they control their financial outcomes tend to take more risks because they experience reduced anxiety when making financial decisions (Wong & Carducci, 2016). Research indicates that financial risk tolerance increases with age and education level and income status among individuals (Waqar et al., 2023; Somma et al., 2021). Research indicates that financial risk tolerance shows minimal connection to gender and marital status but personal control perceptions and personality traits play a more significant role.

Similarly, higher education level enhances cognitive capacity in a person. It improves information processing andrisk management skills, which contribute to more rational financial decisions (Wu, 2024). Overall, locus of control—reflecting an individual's belief in their ability to shape outcomes—is positively linked to both academic achievement and financial risk tolerance (Mayora-Pernía & Morgado, 2015; Wong & Carducci, 2016).

Furthermore, personality traits such as sensation-seeking and emotional resilience significantly impact financial risk tolerance, with positive traits enhancing risk-taking behaviour (Mukhtar et al., 2023; Wong & Carducci, 2016).

Various studies also indicated that the interplay between personality type, locus of control, financial risk tolerance in relation to demographic characteristics vary depending upon the socioeconomic status, cultural and regional context. This also applied in Nepalese context because Nepal is a developing economy with difference cultural norms and believe and there is a lack of such studies. Therefore, this study aim to examine the effect of demographic characteristic on locus of control, personality type A/B and financial risk tolerance among the university level students.

LITERATURE REVIEW

Research indicates that demographic factors such as gender, age, and income play crucial roles in shaping students' financial risk tolerance and locus of control, which in turn affect their financial management behaviors. The influence of demographic characteristics on locus of

control, personality type, and financial risk tolerance among university students is multifaceted, demonstrating significant effects that shape their financial behaviors.

Demographic Characteristics and Locus of Control

Demographic characteristics like age, gender, and residential area (urban or rural) significantly determine differences in locus of control (LoC). Studies suggests that age may influence certain dimensions of LoC such as health-related control. However,age appears not to be a strong predictor of work-related locus of control, indicating that age might not be a determining factor in professional contexts (Jacobs-Lawson et al.2011; DiDona & Rosa, 2019).

Similarly, gender does not always show a consistent direct connection with LoC. For example, researchers have discovered no significant link between gender and levels of burnout in workers (Paskarini, 2023). However, in particular situations such as the defense manufacturing sector, men and women could very well possess dissimilar control orientations, with men usually display stronger internal control (Nita et al., 2014).

Moreover, an individual's level of education can be another determinant of their psychological state. The well-educated usually have an internal locus of control as they are the ones who feel that they can affect the outcomes and thus are less likely to experience burnout (Paskarini, 2023). Besides that, locus of control has been linked to positive academic performance since the more internal-oriented students tend to excel academically. A study even showed that in college males had stronger internal locus of control than females while at university the differences were not that pronounced (Gujjar & Aijaz, 2014).

The levels of income have an indirect effect on the locus of control (LoC), with the general tendency that higher income is linked to a stronger internal locus of control. For instance, higher-paid women indicated a narrower perceived disparity between their desired and actual standards of living, which is a sign of a bigger control over themselves (Danes, 1991). In the case of underprivileged groups, the external aspects like economic status and the feeling of being in control of life events act as mediators in determining health practices and mental well-being, thus implying that the interventions should be focused on eliminating these external barriers (Stephenson-Hunter & Dardeck, 2019).

Urbanites, however, have a greater internal locus of control than their rural counterparts. The reason for this disparity lies in the differing cultural and social influences, where urban environments usually offer more chances for freedom and self-determination. On the other hand, a typical Southern U.S. rural adolescent is more likely than an urban adolescent to

have a less control-oriented personality because of the social context and cultural background (Shifrer & Sutton, 2014).

Demographic Characteristics and Financial Risk Tolerance

The ongoing debate on financial risk tolerance (FRT) indicates the importance of gender as a major factor, with male students in general showing more willingness to take risks than their female fellow students (Anbar & Eker, 2010; Rahman et al., 2023). This trend is evident in most of the studies done on the topic thus further confirming that the gender factor is indeed one of the causes for differences in taking risk behaviors (Aigbovo-Omoruyi & Aigbovo, 2020; Barber & Odean, 2001; Gilliam et al., 2010; Powell & Ansic, 1997; Reddy & Mahapatra, 2017; Thanki & Baser, 2021). In contrast, the bond between age and FRT comes into view as a more complicated issue. A few of the studies highlight a low negative relationship indicating that risk-taking may gradually come down as one gets older (Burgazoglu et al., 2022), while some others declare age as an insignificant factor in risk-taking (Aigbovo-Omoruyi & Aigbovo, 2020; Thanki & Baser, 2021).

Low-income individuals are often classified as low-risk tolerance people while for the high-income individuals the reverse classification is effective (Grable, 1997). Higher income correlates with increased financial risk tolerance, as students with greater financial resources tend to take more risks in investments (Anbar & Eker, 2010; Waqar et al., 2023). This align with the findings of Aigbovo-Omoruyi and Aigbovo (2020), Thanki and Baser (2021), Reddy and Mahapatra (2017), suggesting that income positively correlates with financial risk tolerance, with higher income individuals more willing to take financial risks. Sulaiman (2012), suggest that higher income investors have access to spontaneous resources for their obligation, allowing them to take a higher risks due to disposable income.

Generally, it is believed that there is a positive relationship between education and risk tolerance. Several studies have found that a higher level of academic achievement contribute to sound analytical abilities, leading individual to analyse risk and return more effectively, ultimately enhancing their level of risk tolerance (Ardehali et al., 2005; Hallahan et al., 2004; Hawley & Fujii, 1993). Students engaged in commerce subjects are more likely to take financial risks compared to students from humanities and engineering who would rather take non-financial risks (Ramudzuli & Muzindutsi, 2018). Furthermore, the type of profession can be a factor that stresses risk tolerance, as some vocations are associated with greater risk-taking personality (Thanki & Baser, 2021; Reddy & Mahapatra, 2017).

Demographic Characteristics and Personality Type A/B

Demographic factors have a complex effect on Type-A and Type-B personality traits, with several key elements influencing these personality types. Research points out that age, socioeconomic status, education, and job types are all important in shaping these traits, especially when it comes to how individuals handle risk and behave overall. For instance, younger investors often show Type-A traits, meaning they're more inclined to take financial risks, while older individual tend to lean towards Type-B characteristics (Sadiq & Akhtar, 2019).

Socioeconomic status plays a significant role in this personality development too. Generally, people from higher socioeconomic backgrounds are more likely to display Type-A behaviors. This is particularly noticeable among women, who often show more competitiveness and a sense of urgency in stressful situations (Baker et al., 1984). Likewise, those with better education or working in high-pressure jobs tend to align more with Type-A personalities, which are associated with greater stress responses and a tendency to take risks (Baker et al., 1984; Steca et al., 2016).

When it comes to academic settings, gender interacts with personality types in interesting ways. One study highlighted differences in academic performance between male and female students who had Type-B personalities, but no significant differences were found for those exhibiting Type-A traits (Aabida et al., 2019).

Lastly, personality traits really do impact how individuals handle finances. People with Type-A traits often display overconfidence and are more likely to make riskier investment choices (Bashir et al., 2013). Additionally, attitudes toward money, particularly those connected to power and status, have a strong influence on financial decision-making and risk-taking behaviors (Furnham, 2019).

DATA AND METHODS

The study employed a descriptive and analytical research design and utilized a cross-sectional survey to collect quantitative data from university students in Pokhara, Nepal. The survey was designed to examine the influence of students' demographic characteristics on their locus of control, Type A/B personality traits, and financial risk tolerance.

The target population for this study comprised university students enrolled in various academic programs located different campuses in Pokhara, Nepal. A convenience sampling, a non-probability sampling method, was applied to approach participants, yielding a sample size

of 304 valid responses. This sample size is more than enough as per the rule of thumb of 10 responses for each measurement items of study (Nunnally, 1978; Kline, 2016) because there all altogether 17 measurement items of three constructs. According to Ruhl (2004) convenient sampling technique is the most cost-effective and widely accepted in the modern social science research field. This method was selected for its practicality and accessibility, though it may limit the generalizability of the findings. However, students from diverse academic programs, socio-economic status, different academic level, residency status, age group, and gender expected to mitigate the limitation of sampling technique.

Data were gathered during April and May 2025 using a structured questionnaire. To make the questionnaire readable, they were also translated in Nepali language with help of translator. To enhance participation and reach, the questionnaire was administered through both physical (in-person) and online formats. Physical questionnaires were distributed on university campuses, while the online version was shared via email and social media platforms.

The survey instrument consisted of previously validated scales to measure the study's key constructs, all formatted on a 5-point Likert scale where 1 = strongly disagree and 5 = strongly agree. Five items of locus of control were adopted from Perry et al., 2005 and Mien and Thao 2015, six items of personality type (A/B) were adopted from Eaker and Castelli, 1988; Grable and Joo, 2004, and five items of financial risk tolerance were adopted from Kannadhasan et al., 2016; MacCrimmon and Wehrung ,1986. These measurement scales were chosen for their established reliability and validity in previous studies, ensuring robust measurement of the constructs.

The collected data was analyzed with the help of descriptive and inferential statistical tools. To summarize the data descriptive tools like counts, percentage, mean and standard deviation were used. Inferential statistical tools like independent sample t-test and one-way ANOVA were conducted to examine the differences in locus of control, personality type-A/B, and financial risk tolerance among various groups like gender, age, income level, academic level and residential areas.

The ethical standards were followed during the entire study. Participation was fully voluntary; and the free right of withdrawal was communicated to the participants with no adverse consequences. Anonymity was kept by recording the data without gathering any identification character.

RESULTS AND DISCUSSION

The result section is arranged into three parts. The first part presents a descriptive statistics of the participants' demographic profile; the second part presents a descriptive results of locus of control, personality type, and financial risk tolerance. The third section demonstrates the results of independent sample t-test and one-way ANOVA to examine the differences in locus of control, personality type, and financial risk tolerance among various demographic factors of the university students.

Participants' Profile

Table 1 presents the descriptive statistics of total 304 students' participation in the study. In the study, a majority were female (63.8%) and most were from a bachelor degree (60.9%). In term of age, the largest group of participant were from 20-25 age range (64.8%). Most students resided in urban areas (68.8%) and came from nuclear families (70.1%).Regarding economic background, the highest proportion of respondents (36.2%) reported a monthly family income above NPR 70,000. The primary source of family income was salary or pension (47.4%), followed by business (22.4%) and remittance (12.8%). In terms of parental education, most fathers had completed education below SLC/SEE (36.5%), while only 8.6% had attained a master's degree or higher.

Table 1

Descriptive Statistics of Participants (n = 304)

Characteristics	n	%
Gender		
Male	110	36.2
Female	194	63.8
Students' Academic Level		
Bachelor Degree	185	60.9
Master Degree	119	39.1
Residency of Student		
Urban	209	68.8
Rural	95	31.3
Family Type		
Nuclear	213	70.1
Joint	91	29.9
Monthly Family Income		

below NPR 30,000	45	14.8
NPR 30,001 - 40,000	44	14.5
NPR 40,001-50,000	41	13.5
NPR 50,001-60,000	39	12.8
NPR 60,001-70,000	25	8.2
Above NPR 70,000	110	36.2
Students' Age Group		
below 20	12	3.9
20 - 25	197	64.8
26 -30	74	24.3
above 30	21	6.9
Family's Source of Income		
Salary/Pension	144	47.4
Rent	9	3
Remittance	39	12.8
Business	68	22.4
Agriculture	30	9.9
Other	14	4.6
Father's Education		
Illiterate	19	6.3
Below SLC/SEE	111	36.5
SLC/SEE	49	16.1
Higher Secondary (+2)	63	20.7
Bachelor Degree	36	11.8
Master Degree & above	26	8.6

Descriptive Analysis of Study Construct

Locus of Control of University Students

Table 2 presents the descriptive statistics of locus of control of university students. The overall mean scores for all statements is 3.97 ranging from 3.77 to 4.15, suggesting that university students generally exhibit an internal locus of control with standard deviation of 0.69.

Table 2

Locus of Control

Code	Statements	Percent					M	SD
		SD	D	N	A	SA		
LOC1	There are many things that I can do to change the important things in my life.	0.70	3.90	28.90	51.00	15.50	3.77	0.78
LOC2	I can solve the problem that I face.	3.00	14.80	59.90	22.00	0.30	4.15	2.45
LOC3	What happens in the future depends on me.	1.00	5.90	14.10	43.40	35.50	4.07	0.91
LOC4	I can do something that I set my mind on.	0.30	3.60	12.50	54.30	29.30	4.09	0.77
LOC5	I have control over my life.	1.00	6.90	23.00	50.00	19.10	3.79	0.86
	Overall						3.97	0.69

The results revealed that students believe their actions significantly influence their life outcomes, future, and ability to achieve goals. Among the measurement scale of local of control, the highest mean (4.15, LOC2) and strong agreement in LOC4 (in total 83.6%) indicate particular confidence in problem-solving and achieving set goals. LOC3 also shows strong belief in personal influence over the future (in total 78.9%). However, LOC2 has an unusually high *SD* (2.45), suggesting polarized views on problem-solving ability, possibly due to individual differences in self-efficacy or experiences. Other statements have moderate to low *SD*s (0.77–0.91), indicating more consistent responses. Furthermore, LOC1 and LOC5 have slightly lower means (3.77, 3.79), with fewer students strongly agreeing (15.5% and 19.1%, respectively), suggesting some students are less certain about changing important life aspects or controlling their lives overall.

Personality Type (A/B) of University Students

Table 3 presents descriptive statistics of personality type (A/B) of university students. The results show a mix of personality types, with stronger Type A traits in competitiveness (PT4, 81.9% agreement, M = 4.12) and excellence (PT2, 58.2% agreement, M =3.54) and low variability (i.e. SD = 0.79 and 0.93). The large sample size demonstrate Type-A personality with overall mean score of 3.33 and SD = 0.54.

Table 3

Personality Type (A/B)

Code	Statements	Percent					M	SD
		SD	D	N	A	SA		
PT1	I like to rule or dominate.	19.10	35.50	22.70	15.80	6.90	2.56	1.17
PT2	I feel the need to excel in almost everything	1.30	14.50	26.00	45.70	12.50	3.54	0.93
PT3	Often I feel pressed for time.	3.30	16.10	34.50	37.50	8.60	3.32	0.95
PT4	I like to work hard and be competitive.	0.70	2.30	15.10	48.70	33.20	4.12	0.79
PT5	I eat things quickly.	3.60	23.00	31.90	31.30	10.20	3.21	1.03
PT6	I get angry when I have to wait for anything.	3.00	26.00	28.60	30.90	11.50	3.22	1.05
	Overall						3.33	0.54

However, dominating traits (PT1, *M = 2.56*) supports toward Type-B personality with 54.6% disagreeing. PT3, PT5, and PT6 with mean values ranging from 3.22 to 3.32 indicate mixed of Type-A and B traits with many students showed neutral responses. Additionally, the lowest standard deviation for PT4 (*SD=0.79*) indicates strong agreement on competitiveness. On the other hands, higher standard deviation for PT1 (*SD=1.17*), PT5 (*SD=1.03*), and PT6 (*SD=1.05*) suggest diverse responses, possibly due to differences between bachelor's and master's degree students or individual personalities.

Financial Risk Tolerance of University Students

Table 4 presents a descriptive results of financial risk tolerance of university students. The results reveals a general tendency toward risk aversion behavior among university students with overall mean score of 3.06 and SD = 0.70. The strongest agreement on FRT5 (16.40%) with mean value of 3.61 indicates a preference for safety followed by a preference for bank accounts over stock (FRT2, *M = 3.15*). However, the mean score below neutral point of 3 for FRT4 (*M=2.95*), FRT3 (*M=2.97*), and FRT1 (*M=2.62*) indicating slightly disagree with "luck", "loss" and "difficulty to understand" the investing.

Table 4

Financial Risk Tolerance

Code	Statements	Percent					M	SD
		SD	D	N	A	SA		

FRT1	Investing is too difficult to understand me.	9.20	42.10	28.30	18.10	2.30	2.62	0.96
FRT2	I am more comfortable putting money in a bank account than in the stock market.	5.30	24.30	27.60	35.50	7.20	3.15	1.04
FRT3	When I think of the word "risk" the term "loss" comes to mind immediately.	9.50	27.00	25.70	32.60	5.30	2.97	1.09
FRT4	Making money in stocks and bonds is based on luck.	9.90	24.30	33.20	25.70	6.90	2.95	1.08
FRT5	In terms of investing, safety is more important than returns.	2.00	11.20	27.00	43.40	16.40	3.61	0.95
	Overall						3.06	0.70

Assessment of Differences

The measurement scales of internal locus of control measures internal locus of control (LoC). Higher the mean score than the mid-point of 3 in 5-point Likert scale indicates higher internal locus of control on students. Before conducting parametric test such as independent sample t-test and one-way ANOVA, normality were check through the observation of normality curve in a histogram by keeping mean score of LoC, Personality type, and financial risk tolerance along with demographic characteristics and bell shaped curves were found. An independent sample t-test was computed to compare the mean score of LoC across four demographic factors: gender (male vs. female), academic degree (bachelor vs. master) and residential status (urban vs. rural).

Table 5

Independent Sample t-test

Demographic Characteristics	M	SD	t	df	p	Cohen's d	95% CI [LI,UL]
Male (n = 110)	4.03	0.48	1.19	302	.234	0.14	[-0.6, 0.26]
Female (n = 194)	3.94	0.79					
Bachelor Degree (n = 185)	3.99	0.51	0.48	302	.631	0.06	[-0.12, 0.20]
Master Degree (n = 119)	3.95	0.91					
Urban (n = 209)	4.03	0.74	2.03	302	.043	0.25	[0.01, 0.34]
Rural (n = 95)	3.85	0.56					

Note: *M* = Mean, *SD* = Standard Deviation, *t* = t-statistic, *df* = Degrees of Freedom, *p* = p-value, Cohen's *d* = Effect size, 95% CI = Confidence Interval for the mean difference, *LL* = Lower Limit, *UL* = Upper Limit. Equal variances assumed (Levene's test, **p** > .05). *N* = 304.

For gender, the results showed no significant difference in LoC scores between male (M = 4.03, SD = 0.48) and female (M = 3.94, SD = 0.79) students, t (302) = 1.193, p = *.234*, 95% CI [-0.06, 0.26]. The effect size was very small, Cohen's d = 0.14, suggesting negligible practical difference. For academic degree, the results showed no significant difference in LoC scores between Bachelor's (M = 3.99, SD = 0.51) and Master's (M = 3.95, SD = 0.91) students, t (302) = 0.480, p = .631, 95% CI [-0.12, 0.20]. The effect size was very small, Cohen's d = 0.06, suggesting negligible practical difference in locus of control between the two groups. However, for residency, results showed a statistically significant difference in LoC scores between urban (M = 4.03, SD = 0.74) and rural (M = 3.85, SD = 0.56) students, t (302) = 2.033, p = .043, 95% CI [0.01, 0.34]. The effect size was small, Cohen's d = 0.25, suggesting a modest practical difference, with urban students reporting a slightly more internal locus of control compared to rural students.

Table 6 presents, the results of One-way ANOVA. One-way analyses of variance (ANOVAs) were conducted to examine the effects of monthly family income and father's education level on locus of control (LoC) scores.

Table 6

One-Way ANOVA Test

Source	SS	df	MS	F	p	η^2
LoC across Monthly Family Income						
Between Groups	2.99	5	.60	1.25	.284	0.02
Within Groups	142.17	298	.48			
Total	145.16	303				
LoC across Father's Education Level						
Between Groups	2.72	5	.54	1.14	.340	0.02
Within Groups	142.44	298	.48			
Total	145.16	303				

Note: *SS* = Sum of Squares, *df* = Degrees of Freedom, *MS* = Mean Square, F = F-statistic, p = p-value, η^2 = Eta-squared. $p < .05$ indicates statistical significance. N = 304. Assumptions of normality and homogeneity of variance were met.

For monthly family income, the results indicated no significant differences in LOC scores across the six income groups, F (5, 298) = 1.25, p = .284, η^2 = .02. Similarly, for father's education level, no significant differences were found in LOC scores across the six education level groups, F (5, 298) = 1.14, p = .340, η^2 = .02. These findings suggest that neither monthly family income nor father's education level significantly influences LOC scores, with both variables accounting for only 2% of the variance in LOC.

Demographic Characteristics and Personality Type

An independent samples t-test was conducted to compare personality type (PT) scores, measured on a scale where higher scores indicate a stronger Type A personality, between male (n = 110) and female (n = 194) students. Levene's test for equality of variances was not significant, F (1, 302) = 2.776, p = .097, indicating that the assumption of equal variances was met.

Table 7

Independent Sample t-test

Demographic Characteristics	*M*	*SD*	*t*	*df*	*p*	Cohen's *d*	95% *CI* [*LI,UL*]
Male (n = 110)	3.43	0.59	2.40	302	.017	0.29	[0.03, 0.28]
Female (n = 194)	3.27	0.51					

Results showed a statistically significant difference in PT scores between male (M = 3.43, SD = 0.59) and female (M = 3.27, SD = 0.51) students, t (302) = 2.400, p = .017, 95% CI [0.03, 0.28]. The effect size was small, Cohen's d = 0.29, suggesting a modest practical difference, with male students reporting slightly stronger Type A personality traits.

Demographic Characteristics and Financial Risk Tolerance

The measurement items of financial risk tolerance (FRT) are reverse coded scales which measures the risk tolerance capacity of the participants. Higher the mean score indicate higher level of financial risk tolerance. An independent sample t-test was conducted to compare the FRT scores across three demographic variables: gender (male vs. female), academic degree (Bachelor's vs. Master's), and residential status (urban vs. rural).

Table 8

Independent Sample t-test

Demographic Characteristics	M	SD	t	df	p	Cohen's d	95% CI [LI,UL]
Male (n = 110)	3.10	0.69	3.10	302	.002	0.37	[0.09, 0.43]
Female (n = 194)	2.85	0.68					
Bachelor Degree (n = 185)	2.82	0.71	-3.94	302	.000	0.46	[-0.47, -0.16]
Master Degree (n = 119)	3.13	0.62					
Urban (n = 209)	2.92	0.68	-.511	302	.610	0.06	[-0.21, 0.13]
Rural (n = 95)	2.97	0.74					

Note: M = Mean, SD = Standard Deviation, t = t-statistic, df = Degrees of Freedom, p = p-value, Cohen's d = Effect size, 95% CI = Confidence Interval for the mean difference, LL = Lower Limit, UL = Upper Limit. Equal variances assumed (Levene's test, $*p* > .05$). N = 304.

For academic degree, the results showed a statistically significant difference in FRT scores between Bachelor's (M = 2.82, SD = 0.71) and Master's (M = 3.13, SD = 0.62) students, t (302) = -3.939, p < .001, 95% CI [-0.47, -0.16]. The effect size was small to medium, Cohen's d = 0.46, suggesting a moderate practical difference, with Master's students reporting greater financial risk tolerance. For gender, the results showed a statistically significant difference in FRT scores between male (M = 3.10, SD = 0.69) and female (M = 2.85, SD = 0.68) students, t (302) = 3.100, p = .002, 95% CI [0.09, 0.41]. The effect size was small to medium, Cohen's d = 0.37, suggesting a moderate practical difference, with male students reporting greater financial risk tolerance. However, for the residency, the result showed no statistically significant difference in FRT scores between urban (M = 2.92, SD = 0.68) and rural (M = 2.97, SD = 0.74) students, t (302) = -0.511, p >.05, 95% CI [-0.21, 0.13]. The effect size was very small, Cohen's d = 0.06, suggesting negligible practical difference in financial risk tolerance between urban and rural students.

Table 9 present the results of One-way ANOVA. One-way analyses of variance (ANOVAs) were conducted to examine the effects of monthly family income, family source of income, and father's education level on FRT scores. For monthly family income, no significant differences were found in FRT scores across the six income groups, F (5, 298) = 2.00, p = .079, η^2 = .03. For source of income, significant differences were observed across the six groups, F (5, 298) = 2.68, p = .022, η^2 = .04. A post-hoc test revealed a specific significant difference in FRT scores between the Salary and Agriculture groups. For father's education level, no significant differences were found in FRT scores across the six education level groups, F (5, 298) = 0.25, p = .940, η^2 = .00. These findings indicate that source of income of family significantly influences FRT scores, with a notable difference between Salary and Agriculture groups, while monthly family income and father's education level have minimal to no impact.

Table 9

One-Way ANOVA Test

Source	SS	df	MS	F	p	η²
FRT across Monthly Family Income						
Between Groups	4.74	5	0.95	2.00	.079	0.03
Within Groups	141.62	298	0.48			
Total	146.36	303				
FRT across Source of Income						
Between Groups	6.31	5	1.26	2.68	.022	0.04
Within Groups	140.05	298	0.47			
Total	146.36	303				

FRT across Father's Education Level						
Between Groups	0.61	5	0.12	0.25	.940	0.00
Within Groups	145.75	298	0.49			
Total	146.36	303				

Note: *SS* = Sum of Squares, *df* = Degrees of Freedom, *MS* = Mean Square, *F* = F-statistic, *p* = p-value, η^2 = Eta-squared. $p < .05$ indicates statistical significance. $N = 304$. Assumptions of normality and homogeneity of variance were met.

DISCUSSION

The results revealed that residency status (i.e. urban and rural) of the university students have significant association with locus of control with students living in urban areas have more locus of control than rural. This result align with the finding of Shifrer and Sutton (2014). However, results showed no significant association of locus of control and gender. This result align with the finding of Paskarini (2023). The result also showed no differences between locus of control and academic achievement of the students which is contradict with the finding of with Paskarini (2023). Similarly, the results revealed no significant difference in locus of control across the students having different monthly family income and father's education level. This result slightly agree with the findings of Danes (1991).

The result revealed a significant association of personality types and gender, with male students showed slightly stronger Type-A personality traits. The results showed a significant difference in financial risk tolerance capacity between male and female students, with male showed more FRT ability than female. This result align with the findings of several studies such as Rahman et al. (2023), Anbar and Eker (2010), Aigbovo-Omoruyi and Aigbovo (2020), Thanki and Baser (2021), Reddy and Mahapatra (2017), Gilliam et al. (2010), Powell and Ansic (1997), and Barber and Odean, 2001).

Likewise, results showed significant difference in FRT between bachelor level and master level students, with master level student showed more FRT ability. This result support the finding of Gujjar and Aijaz (2014), Ardehali et al. (2005), Hallahan et al. (2004), Hawley and Fujii (1993). However, residency status showed no significant effect on FRT. Similarly, the results showed significant differences in FRT across the students of having different source of family income particularly between salary and agriculture group. However, no significant differences across the students having different monthly family income, this result unable to support the findings of Anbar and Eker (2010), Waqar et al. (2023), Aigbovo-Omoruyi and

Aigbovo (2020), Thanki and Baser (2021), Reddy and Mahapatra (2017) and Grable (1997). The result also showed no significant difference in FRT among the student having different level of father's education.

CONCLUSION

The data suggests that university students generally possess an internal locus of control, with strong beliefs in their ability to influence their future and achieve goals. However, variability in problem-solving confidence (LOC2) highlights a need for tailored support for some students. The students exhibit a Type-A personality in general. While talking precisely, students showed Type-A tendencies in competitiveness and excellence, but more Type-B traits in dominance and balanced responses in time pressure, eating habits, and patience. The assessment of Financial Risk Tolerance (FRT) shows risk-averse tendency in university students indicating the university students take a careful approach when it comes to financial matters and prefer the less risky and more familiar option (like having bank accounts) instead of the more risky and possibly less profitable areas of investments or financing. Their premium understanding of investment-related concepts (FRT1) calls for cognitive readiness, but their strong push towards the safe side (FRT5) and viewing risk as something that is either loss or luck based (FRT3, FRT4) are the reasons for being risk-averse. This implies that the students, although they are mentally equipped to deal with money matters, are probably hindered by psychological factors—such as fear of losing money or relying on random luck—to the extent of missing out on the high-yield financial opportunities.

The research findings shed light on the relations among locus of control, personality types, and financial risk tolerance of the university students in Pokhara. The results have shown that there is a strong connection between the residency status and locus of control, where urban students were found to have a higher degree of internal locus of control than rural students. However, there was no such strong connection found between locus of control and either gender or academic level. Similarly, monthly family income and father's education level were also found not to have any significant impact on locus of control.

Talking about personality types, the most noticeable association was with gender, where male students were slightly more prone to show Type-A personality characteristics. Moreover, on the financial risk tolerance, the male students were assessed to have a higher risk tolerance than females, and master's level students were more risk tolerating than bachelors. Statistically significant difference also found in FRT among the students having different source of family

income, particularly between salaried and agricultural background. However, no significant differences found in FRT among the students having different residential status, monthly family income, father's education level.

Overall, these results highlight the complex impact that demographic and socioeconomic factors have on locus of control, type of personality and financial risk tolerance. It seems that the city life might increase people's feeling of control over outcomes, whereas gender and education level contribute significantly to the development of both personality and risk-taking behavior in finance.

Limitation and Future Research Direction

The research was based on cross-sectional survey data, therefore, future investigations may perform a longitudinal study to observe the changes in locus of control, personality traits, and financial risk tolerance. More qualitative or mixed-methods research can uncover the emotional and cultural reasons for risk aversion in students, mainly the impact of fear, trust, and the view of the financial system on their decisions. Correspondingly, research in different regions or countries can disclose whether these results are indicative of wider trends thus making the generalization stronger. Similarly, a future researcher might opt for the probability sampling technique with a large sample size for its generalizability. Moreover, the future studies may look at how different cultural values, family expectations, or community stories affect students' locus of control and risk-taking attitude.

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