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An Assessment of Financial Literacy Among College Students in Nepal

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Abstract

This study aimed to examine in the financial literacy among Nepalese college students with respect to socio-economic characteristics, financial education experience and financial transaction experience and to examine the factors affecting the financial literacy of the students. For the construction financial literacy, understanding of income, saving and investment, expenditure and debt and financial management were used. Primary data were taken from various private and public college from Kathmandu Valley from Kathmandu valley using questionnaire. 385 responses were taken for the study. T-test and F-test were used to analyze the significant differences of the financial literacy among the male and female. Hierarchical regression was used to analyze the factors of financial literacy. The study found that the students had great understanding on saving and investment and least understanding on financial management. The mean score of males in financial literacy is found to be 10.44 out of 20 while that of females is found to be 10.25 and 10.3 of total. However, no significant differences were found among the gender for financial literacy. The regression coefficient of education level of the students, financial education received at university and mobile banking services were 1.85, 0.922 and 0.64 which were statistically significant and had positive impact on financial literacy.

Keywords: financial literacy, gender differences, financial education experience, financial transaction experience

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Introduction

In the age of globalization, financial markets have undergone profound transformations, evolving from isolated national systems into complex, interconnected global networks. This integration has been propelled by technological advancements, increased capital mobility, and real-time communication, enabling investments, information, and financial products to move fluidly across borders. While globalization has unlocked significant opportunities—such as enhanced access to international capital and diversified investment options—it has also introduced new risks, including financial contagion and increased market volatility. Policymakers and financial institutions are therefore tasked with crafting robust regulatory frameworks that maintain market stability without hindering economic growth.

Amid these changes, financial literacy has emerged as a crucial skill for individuals navigating today's intricate financial systems. According to the Financial Consumer Agency of Canada (2010), financial literacy encompasses the knowledge, skills, and confidence needed to make responsible financial decisions. It empowers individuals to manage day-to-day financial activities, plan for long-term goals, evaluate financial information critically, and make informed choices about savings, credit, insurance, and investments. In an increasingly deregulated and competitive financial environment, where consumers face a growing array of financial products and services, the need for financial literacy is more urgent than ever (Beal & Delpachitra, 2003; Marcolin & Abraham, 2006).

Numerous studies have demonstrated the positive relationship between financial literacy and sound financial behavior. Individuals with higher financial literacy are more likely to manage debt effectively, participate in capital markets, save for retirement, and make rational investment decisions (Lusardi & Tufano, 2015; Rooij, et al., 2011; Lusardi & Mitchell, 2007). Among various demographic groups, college students represent a critical segment. As young adults begin assuming financial responsibility, they often face difficulties related to budgeting, credit use, debt management, and financial planning (Peng et al., 2007). Poor financial decision-making during this stage can have long-term consequences, including academic difficulties and impaired future financial well-being (Bodvarsson & Walker, 2004; Lyons, 2004).

Gender disparities in financial literacy are also well-documented. Studies across various countries indicate that women consistently score lower on financial literacy assessments compared to men (Lusardi & Mitchell, 2011; Atkinson & Messy, 2012). Several factors contribute to these disparities, including socio-economic background, education, labor market experience, and cultural attitudes toward gender roles. In particular, the need to assess financial literacy among women has gained global attention, with organizations like the OECD and G20 emphasizing gender-inclusive financial education as essential to promoting economic empowerment and reducing inequality.

In the Nepalese context, the issue of financial literacy is gaining importance. Despite globalization's impact and the increasing availability of financial services, many Nepalese, especially youth and marginalized populations, lack the necessary financial knowledge and skills. Nepal Rastra Bank (NRB) has recognized this gap, incorporating financial literacy initiatives into its Strategic Plan 2012–2016, with special emphasis on women, ethnic minorities, and disadvantaged groups. However, empirical studies assessing financial literacy among Nepalese college students remain limited. Existing research (e.g., Thapa & Nepal, 2015) highlights low awareness in key areas such as taxation, credit, and investment, but often overlooks gender differences and does not establish comprehensive indices of financial literacy.

Given this backdrop, this study seeks to assess the level of financial literacy among Nepalese college students, with a particular focus on gender-based differences. As students represent the future workforce and decision-makers of the country, understanding their financial literacy is crucial for ensuring economic resilience and individual financial well-being. The study aims not only to measure financial literacy levels but also to explore how socio-economic characteristics, financial education, and transactional experiences influence these outcomes. By examining these dynamics through a gender lens, the study hopes to inform targeted educational interventions and policy reforms that foster financial inclusivity and empowerment.

Literature Review

Financial literacy has increasingly become a subject of academic and policy interest worldwide due to its direct influence on financial behavior, decision-making, and long-term well-being. Numerous studies across countries have consistently highlighted how socio-demographic variables, financial education, and contextual factors shape individuals' understanding of financial concepts and practices.

Globally, recent empirical evidence underscores that financial literacy among college students remains moderate to low, particularly in critical areas such as investment, credit, and risk management. For instance, Blay et al. (2024) examined financial literacy and stock market participation among 400 Ghanaian university students. The study revealed widespread financial illiteracy, particularly regarding interest compounding and investment risks. Males, older students, and those with work experience showed higher financial literacy and stock market engagement, affirming that demographic traits significantly influence financial behavior. Similarly, Dave et al. (2024) found that gender, income, academic performance, and field of study significantly influenced financial literacy among Indian college students, advocating for tailored interventions in educational institutions.

Complementary to these findings, Gatti (2024) developed a comprehensive curriculum framework identifying 38 financial literacy topics grouped into nine core themes.

This effort supports the integration of structured financial education within higher education curricula. The importance of integrating experience and education into financial literacy programs was also emphasized by Chabaefe and Qutieshat (2024), who proposed a conceptual model suggesting that both elements are critical to improving financial outcomes, especially among vulnerable populations.

Several scholars have used diverse methodologies to explore financial literacy dynamics. Gupta et al. (2024), through focus group discussions with finance professionals in India, identified interactive tools, gamification, and budgeting apps as potential educational interventions, though the lack of student perspectives limited the study's scope. Hudaaka and Purbasari (2024) and Istiqomah and Nugraheni (2024) emphasized that students with low financial literacy often make poor decisions, experience debt, and suffer from stress, suggesting that financial knowledge, attitudes, and campus environments are significant determinants of financial management behavior.

From a behavioral lens, Kang and Park (2024) demonstrated that financial literacy significantly improves both financial behavior and entrepreneurial opportunity recognition among Korean students. This relationship was mediated by financial behavior, suggesting that literacy does not only improve knowledge but also action. Likewise, Kusumawati et al. (2024) and Owusu et al. (2024) confirmed the significant role of attitudes, lifestyle, and indebtedness in shaping financial behavior, further highlighting the importance of integrating psychological and experiential factors into financial literacy models.

Digital tools have emerged as powerful instruments in advancing financial education. Nugraha et al. (2023) showed that digital booklets effectively enhanced Indonesian students' financial skills, while Respati et al. (2023) linked digital financial literacy and confidence to improved financial behavior and well-being. In a more experimental context, Oberrauch and Kaiser (2024) conducted a randomized control trial and concluded that video-based financial education significantly outperformed incentive-based methods, underscoring the effectiveness of direct pedagogical interventions.

Cross-national studies have further enriched this discourse. Happ et al. (2022) found national differences in financial strengths—Korean students excelled in banking knowledge while Germans performed better in insurance literacy—reinforcing the influence of local financial cultures. In Vietnam, Phung (2023) discovered that parental roles as financial decision-makers positively affected students' financial knowledge and budgeting habits.

Socioeconomic and demographic disparities consistently appear across multiple studies. For instance, Goulart et al. (2023) and Bohm et al. (2023) identified gender, family income, personality traits, and parental education as influential factors among Brazilian and Slovak students, respectively. Gender gaps are a recurring theme, with most studies reporting

that male students tend to have higher financial literacy than their female counterparts (e.g., Tan et al., 2024; Umar and Dalimunthe, 2024).

In South and Southeast Asia, several studies have focused on the implications of financial education in behavioral contexts. Vyas et al. (2024) and Mohd Padil et al. (2022) showed that basic financial knowledge and budgeting skills not only affect day-to-day money management but also protect students against scams and misinformation. Rabbani et al. (2022) further contributed by categorizing students based on financial knowledge types, linking profiles to varied well-being and decision-making capacities.

In the Nepalese context, financial literacy research is still emerging. NRB (2022), through a national-level survey, revealed that the overall financial literacy rate in Nepal stood at 57.9%, with stark disparities across provinces, genders, and occupational groups. Subedi (2023) and Thapa & KC (2020) found that lack of financial knowledge and low risk awareness negatively influenced saving and investment behaviors, especially in urban markets like Kathmandu. Gender was again a significant factor, with males typically exhibiting higher literacy.

Dangol and Shakya (2017) emphasized that younger and more educated individuals were more financially literate, while Vaidya and G.C. (2021) demonstrated that Tharu women with higher financial literacy showed better borrowing and saving practices, despite limited changes in financial attitudes. Similarly, Paudel (2021) and Thapa & Nepal (2015) found that financial literacy among women and students varied based on education level, income, and institutional type, although knowledge in areas like credit and insurance remained weak.

Further studies by Chaulagain (2018) and Chaulagain and Devkota (2018) highlighted the transformative role of financial literacy in empowering marginalized communities. They argued that true financial inclusion cannot be achieved through access alone—financial education is essential for meaningful participation and long-term behavioral change.

The existing body of literature reveals that financial literacy is shaped by an interplay of demographic, educational, experiential, and digital factors. While global and regional studies provide robust frameworks and insights, there remains a critical gap in understanding financial literacy among college students in developing contexts like Nepal—particularly regarding gender differences.

Research Methodology

This consists of the description of the conceptual framework of the study, sampling design employed in the research study and empirical design.

Conceptual Framework

Figure 1

Effects of Independent Variables on Financial Literacy

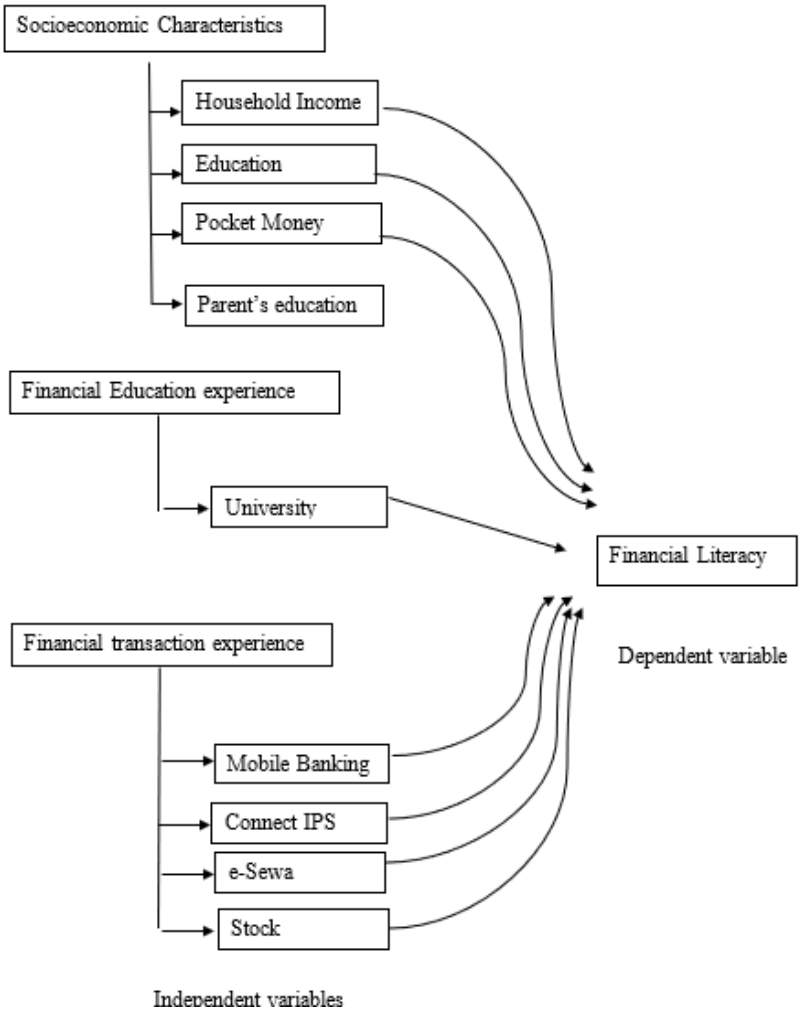

Figure 1 shows the impact of the independent variables on dependent variable financial literacy. The financial literacy has been composed by scoring method using 20 questions relating to understanding of income, financial management, savings and investment, and expenditure and debt. The independent variables consist socioeconomic characteristics, financial education experience and financial transaction experience. Socioeconomic characteristics contain household income of the respondents, educational level of respondents, pocket money of the respondents, and parents' education. Financial education experience is the independent variable which is constructed as dummy variable

whether the respondents have taken financial education in university. The financial transaction experience consists of four variables which are presence of mobile banking, connect IPS, e-Sewa and investment in Stock market.

Sampling Design

Depending on the online sample size calculator named "calculator.net", where the confidence level is maintained at 95 %, margin of error at 5 %, population proportion at 50 % and population size is left blank as there was no data of the college students available, the required sampled size got was 385. Hence in this study, the sample size of 385 college students was taken. The sample was taken in the convenience basis. Both private and public institutions are approached for the study. The students of the business faculty namely, management and economics, and also the non-business faculty was approached for the study. Basically, this study depends on the primary data. The data has been collected through the student survey by the means of questionnaire.

Empirical Design

A hierarchical multiple regression model has been applied to investigate the effects of socio-economic characteristics, financial education experience, and financial transaction experience on financial literacy. Model 1 includes socio-economic variables.

Mathematically, Model 1 can be written as:

$$FL = a + b_1 INC + b_2 EDU + b_3 PM + b_4 EDU\_PAR + e$$

Where,

FL = Financial literacy

INC = Household income

EDU = Respondents Educational Level

PM = Pocket money

EDU_PAR = Parents' education

a = Intercept term

b_i = Coefficients

e = Error term

Model 2 includes socio-economic variables and financial education variables.

$$FL = a + b_1 INC + b_2 EDU + b_3 PM + b_4 EDU_{PAR} + b_5 UNI + e$$

Where,

UNI = University

Model 3 includes socio-economic variables, financial education variables, and financial transaction experience variables

$$FL = a + b_1 INC + b_2 EDU + b_3 PM + b_4 EDU\_PAR + b_5 UNI + b_6 MOB + b_7 CONIPS + b_8 ESEWA + b_9 STOCK + e$$

Where,

MOB = Mobile Banking

CONIPS = Connect IPS

ESEWA = e-Sewa

STOCK = Investment in Stock

Hence the independent variables include socio-economic characteristics, financial education experience, and financial transaction experience. The socio-economic characteristics are annual household income, education of respondent, pocket money of respondent and parent's education. The financial education experience is measured in terms of whether or not a student has experienced financial education at university (1=yes, 0=no). Similarly, financial transaction experience is measured in terms of whether or not a student has experienced the financial transactions of mobile banking, connect IPS, e-Sewa and investment in stock respectively (1=yes, 0=no). the financial literacy score was prepared based on the marks achieved by the respondents on questions of questionnaire. The total score that respondent can achieved is 20 and least score is 0.

Results

Table 1

Demographic Characteristics of Respondents

Variables	Classifications	Frequency	Percent
Gender	Male	102	26.49
	Female	283	73.51
Age	15-19	106	27.53
	20-24	232	60.26
	25-29	31	8.05
	30-34	14	3.64
	35-39	2	0.52
Education	Bachelor	343	89.09
	Master	42	10.91

Source: Field Survey, 2021

The table provides a demographic overview of the respondents based on three key variables: gender, age, and education.

In terms of gender distribution, the data shows that the majority of respondents were female. Out of the total participants, 283 were female, representing 73.51%, while only 102 were male, accounting for 26.49%. This indicates that the sample was heavily skewed towards female respondents, which may reflect the composition of the target population, possibly students or participants in a particular field where female participation is higher. Regarding age, most respondents fell within the younger age brackets. The largest group was aged 20–24 years, comprising 232 respondents or 60.26% of the total. This was followed by the 15–19 age group, which included 106 respondents, making up 27.53%. Smaller proportions were observed in the older age categories: 8.05% were aged 25–29, 3.64% were aged 30–34, and only 0.52% were between 35–39 years. This suggests that the study primarily targeted young adults, likely students or early-career individuals.

In terms of educational qualifications, the majority of respondents were enrolled in or had completed a bachelor's degree. Specifically, 343 participants, or 89.09%, were bachelor-level students, while only 42 respondents (10.91%) were at the master's level. This further supports the assumption that the sample consisted mainly of undergraduate students, with relatively few pursuing postgraduate education.

Gender Differences in Financial Literacy of Students

The gender differences in financial literacy have been examined using t-test.

Table 2

Gender Differences in Financial Literacy of Nepalese University Students

Variable	Classification	Frequency	Mean Score	t-stat	P-value
Financial literacy	Male	102	10.44	-0.624	0.533
	Female	283	10.25		
Income	Male	102	2.34	0.649	0.517
	Female	283	2.42		
Financial Management	Male	102	2.05	0.066	0.947
	Female	283	2.06		
Savings and Investment	Male	102	3.29	-1.078	0.282
	Female	283	3.16		
Expenditure and Debt	Male	102	2.75	-1.036	0.301
	Female	283	2.61		

Source: Field Survey, 2021 and researcher's calculation

From the above table the mean score of male respondents in financial literacy was found to be 10.44 and that of female respondents score found to be 10.25. The difference

between mean scores of male and female was not found to be statistically significant as the p-value of the test was 0.533 which is greater than 0.05. Similarly, the mean score of male respondents in income was found to be 2.34 and that of female respondents secure found to be 2.42 where the difference between mean scores of male and female was not found to be statistically significant as the p-value of the test was 0.517 which is greater than 0.05. Furthermore, the above table shows the mean score of male respondents in Financial Management was found to be 2.05 and that of female respondents score found to be 2.06 where the difference between mean scores of male and female was not found to be statistically significant as the p-value of the test was 0.947 which is greater than 0.05.

The mean score of male respondents in Saving and Investment was found to be 3.29 and that of female respondents score found to be 3.16 where the difference between mean scores of male and female was not found to be statistically significant as the p-value of the test was 0.282 which is greater than 0.05. Similarly, the mean score of male respondents in Expenditure and Debts was found to be 2.75 and that of female respondents score found to be 2.61 where the difference between mean score of male and female respondents was not found to be statistically significant as the p-value of the test was 0.301 which is greater than 0.05.

Table 3

Gender Differences in Financial Literacy by Socio-economic Characteristics

Variable	Classification	Frequency	Score	f-stat	P-value
Pocket money	High and Male	28	10.86	6.548	0.000
	High and Female	62	11.47		
	Low and Male	74	10.28		
	Low and Female	221	9.91		
Household income	High and Male	47	10.53	0.657	0.579
	High and Female	132	10.45		
	Low and Male	55	10.36		
	Low and Female	151	10.08		
Parent's education	High and Male	37	9.86	3.045	0.029
	High and Female	130	10.65		
	Low and Male	65	10.77		
	Low and Female	153	9.92		

Source: Field Survey, 2021 and researcher's calculation

The financial literacy score was also classified in term of pocket money such that there were four classifications which is shown in the above table. The pocket money carried by the students were classified as high (greater than median value) and low (equal or lower than median value). The mean score of high male was 10.86 (28 respondents) and the mean score of low male was 10.28 (74 respondents). Furthermore, mean score of high female and

low female was found to be 11.47 (62 respondents) and 9.91 (221 respondents) respectively. The difference between mean scores of high male, low male, high female and low female was found to be statistically significant as the p-value of the test was 0.000 which is less than 0.05.

Similarly, the mean score in Household Income of high male and low male was found to be 10.53 (47 respondents) and 10.36 (55 respondents) respectively, where mean score of high female and low female was found to be 10.45 (132 respondents) and 10.08(151 respondents) respectively. The difference between mean score of high male, low male, high female and low female was not found to be statistically significant as the p-value of the test was 0.579 which is greater than 0.05.

Furthermore, the mean score of parent's education of high male and low male was found to be 9.86 (37 respondents) and 10.77 (65 respondents) respectively and mean score of high female and low female was 10.65 (130 respondents) and 9.92 (153 respondents). The difference between mean score of high male, low male, high female and low female was found to be statically statistically significant the p- value of the test was 0.029 which is less than 0.05.

Table 4

Differences in Financial Literacy by Financial Education Experience

Variable	Classification	Frequency	Score	t-stat	p-value
Home	Yes	175	10.36	0.388	0.698
	No	210	10.26		
Public and private institution	Yes	59	10.68	1.491	0.139
	No	326	10.24		
Secondary and higher secondary	Yes	259	10.34	0.431	0.666
	No	126	10.22		
University	Yes	243	10.73	4.348	0.000
	No	142	9.57		

Source: Field Survey, 2021 and researcher's calculation

The financial literacy score was also classified in term of financial Education Experience i.e. financial education experience taken (yes) or not taken (no) from home, public and private institutional, secondary and higher secondary school and from university, which is shown in the above table. Financial Education Experience taken from home by respondents were classified as Yes, No terms. The mean score of financial education experience taken from home and not taken from was found to be 10.36 (175 respondents) and 10.26 (210 respondents) respectively. The difference between mean scores was not found to be statistically significant as the p-value of the test was 0.698 which is greater than 0.05.

Similarly, the mean score in Financial Education Experience taken or not from Public and private institution was found to be 10.68 (59 respondents) and 10.64 (326 respondents) respectively. The difference between mean scores was not found to be statistically significant as the p-value of the test was 0.139 which is greater than 0.05. The mean score in Financial Education Experience taken or not from Secondary and higher secondary was found to be 10.34 (259 respondents) and 10.22 (126 respondents) respectively. The difference between mean scores was not found to be statistically significant as the p-value of the test was 0.666 which is greater than 0.05.

However, mean scores in Financial Education Experience taken or not from university was found to be statistically significant as the p-value of the test was 0.000 which is less than 0.05.

Table 5

Differences in Financial Literacy by Financial Transaction Experience

Variable	Classification	Frequency	Score	t-stat	p-value
Internet Banking	Yes	113	11.05	3.721	0.000
	No	272	9.99		
Mobile Banking	Yes	248	10.79	5.075	0.000
	No	137	9.43		
ATM Service	Yes	249	10.68	3.915	0.000
	No	136	9.62		
Credit Card	Yes	9	10.89	0.686	0.493
	No	376	10.29		
Connect IPS	Yes	84	11.45	4.724	0.000
	No	301	9.98		
e Sewa	Yes	162	11.06	5.006	0.000
	No	223	9.76		
Khalti Digital	Yes	47	11.02	2.036	0.042
	No	338	10.20		
Investment in stock	Yes	212	10.75	3.766	0.000
	No	173	9.76		

Source: Field Survey, 2021 and researcher's calculation

The financial literacy score was also classified in term of Financial Transaction Experience i.e. Internet Banking, Mobile Banking, ATM service, Credit Card, Connect IPS, eSewa, Khalti digital and Investment in stock, which is shown in the above table. The mean score of Internet banking user (yes) was found to be 11.05 (113 respondents) and not user (no) was found to be 9.99 (272 respondents). The difference between mean scores was found to be statistically significant as the p-value of the test was 0.000 which is less than 0.05.

The mean score of Mobile Banking user (yes) and not users (no) was found to be 10.79 (248 respondents) and 9.43 (137 respondents) respectively, where, the difference between mean score was found to statistically significant as p-value of the test was 0.000 which is less than 0.05. Likewise, the mean score of ATM service user (yes) and not users (no) was found to be 10.68 (249 respondents) and 9.62 (136 respondents) respectively. The difference between mean score was found to statistically significant as p-value of the test was 0.000 which is less than 0.05. The mean score of Credit Card user (yes) and not users (no) was found to be 10.89 (9 respondents) and 10.29 (376 respondents) respectively. The difference between mean score was not found to statistically significant as p-value of the test was 0.493 which is greater than 0.05.

Similarly, the mean score of Connect IPS user (yes) and not users (no) was found to be 11.45 (84 respondents) and 9.98 (301 respondents) respectively. The difference between mean score was found to statistically significant as p-value of the test was 0.000 which is less than 0.05. In terms of e-Sewa the mean score of users (yes) and not user (no) was found to be 11.06 (162 respondents) and 9.76 (223) respectively. The difference between mean score was found to be statically significant as p-value of the test was 0.000 which is less than 0.05. Similarly, the mean score of Khalti Digital user (yes) and not user (no) was found to be 11.02 (47 respondents) and 10.20 (338) respectively. The difference between mean score was found to be statically significant as p-value of the test was 0.042 which is less than 0.05.

Finally, the mean score of Investment in Stock (yes) and not Investment (no) was found to be 10.75 (212 respondents) and 9.76 (173) respectively. The difference between mean score was found to be statically significant as p-value of the test was 0.042 which is less than 0.05.

The financial literacy score was also classified in term of financial education experience from home such that there were four classifications which is shown in the above table. The financial education experience from home has been classified as Yes and male, Yes and Female, No and Male and No and female. The mean score of yes male was 10.30 (50 respondents) and the mean score of no male was 10.58 (52 respondents). Furthermore, mean score of yes female and no female was found to be 10.38 (125 respondents) and 10.15 (158 respondents) respectively. The difference between mean scores of yes male, no male, yes female and no female was not found to be statistically significant as the p-value of the test was 0.744 which is greater than 0.05.

Table 6

Gender Differences in Financial Literacy by Financial Education Experience

Variable	Classification	Frequency	Score	F-stat	p-value
Home	Yes and Male	50	10.30	0.412	0.744
	Yes and Female	125	10.38		
	No and Male	52	10.58		
	No and Female	158	10.15		
Public and private institution	Yes and Male	24	11.17	0.967	0.408
	Yes and Female	35	10.34		
	No and Male	78	10.22		
	No and Female	248	10.24		
Secondary and higher secondary	Yes and Male	68	10.62	0.446	0.720
	Yes and Female	191	10.25		
	No and Male	34	10.09		
	No and Female	92	10.27		
University	Yes and Male	60	10.57	7.958	0.000
	Yes and Female	183	10.79		
	No and Male	42	10.26		
	No and Female	100	9.28		

Source: Field Survey, 2021 and researcher's calculation

Similarly, the mean score of financial education experience from public and private institution yes male was 11.17 (24 respondents) and the mean score of no male was 10.22 (78 respondents), mean score of yes female and no female was found to be 10.34 (35 respondents) and 10.24 (248 respondents) respectively. The difference between mean scores of yes male, no male, yes female and no female was not found to be statistically significant as the p-value of the test was 0.408 which is greater than 0.05.

Likewise, the mean score of financial education experience from secondary and higher secondary school yes male was 10.62 (68 respondents) and the mean score of no male was 10.09 (34 respondents), mean score of yes female and no female was found to be 10.25 (191 respondents) and 10.27 (92 respondents) respectively. The difference between mean scores of yes male, no male, yes female and no female was not found to be statistically significant as the p-value of the test was 0.720 which is greater than 0.05.

The mean score of financial education experience from university yes male was 10.57 (60 respondents) and the mean score of no male was 10.26 (42 respondents), mean score of yes female and no female was found to be 10.79 (183 respondents) and 9.28 (100 respondents) respectively. The difference between mean scores of yes male, no male, yes female and no female was found to be statistically significant as the p-value of the test was 0.000 which is less than 0.05.

Table 7

Gender Differences in Financial Literacy by Financial Transaction Experience

Variable	Classification	Frequency	Score	f-stat	p-value
Internet Banking	Yes and Male	50	11.14	4.797	0.003
	Yes and Female	63	10.98		
	No and Male	52	9.77		
	No and Female	220	10.05		
Mobile Banking	Yes and Male	84	10.89	10.042	0.000
	Yes and Female	164	10.73		
	No and Male	18	8.33		
	No and Female	119	9.60		
ATM Services	Yes and Male	82	10.87	6.378	0.000
	Yes and Female	167	10.59		
	No and Male	20	8.70		
	No and Female	116	9.78		
Credit Card	Yes and Male	5	9.80	1.042	0.374
	Yes and Female	4	12.25		
	No and Male	97	10.47		
	No and Female	279	10.23		
Connect IPS	Yes and Male	38	10.53	7.579	0.000
	Yes and Female	46	11.39		
	No and Male	64	9.80		
	No and Female	237	10.03		
e-Sewa	Yes and Male	62	11.11	8.678	0.000
	Yes and Female	100	11.02		
	No and Male	40	9.40		
	No and Female	183	9.84		
Khalti Digital	Yes and Male	23	11.30	1.558	0.199
	Yes and Female	24	10.75		
	No and Male	79	10.19		
	No and Female	259	10.21		
Investment in Stock	Yes and Male	71	10.72	4.712	0.003
	Yes and Female	141	10.76		
	No and Male	31	9.81		
	No and Female	142	9.75		

Source: Field Survey, 2021 and researcher's calculation

The financial literacy score was also classified in term of Financial Transaction Experience i.e. Internet Banking, Mobile Banking, ATM service, Credit Card, Connect IPS, eSewa, Khalti digital and Investment in stock, which is shown in the above table.

The financial transaction experience from internet banking has been classified as Yes and male, Yes and Female, No and Male and No and Female. The mean score of yes male

was 11.14 (50 respondents), the mean score of no male was 9.77 (52 respondents), mean score of yes female and no female was found to be 10.98 (63 respondents) and 10.05 (220 respondents) respectively. The difference between mean scores of yes male, no male, yes female and no female was found to be statistically significant as the p-value of the test was 0.003 which is less than 0.05.

Similarly, the mean score on mobile banking yes male was 10.89 (84 respondents), the mean score of no male was 8.33 (18 respondents), mean score of yes female and no female was found to be 10.73 (164 respondents) and 9.60 (119 respondents) respectively. The difference between mean scores of yes male, no male, yes female and no female was found to be statistically significant as the p-value of the test was 0.000 which is less than 0.05.

The mean score on ATM service yes male was 10.87 (82 respondents), mean score of no male was 8.70 (20 respondents), mean score of yes female and no female was found to be 10.59 (167 respondents) and 9.78 (116 respondents) respectively. The difference between mean scores of yes male, no male, yes female and no female was found to be statistically significant as the p-value of the test was 0.000 which is less than 0.05.

Likewise, the mean score on Credit Card yes male was 9.80 (5 respondents), mean score of no male was 10.47 (97 respondents), mean score of yes female and no female was found to be 12.25 (4 respondents) and 10.23 (279 respondents) respectively. The difference between mean scores of yes male, no male, yes female and no female was not found to be statistically significant as the p-value of the test was 0.374 which is greater than 0.05.

Similarly, the mean score on Connect IPS yes male was 10.53 (38 respondents), mean score of no male was 9.80 (64 respondents), mean score of yes female and no female was found to be 11.39 (46 respondents) and 10.03 (237 respondents) respectively. The difference between mean scores of yes male, no male, yes female and no female was found to be statistically significant as the p-value of the test was 0.000 which is less than 0.05.

The mean score on Khalti Digital yes male was 11.30 (23 respondents), mean score of no male was 10.19 (79 respondents), mean score of yes female and no female was found to be 10.75 (24 respondents) and 10.21 (259 respondents) respectively. The difference between mean scores of yes male, no male, yes female and no female was not found to be statistically significant as the p-value of the test was 0.119 which is greater than 0.05.

Similarly, the mean score on investment in stock yes male was 11.72 (71 respondents), mean score of no male was 9.81 (31 respondents), mean score of yes female and no female was found to be 10.76 (141 respondents) and 9.75 (142 respondents) respectively. The difference between mean scores of yes male, no male, yes female and no

female was found to be statistically significant as the p-value of the test was 0.003 which is less than 0.05.

Effects of Socio-Economic Characteristics on the Financial Literacy

In this first model, effects of socioeconomic characteristics of respondents such as income level, education level, pocket money and parents' education on financial literacy have been examined.

Table 8

Regression Model 1

Variables	Coefficients	Std. Error	t-stat	Sig.
Constant	7.366	0.543	13.557	0.000
INC	-0.026	0.025	-1.032	0.303
EDU	2.414	0.488	4.946	0.000
PM	0.049	0.002	0.269	0.788
EDU_PAR	0.113	0.098	1.147	0.252
F-value		9.741		
P-value		0.000		
R		0.627		
R^2		0.393		
Adjusted R^2		0.383		
R square change		0.393		

Source: Output of SPSS 25

The value of R^2 is 0.393 which means that the 39.3 percent variation in dependent variable i.e., financial literacy is explained the independent variables. The overall fitness of the model is statistically significant as the p-value is less than 0.05. The coefficient of household income is not statistically significant. The coefficient of education of the respondent is positive and statistically significant. The coefficient of education is 2.414 which means that the one level increase in education leads to 2.414 unit increase in financial literacy.

Effects of Socio-Economic Characteristics and Financial Education on the Financial Literacy

In this second model, effects of socioeconomic characteristics of respondents such as income level, education level, pocket money and parents' education and financial education on financial literacy have been examined.

Table 9

Regression Model 2

Variables	Coefficients	Std. Error	t-stat	Sig.
(Constant)	6.885	0.548	12.576	0.000
INC	-0.028	0.025	-1.153	0.249
EDU	2.267	0.481	4.715	0.000
PM	0.031	0.002	0.175	0.861
EDU_PAR	0.126	0.097	1.301	0.194
UNI	1.008	0.259	3.895	0.000
F-value		11.118		
p-value		0.000		
R		0.654		
R^2		0.428		
Adjusted R^2		0.416		
R square change		0.035		

Source: Output of SPSS 25

The value of R^2 is 0.428 which means that the 42.8 percent in the variation in dependent variable i.e., financial literacy is explained the independent variables. The overall fitness of the model is statistically significant as the p-value is less than 0.05. The coefficient of household income is not statistically significant. The coefficient of education of the respondent is positive and statistically significant. The coefficient of education is 2.267 which means that the one level increase in education leads to 2.267 unit increase in financial literacy.

Effects of Socio-Economic Characteristics, Financial Education and Financial Transaction Experience on the Financial Literacy

In this third model, effects of socioeconomic characteristics of respondents such as income level, education level, pocket money and parents' education financial education and financial transaction experience on financial literacy have been examined.

The value of R^2 is 0.475 which means that the 47.5 percent in the variation in dependent variable i.e., financial literacy is explained the independent variables. The overall fitness of the model is statistically significant as the p-value is less than 0.05. The coefficient of household income is not statistically significant. The coefficient of education of the respondent is positive and statistically significant. The coefficient of education is 1.85 which means that the one level increase in education leads to 1.85 unit increase in financial literacy.

Table 10

Regression Model 3

Variables	Coefficients	Std. Error	t-stat	Sig.
(Constant)	6.989	0.553	12.646	0.000
INC	-0.034	0.024	-1.404	0.161
EDU	1.85	0.485	3.811	0.000
PM	-0.121	0.002	-0.673	0.501
EDU_PAR	0.067	0.095	0.703	0.483
UNI	0.922	0.256	3.600	0.000
MOB	0.64	0.308	2.079	0.038
CONIPS	0.553	0.347	1.596	0.111
ESEWA	0.481	0.288	1.67	0.096
STOCK	0.148	0.292	0.506	0.613
F-value		8.853		
p-value		0.000		
R		0.69		
R^2		0.475		
Adjusted R^2		0.455		
R square change		0.047		

Source: Output of SPSS 25

Conclusion

The study used the understanding of saving and investment, income, expenditure and debt and financial management to elicit the financial literacy of the college students in Nepal and examined the gender differences of financial literacies among college students according to the socioeconomic characteristics, financial education and financial transaction experience. The study found that students had great understanding on saving and investment and least understanding on financial management. The study also found that difference has arisen among male and female due to the pocket money and parents' education. Financial education received at university level also played a positive role in creating the differences in the financial literacies of the college students. The differences in the financial literacies among the college students were due to the various financial transaction experiences such as use of internet banking, mobile banking, ATM services, connect IPS, e-Sewa, Khalti Digital and investment in stock. The major factors that determine the financial literacy of the college students were the educational level of the students, financial education received at university and use of mobile banking by the students.

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