Research Article/ Management

Financial Market Engagement of University Students in Nepal: Behavior, Knowledge, and Perceptions

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Abstract

This study explores the investment habits, knowledge and perception of the financial market, investment barriers, and future investment intention of university students in Myagdi, Nepal. Several studies on financial markets in Nepal mainly focused on urban areas only. As financial literacy gains an increasing importance in developing economies, the involvement of youth mainly university students plays a key role in shaping the future of national financial markets. Utilizing a descriptive approach, data were collected randomly through Google survey with 88 students from various academic backgrounds who are studying under Bachelor of Business Studies, Bachelor of Education, Master of Business Studies, Bachelor of Arts, Master of Education and Bachelor in Information Communication and Technology Education programs of Myagdi Multiple Campus, Beni Bazaar, Nepal. Quantitative tools such as frequency and percentage techniques were used to analyze the collected data. The findings reveal that most of the students have opened bank accounts and majority students are investing in the primary market mainly in shares. Among 88 respondents, only 55.68 percent of students invested their money in the secondary market. The findings suggest that the university students should be educated with effective financial literacy programs which should be included in the curricula in formal education. It is concluded that these insights may contribute to understanding how early exposure to financial markets can influence long-term economic empowerment in Nepal.

Keywords: Student investment, financial literacy, financial market

Introduction

The financial market plays a vital role in economic development by facilitating capital formation and enabling efficient resource allocation. In Nepal, the capital market has seen significant growth, with the Nepal Stock Exchange (NEPSE) expanding its reach and awareness among the youths. In recent years, financial markets have become more accessible to the general public due to advancements in digital technology and the rise of online trading platforms. This trend has been particularly noticeable among younger generations, including university students, who are increasingly exploring investment opportunities to enhance their financial literacy and secure their financial futures. In developing countries like Nepal, where the financial sector is evolving rapidly, understanding the investment behaviour of college students becomes increasingly significant. Financial literacy theory (Huston, 2010) posits that knowledge and understanding of financial concepts are key drivers of sound financial decisions. It aligns with the study as students' investment behaviour could be influenced by their level of financial literacy.

Nepal's capital market, governed by the Nepal Stock Exchange (NEPSE) and regulated by the Securities Board of Nepal (SEBON), has witnessed notable growth in both investor numbers and trading volume in recent years. The demographic shift toward a younger, tech-savvy population with access to online trading platforms suggests a potentially transformative influence of student investors on the broader financial ecosystem (SEBON, 2023). Establishment of the online investment platform, access of the investment in the financial market is convenient.

The increasing participation of college students in financial markets has garnered attention globally, including in Nepal. Understanding the factors influencing this demographics' investment behaviors is crucial for fostering financial literacy and promoting informed investment decisions. Gurung (2019) found that university teachers are of moderate knowledge in initial public offering (IPO) activities. In particular, they have good reading habits about capital market publications to gain knowledge though they do not attend formal courses and training programs. They mainly learn about IPO activities through their self-awareness, media, publications and friends. However, parents, stock brokers, bankers, word-of-mouth are least influential factors in gaining knowledge of IPO activities. It indicates that the knowledge of the financial market in teachers may indirectly transfer into the students.

This study aims to investigate the investment in the financial market of college students in Myagdi, focusing on investment background and habits, knowledge and perception of the financial market, investment barriers, and future investment intentions. Most of the previous studies were conducted in developed cities and on general public but this study is based on college students in rural setting, Nepal. Simple descriptive instrument such as percentage and frequency have been used to explore the investment status in the financial market by the students of Myagdi Multiple Campus (MMC), Beni Bazaar, Nepal. Understanding these aspects can provide valuable insights for educators,

policymakers, and educational and financial institutions aiming to promote responsible investment habits among the youths.

While student interest in the financial market is increasing in Nepal, there exists a knowledge gap regarding how well-informed these students are about investment strategies, risk management, and market dynamics. Moreover, many students participate in financial activities without formal education in finance, which can lead to uninformed decisions and potential financial losses. This raises concerns about the adequacy of financial education and the effectiveness of current initiatives aimed at promoting financial literacy among youngsters in rural setting, Nepal. The lack of empirical data on student investment behaviour further complicates efforts to design targeted educational and policy interventions.

This study seeks to address the following key questions:

1. What is the investment background and habits of students in the financial market?
2. What is the level of financial knowledge and perception of students regarding the financial market?
3. What are the barriers to invest in financial market for the students?
4. What are the future investment intension of students?

The primary objective of this research is to analyze the investment behaviour, financial knowledge, and perceptions of university students in Nepal with regard to the financial market. Specifically, the study aims to:

1. Assess the investment background and habits of students

2. Explore the level of financial knowledge and perception of students regarding the financial market
3. Investigate the barriers to invest in the financial market
4. Assess the future investment intension of students

This study is subject to certain limitations. The research is limited to students in MMC which may not fully represent the broader student population, particularly those in rural and developed regions. Additionally, the study relies on self-reported data, which may be influenced by personal biases or inaccuracies in recall. Time and resource constraints also limited the sample size and scope of the study, and therefore, the findings may not be generalized to all student investors in Nepal.

Review of Literature

Well-developed financial market is the backbone of economic development of the country. It helps to enhance the socio-economic condition of the people. Active participation of general public in the financial market supports the development of the nation. Financial literacy plays a pivotal role in shaping investment choices of youths specially college students and general public. In the same context, Timalsina (2022) emphasizes that knowledge of financial products and investment options significantly impacts undergraduate students' investment decisions in Butwal, Nepal. The study highlights that financial abilities are the most important component when it comes to the many aspects of financial literacy.

Similarly, Acharya and Hamal (2022) explore the relationship between financial literacy and stock market participation

among students in Kathmandu. Their findings indicate a positive association between financial literacy levels and students' engagement in stock market activities. However, the study notes that gender does not moderate this relationship, though it does influence participation levels. The secondary market in Nepal, primarily represented by the Nepal Stock Exchange (NEPSE), has witnessed a growing interest among university students in recent years. Despite this interest, actual participation remains limited. A study by Lama, Karki, and Neupane (2024) involving 120 students from various colleges in Kathmandu Valley revealed that while students exhibit moderate awareness of the stock market, only a few actively engage in investments. This discrepancy underscores the need for enhanced financial education and accessibility to investment platforms. Financial literacy plays a crucial role in shaping students' perceptions and participation in the stock market. Lamichhane (2022) found a positive correlation between financial literacy and stock market participation among individual investors in Nepal. Students with higher financial knowledge, positive financial behavior, and attitudes were more likely to engage in stock market activities. Additionally, Acharya and Hamal (2022) highlighted that both basic and advanced financial literacy levels positively influence students' stock market participation. Their study suggests that enhancing financial literacy can lead to increased student engagement in the secondary market.

Awareness of the stock market is another critical factor influencing student participation. Lama et al. (2024) (2024) conducted a study among 120 university students in the Kathmandu Valley, revealing moderate awareness of the stock market. Despite this awareness, actual participation remained limited due to barriers such as lack of financial literacy, limited disposable income, and perceived investment risks. Thapa and Nepal (2015) surveyed 436 college students to examine their financial literacy and its impact on financial behaviors. The study found that while students possessed basic financial knowledge, they lacked understanding in areas like credit, taxes, share markets, financial statements, and insurance. Demographic factors such as income, age, and educational stream were identified as determinants of financial knowledge. Several barriers hinder students' active participation in the secondary market. Lama et al. (2024) identified limited disposable income, lack of financial literacy, and perceived risks as significant obstacles. Furthermore, Gupta and Upadhyay (2022) emphasized the importance of market information in influencing students' investment behavior, suggesting that inadequate access to reliable information can deter potential investors.

Several barriers may hinder students' active participation in financial markets. Lama et al. (2024) identified limited disposable income and perceived risks as significant obstacles. Additionally, cultural attitudes towards saving and investing influence students' engagement with the stock market.

To enhance student participation in financial markets, integrating financial education at the school level is essential. Lama et al. (2024) suggest that introducing basic investment courses from the school level can equip students with the knowledge and confidence

to engage in stock market activities. Despite the existing barriers, students exhibit a positive outlook toward future investments. Lama et al. (2024) observed that a majority of students preferred long-term trading, indicating a cautious yet optimistic approach toward stock market participation. Moreover, the study revealed that students value peer influence and information from various sources, such as financial news and educational platforms, in shaping their investment intentions.

In conclusion, while college students in Nepal exhibit awareness of financial markets, actual participation remains limited due to various barriers. Enhancing financial literacy through targeted education initiatives can empower students to make better investment decisions and actively participate in financial markets. The literature highlights that while there is increasing interest and awareness about the secondary market among students, actual participation remains limited due to financial, informational, and psychological barriers. Moreover, most existing studies focus on general youths or working professionals, with relatively fewer studies focusing on university-level students in remote areas like Myagdi. Therefore, this study focuses students' status of investment in the financial market in rural settings, Nepal.

Research Methods

This study has employed the theory of planned behaviour by Ajzen (1991) and the theory of financial literacy by Lusardi and Mitchell (2014). The theory of planned behavior (1991) posits that an individual's behavior is driven by behavioral intentions, which are influenced by attitudes, subjective norms, and perceived behavioral control. In the context of financial investment, students are more likely to invest if they have a positive attitude toward investing, perceive social support for such actions, and feel confident in their ability to manage investments. According to the theory, the stronger the individual's intention to perform a behavior, the more likely the behavior will be performed, assuming sufficient actual control. The theory of financial literacy by Lusardi and Mitchell (2014) emphasizes that knowledge and understanding of financial concepts significantly influence individuals' financial behaviours. They argued that financial literacy is a key determinant in investment decision-making, especially among young and first-time investors like college students. Financially literate individuals are more likely to plan for retirement and invest in the stock market.

Based on the above theories, this study has adopted a quantitative research design to explore the investment background and habits, knowledge and perception, investment barriers, and future investment intention of college students in Myagdi toward the financial market. A descriptive approach was employed to analyze primary data from a diverse group of students across the bachelor and master levels under different programs at MMC.

The target population for this study comprised bachelor & master levels students enrolled and studying under different programs at MMC. A simple convenient random sampling technique was used to collect the responses from different levels and programs. Primary data were collected using a structured questionnaire designed to assess:

- Demographic information
- Investment background and habits
- Knowledge and perception of the financial market
- Investment barriers
- Future investment intentions

The questionnaire included closed-ended, open-ended, and Likert-scale questions and was administered through survey via Google Forms. To ensure content validity, the questionnaire was reviewed by three academic experts in finance and research methodology in MMC. A pilot study was conducted with 10 students, and necessary revisions were made based on their feedback. Collected data have been presented in tables and figures with the help of Google form reports. Simple descriptive statistics such as frequency and percentage have been used to summarize and analyze demographic and investment-related data. The study has strictly followed ethical research standards and maintained the confidentiality of the participants throughout the research process.

Results and Discussion

Investment in financial market is increasing in Nepal. The development of financial market demands smart participants' especially highly educated people. The level of awareness of young people ultimately fosters the financial market. In order to fulfill the objective of this paper of exploring the investment of university students in Nepal, the primary data were collected through questionnaire via the survey using Google form and simple statistical tools such as frequency and percentage were used to analyze and interpret the collected data. The major themes of the questionnaire comprise the exploration of investment background and habits, knowledge and perception of the financial market, investment barriers and future investment intentions of the students. This section includes two parts: results for presentation and discussion for interpretation.

Results

Demographic Information of Respondents

The demographic information of the respondents reflects a diverse group of college students, likely varying in age, gender, academic background, and year of study. A total of 88 students from MMC had responded in the study. The demographic information of the respondents is presented in Table 1 below:

Table 1

Demographic Information of Respondents

Respondents Responses		Frequency (f)	Percentage (%)
Gender:	Male	53	60.23
	Female	35	39.77
Age Group:	Below 20 Years	32	36.36
	21 to 25 Years	50	56.82
	26 to 30 Years	4	4.55

Financial Market Engagement of University Students in Nepal

	Above 30 Years	2	2.27
Programs:	Bachelor in Business Studies (BBS)	61	69.32
	Bachelor of Education (B. Ed.)	16	18.18
	Bachelor of Arts (BA)	2	2.27
	Bachelor of Information & Communication Technology Education (BICTE)	1	1.14
	Master of Business Studies (MBS)	7	7.95
	Master of Education (M.Ed.)	1	1.14
Occupation:	Students Only	55	62.50
	Employees in an Organization	28	31.82
	Self-employed	5	5.68

Source: Google Survey, 2025

Table 1 contains the demographic information of respondents. The majority of the respondents were males (60.23%) and the rest were females (39.77%). The age distribution of respondents below 20 years, in between 21 to 25, 26 to 30, and above 30 years were 32 (36.36%), 50 (56.82%), 4 (4.55%) and 2 (2.27%) respectively. The highest number of respondents were from BBS i.e. 61 (69.32%), and the lowest was from BICTE & M. Ed. i.e. 1 (1.14%) each. Out of total respondents, 55 (62.5%) were pure students whereas 28 (31.82%) were employees in organization and 5 (5.68%) were self-employed.

Investment Background and Habits

University students are gradually developing an interest in investing in the financial market though their backgrounds in this area tend to be limited. Most students have minimal direct experience with investment activities due to a lack of financial literacy and limited disposable income. To explore the investment background and habits of the students, 10 questions about opening a bank account, opening a DEMAT account, membership of Mero Share, investment in IPO, member of Trading Management System (TMS), the status of buy and sell, and types of assets purchased were asked.

Table 2

Investment Background

Investment Background	Yes		No	Percentage
Bank Account Opened	86	97.73	2	2.27
DEMAT Account Opened	64	72.73	24	27.27
Membership of Mero Share	64	72.73	24	27.27
Investment in Primary Market (IPO)	62	70.45	26	29.55
Trading Management System (TMS) Account	49	55.68	39	44.32
Buy & Sell (Trading)	26	29.55	26	29.55

Source: Google Survey, 2025

Table 2 shows that among the 88 responded students, almost all 86 (97.73%) opened a bank account. 64 (72.73%) students opened a DEMAT account and got memberships of Mero Share which is compulsory for investment in the financial market. Only 62 (70.45%) invested through the initial public offering (IPO). 49 (55.68%) students opened TMS accounts through brokerage offices to buy and sell the securities. Currently, 26 (29.55%) students are trading in the secondary market. It reveals that most of the college students have bank accounts. More than 50 percent students responded to have DEMAT accounts, membership of Mero Share who were investing through IPO, and TMS accounts. But less than 50 percent students have been trading in the secondary market.

Table 3

Type of Assets Invested

Types of Assets	Frequency	Percentage
Stock / Shares	62	70.45
Debentures / Bonds	6	6.82
Mutual Funds & Others	10	11.36

Source: Google Survey, 2025

Table 3 shows the investment in types of assets by the students. 62 students have invested in stocks of different companies which represents the 70.45 percent of the total respondents. Few numbers of students, i.e. 6 & 10 have been investing in debentures and mutual funds respectively. It shows that students prefer more to invest in shares / stocks of the companies than the other securities.

Table 4

History of Investment in the Secondary Market

Time	Frequency	Percentage
Less than one year	18	36.73
One to two years	12	24.49
Two to three years	10	20.41
Three to five years	7	14.29
More than five years	2	4.08
Total	49	100

Source: Google Survey, 2025

The table 4 presents data on the history of investment in the secondary market, categorized by the length of time investors have participated. A significant portion of investors, 36.73%, have been involved for less than one year, indicating a relatively recent interest in the secondary market. This is followed by 24.49% of investors with one to two years of experience, suggesting that over 60% of the investors have joined the market within the last two years. This trend may reflect increasing awareness or accessibility of the secondary market

in recent times.

As investment experience lengthens, the number of participants declines. Only 20.41% have been investing for two to three years, and just 14.29% for three to five years. Notably, only 4.08% of respondents have been active for more than five years. This distribution indicates that the secondary market may be relatively new or rapidly evolving, attracting many new investors while having a smaller base of long-term participants. Overall, the data suggests a youthful investor demographic and possibly a growing or newly popularized investment environment.

Table 5

Motivators to Investment

Motivators	Frequency	Percentage
Manage self-expenses	63	58.88
Wealth accumulation	13	12.15
Short-term profit	17	15.89
Retirement planning	3	2.80
Diversification	9	8.41
Others	2	1.87
Total	107	100

Source: Google Survey, 2025

The table 5 presents the various motivators driving individuals to invest, highlighting their frequency and corresponding percentage among 107 respondents. The most common motivator is managing self-expenses, cited by 63 individuals, accounting for 58.88% of the total. This is followed by the pursuit of short-term profit (15.89%) and wealth accumulation (12.15%). Diversification and retirement planning are less frequently mentioned, representing 8.41% and 2.80% respectively. A small fraction, 1.87%, fall under the "Others" category. Overall, the data suggests that practical and immediate financial needs are the primary drivers of investment behavior.

Table 6

Frequency of Transaction in Secondary Market

| Measures	Frequency	Percentage
Daily	3	6.12
Weekly	8	16.33
Monthly	10	20.41
Occasionally	9	18.37
Rarely	19	38.77
Total	49	100

Source: Google Survey, 2025

The table 6 presents data on the frequency of transactions in the secondary market based on responses from 49 participants. It shows that the most common response was "Rarely," with 19 individuals (38.77%) indicating infrequent trading activity. This is followed by "Monthly" (20.41%) and "Occasionally" (18.37%), suggesting that a moderate number of respondents engage in trading on a somewhat regular but not frequent basis. A smaller portion reported trading on a "Weekly" basis (16.33%), while only a few participants, specifically 3 (6.12%), and reported engaging in "Daily" transactions. Overall, the data indicates that most market participants trade infrequently, with relatively few engaging in regular, high-frequency trading.

Knowledge and Perception of the Financial Market

University students have a basic understanding gained through coursework, online resources, or personal interest, many still lack in-depth knowledge of how financial markets operate. Their perception is often shaped by external factors such as news, social media, and peer discussions, which can lead to both curiosity and misconceptions. This study tried to explore level of knowledge, investment necessity, sources of information in investment decision and Stability & Transparency of the Financial Market of college students.

Figure 1

Level of Knowledge of the Financial Market
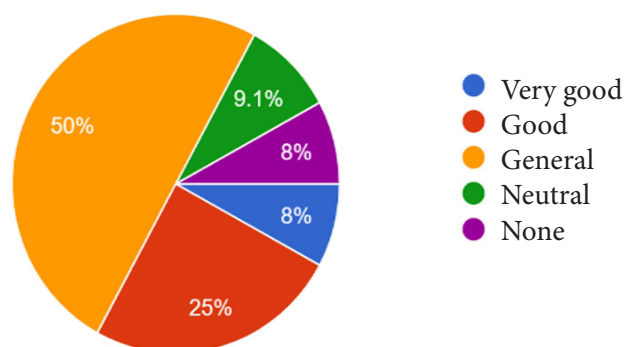
Source: Google Survey, 2025

The figure 1 presents data on individuals' self-assessed level of knowledge of the financial market. Out of a total of 88 respondents, the majority, 44 individuals (50%), reported having a general level of knowledge. A quarter of the respondents (25%) considered their knowledge to be good, while 7.95% rated their understanding as very good. Another 9.10% described their knowledge as neutral, and 7.95% admitted to having no knowledge of the financial market. Overall, the data suggests that while a significant portion has at least a general awareness, relatively few consider themselves to have a high level of expertise.

Table 8

Necessity of Investment for the Students

Rating	Frequency	Percentage
Strongly agree	44	50
Agree	37	42.05
Neutral	5	5.68
Disagree	2	2.27
Strongly disagree	0	0
Total	88	100

Source: Google Survey, 2025

The table 8 shows that a significant majority of respondents view investment as necessary, with 50% strongly agreeing and 42.05% agreeing, totaling over 92% in favor. A small portion, 5.68%, remained neutral, while only 2.27% disagreed, and none strongly disagreed. This strong consensus underscores the widespread recognition of investment as an important or essential activity among the participants.

Table 9

Sources of Information in Investment Decision

Sources	Frequency	Percentage
Financial news from websites	44	31.65
Brokers	22	15.83
Social media	45	32.37
Friends	26	18.71
Brothers	1	0.72
Self	1	0.72
Total	139	100

Source: Google Survey, 2025

The table 9 presents data on various sources of information used in investment decision-making, based on responses from 139 individuals. Social media emerged as the most frequently cited source, used by 45 respondents (32.37%), followed closely by financial news from websites, used by 44 individuals (31.65%). Friends were another significant source, influencing 26 respondents (18.71%). Brokers also played a notable role, cited by 22 individuals (15.83%). In contrast, very few respondents relied on brothers or themselves for investment decisions, with each of these sources accounting for only 1 response (0.72%). Overall, the data highlights a strong preference for digital and peer-based sources over traditional or personal ones.

Table 10

Stability & Transparency of the Financial Market

Rating	Frequency	Percentage
Very much	19	21.59
Somewhat	27	30.68
Neutral	30	34.09
Somewhat unconscious	6	6.82
Non-confidence	6	6.82
Total	88	100

Source: Google Survey, 2025

The table 10 presents survey responses regarding the stability and transparency of the financial market. Out of 88 respondents, the majority expressed either a neutral stance (34.09%) or somewhat positive confidence (30.68%) in the financial market's stability and transparency. A smaller yet notable portion, 21.59%, showed strong confidence by selecting "Very much." On the other hand, skepticism was minimal, with only 6.82% each reporting "Somewhat unconscious" and "Non-confidence." Overall, the data suggests a generally moderate to positive perception among respondents, with relatively few expressing doubt or distrust.

Investment Barriers

Investment barriers in financial markets refer to the obstacles that prevent or limit individuals and institutions from fully participating in or accessing investment opportunities. These barriers can include lack of knowledge, lack of fund, risk of loss, lack of trust, perceived low return, high transaction costs, political instability, fear of scam etc.

Table 11

De-motivators of Investment

Variables	Frequency	Percentage
Lack of knowledge	42	27.63
Lack of fund	26	17.11
Risk of loss	26	17.11
Lack of trust	21	13.82
Perceived low return	7	4.60
High transaction costs	7	4.60
Political instability	20	13.16
Fear of scam	3	1.97
Total	152	100

Source: Google Survey, 2025

Table 11 depicts the de-motivators of investment. The primary de-motivators of investment in the financial market, as reflected by the data, highlight a range

of concerns among investors. Lack of knowledge is the most significant barrier, cited by 27.63% of respondents, indicating that many potential investors feel unprepared or uninformed about financial markets. Financial constraints also play a crucial role, with 17.11% identifying lack of funds as a deterrent. Similarly, the perceived risk of loss equally affects 17.11% of participants, showing apprehension about the volatility and uncertainty inherent in investing. Trust issues contribute to hesitation, with 13.82% expressing lack of trust, while political instability is a notable factor for 13.16%, suggesting external socio-political environments impact investment decisions. Other less prominent but still relevant factors include perceived low returns and high transaction costs (each at 4.60%), and fear of scams, though the latter affects only a small portion (1.97%) of the sample. Collectively, these de-motivators underscore the complex interplay of knowledge, financial capacity, trust, and external conditions in shaping investment behavior.

Table 12

Confidence of Regulatory Framework of Government

Response	Frequency	Percentage
Yes	29	32.95
No	16	18.18
Not sure	43	48.87
Total	88	100

Source: Google Survey, 2025

The table 12 presents survey responses regarding confidence in the regulatory framework of the government. Out of a total of 88 respondents, 29 individuals (32.95%) expressed confidence by answering "Yes," while 16 individuals (18.18%) indicated a lack of confidence with a "No" response. The largest group, comprising 43 respondents (48.87%), were uncertain, selecting "Not sure." This distribution suggests that while a portion of the population supports the current regulatory framework, a significant number are either skeptical or lack sufficient information to form a definitive opinion.

Table 13

Need in Changes and Improvements in Financial Market

Changes & Improvements	Frequency	Percentage
Better Regulatory Oversight	27	23.89
Improve Financial Literacy Program	41	36.28
Reduced Transaction Costs	13	11.51
More Investment Option	22	19.47
More Market Transparency	10	8.85
Total	113	100

Source: Google Survey, 2025

The table 13 outlines respondents' views on areas needing changes and improvements in the financial system. Out of 113 total responses, the most frequently cited need was to "Improve Financial Literacy Program," selected by 41 respondents (36.28%), highlighting a strong demand for better public understanding of financial matters. "Better regulatory oversight" followed, with 27 responses (23.89%), indicating concerns about the effectiveness of current regulatory practices. "More Investment Options" was chosen by 22 respondents (19.47%), suggesting a desire for greater diversification opportunities. Meanwhile, 13 respondents (11.51%) called for "Reduced Transaction Costs," and 10 (8.85%) emphasized the need for "More Market Transparency." These results reflect a broad interest in enhancing both structural and educational aspects of the financial environment.

Figure 2

Important Factors in Investment Decision (Rate: 1 = strongly disagree, 2= disagree, 3= Neutral, 4= agree, and 5= strongly agree)
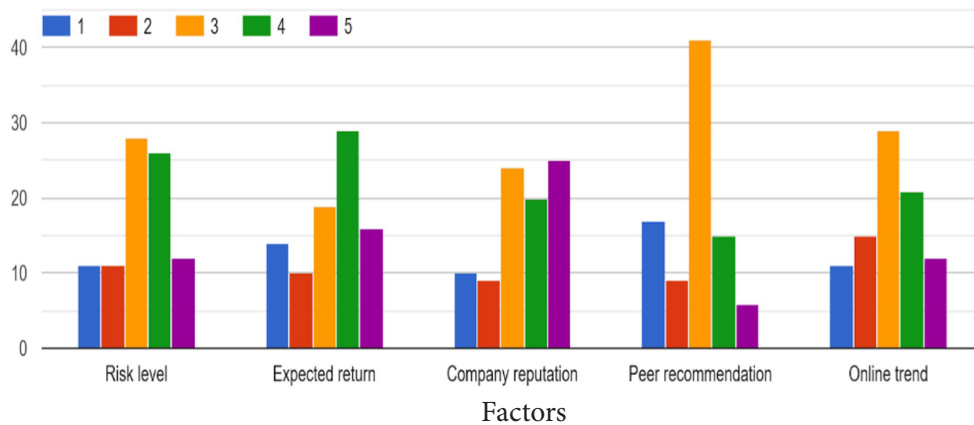
Source: Google Survey, 2025

The figure 2 presents how respondents rated the importance of various factors in their investment decisions: Risk Level, Expected Return, Company Reputation, Peer Recommendations, and Online Trend. "Expected Return" received strong support, with 29 respondents agreeing and 16 strongly agreeing, making it the most positively rated factor overall. "Company Reputation" also stood out, with 25 respondents strongly agreeing and 20 agreeing, indicating it plays a crucial role in investment choices. In contrast, "Peer Recommendations" received a high number of neutral responses (41) and relatively fewer strong agreements (6), suggesting it is less influential. Similarly, "Online Trend" and "Risk Level" received mixed opinions, with a considerable number of neutral responses (29 and 28, respectively) and fewer strong agreements (12 each). Overall, the data indicates that while expected return and company reputation are highly valued, other factors like peer recommendations and online trends are met with more skepticism or neutrality.

Future Investment Intention

The future investment intentions of college students reflect a growing interest in financial planning and wealth building. However, their actual readiness often depends on factors such as financial literacy, access to reliable information, and confidence in the market. Overall, the trend suggests a positive outlook, with increasing awareness and curiosity about investment opportunities among college students.

Table 15

Future Investment Planning

Response	Frequency	Percentage
Yes	68	77.27
No	2	2.27
Not sure	18	20.46
Total	88	100

Source: Google Survey, 2025

The table 15 shows the future investment planning intentions of college students. Out of 88 respondents, a significant majority—68 students (77.27%)—indicated that they plan to invest in the future, reflecting strong interest and optimism toward financial participation. Only 2 students (2.27%) responded "No," showing minimal outright rejection of investment plans. Meanwhile, 18 students (20.46%) were "Not sure," suggesting some uncertainty or a need for more financial knowledge before making a decision. Overall, the data highlights a positive outlook on future investment among college students, with most showing clear intent to engage in financial planning.

Table 16

Factors Influencing Decision to Invest

Factors	Frequency	Percentage
Market Conditions (Economic Growth, Stability etc.)	57	44.53
Market Interest Rates	24	18.75
Government Policies and Regulations	19	14.84
Personal financial situation	28	21.88
Total	128	128

Source: Google Survey, 2025

The table 16 outlines key factors that influence college students' decisions to invest. The most significant factor is "Market Conditions (Economic Growth, Stability, etc.)," cited by 57 respondents (44.53%), indicating that broader economic trends play a major role in shaping investment choices. "Personal financial situation" is the second most influential factor, with 28 responses (21.88%), reflecting the importance of individual financial readiness. "Market Interest Rates" and "Government Policies and Regulations" received 24 (18.75%)

and 19 (14.84%) responses respectively, showing that while they are considered, they are less impactful compared to overall economic conditions. These findings suggest that students are more influenced by macroeconomic stability and their own financial capabilities when making investment decisions.

Table 17

Considerations in Investing Listed Companies

Responses	Frequency	Percentage
Yes	64	72.73
No	4	4.54
Not Sure	20	22.73
Total	88	100

Source: Google Survey, 2025

The table 17 presents data on whether college students consider investing in listed companies or not. A majority of respondents—64 out of 88 (72.73%)—answered "Yes," indicating strong interest or preference for investing in publicly listed firms, likely due to their perceived credibility, transparency, and potential for returns. Only 4 students (4.54%) responded "No," suggesting very few are completely disinterested in listed companies. Meanwhile, 20 respondents (22.73%) were "Not Sure," reflecting some uncertainty, possibly due to a lack of knowledge or experience with the stock market. Overall, the data reveals a positive inclination among students toward investing in listed companies, with a small portion still undecided.

Discussion

The findings of this study offer valuable insights into the investment behaviors, perceptions, and future intentions of college students in Myagdi, a rural district in Nepal. Guided by the theory of planned behavior and the financial literacy, the results underscore how attitudes, perceived control, and knowledge collectively shape the financial decisions of young adults in this region. While there is growing engagement with the financial market, several barriers continue to impede full participation.

A key finding is that while most students have taken the preliminary steps toward financial participation such as opening bank and DEMAT accounts and subscribing to Mero Share but active trading in the secondary market remains limited. Only about 30% of students reported actively buying and selling stocks. This reflects a cautious entry into the financial ecosystem, often beginning with IPO investments, which are perceived as lower risk and more accessible. Despite this, the interest in long-term financial involvement is evident, with over 77% of respondents expressing future investment intentions. This aligns with Ajzen's (1991) the theory of planned behavior, as students demonstrate positive attitudes and intentions toward investment, though the actual behavior lags due to perceived and real barriers.

The findings also affirm the central role of financial literacy in influencing investment behavior. Most respondents

reported only a general understanding of the financial market, with very few claiming to possess good or very good knowledge. This limited financial literacy, cited as the most significant barrier to investment (27.63%), supports the theory posited by Lusardi and Mitchell (2014) that inadequate financial knowledge hampers effective participation in financial activities. Students tend to rely on digital and peer-based information sources like social media, friends, and financial websites highlighting the informal and potentially unreliable nature of their learning. While these sources can promote awareness, they may also lead to misinformation or speculative behavior, especially in the absence of structured financial education.

Another important dimension revealed by this study is the moderate level of trust in the financial system and regulatory institutions. While a majority perceive investment as necessary and express optimism toward the market's transparency and stability, nearly half of the students are uncertain about the effectiveness of the government's regulatory framework. This ambivalence may further discourage deeper engagement in the market and reflects the need for stronger institutional trust-building measures. Furthermore, the desire for improved financial literacy programs (36.28%) and better regulatory oversight (23.89%) signals a call for both educational and structural reforms to encourage wider participation.

Investment barriers such as lack of funds, fear of loss, and political instability also play a significant role in discouraging student investors. These findings are consistent with earlier literature (Lama et al., 2024; Thapa & Nepal, 2015) which

highlights these factors as key deterrents to student engagement in financial markets. Notably, motivations for investment appear rooted in practicality; managing personal expenses and achieving short-term financial goals are the most cited reasons, rather than wealth accumulation or retirement planning. This suggests that students view investing more as a supplemental income strategy than as a long-term financial planning tool.

Finally, students' future investment intentions are shaped primarily by macroeconomic conditions and their own financial situations. The preference for listed companies indicates a tendency toward safer, more established investment vehicles. This reflects a rational approach among students, who are willing to invest but remain wary of risk and instability further underscoring the importance of building confidence through better education and supportive policies.

In summary, the study reveals an encouraging trend of financial market engagement among college students in rural Nepal, tempered by limitations in financial literacy, trust, and resources. To foster greater participation, stakeholders including educators, policymakers, and financial institutions must work collaboratively to enhance financial education, reduce entry barriers, and promote transparent and inclusive market practices. Doing so will not only empower students but also contribute to a more dynamic and participatory financial ecosystem in Nepal.

Conclusion

This study investigated the investment behaviour of college students in Myagdi, Nepal, focusing on their investment

background and habits, knowledge and perceptions of the financial market, barriers to investment, and future intentions. The findings reveal that while a significant proportion of students have taken foundational steps such as opening bank and DEMAT accounts and participating in IPOs active engagement in secondary market trading remains relatively low. Most students invest with practical motivations such as managing self-expenses and seeking short-term gains rather than long-term wealth accumulation or retirement planning.

The study also found that while students generally possess a moderate level of knowledge about the financial market, this understanding is often self-taught and shaped by digital sources like social media and financial news websites. There is a clear recognition among students of the importance of investing, yet barriers such as lack of knowledge, limited funds, risk perception, and doubts about market transparency and regulatory frameworks continue to hinder more active participation.

Importantly, a large majority of students expressed interest in future investment, especially in listed companies, indicating a strong potential for expanding youth engagement in Nepal's capital market. Their investment decisions are influenced primarily by macroeconomic conditions and personal financial readiness. Furthermore, the demand for improved financial literacy programs and better regulatory oversight underscores the need for institutional and policy-level interventions.

Overall, the study concludes that while Myagdi's college students exhibit promising attitudes and intent toward

financial market participation, significant efforts are needed to equip them with the necessary financial education, resources, and institutional trust to become informed and active investors. These findings hold implications for educators, policymakers, and financial institutions aiming to foster a more inclusive and financially literate investment culture in Nepal's evolving market landscape.

Recommendations

Based on the findings of this study on student investment in the financial market, the following recommendations are proposed to policy makers, educators and government to foster greater participation, informed decision-making, and financial literacy among student investors:

1. **Integrate Financial Education into Academic Curricula**
   Educational institutions should incorporate financial literacy and investment-related content into undergraduate and postgraduate programs, especially in non-commerce streams. This can enhance students' foundational understanding of financial concepts and markets.

2. **Conduct Regular Financial Literacy Workshops and Seminars**
   Colleges, in collaboration with financial institutions and regulators like SEBON, should organize workshops, guest lectures, and investment simulation programs to provide practical exposure to stock market operations and investment strategies.

3. **Improve Access to Reliable Financial Information**
   Students rely heavily on social media and informal sources for investment

decisions. Therefore, verified and student-friendly digital platforms should be developed to provide accurate, up-to-date, and relevant financial news and investment advice.

4. **Encourage Early Investment through Incentive Programs**
   Policymakers and financial service providers can introduce student-friendly investment products or incentives such as reduced brokerage fees, free DEMAT account registration, or small matched contributions to motivate early investment.

5. **Strengthen Trust in the Market and Regulatory Institutions**
   The government and regulatory bodies need to increase transparency and accountability in financial markets. Awareness campaigns that explain the roles and safeguards provided by SEBON and NEPSE can build investor confidence.

6. **Promote Peer Learning and Mentorship**
   Since peer influence is a notable factor, forming student investment clubs and mentorship programs where experienced students or alumni guide newer investors could facilitate knowledge sharing and collective learning.

7. **Address Key Investment Barriers**
   Stakeholders should work to mitigate common barriers such as lack of funds, fear of loss, and political uncertainty. This could include promoting low-risk, low-capital investment options like mutual funds and digital investment platforms that offer small-amount investing.

8. **Enhance Market Stability and Transparency**
   Improving regulatory oversight, reducing transaction costs, and ensuring transparent operations in the capital market will address student concerns and promote long-term participation.

These recommendations aim to foster a more financially literate, confident, and engaged student investor base, particularly in rural and semi-urban areas of Nepal like Myagdi.

Ethical Declaration

I would like to declare that the information, data and analysis and other sources incorporated in the article are true and authentic to my knowledge. I have been conscious about the ethical values as a researcher and I have tried to follow the norms that a researcher has to follow in a research work.

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