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Accounting Education on Financial Literacy among University Students

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Abstract
This study examines accounting education's impact on financial literacy among Nepalese university students. A quantitative approach analyzed data from 385 students across multiple universities. Results show assessment practices were rated highest, followed by curriculum content and practical exposure. Financial literacy and teaching methods scored slightly lower. Correlation analysis confirmed strong positive links between educational components and financial literacy, with assessment showing the strongest relationship. Regression analysis revealed these factors explain 40.3% of financial literacy variance, with assessment and teaching methods as the strongest predictors. Findings highlight accounting education's significant role in developing financial literacy and suggest improvements in teaching approaches and practical learning experiences.
Keywords: Accounting, Education, Financial, Literacy, Students

Introduction
Managing money wisely has become just as important as earning it. Today's economy is complex, and people are constantly faced with choices about saving, borrowing, investing, and spending (Katnic et al., 2024). For university students, these financial responsibilities arrive earlier than expected. As they begin living independently, they must deal with tuition fees, daily expenses, student loans, and sometimes part-time jobs. These challenges require more than common sense they demand financial literacy. Financial literacy goes beyond balancing a budget (Lusardi, 2019). It involves understanding how money works, how financial markets function, and how present decisions can shape future stability. Without these skills, students risk making poor choices that could affect them for years. Research across the globe shows that many students lack adequate financial literacy. Although they may be academically strong in their chosen fields, many still struggle with managing personal finances (Azizah et al., 2024). They might perform well in medicine, engineering, or the humanities but find budgeting, credit

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management, or long-term planning difficult. This gap between formal education and real-life money management is especially concerning in developing countries, where financial systems are expanding rapidly and young people are exposed to increasingly complex financial products (Mancone et al., 2024). In such settings, financial literacy becomes not just a personal advantage but a necessity for society as a whole.

Accounting education has the potential to bridge this gap. Often described as the "language of business," accounting equips students with the ability to record, analyze, and interpret financial information (Babalola et al., 2023). More importantly, it trains them to think critically about money, assets, liabilities, and overall financial health. For university students, accounting is not just preparation for a career it also provides practical knowledge for managing personal finances (Kirsten & Fourie, 2012). By learning how to prepare financial statements, assess costs, and understand taxation, students develop skills that are equally useful in their daily financial lives (Urefe et al., 2024). Universities play an essential role in this process. Through carefully designed curricula, teaching strategies, and practical activities, they can integrate financial literacy into students' learning experiences (Agu et al., 2024). For example, when accounting courses use case studies, real-world examples, or simulations, students gain hands-on knowledge that goes beyond theory. Teaching approaches that focus on problem-solving and critical thinking also help students apply accounting principles outside the classroom (Terblanche et al., 2025). Even assessments such as projects or applied assignments can encourage students to connect academic knowledge with real-life financial decisions. In this way, accounting education becomes a toolkit for navigating financial responsibilities in adulthood.

It is also important to note that students begin their financial literacy journey from different points. Some already have exposure through their families or part-time work, while others encounter these ideas only in university. This makes formal education crucial for creating equal access to financial knowledge. Moreover, the way accounting is taught whether it emphasizes theory, practice, or real-life application determines how effectively students can use this knowledge in their own financial lives (Silva, 2018). The importance of this study extends beyond business or finance students. Financial literacy is a universal skill. A medical student who understands accounting may one day use it to manage the finances of a private clinic (Jardaly et al., 2024). Similarly, a graduate in the humanities who develops financial literacy will be better equipped to handle student loans, savings, and investments (Azizah et al., 2024). Accounting education, therefore, is not only about preparing students for professional roles but also about giving those tools for personal empowerment (Carvalho & Almeida, 2022).

Financial literacy is no longer optional it is a necessity for young people entering adulthood and the modern workforce. Accounting education, when delivered effectively, can play a significant role in strengthening these skills. This study aims to examine how accounting education contributes to financial literacy among university students and to identify the elements that make the greatest impact. By doing so, it hopes to guide educational practices

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and empower students to make informed, responsible, and confident financial decisions in both their personal and professional lives.

Research Methods

This study adopted a quantitative research approach to examine the relationship between accounting education and financial literacy among university students. A descriptive and causal-comparative research design was employed, as the study aimed both to describe the existing level of financial literacy and to analyze the influence of accounting education on students' financial knowledge and practices. The respondents of the study were students enrolled in private colleges and campuses affiliated with Tribhuvan University, Purbanchal University, and Pokhara University. Participants were drawn from both the Kathmandu Valley and outside the valley to ensure wider coverage. Since the exact size of the student population was unknown, the unknown population formula was applied to determine the sample size. Based on this calculation, a final sample of 385 students was selected after rounding. The study used a convenience sampling technique, as it allowed the researcher to access students who were readily available and willing to participate in the survey. Primary data were collected through a structured questionnaire developed in Likert scale format. The questionnaire was distributed in two ways: online via Google Forms and physically in paper format. Both descriptive and inferential statistical techniques were employed to analyze the data, utilizing SPSS and R software for computation and interpretation. Prior to data collection, informed written consent was obtained from each respondent to ensure voluntary participation and ethical compliance.

Results

This section highlights the assessment of Accounting Education's influence on Financial Literacy among university students, the relationship between accounting education and financial literacy, and the impact of accounting education on financial literacy.

Table 1: Demographic

Gender		
	Frequency	Percent
Male	229	59.5
Female	156	40.5
Total	385	100.0
Education Level		
	Frequency	Percent
Bachelors	285	74.0
Masters or Above	100	26.0
Total	385	100.0
Area Study		
	Frequency	Percent

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Valley	315	81.8
Out of valley	70	18.2
Total	385	100.0

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Age	385	20	37	25.16	3.677

Table 1 presents the demographic profile of the respondents. Out of the total 385 participants, 229 (59.5%) were male, while 156 (40.5%) were female, showing a relatively higher proportion of male students in the study. In terms of education level, the majority of respondents, 285 students (74.0%), were pursuing bachelor's degrees, whereas 100 students (26.0%) were enrolled in master's or higher programs. Regarding the area of study, 315 students (81.8%) were from colleges and campuses located within the Kathmandu Valley, while the remaining 70 students (18.2%) represented institutions outside the valley. The age of respondents ranged from 20 to 37 years, with a mean age of 25.16 years (SD = 3.677), indicating that most participants were in their mid-twenties.

Descriptive analysis in Accounting Education on Financial Literacy among University Students

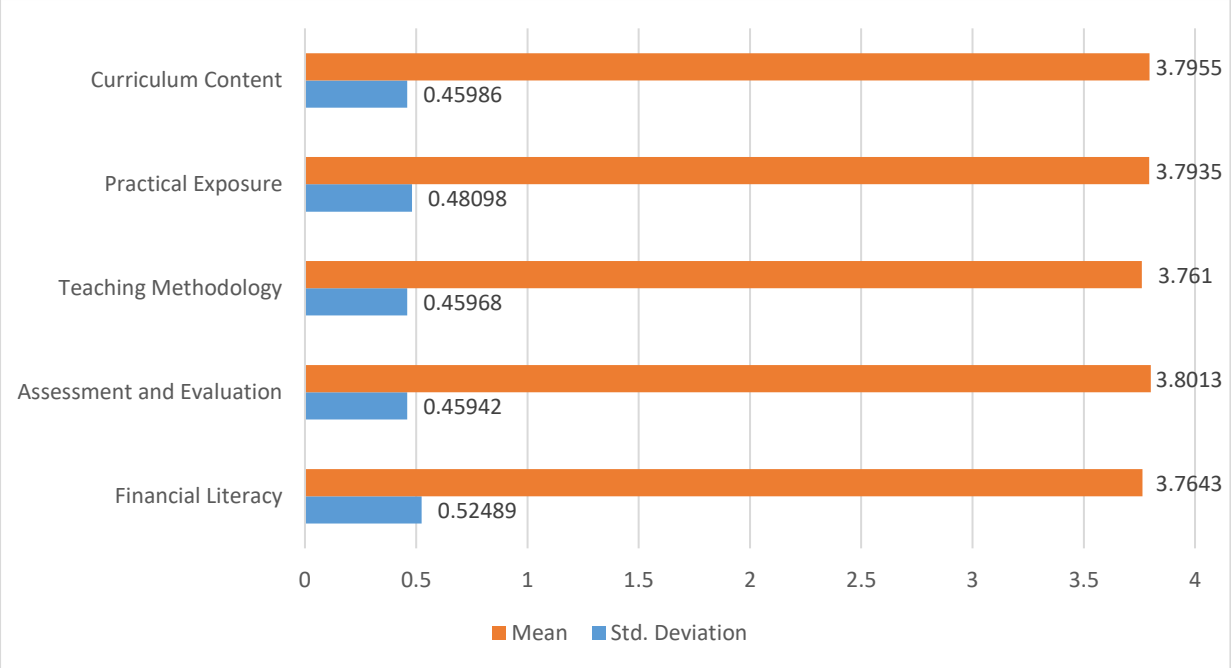

Figure 1: Descriptive Analysis

The descriptive statistics of the study variables are presented in Figure 1. The results show that students rated Assessment and Evaluation the highest, with a mean score of 3.80 (SD = 0.459), suggesting that they were relatively more satisfied with the evaluation practices in their accounting education. Curriculum Content followed closely with a mean of 3.79 (SD = 0.459),

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indicating that students found the academic content to be well-structured and relevant. Practical Exposure was rated at a mean of 3.79 (SD = 0.481), reflecting students' perception that practical learning opportunities were moderately emphasized. Financial Literacy had a mean score of 3.76 (SD = 0.525), showing that students considered themselves reasonably competent in managing personal and financial matters. Similarly, Teaching Methodology recorded the lowest mean of 3.76 (SD = 0.460), which suggests that while students found the teaching approaches satisfactory, there is room for improvement compared to other areas.

Relationship between Accounting Educations on Financial Literacy

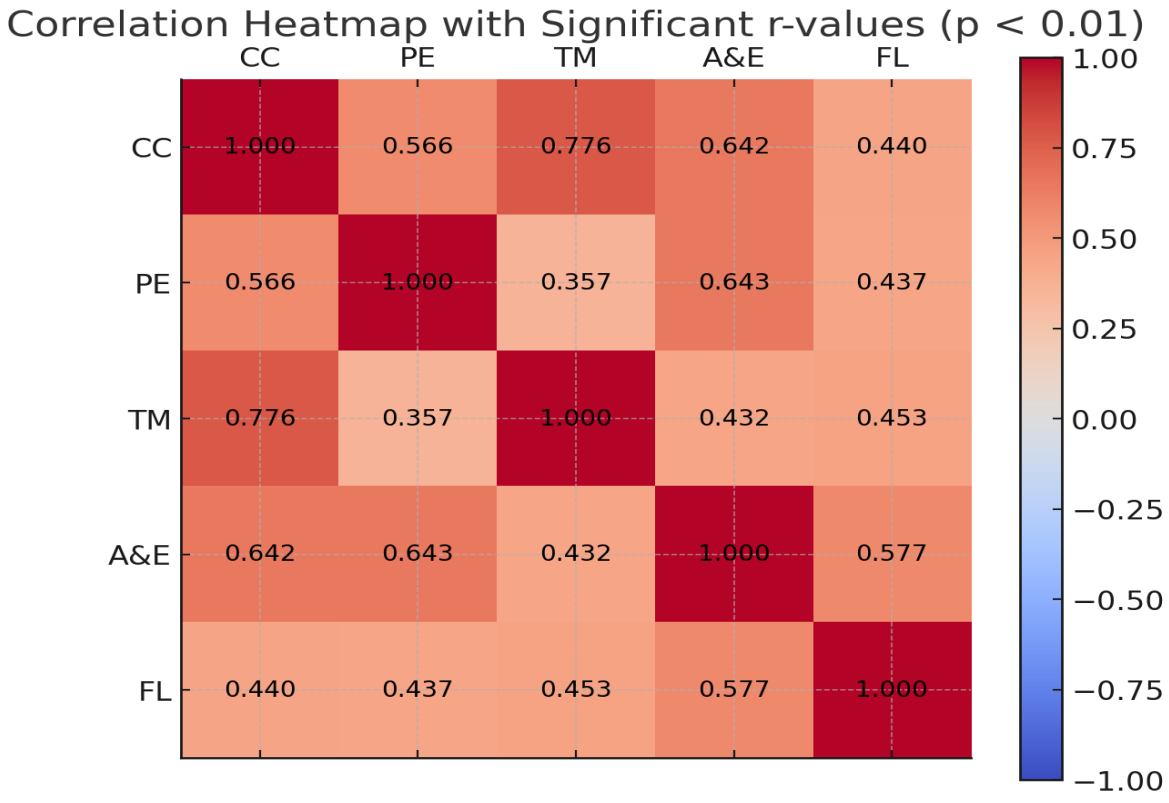

Figure 2: Heatmap

The correlation heatmap visually represents the strength and direction of the relationships among curriculum content (CC), practical exposure (PE), teaching methodology (TM), assessment and evaluation (A&E), and financial literacy (FL). Darker red shades indicate stronger positive correlations, while lighter shades show weaker associations.

All correlations are positive and statistically significant at the 0.01 level, indicating that improvements in any of these educational factors are associated with higher levels of financial literacy among students. Among the variables, assessment and evaluation showed the strongest correlation with financial literacy ($r = 0.577$, $p < 0.01$), suggesting that effective evaluation practices contribute significantly to students' financial knowledge and skills. Teaching methodology ($r = 0.453$, $p < 0.01$), curriculum content ($r = 0.440$, $p < 0.01$), and practical exposure ($r = 0.437$, $p < 0.01$) also demonstrated moderate positive correlations with financial literacy, implying that these aspects of accounting education play important roles in shaping

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students' financial competencies. Furthermore, high intercorrelations were observed among the independent variables, particularly between curriculum content and teaching methodology ($r = 0.776$, $p < 0.01$), and between assessment and evaluation and practical exposure ($r = 0.643$, $p < 0.01$), reflecting their interconnected nature in the learning process. Overall, the results indicate that all components of accounting education contribute positively to students' financial literacy, with assessment and evaluation emerging as the most influential factor.

Impact of accounting education on financial literacy

Table 2: Regression Analysis

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.635[a]	.403	.397	.40776

a. Predictors: (Constant), Assessment & Evaluation, Teaching Methodology, Practical Exposure, Curriculum Content

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	42.615	4	10.654	64.076	.000[b]
	Residual	63.181	380	.166		
	Total	105.796	384			

a. Dependent Variable: Financial Literacy

b. Predictors: (Constant), Assessment & Evaluation, Teaching Methodology, Practical Exposure, Curriculum Content

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.531	.212		2.507	.013
	Curriculum Content	.275	.088	.241	3.121	.002
	Practical Exposure	.134	.059	.122	2.270	.024
	Teaching Methodology	.442	.073	.387	6.062	.000
	Assessment & Evaluation	.555	.066	.486	8.396	.000

a. Dependent Variable: Financial Literacy

The regression analysis was conducted to examine the impact of accounting education factors curriculum content, practical exposure, teaching methodology, and assessment & evaluation on financial literacy. The model summary reveals an R value of 0.635, indicating a strong positive relationship between the predictors and financial literacy. The R^2 value of 0.403

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suggests that approximately 40.3% of the variance in financial literacy can be explained by these four factors, while the adjusted R^2 of 0.397 confirms the robustness of the model.

The ANOVA test shows a significant overall regression model ($F = 64.076$, $p < 0.001$), confirming that accounting education collectively has a statistically significant effect on financial literacy. Looking at the coefficients, all predictors were significant. Assessment and evaluation ($\beta = 0.486$, $p < 0.001$) emerged as the strongest predictor, suggesting that structured and relevant assessment practices contribute most to enhancing financial literacy. Teaching methodology ($\beta = 0.387$, $p < 0.001$) also had a strong positive impact, indicating that effective teaching strategies play a crucial role in shaping students' financial competencies. Curriculum content ($\beta = 0.241$, $p = 0.002$) was another significant factor, highlighting the importance of well-designed learning materials. Finally, practical exposure ($\beta = 0.122$, $p = 0.024$), though the weakest predictor, still contributed significantly, suggesting that hands-on experiences reinforce theoretical knowledge and support financial literacy development.

Overall, the results demonstrate that accounting education has a meaningful impact on students' financial literacy, with assessment and evaluation and teaching methodology being the most influential dimensions, followed by curriculum content and practical exposure. This finding emphasizes the need for an integrated approach in accounting education that combines effective teaching, relevant content, practical learning opportunities, and strong evaluation systems to build financial literacy.

Discussion

The descriptive results indicate that students perceive all facets of their accounting education positively, with Assessment and Evaluation rated highest. This suggests that students value clear, structured feedback on their performance, which they may equate with tangible learning gains. This finding aligns with the work of Boud and Falchikov (2006), who argued that well-designed assessment is central to learning because it helps students understand expected standards and judge their own work, a process crucial for developing complex competencies like financial literacy. The high scores for Curriculum Content and Practical Exposure further indicate that students recognize the importance of both theoretical knowledge and its application, a dual focus consistently emphasized in literature on effective accounting pedagogy (Fantinelli et al., 2024).

The correlation analysis reveals that all educational components are positively and significantly related to financial literacy, with Assessment and Evaluation showing the strongest bivariate relationship. This robust interconnectedness suggests that these elements function not in isolation but as a synergistic system. The very high correlation between Curriculum Content and Teaching Methodology ($r = 0.776$) supports the assertion by Lucas and Mladenovic (2009) that the content of the accounting curriculum and the pedagogical methods used to deliver it are deeply intertwined and must be aligned to achieve desired learning outcomes. The significant correlation of all variables with financial literacy provides empirical support for the holistic model proposed by Mogale et al. (2025), who contends that financial literacy is not

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developed through a single intervention but is cultivated through a comprehensive educational experience integrating content, practice, and evaluation.

The regression analysis provides the most critical insight by identifying the unique impact of each factor. While all were significant predictors, Assessment and Evaluation (β = 0.486) and Teaching Methodology (β = 0.387) were the strongest, demonstrating that how students are taught and assessed is more impactful on their financial literacy than the curriculum content itself. This finding corroborates the research of Fortin and Legault (2010), who found that pedagogical innovations, particularly those promoting deep learning and critical thinking, had a greater effect on student performance in accounting than content coverage alone. The significant, though smaller, coefficient for Practical Exposure underscores its role as a reinforcing factor, likely helping to contextualize knowledge, but dependent on the foundation provided by teaching and assessment strategies. This hierarchy of influence challenges educators to move beyond a focus solely on what is taught and invest more significantly in how it is taught and evaluated.

Conclusion

This research shows that accounting education plays a key role in building money management skills in university students. The results confirm that it is not just what students learn, but how they learn it that matters most. The way students are tested and the teaching methods used are especially important in helping them understand and apply financial concepts. To make the biggest difference, accounting programs should focus on three main changes. First, tests and assignments should be designed to feel like real-life money decisions. Second, classes should use active and engaging teaching styles that connect accounting ideas to personal finance. Finally, practical experiences, like projects or internships, should include guided discussions that help students see the connection between their coursework and their own financial choices. By making these changes, accounting education can do more than train future professionals; it can provide students with the essential money skills they need to build a secure and successful future.

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Conflict of Interest: I declare there is no conflicts of interest.
Authors' Contributions: Purushottam Subedi conducted all research activities i.e., concept, data collecting, drafting and final review of manuscript.

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