TABLE OF CONTENTS

LIST OF FIGURES i
LIST OF TABLES iii
LIST OF ABBREVIATIONS viii
ABSTRACT ix

SECTION I - INTRODUCTION

CHAPTER 1 INTRODUCTION 1

1.1 INTRODUCTION 1
1.2 NEED FOR FINANCIAL LITERACY 3
1.3 IMPORTANCE OF FINANCIAL LITERACY 6
1.4 FINANCIAL EDUCATION 7
  1.4.1 FACTORS INCREASING THE IMPORTANCE OF FINANCIAL EDUCATION 8
1.5 INITIATIVES AROUND THE WORLD FOR INCREASING FINANCIAL LITERACY 12
1.6 CONTRIBUTION OF THESIS 17
1.7 ORGANIZATION OF THESIS 17

CHAPTER 2 REVIEW OF LITERATURE 19

2.1 DEFINITIONS OF FINANCIAL LITERACY 19
## Chapter 2 Approaches to Assess the Level of Financial Literacy

### 2.2 Approaches to Assess the Level of Financial Literacy

### 2.3 Measurement of Financial Literacy

### 2.4 Determinants of Financial Literacy

#### 2.4.1 Gender

#### 2.4.2 Income

#### 2.4.3 Education

#### 2.4.4 Age

#### 2.4.5 Discipline of Study

#### 2.4.6 Occupation

#### 2.4.7 Region

### 2.5 Financial Products

### 2.6 Tax Literacy

### 2.7 Gaps in the Literature

## Chapter 3 Methodology

### 3.1 Purpose of the Study

### 3.2 Objectives of the Study

### 3.3 Research Design

#### 3.3.1 Sampling

#### 3.3.2 Sample Characteristics

#### 3.3.3 Sources of Data

#### 3.3.4 Statistical Tools Used for Analysis

### 3.4 Limitations of the Study
SECTION II – DATA ANALYSIS

CHAPTER 4  ANALYSIS AND RESULTS – FINANCIAL LITERACY  53

4.1  INTRODUCTION  53

4.2  ABILITY TO MANAGE OWN FINANCES  53

4.3  INTERESTED IN INCREASING FINANCIAL KNOWLEDGE  56

4.4  IMPORTANCE OF ITEMS IN MAINTAINING/IMPROVING FINANCIAL POSITION  58

4.5  FINANCIAL ATTITUDES  59

4.6  FINANCIAL BEHAVIOUR  67

4.7  FINANCIAL KNOWLEDGE  73

4.7.1  ASSOCIATION BETWEEN GENDER AND FINANCIAL KNOWLEDGE  73

4.7.2  ASSOCIATION BETWEEN AGE AND FINANCIAL KNOWLEDGE  74

4.7.3  ASSOCIATION BETWEEN MARITAL STATUS AND FINANCIAL KNOWLEDGE  75

4.7.4  ASSOCIATION BETWEEN EDUCATION AND FINANCIAL KNOWLEDGE  75

4.7.5  ASSOCIATION BETWEEN INCOME AND FINANCIAL KNOWLEDGE  76

4.7.6  ASSOCIATION BETWEEN NATURE OF EMPLOYMENT AND FINANCIAL KNOWLEDGE  76

4.7.7  ASSOCIATION BETWEEN PLACE OF WORK AND FINANCIAL KNOWLEDGE  76
4.7.8 ASSOCIATION BETWEEN GEOGRAPHIC REGION AND FINANCIAL KNOWLEDGE

4.8 FINANCIAL LITERACY

4.8.1 METHODOLOGY

4.8.2 HYPOTHESES

4.8.3 ASSOCIATION BETWEEN GENDER AND FINANCIAL LITERACY LEVEL

4.8.4 ASSOCIATION BETWEEN AGE AND FINANCIAL LITERACY LEVEL

4.8.5 ASSOCIATION BETWEEN MARITAL STATUS AND FINANCIAL LITERACY LEVEL

4.8.6 ASSOCIATION BETWEEN EDUCATION AND FINANCIAL LITERACY LEVEL

4.8.7 ASSOCIATION BETWEEN INCOME AND FINANCIAL LITERACY LEVEL

4.8.8 ASSOCIATION BETWEEN NATURE OF EMPLOYMENT AND FINANCIAL LITERACY LEVEL

4.8.9 ASSOCIATION BETWEEN PLACE OF WORK AND FINANCIAL LITERACY LEVEL

4.8.10 ASSOCIATION BETWEEN GEOGRAPHIC REGION AND FINANCIAL LITERACY LEVEL

4.8.11 DISCUSSION OF RESULTS

4.9 INTER LINKAGES BETWEEN FINANCIAL ATTITUDES, FINANCIAL BEHAVIOUR AND FINANCIAL KNOWLEDGE

4.9.1 INTRA ATTITUDE CORRELATIONS

4.9.2 INTRA BEHAVIOUR ATTITUDE

4.9.3 CORRELATION BETWEEN FINANCIAL ATTITUDE AND FINANCIAL BEHAVIOUR
4.9.4 CORRELATION BETWEEN FINANCIAL ATTITUDE AND FINANCIAL KNOWLEDGE 88

4.9.5 CORRELATION BETWEEN FINANCIAL BEHAVIOUR AND FINANCIAL KNOWLEDGE 89

4.9.6 CORRELATION BETWEEN FINANCIAL ATTITUDE, FINANCIAL BEHAVIOUR AND FINANCIAL KNOWLEDGE 89

4.10 FINANCIAL INFLUENCES 90

4.11 LOGISTIC REGRESSION MODEL FOR PREDICTING FINANCIAL LITERACY 92

4.11.1 SPECIFICATION OF THE MODEL 92

4.11.2 RESULTS OF BINARY LOGISTIC REGRESSION MODEL 94

4.11.3 MODEL VALIDATION 97

4.12 CONCLUSIONS 100

CHAPTER 5 ANALYSIS AND RESULTS – FINANCIAL PRODUCTS 101

5.1 INTRODUCTION 101

5.2 AWARENESS REGARDING FINANCIAL PRODUCTS 101

5.3 INVESTMENT PREFERENCES 103

5.4 RELATIONSHIP BETWEEN INVESTMENT PREFERENCES AND SOCIO-DEMOGRAPHIC FACTORS 105

5.4.1 GENDER AND INVESTMENT PREFERENCE 106

5.4.2 AGE AND INVESTMENT PREFERENCE 107

5.4.3 MARITAL STATUS AND INVESTMENT PREFERENCE 110

5.4.4 EDUCATION AND INVESTMENT PREFERENCE 111
5.4.5 INCOME AND INVESTMENT PREFERENCE 112
5.4.6 NATURE OF EMPLOYMENT AND INVESTMENT PREFERENCE 114
5.4.7 PLACE OF WORK AND INVESTMENT PREFERENCE 116
5.4.8 GEOGRAPHIC REGION AND INVESTMENT PREFERENCE 117

5.5 FACTORS AFFECTING INVESTMENT DECISIONS 120
5.6 FINANCIAL LITERACY AND AWARENESS REGARDING FINANCIAL PRODUCTS 121
5.7 FINANCIAL LITERACY AND INVESTMENT PREFERENCE FOR FINANCIAL PRODUCTS 122
5.8 CONCLUSIONS 124

CHAPTER 6 ANALYSIS AND RESULTS – TAX LITERACY 125
6.1 INTRODUCTION 125
6.2 ABILITY TO MANAGE PERSONAL TAXATION ISSUES 125
6.3 INTERESTED IN INCREASING INCOME TAX KNOWLEDGE 128
6.4 WORKSHOP ON INCOME TAX 130
6.5 TAX RELATED ATTITUDE 131
6.6 PERSONAL TAXATION RELATED BEHAVIOUR 133
6.7 TAX KNOWLEDGE 136
6.7.1 ASSOCIATION BETWEEN GENDER AND TAX KNOWLEDGE 137
6.7.2 ASSOCIATION BETWEEN AGE AND TAX KNOWLEDGE 137
6.7.3 ASSOCIATION BETWEEN MARITAL STATUS AND TAX KNOWLEDGE 138
6.7.4 ASSOCIATION BETWEEN EDUCATION AND TAX KNOWLEDGE

6.7.5 ASSOCIATION BETWEEN INCOME AND TAX KNOWLEDGE

6.7.6 ASSOCIATION BETWEEN NATURE OF EMPLOYMENT AND TAX KNOWLEDGE

6.7.7 ASSOCIATION BETWEEN PLACE OF WORK AND TAX KNOWLEDGE

6.7.8 ASSOCIATION BETWEEN GEOGRAPHIC REGION AND TAX KNOWLEDGE

6.8 TAX LITERACY

6.8.1 METHODOLOGY

6.8.2 HYPOTHESES

6.8.3 ASSOCIATION BETWEEN GENDER AND TAX LITERACY LEVEL

6.8.4 ASSOCIATION BETWEEN AGE AND TAX LITERACY LEVEL

6.8.5 ASSOCIATION BETWEEN MARITAL STATUS AND TAX LITERACY LEVEL

6.8.6 ASSOCIATION BETWEEN EDUCATION AND TAX LITERACY LEVEL

6.8.7 ASSOCIATION BETWEEN INCOME AND TAX LITERACY LEVEL

6.8.8 ASSOCIATION BETWEEN NATURE OF EMPLOYMENT AND TAX LITERACY LEVEL

6.8.9 ASSOCIATION BETWEEN PLACE OF WORK AND TAX LITERACY LEVEL

6.8.10 ASSOCIATION BETWEEN GEOGRAPHIC REGION AND TAX LITERACY LEVEL
6.9  E-FILING OF TAX RETURN  146
6.10  TAXATION INFLUENCES  147
6.11  CONCLUSIONS  150

SECTION III – FINDINGS, CONCLUSIONS, POLICY IMPLICATIONS AND FUTURE RESEARCH DIRECTIONS

CHAPTER 7  FINDINGS AND CONCLUSIONS  151
7.1  FINDINGS  151
   7.1.1  FINDINGS RELATED TO FINANCIAL LITERACY  151
   7.1.2  FINDINGS RELATED TO FINANCIAL PRODUCTS  152
   7.1.3  FINDINGS RELATED TO TAX LITERACY  153
7.2  CONCLUSIONS  155

CHAPTER 8  POLICY IMPLICATIONS AND FUTURE RESEARCH DIRECTIONS  157
8.1  POLICY IMPLICATIONS  157
8.2  DIRECTIONS FOR FUTURE RESEARCH  158

REFERENCES  159

AUTHOR’S PUBLICATIONS  167

ANNEXURE  168