Ph.D Thesis
on

FINANCIAL LITERACY IN NAGALAND WITH REFERENCE TO KOHIMA AND DIMAPUR DISTRICTS

Submitted for
The Degree of Doctor of Philosophy in Commerce
By
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CERTIFICATE

*This is to certify that the thesis **"Financial Literacy in Nagaland with reference to Kohima and Dimapur districts"** has been completed by **Mr. MENO THORIE,** Research Scholar, Department of Commerce, Nagaland University: Kohima Campus; Meriema under my supervision. It is an original piece of work.*

The thesis is fit for the submission for the degree of Doctor of Philosophy in Commerce.

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DECLARATION

I, MENO THORIE, do hereby declare that the subject matter of this thesis is the record of work done by me, that the contents of this thesis did not form basis of the award of any previous degree to me or to the best of my knowledge to anybody else. This thesis has not been submitted earlier either to this University or to any other University/Institution for the fulfillment of the requirement of a course of study.

This is being submitted to the Nagaland University for the degree of Doctor of Philosophy in Commerce.

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ABBREVIATION

1. AEPS   - Aadhar Enabled Payment System
2. AICPA   - American Institute of Certified Public Accountants
3. AMC   - Asset Management Committee
4. AMFI   - Association of Mutual Funds in India
5. APY   - Atal Pension Yojana
6. ASIC   - Australian Securities and Investments Commission
7. ATMs   - Automated Teller Machines
8. BCSBI   - The Banking Codes and Standards Board of India
9. BPC   - Bearing Point Consultant
10. BRICS   - Brazil, Russia, India, China and South Africa
11. CAB   - Central Autonomous Bodies
12. CBDT   - Central Board of Direct taxes
13. CFEB   - Consumer Financial Education Body
14. CFLIs   - Community Finance Learning Initiatives
15. CFPB   - Consumer Financial Protection Bureau
16. CG   - Central Government
17. CPA   - Certified Public Accountants
18. CSFLS   - College Student Financial Literacy Survey
19. CTS   - Cheque Truncation System
20. DEMAT   - Dematerialized Account
21. ECS   - Electronic Clearing Service
22. EFSE   - European Fund for Southeast Europe
23. EPF   - Employees' Provident Fund
24. EPFO   - Employees Provident Fund Organization
25. FACTA   - Fair and Accurate Credit Transactions Act
26. FCAC   - Financial Consumer Agency of Canada
27. FDs   - Fixed Deposits
28. FE   - Financial Education
29. FICN   - Fake Indian Currency Notes
30. FLAG   - Financial Literacy Action Group
31. FLC   - Financial Literacy Centres
32. FLL   - Financial Literacy Level
33. FOREX   - Foreign Exchange
34. FSA   - Financial Services Authority
35. GFLEC   - Global Financial Literacy Excellence Center
36. GPF   - General Provident Fund

37.	IAs	- Investors' Associations
38.	ICICI	- Industrial Credit and Investment Corporation of India
39.	IFLS	- Institute for Financial Literacy Singapore
40.	IMPS	- Immediate Payment Service
41.	INFE	- International Network on Financial Education
42.	IPC	- Indian Penal Code
43.	IRDA	- Insurance Regulatory and Development Authority
44.	ISCs	- Investor Service Centre's
45.	KYC	- Know Your Customer
46.	LFLG	- Low Financial Literacy Group
47.	HDFC	- Housing Development Finance Corporation
48.	HFLG	- High Financial Literacy Group
49.	MAS	- Money Advice Service
50.	MeiTY	- Ministry of Electronics and Information Technology
51.	MICR	- Magnetic Ink Character Recognition
52.	MSEs	- Micro and Small Enterprises
53.	NABARD	- National Bank for Agriculture and Rural Development
54.	NAV	- Nat Asset Value
55.	NBG	- National Bank of Georgia
56.	NBSE	- Nagaland Board of Secondary Education
57.	NCFE	- National Centre for Financial Education
58.	NEFT	- National Electronic Fund Transfer
59.	NFLAT	- National Financial Literacy Assessment Tests
60.	NISM	- National Institute for Securities Market
61.	NPS	- National Pension System
62.	NSCs	- National Savings Certificates
63.	NSE	- National Stock Exchange
64.	OECD	- Organisation for Economic and Cooperative Development
65.	OTP	- One Time Password
66.	PAC	- President's Advisory Council
67.	PF	- Provident Fund
68.	PFRDA	- The Pension Fund Regulatory and Development Authority
69.	PIN	- Personal Identification number
70.	POMIS	- Post Office Monthly Income Scheme
71.	PPF	- Public Provident Fund
72.	RBI	- Reserve Bank of India
73.	RD	- Recurring Deposits

74.	RTGS	- Real Time Gross Settlement
75.	SAB	- State Autonomous Bodies
76.	SBP	- State Bank of Pakistan
77.	SCSS	- Senior Citizens Savings Scheme
78.	SEBI	- Securities Exchange Board of India
79.	SG	- State Government
80.	SHGs	- Self Help Groups
81.	SIP	- Systematic Investment Plan
82.	SMS	- Short Message send
83.	SWP	- Systematic Withdrawal Plan
84.	S&P's	- Standard and Poor
85.	TVM	- Time Value of Money
86.	UAE	- United Arab Emirates
87.	UK	- United Kingdom
88.	ULIP	- Unit Linked Insurance Plan
89.	UPI	- Unified Payment Interface
90.	USA	- United States of America
91.	USSD	- Unstructured Supplementary Service Data

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CHAPTER: 1

INTRODUCTION

1.1. OVERVIEW

Education educates people with basic fundamental knowledge and skills to select and evaluate the best alternatives in terms of financial products and/or services, but with the developments and changes in financial markets, economic and policies, financial markets have become sophisticated for the investors. In order to address these issues, Financial literacy is inevitable as it helps the consumers/ investors to make a more realistic assessment of given opportunity for saving or investment, enhance the skill and bargaining power in financial matter, bring financial efficiency in terms of life time utility and financial well being, active debt management, evaluating and choosing the right financial product with confidence, control the expenditure, encourage saving and investment behavior and thus, make them prepared for retirement planning.

Nagaland being one of the comparatively backward states in the country lacks in many fronts. Industrialization in the state is almost non-existence barring few medium and small size industrial units engaged in production that too below the installed capacity. Agriculture though the main stay of the State's economy yet it is in subsistence level. Services sector contribution to State economy is somewhat significant. Altogether, it portrays a gloomy picture of the State's economy. However, the State can be aggregated for its quality education. From its inception, the State has undertaken several framework and restructuring of education system. The recommendation of the Education Commission starting with 1964-66 and even all the subsequent Commission's recommendations regarding restructuring of education were considered at various levels and incorporated in the National Policy on education for the State. This has uplifted the State education system to another level at par with the other states in the country. Also, with the implementation of Right to Education Act 2009 in

Nagaland in the year 2012, the State has been gradually increasing in literacy rate since then and is blessed with talented and well-versed faculties and complete modern facilities like, laboratories, canteens, library, computer and internet connectivity. On various subjects, courses are offered such as Humanities, Sciences, Commerce, English etc., through different modes such as Regular, Open University and campus learning to reach the high standard education. However, the education programmes does not have adequate content on financial literacy. Thus, teachers, administrators, parents, business owners, community members, youth and all the stakeholders need to know the importance and value of financial education to take appropriate steps towards financial literacy.

It is therefore, envisaged to undertake a survey on the level of financial literacy in Kohima and Dimapur district of Nagaland and to ventilate the growing realization of the role of financial literacy in financial decision making process and as a means for prevention of financial malpractices.

This chapter is a road map of this research project. It elaborates the conceptual framework of financial literacy; its importance and significance. The details on research methodology is pen down; the data collection – primary and secondary data, sampling plan, statistical tools and techniques for analysis. Narration on statement of the problem, significance of the study, objectives, hypotheses, de-limitation, limitation, and chapterization of the study are noted down in this chapter.

1.2. CONCEPTUAL FRAMEWORK

1.2.1. Understanding Financial Literacy

Financial literacy is defined by the Organisation for Economic and Cooperative Development (OECD) as, "…*a combination of financial awareness, knowledge, skills, attitudes and behaviours necessary to make sound financial decisions and ultimately achieve individual financial wellbeing*" (Atkinson & Messy, 2012, p.2).

Financial literacy is the achievement of skills necessary to make informed and effective decisions regarding earning, spending, and the management of money. It is a basic term which has to do with processes. Financial literacy is "*a person's ability to understand and make use of financial concepts*" (Servon & Kaestner, 2008). Financial education is defined as "*the process by which financial consumers/investors improve their understanding of financial products and concepts, and through information, instruction, and/ or objectives advice, develop the skills and confidence to become more aware of financial risks opportunities to make informed choices, to know where to go for help, and to take other effective actions to improve their financial well being*" (Lusardi and Mitchel, 2007b, p.36).

As such, Financial Literacy is the ability to understand how money works in the world, how someone manages to earn or make it, how that person manages it, how he/she invests it (turn it into more) and how that person donates it to help others. More specifically, it refers to the set of skills and knowledge that allows an individual to make informed and effective decisions with all of their financial resources. The exhibit 1 given below describes the possible manifestation of the acquired traits of financial literacy.

Exhibit - 1
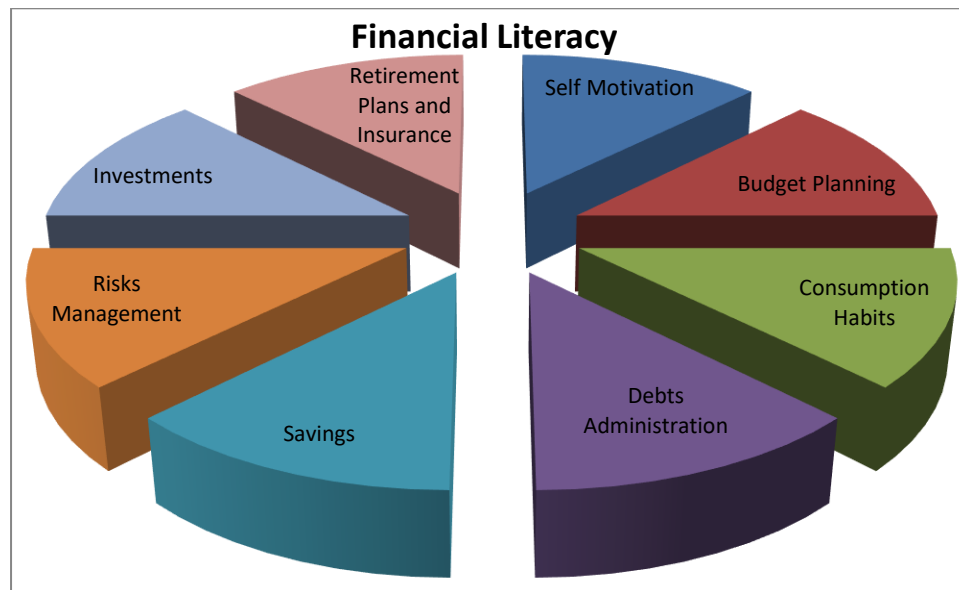
Source: Souza and Mustaro, 2015

1.2.2. Broadening the Concept of Financial Literacy and Measurement

Financial literacy has been studied as an issue of concern and analysis. Today its content has moved from financial knowledge and understanding to include financial skills and competences, attitudes and behaviour. To broader the concept the United Kingdom has coin the notion of the financial capability, now it is increasingly used in studies by other countries. These change in content and definition on how the objectives are defined and measured and the choice of interventions how to improve them.

The concept of financial capability proposes that at the end of the day financially capable individuals should demonstrate a desired financial behavior such as drawing-up a budget, planning and saving for old age. To move to such a stage it is conceptualized by functional components and the move overtime from knowledge to skills to attitudes to behavior. Knowledge would include the purpose of saving and its instruments, skills the capacity in making a saving plan, attitude the willingness to save ahead, and behavior to put aside the saving. In this conceptualization information and cognitive understanding is the basis of the ultimate desired financial behavior.

This information-based cognitive route is also the underlying concept of much of the financial education. And it is also the content of most academic studies that take course participation (as input) to measure the impact on cognitive skills (as intermediate outputs) or actual behavior (as outcome). But this value chain may neither be needed to achieve outcomes nor may it work they way it is conceptualized (discussed below). But independent of the type of interventions that may trigger financial capability, the issue of how best to define the content domains of financial capability remains. And this should best start out with a working definition of financial capability: *"A financially capable person is one who has the knowledge, skills and confidence to be aware of financial opportunities, to know where to go for help, to make informed choices, and to take effective action to improve his or her financial well-being while an enabling*

environment for financial capability building would promote the acquisition of those skills" (Kempson, 2008).

1.2.3. Financial Literacy Triangle

It is apparent that Financial Literacy requires a summary of the necessary competencies. The Exhibit 2 reflects the range of different knowledge; skills and information that everyone needs to live in a modern economy.

Exhibit - 2

Source: Investment Solutions Northland (2015)

1.2.4. Investor education and Financial literacy

While various definitions of "*investor education*," "*financial literacy*" and similar terms exist, there are no universally accepted definitions. "*Investor education*" is generally considered to be a subset of the broader concept of "*financial literacy*."

Financial literacy generally relates to all aspects of a person's financial situation and can include the concept of financial capability (a person's awareness, knowledge, skills, attitudes and behaviours). Investor education focuses on issues relevant to the education and information needs of individuals who participate, or

are considering participating, in the securities markets (commonly referred to as "*retail investors*").

1.3. PROMINENCE OF FINANCIAL LITERACY

Financial Literacy is an essential skill one should develop if one's goal is to build wealth and enjoy financial security. There's no alternative. The best investment one can make is in oneself and financial education.

Here are some reasons identified why financial literacy is important: (Todd R. Tresidder, 2017).

- Provides dividends for life which nobody can take away.
- Increases earning potential.
- Increases return on investment.
- Improves the quality of one's life and finances.
- Secures retirement.
- Defends one's portfolio from unnecessary losses.
- Provides peace of mind around money.

1.3.1. Financial products and services innovation: Deregulation and liberalization of financial markets and reduction of costs through financial engineering, developments in information and telecommunication have brought many newer financial products and services tailored to meet very specific market needs. The understanding of these innovations is crucial on the part of consumers, as these innovations do not only provide more choices to consumers, but also challenges to understand the benefits and costs associated with the innovations, and more specific the risk-return matrix inherent to each innovation.

1.3.2. Changing scenario of the domestic financial markets: Due to structural changes in the financial markets and liberalization, deregulation to open for retail consumers and foreign investors for more inflow of savings and investments to boost the growth rate of economy. Many domestic non-financial services companies have made their entry and foreign companies too entered into

Indian financial services industry with the introduction of newer financial products. To compete successfully and to gain market share, these companies have started to provide generalized and customized financial solutions and made it easier to obtain credit for consumers of this country, who had limited prior experience with financial markets and hence, due to lack of experience and knowledge about the working of financial markets and its products, consumers posses low awareness about the financial products and services, distrust the modern financial solutions and prefer traditional avenues for investing their money. As a result, they are unable to derive optimum financial benefit of the opportunities which these companies' financial products/services provide.

1.3.3. **Multifaceted features of financial products:** The increased in complexity of financial products and services has made an average person difficult to take financial decision. Perhaps the confusion has arisen not only because of the speed at which financial markets and new financial instruments have emerged or more number of institutions providing more complex financial products, but also because of the inability to understand basic financial concepts. The understanding of multifaceted features of financial products and services is quite difficult for the average individual. This result into greater perceived risk i.e. need to search greater volume of information to make comparison across a number of factors which in turn makes decision making more complex, and subsequent delay in making investment decision.

1.3.4. **Increase in an individual's responsibility:** Nuclear family structure requires an individual to make number of financial decisions related to spending, saving, investments, credit etc. not only for himself but also for his family. People also need to assume more responsibility for funding personal or family healthcare needs. Moreover, increasing education costs make it important for parents to plan and invest adequately for their children's education.

1.3.5. **Increase in the life expectancy, changes in pension agreement and transfer of risk:** Increase in the life expectancy means the possibility of more

time spent in retirement and thus, a greater need of financial planning, expanded insurance, and provisions of health care related expenses to cover unpredictable eventualities. The government started to reduce the state supported pensions, and some are reducing healthcare benefits. Defined contribution pension plans are quickly replacing defined benefit pension plans, shifting the responsibility from employers to workers to save for their own financial security after retirement. Most surveys show that majority of workers are unaware of the risks they going to face, and do not have sufficient knowledge and skill to manage such risks adequately, even if they are aware of them (OECD, 2008). The implementation of New Pension Scheme requires the workers to make various decisions regarding contribution to plan. As governments will no longer enough to provide social security, increasing responsibility has come on the shoulders of an individual. Thus, individuals need to consider not only investment risk and return trade off, but also uncertainty regarding their life expectancy, attitudes towards risk, current and future earning potential and likely changes in the personal and social circumstances.

1.3.6.   Technological changes and market innovations: Technological advances have transformed every aspect of processing, marketing and delivery of financial products and services. The expansion of internet as a mean for communicating and delivering financial services and/or products has also enabled financial service providers to market the financial products and serve the customers more effectively and efficiently. These communication and delivery innovations increase the amount of information available to consumers enable them to select the best from the myriad of products and services without geographic limitations. However, to get benefit from innovation, consumers must be financially knowledgeable and literate.

1.4. NEED FOR FINANCIAL LITERACY

Financial literacy has become inevitable in dealing with financial matters as it equips one with the knowledge and skill to mange personal finance effectively.

Financial literacy is widely needed and has become very necessary to address various financial challenges. Some of the important reasons for the need of financial literacy are briefly explained in the following;

1.4.1. **Reliability on investment advice:** Conflicting investment advices are given by the financial and investment experts for investment decision. One expert says diversify your money to reduce risk, and another expert calls it that insures mediocre results. One says pay all your debt as it's bad, another says leverage with good debt to build wealth. One says stock market is the key to riches, another says more wealth come from real estate than any other source. How can a person learn to invest when so called experts can't even agree? It would only make a person go bonkers. Better acquired financial knowledge and make own choice, that the best option for an investor.

1.4.2. **One size doesn't fit all investors:** Not all investment strategies are appropriate for everyone. Every individual is unique and so its financial goals. Everyone have the responsibility for own financial security. This needs skills, attitudes and knowledge to handle it.

1.4.3. **Financial responsibility:** One can delegate authority, but one cannot delegate responsibility. It is everyone responsibility to take care of own financial matters.

1.4.4. **Financial freedom:** Regardless of the amount of money a person possessed, till someone handles his/her money, they are financially dependent. There is no real freedom depending on someone's experience and knowledge in personal finances.

1.4.5. **Financial mentor:** Having financial education and literacy benefits a person in all round development handling personal finances. Some benefits on having financial literacy are:-

- Sort out conflicting investment advice.
- Deals with conflicts wisely on interest inherent in investment advice.
- Build a wealth plan custom fitted according to individual needs.

- Demonstrates self-responsibility for financial security.
- Raise the ceiling of financial future through financial intelligence.
- Like an annuity earns dividends who possess it.
- Provides a true financial independence.

1.5.   SCOPE OF FINANCIAL LITERACY

The scope of the term financial literacy is not only limited to mathematical literacy and standard literacy, but also includes knowledge and understanding, behaviour, attitudes, perceptions and awareness towards financial world (Roy Morgan Research, 2003). This includes:

1.5.1.   Mathematical Literacy and Standard Literacy: Essential mathematical, reading and comprehension skills.

1.5.2.   Financial Understanding: Understanding of what money is and how it is exchanged**.** Understanding of where money comes from and goes.

1.5.3.   Financial Competence: Understanding the main features of basic financial services**.** Understanding financial records and appreciating the importance of reading and attitudes to spending money and saving**.** Awareness of risks associated with some financial products and appreciation of the relationship between risk and return.

Financial literacy has a wide scope in managing personal or business finances, which involves three basic components (Ministry of Finance of the Czech Republic, 2010). They are:

1.5.4. Money literacy – to manage cash and non-cash money and accompanying transactions; the ability to handle management financial transactions (e.g. current account, payment instruments, etc.).

1.5.5. Price literacy – to understanding prices and the methods by which they are determined; to understanding inflation and the factors that influence them. This includes understanding the time value of money; the difference between nominal

and real interest rates; and understanding the prices of financial instruments and services in the form of fees and interest rates.

1.5.6. **Budget literacy** – to manage one's own budget as the ability to set financial goals and decide on the allocation of financial resources; the ability to manage a budget, work with revenues and expenditures; etc, the ability to compare individual financial products and services and to choose the most appropriate product or service according to a particular situation. This includes: management of financial assets (e.g. deposit, investment and insurance) and management of financial liabilities (e.g. loans or leasing). Not only the three above components but the following competences go "hand in hand" with financial literacy:

1.5.7. **Information literacy** – the ability to find, use and evaluate only required and relevant information.

1.5.8. **Numeric literacy** – the ability to use mathematical tools to solve numerical tasks in financial decision making.

1.5.9. **Legal literacy** – orientation in the legal system, conclusion of various contracts, overview of rights and duties, possibilities of assisting.

Focusing on the components of financial literacy is very important as it is the least and most critical thing for financial success and sustainability (Marcolin and Abraham, 2006).

1.6.   REVIEW OF LITERATURE

Several academicians and scholars have contributed significantly to the increase realization of the need for financial literacy. The available literature and their contribution provide an insight for the researcher towards financial literacy. The researcher came across some books, articles and papers relating to financial literacy. A brief review of which is given in the following:

1.6.1. Saloni Sharma and Anuradha Brahma (2017)

Their article, "Role Of Insider In Banking Fraud" highlighted some of the major happenings of bank frauds in India, such as cheque frauds, deposit account frauds, purchased bill frauds, hypothecation frauds, loan frauds, fictitious entries in books/manipulation of records, cash shortage, frauds in borrowers account, frauds in investment portfolios, frauds in foreign exchange areas, frauds in computerized environment, and frauds in inter-bank and inter-branch accounts. They also gives a broad view on how to tackle the frauds by citing the important agencies to take care of fraudsters like the Departmental inquiries, Police investigation and Punitive action.

1.6.2. Marwan Mohamed Abdeldayem (2016)

In his article "Is There a Relationship between Financial literacy and Investment Decisions in the Kingdom of Bahrain?" it measures the level of financial literacy of the Bahraini individual investors and examines the relationship between financial literacy and investment decisions in the Kingdom of Bahrain. The results reveal that the financial literacy level of the Bahraini investors was found to be low (38.6%) and far from the needed level. The analyzed level of financial literacy based on the demographic variables, it was found that women were generally less financially literate than are men; respondents of age 41-50 were more knowledgeable than all other age groups, and financial literacy is highly correlated with education. Participants in high financial literacy group (HFLG) have higher awareness level for all financial products except for certificate of deposit and post office savings. Further, participants in low financial literacy group (LFLG) mainly prefer to invest in traditional and safe financial products and do not invest much in complex financial products which are comparatively more risky and can give higher return.

1.6.3. Mustabsar Awais, .et al (2016)

Their article "Impact of Financial Literacy and Investment Experience on Risk Tolerance and Investment Decisions: Empirical Evidence from Pakistan"

studies on the crucial process in investment decision making. It studies the investors' risk which can be minimize or maximize and also defines the strategies regarding investment decisions. This paper determined those variables by constructing a theoretical model and relate, a wise investor learns from past experience to tackle risky situations and handle it properly. The increased in the level of financial information and the ability to analyze those informations an investor can improve the capability to take smart investment decision and manage investment efficiently.

1.6.4.   Michaela Krechovská (2015)

In his article, "Financial literacy as a path to sustainability," he highlighted the important role of financial literacy as one of the factors that ensures sustainable development in society. Various symptoms associated with the level of financial literacy in the form of household debt and the number of ordered property repossessions were analysed. It focuses on the measurement of financial literacy and presents the results of a survey of financial literacy from a selected group of respondents (university students) in the Czech Republic that were acquired as part of the "V4 Scientific Centers for the Enhancement of Financial Literacy and Entrepreneurship Education" project focused on research in the field of entrepreneurship education and financial literacy in Visegrad Group countries. He found that financial literacy seems to be one of the most important characteristics that can determine the behaviour of individuals in the world of finance, their approaches to payment discipline, debt and thinking for the future. He suggested it is important to put emphasis on financial education as a tool for heightening and developing practical financial literacy.

1.6.5.   Ramesh Prasad Chaulagain (2015)

A study on "Financial Literacy for Increasing Sustainable Access to Finance in Nepal," was focused on Nepali financial sector in establishing financial institutions to increase people's 'access to finance' under Nepal Rastra Bank and

Government of Nepal. This paper explores how far the expansion of Banks and Financial Institutions including cooperatives assures the access to finance and its sustainability. It reveals a significant growth of financial sector and an increment of number of people involved in financial transactions in the banking industry. The study shows that such expansion is necessary but not sufficient condition to assure a sustainable access to finance. The study also explores the worth of financial literacy among the people both in urban and rural areas as one of the means to enhance people's access to finance and its sustainability.

1.6.6.   Ade Thompson Ojo and Olusegun Felix Ayadi (2014)

Their article "Financial malpractices and stock market development in Nigeria", investigate the prevalence of corruption and other unwholesome financial practices in Nigeria contributed substantially to the stunted growth of the capital market in general, and the stock market in particular. The study finds out there exist of a long-run equilibrium relationship between bank fraud and stock market capitalization but with a structural break in 2005. The practical implication shows, there is an urgent need to overhaul and re-assess from time to time the existing systems of internal checks and controls in banks, as well as other financial institutions in Nigeria. They suggest, the Institute of Chartered Accountants of Nigeria should make accounting and auditing firms observe some appropriately designed code of conduct whereby the accounts prepared and audited by them actually reflect a true and fair financial situation. The alleged practice hitherto, whereby some have colluded with clients to produce falsified accounts, has greatly misled the public and has contributed to the problem of distress that has been ravaging many of the institutions.

1.6.7.   Javed Iqbal Bhabha, .et al (2014)

Their article, "Impact of Financial Literacy on Saving-Investment Behavior of Working Women in the Developing Countries" provides insights of financial literacy into savings. Their survey found out that people are ill-equipped to take complex financial decisions, do not plan ahead sufficiently, and have a poor

understanding of investment concepts. In Pakistan, individuals and working deposit money in various financial institutions just to get profit. They don't know and are ignorant about the functions and existence of financial markets. Their study brings out, working women's financial literacy as an important factor which affects the saving-investment behavior of female workforce in developing countries like Pakistan.

1.6.8. Kevin M Musundi (2014)

This study "The effects of financial literacy on personal investment decisions in real estate in Nairobi County" assessed the financial literacy of the real estate investors who invested in the real estate industry in Nairobi County. It examined the relationship between financial literacy and the influence of the factors that affect the investment decision and establish the effect of financial literacy on personal investment decision making by real estate investors. The results indicated that the financial literacy of the real estate investors is far from the needed level. The financial literacy level was found to have a significant effect on investment decision making by real estate investors. To achieve optimal outcomes in this complex decision-making environment requires decision-makers to have adequate levels of financial knowledge and skills. The study recommends for further study in the impact of inflation rates on investment decisions and ways to mitigate against sudden losses due to inflation fluctuation. The study also recommends further study into the effect of non – financial factors on the process of making investment decisions

1.6.9. Rathore D.P.S. (2014)

In his topic, "A Study on Impact of Financial Literacy and Education in Prevention of Banking Related Malpractices in the State of Uttar Pradesh," discussed the nature, dimension and magnitude of malpractices in field of banking in Uttar Pradesh. He examined the relationship between financial inclusion and financial literacy/education. He also studied the role and responsibility of government and other stakeholding agencies regarding financial

literacy/education. His study revealed that financial literacy and awareness are integral to ensuring financial inclusion. It is not just about imparting financial knowledge and information; it is also about changing behaviour. And also impart enough knowledge to demand accountability and seek redressal of grievances. He suggested this, in turn, will enhance the integrity and quality of financial markets. One big lesson which has been learnt in the outreach programmes is that financial literacy is not just a public goods; it is a merit goods.

1.6.10. Selim & Sibel Dinc Ademir (2014)

Their article, "A literature review on financial literacy" provides insights regarding financial literacy. This study indicates that (i) there is a need of a common and well-structured definition of financial literacy due to the interchangeably usage of various concepts, all of which mean the financial knowledge level of individual, (ii) objective measures seem to work best in measuring financial literacy among individuals, (iii) researcher should reconsider about proxies for financial literacy in the event that individual effect of proxy maybe difficult to be separated, (iv) it is better to consider that financial literacy maybe potentially endogenous variable rather than the exogenous one, (v) studies should present an explicit explanation how the relationship between financial literacy and research problem (e.g., investment preferences) occurred, (vi) relative impact of financial literacy should be pre-emptively examined by incorporating other potential factors influencing financial decision making into research models.

1.6.11. Harsha Vijaykumar Jariwala (2013)

In his research work conducted in Gujarat state "To study the level of financial literacy and its impact on investment decision – an in-depth analysis of investors," was based on the level of financial literacy through basic financial literacy and advanced financial literacy in which he found some people don't understand the important concepts at all. He examined financial literacy comparatively on demographic wise and found male are slightly literate than female in level of financial literacy. His study found out financial literacy leads to

controlled spending behavior and encouraged saving behavior and also has a significant impact on investment decision of investors. Harsha also found that financial literacy does have statistically significant impact on investment decision and concluded that financial literacy may empower the investors to make investment decision.

1.6.12.   Nurul Shahnaz Mahdzan & Saleh Tabiani (2013)

In their study, "The impact of financial literacy on individual saving: An exploratory study in the Malaysian context," it examines the influence of financial literacy on individual saving in the context of an emerging market. The study revealed that the level of financial literacy had a significant, positive impact on individual saving. In addition, saving regularity, gender, income and educational level influenced the probability of saving positively. Results of the study suggest that it is important for policy makers to increase financial literacy of households by implementing various financial education programmes, to further influence saving rates at the national level.

1.6.13.   Alejandro Drexler, Greg Fischer, and Antoinette Schoar (2010)

Their study, "Keeping it Simple: Financial Literacy and Rules of Thumb" explains individuals and business owners engage in an increasingly complex array of financial decisions that are critical for their success and well-being. Yet a growing literature documents that in both developed and developing countries, a large fraction of the population is unprepared to make these decisions. Evidence on potential remedies is limited and mixed. Two randomized trials test the impact of financial training on firm-level and individual outcomes for micro entrepreneurs in the Dominican Republic. Their study found out that no significant effect from a standard, fundamentals-based accounting training. The results of the study suggest that improved knowledge of finance and financial accounting indeed has a positive effect on the growth of small businesses in an emerging market such as the Dominican Republic. However, a simplified, rule-of-thumb training produced significant and economically meaningful improvements in business practices and outcomes.

1.6.14. Brice L. Jorgensen & Jyoti Savla (2010)

The study, "Financial Literacy of young adults: The importance of parental socialization," test a conceptual model of perceived parental influence on the financial literacy of young adults. Structural equation modeling was used to test whether (a) parents were perceived to influence young adults' financial knowledge, attitudes, and behaviours and (b) the degree to which young adults' financial attitudes mediated financial knowledge and perceived parental influence on young adults' financial behaviours. Findings on the College Student Financial Literacy Survey (CSFLS) indicated that perceived parental influence had a direct and moderately significant influence on financial attitude, did not have an effect on financial knowledge, and had an indirect and moderately significant influence on financial behavior, mediated through financial attitude.

1.6.15. Huston, S.J. (2010)

In his article "Measuring financial literacy," focused on developing a standardized measurement for financial literacy. The construct, content, method of measure, and scoring procedure of financial literacy studies were analyzed to produce results that would able to create industry standards for future use. He identified three main barriers: 1) a lack definition for what financial literacy means, 2) measures of financial literacy are not comprehensive, and 3) most studies do not include a guide for measurement interpretation. Huston concluded by proposing an appropriate definition of financial literacy, an acceptable amount of content areas, and a rating method to provide consistent industry-wide results. While not a one-size-fits-all approach, Huston's proposals provided a consistent measure for further research and support of financial literacy and its impact on individual welfare.

1.6.16. Robert Holzmann (2010)

A study was conducted to presents a World Bank led and Russia trust fund financed work program to measure financial capability and the effectiveness of financial education in low and middle income countries. The two activities and

their staging have been motivated by the lessons of high-income countries with financial literacy programs and the deviating characteristics of low and middle income countries. While progress has been made in high-income countries to measure financial capability, there is little robust empirical evidence that financial education can improve it. It was found out that while applying the financial capability concept in low and middle-income countries they looks promising they will be needed to be adjusted to their characteristic and supported by innovative interventions and rigorous impact evaluation to improve it.

1.6.17. Walstad, W. B., Redbeck, K., & MacDonald, R. A. (2010)

In their study conducted in New York, Minnesota, Texas, and Maryland on "The effects of financial education on the financial knowledge of high school students," to examines the positive impact of specific and properly implemented financial education programs on 800 high school seniors. The course taught students personal finance in five parts including vocabulary, costs related financial decision making, banking and checking, credit debit, APR and credit scores, and budgeting and saving. Students surveyed were grouped into a treatment group of 673 students, and a control group of 127 students. The students were tested directly before and after completing the course and results showed it did make a difference on their financial knowledge. Walstad and MacDonald concluded by highlighting the need for financial literacy courses that are systematic and have a comprehensive evaluation in place.

1.6.18. Hussein A. Hassan Al-Tamimi & Al Anood Bin Kalli (2009)

The paper, "Financial literacy and investment decisions of UAE investors," assessed financial literacy of the UAE individual investors who invest in the local financial markets. It examines the relationship between financial literacy and the influence of the factors that affect the investment decision. Their study finds out financial literacy of UAE investors is far from the needed level. The financial literacy level is found to be affected by income level, education level, and workplace activity. High-income respondents hold high educational degrees, and

those who work in the field of finance/banking or investment had as expected a higher financial literacy level than others. Women have a lower level of financial literacy than men. The results of the study indicate that there is a significant relationship between financial literacy and investment decisions. The most influencing factor that affects the investment decision is religious reasons and the least affecting factor is rumours.

1.6.19.   Mandell, Klein, & L. S. (2009)

A study was conducted on "The impact of financial literacy education on subsequent financial behavior," which focused on the effectiveness of financial education in improving the financial literacy of high school students. The study showed a positive relationship between financial literacy and self-beneficial financial behavior; however, the effects of various forms of financial education on financial behavior are less certain. The results showed no difference between the financial literacy levels of students who had taken the course and those who had not. The study concluded that despite of unfavourable result, financial literacy course should not be eliminated; rather their delivery methods and content should be reevaluated to better serve students throughout adulthood.

1.6.20.   Ikpefan (2006)

The article "Growth of bank frauds and the bank impact on Nigerian banking industry", focus on the Nigerian banking system. The study empirically tested if there is no significant relationship between deposits and variables-fraud. The study shows that deposits of insured banks have significant influence on the explanatory variables for the period 1989 -2004. It recommends that bank management should strengthen their internal control system; employ qualified personnel to work in it. It is find out that the boards of the insured banks had apparently failed to institute appropriate controls and sound management information systems for all facets of their banks operations; and this has contributed to rampant cases of fraud in insured banks. This would to a large extent help to rebuild the public confidence in the banking industry. Some of the

chief executives were known to have thrived in unethical and unprofessional conducts. Advances were issued far beyond the authorized limits, without the knowledge and concurrence of the board.

1.7. STATEMENT OF THE PROBLEM

Financial literacy is more important than ever in today's world. Being aware of money management, income, saving, and spending can equip our young people with knowledge to fight fraud and take charge of their finances. The need for future financial education is of paramount importance to the future financial health and stability of today's young adult since we are living in an age of unprecedented debt and students are destined to face challenging times financially. It is imperative that educators should begin to equip students with the knowledge and skills to succeed as consumers in today's global economy. It is important to understand that managing a family's or a person's finance is not the same as managing a business's finance. Numerous numbers of financial scams are happening in the financial market and looting investors hard earn money. These increasing realization of the needed importance of financial education do call for scientific enquiries on the position and dynamics of financial literacy; its role for investment decision and in prevention of financial malpractices. Academic research involving scientific investigation of this level will be one of the first of its kind in the State of Nagaland. However, on the basis of available literature surveyed relating to the field, the research problem to be examined has been adequately selected and formulated.

From the study of various literature reviews, the researcher has drawn some general conclusions.

- Low level of financial literacy prevails among various demographic groups of different countries, irrespective of their economic development.
- There is a strong relationship between financial literacy level and demographic groups such as, gender, age, education, occupation and income level.

- There is significant association between financial literacy level and financial attitudes or behaviours of the individuals.
- Financial literacy and awareness are integral to ensuring financial inclusion and impart enough knowledge to demand accountability and seek redressal of grievances.

On the basis of the above discussion, the researcher realize that an academic research involving scientific investigation study on financial literacy in Nagaland is a must as an intensive study on this research topic is yet to carried out. Therefore, the study in attempt to examine the level of financial literacy in Nagaland contributing effective investment decision and preventing banking related malpractices has been formulated.

1.8.   SIGNIFICANCE OF THE STUDY

In today's fast moving global economy the increasing complexity in modern financial products and services, rising consumer debt and ever present financial scams and schemes, the need for consumers to be financially capable and make effective financial decisions has become critical. The impact of behavioural biases, evidence of financial market and product failures, it is clear that even seasoned professionals struggle to achieve this threshold of 'effective' financial management. Beyond the complexity and behavioural biases, there is also susceptibility to fraud and malpractices. "Effective" financial planning and decision making is a big challenge with low financial literacy widespread in the society.

It is true that majority of the savers are not aware of the modern financial markets. Several researches in this field show that low knowledge among the savers about financial markets, concepts and products has a direct impact in the utilization of financial markets. The State of Nagaland is no exception to this. Financial education programme is rarely rooted in Nagaland. People at large do

not have high intention to save and invest. Whatever little savings and investments are made that does not commensurate with the level of financial literacy.

Financial literacy plays an important role in the efficient allocation of household savings and the ability of individuals to meet their financial goals. Financial literacy also means the ability to seek sound financial advice. Therefore, a study is essential to find out the position and dynamics of financial literacy, its impact on investment decision and in prevention of banking related malpractices in the State of Nagaland. It will be an eye opener and a boost of knowledge to the people of Nagaland in particular and India in general. In this light, the present study has its relevance to the society. Unless the common man becomes aware and a wiser investor and is protected from frauds. Accumulation of wealth for the investor and the economy will remain the same and will be a distant dream. The wealth savers need to be converted to nation of investors. The society can benefit from this study because this will create awareness on how essential to have reasonable financial awareness and literacy for effective financial decision and to manage future financial stress.

1.9. OBJECTIVES OF THE STUDY

The specific objectives of the study are as follows:

1. To study the genesis of financial literacy and its current scenario.

2. To throw light on the present position and dynamics of financial literacy in Nagaland.

3. To determine the effects of financial literacy on investment decision.

4. To understand how financial literacy prevents banking related malpractices on investors.

5. To identify the lapses in financial literacy outreach and recommend suitable suggestions for making financial literacy as a means for effective financial decision.

1.10.   HYPOTHESES

For the purpose of this study, the following two hypotheses have been formulated.

1. There is no significant association between investors' gender and their financial literacy level.

2. There is no significant impact of financial literacy level on investment decision of investors.

1.11.   RESEARCH METHODOLOGY

Research in common parlance refers to a search for knowledge. Research methodology consists of target population, problem statement, research design, sampling plan, questionnaire design, field work plan, and analysis plan. Research also refers to the systematic method consisting of enunciating the problem, formulating a hypothesis, collecting the facts or data, analyzing the facts and reaching certain conclusions either in the form of solution(s) towards the concerned problem or in certain generalizations for some theoretical formulation (Kothari, 2014). Accordingly, in this study research methodology has been laid down explicitly. Various steps have been adopted by the researcher for studying the research problem. Below is given an outline view of research methodology explaining how the researcher has carried out the present research study.

1.11.1.   Research Design

The study on financial literacy in Nagaland is an empirical one base on descriptive research design. The researcher assessed financial literacy level of the investors and its impact on investor's investment decision and also on banking related malpractices. Both primary as well as secondary data have been used in this study. However, considering the type and nature of the study, survey method was used for data collection.

1.11.2.   Data collection

For this study, data resources were collected from both primary and secondary sources. Primary data were collected with the help of a well-structured

questionnaire and through observation and interview methods. Secondary data were collected from the published and unpublished relevant documents, books, journals magazines, periodicals, newspapers, research projects, and reports published by government or private researchers. Even internet sources were used together to explore appropriate secondary data.

1.11.3.   Sampling Design

As per the requirement of the study, the researcher has adopted appropriate sampling design as shown below.

1.11.3.1. Population

In this study, the households of Kohima and Dimapur districts constitute the population or the universe from where samples unit are identified.

1.11.3.2. Sampling Unit

For the purpose of the study, Individuals in each household above the age of 15 years in Kohima and Dimapur districts of Nagaland who make investment in financial instrument were considered as sampling unit.

1.11.3.3   Sample size

The study being an analytical one as well, a sample size of 500 respondents has been considered, 250 each from Kohima and Dimapur districts. The samples so selected were the respondents from students, government employees, businessmen, private service, housewives and unemployed/ daily wagers from both town and village within the study area in order to make the sample representative.

1.11.3.4   Sampling Plan

A definite plan for obtaining a sample from a given population was designed. The technique or the procedure for the study was adopted by the researcher in selecting items for the sample. The sample design was determined before data were collected. A well-structured pre-tested questionnaire was administered to the sample respondents for data collection using non-probability convenient sampling.

Samples were collected deliberately by the researcher from the given population. The response rate was less than hundred percent. In order to maintain the pre-determined sample size, extra questionnaires were administered as well.

1.11.4 Data Analysis

The data so collected were classified, tabulated and analysed as per the requirement of the study. To analyze the level of financial literacy vis-a-vis investment decision and preventing bank related malpractices in Nagaland, the data were analyzed by bringing raw data to measured data, summarizing the data and then applying analytical method to manipulate the data so that their inter-relationship and quantitative meaning become evident. For tabulation and analysis, computer software's like MS Excel and SPSS Version 20 have been used. Important statistical tools like average, percentage, range, correlation, Five Point Rating Scale, linear regression analysis, factor analysis and various techniques like univariate, bivariate and multivariate analysis were employed during the data analysis to draw meaningful inferences and conclusion.

1.11.5 Pilot study

Pilot study is considered as a standard process to determine whether this particular study is feasible and tools are relevant and adequate. The investigator conducted a pilot study in order to find out the face validity of the statement on the reliability of the questionnaire and content validity of the tool. The questionnaire was decided to change the wordings of some questions so to collect appropriate information and data. The pilot study was carried out so to understand the effectiveness of the tool as well as data gathering procedures. After proper observation of the population the questionnaire was constructed by the researcher to collect the primary data. In order to identify the indicators and variables of the study three separate pilot studies were conducted. 50 samples for assessing financial literacy level, 20 samples for finding the impact of financial literacy level on investment decision and 50 samples for finding financial literacy level in prevention of banking related malpractices. Based on these pilot studies, proper

testing tools were identified for the study; the questionnaire was modified suitably and finalized appropriately. For reference, the questionnaire has been annexed in Annexure – I.

1.11.6   Research instrument

The survey conducted by the investigator was to investigate the level of financial literacy of the investors and its impact on investment decision and banking related malpractices. For this matter, the research document was divided into four parts. The in-depth discussions of the sections are discussed in the following.

1.11.7   Instrument construction

In this study, primary data were the most important source, as the information provided by the investors mainly served the purpose of the study. Questionnaire was used as a research instrument to collect the data. The questionnaire prepared was based on in-depth literature review. The questionnaire was drafted basing mainly on the questionnaire of OECD INFE (2011) Measuring Financial Literacy: Core Questionnaire in *Measuring Financial Literacy: Questionnaire and Guidance Notes for conducting an Internationally Comparable Survey of Financial literacy.* Paris: OECD., prepared by OECD (Organization of Economic Cooperation and Development) and INFE (International Network on Financial Education) for measuring financial literacy, (OECD INFE 2011). Performance Test and Questionnaire prepared by Harsha Vijaykumar Jariwala (2013), to study the level of financial literacy and its impact on investment decision – an in-depth analysis of investors in Gujarat State. Questions on banking related malpractices were formulated basing on the study of Rathore D.P.S. (2014) A Study of Impact of Financial Literacy and Education in Prevention of Banking Related Malpractices in the State of Uttar Pradesh, Shounak Mitra (2012) Bank frauds in India, Ikpefan (2006) Growth of bank frauds and the bank impact on Nigerian banking industry and referring to different types of banking frauds happening in and around the financial market.

After the formulation of the questionnaire, pilot testing was conducted within Kohima district to test validity of the questionnaire. Some limitations were identified in the pilot testing, those were modified, simplified and eliminated and then the final research instrument was prepared for the study. The research instrument was design in English as it is the official language of the State. To eliminate language barrier during collection of data, local dialect like Tenyidie and Nagamese (creole) were used for the convenience of the respondents.

• The final research instrument of the questionnaire was divided into four parts. Part 1 was to collect personal information based on the demographic variables of the investors. Part 2 was a performance test comprised of two sections. Section A was an objective type questions i.e., multiple choice, based on basic financial literacy which consist of 20 questions and Section B also objective type questions i.e., true or false type questions consisting of 30 questions basing on advanced financial literacy. For measuring the level of financial literacy, the percentage of the correct answer was considered as the score of the individual respondent (Lyons, 2007). Part 3 comprised of objective type questions based on investment decision of the investors and also Likert type questions based on financial literacy factors affecting investment decision. Part 4 was dichotomous questions based on banking related malpractices on investors and an open ended question to enable investor report on fraud cases encountered besides the mentioned frauds in the questionnaire.

For data collection, each question asked in the different sections of the questionnaire is discussed briefly in the following.

Part 1: This section mainly focuses on demographic variables of the respondents. Questions asked in this section was to collect respondent personal information regarding age, gender, occupation, type of employment, educational qualification, place of residence, district and marital status.

Part 2: In this Part 2 of the Questionnaire the focus is on the measurement of financial literacy. It consists of two sections with a total number of 50 questions.

Section A: This section was to measure individual's basic financial literacy level that is skills, knowledge and understanding of basic financial concepts, principles and numeracy. Twenty questions were asked in this section, they are savings bank account, fixed deposits, recurring deposits, inflation, time value of money, diversification, risk, regulatory body of market structure, KYC (Know Your Customer), interests, plastic money, fake currency, Demand draft, cheque, RTGS & NEFT (Real Time Gross Settlement and National Electronic Fund Transfer), Overdraft, Cashless payments, compound and simple interest, banks, and insurance.

Section B: This section was to measure advanced financial literacy level that is knowledge and understanding of the investment alternatives available in the Indian Financial System for the investors. On the basis of different investment alternatives, 30 questions were frame for investor's performance test. The questions frame on financial worth and different investment alternatives are as follows: - financial worth, numeracy, interest compounding, function of stock market, risk-return trade off, ponzi schemes, investment time horizon and fluctuation, systematic investment plan, systematic withdrawal plan, current account, national savings certificates (NSCs), senior citizen saving scheme, public provident fund, employees provident fund, national pension scheme, equity shares, preference shares, mutual fund, debenture and bonds, post office monthly income scheme, insurance policy, real estate investment, gratuity scheme, Atal pension scheme, general provident fund, DEMAT (dematerialized) account, gold monetization scheme, Income & savings, Investment, and retirement plan.

Part 3: The objective under this section of the questionnaire was to assess investor's investment decision. Questions were frame mainly focusing on investment patterns and investment decision. Some of the questions asked were on expenditure percentage on monthly income, savings percentage on monthly income, investment out of savings, type of investors, type of risk takers, investment in different investment options and preference on different investment

options. 40 financial literacy factors influencing investors' investment decision were considered in a five point Likert type for analysis. Likert scale ranging from 'very low influence' = 1, 'low influence' = 2, 'moderately influence' = 3, 'high influence' = 4, and 'very high influence' = 5.

Part 4: In this part of the questionnaire, the objective was to find out banking related malpractices affecting the investors. The questions frame was dichotomous type of questions i.e. yes or no type, basing on different types of banking malpractices affecting the investors. Basing on the study of Rathore D.P.S. (2014), Shounak Mitra (2012)**,** Ikpefan (2006) and different types of banking frauds questions were framed to assess how investors are affected. Different types of banking frauds questions asked were on fake currency notes, fraud account, forgery and altered cheques, stolen cheques, accounting frauds, credit/debit card frauds, bouncing/bad cheques, stolen payment card, impersonation and theft of identity, phising and internet fraud, lottery frauds, fake bank officials, ponzi schemes, service fee frauds, pro-forma or false invoicing, pyramid schemes and chit funds, pump and dump, OTP (One Time Password) fraud and security PIN (Personal Identification Number) fraud. An open ended question was also asked for the respondents to report on any other frauds they have encountered besides the mention frauds in the questionnaire.

1.11.8   Variables used

In any quantitative research projects, it is pertinent to identify the variables used in the study and have clarity about it. Below mention variables are being identify and employed for the purpose of this study.

1.11.8.1 Demographic and socio-economic variables

The Table 1.1 shows the description of demographic and socio-economic variables used in the study.

Table - 1.1

Demographic and socio-economic variables

Variables	Scale used to measure a variable	Type of measurement used to measure a variable	Interval	Source
Age	Nominal	Multiple Choice Questions	15-25 years 26 to 35 years 36 to 45 years 46-55 years 56 years & above	Durga Rao, et al. (2013).
Gender	Dichotomous	Multiple Choice Questions	Male investors Female investors	Durga Rao, et al. (2013).
Occupation	Nominal	Multiple Choice Questions	Service Business Housewife Student Unemployed/ Daily wagers Retired	Durga Rao, et al. (2013).
Type of employment	Nominal	Multiple Choice Questions	Government Private	Hussein, et al. (2009).
Educational qualification	Nominal	Multiple Choice Questions	Under Matriculate Matriculate Higher Secondary Graduate Post Graduate	NCAER-MNYL Report (2007).
Place of residence	Nominal	Multiple Choice Questions	Village Town	Durga Rao, et al. (2013).
Marital status	Nominal	Multiple Choice Questions	Married Unmarried	Durga Rao, et al. (2013).

1.11.8.2 Variables used in Basic Financial Literacy test

Table - 1.2

Variables	Scale used to measure variable	Type of measurement used to measure a variable	Source
Savings bank account	Interval	Multiple Choice Questions	NISM, 2016
Fixed Deposits	Interval	Multiple Choice Questions	NISM, 2016
Recurring deposits	Interval	Multiple Choice Questions	NISM, 2016
Inflation	Interval	Multiple Choice Questions	SEBI (2012)
Time value of money	Interval	Multiple Choice Questions	SEBI (2012)
Diversification	Interval	Multiple Choice Questions	Kimberly Amadeo (2018).
Risk	Interval	Multiple Choice Questions	SEBI (2012).
Regulatory body of financial market structure	Interval	Multiple Choice Questions	ClearTax (2019)
Know Your Customer (KYC)	Interval	Multiple Choice Questions	Vikaspedia (2018)
Interest	Interval	Multiple Choice Questions	Justin Pritchard (2018)
Plastic Money	Interval	Multiple Choice	Study moose (2016)

		Questions	
Fake/counterfeit currency	Interval	Multiple Choice Questions	Manan Kumar (2011)
Demand draft	Interval	Multiple Choice Questions	Ankit Barnawal (2018)
Cheque	Interval	Multiple Choice Questions	Gaurav Akrani (2011)
RTGS & NEFT	Interval	Multiple Choice Questions	HDFC (2019)
Overdraft	Interval	Multiple Choice Questions	Girija Garde, et. al., (2015)
Cashless payment	Interval	Multiple Choice Questions	MeiTY (2019)
Compound and Simple Interest	Interval	Multiple Choice Questions	Justin Pritchard (2019) and SEBI (2012)
Banks	Interval	Multiple Choice Questions	SEBI (2012)
Insurance	Interval	Multiple Choice Questions	SEBI (2012)

1.11.8.3 Variables used in advanced financial literacy test

Table - 1.3

Variables	Scale used to measure variable	Type of measurement used to measure a variable	Source
Financial worth	Interval	Multiple Choice	SEBI (2012)

		Questions	
Numeracy on Simple interest	Interval	Multiple Choice Questions	Justin Pritchard (2019)
Interest compounding	Interval	Multiple Choice Questions	SEBI (2012)
Functioning of stock market	Interval	Multiple Choice Questions	5paisa (2017)
Risk-return trade off	Interval	Multiple Choice Questions	Steven Bragg (2018)
Ponzi scheme	Interval	Multiple Choice Questions	SEBI (2012)
Investment time horizon and fluctuation	Interval	Multiple Choice Questions	Lisa Smith (2018)
Systematic Investment Plan (SIP)	Interval	Multiple Choice Questions	NISM (2016)
Systematic Withdrawal Plan (SWP)	Interval	Multiple Choice Questions	NISM (2016)
Tax deduction under Section 80C	Interval	Multiple Choice Questions	NISM (2016)
National Savings Certificate (NSC)	Interval	Multiple Choice Questions	NISM (2016)
Senior Citizen saving schemes (SCSS)	Interval	Multiple Choice Questions	NISM (2016)
Public Provident Fund (PPF)	Interval	Multiple Choice Questions	NISM (2016)
Employee Provident Fund (EPF)	Interval	Multiple Choice Questions	Paisa Bazaar, 2019

National Pension System (NPS)	Interval	Multiple Choice Questions	NISM (2016)
Equity shares	Interval	Multiple Choice Questions	Agarwal RC (2019)
Pre ference shares	Interval	Multiple Choice Questions	Smriti Chand (2019)
Mutual Fund	Interval	Multiple Choice Questions	SEBI (2012)
Debenture and Bonds	Interval	Multiple Choice Questions	SEBI (2012).
Post Office Monthly Income Scheme	Interval	Multiple Choice Questions	NISM (2016)
Life Insurance Endowment Plan	Interval	Multiple Choice Questions	NISM (2016)
Real Estate Investment	Interval	Multiple Choice Questions	Kimberly Amadeo (2019)
Gratuity Scheme	Interval	Multiple Choice Questions	Preeti Motiani (2018)
Atal Pension Scheme	Interval	Multiple Choice Questions	NISM (2016)
General Provident Fund (GPF)	Interval	Multiple Choice Questions	Bank Bazaar (2019)
DEMAT account	Interval	Multiple Choice Questions	Angel Broking (2019
Gold Monetization Scheme	Interval	Multiple Choice Questions	NISM (2016)
Health Insurance Family-Floater Plans	Interval	Multiple Choice Questions	NISM (2016)

Unit Linked Insurance Plan (ULIP)	Interval	Multiple Choice Questions	NISM (2016)
Retirement/Pension Plan	Interval	Multiple Choice Questions	NISM (2016)

1.11.8.4 Variables used for preferred investment options

Table - 1.4

Variables	**Variables operational**	**Source**
Shares	All types of shares through primary market and/or secondary market	SEBI (2012).
Debentures/Bonds	All types of debentures issued by companies and all types of bonds issued by Government or Government undertakings	SEBI (2012).
Mutual Funds	All types of schemes provided by mutual fund companies	SEBI (2012).
Post Office Saving Scheme	All Post Office Saving Schemes such as POMIS/NSS/KVP/PPF/PF etc.	SEBI (2012).
Bank Deposits	Fixed deposits, recurring deposits and types of deposit schemes with commercial banks, cooperative banks, RRBs, financial institutions other than the above mention, and company fixed deposits	SEBI (2012).
Insurance and pension Plans	Insurance and pension plans of LIC, Financial institutions of govt. undertakings, and private companies.	SEBI (2012).

Real Estate	Real estate investments i.e., making profit from buy and owing real estate	Andrew Beattie (2018).
Precious Metal (Gold, silver, copper, platinum, and zinc.	Investment in gold, silver, copper, platinum, and zinc (in any form)	Rediff (2012).

1.11.8.5 Variables/financial literacy factors affecting investors' investment decision

Table - 1.5

Variables	Scale used to measure variable	Type of measurement used to measure a variable	Source
Secured/safe investment	Interval	Five Point Likert Rating Scale	SEBI (2012).
Ease in availing borrowed funds	Interval	Five Point Likert Rating Scale	SEBI (2012).
Preferred investment period	Interval	Five Point Likert Rating Scale	SEBI (2012).
Liquidity associated with investment	Interval	Five Point Likert Rating Scale	SEBI (2012).
Tax benefits	Interval	Five Point Likert Rating Scale	SEBI (2012).
Affordable investment amount to availed financial products/services/schemes benefits	Interval	Five Point Likert Rating Scale	SEBI (2012)
Account transferability	Interval	Five Point Likert Rating Scale	SEBI (2012).
Nomination facilities	Interval	Five Point Likert Rating Scale	SEBI (2012).
Pre-mature closure of investment facility	Interval	Five Point Likert Rating Scale	Preeti Motiani (2018).
Compounding frequency interest rate	Interval	Five Point Likert Rating Scale	SEBI (2012)
Past performance/ history of the company	Interval	Five Point Likert Rating Scale	Hussein, et al. (2009).
Dividend Policy of the Company	Interval	Five Point Likert Rating Scale	Investopedia (2019).

Marketing ability of the company	Interval	Five Point Likert Rating Scale	Alharbi Adel Saleh M (2015).
Company's position in the industry	Interval	Five Point Likert Rating Scale	Hussein, et al. (2009).
Terms and conditions of the financial products/ services	Interval	Five Point Likert Rating Scale	SEBI (2012).
Company's reputation on fund management & credit worthiness	Interval	Five Point Likert Rating Scale	Sabrina Helm (2007).
Company's annual report	Interval	Five Point Likert Rating Scale	Septus Singapore (2018).
Company's net worth and market capitalization	Interval	Five Point Likert Rating Scale	Merill Edge (2019).
Development in stock index	Interval	Five Point Likert Rating Scale	Jonathan Brogaard, et al. (2018).
Current economic indicators	Interval	Five Point Likert Rating Scale	Nagy, et al. (1994).
Government investment schemes or financial product/services backed by Govt. of India	Interval	Five Point Likert Rating Scale	SEBI (2012).
Company's affiliation with government	Interval	Five Point Likert Rating Scale	Business Maps of India (2019).
Existing investors opinion	Interval	Five Point Likert Rating Scale	Hussein, et al. (2009).
Family members	Interval	Five Point Likert Rating Scale	Hussein, et al. (2009).
Friends and relatives	Interval	Five Point Likert Rating Scale	Hussein, et al. (2009). .
Recommendations of financial advisors and analysts	Interval	Five Point Likert Rating Scale	Hussein, et al. (2009).
Credit rating agencies report	Interval	Five Point Likert Rating Scale	Ryan Furhmann(2011).
News updates on financial markets.	Interval	Five Point Likert Rating Scale	Harsha Vijaykumar Jariwala (2013).
Economic forecast by Research Institution and result of technical analysis of the company	Interval	Five Point Likert Rating Scale	Harsha Vijaykumar Jariwala (2013).
Views and opinion of professionals, company executives and sector experts	Interval	Five Point Likert Rating Scale	Harsha Vijaykumar Jariwala (2013).
Diversification of investments	Interval	Five Point Likert Rating Scale	Nagy, et al. (1994).
Minimizing risk factors	Interval	Five Point Likert Rating Scale	SEBI (2012).
Perceived ethics of the company	Interval	Five Point Likert Rating Scale	Hussein, et al. (2009).

Feeling towards company's products/services	Interval	Five Point Likert Rating Scale	Merikas, et al. (2003).
Studying the portfolio investments of other market players	Interval	Five Point Likert Rating Scale	Harsha Vijaykumar Jariwala (2013).
Verifying the authenticity of advertised financial products/services, rumours and religious beliefs	Interval	Five Point Likert Rating Scale	Hussein, et al. (2009).
Higher income opportunity/expected returns on investment	Interval	Five Point Likert Rating Scale	Hussein, et al. (2009). Harsha Vijaykumar Jariwala (2013).
Interest rates	Interval	Five Point Likert Rating Scale	Daren Fonda (2017).
Earnings Per Share (EPS)/ Per Equity (PE) ratio	Interval	Five Point Likert Rating Scale	eFinanceManagement (2019).
Guaranteed returns	Interval	Five Point Likert Rating Scale	SEBI (2012).

1.11.8.6 Variables used for banking related malpractices affecting investors.

Table -1.6

Variables	Scale used to measure variable	Type of measurement used to measure a variable	Source
Fake currency notes	Interval	Dichotomous	Times of India (2018).
Debit card skimming	Interval	Dichotomous	Rawat D S (2015).
Forgery and altered Cheques	Interval	Dichotomous	Shounak Mitra (2012).
Stolen cheques	Interval	Dichotomous	Shounak Mitra (2012).
Accounting Fraud	Interval	Dichotomous	Shounak Mitra (2012).
Credit/debit card fraud	Interval	Dichotomous	Shounak Mitra (2012).
Bad cheques	Interval	Dichotomous	Shounak Mitra (2012).
Lost/stolen card	Interval	Dichotomous	Rawat D S (2015).
Impersonation and theft	Interval	Dichotomous	Wikepedia Project (2018).

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Phishing and Internet fraud	Interval	Dichotomous	Wikepedia Project (2018).
Lottery frauds	Interval	Dichotomous	Scam watch (2018).
Fake bank officials/ Social engineering	Interval	Dichotomous	Rawat D S (2015).
Online fraud	Interval	Dichotomous	Rawat D S (2015).
Ponzi schemes	Interval	Dichotomous	SEBI(2012).
Bank Service fee frauds	Interval	Dichotomous	Daniel Bortz (2012).
Pro-forma or false invoicing	Interval	Dichotomous	David Farrar (2012).
Pyramid schemes	Interval	Dichotomous	SEBI(2012).
Pump and dump	Interval	Dichotomous	SEBI(2012).
OTP fraud	Interval	Dichotomous	The Hindu (2018)
ATM fraud	Interval	Dichotomous	Rawat D S (2015).

1.11.9 LIMITATIONS OF THE STUDY

Research is a never ending process and every research work creates spaces for more researches. Each research has its own limitation and thus new discipline comes up time and again developing into many more disciplines. Needless to say, the researcher while working on the project had many limitations, some are situational and a few self-exposed. In collection of primary data, some respondents seems to shy away from providing genuine information, however, the investigator did the best to obtained genuine response on various questions asked to fulfilled the objectives of the study.

Some of the limitations were list down below;

1. For measurement of financial literacy, questions asked were taken from all the major happenings of financial markets but with the recent development in financial market several new issues have emerged and it was not possible to cover all important issues under this study. More specifically, the researcher failed to include some possible investment options in this study because of their very limited used in Nagaland.

2. Financial literacy factors influencing investment decision taken into consideration for the study were commonly known and used factors. However, due to individual differences, factors influencing investment decision varies from person to person and thus many more factors remain unreported.

3. Financial frauds mentioned in the study are mainly post-hoc. However, many more financial frauds do exist which are unreported.

4. While taking utmost care has been taken in using both primary and secondary data, efforts were made to draw generic conclusions to cover all possible situations. Yet, the conclusion of this study may not be applicable uniformly in all situations.

In spite, of the limitations mentioned above, the responses from the respondents were satisfactory. The present study relates only to the survey on the level of financial literacy in Nagaland contributing effective investment decision and preventing banking related malpractices only. Therefore, it does not claim to represent all the aspects of financial literacy in Nagaland.

1.11.10 OPERATIONAL DEFINITION

In any quantitative research projects, it is pertinent to define and identify the variables. It is therefore critical to have clarity about this term and the related concept. Below given are the meanings and definitions of some variables used for the purpose of this study.

i) **Diversification:**

Diversification of investment means investing in different investment alternatives so to lower the risk in return. A diversified investment is a portfolio of various assets that earns the highest return for the least risk. In a diversified portfolio, when one rises, the other falls. This lowers overall risk in return on investment, because, no matter what the economy does, some asset classes will benefit. A diversified portfolio can be the best defense against financial crisis for an investor.

ii) **Overdraft:**

Banking overdraft facility means a credit agreement made with a bank that allows an account holder to use or withdraw money more than what they have in their account up to a certain approved limit. The sanctioned overdraft limit is given based on the investor bank fixed deposits (FDs), shares and bonds offered as collateral. The limit and interest charged varies based on the nature of the asset offered as collateral. It works like an approved loan.

iii) **Ponzi scheme:** Ponzi scheme or pyramid scheme are typical schemes where investors are allured through advertisement and emails or short message send (SMS) promising huge returns. It is a fraudulent investment operation that promises high rates at little risk to investors.

iv) **Systematic Investment Plan (SIP):** An SIP is a regular investment in a fund for a fixed sun at a fixed frequency. Usually, the frequency is monthly. SIPs neatly solve two main problems that prevent investors from getting best-possible return from the mutual funds.

v) **Mutual Fund:** A mutual fund pools money from many investors and invests the money in stocks, bonds, short-term money market instruments, other securities or assets, or some combination of these investments. The combined holdings the mutual fund owns are known as its portfolio. Each unit represents an investor's proportionate ownership of the fund's holdings and the income those holdings generate. The funds are managed by professionals called fund managers. They

diversified the investment by investing into different companies stocks and bonds, and thus the risk is spread out. The mutual fund units can be converted into money by way of sale in the market.

vi) Life Insurance Endowment Plan:

The salient features of this endowment plan offers, if the policy holder die during the policy term, the nominee gets the sum assured plus some returns depending on the policy performance. If the policy holder survive the policy term, the holder still get back the sum assured and returns earned by the policy.

vii) Real Estate Investment:

It is a an operating, investing, and financial activities centered in making money from tangible property or cash flows from the tangible property. Real estate investment means the process of purchase, ownership, management, rental and/or sale of real estate for profit.

viii) Gratuity Scheme:

Gratuity is a retirement and royalty reward for the salaried employees. It is a scheme in which a lump sum amount will be paid to the employee by the employer when he leaves the organization after serving for certain number of years.

ix) DEMAT account:

DEMAT or Dematerialized account means an account that is used to hold shares and securities in electronic format. The main purpose of a DEMAT account is during online trading, it hold shares that have been bought or dematerialized (converted from physical to electronic shares), which makes share trading easy for the users.

x) Gold Monetization Scheme:

It is a scheme which allows earning interest on the gold own. It provides facility to save the storage cost of gold. To avail benefits from this scheme one have to deposit gold in any physical form, jewellery, coins or bars. This gold will earn interest based on the weight of the gold.

xi) **Health Insurance Family-Floater Plans:**

This health insurance plan provides a facility where the individual can extend its individual plan to covering the family by spreading the risk across the members.

xii)   Unit Linked Insurance Plan (ULIP):

ULIPs combine insurance and investments. This policy is expected to deliver inflation-beating returns in the long term, irrespective of short-term market fluctuations. It also offer several fund-investment options with insurance and leave the asset-allocation decision in the hands of investors.

xiii)   Retirement/Insurance Pension Plan:

It is a life insurance plan. The policy works in two ways. One, it works as an accumulation tool that collects premium and earns returns. Two, on attaining the vesting age (the year the payout happens), the accumulated fund is paid back as an annuity.

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CHAPTER: 2.
FINANCIAL EDUCATION: HISTORICAL PERSPECTIVE
2.1. INTRODUCTION

A new wave of reforms is in emergency state to reverse the worsening economic climate of the country as the turbulence being faced by the economies across the world and India has no exception from this. Financial education could be the only option overcoming this obstacle for every country as it would boost the individual financial well-being and automatically development and economic growth would pick up its pace. Realizing the importance of financial education and financial literacy, Organization for Economic Co-operation and Development (OECD) had taken up steps in creating financial awareness through financial education. Likewise various organizations have come up now to share the burden on their shoulder in spreading financial education. OECD has defined Financial education as "the process by which financial consumers/investors improve their understanding of financial products, concepts and risks, and through information, instruction and/or objective advice, develop the skills and confidence to become more aware of financial risks and opportunities, to make informed choices, to know where to go for help, and to take other effective actions to improve their financial well-being." Financial education or financial literacy has occupied much importance in the recent years, with the increasing complexity of the financial markets and information asymmetry leading to making informed choices more and more difficult for the common people or investors. Financial education provides knowledge and understanding of financial market products, specifically, rewards and risks, and also providing informed choices to the investors. Viewing this it can be said that, financial education primarily relates to personal financial education enabling individuals to make effective decisions protecting overall financial wellbeing and avoid financial stress.

Owing to this realisation, it is pertinent for the people to know the major developments of financial literacy or financial education in the past and the current status of financial literacy around the world. Thus, this chapter aims to study the genesis of financial literacy and its current scenario through in-depth study of the history of financial education. Efforts have been made to ventilate global perspective of financial education besides national and regional outlook.

2.2. A HISTORY OF FINANCIAL EDUCATION: A GLOBAL PERSPECTIVE

The history of financial literacy is remarkable as lots of countries have come up in support of financial education which leads to global growth as financial education movement passing down from generation to generation. Many countries, both developed and developing, have launched financial education or financial literacy programmes for the citizens after recognizing the need for financial education. For financial education, the OECD has come up with a "Recommendations on Principles and Good Practices for Financial Education and Awareness", a brief explanation of which is given below.

i) Governments and all stakeholders concerned should promote unbiased, fair and coordinated financial education.

ii) Financial education should start at school, for people to be educated as early as possible.

iii) Financial education should be part of the good governance of financial institutions whose accountability and responsibility should be encouraged.

iv) Financial education should be clearly distinguished from commercial advice; codes of conduct for the staff of financial institutions should be developed.

v) Financial institutions should be encouraged to check that clients read and understand information, especially when related to long-term commitments or financial services with potentially significant financial consequences; small print and abstruse documentation should be discouraged.

vi) Financial education programmes should focus particularly on important life-planning aspects, such as, basic savings, debt, insurance and pensions.

vii) Programmes should be oriented towards financial capacity building, appropriately targeted on specific groups, and made as personalized as possible.

viii) Future retirees should be made aware of the need to assess the financial adequacy of their current public and private pension schemes.

ix) National campaigns, specific websites, free information services, and warning systems on high-risk issues for financial consumers (such as fraud) should be promoted.

Financial education or financial literacy has been a global phenomenon. There has been a concerted effort across the globe for increasing the awareness about financial education among the people. Some countries have really excelled in this direction while others could not achieve much in this field. The development of financial education is not uniform throughout the world. Developing and less developed countries are lacking and lagging behind in financial education as compared to developed countries. A brief review of the history and development of financial education across the globe from 1700AD onwards has been summarized below.

2.2.1. Financial education during 1700 – 1900

Even in the 1700s, people were concerned about budgeting and financial literacy. In the early ages of 1795, a clergyman, David Davies starts collecting receipts and tracks expenditures. Mr. Davies wrote a book call, *The Case of Labourers in Husbandry Stated and Considered,* reporting the budgets of 135 families (Davies, 1795).

In Berkshire, England there were six labourers' families that Mr. Davies saw the difficulties faced by them to bear the livings costs with the income they earned. In a letter to Thomas Jefferson, dated August 23, 1787, John Adams recognized the need for financial literacy which says: "All the perplexities, confusions, and distresses in America arise, not from defects in their constitution

or confederation, not from a want of honor or virtue, so much as from downright ignorance of the nature of coin, credit, and circulation."

The importance of finances became apparent even in the early 1800s which was found by way of compiling data and careful analysis. The well being of a family could be determined by living with families, gained knowledge about the social and economic factors that affected the families' well being (Zimmerman & Frampton, 1935).

Pierre Guilliame Fredrick Le Play (1806-1882) the founder of the modern empirical household budgetary analysis believed and said that a researcher could have a complete knowledge of a family if the income and expenditures of that family were analyzed.

Another indication that financial concepts were important and could influence the representation a family had in the community. Each state was authorized to establish a land grant institution when the Morrill Act was passed in 1862 and the Department of Agriculture was established. These institutions educate the citizens in agriculture, home economics, mechanical arts, and other practical professions (Liston, 1993).

2.2.2. Financial education during 1900 – 1950 Cooperative Extension Service

The financial education movement grows significantly and has gained public supported from many organizations and affiliations in the early 1900s. Under the Smith-Lever Act 1914, The Cooperative Extension Service was established with the main objective to provide learning experiences that would develop skills which are much needed at home, farm, and in the community. The U.S. Department of Agriculture, the state land-grant colleges, and universities conduct researches and those were used by The Extension Service to educate the youth and community members through the sponsorship of Four-H Clubs (Cooperative Extension Service, 2000). Since then, people were seeking knowledge to manage finances and yearning to develop skills as acquiring such knowledge would solve the economic problems.

During that same period, the profession of home economics was also created by Ellen H. Richards. Her literature shares the ideas of how habits need to adjust to expenditures to "keep" a house and to upgrade costs of the living standard (Richards, 1915). These developments ventilate people minds and create an interest in learning financial matters. Thus, paving way on the need to educate the citizens on subjects such as budgeting and consumer skills which are home economics and come under financial education.

2.2.3. Financial education during 1950 – 2000

Many research studies comes up during the 1950s and mostly 50 percent of the research were based on the issues of financial management, income and expenditure, security and retirement, housing, budgeting, saving, and marital adjustment, which comes under the field of home economics (Israelsen, 1991). With changes in time people started noticing the role and significance of financial education thus its importance grows louder among the different countries. Countries around the world began to learn how much financial awareness is essential to be part of education. In the 1990s, different organizations realized the necessity of financial education for today's youth so to enable them take care of own consumer decisions. For this matter a survey was conducted to determine the financial literacy level of high school seniors by the Jump Start Coalition for Personal Financial Literacy in 1997 in order to fetch out the current status of financial literacy.

In 1950s the surveys around the world, was mainly on the issues of financial management, income and expenditure, security and retirement, housing, budgeting, and saving which were mostly from the field of home economics. And it had been learnt, financial literacy continued to gain greater prominence in the field of education and beyond. In the 1970s, Credit Union Volunteers in USA realized the need to provide financial education to young people; the union formed the National Youth Involvement Board (NYIB) to focus on youth financial literacy.

In the year 1995, in the United States, the Jumpstart Coalition began championing personal financial literacy. William E. Odom (former Chairman and CEO of Ford Motor Credit Corporation) stated the formation of the Jumpstart Coalition. Under this initiative, Dr. Lewis Mandell in 1996 developed the financial literacy survey which is a hallmark of the Jumpstart Coalition's work.

2.2.4. Financial education after 2000

In 2001, the U.S. Department of the Treasury in collaboration with Midwestern University developed *Money Math: Lessons for Life*. A curriculum has been developed that uses real-world personal financial scenarios to teach mathematical concepts and basic finance to students in grades seven to nine (Financial Literacy and Education Commission, 2006). This endeavor had shown government working for education to help students learn basic financial ideas through providing training and guidance. In addition to the Jump Start Coalition, The Office of Financial Education was developed in May of 2002, by Department of the Treasury encouraging the development of financial education with the mission to help Americans make better choices in managing personal finances especially saving, retirement planning, home ownership, and credit management. The Financial Literacy and Education Commission through the Department of the Treasury have been working to provide financial education for all the people in United States (United States Department of the Treasury). The agency being aware of the conventional means of the past that have caused a negative economic outlook and the amount of debt in the country is putting efforts for progress to reverse the current trend of spending consumerism.

In October of 2002, the Treasury Department released *The Treasury Department White Paper —Integrating Financial Education into School Curricula*. A panel consisting of key national youth education groups, and spotlighting the advantages of adding financial education to math and reading curriculum in a standards-based education system was the result of the white paper. In the report, five areas were brought into the financial education for the

schools called access point's namely financial education materials, state standards for education textbooks, testing, and teacher training. The Treasury Department marks this report that it could help and serve as guide to develop financial education (United States Department of Treasury, *Integrating Financial Education into School Curricula).* This way The United States Treasury had instrumentally helped in creating a movement of a remedy to sticky financial predicament.

Financial Literacy and Education Improvement Act was one of the first educational acts that helped in establishing and realization of the importance of financial literacy. This was part of the Fair and Accurate Credit Transactions (FACT) Act of 2003 to improve financial literacy and education in the United States. Then, the Secretary of the Treasury was named as the head of the Financial Literacy and Education Commission. To organize and promote financial literacy between the public and the private sectors, it was mandated that 19 other federal agencies and bureaus, including the Commission would take up the task (United States Department of the Treasury, 2002). After this Act, many strategies were developed, one of which was the *Treasury Department and Midwestern University Collaborate to Develop Money-Based Math Curriculum.*

A survey conducted by Duguay in the year 2006 found out that the average score of high school seniors later in 2005 was 52 percent, a failing score on most United States grading scales. The research found that only 16 percent of the respondents had taken an entire course in Personal Finance in high school (Duguay, 2006). This provides evidence and said that students do not have training and knowledge to make wise decisions about their economic future or their financial well being.

President's Advisory Council on Financial Literacy on January 22, 2008, was created by President George W. Bush which recognized the need to help Americans to understand financial matters. Representatives from Iowa State University, Junior Achievement USA, National Endowment for Financial

Education, Charles Schwab Corporation and many organization that delivery financial education to the people of the United States were also included as members of the Council (President's Advisory Council on Financial Literacy, 2008). For development and to increase skills and knowledge for the upcoming young generation and adults in the workplace, the Council is working on this.

In a *Journal of Consumer Affairs,* suggestion was given that financial products should be standardized and rated much like nutrition labels. For consumer's decision on various financial products, labels would help them in doing that. Financial literacy provides financial driver's license and this would only be issued if the consumer attained/demonstrated a certain level of financial literacy (Kozup & Hogarth, 2008).

In Wisconsin, The State provided training to the teachers to enable them become more effective as financial education instructors. A course in Personal Finance for high school students have become a requirement for graduation as Governor's Task Force recommended that financial education standards should be put into academic standards. Through the effort a set of practical guidelines was develop for high school teachers and have linked these guidelines to supplemental curriculum for the classroom (McDaniel & Schug, 2004). In Texas, the Federal Reserve Bank of Dallas has sponsored for financial education interactive program on how to build wealth and also which can be used in classrooms, by the community, by families, and consumers which instructs people (Federal Reserve Bank of Dallas).

In the year 2000, due to the rapid financial liberalization in the country, Japan's Minister of Finance convened meetings on the urgent need for the spread of financial literacy. Further, in 2002, the Guidelines of the Promotion of Consumer Education on Finance were published by the Central Council for Financial Services Information in Japan.

In the United Kingdom (UK), the Financial Services Authority (FSA) started a national strategy on financial capability in 2003 because of which, the term

"financial capability" gained more widespread use in several countries throughout Europe and Africa. In the United States, the Financial Literacy and Education Commission was established under the Financial Literacy and Education Improvement Act, which was part of the Fair and Accurate Credit Transactions Act (FACTA) of 2003, to improve financial literacy and to develop a national strategy on financial education. The United States Senate also designated April as Financial Literacy for Youth Month. With that effect, the United States Senate passed Resolution 316 that officially recognized April, 2004 as 'National Financial Literacy Month'. Organization for Economic Co-operation and Development (OECD) started an inter-governmental project in 2003 with the objective of providing ways to improve financial education and literacy standards through the development of common principles of financial literacy.

In 2004, the Australian Government established National Consumer and Financial Literacy Taskforce, which recommended the set up of the Financial Literacy Foundation and accordingly the Foundation established an educational website titled "Understanding Money". Later on, the functions of the Foundation were later transferred to the Australian Securities and Investments Commission (ASIC). In the same year, the Citigroup announced a 10-year $200 million commitment to meet the growing financial education needs of the communities that Citigroup served. CPA (Certified Public Accountants) profession also launched a unified financial literacy initiative called '360 Degrees of Financial Literacy' in the year 2004. The main motive behind this is to bring together the AICPA (American Institute of Certified Public Accountants), state CPA (Certified Public Accountants) societies and individual CPAs (Certified Public Accountants) to address and tackle the widespread financial illiteracy epidemic.

In 2005, a comprehensive international study of OECD (Organization for Economic Co-operation and Development) was published which analysed financial literacy surveys in several countries.

Then President George W. Bush of United States, in the year 2008, created the President's Advisory Council (PAC) on Financial Literacy to focus on solutions for Americans to understand financial matters. The Indonesian government declared 2008 the year of financial education, with the goal of improving access to financial services by increasing financial literacy. In 2008, The Organization for Economic Co-operation and Development (OECD) launched the 'International Gateway for Financial Education' as a clearing house for financial education programs, information and research worldwide. The same year, the World Bank and the Russian Federation together announced a partnership to support an international program in financial literacy and financial education through the $15 million Russia Financial Literacy program.

In 2009, The Council for Economic Education conducted a survey on the U.S.A. states and found that 44 states had personal finance education or guidelines in place. Similarly, results from the Jumpstart Survey of Personal Financial Literacy also indicated low levels of financial literacy among American youth. Financial Literacy Month in November 2009 was celebrated in Canada by the Financial Consumer Agency of Canada (FCAC) and the Financial Literacy Action Group (FLAG).

In 2010 United Kingdom comes up with the Financial Services Act 2010, with a provision to establish the Consumer Financial Education Body, known as CFEB. From April 26, 2010, CFEB continued to work for Financial Capability and was later rebranded as the Money Advice Service (MAS). The U.S. Congress passed the Dodd-Frank Act in 2010 which created the Consumer Financial Protection Bureau (CFPB) to promote financial education, through its Consumer Engagement and Education group.

In 2011, The Republic of Azerbaijan launched a financial literacy initiative to promote financial education and protect the rights of consumers of financial services through financing from the State Secretariat for Economic Cooperation of Switzerland. State Bank of Pakistan (SBP) also launched a national financial

literacy program to create financial awareness among the general public in the year 2011. The program was administered by SBP and Bearing Point Consultant (BPC) and targeted about 50,000 beneficiaries keeping in mind the low-income strata. In 2011, The Central Bank of Sri Lanka, announced financial education initiatives designed to make citizens aware of facilities available in the financial sector and to promote financial inclusiveness among low income groups.

In Uganda 2012, more than 600 business communities were trained in financial literacy and how to manage family businesses. The Bank of Guam offered interactive financial literacy games which provided instruction in saving and investing for students in April 2012. In 2012 The Republic of Georgia hosted the 6th Annual Meeting of the European Fund for Southeast Europe (EFSE), co-hosted by the National Bank of Georgia (NBG) to focused on new loan agreements, the availability of financing to micro and small enterprises (MSEs), and the improved financial literacy of loan recipients. Singapore launched MoneySENSE in order to support its national financial education agenda in 2012, with the collaboration between Singapore Polytechnic, Institute for Financial Literacy Singapore (IFLS) and Monetary Authority of Singapore. In 2012, Financial Literacy Campaign was launched in Namibia, which aimed at increasing financial education to small and medium entrepreneurs and low-income earners in the country. Ex-U.S. Federal Reserve Chairman, Ben Bernanke in 2012, publicized the importance of financial literacy and said that the next generation will be better off, as greater financial literacy would help support both individual and national economic health.

A report on Advancing National Strategies for Financial Education, detailing progress by the governments of the world's major economies in implementing national strategies for improving financial education was issued in 2013, by the Organization for Economic Co-operation and Development (OECD) and Russia's G20 Presidency issued.

In the year 2013, the UK's Department for Education also decided that financial education will become compulsory in all schools beginning by September 2014.

2.3.   STATUS OF FINANCIAL LITERACY AROUND THE WORLD

Financial literacy has been an important subject matter of research study across the globe as being referred in Chapter 1. Several research studies have been conducted in several countries on financial literacy. In an effort to understand the worldwide scenario of financial literacy level, the report on the study of Standard &Poor survey, Global Financial Literacy Excellence Center (GFLEC) in the year 2014 is being examined. According to this study it revealed that the highest level of financial literacy around the world appears strongest from countries with developed and advanced economies, especially Western Europe and English-speaking countries as shown in Exhibit - 3 and Table - 2.1.

Exhibit - 3

Financial Literacy Around the World

% of Adults who are Financially Literate
71% and More
61% - 70%
51% - 60%
41% - 50%
31% - 40%
21% - 30%
20% and Less
N/A

Article & Sources:
https://howmuch.net/articles/financial-literacy-around-the-world
Global Financial Literacy Excellence Center (GFLEC) - http://gflec.org/

howmuch net
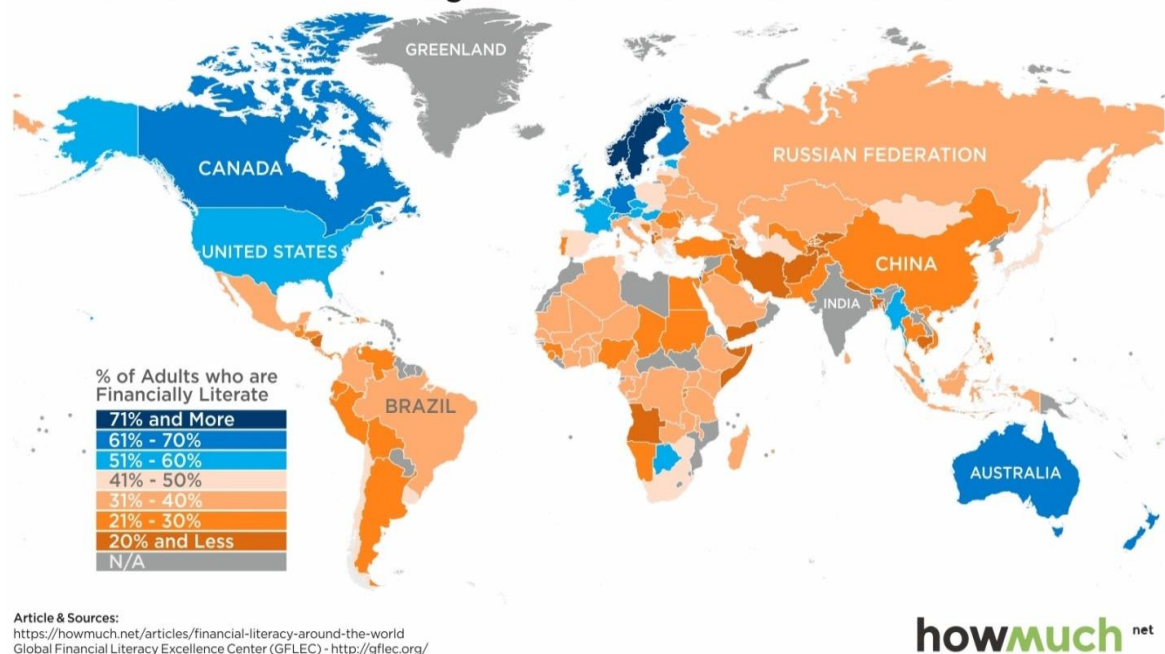
Table - 2.1
Top 10 Most Financially Literate Countries (%)

Rank	Country	%	Rank	Country	%
1	Denmark	71%	6	United Kingdom	67%
2	Norway	71%	7	Germany	66%
3	Sweden	71%	8	Netherlands	66%
4	Canada	68%	9	Australia	64%
5	Israel	68%	10	Finland	63%

There are no countries in South America where more than 50 percent of people are financially literate, and only one country in all of Africa. The exhibit 2.1 shows only few countries have high financial literacy and majority of the countries around shows low financial literacy.

A provoking thought after a comparison between study on financial literacy and study on extreme poverty around the world. There was no clear correlation between poverty and financial literacy. But, there are many places with very few extremely poor people, like Russia and China, and yet these same places also have extremely low financial literacy rates. This means poor people aren't necessarily financially illiterate, and neither are rich people.

2.4. STATUS OF FINANCIAL LITERACY AMONG BRICS COUNTRIES

Financial literacy level among the BRICS countries has also been describe in the aforesaid study report along with top few countries with highest financial literacy as shown in the Exhibit – 4.

Exhibit - 4

FINANCIAL LITERACY LEVEL ACROSS GLOBE

	Norway	Sweden	Denmark	United Kingdom	United States	Germany	South Africa	Brazil	China	Russia	India
Financial Literacy	71%	71%	71%	67%	57%	66%	42%	35%	28%	38%	24%
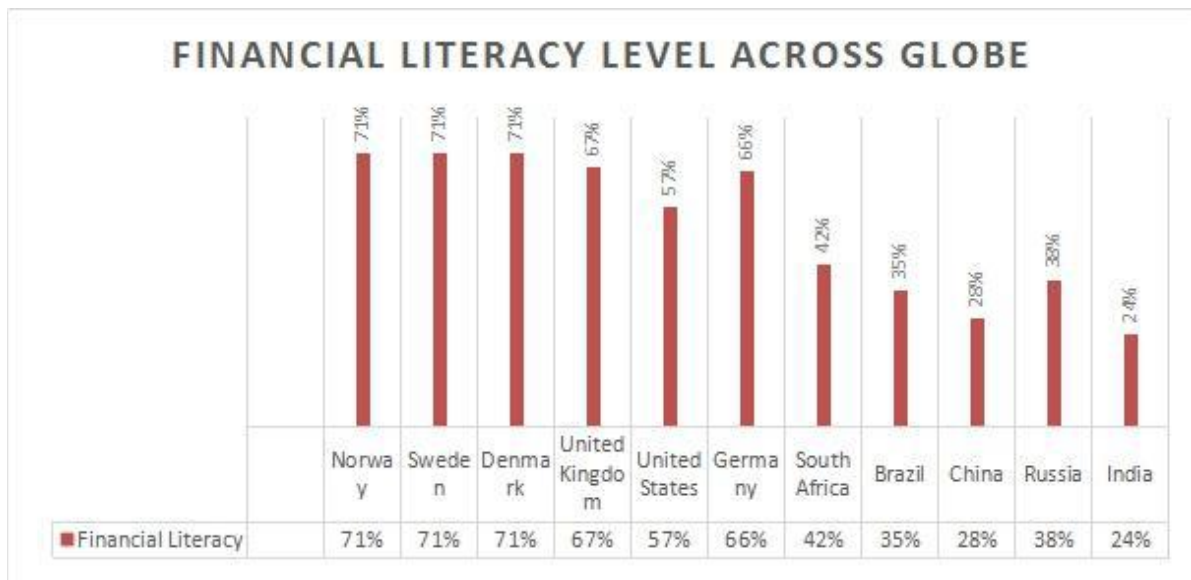
Source: Standard and Poor (S&P's) Global Financial Literacy Survey 2014

The figure shows the countries with the highest financial literacy level is Norway, Sweden and Denmark with 71 percent. The BRICS (Brazil, Russia, India, China and South Africa) countries average level of financial literacy is 33.4 percent which is comparatively low comparing to developed countries. Among BRICS, India has the lowest level of financial literacy with 24 percent while South Africa stands at highest with 42 percent. According to the survey conducted by Standards & Poor's, over 76 percent Indian adults lack basic financial literacy and they don't understand the most basic and key financial concepts. This type of level of financial literacy slows down the pace of financial inclusion which will further hamper the economic growth of the Indian economy.

2.5. STATUS OF FINACIAL LITERACY IN ASIA

The study of Standard &Poor survey, Global Financial Literacy Excellence Center (GFLEC) in the year 2014 also examined financial literacy level of Asian countries. The status of financial literacy for different countries in Asia is depicted by Exhibit – 5.

Exhibit - 5

Financial Literacy in Asia
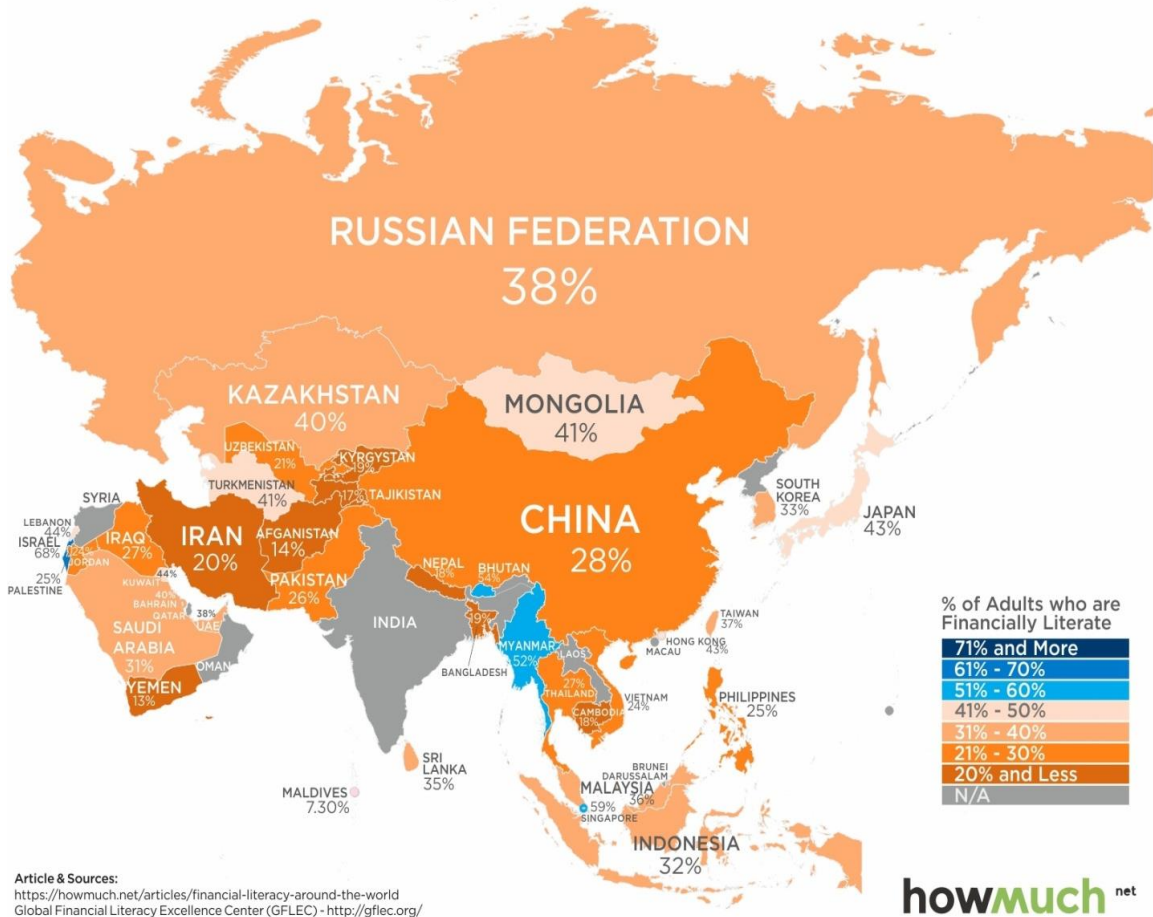
The financial literacy situations in Asia were found to be quite low. Yemen (13%) and Afghanistan (14%) were at the rock bottom of the worldwide rankings. Kyrgyzstan (19%), Nepal (18%), Bangladesh (19%) and Cambodia (18%) were with low financial literacy, there were results very unsatisfying for other several countries too. China stands at 28%, the second largest economy in the world. Myanmar and Bhutan interesting standout impressively as more than 50 percent of the population were financially literate. These rates prove that local factors can make a big difference.

Countries with the highest financial literacy rates are Australia, Canada, Denmark, Finland, Germany, Israel, the Netherlands, Norway, Sweden, and the UK, where more than 65 percent of adults are financially literate. The countries with the lowest financial literacy scores are from the South Asian countries, where only a quarter of adults or fewer are financially literate. Singapore stands at top in Asia with the highest percentage of 59 percent adults as financially literate.

2.6. STATUS OF FINANCIAL LITERACY IN INDIA

Under the analytical support provided by researchers at the World Bank and the Global Financial Literacy Excellence Center (GFLEC) at the George Washington University a survey was conducted in 2014 by Gallup (an American research-based, global performance-management consulting company) as part of the Gallup World Poll. For the survey, interviews of more than 150,000 adults across over 140 countries including India were conducted. Individuals were tested on their knowledge of four basic financial concepts: numeracy, risk diversification, inflation, and compound interest (savings and debt). A person was defined as financially literate when he/she correctly answered at least three out of the four concepts. The Exhibit – 6 shows the gaps of learning in different financial concepts of India with other countries.

Exhibit - 6
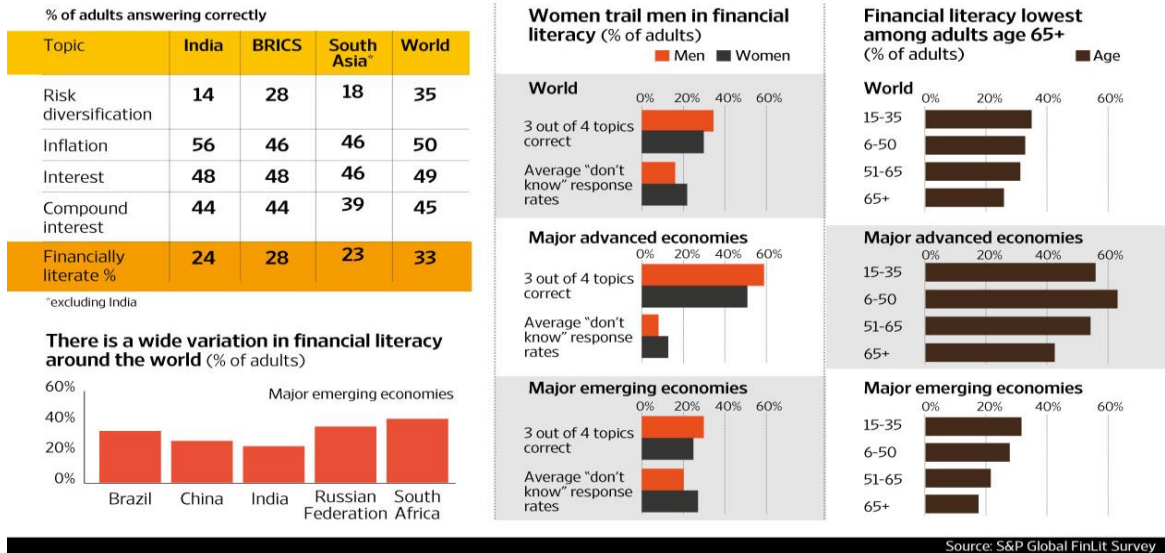
Source: Standard and Poor survey, 2014

From the survey, some interesting information on India's Financial Literacy was found. Only 14 percent of Indians adults were found to be aware of Risk Diversification while 44 percent understood compound interest and 56 percent only aware of inflation. The lowest country having financial literacy among the BRICS major emerging economies was India. This shows still Indians are very ignorant and lagging behind in financial education and financial literacy (Standard and Poor survey, 2014).

2.6.1. Gender gap

There is a material gap between men and women in almost every country. Worldwide, there is a five-point gender gap, with 65 percent of men not being financially literate compared with 70 percent of women. In India, the gap is wider with 73 percent of men and 80 percent of women not being financially literate. While women are less likely to provide correct answers to the financial literacy questions, they are also more likely to indicate that they "don't know" the answer.

2.6.2. Literacy and age

For advanced economies, financial literacy rates increase with age but then later decline (i.e., older people or older generations are less financially literate then middle-age ones). On an average, 56 percent of those aged 35 or younger are financially literate, compared with 63 percent of those aged 35-50. At 32 percent, financial literacy in emerging economies is higher for young adults than for the oldest adults of whom only about 17 percent are financially literate.

In an article, *The Economic Times of India*, July 31, 2007 says Government and individual should join hands to improve financial literacy. The former finance minister P Chidambaram said that financial literacy needs to be embedded in our way of life. Everyone who earns an income is a potential investor and every investor ought to be financially literate. Over one billion people in the country, only just 8 million-less than 1 percent, are investing in capital market which is so alarming. According to a recent survey by Invest India Data works, those Indians who earn and save, generally they keep their money in bank or at home. As a result, only 5.3 million out of 321 million paid workers invest in mutual funds and barely 4.3 million of paid workers have invested in equities.

A study of Global Financial Literacy, 2012 conducted by VISA reveals that only 35 percent of Indians were financially literate and among one the least financially literate countries in the world.

Another survey of 'Financial Literacy among Students, Young Employees and the Retired in India' conducted by IIM-A supported by CITI Foundation reveals that only less than a quarter populations of Indians have adequate knowledge on financial matters. People lack understandings even on basics principles of money and household finances (compound interest, inflation, diversification in investments). The statistics shown by the study is very disappointing, it gives a

clear picture on the lack of financial matters and the inability to manage own personal finance (Meera Santoshi, 2016)

2.7. STATE WISE FINANCIAL LITERACY IN INDIA

From a study of *Data Compiled from the National Centre for Financial Education Report, 2015,* it was found that financial literacy was examined across the states of India. The Table – 2.2 given below shows literacy rates in comparison with their financial literacy level of various states of India.

Table - 2.2

State wise Financial Literacy in India

Name of the State	General Literacy (in Percentage)	Level of Financial Literacy (in Percentage)
ANDHRA PRADESH	60	23
ARUNACHAL PRADESH	55	10
ASSAM	61	20
BIHAR	50	8
CHHATISHGARH	60	4
GOA	80	50
GUJARAT	68	33
HARYANA	65	21
HIMACHAL PRADESH	73	16
JAMMU AND KASHMIR	N/A	
JHARKHAND	56	15
KARNATAKA	67	25
KERALA	84	36
MADHYA PRADESH	59	23
MAHARASHTRA	73	17
MANIPUR	69	36
MEGHALAGYA	60	24
MIZORAM	77	6
NAGALAND	68	8
ODISHA	64	9
PUNJAB	67	13

RAJASTHAN	56	20
SIKKIM	73	8
TAMIL NADU	72	22
TRIPURA	67	21
UTTAR PRADESH	57	10
UTTARAKHAND	68	23
WEST BENGAL	67	21

Source- Financial Literacy in India – An appraisal by Anshika and Dr. Anju Singhla, 2017

The table reveals that no states in India have below 50 percent in literacy rate, but in financial literacy rate no states was found to be above 50 percent which is very embarrassing. The highest rate in financial literacy was Goa with 50 percent and the lowest was Chatishgarh with 4 percent. The average score was 19.33 percent which was very low and far away from satisfactory. Kerala and Manipur have 36 percent each next to Goa in financial literacy rate. Mizoram have 6 percent next to Chatisgarh in the bottom followed by Nagaland and Sikkim with 8 percent each. The figures show how India is lacking behind in financial awareness.

2.8.   UNION TERRITORY WISE FINANCIAL LITERACY IN INDIA

The information provided in the Table – 2.3 shows the status of various Union Territories with their Literacy percentage in comparison to their level of Financial Literacy percentage.

Table - 2.3

Union territory wise Financial Literacy in India

Name of the Union Territory	General Literacy (in Percentage)	Level of Financial Literacy (in Percentage)
ANDAMAN AND NICOBAR ISLAND	82.43	14
CHANDIGARH	81.19	38
DAMAN AND DUI	79.55	29
DADRA AND NAGAR HAVELI	64.32	31

DELHI	80.76	32
PUDUCHERRY	80.67	21
LAKSHWADEEP	87.95	22

Source- Data Compiled from the National Centre for Financial Education

Report, 2015

Among the Union-territories, Chandigarh stands at the highest with 38 percent and Andaman and Nicobar Island with 14 percent in the bottom. The average financial literacy rate is 26.71 percent which is much higher than the average financial literacy rate of the Indian states, i.e. 19 percent.

2.9. STATUS OF FINANCIAL LITERACY IN NAGALAND: AT A GLANCE

Nagaland is one of the smallest states in India located at the eastern most part of India. It is yet to cope up in many spheres of live with the mainland of India and the world. With regard to financial education or financial literacy, Nagaland is among the lowest state in India in financial literacy rate according to the National Centre for Financial Education Report, 2015. In Nagaland, financial education has just started recently with the initiative of few financial institutions namely NSE, SEBI, SBI, State Co-operative Banks, etc.

National stock Exchange of India Limited (NSE) and Nagaland Board of Secondary Education (NBSE) have started financial literacy course in Nagaland for the academic session 2016. More than 60 schools under NBSE have registered with the Board to make the course compulsory for all students of class IX and 5150 students have already been registered. This has been initiated with the objectives to help the students grow the habit of savings from young ages and to develop financial and investment capabilities. Chitra Ramkrishna , MD & CEO, NSE said, "such programs are helping students to develop a life skill. Finance is indeed a fundamental skill and such programs help to understand how to manage disposal income etc." (An article by Bikash Singh, dated: 10th May, 2016, 16:48hrs) At present, class 10 students are also included under this mission.

Nagaland is among the states of India with low financial literacy, a survey conducted on government staff by The Pension Fund Regulatory and Development Authority (PFRDA) said. Employees from Central Government (CG), Central Autonomous bodies (CAB), State Government (SG) and State Autonomous Bodies (SAB) were assessed to find out the level of financial literacy. And it was found out that 48 percent of government subscribers have average financial literacy, 28 percent have high financial literacy and 24 percent have low financial literacy (an article on Nagaland Post, dated 4th Oct. 2016).

Various organizations like SEBI, SBI, Co-operative banks etc., have also started conducting financial literacy awareness programmes in various parts of Nagaland.

2.10. FINANCIAL LITERACY INITIATIVES IN INDIA

In order to establish Financial Literacy and Credit Counseling Centers, the Reserve Bank of India had launched an initiative in 2007 throughout the country to offer free financial education and counselling to both urban and rural populations. Few banks have taken initiatives to start some centers in rural / semi urban areas, which offer financial education and credit counselling services. The objective of these centers' is to advise people on gaining access to the financial system including banks, creating awareness among the public about financial management, counselling people who are struggling to meet their repayment obligations and help them resolve their problems of indebtedness, helping in rehabilitation of borrowers in distress, etc. Some of these Credit Counselling Centres (also known as Knowledge Centres) even train farmers/ women groups to enable them to start their own income generating activities to earn a reasonable livelihood.

The RBI market regulator, SEBI and the Central Board of Direct taxes (CBDT) are separately working on financial literacy programmes. It is to educate

in not just merely learning how to open a bank account but also extends to access insurance products, stock exchanges, loan and advances, pension products etc. Ameeta Mulla Wattal, Principal Springdales School, Delhi said that if financial education subject is part of elective learning then it will allow students learn better and understanding in expenditure, savings and globalization. The President of India Pranab Mukherjee, when he was the Finance Minister, he stressed on the need of financial education in the schools at an RBI-OECD seminar on financial literacy. He said, "Financial markets now offer complex choices to consumers, but literacy is essential for consumers to make informed choices." He further pointed, the global economic meltdown happened partly because the ordinary citizens did not understand complex financial products, credit or debit card, debt or mortgage. (An article on *The economic Times of India* by Deepshikha Sikarwar, Dec 7, 2011)

Reserve Bank of India, Hyderabad Office had formulated a multi-modal (informative display through posters, brochures, multi-media presentations, video films, demonstrations, computer games), multi-lingual (English, Hindi, Telugu and Urdu) and customized interactive strategies (like stalls in exhibitions, visits to schools, colleges, villages, meeting with bankers, traders, farmers, SHGs (Self Help Groups), tour of the Reserve Bank) for spreading financial literacy among the common persons in general and school children, college students, farmers, women and villagers in particular (V.S. Das, Executive Director, 2012).

Chennai Office of the Reserve Bank came up with two comic books titled 'Currency Matters' and 'Bank Matters' in English and Hindi as part of the Bank's financial education efforts. The stories of the comic books were prepared and design in-house by a team of officers drawn from various departments and then artwork was out sourced. Copies of the comic books were handed over to the officials of Government of Himachal Pradesh during the inauguration of the Shimla sub-office on July 1, 2007. The books were then translated into Tamil too.

Reserve Bank of India, New Delhi Office too brought out a comic book on basic banking, titled 'Raju and the Money Tree'. A Core Committee on Financial

Education, comprising of officers from RBI, New Delhi conceived and scripted the story of the comic book. The comic book was both in English and Hindi. Copies of the comic book were handed over to the officials of Government of Himachal Pradesh at Simla on July 1, 2007 coinciding with the inauguration of the sub-office. For the benefit of visually impaired persons, the comic book was also compiled in Braille. Help was taken from the services of National Association for the Blind, New Delhi in compiling the comic book.

Bangalore Office of the Reserve Bank has also released a series of four comic books, under FIN-LIT project, in English and Kannada, dealing with (i) introduction to basic banking, (ii) deposits, (iii) SHGs loans especially agricultural loans and other livelihood loans like Govt. sponsored schemes, etc. and (iv) other lifestyle enhancing loans like housing loans, vehicle loans, etc. and other products like ATM cards debit, credit cards. A short film, based on the story lines of the books and audio in Kannada has also been released. The Office had put up a stall in the Mysore Dasara, in order to put it out on a larger picture. Exhibition on this film was screened along with other information of relevance to the common man. The whole project of writing the stories and doing the illustrations was undertaken in house. (Reserve Bank of India Newsletters and Annual Reports of various years)

An initiative to provide financial education to over five lakh women living in slums was launch by Reliance Foundation. The programme was kicked off to mark the 83rd birth anniversary of late Dhirubhai Ambani, the patriarch of the Ambani family. In joint collaboration with Crisil, the programmed aims to empower the women towards making informed financial decisions and get them to inculcate a savings habit. (The Economic Times, 2015)

The Reserve Bank revised Financial Literacy Centres (FLCs) guidelines to align with the current financial landscape to spread awareness on various financial products. "Accordingly, the revised guidelines for Financial Literacy Centres of lead banks and the operational guidelines for the conduct of camps by FLCs and

rural branches of banks have been prepared to be followed by lead banks," RBI said. FLCs are the building blocks or the basic units that initiate financial literacy activities at the ground level and banks should provide the minimum basic infrastructure and strengthen the existing ecosystem, it said. (The Economic Times, 2016).

2.11. INITIATIVES TAKEN UP BY INDIAN FINANCIAL MARKET REGULATORS

Various Regulatory Bodies of Indian financial market has come up in shouldering the burden to create financial awareness in India. The initiatives taken by theses bodies have been briefly highlighted in the following;

2.11.1. Reserve Bank of India

An initiative under "Project Financial Literacy" has been undertaken by the Reserve Bank of India (RBI). The objective of this project is to disseminate information regarding the basic banking concepts to various target groups, including school and college students, women, rural and urban poor and senior citizens. The study material related to the financial literacy is available in English and 12 other Indian languages. It is disseminated to the target audience with the help of banks, local government agencies, schools and colleges through presentations, pamphlets, brochures, films and also through the RBI"s official website. The Community Finance Learning Initiatives (CFLIs) were also commenced with a view to encourage fundamental financial literacy (Anshika & Anju Singla, 2017).

2.11.2. Securities Exchange Board of India

Securities Exchange Board of India (SEBI) has taken various initiatives in spreading financial literacy awareness across the nation to various segments viz. school students, college students, working executives, middle income group, home makers, retired personnel, self help groups etc., by appointing the Resource

Persons throughout India. The SEBI Certified Resource Persons organize workshops on topics like savings, financial planning, retirement plans, investments etc. to the target segments across India. The measures undertaken by various institutions-Stock Exchanges, Depositories, Mutual Funds Association, Association of Merchant Bankers etc. conducts the seminars wherein study material is disseminated on the investors' education. Various material related to the financial education is also available on the official website of the SEBI. College and school students are encouraged to visit SEBI office and learn about its working under 'Visit SEBI' programme. Recently SEBI has launched a toll free helpline number in 14 languages for the investors wherein they can seek information on any related issue of the finance (Anshika & Anju Singla, 2017)

As part of its education initiatives, SEBI has taken Financial Education to about 550 districts in the country with its unique Resource Person Model. More than 50,000 programmes have been conducted by SEBI since 2010 targeting students, executives, women, retired persons, etc. reaching over 37 lakh individuals. SEBI has an exclusive investor website which serves as a major source of information for investors. SEBI recognizes Investors' Associations (IAs) and presently there are 19 IAs involved in investor education activities. After the merger of erstwhile Forward Markets Commission, SEBI has embarked on conducting educational programmes for farmers. SEBI has been undertaking mass media campaigns cautioning investors against ponzi schemes through Print and electronic media. SEBI has also undertaken SMS (Short Message send) campaigns to caution investors. SEBI believes that an educated investor is a protected investor. Students can hereafter, take National Financial Literacy Assessment Tests (NFLAT) under the aegis of National Centre for Financial Education (NCFE), throughout the year, according to their convenience. This was announced by Shri Ajay Tyagi, Chairman, SEBI, while speaking at a function organized to felicitate the winners of NFLAT 2016 at NISM (National Institute for Securities Market) Campus, Patalganga today. Presently, students could take the NFLAT

only during particular period when the tests are announced. The new facility will not only encourage more students to take part in the tests, but will also help the students to take the online tests, at any time of the year, 24 x 7, as per their convenience. NFLAT is a financial literacy test conducted across the country for school students. So far nearly five lakh students have taken the NFLAT since its inception and close to 4000 schools have participated in this test Ajay Tyagi (2017).

2.11.3. Insurance Regulatory and Development Authority

Insurance Regulatory and Development Authority (IRDA) has taken up different steps in the area of financial literacy. Awareness programmes has been organised on national television and radio wherein the simple messages about the rights and duties of the policyholders are discussed in English, Hindi and 11 other Indian languages. IRDA organises an annual seminar on policy holder protection and welfare and also partially sponsors seminars on insurance by consumer bodies. IRDA has also brought out publications of 'Policyholder Handbooks' as well as a comic book series on insurance. An official website has been designed for the consumer education in insurance by IRDA (Anshika & Anju Singla,2017).

2.11.4. The Pension Fund Regulatory and Development Authority (PFRDA)

India's youngest regulator has been engaged in spreading social security messages to the public. PFRDA has developed FAQ on pension related topics on its web, and has been associated with various non government organizations in India in taking the pension services to the disadvantaged community. PFRDA"s initiatives have become more broad-based with direct mass publicity on NPS – both as individual model through POPs and group models through Aggregators. PFRDA has issued advertisements in print media and electronic media through radio and television. PFRDA appointed intermediaries are called Aggregators who are directly responsible for pension awareness mostly in vernacular languages and in line with socio-economic sensibilities (Anshika & Anju Singla,2017).

2.11.5. Other Market players

Reserve Bank of India has mandated that banks should take the initiative to enhance financial inclusion and financial literacy in the country. RBI prepared a draft on National Strategy for Financial Education released it on July 2012. The strategy includes observations on not only the role of the banks but also the need for financial education in schools. With this Commercial banks have initiated various measures for creating awareness about products through Counseling, Centers and Rural Self Employment Training Institutes on financial literacy. The objective of these centers is to advise people on gaining access to the financial system including banks, creating awareness among the public about financial management, counseling people who are struggling to meet their repayment obligations and help them resolve their problems of indebtedness, helping in rehabilitation of borrowers in distress etc,. Similarly, many Stock Exchanges like National Stock Exchange(NSE), Broking Houses and Mutual Funds have started educating the people on financial education through conducting seminars, issuing do's and do not's, and newspaper campaigns. Insurance companies too, carry out campaigns on education in insurance. National Bank for Agriculture and Rural Development (NABARD) too came up with a handbook on financial education which is available in their official website to educate the common man (National Strategy for Financial Education, 2016).

From the in-depth study on genesis of financial literacy and its current scenario of financial education, the researcher learnt that financial literacy is a way by which individuals can enhance their understanding about the financial concepts, markets, and products to take effective action to improve overall well-being and avoid distress in financial matters thus improve their financial status. The various initiatives have been undertaken by the government (Reserve Bank of India, Securities and Exchange Board of India, Insurance Regulatory and Development

Authority) to improve the level of financial literacy in India. However, the level of financial literacy is very poor in India. This level of literacy cannot accelerate the pace of financial inclusion which will further hamper the economic growth of the Indian economy. More capital infusion towards financial literacy workshops, seminars at the school, college, workplaces and the residential areas should be encouraged. This will boost up its effectiveness on the usage of financial products and services and thereby enhancing the financial system of the nation. The awareness programmes of all seminars, programmes, schemes, workshops and projects should be arranged in different target groups to yield the maximum benefit. Small activities on awareness of different investment avenues should be undertaken at the various schools, colleges, offices and rural areas. This will increase the practical knowledge on different financial aspects and will automatically spread among the communities through friends, family and relatives.

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CHAPTER - 3
POSITION AND DYNAMICS OF FINANCIAL LITERACY IN THE STATE

3.1. INTRODUCTION

Nagaland is one of mountainous Northeastern states of India. It is a well known state for its rich vibrant culture, untouched natural beauty, hidden and unknown traditions, joyous festivals, the supreme quality of people and their hospitality. It's a land of folklore passed down the generations through word of mouth. Music is integral part of life; folk songs eulogizing ancestors, brave deeds of warriors and traditional heroes and poetic love songs immortalizing ancient tragic love stories.

It is one of the smallest states in India with gradually increasing literacy rate. Institutes of Nagaland are blessed with talented and well verse faculties and complete modern facilities like laboratories, canteens, library, computer and internet connectivity is provided to reach the high standard education. On various subjects courses are offered by colleges in Nagaland such as Humanities, Sciences, Commerce, English etc. through different modes such as Regular, Open University and Campus learning.

However, the education system in Nagaland ignores financial literacy until the recent past. Only recently, School education in Nagaland introduced financial literacy as a subject for class 9 and 10. Financial literacy is important because it equips individuals with the knowledge and skills they need to manage money effectively. Without it, financial decisions and the actions one takes - or does not take - lack a solid foundation for success. Therefore, the main purpose of this chapter is to analyse financial literacy position in Nagaland. But, before discussing that, a brief profile of Nagaland and of the study area has been portrayed followed by the demographic profile of the respondents.

3.2. A BRIEF PROFILE OF NAGALAND

Nagaland is the 16th State of India inaugurated on 1st December 1963. Nagaland is rich in cultural diversity and a home to diverse indigenous tribes, largely occupied by sixteen tribes. The traditions and identity of each of these tribes (customs, language and traditional attires) are distinctly different. Nagaland is also considered as Switzerland of the east and called as Land of Festivals. It borders with Myanmar in the East, Arunachal Pradesh in the North, Assam in the West and Manipur in the South

3.2.1. Facts about Nagaland

Here are some facts about Nagaland which is presented in the Table – 3.1 below;

Table - 3.1

Facts about Nagaland

Official website	www.nagaland.nic.in
Date of Statehood	1st December, 1963
Area	16,579 sq km
Density	199 sq km
Population(2011)	1978602
Males Population(2011)	1024649
Female Population(2011)	953853
Ratio of Urban Population	28.86%
No. of Districts	12
Capital	Kohima
Rivers	Doyang, Dhansiri, Dikhu, Chubi
Forests & National Parks	Intanki NP, Puliebadze WS, Fakim WS, Ranghapahar WS
Languages	English, Nagamese (Creole),

	Assamese
Neighbours State	Assam, Manipur, Arunachal Pradesh
State Animal	Mithun
State Bird	Blyth's Tragopan
State Tree	Alder
State flower	Kopou
Net State Domestic Product (2011)	52643
Literacy rate (2011)	80.11%
Sex ratio	931
Assembly seats	60
Parliamentary Constituency	1

Source: Maps of India (2017)

3.2.2. Geography

The geography of Nagaland denotes the topographical features of the northeasten states of India. The state lies between the geographical coordinates of 26◦6' and 27◦4' North latitudes and 93◦20' and 95◦15' East latitudes. Located in the northeastern region of India, Nagaland shares an international border with Myanmar.

3.2.3. Demographics

The population of Nagaland is 19,78,602 (2011 census) nearly two million and it is found, there is a slight decrease of population during 2001 – 2011. The decadal population growth rate is -0.58 percent. The sex ratio of the State is 931. Out of 16,579 sq km in total area, the population density of the State is 119 per sq km. Majority of the population, around 71 percent lives in the rural areas and the literacy rate of the State is 80.11 percent.

Nagaland population in 2021 is estimated to be 2.3 Million (23 lakhs), according to Unique Identification Aadhar India, updated on 31st May, 2020.

3.2.4. Climate

A salubrious climate is enjoyed by the state. The torrential monsoon rains are the integral features of the state's weather. The weather is very pleasant to live in. The average of maximum temperature recorded in the summer is 31◦C and lowest temperature is 4◦C in the winter. The average annual rainfall received by the state is recorded as 2000mm – 2500mm.

3.2.5. Society and Culture

The people of Nagaland are known as the Nagas who are the inhabitants of the state. They belong to the Indo-mongoloid clan, a race whose presence was first noted ten centuries before Christ, at the time of compilation of the Vedas. The Nagas society and culture comprises of tribals and sub-tribals communities, their living patterns, festivals and beliefs. The people of Nagas are divided into several tribes which consist of 16 major tribes as well as numerous sub-tribes, each having a specific geographic distribution. Some of the major tribes are Angami, Ao, Chakhesang, Lotha, Rengma, Sumi, Zeme-liangmai, Pochury, Sangtam, Yimchumger, Khiamnuigan, Konyak, Chang, Phom, etc., The social structure of each and every tribe is different from each other. The rituals, festivals and beliefs of each Naga tribe can be differentiated from each other. The Nagas have a rich cultural heritage. Majority of the ethnic groups of the nagas earn their livelihood from agriculture.

3.3. PROFILE OF THE STUDY AREA

The financial literacy in Nagaland has been studied with reference to Kohima and Dimapur districts only. A brief profile of the study area is given in the following;

3.3.1. Kohima district

Kohima is a district of Nagaland state in India. It is the home of the Angami and Rengma Naga tribe. As of 2011 it is the second most populous district of Nagaland (out of 11), after Dimapur with a population of 267,988, 45% of which is urban. Literacy rate 90.09 percent of which 92.26 percent is male literacy and 87.74 percent is female literacy (District Census, 2011). To understand Kohima better geographically, the following Exhibit – 7.

Exhibit - 7

Map of Kohima district
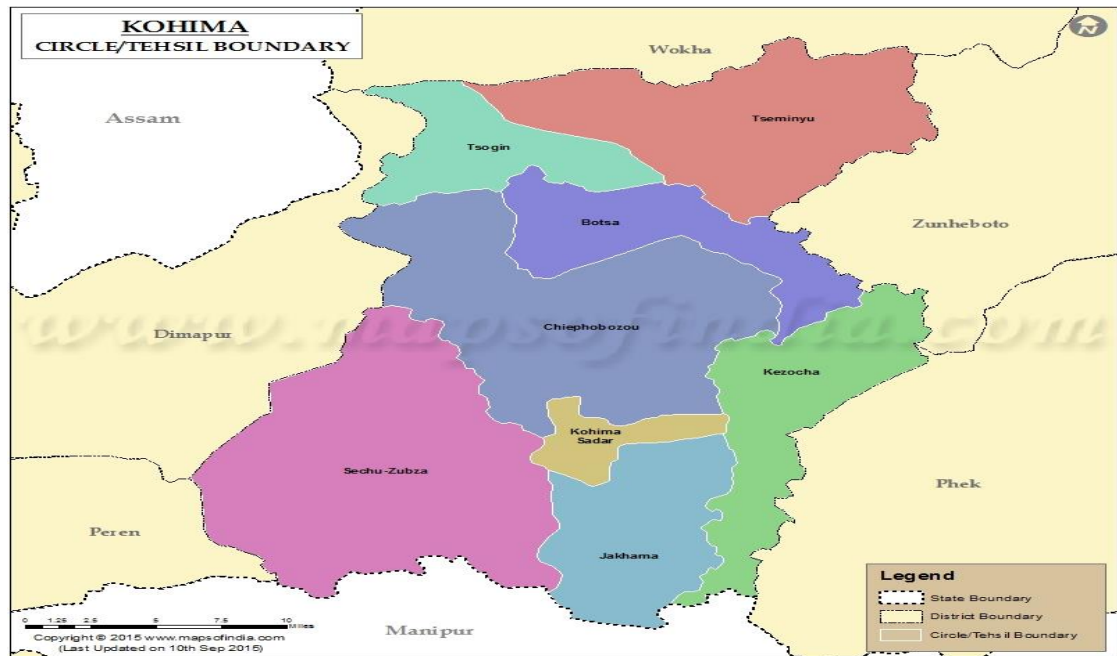
Source: *mapsofindia.com.*

3.3.1.1. History

Kohima was the district headquarters of Naga Hills District, prior to India's independence. Kohima district was created as one of the first the districts of the newly inaugurated of Nagaland state on 1 December 1961 (*Census of India, 2011).*

3.3.1.2. Administration

Kohima district is administered by a deputy commissioner, who has a number of additional deputy commissioners and sub-division officers (SDOs) with responsibilities for each of the administrative circles (*National Informatics Centre, 2017*). There exists also a District Urban Development Agency for Kohima. Kohima district is subdivided into the eight administrative circles of Tseminyu, Tsogin, Chiephobozou, Botsa, Kezocha, Jakhama, Kohima Sadar and Sechu-Zubza. These administrative circles are grouped four Rural Development Blocks, which are Kohima (for Kohima Sadar and Sechu-Zubza), Chiephobozou (for Chiephobozou, Botsa and some of Kezocha), Jakhama (for Jakhama and the rest of Kezocha) and Tseminyu (Tseminyu and Tsogin).

3.3.1.3. Demographic:

According to the 2011 census Kohima district has a population of 267,988, of which 121,088 or 45% lived in urban areas. This gives it a ranking of 576th in India (out of a total of 640). Kohima has a sex ratio of 928 females for every 1000 males, and a literacy rate of 85% ((District Census, 2011). The main indigenous inhabitants of Kohima district are the Angami Nagas and the Rengma Nagas.

Kohima Sadar circle comprises the two towns (and populations) of Kohima (99,039), Kohima Village Census Town (15,734), and the two villages of Chiedema (1,820), Chiede Model Village (277).

Tseminyu circle comprises the one town (and population) of Tseminyu (6,315), and the thirty-two villages of Tesophenyu (11,116), Kandinu (3,938), Nsunyu (2,868), Tseminyu Vill. (2,863), Zisunyu (2,840), Phenshunyu (2,675), Sishunu (2,236), K. Station (2,169), Chunlikha (1,604), Terogunyu (1,559), Ziphenyu (1,495), Ehunnu (1,139), Kashanyu (833), Tseminyu South (765), Phenwhenyu (729), Rumensinyu (712), Khenyu (569), Sewanu (540), New

Tesophenyu (516), Kashanyishi (428), Tsonsa (417), Ngvuphen (379), Gukhanyu (340), Yikhanu (331), Tseminyu Old Town (329), Henbenji (278), New Terogunyu (269), Khonibenzun (242), Likhwenchu (241), Guzinyu (222), Phenda (207), Zunpha Mission Centre (150).

Jakhama circle comprises the ten villages (and populations) of Viswema (7,417), Jakhama Hq (5,216), Khuzama (5,160), Jakhama Vill. (4,695), Kigwema (3,872), Phesama (3,061), Mima (2,149), Kigwe Town (1,228), Pfuchama (870), Sweba (388).

Chiephobozou circle comprises the eighteen villages (and populations) of Zhadima (3,184), Ciechama (3,172), Rusoma (1,903), Chiephobozou (1,841), Nerhema (1,678), Tsiese Basa (1,563), 4Th NAP Batt. Thiza (1,505), Meriema (1,233), Thizama (803), Tsiese Bawe (620), Viphoma (456), Nachama (422), Phekerkrie Bawe (301), Nerhe Model (301), Phezha (285), Ziezou (245), Phekerkrie Basa (147), Viphoma Basa (33).[12]

Sechu-Zubza circle comprises the sixteen villages (and populations) of Sechu (4,460), Jotsoma (2,458), Phezhu (2,391), Mezoma (2,177), Khonoma (1, 943), Peducha (1,087), Mengujuma (537), Kiruphema Basa (462), Sechuma (419), Thekrejuma (316), Sirhi Angami (286), Mezo Basa (285), Kiruphema Bawe (237), Dzuleke (156), Khonoma Basa(96), Hydro Project Station (59).

Kezocha circle comprises the ten villages (and populations) of Kidima (7,160), Sakhabama (2,857), Kezoma (2,117), Dihoma (1,550), Kezo Town (1,122), Kijumetouma (638), Kezo Basa (490), Mitelephe (245), Kijumetou Basa (149), Kezocha Hq (139).

Botsa circle comprises the ten villages (and populations) of Tuophema (2,236), Botsa (1,063), Gareiphema (952), Seiyhama (903), Teichuma (610), Tsiemekhuma

Bawe (288), Tsiemekhuma Basa (283), Tuophe Phezou (132), Gareiphe Basa (122), Seiyha Phesa (106).

Tsogin circle comprises the seven villages (and populations) of Sendenyu (2,548), New Sendenyu (730), Tsosinyu (696), Rengmapani (627), Thongsunyu (464), Longwesunyu (429), Tsogin Hq (31).

3.3.2. Dimapur district

Dimapur is the largest city in Nagaland, India. Dimapur is the commercial center of Nagaland, and the main entry point into the state. It was one of the main city of Dimasa Kachari Kingdom. In the heart of the town there is an old relic of the Kachari Kingdom which speaks about the once prosperous era. It is located at 25°54′45″N 93°44′30″E and is bounded by Kohima district on the south and east, the Karbi Anglong district of Assam on the west and stretch of Golaghat District of Assam, in the west and the north. The name Dimapur is derived from the Dimasa language; "Di" means "water", "ma" means "large" and "pur" (sanskritised word) means "city", translating to "Big-river-city", associated with the meaning of "Kachari" which is "people of the river valley" and after the river which flows through it (Dhansiri). It is also the gateway to Nagaland and its only railhead. The city also has the only functional airport in the state. (*Cook, Sharell, 2018*).

The geographical figure of Dimapur has been exhibited to have a better insight of the district. The Exhibit – 8 presents the map of the district.

Exhibit - 8

Map of Dimapur district

Source: *mapsofindia.com.*

There are 202 recognized villages under Dimapur district. In 2011, Dimapur had population of 378,811 of which male and female were 197,394 and 181,417 respectively. In 2001 census, Dimapur had a population of 166,663 of which males were 142,361 and remaining 309,024 were females. Dimapur District population constituted 19.15 percent of total Maharashtra population. In 2001 census, this figure for Dimapur District was at 15.92 percent of Maharashtra population.

Males constitute 52 percent of the population and females 48%. Dimapur has an average literacy rate of 86 percent, male literacy is 88% and, female literacy is 84 percent. In Dimapur, 12 percent of the population is under 6 years of age. Unlike other places in the state, this city has a heterogeneous mix of people from all over India, and for which it is also known as "mini India." Christianity is the most popular religion in Dimapur, making up 45 percent of the city population and Hinduism nearly as popular at 41 percent of the population. Islam is 11 percent and Jainism by 1.7 percent.

Besides the dominant Naga tribes who comprise about 50 percent of the city's population, other prominent groups include Kachari, indigenious Assamese, Oriyas, Nepalese, Biharis, Marwaris, Punjabis and also Tamils and Keralites. In the last two decades Tibetan traders have also settled in the city.

3.4. DEMOGRAPFIC PROFILE OF THE RESPONDENTS

The instrument for data collection used in this research required each respondent to provide his or her demographic information like age, gender, occupation, employment, educational qualification, place of residence and marital status. The analysis of the information provided by the respondents has been processed and tabulated accordingly. Table-3.2 presents respondents' demographic profile with frequencies and percentage.

Table - 3.2

Demographic profile of the respondents

Demographic Variables	Categories	Frequency	Percentage (in %)
Age	15-25 years	105	21
	26-35 years	140	28
	36-45 years	141	28.2
	46-55 years	82	16.4
	56 & above	32	6.4
Gender	Male	316	63.2
	Female	184	36.8
Occupation	Service	153	30.6
	Business	82	16.4
	Housewife	73	14.6
	Student	83	16.6
	Unemployed/Daily wagers	79	15.8
	Retired	30	6
Employment	Govt.	120	24
	Private	33	6.6

Qualification	Under Matriculate	61	12.2
	Matriculate	96	19.2
	Higher Secondary	124	24.8
	Graduate	137	27.4
	Post Graduate	82	16.4
Residence	Village	188	37.6
	Town	312	62.4
Marital Status	Married	306	61.2
	Unmarried	194	38.8

Source: Field Survey

The table shows profile of the respondents demographically for this research study. The age distribution of the sample respondents is largely dominated by age group "36-45 years" with 28.2 percent (n=141), in comparison with other age groups "26-35 years" – 28 percent (n=140), "15-25 years" – 21percent (n=105), "46-55 years" - 16.4 percent (n=82), and "56 years & above" - 6.4 percent (n=32).

In gender distribution of the sample respondents, most of the respondents can be seen from "Male" gender with 63.2 percent (n=316), whereas "Female" gender with only 36.8 percent (n=184).

The distribution of sample respondents according to marital status has found to be 61.2 percent (n=306) from "Married" and the remaining 38.8 percent (n= 194) from "Unmarried" category.

According to qualification wise, the sample distribution has found that 16.4 percent (n=82) are "Post Graduates", 27.4 percent (n=137) "Graduates", 24.8 percent (n=124) "Higher Secondary" passed, 19.2% (n=96) "Matriculate", and 12.2 percent (n=61) from "Under matriculate".

The sample distribution according to the respondents occupation has been found that most respondents are from the "Service" group 30.6 percent (n= 153). Respondents from other groups are "Student" - 16.6 percent (n=83), "Business" - 16.4 percent (n=82), "Unemployed or Daily Wagers" - 15.8 percent (n=79), "Housewife" - 14.6 percent (n=73), and "Retired" – 6 percent (n=30).

The sample distribution on the basis of employment structure between government and private has found that 24 percent (n=120) represents "Government employees" and 6.6 percent (n=33) represents "Private Employees".

Residential wise, 62.4 percent (n= 312) are from "Town" and 37.6 percent (n=188) from "Village".

3.5. FINANCIAL LITERACY OF THE RESPONDENTS

In this part of the study, financial literacy of the respondents has been assessed. For this purpose, a total of 50 financial literacy questions were asked out of which 20 were basic financial literacy questions and 30 were advanced financial literacy questions which were put forth before the respondents to answer as shown in the questionnaire annexed in the Appendix. Accordingly, each respondent's total score has been calculated as percentage of correct answers.

3.5.1. Basic Financial Literacy of the respondents

The researcher attempted to find out how aware the respondents are on the commonly used financial concepts. The overall performance of the respondents on basic financial literacy study has been presented in the Table 3.3.

Table - 3.3

Basic Financial Literacy of the respondents

Financial Literacy Questions	Frequency for correct answer	Correct answer %	Frequency for wrong answer	Wrong answer %	Frequency for Don't know answer	Don't know %	Rank
Savings Bank Account	424	84.4	27	5.4	49	9.8	2
Fixed Deposits	344	68.8	56	11.2	100	20	4
Recurring Deposit	245	49	75	15	180	36	12
Inflation	297	59.4	74	14.8	129	25.8	6
Time value of money	206	41.2	94	18.8	200	40	13
Diversification	59	11.8	81	16.2	360	72	20
Risk	191	38.2	110	22	199	39.8	15
Regulatory body of market structure	116	23.2	82	16.4	302	60.4	18
KYC	382	76.4	15	3	103	20.6	3
Interest	313	62.6	77	15.4	120	24	5
Plastic money	190	38	50	10	260	52	16
Fake/counterfeit currency	249	49.8	23	4.6	228	45.6	10
Demand draft	246	49.2	24	3.6	230	44.6	11
Cheque	289	57.8	22	4.8	176	35.2	8
RTGS & NEFT	193	38.6	29	5.8	278	55.6	14
Overdraft	108	21.6	26	5.2	366	73.2	19
Cashless payment	181	36.2	15	3	304	60.8	17
Compound & Simple Interest	295	59	22	4.4	183	36.6	7
Banks	471	94.2	8	1.6	21	4.2	1
Insurance	255	51	18	3.6	227	45.4	9

Source: Field Survey

The table shows the financial awareness of the respondents. On the basis of percentage of correct answers to each question, sorting was done and accordingly rank was given. From the table, it is observed that 94.2 percent of the respondents i.e. 471 respondents rarely know about 'Bank'. While for other most commonly used basic financial literacy terms, 84.4 percent of the respondents i.e. 424 respondents are either aware or familiar with the term 'Savings bank account', 76.4 percent of the respondents i.e. 384 respondents knows about 'KYC', 68.8 percent of the respondents i.e. 344 respondents are aware of 'Fixed Deposits', 62.6 percent of the respondents i.e. 313respondents knows about 'Interest', 59.4 percent of the respondents 297 respondents knows 'Inflation', 59 percent of the respondents i.e. 295 respondents knows about 'Compound and Simple Interest', 57.8 percent of the respondents i.e. 289 respondents are aware of 'Cheque', 51 percent of the respondents i.e. 255 respondents knows about 'Insurance', 49.8 percent of the respondents i.e. 249 respondents knows about 'Fake Currency', and 49 percent of the respondents i.e. 245 respondents knows about   'Recurring Deposit'.

Some of the less known basic financial terms are: - 'Diversification' known by 11.8 percent of the respondents i.e. 59 respondents, 'Overdraft' known by 21.6 percent of the respondents i.e. 108 respondents, and 'Regulatory Body of Market Structure' known by 23.2 percent of the respondents i.e. 116 respondents. Hardly 25 percent of the respondents know about these financial terms. It is shocking to learn that people at large are not aware of diversification of funds. Diversifying investment (i.e. invest in different investment options) reduces the risk on investment. Majority of the respondents are unaware of regulatory bodies of the financial market which is important for the investors as these bodies will facilitate their grievances.

3.5.2. Advanced Financial Literacy of the respondents

The investigator attempted to analyze the respondents' knowledge and understanding on different investment options. Table – 3.4 shows the performance of the respondents on advanced financial literacy questions asked which are mainly based on investment options.

Table - 3.4
Advanced Financial Literacy level of the respondents

Financial Literacy Questions	Frequency for correct answer	Correct answer %	Frequency for wrong answer	Wrong answer %	Frequency for Don't know answer	Don't know %	Rank
Financial worth	201	40.2	28	5.6	271	54.2	2
Numeracy on Simple interest	199	39.8	109	21.8	192	38.4	3
Numeracy on Interest Compounding	185	37	84	16.8	231	46.2	7
Functioning of Stock market	92	18.4	55	11	353	70.6	18
Risk-return trade off	72	14.4	103	20.6	325	65	24
Ponzi schemes	65	13	97	19.4	338	67.6	27
Investment time horizon and fluctuation	191	38.2	59	11.8	250	50	4
Systematic Investment Plan (SIP)	161	32.2	68	13.6	271	54.2	10
Systematic withdrawal Plan (SWP)	75	15	47	9.4	378	75.6	23
Tax deduction under Section 80C	72	14.4	32	6.4	397	79.4	24
National Savings Certificates (NSCs)	132	26.4	51	10.2	317	63.4	14

Senior Citizen Savings Scheme	105	21	47	9.4	348	69.6	17
Public Provident Fund (PPF)	140	28	43	8.6	317	63.4	13
Employee Provident Fund (EPF)	142	28.4	28	5.6	330	66	12
National Pension Scheme	162	32.4	153	30.6	185	37	9
Equity Shares	68	13.6	33	6.6	399	79.8	26
Preference Shares	78	15.6	38	7.6	384	76.8	22
Mutual Fund	182	36.4	25	5	293	58.6	8
Debentures and Bonds	77	15.4	45	9	378	75.6	21
Post Office Monthly Income Scheme (POMIS)	143	28.6	53	10.6	304	60.8	11
Life Insurance Endowment Plan	190	38	40	8	270	54	6
Real Estate Investment	274	54.8	64	12.8	162	32.4	1
Gratuity Scheme	82	16.4	59	11.8	359	71.8	20
Atal Pension Scheme	93	18.6	23	4.6	384	76.8	19
General Provident fund	191	38.2	33	6.6	276	55.2	5
DEMAT Account	59	11.8	23	4.6	418	83.6	28
Gold Monetization Scheme	75	15	30	6	395	79	23
Health Insurance Family-Floater Plans	121	24.2	37	7.4	342	68.4	16
Unit Linked Insurance Plan	71	14.2	43	8.6	386	77.2	25
Retirement/Insurance Pension Plan	127	25.4	43	8.6	328	65.6	15

Source: Field Survey

The Table 3.4 shows the respondents awareness on different advanced financial terms, and it is found that many important financial terms and investment products are unknown by the respondents. The least known financial terms among the respondents are: - 'DEMAT Account' and 'Ponzi Schemes', with only 59 respondents i.e. 11.8 percent and 65 respondents i.e. 13 percent of the respondents are aware of these two terms. Respondents unaware of "DEMAT Account" show shares market or capital market is new to them or they are not opting for any investment in shares market. Most respondents are also not aware of "Ponzi schemes" and this maybe one of the reasons why people are easily trapped into fraud investment schemes. 68 respondents i.e. 13.6 percent of the respondents knows about "Equity Shares", which means they are yet to be exposed to capital market. Shares market seems to be totally new to many of the respondents.

Some of the financial terms less known and unfamiliar to the respondents are: - 'Unit linked Insurance Plan' with only 71 respondents i.e.14.2 percent of the respondents knows about it, 'Tax Deduction under Section 80c' and 'Risk Return Trade Off' with 72 respondents i.e. 14.4 percent each of the respondents are aware of it. This shows majority of the respondents are not aware of the facilities which benefits the investors.

17 respondents i.e. 15 percent each of the respondents knows about 'Gold monetization Scheme' and 'Systematic Withdrawal Plan', 77 respondents i.e. 15.4 percent of the respondents are aware of 'Debentures and Bonds', 78 respondents i.e. 15.6 percent of the respondents are aware of 'Preference Shares', 82 respondents i.e. 16.4 percent of the respondents knows about 'Gratuity Schemes', 92 respondents i.e. 18.4 percent of the respondents are aware of 'Functioning of Stock Market', 105 respondents i.e. 21 percent of the respondents are aware of "Senior Citizen Schemes and 121 respondents i.e. 24.2 percent of the respondents knows about "Health Insurance Family-floater Plans". Respondents knowing these are all below 25 percent, which explain most of people are not well verse with stock market and gold investment schemes. Most investors are not aware of

Senior Citizens benefits (21 percent) and Health Insurance Family-floater plan (24.2 percent) which ease lots of family financial burden by having this plan.

Very few respondents are aware of secured investment plans like "Retirement/Insurance Plan" which provides security for retirement and insured life, as only 127 respondents i.e. 25.4 percent of the respondents are aware of it.

Here are also some of the financial terms known by more than 25 percent of the respondents. They are 'National Saving Schemes' (26.4 percent), 'Post Office Monthly Income Scheme' (28.6 percent), 'Public Provident Fund' (28 percent), 'Employees' Provident Fund' (28.4 percent), 'Systematic Investment Plan (SIP)' (32.2 percent), 'Stock Mutual Fund' (36.4 percent), Numeracy on Interest Compounding (37 percent), Life Insurance Endowment Plan (38 percent), GPF (38.2 percent), Investment time horizon and fluctuation (38.2 percent), Numeracy on Simple interest (39 percent), Financial worth (40.2 percent), and Real Estate (54.8 percent).

From the above findings, it is learned that the majority of the respondents are lagging behind in financial literacy as they are not aware of many commonly used financial terms in today's financial market.

For more details about financial literacy score of the respondents between Kohima and Dimapur districts, necessary data are annexed in the appendices viz. Annexure – 2, and Annexure – 3.

3.5.3. Average score of financial literacy of the respondents

Average score of financial literacy of the respondents is an important indicator. Each question asked in the questionnaire to determined financial literacy is assign with two score. All together the maximum score is hundred (i.e. 50 x 2 score). Respondent answering correctly is awarded two score for each question and for wrong answer of the question score zero is awarded. Thus, total score for each individual respondent is obtained. In order to calculate mean score, grand total score of all the respondents is divided by the total number of respondents. Table

3.5 given below shows the average score of financial literacy of 500 respondents for all 50 questions on basic and advanced financial literacy.

Table - 3.5

Statistics		
Average Score FL		
N	Valid	500
	Missing	0
Mean		38.0120
Median		34.0000
Mode		36.00
Std. Deviation		16.20781
Minimum		14.00
Maximum		96.00

Source: Field Survey

The above table shows the average score of the respondents in the financial literacy test (inclusive of basic and advanced). Out of 500 respondents, it is found that the average score or the mean is 38.012. The lowest score is 14 and the highest score is 96.

3.6. LEVEL OF FINANCIAL LIETRACY OF THE RESPONDENTS

Respondents have been classified into High Financial Literacy level and Low Financial Literacy level. In order to segregate them into two groups, the mean financial literacy score of 38.012 obtained has been taken as a dividing line. Respondents scoring more than the mean score are considered having high financial literacy level and respondents scoring lower than the mean score are considered having low financial literacy level. Table- 3.6 given in the following shows financial literacy level of the respondents.

Table - 3.6

Level of Financial Literacy of the respondents

FLL	Frequency	Percentage
High	122	24.4%
Low	378	75.6%

Source: Field Survey

The table above shows the number of respondents having high financial literacy level and low financial literacy level. It is found that 24.4 percent (n=122) of the respondents are with "High Financial Literacy level" and 75.6 percent (n=378) of the respondents are with "Low Financial Literacy Level". The number of respondents with high financial literacy level is quite low and unsatisfactory as only 24.4 percent of the respondents are with high financial literacy level.

The Exhibit 9 given below presents respondents financial literacy level.

Exhibit - 9

Respondents Financial literacy level

■ High ■ Low

24%

76%
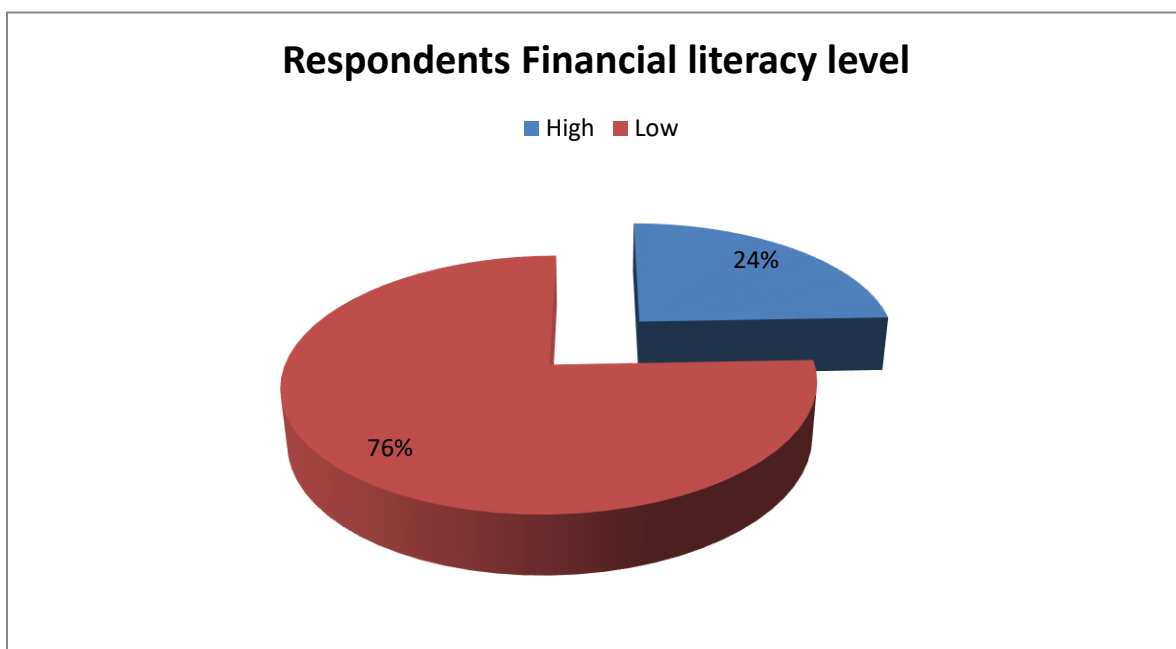
Source: Field Survey

The above exhibit shows the status of respondents' financial literacy level of the respondents of Nagaland. Only 24 percent of the respondents are with high literacy level and the remaining 76 percent of the respondents are with low financial literacy level. An inference can be drawn from this that majority of the people are still ignorant about financial literacy and yet to coped up with the modern financial market.

3.7. OVERALL ANALYSIS OF FINANCIAL LITERACY LEVEL OF THE RESPONDENTS ACCORDING TO THEIR SOCIO-ECONOMIC BACKGROUND

Respondents in this study are from different socio-economic background. In order to understand the level of financial literacy of the respondents according to their demographic profile, analysis has been done appropriately and presented in the Table 3.7.

Table - 3.7

Demographic Profile Wise Financial Literacy Level of the Respondents

Demographic factors		FLL				Total (Frequency)	%
		High (Frequency)	%	Low (Frequency)	%		
Age	15-25 years	25	23.81	80	76.19	105	100
	26-35 years	36	25.71	104	74.28	140	100
	36-45 years	40	28.36	101	71.63	141	100
	46-55 years	17	20.73	65	79.26	82	100
	56 above	4	12.5	28	87.5	32	100
	Total	**122**	**24.4**	**378**	**55.6**	**500**	100
Gender	Male	94	29.75	222	70.25	316	100
	Female	28	15.22	156	84.78	184	100
	Total	**122**	**24.4**	**378**	**75.6**	**500**	100
Occupation	Service	44	28.75	109	71.24	153	100
	Business	28	34.15	54	65.85	82	100
	Housewife	9	12.32	64	87.67	73	100
	Student	21	25.3	62	74.7	83	100
	Unemployed/ Daily wagers	15	18.99	64	81.01	79	100
	Retired	5	16.67	25	83.33	30	100
	Total	**122**	**24.4**	**378**	**75.6**	**500**	100
Employment	Govt.	37	30.83	83	69.17	120	100
	Private	10	30.3	23	69.7	33	100
	Total	**47**	**30.72**	**106**	**69.28**	**153**	100
Qualification	Under Matriculate	4	6.55	57	93.44	61	100
	Matriculate	11	11.46	85	88.54	96	100
	Higher Secondary	29	23.38	95	76.61	124	100
	Graduate	47	34.30	90	65.69	137	100
	Post Graduate	31	37.8	51	62.2	82	100
	Total	**122**	**24.4**	**378**	**75.6**	**500**	100
Residence	Village	42	22.34	146	77.66	188	100
	Town	80	25.64	232	74.36	312	100
	Total	**122**	**24.4**	**378**	**75.6**	**500**	100
Marital Status	Married	76	24.84	230	75.16	306	100
	Unmarried	46	23.71	148	76.29	194	100
	Total	**122**	**24.4**	**378**	**75.6**	**500**	100

Source: Field Survey

3.7.1. Age of the respondents and their financial literacy level

Age is an important determinant of one's level of understanding. Generally, with increase in age, level of understanding improves. In this study, the respondents are belonging to different age group. Age of each respondent differs to the other and thus to study the financial literacy level of the respondents according to their age, the respondents have been categorised into five groups namely, 'Below 25 years', '26 to 35 years', '36 to 45 years', '46 to 55 years', and '56 years and above'. Exhibit-10 depicts Age wise financial literacy level of the respondents.

Exhibit - 10

Age of the respondents and their financial literacy level

■ High FLL   ■ Low FLL

Age group	High FLL	Low FLL
15-25years	23.81	76.19
26-35 years	25.71	74.28
36-45 years	28.36	71.63
46-55 years	20.73	79.26
56 above	12.5	87.5
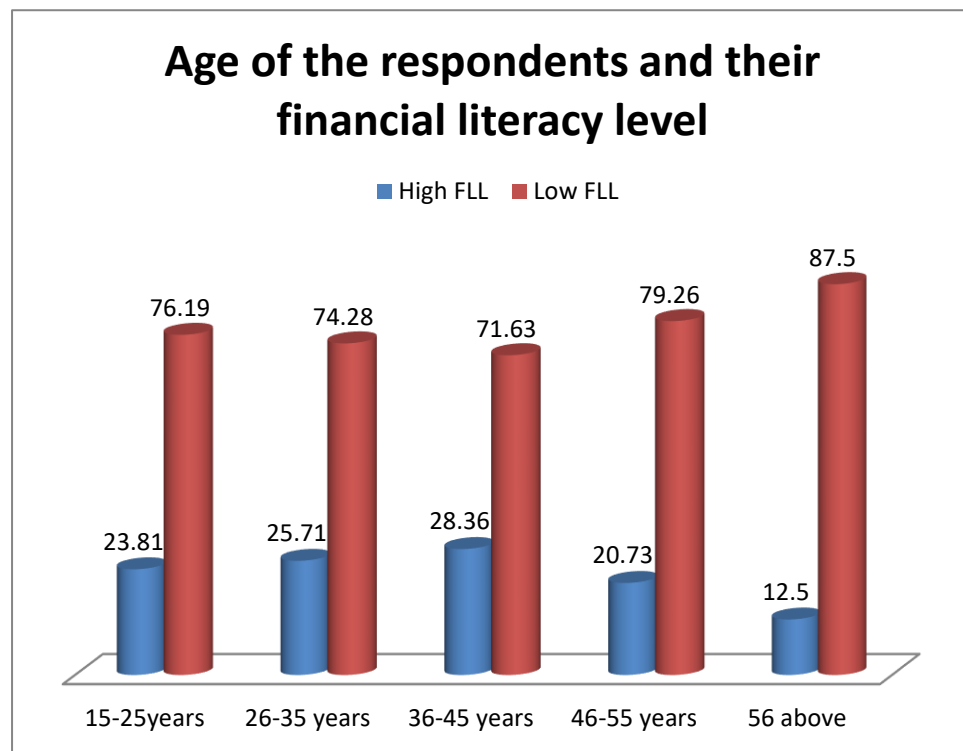
Source: Field Survey

The above Exhibit - 10 portrays Age wise financial literacy level of the respondents. In all the age groups, it is found that majority of the respondents is having low financial literacy level. Among the different age groups, the age group found to be having the highest percentage in high Financial Literacy Level is '36-45 years' with 40 respondents i.e. 28.36 percent of the respondents having high FLL, followed by the age group '26-35 years' with 36 respondents i.e. 25.71 percent of the respondents having high FLL. In the bottom, the age group to be having the lowest percentage among the age group in high FLL is '56 years and above' with 4 respondents i.e. 12.5 percent of the respondents having high FLL. Next is the age group "46- 55years" with 17 respondents i.e. 20.73 percent of the respondents having high FLL, and followed by the age group '15-25 years' with 25 respondents i.e. 23.81 percent of the respondents having high FLL.

3.7.2. Gender of the respondents and their financial literacy level

Recent surveys across the country show increase enrolment of girl students at the different level of education as compare to their counterpart. Today, gender equality has been the significant feature of our society. With equal opportunity in education, gender wise literacy level is not very significant. Yet, it has been tried to understand financial literacy of the respondents according to their gender. Exhibit – 11 gives an account of financial literacy level of the male and female respondents separately.

Exhibit - 11

Gender of the respondents and their financial literacy level

■ Male   ■ Female
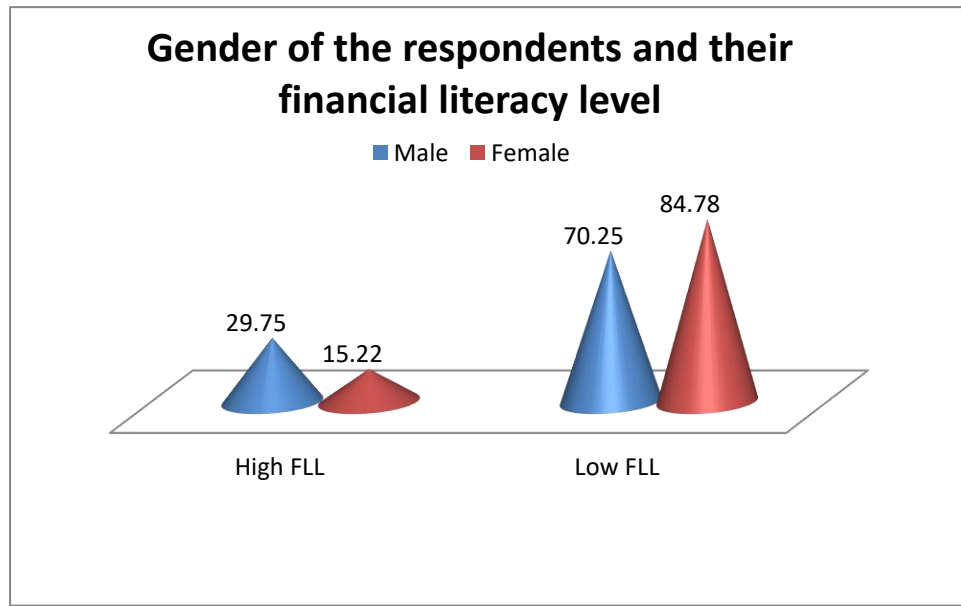
Source: Field Survey

The exhibit depicts gender wise financial literacy level. Gender wise analysis reveals that among the "Male" respondents, 94 respondents i.e. 29.75 percent of the respondents are with high financial literacy level and 222 respondents i.e. 70.25 percent of the respondents are with low FLL. Similarly, among the female respondents, 28 respondents i.e. 15.22 percent of the respondents are with high FLL and 156 respondents i.e. 84.78 percent of the respondents are with low FLL. Majority of both the genders have low financial literacy level which calls for financial education to enhance financial knowledge. The female gender needs more attention as the prevalence of low financial literacy level is high among them. If the female gender enhances her financial literacy then there are chances of making the whole family financially sound.

3.7.3. Marital status of the respondents and their financial literacy level

Marital status of the respondents and their financial literacy level has also been analysed in this study. In order to ascertain whether there is any difference in

financial literacy level of the respondents on the basis of their marital status, the data so collected have been processed and presented by Exhibit – 15.

Exhibit -15

Marital status of the respondents and their FLL
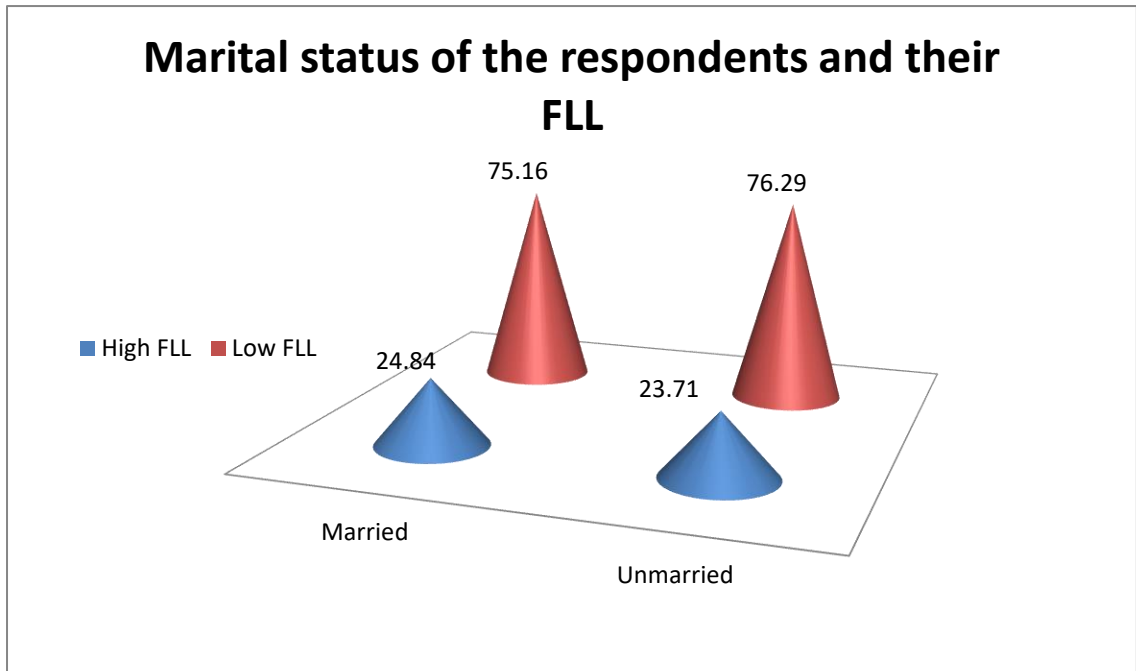
Source: Field Survey

The exhibit shows marital status of the respondents and their financial literacy level. On the basis of the marital status of the respondents, 76 respondents i.e. 24.84 percent of the "Married" respondents have high financial literacy level whereas 46 respondents i.e. 23.71 percent of the "Unmarried" respondents have high financial literacy level. Similarly, 76 respondents i.e.76.16 percent of the married respondents have low FLL as against 46 respondents i.e. 76.29 percent of the unmarried respondents. Both the majority of the groups have low FLL and need financial education but a little more focus is needed for the unmarried group as most of them are young and they need to be equip themselves with financial knowledge and capability.

3.7.4. Educational background of the respondents and their financial literacy level

Knowledge of people varies according to their educational qualification. It is assume that people with higher education deem to have higher level of literacy. In this study, attempt has been made to determine the financial literacy level of the respondents according to their educational background as shown in Exhibit – 12.

Exhibit - 12

Educational background of the respondents and their FLL

Education	Low FLL	High FLL
Post Graduate	62.2	37.8
Graduate	65.69	34.3
Higher Secondary	76.61	23.38
Matriculate	88.54	11.46
Under Matriculate	93.44	6.55
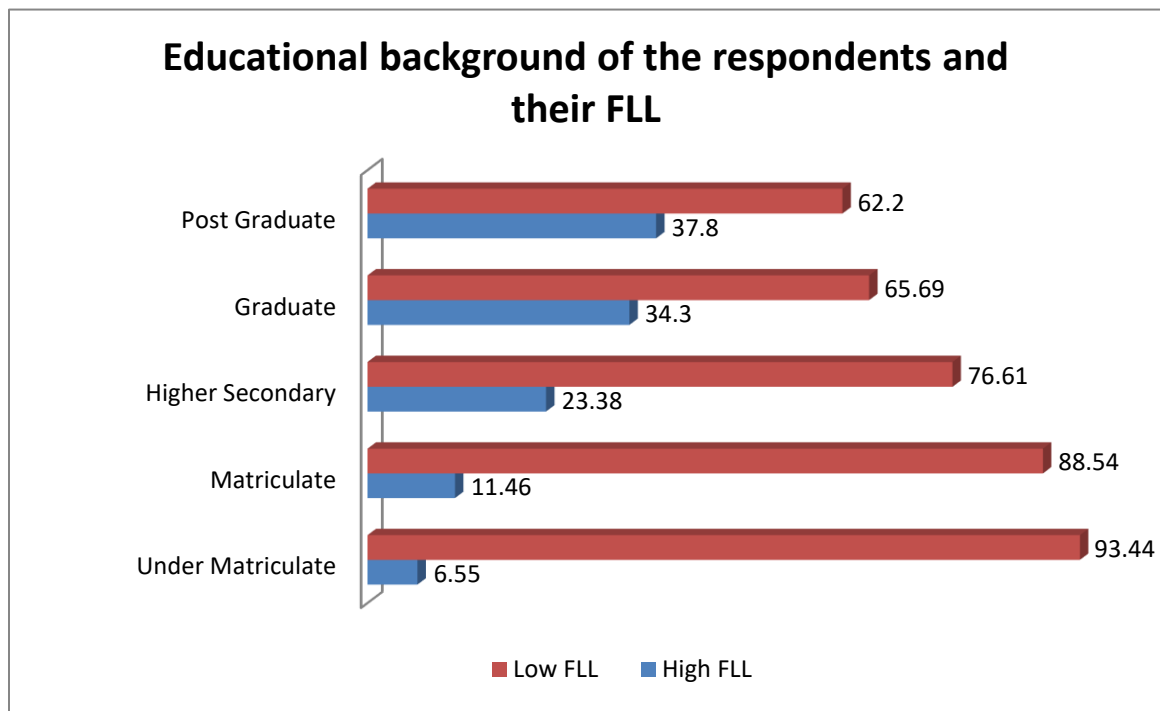
Source: Field Survey

The exhibit presents educational wise financial literacy level of the respondents and according to educational background of the respondents, it is observed that the group at the top with the highest percentage in high FLL is 'Post graduate' respondents with 37.8 percent and in the bottom is 'Under Matriculate' respondents with 6.55 percent. only 4 respondents i.e. 6.55 percent of "Under Matriculate" respondents have high FLL, 11 respondents i.e. 11.46 percent of "Matriculate" respondents have high FLL, 29 respondents i.e. 23.38 percent of

"Higher Secondary" respondents have high FLL, 47 respondents i.e. 34.3 percent of "Graduate" respondents have high FLL and 31 respondents i.e. 37.8 percent of "Post Graduate" respondents have high FLL. Even though the FLL seems to get better as the educational qualification go higher, the percentage of people having high FLL seems to be very low. This clearly indicates lack of financial literacy and to impart financial education in the education system becomes evident.

3.7.5. Occupation of the respondents and their financial literacy level

Respondents in this study are from different occupational background. Variation in financial literacy level of the respondents may occur according to their occupation. In order to understand this variation in the level of financial literacy according to their occupational background, the data so collected have been analysed and presented by Exhibit - 13.

Exhibit - 13

Occupation of the respondents and their financial literacy level

Low FLL   High FLL

Occupation	Low FLL	High FLL
Retired	83.33	16.67
Unemployed	81.01	18.99
Student	74.7	25.3
Housewife	87.67	12.32
Business	65.85	34.15
Service	71.24	28.75
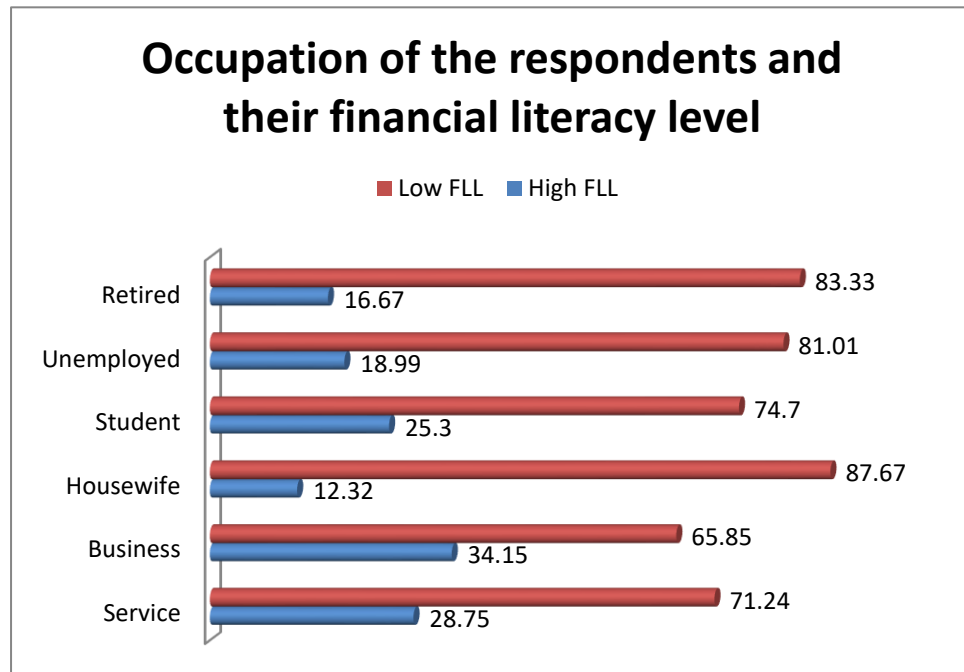
Source: Field Survey

The Exhibit – 12 shows occupational wise financial literacy level of the respondents. On the basis of occupation wise analysis, it is found that the group at the top with the highest percentage of high FLL is 'Business' respondents with 34.15 percent and in bottom is 'Housewife respondents with 12.32 percent. The respondents with high FLL are 9 respondents i.e. 12.32 percent belonging to 'Housewife', 5 respondents i.e. 16.67 percent belonging to 'Retired persons', 15 respondents i.e. 18.99 percent belonging to "Unemployed or Daily Wagers", 21 respondents i.e. 25.3 percent belonging to 'Student', 44 respondents i.e. 28.75 percent belonging to 'Service', and 28 respondents i.e. 34.15 percent belonging to 'Business'.

All the groups show low percentage in high level financial literacy. This indicates looking after own personal finances is in engrave danger. Special attention on financial education should be given especially on housewife and student.

3.7.6. Employment status of the respondents and their financial literacy level

Employment wise financial literacy level of the respondents has also been studied. In order to find out the difference in financial literacy level between government and private employees, an analysis has been done appropriately which is depicted by Exhibit – 14.

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Exhibit - 14

Employment status of the respondents and their FLL

■ High FLL   ■ Low FLL
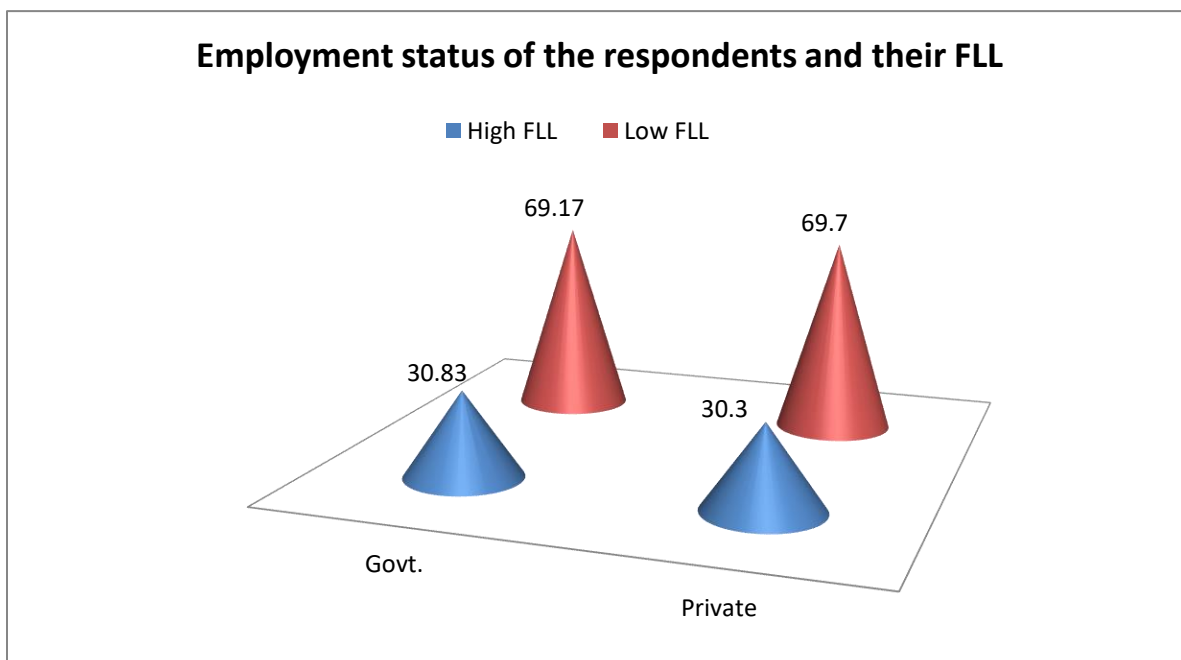
Source: Field Survey

The exhibit shows a comparison of financial literacy level of the respondents between government employees and private employees. Employment wise analysis of the respondents shows that in high FLL category, government employees have marginally higher percentage of 30.83 percent i.e. 37 respondents as against "Private Employees" of 30.30 percent i.e. 10 respondents. The result suggests that there is a need for financial education at the work place.

3.7.7. Place of residence of the respondents and their financial literacy level

Respondents are from different residential areas with differences in accessibility, availability of resources and opportunities. People living in town areas are more accessible to amenities and facilities as compare to those living in villages. Thus, in order to study the financial literacy level of the respondents according to their place of residence, data so collected have been analysed and depicted by Exhibit – 16.

Exhibit - 16

Residential status of the respondents and their FLL

Low FLL   High FLL

Town — 74.36 / 25.64

Village — 77.66 / 22.34
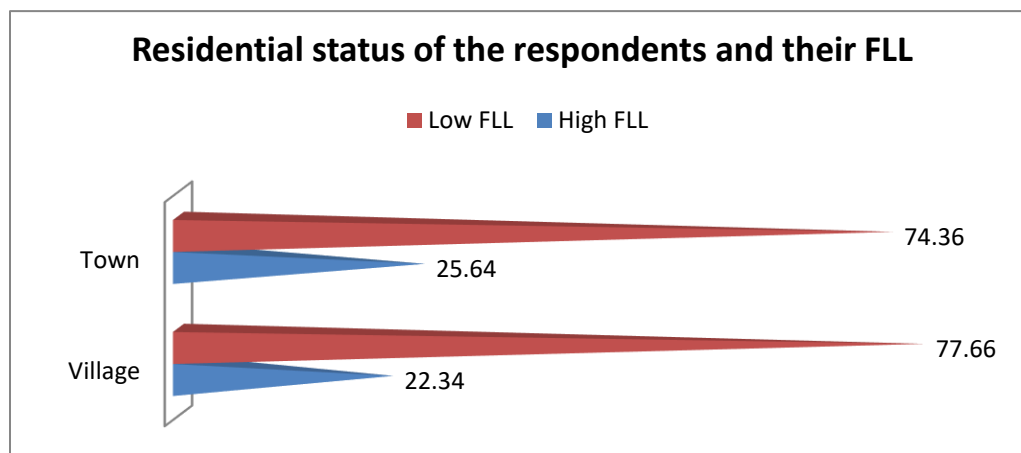
Source: Field Survey

According to their place of residence, only 80 respondents i.e. 25.64 percent of "Town" respondents are with high FLL and 232 respondents i.e. 74.36 percent are with low FLL whereas only 42 respondents i.e.22.34 percent of "Village" respondents are with high FLL and 146 respondents i.e. 77.66 percent are with low FLL. This show, besides town financial education should outreach the population in rural areas in order to bring them into the main financial domain and enable them to be self reliant in financial decision.

3.8. ANALYSIS OF FINANCIAL LITERACY LEVEL OF THE RESPONDENTS IN KOHIMA AND DIMAPUR DISTRICTS

The investigation on financial literacy in Nagaland has been conducted in Kohima and Dimapur districts only as has been mention in the proposed study area. A comparative study between Kohima and Dimapur districts has been done on financial literacy level of the respondents in order to ascertain if there is any significant difference between the two districts. Adequate data have been collected and analysed, the result of which is depicted in the Exhibit – 17.

Exhibit - 17

Financial literacy level between Kohima and Dimapur districts

	Dimapur	Kohima
■ Low	75.00%	76%
■ High	25.00%	24%
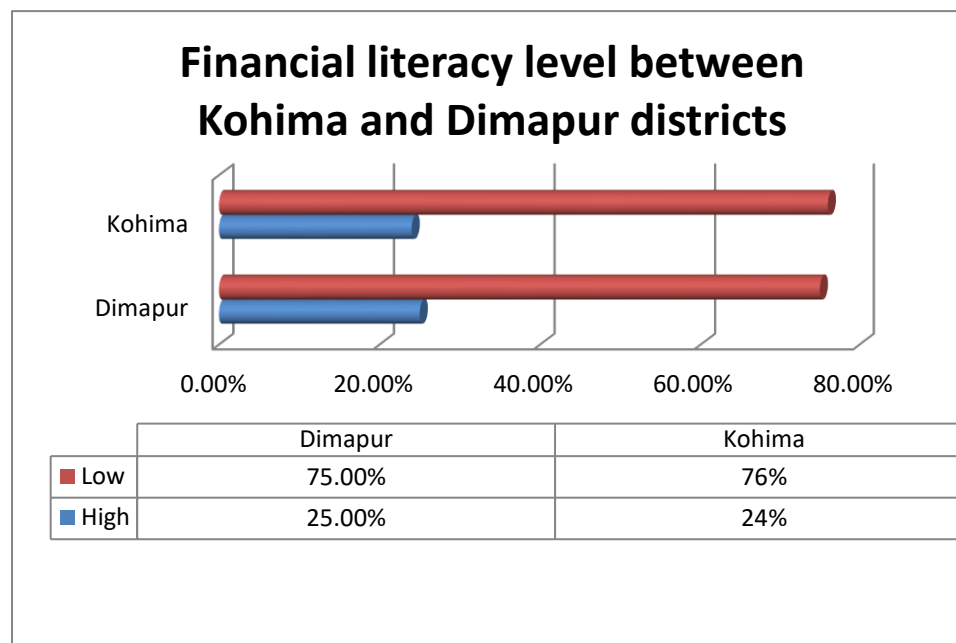
Source: Field survey

The study shows that financial literacy level of the respondents of Kohima and Dimapur districts are almost similar. 75 percent of the Dimapur respondents are with low financial literacy level as against 76 percent of Kohima respondents. 25 percent of the respondents from Dimapur district are with high FLL as against 24 percent of the respondents from Kohima district. This marginal difference between the two districts could be due to the fact that most people of Dimapur district are exposed to more business and banking establishment as compared to Kohima district. However, financial literacy position in both the districts is not satisfactory.

Analysis of financial literacy level of the respondents according to their demographic profile of the respondents has also been presented for Kohima and Dimapur districts separately in the ensuing text.

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3.8.1. Age wise analysis of respondents' Financial Literacy Level

With a view to examine the FLL of the respondents according to their age between Kohima and Dimapur districts, data have been analysed accordingly. Table - 3.8 presents Age wise analysis of respondents' FLL in the two districts.

Table - 3.8

Age wise analysis of respondents' Financial Literacy Level

Demographic		FLL												Total	%
		Dimapur						Kohima							
		High	%	Low	%	Total	%	High	%	Low	%	Total	%		
Age	15-25years	12	22.64	41	77.36	53	100	13	25	39	75	52	100	105	100
	26-35 years	17	24.64	52	75.36	69	100	19	26.76	52	73.24	71	100	140	100
	36-45 years	22	32.35	46	67.65	68	100	18	24.66	55	75.34	73	100	141	100
	46-55 years	9	20	36	80	45	100	8	21.62	29	78.38	37	100	82	100
	56 & above	2	13.33	13	86.67	15	100	2	11.76	15	88.24	17	100	32	100
	Total	**62**	**24.8**	**188**	**75.2**	**250**	100	**60**	**24**	**190**	**76**	**250**	100	**500**	100

Source: Field survey

The table presents Age wise financial literacy between the two districts. It has been found out that the least percentage having high FLL is the Age Group '56 years and above' for both the districts i.e., Kohima respondents with 11.76 percent and Dimapur respondents with 13.33 percent and the highest percentage having high FLL is the age group is '36 – 45 years' for Dimapur respondents with 32.35 percent i.e.22 respondents and '26-36 years' for Kohima respondents with 19 respondents i.e. 26.76 percent. A concern for both the two districts is the age group of '15-25 years' as both the districts have very less percentage in high FLL having 25 percent for Kohima respondents and 22.64 percent for Dimapur respondents. The finding is a wakeup call for every district in Nagaland not just Kohima and Dimapur districts to enhance knowledge on financial literacy.

3.8.2. Gender wise analysis of respondents' Financial Literacy Level

Gender wise respondents' FLL of Kohima and Dimapur districts has been assessed in order to make a comparison between the two districts. Adequate data have been collected and analysed, the result of which is presented in Table – 3.9.

Table – 3.9

Gender wise analysis of respondents' Financial Literacy Level

Demographic		FLL												Total	%
		Dimapur						Kohima							
		High	%	Low	%	Total	%	High	%	Low	%	Total	%		
Gender	Male	50	32.26	105	67.74	155	100	44	27.33	117	72.67	161	100	316	100
	Female	12	12.63	83	87.37	95	100	16	8.69	73	34.24	89	100	184	100
	Total	**62**	**24.8**	**188**	**75.2**	**250**	100	**60**	**24**	**190**	**76**	**250**	100	**500**	100

Source: Field survey

The table 3.9 reveals that the female respondents for both the districts have very less percentage in high FLL that is Kohima respondents with 16 respondents i.e. 8.69 percent and Dimapur respondents with 12 respondents i.e. 12.63 percent whereas the male counterpart having high FLL is 44 respondents for Kohima district which is 27.33 percent and 50 respondents for Dimapur district which is 32.26 percent. This shows more attention should be given to the female gender for financial literacy. Apart from that both the gender have very less respondents having high FLL, thus, both the gender should help each other in acquiring more financial literacy.

3.8.3. Marital Status wise analysis of respondents' Financial Literacy level

In order to find out the difference in financial literacy level of the respondents between Kohima and Dimapur districts according to their marital status, data have been collected and analysed as shown in Table – 3.10.

Table - 3.10

Marital Status wise analysis of respondents' Financial Literacy level

Demographic		FLL												Total	%
		Dimapur						Kohima							
		High	%	Low	%	Total	%	High	%	Low	%	Total	%		
Marital Status	Married	40	24.69	122	75.31	162	100	36	25	108	75	144	100	306	100
	Unmarried	22	25	66	75	88	100	24	22.64	82	77.36	106	100	194	100
	Total	**62**	**24.8**	**188**	**75.2**	**250**	100	**60**	**24**	**190**	**76**	**250**	100	**500**	100

Source: Field survey

The Table 3.10 shows data on Marital Status wise analysis of respondents' Financial Literacy Level. It has been found that for Kohima 'Married' respondents have high FLL with 25 percent i.e. 36 respondents which is more than the 'Unmarried' respondents with 22.64 percent i.e. 24 respondents. Similarly, for Dimapur district, 'Unmarried' respondents have 25 percent i.e. 22 respondents with high FLL which is more than the 'Married' respondents with 24.69 percent which is 40 respondents with high FLL. This reveals marital status of a person does have much impact on financial literacy level.

3.8.4. Educational qualification wise analysis of respondents' Financial Literacy Level

In order to ascertain respondents' financial literacy level according to their educational qualification for Kohima and Dimapur districts, data have been collected and analysed the result of which is presented in Table- 3.11.

Table – 3.11

Educational Qualification wise analysis of respondents' Financial Literacy Level

Demographic		FLL												Total	%
		Dimapur						Kohima							
		High	%	Low	%	Total	%	High	%	Low	%	Total	%		
Qualification	Under Matriculate	2	6.25	30	93.75	32	100	2	6.90	27	23.10	29	100	61	100
	Matriculate	5	10.64	42	89.36	47	100	6	12.24	43	87.76	49	100	96	100
	Higher Secondary	15	23.44	49	76.56	64	100	14	23.33	46	76.67	60	100	124	100
	Graduate	25	35.71	45	64.29	70	100	22	32.84	45	67.16	67	100	137	100
	Post Graduate	15	40.54	22	59.46	37	100	16	35.56	29	64.44	45	100	82	100
	Total	**62**	**24.8**	**188**	**75.2**	**250**	**100**	**60**	**24**	**190**	**76**	**250**	**100**	**500**	**100**

Source: Field survey

The table presents Educational Qualification wise analysis of respondents' Financial Literacy Level between Kohima and Dimapur districts. For both the districts 'Post Graduate' respondents' has been found to be having the highest percentage with high FLL, follow by Graduate, Higher Secondary, Matriculate and Under Matriculate respondents' respectively. For 'Post Graduate' respondents having high FLL, Kohima is with 35.56 percent i.e. 16 respondents and Dimapur is with 40.54 percent i.e. 22 respondents. For 'Graduate' respondents having high FLL, Kohima is with 32.84 percent i.e. 22 respondents and Dimapur is with 35.71 percent i.e. 25 respondents. And the respondents group having the least high FLL percentage is 'Under Matriculate' respondents for both the districts, Kohima with 6.9 percent i.e. 2 respondents and Dimapur with 6.25 percent i.e. 2 respondents. From this, it has been learnt that the higher the educational qualification of the respondent the higher the financial literacy level of the respondent and the lower the educational qualification, the lower in FLL too.

3.8.5. Occupation wise analysis of respondents' Financial Literacy Level

A comparison has been made of the respondents' FLL in Kohima and Dimapur districts on the basis of their occupational background. Data have been analysed and presented in Table – 3.12.

Table – 3.12

Occupation wise analysis of respondents' Financial Literacy Level

Demographic		FLL												Total	%
		Dimapur						Kohima							
		High	%	Low	%	Total	%	High	%	Low	%	Total	%		
Occupation	Service	20	27.40	53	72.60	73	100	24	30	56	70	80	100	153	100
	Business	17	36.17	30	63.83	47	100	11	31.43	24	68.57	35	100	82	100
	Housewife	5	14.29	30	85.71	35	100	4	10.53	34	89.47	38	100	73	100
	Student	10	25.64	29	74.36	39	100	11	25	33	75	44	100	83	100
	Unemployed / Daily wagers	8	19.05	34	80.95	42	100	7	18.92	30	81.08	37	100	79	100
	Retired	2	14.29	12	85.71	14	100	3	18.75	13	81.25	16	100	30	100
	Total	**62**	**24.8**	**188**	**75.2**	**250**	100	**60**	**24**	**190**	**76**	**250**	100	**500**	100

Source: Field survey

The Table 3.12 presents occupational wise FLL and for both the districts it has been found out that the group 'housewife' respondents have the lowest percentage in high FLL with 4 respondents i.e. 10.53 percent for Kohima respondents and 5 respondents i.e. 14.29 percent for Dimapur respondents. Next is the "retired" group with 3 respondents i.e. 18.75 percent of respondents from Kohima and 2 respondents i.e. 14.29 percent of respondents from Dimapur having high FLL. Follow by the "daily wagers/ unemployed" have 7 respondents i.e. 18.92 percent of respondents from Kohima and 8 respondents i.e. 19.05 percent of respondents from Dimapur with high FLL. These groups seem to be in need of more financial literacy besides all other groups.

3.8.6. Employment wise analysis of respondents' Financial Literacy level

Employment wise respondents' financial literacy level between Kohima and Dimapur districts has been analysed. Data have been collected and analysed, the result of which is given in Table – 3.13.

Table - 3.13

Employment wise analysis of respondents' Financial Literacy level

Demographic		FLL												Total	%
		Dimapur						Kohima							
		High	%	Low	%	Total	%	High	%	Low	%	Total	%		
Employment	Govt.	15	28.85	37	71.15	52	100	22	32.35	46	67.65	68	100	120	100
	Private	8	40	12	60	20	100	5	38.46	8	61.54	13	100	33	100
	Total	**23**	**31.94**	**49**	**68.06**	**72**	100	**27**	**33.33**	**54**	**77.77**	**81**	100	**153**	100

Source: Field survey

The Table 3.13 presents Employment wise analysis of respondents' Financial Literacy Level for Kohima and Dimapur districts. Surprisingly, data in the table shows that for both the districts Private employees have higher percentage of respondents having high FLL than the government employees. For Kohima district 'Private Employees' respondents' having high FLL is 38.64 percent with 5 respondents and 'Government Employees' respondents' having high FLL is 32.35 percent with 22 respondents. Similarly, for Dimapur district 'Private Employees' respondents' having high FLL is 40 percent with 8 respondents and 'Government Employees' respondents' having high FLL is 28.85 percent with 15 respondents.

3.8.7. Place of Residence wise analysis of respondents' financial literacy level

With a view to find out the respondents' Financial Literacy position of Kohima and Dimapur districts, data have been collected and analysed as shown in Table – 3.14.

Table – 3.14

Place of Residence wise analysis of respondents' financial literacy level

Demographic		FLL												Total	%
		Dimapur						Kohima							
		High	%	Low	%	Total	%	High	%	Low	%	Total	%		
Residence	Village	10	15.15	56	84.85	66	100	22	18.03	100	81.96	122	100	188	100
	Town	52	28.26	132	71.74	184	100	38	29.69	90	70.31	128	100	312	100
	Total	**62**	**24.8**	**188**	**75.2**	**250**	100	**60**	**24**	**190**	**76**	**250**	100	**500**	100

Source: Field survey

The table represents the respondents from village and town of the two districts. The FLL of the villages have less percentage having high FLL for both the two districts i.e. 18.03 percent for Kohima with 22 respondents and 15.15 percent for Dimapur with 10 respondents. Equal focus need to given for the rural areas for financial literacy awareness.

3.8.8. District wise average Score of respondents' Financial Literacy

The researcher has ascertained data for financial literacy level on both the study area i.e., Kohima and Dimapur districts. In analyzing the data, the average score and central tendency of the respondents has been developed. The comparison of the same between the two districts has been presented in the Table – 3.15 given below;

Table - 3.15

Statistics

FL Score		Dimapur	Kohima
N	Valid	250	250
	Missing	0	0
Mean		37.9680	38.0560
Median		34.0000	34.0000
Mode		36.00	36.00
Std. Deviation		15.71837	16.71438
Minimum		16.00	14.00
Maximum		94.00	96.00

Source: Field survey

A comparison between the average score of respondents in Kohima and Dimapur were shown in the above table. Mean score of Dimapur was 37.96 and Kohima 38.05 which was a little higher score than Dimapur. The lowest score for Dimapur was 16 whereas for Kohima it was 14 and the highest score for Dimapur was 94 and 96 for Kohima. Here, there is no much difference between the two districts but Kohima district has slightly got the upper hand in financial literacy average score.

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3.9. CATEGORIZING RESPONDENTS BY RANGING SCORE

The researcher also categorized the respondents into three groups by ranging the score. In order to ascertain the number of respondents falling under a particular range of score, the total score one hundred has been divided into 3 categories, namely, 1 – 33, 34 – 66, and 67 – 100. The following Table 3.16 presents the same;

Table - 3.16

FL score	Frequency (No. of Respondents)	Average FL Score	Frequency Above Average FL Score	Frequency Below Average FL Score
1-33 % Low Score	226 (45.2)	27.07	128	98
34-67% Average Score	222 (44.4)	39.73	63	159
68-100% High Score	52 (10.4)	78.38	26	26
Total	**500 (100)**		**217**	**283**

Note: Figures in the parenthesis shows the percentage of respondents

Source: Field survey

The above table shows the financial literacy score of the respondents. It shows nearly half of the respondents i.e. 45.2 percent (n=226) score between 1-33% which is a very low score. Their average score is 27.07 and it is found that out of 226 respondents, 98 respondents are scoring below the average score. Respondents scoring average score between 34-67% are 44.4 percent (n=222) of the respondents and 159 respondents are found to scoring less than their average score of 39.73. Respondents found to be scoring high financial literacy score ranging from 68-100% is only 10.4 percent (n=52) and their average score is 78.38. From this, it is

learnt that most of the people in Nagaland are still very weak in financial literacy as nearly half of the respondents score below 33% which is very unsatisfactory. Thus, more importance should be given to financial literacy so to enable self competency and efficiency to take care of own financial wellbeing.

3.9.1. Categorizing Kohima and Dimapur respondents by ranging score

In categorizing the respondents by ranging the score, the researcher also analyzed data for the two study area districts so, to make a comparison between the two districts. The Table – 3.17 was prepared and discussed in the following;

Table - 3.17

FL score	Frequency (No. of Respondents)		Average FL Score		Frequency Above Average FL Score		Frequency Below Average FL Score	
	Koh	Dmp	Koh	Dmp	Koh	Dmp	Koh	Dmp
1-33 % Low Score	117 (46.8)	109 (43.6)	26.91	27.22	66	62	51	47
34-66% Average Score	107 (42.8)	115 (46)	40.28	39.17	27	36	80	79
67-100% High Score	26 (10.4)	26 (10.4)	79.07	77.08	12	12	14	14
Total	250	250			126	102	124	148

Note: Figures in the parenthesis shows the percentage of respondents
Source: Field survey

The above table shows a comparison of respondents scoring in financial literacy between Kohima and Dimapur districts. Respondents from Kohima having low score ranging 1-33% is 46.8 percent (n=117) whereas Dimapur respondents have 43.6 percent (n=109) slightly less than Kohima district. Their average score among this group between Kohima and Dimapur is 26.91 and 27.22 respectively, which shows Dimapur have a slight higher score than Kohima.

FL Score ranging from 35-67%, respondents from Kohima and Dimapur have 42.8 percent (n=107) and 46 percent (n=115) respectively. Their average score between Kohima and Dimapur is 41.81 and 43.08 respectively, with Dimapur having 1.27 points more than Kohima.

A high score in FL ranging from 68-100%, respondents from Kohima and Dimapur have 10.4 percent (n=26) and 10.4 percent (n=26) respectively. Their average score between Kohima and Dimapur is 79.07 and 77.08 respectively, with Kohima having 1.99 points more than Dimapur.

Overall, only 10.4 percent of the respondents have high financial literacy score i.e. above 68 % which suggests financial education is in great need to cope up with the fast moving world financial market.

3.10. HYPOTHESIS TESTING

In this section, simultaneous and extensive analysis of two variables namely Financial Literacy Level of Male and Female gender has been carried out through cross tabulation statistical tests. Proposed Hypothesis frame for this research study is tested here.

In order to test the proposed hypothesis, chi-square test has been performed. Chi-square test helps the scholar to find out and explain whether or not two attributes are associated. Kothari (2014) suggested chi-square can be used to determine if two classifications are independent or categorically data shows dependency. It can be used to test (i) the goodness of fit, (ii) the significance of association between two attributes, and (iii) the homogeneity or the significance of population variance. Therefore, here chi-square test was used in this study to determine the significance of two attributes i.e. investors' gender and their financial literacy level.

The first hypotheses frame for the research study is given below.

H0: There is no significant association between investors' gender and their financial literacy level.

H1: There is significant association between investors' gender and their financial literacy level.

3.10.1. Association between investors' gender and their financial literacy level of Dimapur Respondents

In order to determine the relationship between the investors' gender and their financial literacy level, all the respondents are considered as all of them have the desire to invest and are potential investors. The following data has been formulated for Dimapur district respondents which are shown in the Table - 3.18 given below;

Table - 3.18

Association between investors' gender and their financial literacy level of Dimapur Respondents

Financial Literacy Level	Respondents' Gender		Total
	Male	**Female**	
High	50 (32.25)	12 (12.63)	**62 (24.8)**
Low	105 (67.74)	83 (87.37)	**188 (75.2)**
Total	**155 (100)**	**95 (100)**	**250 (100)**

Note: Figures in the parenthesis shows the percentage of respondents
Source: Field survey

The data given in the above table are with regard to the investors' gender and their financial literacy level of Dimapur District. These data has been tested

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statistically by using Chi-square test to accept or reject the hypothesis "There is no significant association between investors' gender and their financial literacy level" for Dimapur district.

Here, data given below are the data provided by chi-square test to test the hypothesis:

Table - 3.19

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	250.000[a]	3	.000
Likelihood Ratio	332.032	3	.000
Linear-by-Linear Association	15.492	1	.000
N of Valid Cases	250		
a. 1 cells (12.5%) have expected count less than 5. The minimum expected count is 4.56.			

Table - 3.20

Symmetric Measures			
		Value	Approx. Sig.
Nominal by Nominal	Phi	1.000	.000
	Cramer's V	1.000	.000
N of Valid Cases		250	
a. Not assuming the null hypothesis.			
b. Using the asymptotic standard error assuming the null hypothesis.			

The test was performed at 5% level of significance. The chi-square output is shown in the table above. The significance value of Pearson Chi-square is found to be 0.000 which is less than 5% of the level of significance and the degree of freedom is 1. The Cramer's V value significance value is also 0.000 and the degree of association between these two variables is found to be 1.000 i.e. 100%. Therefore, the null hypothesis "There is no significant association between investors' age and their financial literacy level" is rejected and hence, the alternate hypothesis "There is significant association between investors' age and their financial literacy level" is accepted. This reveals the investors' age and their financial literacy level are not independent of each other; they are dependent to each other and inter-related in the case of Dimapur district.

3.10.2. Association between investors' gender and their financial literacy level of Kohima Respondents

In order to determine the association between the respondents gender and their financial literacy level the following data has been formulated for Kohima district respondents too which is shown in the Table 3.16 given below;

Table - 3.21

Financial Literacy Level	Respondents' Gender		Total
	Male	**Female**	
High	44 (27.33)	16 (17.98)	60 (24)
Low	117 (72.67)	73 (82.02)	190 (76)
Total	161 (100)	89 (100)	250 (100)

Source: Field survey

Note: Figures in the parenthesis shows the percentage of respondents

The data shown in the Table – 3.16 represents the investors' gender and their financial literacy level of Kohima district. These data has also been tested statistically by using Chi-square test to accept or reject the hypothesis "There is no

significant association between investors' gender and their financial literacy level" for Kohima district.

Here, data given below are the data provided by chi-square test to test the hypothesis.

Table - 3.22

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	250.000[a]	3	.000
Likelihood Ratio	325.541	3	.000
Linear-by-Linear Association	59.858	1	.000
N of Valid Cases	250		
a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 5.70.			

Table 3.23.

Symmetric Measures			
		Value	Approx. Sig.
Nominal by Nominal	Phi	1.000	.000
	Cramer's V	1.000	.000
N of Valid Cases		250	
a. Not assuming the null hypothesis.			
b. Using the asymptotic standard error assuming the null hypothesis.			

For Kohima district, it is also the same case with Dimapur district. The test was performed at 5% level of significance. The chi-square data output is shown in the table above. Pearson Chi-square significance value is 0.000 which is less than 5% of the level of significance. The linear-by-linear association is 59.858 and the degree of freedom is 1. The Cramer's V value significance value is also 0.000 and the degree of association between these two variables is found to be 1.000 i.e. 100%. So, the null hypothesis "There is no significant association between investors' age and their financial literacy level" is rejected and hence, the alternate hypothesis "There is significant association between investors' age and their financial literacy level" is accepted. This reveals the investors' age and their financial literacy level are dependent to each other and inter-related in the case of Kohima district also.

3.10.3. Overall Association between investors' gender and their financial literacy level

In order to determine the association between the respondents' gender and their financial literacy level, the gender FLL has been taken into consideration against each other for statistical analysis. All the 500 respondents have been taken for statistical analysis. The following data has been formulated for further statistical analysis which is shown in the Table 3.24 given below;

Table - 3.24

Financial Literacy Level	Respondents' Gender		Total
	Male	Female	
High	94 (29.75)	28(15.22)	122 (24.4)
Low	222 (70.25)	156 ((84.78)	378 (75.6)
Total	316 (100)	184 (100)	500 (100)

Note: Figures in the parenthesis shows the percentage of respondents

Source: Field survey

The data shown in the Table – 3.24 reveals the investors' gender and their financial literacy level of both Kohima and Dimapur districts combine which is the study area of the research study as a whole. These data have been statistically analyzed and tested by cross tabulation and through Chi-square test to accept or reject the hypothesis "There is no significant association between investors' gender and their financial literacy level."

The data given below are the data output provided by chi-square test to test the hypothesis.

Table - 3.25

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	500.000[a]	3	.000
Likelihood Ratio	657.883	3	.000
Linear-by-Linear Association	75.272	1	.000
N of Valid Cases	500		
a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 10.30.			

Table - 3.26

Symmetric Measures			
		Value	Approx. Sig.
Nominal by Nominal	Phi	1.000	.000
	Cramer's V	1.000	.000
N of Valid Cases		500	
a. Not assuming the null hypothesis.			
b. Using the asymptotic standard error assuming the null hypothesis.			

For all 500 respondents Chi-square test was performed to test the hypothesis. The test was performed at 5% level of significance. The chi-square data output is shown in the table above. Pearson Chi-square significance value is 0.000 which is less than 5% of the level of significance. The linear-by-linear association 75.272 and the degree of freedom is 1. The Cramer's V value significance value is also 0.000 and the degree of association between these two variables is found to be 1.000 i.e. 100%. This reveals a clear relationship between investors' gender and their financial literacy level. So, the null hypothesis "There is no significant association between investors' gender and their financial literacy level" is rejected and hence, the alternate hypothesis "There is significant association between investors' gender and their financial literacy level" is accepted. This reveals the investors' gender and their financial literacy level are dependent to each other and inter-related here in Nagaland. In simple term it means the male FLL will have an impact on the female counterpart FLL and vice-versa.

This chapter has presented an in-depth analysis of data on current scenario of financial literacy status of the people. A financial awareness test of the respondents was done by using commonly practiced financial terms. On the basis of demographic profile financial literacy level of the respondents was also computed. This gives a clear picture on the current position and dynamics of financial literacy in Nagaland. Thus, the chapter satisfies the objectives of the study.

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CHAPTER: 4
IMPACT OF FINANCIAL LITERACY ON INVESTMENT DECISION
4.1. INTRODUCTION

A well informed investor is a smart investor. Savings and investment are related but two independent processes. Saving is the process of putting hard cash aside and keeping it in liquid form an extremely save position. On the other hand investment is the process of willing to take risk in putting one's money in instrument with potential of higher returns. Everyone saves money and want to make more money out of it, but people don't know where and how to invest. With the fast moving trend in development and technologies, the financial market has also become so complex in nature. There is an easy access to financial services for the investors and along with it lots of fraud investment scams have flooded the market. As of this, every investor need to possessed Financial Literacy to tackle all these problems and become an aware investor. Financial Literacy can help achieve financial long-term goals, enable a person to manage saving in an effective way to meet short-term needs and provide safety net for emergency expenses. Without Financial Literacy it is nearly impossible for the investor to invest or opt. financial products. Investors without financial literacy, selection of investment options won't be able to execute effectively. There is lots of financial literacy factors involve while making an investment decision. Many individuals are ill-equipped to cope up with the sophisticated choices that they need to make, for wise saving and investment decisions. To tackle these huge challenges of understanding the benefits and costs associated with the innovations and the risk-return matrix inherent to it, financial literacy can only be the answer to it. Looking on the global dimension, Nagas are lacking and yet to cope up in many fields. Financially many are unaware of the present sophisticated financial market. Hence, at time like this, a study on impact of financial literacy in investment decision in Nagaland is an instrument

beneficial to the people of Nagas to become efficient investors, counteract financial scams and be financially saved and protected.

This Chapter aims to study the effect of financial literacy on investment decision. Accordingly, the chapter is divided into two Sections. Section – I: Investment Pattern which includes an analysis of savings out of monthly income, investment out of savings, type of investors, type of risk takers, and preferred investment options, while Section II: Investment Decision covers indebt analysis of Factors Influencing investment Decision, factor analysis, and regression analysis.

4.2. FINANCIAL LITERACY FACTORS INFLUENCING INVESTMENT DECISION

According to different studies, it reveals different financial literacy factors influencing investors' investment decision. Thus, the researcher makes a thorough study on the factors which are commonly influencing investors' investment decision, and then several factors has been identified and selected carefully for the study. A brief explanation on these factors has been narrated in the following.

Factor 1: Personal Financial Need/Facilities

Hussein et al. (2009) examined that personal financial needs of an individual investor mostly influence the investment decision. Therefore, basing on this the researcher identified some factors relating to Personal Financial Needs for the study. The factors which are identified and considered under Personal Financial Needs of financial literacy factors in investment decision are secured/safe investment, ease in borrowed funds, preferred investment period, liquidity associated with investment, tax benefits, affordable investment amount to availed financial products/services/schemes benefits, account transferability, nomination facilities, pre-mature closure of investment facility and compounding frequency interest rates.

Factor 2: Accounting, Business and Financial information

Chandra et al. (2011) reveals accounting, business and financial information of the firms and their past performance has its impact on the individuals to some extent, and the individuals strongly rely on this while investing. Lee and Tweedie (1975, 1976, and 1977) reveal that the general public faces problems in understanding financial reporting in the corporate sector. Schlarbaum et al., (1977) compare individuals' performance with that of professional fund managers and find that the former exhibit considerable skill in their investment decision making. As such, the researcher identified some factors which are inter-related with accounting, business and financial information for the study. The factors considered under Accounting, Business and Financial information are past performance/history of the company, dividend policy of the company, marketing ability of the company, Company's position in the industry, terms and conditions of the financial products, Company's reputation on fund management and credit worthiness, Company's annual report and Company's net worth and market capitalization.

Factor 3: Economic and regulatory environment

Hussein et al. (2009) revealed that statement from government officials and current economic indicators have an influence on investment decision of individual investors. Aregbeyan and Mbadiugha (2011) also stated that along with the social, psychological factors, and cultural factors, investors always rely on economic factors and it influences their investment decisions. Thus, the factors identified for the study under the factor Economic and regulatory environment are Development in stock index, Current economic indicators and govt. reports, Government investment schemes or financial product/services backed by Govt. of India, and Company's affiliation with the government.

Factor 4: Operational feedback

Harsha Jariwala(2013) stated that investors generally gets some operational feedback from friends, family and relatives which influence individual investor's view towards investment decision. Chandra et al. (2011) reveals that investors suffered from information inferiority complex. They rely heavily on the easily available and accessible information for taking investment decision and rather than checking on the reliability of this information (operational feedback). Subsequently, the researcher considered some factors affecting investor's investment decision. The identified factors for the study are existing investors' opinion, family members advised, and friends and relatives feedback.

Factor 5: Experts recommendation

Krishnan and Booker, (2002) analyzed the factors influencing the decisions of investor who use analysts' recommendations to arrive at a short-term decision to hold or sell a stock. Nagy and Obenberger (1994) stated that advocate recommendation includes purchase recommendation from brokerage house, individual stock brokers and co-workers. These recommendations affect investor's ultimate action. Basing on these findings the researcher too considered some factors related to Expert Recommendation. The factors identified under this are recommendations of financial advisors and analysts, Credit rating agencies report, news updates on financial markets, economic forecast by Research Institutions and results of technical analysis of the company, and views and opinions of professionals, company executives and sector experts.

Factor 6: Credit features

Harsha Jariwala(2013) grouped diversification need and minimizing risk under 'credit features' and stated investors often tries to minimize their total risk associated their investment portfolio through diversification. Hussein et al. (2009) gave a statement that diversification needs and minimizing the risk heavily

influence investment decision of the investors. Accordingly, the researcher took these factors in consideration of the study. The factors are diversification of investment, and minimizing risks factors.

Factor 7: Personal inclination

Harsha Jariwala(2013) grouped 'firm's perceived ethics of a company' and 'feelings for a company's products and services' as variables under 'personal inclination'. Draft Green Paper on Consumer Policy Framework (DTI) (2004) stated more consumers are interested in the ethics of the company that produces goods and services. Nagy and Obenberger(1994) also revealed that perceived ethics of the firm and feelings for firm's products and services have an influence in investment decision of the investors. Subsequently, the researcher identified some factors related to personal inclination for the study. The factors are perceived ethics of the company, feelings towards company's products and services, studying the portfolio investment of the other market players, and verifying the authenticity of advertised financial products/services and rumours.

Factor 8: Monetary expectation

Nagy and Obenberger(1994) considered monetary expectation is a classic factor that focuses on wealth maximization criterion. Harsha Jariwala(2013) reveals that while making investment decision, investors always looks to collect the information about profit distribution pattern and then expect returns in order to compensate the risk associated with investment. Thus, the researcher too identified some factors related to monetary expectations for the study. The factors are higher income opportunity/ expected returns on investment, interest rates, earnings per share (EPS)/ Per Equity (PE) ratio, and guaranteed returns.

<div align="center">**SECTION I: INVESTMENT PATTERN**</div>

This part of the Chapter gives a detail description of the investment pattern of the respondents by specifying on the predetermine aspects as indicated below;

4.3. **EXPENDITURE TO MONTHLY INCOME OF THE RESPONDENTS**

In order to understand the respondents' financial behavior on expenditure against monthly income, the researcher attempted to analyse how the respondents' spends their monthly income. Every respondent does have monthly income from some source which could either salary, wages, business profit, gift in cash, pocket money, etc. Accordingly, respondents are asked to specify the percentage spent on their monthly income. The analysis of the data so collected has been presented in the Exhibit - 18;

<div align="center">Exhibit - 18</div>

Expenditure to monthly income of the respondents

	Below 20 %	21% to 40%	41 % to 60%	61 % to 80%	Above 80%
Frequency in %	4.4	11.6	18.4	26.6	39
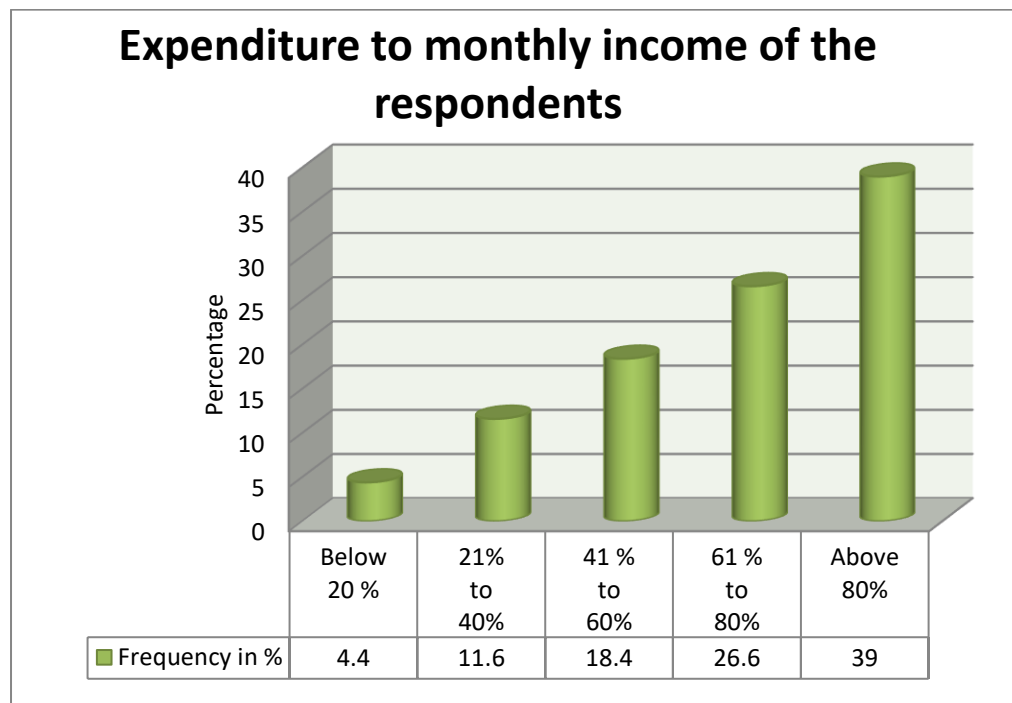
Source: Field survey

The exhibit shows expenditure to monthly income of the respondents. In order to derive savings pattern of the respondents, expenditure to monthly income of the respondents has been computed. It is found from the study that only 22 respondents i.e. 4.4 percent of the respondents are found to be spending less than 20% of their monthly income. 92 respondents i.e. 18.4 percent, 133 respondents i.e. 26.6 percent and 195 respondents i.e. 39 percent of the total respondents are spending 41% to 60% of their monthly income, 61% to 80% of their monthly income and above 80% of their monthly income respectively. Thus, the saving habits among the people are very poor.

4.3.1. Expenditure to monthly income of the respondents for Kohima and Dimapur

In order to understand the expenditure habits of the respondents of Kohima and Dimapur districts, analysis has also been done separately for the two districts. A comparison between the two districts with regard to the expenditure habits of the respondents is given in the Table – 4.1.

Table – 4.1

Expenditure to monthly income of the respondents for Kohima and Dimapur

Expenditure percentage	Frequency		
	Kohima	**Dimapur**	**Total**
Below 20 %	**10 (4)**	**12 (4.8)**	**22 (4.4)**
21% to 40%	**30 (12)**	**28 (11.2)**	**58 (11.6)**
41 % to 60%	**48 (19.2)**	**44 (17.6)**	**92 (18.4)**
61 % to 80%	**66 (26.4)**	**67 (26.8)**	**133 (26.6)**
Above 80%	**96 (38.4)**	**99 (39.6)**	**195 (39)**
Total	**250 (100)**	**250 (100)**	**500 (100)**

Source: Field survey

Note: The figures shown in the parenthesis are the percentage of the respondents

The above table shows expenditure to monthly income of the respondents for Kohima and Dimapur districts. In Kohima district, 10 respondents i.e. 4 percent of the respondents spend "Less than 20% of their monthly income" as against 12 respondents i.e. 4.8 percent of the respondents of Dimapur district. 66 respondents i.e. 26.4 percent of the respondents of Kohima district spent '61 to 80%' of their monthly income as against 96 respondents i.e. 38.4 percent of the respondents spending 'Above 80%' of their monthly income. Similarly, in Dimapur district, 67 respondents i.e. 26.8 percent of the respondents spent '61% to 80%' of their monthly income as against 99 respondents i.e. 39.6 percent of the respondents spending over 80% of the income. The study shows Dimapur respondents slightly makes more expenditure against monthly income than Kohima respondents.

4.3.2. Association between financial literacy and expenditure to monthly income

The study has also been designed to study the relationship between financial literacy and expenditure behavior of the respondents. Generally, people with high financial literacy level spend more rationally than people with low financial literacy level. Table -4.2 given below provides detail analysis of the association between financial literacy level and their expenditure.

Table - 4.2

Association between financial literacy and expenditure to monthly income

Expenditure percentage	Frequency		
	High FLL	**Low FLL**	**Total**
Below 20 %	**8 (6.56)**	**14 (3.71)**	**22 (4.4)**
21% to 40%	**23(18.85)**	**35 (9.26)**	**58 (11.6)**
41 % to 60%	**25 (20.49)**	**67 (17.72)**	**92 (18.4)**
61 % to 80%	**31 (25.41)**	**102 (26.98)**	**133 (26.6)**

Above 80%	35 (28.69)	160 (42.33)	195 (39)
Total	122 (100)	378 (100)	500 (100)

Source: Field survey

Note: The figures shown in the parenthesis are the percentage of the respondents

The Table 4.2 shows about the relationship between the investors' financial literacy and their expenditure on monthly income. It shows out that out of the respondents with high FLL, 31 respondents i.e. 25.41 percent spent "61 – 80% of their monthly income", 35 respondents i.e. 28.69 percent spent "above 80%"of their monthly income, and only 8 respondents i.e. 6.56 percent spent "less than 20% of their monthly income". Similarly, out the respondents with low FLL, 102 respondents i.e. 26.98 percent spent "61 – 80% of their monthly income", 160 respondents i.e. 42.33 percent spent "more than 80% of their monthly income" and only 14 respondents i.e. 3.71 percent spent "below 20% of their monthly income".

As far as the relationship between investors' financial literacy level and expenditure on monthly income is concerned. It has been found out that investors' with high FLL tend to spent less and saves more of their income than investors' with low FLL.

4.4. SAVINGS OUT OF MONTHLY INCOME OF THE RESPONDENTS

Savings out of monthly income determines solvency of the individual. Propensity to save is a rational human behavior. Savings increases with increase in disposable income while keeping consumption expenditure constant. Thus, savings is equal to disposable income minus consumption expenditure. While disposable income is derived by deducting income taxes from income. Therefore, relationship between savings and monthly income becomes evident. In table 4.3 given in the following gives an account of savings out of monthly income of the respondents.

Table - 4.3

Savings out of Monthly income of the respondents

Percentage saved	Frequency
Less than 10%	122 (24.4)
10% to 30%	181 (36.2)
30 % to 50%	105 (21)
Above 50%	92 (18.4)
Total	**500(100)**

Source: Field survey

Note: The figures shown in the parenthesis are the percentage of the respondents

The table shows the saving habits of the respondents. It is observed from the analysis that 122 respondents i.e. 24.4 percent of the respondents saved less than "10% of their monthly income" and 181 respondents i.e. 36.2 percent of the respondents saved "10% - 30% of their monthly income". While only 92 respondents i.e. 18.4 percent of the respondents were found to be saving more than 50 percent of their monthly income. This shows poor savings habits among the people.

4.5. INVESTMENT OUT OF SAVINGS OF THE RESPONDENTS

Investment plays a vital role for a sustainable development in human life, but there are cases where people with lots of savings do not have or have very limited investment. For this purpose, the researcher specifically analyzed the number of respondents' investment in the specified schemes out of savings. In this study, savings bank account is excluded from investment options as most people used to open this account for transaction motive besides interest earnings which is often lower than the market rate of return. At times the inflation rate goes above the savings bank account interest rate and thus money in this account does not bring favourable return. The data so collected on this aspect have been presented in the following Exhibit – 19.

Exhibit - 19

Investment out of savings of the respondents

Yes
41.6%

No
58.4%
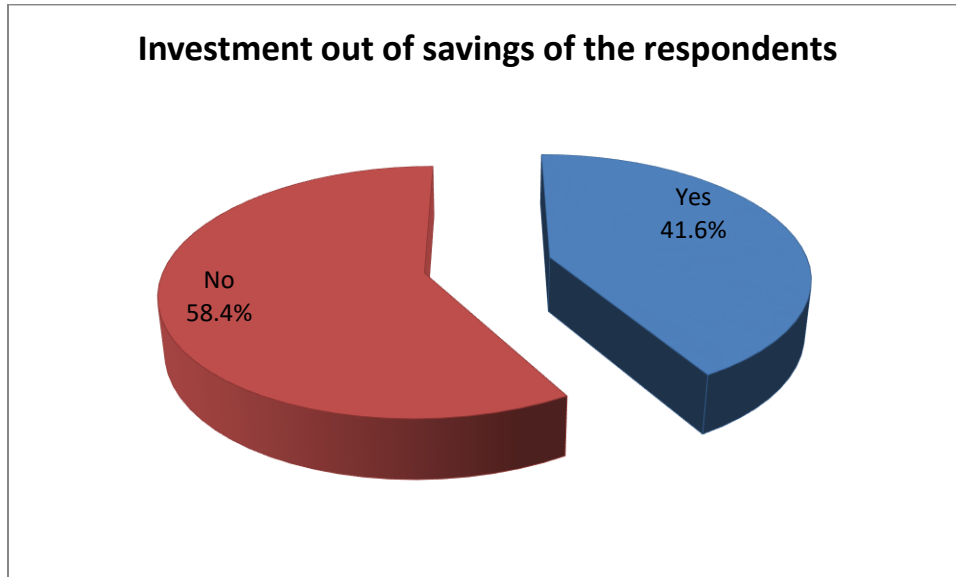
Source: Field survey

The above exhibit shows the statistics of respondents' investment out of savings. The study reveals that only 208 respondents out of 500 respondents i.e. 41.6 percent of the respondents have investment out of savings. Majority of the respondents i.e. 58.4 percent (298 respondents) does not have any investment besides bank savings account. This figure shows that besides savings, majority of the respondents does not maintain any investment in the financial market.

4.5.1. Investment out of savings of Kohima and Dimapur respondents

In order to find out the investment status of the respondents out of their savings in Kohima and Dimapur districts, attempt has been made to present data separately on this aspect for the two districts as shown in the Table – 4.4.

Table - 4.4

Investment out of savings of Kohima and Dimapur respondents

Investment made out of savings	Frequency		
	Dimapur	**Kohima**	**Total**
Yes	99 (39.6)	109 (43.6)	208 (41.6)
No	151 (60.4)	141 (56.4)	292 (58.4)
Total	250 (100)	250 (100)	500 (100)

Source: Field survey

Note: The figures shown in the parenthesis are the percentage of the respondents

A comparison between Kohima and Dimapur districts shows that 99 respondents i.e. 39.6 percent respondents from Dimapur district and 109 respondents i.e. 43.6 percent respondents from Kohima district have investment out of savings. Kohima has marginally more investors than Dimapur. This reveals majority of the respondents are financially excluded from the main financial domain and yet to venture into the modern financial market and be financially included.

4.5.2. Demographic wise investment out of savings

In order to understand the status of the respondents' investment out of savings according to their demographic profile, data have been tabulated separately according to their demography. Table 4.5 presents demographic wise investment out of savings of the respondents.

Table - 4.5

Demographic wise investment out of savings

Demographic		Investment		
		Yes	No	Total
Age	15 - 25years	30 (28.57)	75 (71.43)	105 (100)
	26-35 years	61 (43.57)	79 (56.43)	140 (100)
	36-45 years	68 (48.23)	73 (51.77)	141 (100)
	46-55 years	38 (46.34)	44 (53.66)	82 (100)
	56 & above	11 (34.37)	21 (65.63)	32 (100)
	Total	**208**	**292**	**500**
Gender	Male	148 (46.84)	168 (53.16)	316 (100)
	Female	60 (32.61)	124 (67.39)	184 (100)
	Total	**208**	**292**	**500**
Occupation	Service	136 (88.89)	17 (11.11)	153 (100)
	Business	47 (57.32)	35 (42.68)	82 (100)
	Housewife	6 (8.22)	67 (91.78)	73 (100)
	Student	9 (10.84)	74 (89.16)	83 (100)
	Unemployed/Daily wagers	6 (7.59)	73 (92.41)	79 (100)
	Retired	4 (13.33)	26 (86.67)	30 (100)
	Total	**208**	**292**	**500**
Employment	Govt.	120 (100)	0 (0)	120 (100)
	Private	16 (48.48)	17 (51.52)	33 (100)
	Total	**136**	**17**	**153**
Qualification	Under Matriculate	21(34.43)	40 (65.57)	61 (100)
	Matriculate	37 (38.54)	59 (61.46)	96 (100)
	Higher Secondary	50 (40.32)	74 (59.68)	124 (100)
	Graduate	61 (44.53)	76 (55.47)	137 (100)
	Post Graduate	39 (47.56)	43 (52.44)	82 (100)
	Total	**208**	**292**	**500**
Residence	Village	59 (31.38)	129 (68.62)	188 (100)
	Town	149 (47.76)	163 (52.24)	312 (100)
	Total	**208**	**292**	**500**
Marital Status	Married	148 (48.36)	158 (51.64)	306 (100)
	Unmarried	60 (30.92)	134 (69.08)	194 (100)
	Total	**208**	**292**	**500**

Source: Field survey

Note: The figures shown in the parenthesis are the percentage of the respondents

The table presents the investment status of the respondents which has been break down and explained into demographic wise. According to Age wise analysis investors in the age group '15- 25 years' has been found to be having the least number of investment with 30 respondents i.e. 28.57 percent, follow by the age group '56 years and above' with 11 respondents i.e. 34.37 percent. The age group having most investors is '36 -45 years' with 68 respondents which is 48.23 percent.

Gender wise analysis shows that 148 respondents i.e. 46.84 percent of male respondents have investment whereas the female counterpart has 60 respondents i.e. 32.61 percent having investment.

According to the Marital Status of the respondents, it is found that 148 respondents i.e. 48.36 percent of married respondents have investment whereas 30.92 percent i.e. 60 respondents of unmarried respondents have investment which is marginally lower than the married respondents.

According to the educational qualification of the respondents, it is found that 21 respondents i.e. 34.43 percent of 'Under Matriculate' respondents have investment and appears to be having the least percentage to be having investment among the different educational qualification groups. In ascending order, the number of investors increases according to educational qualification wise. The highest percentage of respondents having investors is 'Post Graduates' with 39 respondents i.e. 47.56 percent.

According to the occupation of the respondents, it is found that 136 respondents i.e. 88.89 percent of 'Service' respondents have investment at the top. At bottom is the 'Unemployed / Daily wagers' group with only 6 respondents i.e. 7.59 percent having investment followed by 'Housewife' category with 6 respondents i.e. 8.22 percent having investment.

Basing on the employment background of the respondents, it is found that 120 respondents i.e. 100 percent of government employees have investment whereas only 16 respondents i.e. 48.48 percent of private employees have investment.

Basing on the place of residence of the respondents, it is found that 31.38 percent i.e. 59 respondents of village respondents have investment whereas 47.76 percent i.e. 149 respondents from town have investment slightly higher than the village respondents.

4.5.3. Association between financial literacy and investment

Person with adequate financial literacy tends to make judicious investment decision. With a view to find out the relationship between financial literacy of the respondents and their investment, data have been collected and analysed as shown in the Table – 4.6 below.

Table - 4.6

Association between financial literacy and investment

Investment made out of savings	Frequency		
	High FLL	**Low FLL**	**Total**
Yes	96 (78.69)	112 (29.63)	208 (41.6)
No	26 (21.31)	266 (70.37)	292 (58.4)
Total	122 (100)	378 (100)	500 (100)

Source: Field survey

Note: The figures shown in the parenthesis are the percentage of the respondents

The association between financial literacy level and investment shows that 96 respondents i.e.78.69 percent of the respondents with high FLL have investment out of their savings. Whereas, only 112 respondents i.e. 29.63 percent of the respondents with low FLL have investment out of their savings. 266 respondents i.e. 70.37 percent of the respondents with low FLL do not have

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any investment out of their savings. This gives a clear impression that a person having high financial literacy level tends to have investment.

4.6. TYPE OF INVESTORS OF THE RESPONDENTS

Different types of investors are available in financial markets. Some are regular investor; some are occasional while others are seldom investors. Exhibit – 20 given below gives an account of the type of investors found in the study area.

Exhibit - 20

Type of investors of the respondents

■ Regular ■ Occasional ■ Seldom

23%

44%

33%
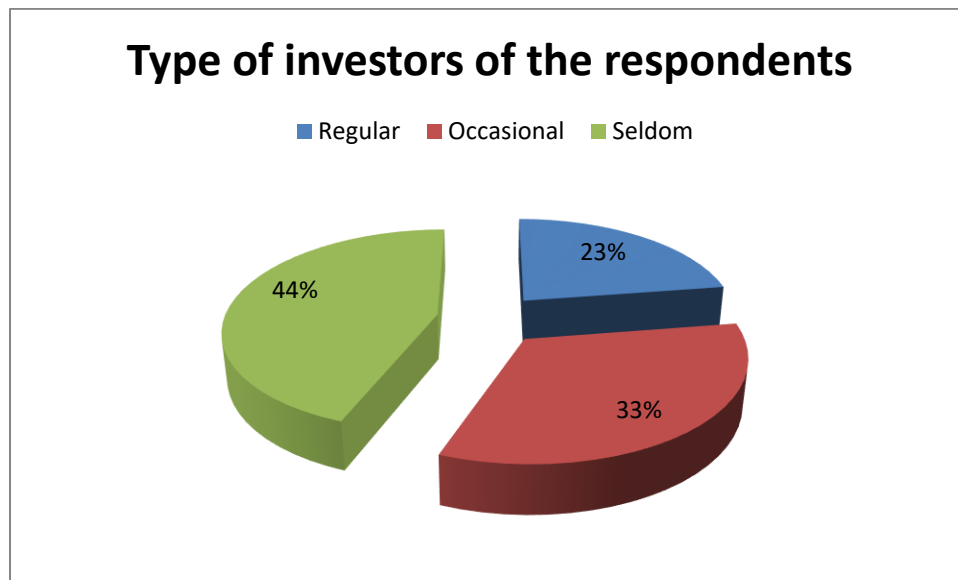
Source: Field survey

Out of 208 total investors, it is found that 92 investors i.e. 44.23 percent are seldom investors where they hardly invest in the financial market, 69 investors i.e. 33.17 percent are found to be occasional investors and only 47 investors i.e. 22.6 percent are regular investors. This shows 77.4 percent of the investors don't have the habit of investing regularly and reveals that investment habit among the respondents is poor.

The type of investors of the respondents has also further tabulated into Kohima and Dimapur district which is discussed in Table – 4.7.

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Table - 4.7

Type of investors of Kohima and Dimapur districts

Type of investor	Frequency		
	Dimapur	**Kohima**	**Total**
Regular	23 (23.23)	24 (22.02)	47 (22.6)
Occasional	32 (32.32)	37 (33.94)	69 (33.17)
Seldom	44 (44.44)	48 (44.04)	92 (44.23)
Total	99 (100)	109 (100)	208 (100)

Source: Field survey

Note: The figures shown in the parenthesis are the percentage of the respondents

The table represents the type of investors' in Kohima and Dimapur district of Nagaland. 23 investors i.e. 23.23 percent are found to be Regular investors in Dimapur slightly better than Kohima which have 24 investors i.e. 22.02%. In Occasional investors, 32 investors i.e. 32.32 percent from Dimapur and 37 investors i.e. 33.94 percent from Kohima, and for Seldom investors, 44 investors i.e. 44.44 percent from Dimapur and 48 investors i.e. 44.04 percent from Kohima. This reveals investors from both the districts have very less regular investors and more investors are Seldom and Occasional investors.

4.6.1. Association between financial literacy and type of investor

In order to find out the relationship between financial literacy level of the respondents and the type of investor, a comparison has been made between the two. The association between respondents' financial literacy level and their type of investors is furnished in Table – 4.8.

Table - 4.8

Association between financial literacy and type of investor

Type of investor	Frequency		
	High FLL	Low FLL	Total
Regular	32 (33.33)	15 (13.39)	47 (22.6)
Occasional	43 (44.79)	26 (23.21)	69 (33.17)
Seldom	21 (21.88)	71 (63.39)	92 (44.23)
Total	96 (100)	112 (100)	208 (100)

Source: Field survey

Note: The figures shown in the parenthesis are the percentage of the respondents

The relationship between financial literacy level and type of investors shows that 32 investors i.e. 33.33 percent of investors' having high FLL are regular investors whereas 15 investors 13.39 percent of investors with low FLL are regular investors. 43 investors i.e. 44.79 percent of the respondents with high FLL are occasional investors and 21 investors i.e. 21.88 percent are seldom investors. Whereas, 26 investors i.e. 23.21 percent of the respondents with low FLL are occasional investors and 71 respondents i.e. 63.39 percent are seldom investors. This clearly states that investors with high FLL tends to invest regularly more than the investors with low FLL investors. Thus, there is an absolute significant relationship between financial literacy and type of investors.

4.7. TYPE OF RISK TAKERS IN INVESTMENT

Broadly, there are two types of investment options available to an investor viz. i) risk free investment, and ii) risk bearing investment. Variability of earning is the essence of risk bearing investment and fixed earnings is of the risk free investment. Investors invest obviously for earning returns on their investment. Higher return is associated with higher risk and vice-versa. Every investor assumes risk, some aim for high risk which involves high return, some aim for moderate risk with moderate

return and some aim for low risk with low return. Accordingly, respondents have been classified into three categories of risk takers as depicted by Exhibit – 21.

Exhibit - 21
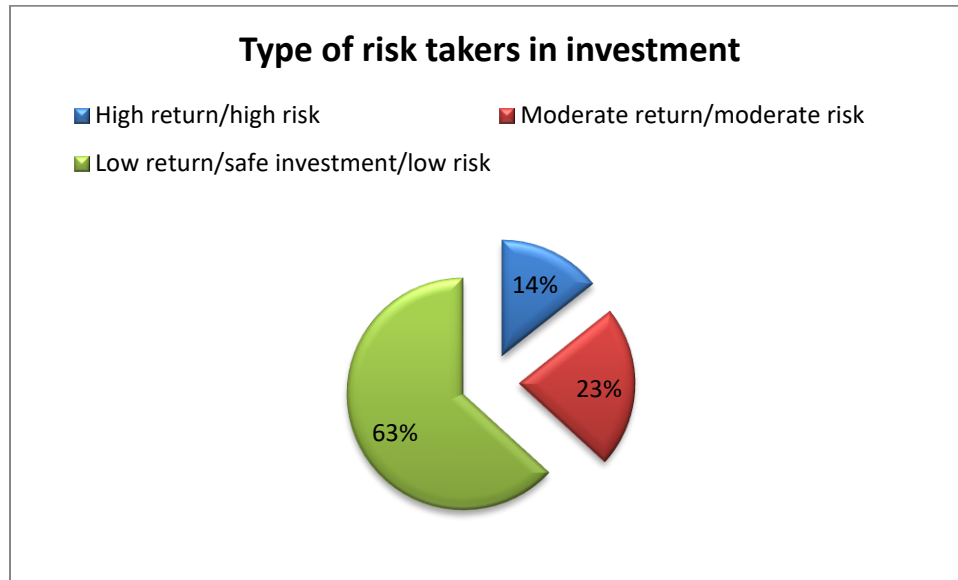
The exhibit reveals that 30 investors i.e. 14.4 percent of the respondents are "high risk takers", 47 investors i.e. 22.6 percent are "moderate risk takers" and 131 investors i.e. 62.9 percent are "low risk takers". The data reveals majority of the investors are not opting high investment risk. They looked for low risk investment which are safe and secured even though it provides less returns.

4.7.1. Type of risk takers of Kohima and Dimapur districts

Respondents have also been classified into three categories of risk takers for Kohima and Dimapur districts as well. A comparison between the two districts with regard to the category of risk takers of the respondents has been done and presented in Table – 4.9.

<div align="center">Table - 4.9.</div>

<div align="center">**Type of risk takers of Kohima and Dimapur districts**</div>

Type of risks/investment objectives	Frequency		
	Dimapur	**Kohima**	**Total**
High return (high risk)	16 (16.2)	14 (12.8)	30 (14.4)
Moderate return (moderate risk)	25 (25.3)	22 (20.2)	47 (22.6)
Low return/safe investment (low risk)	58 (58.6)	73 (66.9)	131 (62.9)
Total	**99 (100)**	**109 (100)**	**208(100)**

Source: Field survey

The figures shown in the parenthesis are the percentage of the respondents

While comparing between Kohima and Dimapur districts, it is found that 14 investors i.e.12.8 percent of Kohima investors are "high risk takers", 22 investors i.e. 20.2 percent are "moderate risk takers" and 73 investors i.e. 66.9 percent are "low risk takers" as against 16 investors i.e. 16.2 percent of Dimapur investors are "high risk takers", 25 investors i.e. 25.3 percent are "moderate risk takers" and 58 investors i.e. 58.6 percent are "low risk takers". This shows Kohima investors are less risk takers comparatively to Dimapur investors.

4.7.2. Association between financial literacy and type of risk takers in investment

Impact of financial literacy level in bearing risk by the investors has also been studied. Table – 4.10 provides information on the association between financial literacy level of the respondents and type of risk takers.

Table - 4.10

Association between financial literacy level and type of risk takers in investment

Investment objectives	Frequency		
	High FLL	Low FLL	Total
High risk/high return	12 (12.5)	18 (16.07)	30 (14.4)
Moderate risk/moderate return	22 (22.92)	25 (22.33)	47 (22.6)
Low risk/safe investment/low return	62 (64.58)	69 (61.60)	131 (62.9)
Total	**96 (100)**	**112 (100)**	**208(100)**

Source: Field survey

Note: The figures shown in the parenthesis are the percentage of the respondents

The table 4.10 presents the association between financial literacy level and type of risk takers. It reveals that 12 investors i.e. 12.5 percent of investors with high FLL are "high risk takers", as against 18 investors i.e. 16.07 percent of investors with low FLL as "high risk takers". 22 investors i.e. 22.92 percent of investors with high FLL and 25 investors i.e. 22.33 percent of investors with low FLL are moderate risk takers. However, 62 investors i.e. 64.58 percent of investors are with high FLL and 69 investors i.e. 61.60 percent of investors with low FLL are low risk takers. From this, inference has been drawn that investors having low FLL are bound to take more risk as they are not aware and well verse with the terms and conditions of the investment product which they are buying. They seem to put more focus on the returns and not the risk, where there is possibility of huge losses.

4.8. INVESTORS' INVESTMENT HORIZON

Time horizon differs from investment to investment. Here, time horizon denotes the duration or the period of the investment. Some invest for short duration and some for long duration. For the purpose of this study, investment with short duration includes all investment with a maturity period below three years.

Investment with a maturity period beyond three years falls in the category of long duration investment. Respondents have been group on the basis of time horizon of their investment as shown in the Exhibit - 22.

Exhibit - 22

Investors' investment horizon

	Below 1 year	1 -3 years	3 – 5 years	5 – 10 years	Above 10 years
■ Investors	10.10%	31.73%	27.88%	15.38%	14.90%
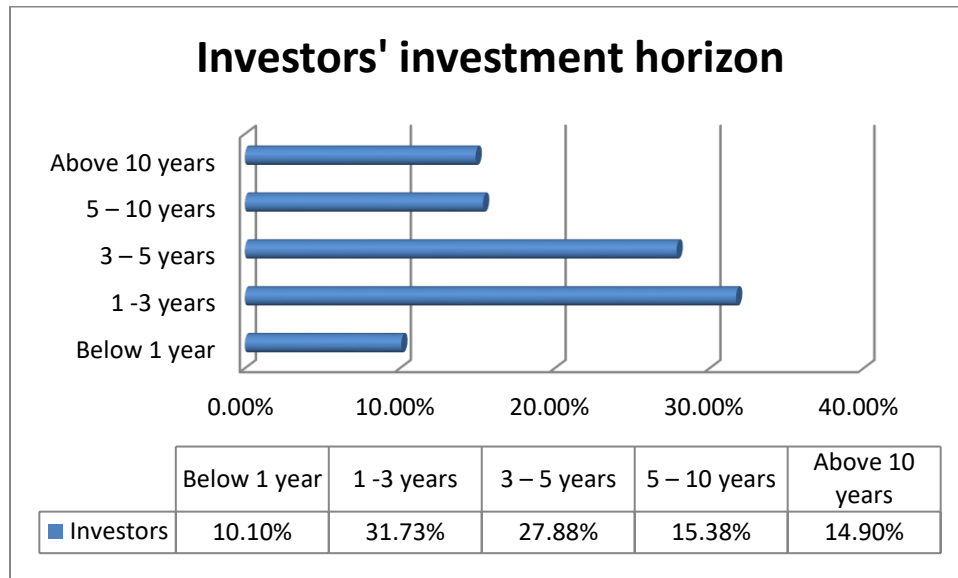
Source: Field survey

The above Exhibit – 22 shows investors' investment in different time horizon. The findings on investors' investment horizon reveals that the investment horizon with the most number investors is '1-3 years' with 66 investors i.e. 31.73 percent of the investors and the investment horizon with the least number of investors is 'Below 1 year' with 21 investors i.e.10.10 percent of investors. The other number of investors in different investment horizon are 58 investors i.e. 27.88 percent of investors invest for "3-5 years", 32 investors i.e. 15.38 percent of investors invest for "5-10 years", and 31 investors i.e. 14.90 percent of investors invest for 'above 10 years'. This explains investors having long term investment goals are less here in Nagaland. This suggests the people need proper guidance on the benefits of long term investment and how to set long term goals through long term investments.

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4.8.1. Investors' investment horizon of Kohima and Dimapur investors

While analyzing the respondents' investment time horizon, the researcher also ascertain the same for Kohima and Dimapur districts so to make a comparative study between the two districts. The findings between the two districts investors' investment horizon is shown in the following Table – 4.11.

Table - 4.11

Investors' investment horizon of Kohima and Dimapur investors

Investment Horizon	Frequency		
	Dimapur	**Kohima**	**Total**
Below 1 year	**11 (11.11)**	**10 (9.17)**	**21 (10.1)**
1 -3 years	**29 (29.29)**	**37(33.94)**	**66 (31.73)**
3 – 5 years	**30 (30.30)**	**28 (25.68)**	**58 (27.88)**
5 – 10 years	**14 (14.14)**	**18 (16.51)**	**32 (15.38)**
Above 10 years	**15 (15.15)**	**16 (14.67)**	**31 (14.90)**
Total	**99 (100)**	**109 (100)**	**208(100)**

Source: Field survey

Note: The figures shown in the parenthesis are the percentage of the respondents

The Table – 4.11 presents investors' investment horizon for Kohima and Dimapur districts. While comparing between Kohima and Dimapur districts, it is found that most preferred investment horizon for investors of Dimapur district is '3-5 years' with 30 investors i.e.30.30 percent investors and most preferred investment horizon for investors of Kohima district is '1- 3 years with 37 investors' i.e. 33.94 percent investors. The least preferred investment horizon for investors of Dimapur and Kohima districts is "Below 1 year" with 11 investors i.e. 11.11 percent investors and 10 investors i.e. 9.17 percent investors respectively. From this it has been learnt that both the districts investors have less long term financial goals

and more short term financial goals. The people need to learn on the importance and benefits of long term investment financial goals.

4.8.2. Association between financial literacy level and investors' investment horizon

In order to find out the relationship between financial literacy level and investment time horizon of the respondents a comparative study has been carried out accordingly. The data on investment time horizon and financial literacy level wise classification has been furnished in the following Table – 4.12.

Table - 4.12

Association between financial literacy level and investors' investment horizon

Investment Horizon	Frequency		
	High FLL	Low FLL	Total
Below 1 year	9 (9.37)	12 (10.7)	21 (10.1)
1 -3 years	29 (30.20)	37 (33.04)	66 (31.73)
3 – 5 years	28 (29.1)	30 (26.7)	58 (27.88)
5 – 10 years	15 (15.6)	17 (15.1)	32 (15.38)
Above 10 years	15 (15.6)	16 (14.29)	31 (14.90)
Total	96 (100)	112 (100)	208(100)

Source: Field survey

Note: The figures shown in the parenthesis are the percentage of the respondents

The Table 4.12 presents the association between FLL and Investment Horizon. It shows that 15 investors i.e. 15.6 percent of investors with high FLL invest for 'Above 10 years' and 16 investors i.e. 14.29 percent of the investors with low FLL invest for 'Above 10 years'. 9 investors i.e. 9.37 percent investors with high FLL invest for 'Below 1 year' and 12 investors i.e. 10.7 percent investors with low FLL invest for 'Below 1 year'. 30 investors i.e. 31.25 percent of investors with high

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FLL invest for a period of "5 years and above", whereas 33 investors i.e. 29.46 percent of investors with low FLL invest for "5 years and above". 67.16 percent of the investors with high FLL have investment horizon of "1-5 years" whereas, 75.79 percent of the investors with low FLL are found to be investing for "1 – 5 years". This show that investors having high FLL tend to have more long term financial goals than those of investors having low FLL.

4.9. INVESTORS' INVESTMENT OPTIONS

India's financial market is witnessing significant changes in the recent past due to innovations and economy reforms. Diverse investment options are now available to investors. In this study, fifteen investment options have been identified namely, Post Office Saving Schemes, Bank Recurring Deposit, Bank Fixed Deposit, Gold Schemes/ Precious Metals, Real Estate, Insurance Pension Plans, Sukanya Samridhi Account (SSA), Kisan Vikas Patra, National Saving Scheme, National Pension Scheme, Provident Funds(EPF, PPF, GPF), Mutual Funds, Debenture/ Bonds, Shares and Others. Respondents have been group on the basis of their type of investment and shown in the following Exhibit – 23.

Exhibit - 23
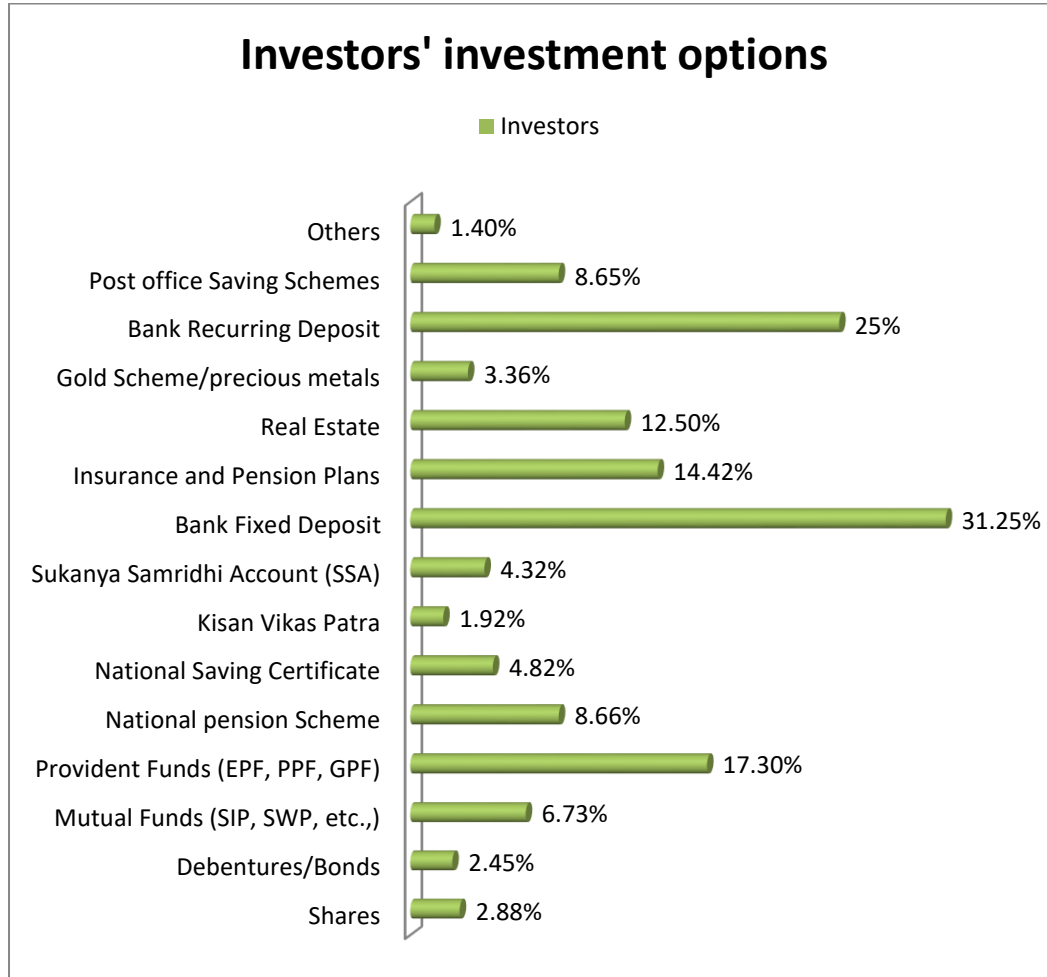
Source: Field survey

The above Exhibit - 23 presents investors' investment in different investment options. The investment option found to be having the most number of investors are 'Bank Fixed Deposit' with 31.25 percent of investors, 'Bank Recurring Deposit' with 25percent of investors, 'Provident Funds (EPF, PPF, GPF etc.)' with 17.30 percent of investors and 'Insurance and Pension Plans' with 14.42 percent of investors.

The investment options with the least number of investors are 'Kisan Vikas Patra' with 1.92 percent of investors, 'Debentures/Bonds' with 2.45 percent of investors, 'Shares' with 2.88 percent of investors, 'Gold /Precious metals' with

3.36 percent of investors and 'Sukanya Samridhi Account (SSA)' with 4.32 percent of investors. This explains that the investors are mostly dealing with the banking investments and less on other investment options. Very few investors are investing in capital market, as investment in debentures, bonds, mutual funds, and shares are very less. Investors are also not availing many facilities in Post office saving schemes, girl child investment schemes, Kisan Vikas Patra (fixed deposit) schemes and Natioanl savings schemes. This shows lack of awareness on different investment alternatives or investment products.

4.9.1. Association between financial literacy level and investment of the respondents

In order to ascertain the relationship between financial literacy level and investment options of the respondents, analysis has been carried out to find out the association between the two variables. Accordingly, the following Table – 4.13 presents investors FLL and their investment.

Table - 4.13

Association between financial literacy level and investment of the respondents

Investments Options	High FLL	Low FLL	Total
Shares	4 (4.16)	2 (1.79)	6 (2.88)
Debentures/Bonds	3 (3.13)	2 (1.79)	5 (2.4)
Mutual Funds (SIP, SWP, etc.,)	11 (11.46)	3 (2.67)	14 (6.73)
Provident Funds (EPF, PPF, GPF)	17 (17.70)	19 (16.96)	36 (17.30)
National pension Scheme	13 (13.54)	5 (4.46)	18 (8.65)
National Saving Certificate	7 (7.29)	3 (2.67)	10 (4.81)
Kisan Vikas Patra	2 (2.08)	2 (1.79)	4 (1.92)
Sukanya Samridhi Account (SSA)	6 (6.25)	3 (2.67)	9 (4.32)
Bank Fixed Deposit	35 (36.46)	30(26.79)	65 (31.25)

Insurance and Pension Plans	20 (20.83)	10 (8.93)	30 (14.42)
Real Estate	17 (17.70)	9 (8.04)	26 (12.5)
Gold Scheme/precious metals	5 (5.21)	2 (1.79)	7 (3.36)
Bank Recurring Deposit	31 (32.29)	21 (18.75)	52 (25)
Post office Saving Schemes	12 (12.5)	6 (5.36)	18 (8.65)
Others	2(2.08)	1 (0.89)	3 (1.4)
Total	185	118	303
Total Investors	**96 (100)**	**112 (100)**	**208(100)**

Source: Field survey

Note: The figures shown in the parenthesis are the percentage of the respondents

Comparing high FLL investors and low FLL investors with their investment in different investment options shows that investors' with high FLL have higher investment percentage in all the different investment options than the low FLL investors. As some individual investors have two or more investment in different options the total in different investment options differs with the total number of investors. The percentage taken for different investment options has been considered from the total number of investors. The difference between high FLL investors and low FLL investors investment in different investment options are: - 36.46 percent of high FLL investors have 'Bank Fixed Deposit' against 26.79 percent of low FLL investors, 32.29 percent of high FLL have 'Bank Recurring Deposit' against 18.75 percent of low FLL, and 20.83 percent of high FLL investors have 'Insurance and Pension Plan' against 8.93 percent of low FLL investors. For investment options with the least number of investors, the difference between high FLL investors and low FLL investors are 'Others' with 2.08 percent investors from high FLL and 0.89 percent investors from low FLL, 'Kisan Vikas Patra' with 2.08 percent investors from high FLL and 1.79 percent investors from low FLL, and 'Debentures and Bonds' with 3.13 percent investors from high FLL and 1.79 percent investors from low FLL.

So, in all the investment options, investors' with high FLL have greater investment percentage than the investors with low FLL. This clearly shows a significant impact of financial literacy on investment.

SECTION II: INVESTMENT DECISION

In this section, an in-depth analysis of investment decision of the respondents has been done indicating the factors that influence their investment decision along with factor analysis and regression analysis with a view to test the veracity of the proposed hypothesis. For this purpose the term 'investor' has been redefine and includes both active and potential investors. Although, 208 respondents representing 41 percent out of 500 respondents have really invested in the specified investment options, remaining respondents i.e. 292 representing 59 percent have expressed their desire to make investment in future. Thus, all 500 respondents are considered as investors in this part of the study for analysis.

4.10. INVESTORS' PREFERENCE FOR INVESTMENT OPTIONS

Modern Financial markets are providing variance of investment options and with the availability of these options, the choice of the investors' investment option also defers according to their investment goals, earning perspective, risk bearing competence, etc. In order to understand the investors' preference for investment options; respondents have been asked to specify their preference on the identified investment options namely, Shares, Debentures/Bonds, Mutual funds, Post Office Saving Schemes, Provident Funds, Bank Deposits, Insurance and Pension Plans, Real Estate, and Precious Metals (Gold/Silver) by ranking them on One to Nine. All the respondents who don't have investment have also express their desire to invest in the future and thus all of them (inclusive of investors and non-investors) have been considered for the study. Accordingly, investors' investment preference has been tabulated and presented in Table – 4.14.

Table - 4.14

Investors' preference for investment options

Investment Alternatives	Rank								
	1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**
Shares	7	14	13	23	45	57	71	**149**	121
Debentures/Bonds	8	12	14	19	26	31	**164**	118	108
Mutual Funds	12	21	34	43	63	**148**	60	73	46
Post Office Saving Scheme	51	56	**187**	56	36	23	48	15	28
Provident Funds	19	31	83	**162**	48	76	27	36	18
Bank Deposits	**312**	124	31	14	8	7	4	0	0
Insurance and pension Plans	60	**207**	78	48	59	32	14	2	0
Real Estate	25	17	23	94	**148**	84	54	21	34
Precious Metal (Gold /Silver etc.,)	6	18	37	41	67	42	58	86	**145**

Source: Field survey

The Table - 4.14 shows the preference of the respondents on various investment options. The investment options opted by the respondents as their first choice are 'Bank deposits' with 312 respondents (62.4%), 'Insurance and Pension Plans' with 60 respondents (12%), 'Post Office Saving Schemes' with 51 respondents (10.2%), 'Real Estate' with 25 respondents (5%), 'Provident funds' with 19 respondents (3.8%), Mutual Funds 12 (2.4%), 'Debenture and bonds' with 8 respondents (1.6%), Shares 7 respondents (1.4%) and 'Gold/ Precious metals' with 6 respondents (1.2%). So the most preferred investment option as the first choice is 'Bank Deposits' and the least preferred investment option as their first choice of investment is 'Gold/precious metals' followed by 'Shares', and 'Debenture and Bonds'.

The data representation of the same is also shown in the Exhibit – 24.

Exhibit - 24

Investors' preference for investment options

Legend:
- Shares
- Debentures/Bonds
- Mutual Funds
- Post Office Saving Scheme
- Provident Funds
- Bank Deposits
- Insurance and pension Plans
- Real Estate
- Precious Metal (Gold /Silver etc.,)

Rank	Shares	Debentures/Bonds	Mutual Funds	Post Office Saving Scheme	Provident Funds	Bank Deposits	Insurance and pension Plans	Real Estate	Precious Metal
Rank 9	121	108	46	28	18	0	34		145
Rank 8	149	118	73	15	36	0	21		86
Rank 7	71	164	60	48	27	4	14	54	58
Rank 6	57	31	148	23	76	7	32	84	42
Rank 5	45	26	63	36	48	8	59	148	67
Rank 4	23	19	43	56	162	14	48	94	41
Rank 3	13	14	34	187	83	31	78	23	37
Rank 2	14	12	21	56	31	124	207	17	18
Rank 1	7	8	12	51	19	312	60	25	6

According to the preference given by the respondents, the most preferred investment option in Rank 1 is Bank deposits 62.4 percent, Rank 2 - Insurance and Pension Plans 41.4 percent, Rank 3 - Post Office Saving Scheme with 37.4 percent, Rank 4 - Provident funds 32.4 percent, Rank 5 – Real Estate 29.6 percent, Rank 6 – Mutual Funds 29.6 percent, Rank 7 – Debenture and Bonds 32.8 percent, Rank 8 - Shares 29.8 percent, and Rank 9 – Precious Metals 29 percent opt it as their last preferred investment option. This shows the people are not exposed to capital market and not aware of it. Moreover, investment in Gold or precious metals seems to be totally a new subject as an investment option as very few people invest in it nearly insignificance and most people regarded it as their last investment option.

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4.10.1. Mean score for investment options

The investment options have been ranked from Rank 1 – 9 as there are 9 common investment options. Each investment option has been ranked by the respondents purely based on their individual preference. In order to bring out the difference in average score of the different options, the mean of each option has been assessed and presented in the following Table – 4.15.

Table - 4.15

Mean score for investment options

Investments	Mean
Shares	2.978
Debentures/Bonds	2.94
Mutual Funds	4.102
Post Office Saving Scheme	6.052
Provident Funds	5.374
Bank Deposits	8.362
Insurance and pension Plans	6.998
Real Estate	4.8
Precious Metal (Gold /Silver etc.,)	3.384

According to the mean score of the investment options given in the Table 4.15, it is learnt that the investors mostly preferred bank deposits (8.36) followed by Insurance and pension plans (6.99), Post office saving schemes (6.052), Real Estate (4.8), Mutual funds (4.102) and so on. The least preferred were the Debentures/bonds (2.94), shares (2.97), and Precious Metals (3.38) which revealed the investors do not prefer investment in shares market.

4.11. STATUS OF FINANCAIL LITERACY FACTORS INFLUENCING INVESTMENT DECISION

Financial Literacy Factors plays a crucial role in investors' investment decision. In order to study this, the researcher attempted an in-depth analysis on how the factors are influencing investment decision of the respondents. Accordingly, adequate data have been generated with regard to financial literacy level of the respondents.

In order to study how financial literacy factors are influencing investment decision, the researcher conducted survey by asking the investors (i.e. respondents) to indicate factors influencing their investment decision on a Five-point Likert scale by putting a Tick Mark against the influencing options as *'very low influence'*, *'low influence'*, *' moderately influence'*, *'high influence'*, and *' very high influence'*. Score of 1 to 5 was assigned from very low to very high influencing options. Thus, a minimum score of 40 (40 x 1 score) and maximum of 200 score (40 x 5 score) can accrue for a respondent as there are 40 influencing factors. The data so analysed have been presented in the ensuing text and Table – 4.16.

Table - 4.16

Status of financial literacy factors influencing investment decision

Sl. No	Factors	Very low influence (1)	Low Influence (2)	Moderately Influence (3)	High influence (4)	Very High influence (5)	Total	Mean
1	Secured/safe investment	0	41	127	261	71	500	3.72
2	Ease in availing borrowed funds	90	292	107	10	1	500	2.08
3	Preferred investment period	59	145	179	102	14	500	2.73
4	Liquidity associated with investment	61	241	152	39	7	500	2.38
5	Tax benefits	202	243	51	4	0	500	1.71
6	Affordable investment amount to availed	18	84	209	145	44	500	3.22

	financial products/services/schemes benefits							
7	Account transferability	41	169	162	110	18	500	2.79
8	Nomination facilities	40	163	173	102	22	500	2.81
9	Pre-mature closure of investment facility	29	148	179	119	25	500	2.93
10	Compounding frequency interest rate	25	91	151	165	68	500	3.32
11	Past performance/ history of the company	116	217	123	37	7	500	2.20
12	Dividend Policy of the Company	58	209	151	64	18	500	2.55
13	Marketing ability of the company	106	205	109	57	23	500	2.37
14	Company's position in the industry	92	211	123	57	17	500	2.39
15	Terms and conditions of the financial products/ services	47	148	144	107	54	500	2.95
16	Company's reputation on fund management & credit worthiness	99	185	144	59	13	500	2.40
17	Company's annual report	149	191	117	38	5	500	2.11
18	Company's net worth and market capitalization	168	239	89	4	0	500	1.86
19	Government's share in the company's stock	84	225	153	34	4	500	2.30
20	Current economic indicators	82	189	151	62	16	500	2.48
21	Government investment schemes or financial product/services backed by Govt. of India	23	106	173	136	82	500	3.21
22	Company's affiliation with government	114	212	135	33	6	500	2.21
23	Existing investors opinion	59	166	167	89	19	500	2.68
24	Family members advise	34	179	191	74	22	500	2.74
25	Friends and relatives advise	32	108	164	147	49	500	3.15
26	Recommendations of financial advisors and analysts	70	184	150	75	21	500	2.59
27	Credit rating agencies report	90	206	131	55	18	500	2.41
28	News updates on financial markets.	55	199	185	54	7	500	2.52
29	Economic forecast by	85	180	150	70	15	500	2.50

	Research Institution and result of technical analysis of the company							
30	Views and opinion of professionals, company executives and sector experts	87	219	144	42	8	500	2.33
31	Diversification of investments	119	198	115	50	18	500	2.30
32	Minimizing risk factors	26	113	179	142	40	500	3.11
33	Perceived ethics of the company	154	200	109	33	4	500	2.06
34	Feeling towards company's products/services	115	217	121	40	7	500	2.21
35	Studying the portfolio investments of other market players	81	181	130	81	27	500	2.58
36	Verifying the authenticity of advertised financial products/services and rumours	65	177	161	79	18	500	2.62
	Higher income opportunity/expected returns on investment	2	48	125	198	127	500	3.8
38	Interest rates	20	105	159	161	55	500	3.25
39	Earnings Per Share (EPS)/ Per Equity (PE) ratio	94	149	155	75	27	500	2.59
40	Guaranteed returns	0	47	119	207	127	500	3.83

Source: Field survey

The above table presents the influencing factors affecting investors investment decision according to the mean score obtained. The most influencing factors affecting investors' investment are Guaranteed Returns (3.83), Higher income opportunity/expected returns on investment (3.8), Secured/Safe investment (3.72), Compounding frequency interest rate (3.32), Interest Rates (3.25), Affordable investment amount to availed financial products/services/schemes benefits (3.22), Government Schemes (3.21), Friends and relative advice (3.15), and Minimizing risk factors (3.11). These were the factors most taken care of/taken into consideration while making an investment decision by the Naga investors. The least influential factors affecting investors' investment decision are Tax benefits (1.71), Perceived ethics of the

company (2.06), Ease in availing borrowed funds (2.08), Company's annual report (2.11), Past Performance/ history of the company (2.20), Feeling towards company's products/services (2.21), and Company's affiliation with government (2.21). These are some of the factors least bothered by investors while making an investment decision.

4.11.1. Association between financial literacy level and financial literacy factors influencing investment decision

In order to find out the association between financial literacy level and financial literacy factors influencing investors' investment decision, the researcher analyzed data accordingly. The researcher assessed the mean score of the investors in High and Low financial literacy level in scoring the factors influencing investment decision. Detail discussion on this has been presented in the following Table – 4.17.

Table - 4.17

Association between financial literacy level and financial literacy factors influencing investment decision

Factor 1: Personal Financial Need/Facilities		High FLL Mean	Low FLL Mean	Total mean score
1	Secured/safe investment	4.34	3.52	3.72
2	Ease in availing borrowed funds	2.38	1.98	2.08
3	Preferred investment period	3.71	2.42	2.73
4	Liquidity associated with investment	3.07	2.15	2.38
5	Tax benefits	2.14	1.58	1.71
6	Affordable investment amount to availed financial products/services/schemes benefits	3.52	3.12	3.22
7	Account transferability	3.74	2.48	2.79
8	Nomination facilities	3.51	2.57	2.81
9	Pre-mature closure of investment facility	3.74	2.66	2.93
10	Compounding frequency interest rate	4.12	3.06	3.32
Factor 2: Accounting, Business and Financial information				
11	Past performance/ history of the company	3.00	1.96	2.20
12	Dividend Policy of the Company	3.36	2.29	2.55
13	Marketing ability of the company	3.49	2.01	2.37
14	Company's position in the industry	3.24	2.12	2.39
15	Terms and conditions of the financial products/ services	3.83	2.66	2.95

16	Company's reputation on fund management & credit worthiness	3.22	2.14	2.40
17	Company's annual report	2.71	1.92	2.11
18	Company's net worth and market capitalization	2.01	1.80	1.86
Factor 3: Economic and regulatory environment				
19	Government's share in the company's stock	2.88	2.11	2.30
20	Current economic indicators	3.54	2.13	2.48
21	Government investment schemes or financial product/services backed by Govt. of India	3.86	3.01	3.21
22	Company's affiliation with government	2.80	2.02	2.21
Factor 4: Operational feedback				
23	Existing investors opinion	3.24	2.50	2.68
24	Family members advise	2.82	2.72	2.74
25	Friends and relatives advise	3.00	3.19	3.15
Factor 5: Experts recommendation				
26	Recommendations of financial advisors and analysts	3.27	2.37	2.59
27	Credit rating agencies report	3.37	2.10	2.41
28	News updates on financial markets.	3.19	2.30	2.52
29	Economic forecast by Research Institution and result of technical analysis of the company	3.35	2.23	2.50
30	Views and opinion of professionals, company executives and sector experts	3.00	2.12	2.33
Factor 6: Credit features				
31	Diversification of investments	3.55	1.89	2.30
32	Minimizing risk factors	3.64	2.93	3.11
Factor 7: Personal inclination				
33	Perceived ethics of the company	2.82	1.82	2.06
34	Feeling towards company's products/services	2.38	2.16	2.21
35	Studying the portfolio investments of other market players	3.43	2.31	2.58
36	Verifying the authenticity of advertised financial products/services and rumours	3.15	2.46	2.62
Factor 8: Monetary expectation				
37	Higher income opportunity/expected returns on investment	4.12	3.69	3.8
38	Interest rates	3.77	3.08	3.25
39	Earnings Per Share (EPS)/ Per Equity (PE) ratio	3.59	2.26	2.59
40	Guaranteed returns	4.32	3.67	3.83
Total Grand Mean		**3.31**	**2.44**	**2.6506**

Source: Field Survey

The above table clearly reveals there is a significant impact of financial literacy level on investors' investment decision. The investors in high FLL consider various factors as an influence while making an investment decision as they score more on influencing factors with a total mean score of 3.31. This means they consider the pros and cons of various factors in making an investment decision and are careful investors considering various factors which may affect their investment well being. On the other hand, investors in low FLL seems to score less on influencing factors with a total mean score of 2.44. This means, they don't take much consideration on the effects of the factors (pros and cons) which may affect investment. As such, the findings vividly shows investors with high FLL makes effective investment decision than those investors of low FLL.

4.12. FACTOR ANALYSIS

The researcher has done factor analysis to determine the financial literacy factors influencing investors' investment decision by finding their linear relation and association and also for data reduction to bring the strong factors influencing investment decision. One of the most interdependent techniques for data reduction is factor analysis. Factor analysis identifies a set of dimensions that is not readily observed in a large set of variables (Luck and Rubin, 2003). The analysis summarizes a majority of the information in the data set in terms of relatively new few categories, known as factors. Two basic reasons using factor analysis are (i) to simplify a set of data by reducing a large number of measures (in which some may be interrelated causing multi co linearity) for set of respondents to a smaller manageable number of factors (which are not interrelated) that still retain most of the information found in the original data set and (ii) to identify the underlying structure of the data in which a large number of variables may really be measuring a small number of basic characteristics of the sample.

For this study, factor analysis was used to reduce the number of variables that are influencing investors' investment decision. Respondents has been asked to rate the

40 variables influencing investment decision on a five point Likert scale, i.e.1= Very low influence, 2= low influence, 3= moderate influence, 4 = high influence, and 5=very high influence. Factor analysis was performed in detail to study the variables.

4.12.1. Reliability and Normality of data

Respondents has been asked to rate the influence of each variable on their investment decisions and before using these data for various interdependence techniques, data's reliability, validity and normality in distribution has been checked.

4.12.2. Reliability of Measurement

Reliability is an assessment of the degree of consistency between multiple measurements of a variable (Hair et al., 2009). Reliability is concerned with estimates of the degree to which a measurement is free of random or unstable error. And so, Reliable instruments were used with confidence that transient and situational factors are not interfering, as they are robust and works well at different times under different conditions (Cooper and Schindler, 2009). And thus, it was used to find the accuracy and precision of a measurement procedure

4.12.3. Cronbach's Alpha Analysis

The most widely used to measure the reliability is Cronbach's alpha. Cronbach's Alpha is the average of all possible split half coefficients resulting from different ways of the scale items. Hair et al. (2009) suggested the generally agreed upon lower limit for Cronbach's Alpha is 0.7, although it may decrease to 0.60 in exploratory research (Hair et al., 2009). In order, to measure the reliability of the data, the researcher runs Crondachh's Alpha for the study which is shown in the Table – 4.18 given below.

Table - 4.18

Reliability Statistics/ Cronbach's Alpha Analysis

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.932	.932	40

The Cronbach's Alpha coefficient value of 40 financial literacy factors influencing investment decision is 0.932 as shown in the above table. This indicates a high value of internal consistency in the items. The values of Cronbach's Alpha is acceptable and desirable, as these values are more than 0.700, confirming that the scales are reliable enough to be used for further analysis.

4.12.4. Data quality and normality check

To examine the quality of data, Skewness, Kurtosis and t-test are used. Thus, data quality and normality check has been done for the study. A close examination of the 40 variables is shown in the table given below.

Table - 4.19

Data quality and normality check

	Influencing factors on investment decision	Mean	Std. Deviation	Skewness	Kurtosis	t-test	Sig. (2-tailed
ID1	Secured/safe investment	3.72	0.80	-0.40	-0.19	103.355	.000
ID2	Ease in availing borrowed funds	2.08	0.69	0.38	0.47	66.677	.000
ID3	Preferred investment period	2.73	1.01	0.02	-0.61	60.780	.000
ID4	Liquidity associated with investment	2.38	0.84	0.50	0.28	62.673	.000
ID5	Tax benefits	1.71	0.67	0.57	0.05	56.687	.000
ID6	Affordable investment amount to availed financial products/services/schemes benefits	3.22	0.95	-0.10	-0.24	75.838	.000
ID7	Account transferability	2.79	0.99	0.14	-0.62	62.768	.000
ID8	Nomination facilities	2.80	0.99	0.17	-0.51	63.049	.000
ID9	Pre-mature closure of investment facility	2.92	0.98	0.09	-0.54	66.691	.000
ID10	Compounding frequency interest rate	3.32	1.07	-0.24	-0.62	69.050	.000
ID11	Past performance/ history of the company	2.20	0.92	0.56	0.01	53.140	.000

ID12	Dividend Policy of the Company	2.55	0.97	0.48	-0.13	58.396	.000
ID13	Marketing ability of the company	2.37	1.07	0.65	-0.18	49.162	.000
ID14	Company's position in the industry	2.39	1.02	0.57	-0.14	52.438	.000
ID15	Terms and conditions of the financial products/ services	2.94	1.14	0.16	-0.81	57.386	.000
ID16	Company's reputation on fund management & credit worthiness	2.40	1.01	0.40	-0.38	52.945	.000
ID17	Company's annual report	2.11	0.95	0.56	-0.28	49.541	.000
ID18	Company's net worth and market capitalization	1.85	0.72	0.35	-0.63	57.236	.000
ID19	Government's share in the company's stock	2.29	0.85	0.35	-0.07	60.114	.000
ID20	Current economic indicators	2.48	1.01	0.40	-0.30	54.960	.000
ID21	Government investment schemes or financial product/services backed by Govt. of India	3.21	1.05	-0.04	-0.64	67.963	.000
ID22	Company's affiliation with government	2.21	0.90	0.48	-0.05	54.322	.000
ID23	Existing investors opinion	2.68	1.01	0.20	-0.52	58.966	.000
ID24	Family members advise	2.74	0.94	0.36	-0.13	65.020	.000
ID25	Friends and relatives advise	3.14	1.06	-0.12	-0.63	65.916	.000
ID26	Recommendations of financial advisors and analysts	2.58	1.03	0.36	0.42	55.726	.000
ID27	Credit rating agencies report	2.41	1.01	0.55	-0.13	52.843	.000
ID28	News updates on financial markets.	2.51	0.87	0.24	-0.14	64.114	.000
ID29	Economic forecast by Research Institution and result of technical analysis of the company	2.50	1.02	0.33	-0.46	54.500	.000
ID30	Views and opinion of	2.33	0.91	0.47	0.00	57.024	.000

	professionals, company executives and sector experts						
ID31	Diversification of investments	2.30	1.05	0.64	0.11	48.943	.000
ID32	Minimizing risk factors	3.11	1.01	-0.06	-0.54	68.708	.000
ID33	Perceived ethics of the company	2.06	0.92	0.61	-0.16	49.834	.000
ID34	Feeling towards company's products/services	2.21	0.93	0.56	-0.03	52.956	.000
ID35	Studying the portfolio investments of other market players	2.58	1.10	0.39	-0.58	52.368	.000
ID36	Verifying the authenticity of advertised financial products/services and rumours	2.61	1.01	0.28	-0.45	57.620	.000
ID37	Higher income opportunity/expected returns on investment	3.80	0.94	-0.40	-0.58	90.283	.000
ID38	Interest rates	3.25	1.03	-0.13	-0.65	70.277	.000
ID39	Earnings Per Share (EPS)/ Per Equity (PE) ratio	2.58	1.11	0.29	-0.61	51.775	.000
ID40	Guaranteed returns	3.82	0.91	-0.39	-0.66	93.388	.000

Source: Field survey

The table shows the Kurtosis value of the 40 variables influencing investment decision shows no factors have value less than -1 and greater than 1. This reveal non-normality of distribution does not arise and thus all 40 factors are normally distributed. Referring to the values of Skewness of the 40 variables, all values are between -1 and 1. Thus, both Kurtosis and Skewness of the 40 variables influencing investment decision provides an indication that the data are normally distributed. The t-test scores in the table for all the factors indicates that the mean score of the respondents on five point Likert scale are significantly different for all the 40 variables influencing investment decision.

4.12.5. Factor analysis for variables influencing investment decision

Following the Cronbach's Alpha value of 0.932 for the 40 variables influencing investment decision as shown in the Cronbach's Alpha Table – 4.18 and data quality test Table – 4.19, which is examined by using Skewness, Kurtosis and t-test values as shown in the Skewness and Kurtosis table explained. Both Kurtosis and Skewness of the variables provide indication that the data are distributed normally. The t-test values, as shown in the same Skewness and Kurtosis table indicate that the mean scores of the respondents on five point Likert scale are significantly different for all 40 variables influencing investment decision. Hence, this allows the researcher to perform factor analysis for the 40 variables influencing investment decision of the respondents.

4.12.6. Bartlett's test of sphericity and Kaiser-Meyer-Olkin Test for Sampling Adequacy

The Bartlett's Test of Sphericity is used to measured the presence of correlations among the variables influencing investment decision. Thus, KMO and Bartlett's Test has been assessed and is shown in the Table – 4.20 given below.

Table - 4.20

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.921
Bartlett's Test of Sphericity	Approx. Chi-Square	3337.624
	df	276
	Sig.	.000

The data are given in the KMO and Bartlett's Test. Bartlett's Test of Sphericity is 3337.624 with significant value of 0.000. Hence, researcher can proceed for the factor analysis.

KMO measure of sampling adequacy needs to be greater than 0.5 as per standards which are present in this case. The KMO Measure of Sampling Adequacy value for factors influencing investment decision as shown in the table is 0.921, which

is very close to 1.0. Hence, this value is acceptable and justifies the appropriateness of factor analysis.

4.12.7. Measure of Sampling Adequacy (MSA)

To check the values of MSA for all the variables is study with the help of Anti-image correlation matrix and thus the study found out that all the variables have MSA value more than 0.5 except ID 24 with 0.467 which is show in the Table -4.24. The MSA seems to be quite acceptable and hence the researcher can conduct further analysis.

4.12.8. Communalities

A low communality figure indicates that the variable is statistically independent and cannot be combined with other variables. Thus, the value 0.5 is taken for analysis for 500 respondents to extract the variables and value found to be having value below it is remove from analysis.

For the study, 40 variables influencing investment decision have been used for factor analysis. Anti- image correlation matrix has been produce and communalities for all 40 variables are calculated. The data so produced has been shown and explained in the Table – 4.21given below.

Table - 4.21

Communalities		
	Initial	Extraction
ID1	1.000	.532
ID2	1.000	.654
ID3	1.000	.510
ID4	1.000	.555
ID5	**1.000**	**.443**
ID6	**1.000**	**.317**
ID7	1.000	.588
ID8	1.000	.512
ID9	1.000	.535
ID10	1.000	.579
ID11	1.000	.513
ID12	1.000	.538

ID13	1.000	.538
ID14	**1.000**	**.458**
ID15	1.000	.542
ID16	**1.000**	**.487**
ID17	**1.000**	**.454**
ID18	1.000	.555
ID19	1.000	.596
ID20	**1.000**	**.482**
ID21	1.000	.551
ID22	**1.000**	**.378**
ID23	1.000	.558
ID24	1.000	.652
ID25	1.000	.652
ID26	**1.000**	**.423**
ID27	**1.000**	**.431**
ID28	**1.000**	**.477**
ID29	**1.000**	**.400**
ID30	1.000	.504
ID31	1.000	.541
ID32	**1.000**	**.489**
ID33	**1.000**	**.394**
ID34	1.000	.551
ID35	1.000	.501
ID36	1.000	.620
ID37	1.000	.585
ID38	1.000	.512
ID39	**1.000**	**.457**
ID40	1.000	.607
Extraction Method: Principal Component Analysis.		

The variables having value below 0.5 are ID 5 (Tax benefits), ID 6 (Affordable investment amount to availed financial products/services/schemes benefits), ID 14 (Company's position in the industry),ID 16 (Company's reputation on fund management & credit worthiness), ID 17 (Company's Annual report) - ., ID 20 (Current economic indicators), ID 22 (Company's affiliation with government), ID 26 (Recommendations of financial advisors and analysts), 1D27 (Credit rating agencies report), ID 28 (News updates on financial markets), ID 29 (Economic forecast by Research Institution and result of technical analysis of the company), ID 32 (Minimizing risk factors), ID 33 (Perceived ethics of the company), and ID 39

(Earnings Per Share (EPS)/ Per Equity (PE) ratio) are removed from the list of 40 variables. These variables are considered to be the weakest factors influencing investors' investment decision

After removing the above mentioned 14 variables, the revised anti-image correlation was studied by considering remaining factors which is shown in the Table – 4.22 given below.

Table - 4.22

Communalities

	Initial	Extraction
ID1	1.000	.525
ID2	1.000	.584
ID3	**1.000**	**.497**
ID4	1.000	.524
ID7	1.000	.605
ID8	1.000	.503
ID9	1.000	.526
ID10	1.000	.571
ID11	1.000	.545
ID12	1.000	.515
ID13	1.000	.559
ID15	1.000	.545
ID18	1.000	.610
ID19	**1.000**	**.466**
ID21	1.000	.545
ID23	1.000	.591
ID24	1.000	.704
ID25	1.000	.685
ID30	1.000	.552
ID31	1.000	.578
ID34	1.000	.587
ID35	1.000	.535
ID36	1.000	.688
ID37	1.000	.624
ID38	1.000	.542
ID40	1.000	.705

Extraction Method: Principal Component Analysis.

The above table shows the remaining variables considered for factor analysis. There are still 3 more variables found to be below the value of 0.5. They are ID 3 (preferred investment period), and ID 19 (Government's share in the company's stock). Hence these variables are also removed from the 40 variables list.

The remaining variables are taken for consideration and the new revised communalities are given in the Table – 4.23 below.

Table - 4.23
Communalities

	Initial	Extraction
ID1	1.000	.511
ID2	1.000	.594
ID4	1.000	.525
ID7	1.000	.607
ID8	1.000	.501
ID9	1.000	.529
ID10	1.000	.582
ID11	1.000	.542
ID12	1.000	.549
ID13	1.000	.553
ID15	1.000	.560
ID18	1.000	.682
ID21	1.000	.540
ID23	1.000	.596
ID24	1.000	.714
ID25	1.000	.696
ID30	1.000	.568
ID31	1.000	.594
ID34	1.000	.587
ID35	1.000	.540
ID36	1.000	.688
ID37	1.000	.621
ID38	1.000	.544
ID40	1.000	.708

Extraction Method: Principal Component Analysis.

After a series of revised communalities presented in the previous tables, now the above table shows all the variables extracted communalities are greater than 0.5. Hence, all variables are acceptable for factor analysis.

Here, the correlation of the variables has been exhibited in the following Table - 4.24.

Table - 4.24

Anti image correlation

	ID1	ID2	ID4	ID7	ID8	ID9	ID10	ID11	ID12	ID13	ID15	ID18	ID21	ID23	ID24	ID25	ID30	ID31	ID34	ID35	ID36	ID37	ID38	ID40
ID1	**.938**[a]	-.148	-.029	-.094	.005	-.172	-.054	-.175	-.066	-.111	.024	.026	-.064	-.058	.052	-.039	-.003	.002	-.037	-.034	.161	.005	-.068	-.053
ID2	-.148	**.890**[a]	-.067	.046	-.029	.068	-.060	.007	-.123	.037	-.070	-.071	-.157	-.039	-.047	-.017	-.059	-.018	.022	.061	-.112	-.094	.057	.077
ID4	-.029	-.067	**.904**[a]	-.125	-.036	-.012	-.151	-.078	.007	-.131	.019	-.001	.027	.030	-.096	.098	-.051	-.081	.029	-.009	-.094	.053	.093	.050
ID7	-.094	.046	-.125	**.922**[a]	-.145	-.030	.088	.002	.009	-.071	-.180	.033	-.123	-.099	.031	-.114	-.078	-.153	-.051	-.183	.007	.084	-.145	.041
ID8	.005	-.029	-.036	-.145	**.953**[a]	-.029	-.160	-.059	-.025	-.042	-.040	-.048	-.123	-.005	-.011	-.111	-.091	-.006	-.077	-.019	-.035	-.030	.027	.056
ID9	-.172	.068	-.012	-.030	-.029	**.955**[a]	-.122	-.119	-.038	-.066	-.084	-.072	-.105	-.007	.037	-.049	-.003	-.008	-.094	-.108	-.044	-.001	-.045	.006
ID10	-.054	-.060	-.151	.088	-.160	-.122	**.938**[a]	-.051	-.070	-.083	-.012	-.003	-.102	-.157	-.056	-.096	.010	-.065	-.023	-.004	.027	-.095	-.188	-.037
ID11	-.175	.007	-.078	.002	-.059	-.119	-.051	**.934**[a]	-.081	-.158	-.015	.047	.037	-.106	-.121	-.039	.006	-.146	-.074	-.010	-.053	-.006	.067	.030
ID12	-.066	-.123	.007	.009	-.025	-.038	-.070	-.081	**.935**[a]	-.109	-.097	-.070	-.040	.104	-.022	-.012	-.130	.001	.126	-.139	-.079	-.036	-.016	-.147
ID13	-.111	.037	-.131	-.071	-.042	-.066	-.083	-.158	-.109	**.937**[a]	-.103	-.035	.081	.033	.096	.130	-.046	-.116	.017	.015	-.076	-.087	-.100	-.012
ID15	.024	-.070	.019	-.180	-.040	-.084	-.012	-.015	-.097	-.103	**.953**[a]	-.034	-.064	.042	.079	-.027	-.002	-.118	-.011	-.110	-.007	-.028	-.100	-.093
ID18	.026	-.071	-.001	.033	-.048	-.072	-.003	.047	-.070	-.035	-.034	**.860**[a]	.001	.076	-.079	.054	.070	.005	-.135	-.029	.006	-.082	-.087	-.042
ID21	-.064	-.157	.027	-.123	-.123	-.105	-.102	.037	-.040	.081	-.064	.001	**.935**[a]	-.010	.016	.074	-.077	-.016	-.039	-.035	-.061	-.163	-.053	.062
ID23	-.058	-.039	.030	-.099	-.005	-.007	-.157	-.106	.104	.033	.042	.076	-.010	**.905**[a]	-.064	-.133	-7.893E-005	-.064	.054	-.023	-.010	-.031	-.082	-.083
ID24	.052	-.047	-.096	.031	-.011	.037	-.056	-.121	-.022	.096	.079	-.079	.016	-.064	**.467**[a]	.092	.054	.005	-.028	-.002	-.012	-.062	.018	-.040
ID25	-.039	-.017	.098	-.114	-.111	-.049	-.096	-.039	-.012	.130	-.027	.054	.074	-.133	.092	**.727**[a]	.129	.209	-.038	.017	-.121	-.162	-.115	-.042
ID30	-.003	-.059	-.051	-.078	-.091	-.003	.010	.006	-.130	-.046	-.002	.070	-.077	-7.893E-005	.054	.129	**.923**[a]	-.100	-.070	.033	.038	-.109	-.014	.003
ID31	.002	-.018	-.081	-.153	-.006	-.008	-.065	-.146	.001	-.116	-.118	.005	-.016	-.064	.005	.209	-.100	**.911**[a]	.057	-.021	-.108	.057	.048	-.171
ID34	-.037	.022	.029	-.051	-.077	-.094	-.023	-.074	.126	.017	-.011	-.135	-.039	.054	-.028	-.038	-.070	.057	**.870**[a]	-.005	.058	-.031	-.066	-.031
ID35	-.034	.061	-.009	-.183	-.019	-.108	-.004	-.010	-.139	.015	-.110	-.029	-.035	-.023	-.002	.017	.033	-.021	-.005	**.939**[a]	-.104	.079	-.063	-.004
ID36	.161	-.112	-.094	.007	-.035	-.044	.027	-.053	-.079	-.076	-.007	.006	-.061	-.010	-.012	-.121	.038	-.108	.058	-.104	**.846**[a]	.012	.075	-.010
ID37	.005	-.094	.053	.084	-.030	-.001	-.095	-.006	-.036	-.087	-.028	-.082	-.163	-.031	-.062	-.162	-.109	.057	-.031	.079	.012	**.887**[a]	-.022	-.177
ID38	-.068	.057	.093	-.145	.027	-.045	-.188	.067	-.016	-.100	-.100	-.087	-.053	-.082	.018	-.115	-.014	.048	-.066	-.063	.075	-.022	**.927**[a]	-.089
ID40	-.053	.077	.050	.041	.056	.006	-.037	.030	-.147	-.012	-.093	-.042	.062	-.083	-.040	-.042	.003	-.171	-.031	-.004	-.010	-.177	-.089	**.889**[a]

a. Measures of Sampling Adequacy (MSA)

4.12.9. Variance explained

For extraction of factors, Eigen values criterion is needed where individual factor is taken into account for the variance of at least a single variable if it is to be retained for interpretation. It is required that the scale constructed and the components extracted should be able to explain maximum variance in the data. Eigen values are the sum of the variances of the factor values. Eigen value represents the total variance explained by each factor. Hence, only factors with a variance greater than 1.0 are considered significant; all factors with Eigen values less than 1.0 are considered insignificant and are disregarded (Malhotra, 2008). Using Eigen values for establishing a cut off is most reliable when number of variables is between 20 – 50 variables (Hair, 2009).

With 40 variables taken for the research study, Eigen value is required and has been used for analysis. The Table – 4.25 given in the following shows the data of the total variance explained.

Table - 4.25

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	6.952	28.968	28.968	6.952	**28.968**	28.968	5.114	**21.308**	21.308
2	1.588	6.618	35.587	1.588	6.618	35.587	2.150	8.958	30.266
3	1.265	5.273	40.859	1.265	5.273	40.859	1.663	6.927	37.193
4	1.158	4.826	45.685	1.158	4.826	45.685	1.487	6.194	43.387
5	1.084	4.516	50.202	1.084	4.516	50.202	1.317	5.487	48.874
6	1.062	4.423	54.625	1.062	4.423	54.625	1.201	5.004	53.878
7	1.019	4.247	58.872	1.019	**4.247**	58.872	1.199	**4.994**	**58.872**
8	.836	3.485	62.357						
9	.823	3.430	65.787						
10	.742	3.094	68.880						
11	.726	3.024	71.904						
12	.658	2.742	74.646						
13	.650	2.707	77.353						
14	.623	2.595	79.948						
15	.600	2.499	82.448						
16	.579	2.411	84.859						
17	.545	2.273	87.131						
18	.509	2.119	89.250						
19	.486	2.027	91.278						
20	.479	1.996	93.274						
21	.442	1.840	95.114						
22	.410	1.707	96.821						
23	.406	1.692	98.513						
24	.357	1.487	100.000						

Extraction Method: Principal Component Analysis.

The variance explained by each component before and after the rotation method is that the variance is now evenly distributed in a range of 21.30% - 4.99% which was previously distributed 28.96% - 4.24%. Eigen value represents the total variance explained by each factor (Malhotra, 2008). Explanatory power of each

factor is depicted by Eigen value. So, the factor/variable having higher Eigen value is selected first. The total variance explained table shows the Eigen values of all the variables that can be extracted. A total of 7 factors have been identified in the factor analysis with more than 1.0 Eigen value in the Rotation Sums of Squared Loadings and 58.87% of explained variance. These 7 factors are extracted for analysis of the study.

4.12.10. Factor Loading

A factor loading is a representation of correlations between the factors and variables. The strength of the variables that compose the factor is shown. The larger the absolute value of the factor loading, the more closely related between factor and the variable. Means, the more important role the variable plays in interpreting the factor analysis (Malhotra, 2008346).

The Table – 4.26 given below guides the researcher for identifying significant factor loadings based on sample size.

Table - 4.26

Guidelines for Identifying Significant Factor Loadings based on Sample Size

Factor Loading	Sample size needed for significance
0.30	350
0.35	250
0.40	200
0.45	150
0.50	120
0.55	100
0.60	85
0.65	70
0.70	60
0.75	50

(Significance is based on a .05 significance level, a power level of 80 percent, and standard errors assumed to be twice those of conventional correlation coefficient)
(Source: Hair, et al. (2009). *Multivariate Data Analysis* (6th ed.).Pearson Education.

The sample size taken by researcher is 500 for this study. Hence, factor loading 0.30 is sufficient and a good value, but, the factor loading value greater than 0.50 is generally considered necessary for practical significance (Hair, 2009). Hair further added that, although factor loading of +.30 to +.40 are minimally acceptable for its significance. To be considered significant, a smaller loading is needed given either a larger sample size or on a larger number of variables being analyzed'.

Therefore, for the study, the researcher has considered factor loading 0.40 for extracting the factors from the list of total 40 variables that are influencing investment decision of investors.

4.12.11. Factor extraction

For extraction of factors, there are two methods: 1. Principal component analysis considers the total variance in the data and derives the factors than contain small proportions of unique variance and in some instances, error variance. This method is most appropriate when data reduction is primary concern, focusing on the minimum number of factors needed to account for the maximum portion of the total variance represented in the original set of the variables (Hair, 2009) 2. In common factor analysis, the factors are estimated based only on the common or shared variance, assuming that both the unique and error variance are not of interest in defining the structure of the variables. Communalities are inserted in the diagonal of the correlation matrix to employ common variance in the estimation of the factors. This method is most appropriate when primary objective is to identify the underlying dimensions and the common variance is of interest (Hair, 2009)

According to the objective of the study the method of principal components analysis method is used. This method considers total variance in the data and derives the factors that contain small proportions of unique variance and in some

instance and error variance. The following Table – 4.27 shows component matrix (un-rotated factor matrix). The table shows 7 components is extracted.

Table - 4.27

Component Matrix[a]

	Component						
	1	2	3	4	5	6	7
ID10	.720	.133	.123	.121	.094	-.042	-.074
ID7	.692	-.047	-.324	.020	.048	-.114	.069
ID9	.688	.079	-.131	-.059	.116	-.062	.104
ID15	.684	-.025	-.191	-.119	-.136	.131	.079
ID13	.675	-.241	-.093	-.089	.055	.114	-.079
ID1	.660	.068	-.083	.001	.134	-.099	-.191
ID12	.633	-.138	.102	-.079	-.250	.223	.033
ID8	.630	.065	.026	.020	-.033	-.301	.079
ID11	.627	-.175	.038	.172	.290	-.034	-.044
ID21	.618	.078	.106	-.074	-.236	-.280	-.029
ID38	.590	.366	-.184	-.086	.073	.124	-.015
ID31	.583	-.434	-.075	.007	.079	.201	-.117
ID35	.548	-.084	-.306	-.010	.008	.092	.361
ID30	.463	-.214	.045	-.239	-.199	-.170	-.424
ID37	.460	.353	.414	-.037	-.228	.114	-.216
ID25	.273	.635	-.067	.401	-.135	-.052	.182
ID4	.443	-.483	.108	.101	.196	-.182	.044
ID24	.027	-.100	.640	.143	.498	.069	.143
ID2	.434	-.072	.443	.072	-.360	-.260	-.039
ID18	.286	.151	.317	-.525	.066	.155	.415
ID23	.440	.226	-.007	.505	.235	.037	-.198
ID34	.310	.332	.012	-.402	.341	-.302	.106
ID40	.439	.156	.095	-.037	.009	.668	-.182
ID36	.333	-.282	.117	.346	-.321	.074	.505

Extraction Method: Principal Component Analysis.
a. 7 components extracted.

4.12.12. Rotated Factor Matrix

Components matrix (unrotated matrix) is the loadings of various variables to the extracted components. Although the initial or unrotated matrix as shown in

the component matrix table indicates the relationship between the factors and individual variables, it seldom results in factors that can be interpreted, because the factors are correlated with many variables. In such a complex matrix, it is difficult to interpret the factors. Therefore, through rotation, the factor matrix is transformed into a simpler one that is easier to interpret (Malhotra, 2008).

Rotation of the factors improves interpretation by reducing some of the ambiguities that often accompany initial unroated factor solutions. Therefore, the researcher employed a rotational method to achieve simpler and theoretically more meaningful factor solutions.

Two types of factor rotation methods:

1. Orthogonal factor rotation:

In orthogonal factor rotation, the axes are maintained at 90 degrees. It is also possible to rotate the axes and not retain the 90-degree angle between the reference axes. This is the simplest and more widely used approach for factor rotation.

2. Oblique factor rotation:

When 90-degree is not maintained it is called oblique factor rotation. This method is not widely used because the analytical procedures for performing the oblique rotations are not as well developed and are still subject to some controversy.

For this research study, the researcher has used the orthogonal factor rotation method for analysis. Under orthogonal rotation methods there are three types:

1) Quartimax rotation – The ultimate goal of Quartimax rotation is to simplify the row of a factor matrix, i.e., Quartimax focuses on rotating the initial factor so that a variable loads high on one factor and as low as possible on all other factors.

2) Varimax rotation – This is method of factor rotation that minimizes the number of variables with higher loadings on a factor, thereby enhancing the interpretability of factors and has proved successful as an analytical approach to obtain an

orthogonal rotation of factors. Furthermore, the Kaiser's experiment indicates that the factor pattern obtained by Varimax rotation tends to be more invariant than pattern obtained by the Quarimax method when different subsets of variables are analyzed.

3) Equipmax rotation – This approach is a compromise between the Quarimax and Varimax approaches. Rather than concentrating either on simplification of the rows or on simplification of columns, it tries to accomplish some of each. This method has not gained widespread acceptance and is used infrequently (Malhotra, 2008).

The researcher has used VARIMAX rotation method, which is the most commonly used rotation method. The data analysis of the variance is shown in the Total Variance Explained.

The component matrix table shows 7 factors can be extracted for factor analysis, and thus, for factor loadings Rotated Component Matrix is used. The interpretation of factors is done by identifying the variables that have very high loadings on the same component.

The relationship between the observed variables and the newly produced factors is revealed in the form of factor loadings. These are the coefficients within the matrix that indicate the importance of the factor. These loadings have the lower limit of -1.0 and an upper limit of +1.0.For better reduction of variables, factor loading values having more than 0.4 were taken for consideration under each factor. Fortunately, it has been found out that all the variables have factor loading values more than 0.40. Thus, a total of 7 factors have been extracted. The final variables extracted are grouped under seven factor heads. The variables so extracted have been shown in bold letters as shown in the Table 4.28.

Table - 4.28

Rotated Component Matrix[a]

	Component						
	1	2	3	4	5	6	7
ID7	**.731**	.114	.160	-.007	.068	.070	-.154
ID13	**.663**	.180	-.119	.247	.039	.065	.003
ID11	**.643**	.140	.075	.078	-.054	.028	.307
ID31	**.635**	.102	-.256	.270	-.122	.142	.086
ID9	**.634**	.158	.206	.079	.229	.019	-.018
ID1	**.605**	.263	.174	.123	.022	-.172	.025
ID15	**.589**	.185	.069	.262	.177	.167	-.216
ID35	**.586**	-.089	.114	.056	.216	.320	-.151
ID10	**.542**	.352	.298	.195	.071	-.015	.180
ID4	**.530**	.179	-.227	-.148	-.079	.171	.321
ID8	**.505**	.394	.225	-.105	.160	.061	.015
ID38	**.468**	.082	.369	.297	.237	-.132	-.144
ID12	**.422**	.350	-.052	.383	.120	.285	-.058
ID2	.117	**.716**	.040	-.005	.020	.226	.122
ID21	.395	**.569**	.154	-.011	.157	.053	-.094
ID37	.043	**.566**	.271	.440	.142	-.068	.080
ID30	.370	**.533**	-.267	.110	-.080	-.188	-.146
ID25	.047	.103	**.811**	.048	.040	.114	-.093
ID23	.381	.072	**.504**	.171	-.296	-.087	.259
ID40	.231	.020	.098	**.799**	.056	.002	.052
ID18	.071	.107	-.068	.207	**.769**	.107	.125
ID34	.281	.089	.166	-.164	**.548**	-.376	.063
ID36	.206	.148	.084	-.011	-.010	**.781**	.077
ID24	-.049	.006	-.024	.048	.139	.038	**.829**

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
a. Rotation converged in 19 iterations.

4.12.13. Naming of Factors

The main purpose for factor analysis is for large data reduction to small data which represent the best. Thus, the analysis has sort out the most influential factors influencing investors' investment decision. According to the analysis

loadings of variables has been reduced to seven main factors. The variables under each factor has been arranged accordingly and explained in the following;

Factor 1: *Financial needs, accounting information, and financial facilities*

A total of 13 variables are identified under factor 1. They are 'Account transferability' (0.731), 'Marketing ability of the company' (0.663), 'Past performance/history of the company' (0.643), 'Diversification of investment' (0.635), 'Pre-mature closure of investment facility' (0.634), 'Safe/secured investment' (0.605), 'Terms and conditions of the financial products/services' (0.589), 'Studying the portfolio investments of other market players' (0.586), 'Compounding frequency interest rates' (0.542), 'Liquidity associated with investment' (0.530), 'Nomination facilities' (0.505), 'Interest rates' (0.468), and 'Dividend Policy of the company' (0.422). These variables are grouped as **"Personal financial needs, accounting information and financial facilities",** as these reflect personal investor needs like safety, security, liquidity, nomination and account transferability. It relates to accountability of the company because of the marketing ability and history of the company factors. It also relates investment facilities as diversification of investment, interest rates and compound interest, dividend policy, and terms and conditions of financial products are reflected.

This extracted factor shows 21.30 percent of variance, and it is the highest among all the factors. This shows that the variables under the factor "Personal financial needs, accounting information and financial facilities" are the most influencing factors affecting individual investment decision.

Factor 2: *Monetary expectations and advocate recommendation*

There are four variables identified under this factor, 'Ease in availing borrowed funds' (0.716), 'Government investment schemes or financial product/services backed by Govt. of India(0.569), 'Higher Income opportunity / expected returns on investment' (0.566), and 'Views and opinion of professionals, company executives and sector experts' (0.533). These variables are grouped as **"*Monetary expectations and advocate recommendation",*** as these variables are

associated with availing funds, higher income opportunity, and seeking recommendation from professionals, company executives and sector experts. This extracted factor reveals 8.95 percent of variance. This show the investors rely on this factors while making an investors' investment decision.

Factor 3: *Operational recommendation*

There are two variables identified under this factor, 'Friends and relatives Advise' (0.811), and 'Existing investors opinion' (0.504). These two variables are named as "***Operational recommendation***", as they reflect advice and opinions from existing investors, friends and relatives. The extracted factor has a variance of 6.92 percent, showing the extent of influencing for investors' investment decision.

Factor 4: *Financial security*

This extracted factor has one variable 'Guaranteed returns' (0.799) and has been named as ***"Financial security"*** as it relates to security that there will be a guaranteed return in investment. This factor extracted has a variance of 6.19% influencing individual investment decision.

Factor 5: *Market Potentiality and personal inclination*

The variables under this factor extracted are 'Company's net worth and market capitalization' (0.769), and 'Feeling towards company's products and services' (0.548). This factor is named as ***"Market potentiality and personal inclination"***, as the variables under this are related to market capitalization, company's net worth, and feeling towards financial products. The variance of this extracted factor is 5.48 percent influencing investors' investment decision.

Factor 6: *Genuine investment alternatives*

This extracted factor has one variable namely 'Verifying the authenticity of advertised financial products/services and rumours (0.781) and has been named as ***"Genuine investment alternatives"***, as it reflects to check the authenticity of financial products and rumours. This factor extracted has a variance of 5.00 percent influencing investors' investment decision.

Factor 7: *Family recommendation*

The variable under this extracted factor is 'Family members' advice' (0.829) and the factor has been named as "***Family recommendation***" as it seeks recommendation from family members. This factor has a variance of 4.99 percent influencing investors' investment decision.

4.12.14. Composition of each factor identified in Factor Analysis

After a thorough in-depth analysis by running factor analysis on the variables to find out the most influential factors in investors' investment decision, various variables has been identified. The composition of each factor identified in Factor Analysis has been presented in the following Table - 4.29.

Table - 4.29

Composition of each factor identified in Factor Analysis

Factor	Items	Factor loadings
Factor 1 *Personal financial needs, accounting information, and financial facilities*	Account transferability (ID 7)	.731
	Marketing ability of the company (ID 13)	.663
	Past performance/history of the company (ID 11)	.643
	Diversification of investment (ID 31)	.635
	Pre-mature closure of investment facility (ID 9)	.634
	Secured/safe investment (ID 1)	.605
	Terms and conditions of the financial products/services (ID 15)	.589
	Studying the portfolio investments of other market players (ID 35)	.586
	Compounding frequency interest rates	.542

	(ID 10)	
	Liquidity associated with investment (ID 4)	**.530**
	Nomination facilities (ID 8)	**.505**
	Interest rates (ID 38)	**.468**
	Dividend Policy of the company (ID 12)	**.422**
Factor 2 Monetary expectations and advocate recommendation	Ease in availing borrowed funds (ID 2)	**.716**
	Government investment schemes or financial product/services backed by Govt. of India(ID 21)	**.569**
	Higher Income opportunity / expected returns on investment (ID 37)	**.566**
	Views and opinion of professionals, company executives and sector experts (ID 30)	**.533**
Factor 3 Operational recommendation	Friends and relatives Advise (ID 25)	**.811**
	Existing investors opinion (ID 23)	**.504**
Factor 4 Financial security	Guaranteed Returns (ID 40)	**.799**
Factor 5 Market Potentiality and personal inclination	Company's net worth and market capitalization (ID 18)	**.769**
	Feeling towards company's products and services (ID 34)	**.548**
Factor 6 Genuine investment alternatives	Verifying the authenticity of advertised financial products/services and rumours (ID 36)	**.781**

Factor 7 Family recommendation	Family members advise (ID 24)	**.829**

4.13. HYPOTHESIS TESTING

The researcher has framed a hypothesis to be tested which is, "There is no significant impact of financial literacy level on investment decision of investors." For this, the researcher has accordingly used factor analysis to find out the most influential factors influencing investment decision. Those factors are further taken for hypothesis testing. Regression analysis has been used to find out the association between financial literacy level and it impact on investment decision. The detail process of regression analysis and testing of hypothesis has been explained in the following discussion.

4.13.1. Regression Analysis: Impact of financial literacy level on investment decision

For hypothesis testing, the researcher used simple linear regression model. Regression is a simple statistical tool used to model the dependence of a variable on one or more explanatory variables. This functional relationship can be stated as an equation, with associated statistical values which explains how well the equation fits the data. To analyse the data, the investigator assembles data variables and runs regression to estimate the quantitative effect of one variable upon another variables that they influence. The 'statistical significance' of the estimated relationship is assessed that the degree of confidence of true relationship is close to the estimated relationship.

Linear regression analysis is a bi-variate statistical technique used to examine the relationship between one independent variable and another one dependent variable. Linear regression analysis objective is to use independent variable whose value is known to predict the single dependent value selected by the investigator. The independent variable weighted by regression analysis

denotes its contribution to maximal prediction of the dependent variable and facilitate interpretation to explain the influence of independent variable on dependent variable.

The regression analysis equation for the study to analyze the hypothesized relationship between financial literacy and investment decision may be written as:

$$I = \alpha + \beta E + \varepsilon$$

The variable 'I' as 'dependent variable (I = investment decision); 'E' as 'independent variable' or explanatory variable (E = financial literacy level); 'α' is the 'constant number' and 'β' is the 'coefficient' of the variable E (financial literacy level).

4.13.2. Measurement used in simple linear regression analysis

The following important factors have been considered while performing the regression analysis for the study;

- **Regression co-efficient:** Regression co-efficient is the standardized regression coefficient that allows for a direct for direct comparison between coefficients as to their relative explanatory power of dependent variable (Malhotra and Dash, 2010).

- **Coefficient of determination:** It is a measure of the proportion of the variance of the dependent variable about its mean that is explained by the independent or predictable variable/s. The strength of association is measure by the coefficient of determination. Its value varies from 0 to 1. The researcher can infer that the higher the value of R square, greater the explanatory power of the regression equation and therefore the better the prediction of the dependent variable (Malhotra and Dash, 2010). The T-value of 0 (zero) means that the sample results is exactly equal to the null hypothesis.

- **Adjusted R2:** It is the modified measure of the coefficient of determination that takes into account the number of independent variables included in the

regression equation and the sample size. It explains whether or not the inclusion of additional independent variables in regression equation may increase or reduce the overall coefficient of determination (Malhotra and Dash, 2010)

- **ANOVA (F-test):** The F-test is used to test the significance of the overall regression equation. It is used to test that the coefficient of multiple determination in the population is non zero (Malhotra and Dash, 2010). F-test is used to compare two variances. The bigger the F-value means something significant between the two variables.

To find out the impact of financial literacy level on investment decision, the following hypothesis was framed to be tested.

H0: There is no significant impact of financial literacy level on investment decision of investors.

H1: There is significant impact of financial literacy level on investment decision of investors.

To test the hypothesis, regression analysis was performed and thus financial literacy level was considered as independent variable and the seven factors extracted were considered as dependent variables. Before testing the hypothesis for all the factors as a whole, the researcher has tested the hypothesis separately for each factor to find out whether differences arise between the factors or not? Here, the hypothesis tested has been explained in detailed through the following;

4.13.3. Factor 1 Regression analysis: Financial literacy level and Personal financial needs, accounting information, and financial facilities

Financial literacy level is taken as independent variable and Factor 1(Personal financial needs, accounting information, and financial facilities) as dependent variable to test the impact of financial literacy level on investment decision. This is to find out the association between the independent variable and the dependent variable. The dependent variable is the Financial Literacy

Level and the dependent variable is the Investors' Investment Decision. Regression analysis has been performed to find out the association between the two variables, namely the independent and dependent variables. The findings of correlation and regression are shown in the following tables.

Table - 4.30

Correlations		FLL	Factor1
FLL	Pearson Correlation	1	.824[**]
	Sig. (2-tailed)		.000
	N	500	500
Factor1	Pearson Correlation	.824[**]	1
	Sig. (2-tailed)	.000	
	N	500	500
**. Correlation is significant at the 0.01 level (2-tailed).			

The tables shows, the correlation coefficient of the two variable is 0.824 which explains there is a strong positive linear correlation between financial literacy level and Factor 1 (Personal financial needs, accounting information, and financial facilities) as the *r* value is positive and close to 1. So, the researcher can go for simple linear regression analysis. The results of the analysis are given as following tables.

Table - 4.31
Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.824[a]	.679	.679	.36715

Predictors: (Constant), FLL

Table - 4.32

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	142.203	1	142.203	1054.937	.000[b]
	Residual	67.129	498	.135		
	Total	209.332	499			
a. Dependent Variable: Factor 1						
b. Predictors: (Constant), FLL						

Table - 4.33

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.529	.042		36.495	.000
	FLL	.033	.001	.824	32.480	.000
a. Dependent Variable: Factor 1						

Regression analysis was performed to measure the variation in Personal financial needs, accounting information, and financial facilities (dependent variable), based on variation of financial literacy level (independent variable). From the analysis the regression equation is derived as:

Factor 1 = 1.529+0.033(FLL)

1.529 represents the constant value of investment decision with zero financial literacy level. 0.033 is the marginal effect of one unit of financial literacy level on investment decision. This means for every unit more of financial literacy level, it is estimated that the more Factor 1 influence on

investment decision grows or become effective by 0.033 units. This shows a positive relationship between financial literacy level and investment decision.

The measure of strength of association between the two variables is given by the coefficient of determination which is denoted by R square. The R square value is 0.679 which says 67.90% of variance in Personal financial needs, accounting information, and financial facilities for investment decision can be predicted by his/her financial literacy level. The regression equation appears to be very useful in predicting as the R square value is close to 1. 'Standard error of estimation' provides a measure on accurate the regression equation predicts the values of dependent variable. The smaller the value of standard error of estimation, the better in predicting the dependent variable based on independent variable. So the results shows S.E. value is 0.3671 which means less chance of error in predicting the variance of dependent variable (factor 1) based on the variance of independent variable (FLL). This shows an individual investment decision can be predicated without much error basing on his or her financial literacy level considering the influencing factors 'Personal financial needs, accounting information, and financial facilities'.

The coefficient table shows that at 95% level of confidence, the t-test value between financial literacy level and investment decision is 0.000, which is less than 0.05. The result of F-test in Anova table, the significant value is also 0.000, which allows the investigator to determine that linear regression is statistically significant between the variables.

4.13.4. Factor 2 Regression analysis: Financial literacy level and Monetary expectations and Advocate recommendation

To test the impact of financial literacy level on investment decision, FLL is taken as independent variable and the factor 2 monetary expectations and advocate recommendation (ease in availing funds, Government investment schemes or financial product/services backed by Govt. of India, Higher Income

opportunity / expected returns on investment, and Views and opinion of professionals, company executives, and sector experts) is considered as dependent variable which is consider as a factor of investment decision. The association between the two factors have been analyzed is shown in the following tables.

Table - 4.34

Correlations		FLL	Factor 2
FLL	Pearson Correlation	1	.580[**]
	Sig. (2-tailed)		.000
	N	500	500
Factor 2	Pearson Correlation	.580[**]	1
	Sig. (2-tailed)	.000	
	N	500	500
**. Correlation is significant at the 0.01 level (2-tailed).			

The correlation coefficient of the two variables is 0.580 with a significant value of 0.000. The significant value is less than 0.05 at 5% level of significance. This value of r suggests that there is a positive linear correlation between the two variables. Thus, the researcher can proceed for regression analysis. The following are the results of regression analysis.

Table - 4.35

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.580[a]	.337	.336	.50396

a. Predictors: (Constant), FLL

Table - 4.36

ANOVAᵃ					
Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	64.284	1	64.284	253.106	.000ᵇ
Residual	126.482	498	.254		
Total	190.766	499			
a. Dependent Variable: Factor 2					
b. Predictors: (Constant), FLL					

Table - 4.37

Coefficientsᵃ					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	2.015	.058		35.032	.000
FLL	.022	.001	.580	15.909	.000
a. Dependent Variable: Factor 2					

To measure the variation of 'monetary expectations and advocate recommendation' (dependent variable) based on variation of FLL (independent variable), regression analysis was done. From the analysis the regression analysis was ascertain.

Factor 2 = 2.015 + .022 (FLL)

2.015 represent the constant value of investment decision with zero financial literacy level. 0.022 is the marginal effect of one unit of financial literacy level on investment decision. This means for every unit more of financial literacy level, it is estimated that the more Factor 2 influence on investment decision grows or become effective by 0.012 units. This shows a positive relationship between financial literacy level and investment decision.

The coefficient of determination denoted by R square shows 0.337 which explains the strength of association is not so strong. The value 0.337 says only 33.70% of variance of investor's monetary expectations and advocate

recommendation for investment decision can be predicted by his/her financial literacy level. The standard error of estimation value stands at 0.5039. Thus, the chance of accuracy is fifty-fifty in predicting the variance of investor's investment decision basing on the variance of the investors FLL considering the influencing factor 'Monetary expectations and Advocate recommendation'.

The t-test value indicates the independent variable significance at 95% level of confidence. The coefficient table shows FLL is statistically significant with a value of 0.000 and the F-test in Anova table gives the significant value as 0.000. This allows the researcher to determine that this data indicates the model is statically significant at a confidence level of 95% and there is significant relationship between the two variables.

4.13.5. Factor 3 Regression analysis: Financial literacy level and Operational recommendation

To check the impact of FLL on investment decision, FLL was considered as independent variable and Operational recommendation as dependent variable. The results of correlation between the variables are as follows.

Table - 4.38

Correlations		FLL	Factor 3
FLL	Pearson Correlation	1	.197**
	Sig. (2-tailed)		.000
	N	500	500
Factor 3	Pearson Correlation	.197**	1
	Sig. (2-tailed)	.000	
	N	500	500
**. Correlation is significant at the 0.01 level (2-tailed).			

The correlation coefficient value between the two variables is 0.197 with a significant value of 0.000. The value r shows there is a positive linear

regression between the variables. Thus, the researcher conducts further regression analysis. Given below are the regression analysis results.

Table - 4.39

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.197[a]	.039	.037	.80945

a. Predictors: (Constant), FLL

Table 4.40.

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	13.182	1	13.182	20.119	.000[b]
	Residual	326.290	498	.655		
	Total	339.472	499			
a. Dependent Variable: Factor 3						
b. Predictors: (Constant), FLL						

Table - 4.41

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.535	.092		27.441	.000
	FLL	.010	.002	.197	4.485	.000
a. Dependent Variable: Factor 3						

Measuring the variation of operational recommendation (dependent variable) and FLL (independent variable) through regression analysis, the following equation is derived.

Factor 3 = 2.535 +0.010 (FLL)

2.535 represent the constant value of investment decision with zero financial literacy level. 0. 010 is the marginal effect of one unit of financial literacy level on investment decision. This means for every unit more of

financial literacy level, it is estimated that the more Factor 3 influence on investment decision grows or become effective by 0.010 units. This shows a positive relationship between financial literacy level and investment decision.

The coefficients of determination denoted by R square which measure the strength of association of variables have the value of 0.039. This show only 3.9% of variance on investor's Operational recommendation for investment decision can be predicted by his/her financial literacy level. The standard error of estimation value is 0.8094 which also shows the chances of accuracy in predicting the variance of the dependent variable based on independent variable are less.

The t-test value indicates independent variable significance at 95% level of confidence. The coefficient table shows FLL is statistically significant with a value of 0.000, which is less than 0.05. The F-test results in Anova table shows the significant value is also 0.000, which allows the researcher to determine that the linear regression is statistically significant. It also indicates the model is statistically significant at a confidence level of 95%.

4.13.6. Factor 4 Regression Analysis: Financial literacy level and Financial security

To analyse the impact of financial literacy level on investment decision, FLL is taken as independent variable and financial security as dependent variable. The results of correlation between the two variables are given as follows.

Table - 4.42

Correlations		FLL	Factor 4
FLL	Pearson Correlation	1	.349**
	Sig. (2-tailed)		.000
	N	500	500
Factor 4	Pearson Correlation	.349**	1
	Sig. (2-tailed)	.000	
	N	500	500
**. Correlation is significant at the 0.01 level (2-tailed).			

The correlation coefficient of the two variables is 0.349 with a significant value of 0.000, which is less than 0.05 at 5% level of significance. This value of r suggests there is a positive linear correlation between the two variables. Thus, the researcher further conducts regression analysis. The results are as follows.

Table - 4.43

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.349[a]	.122	.120	.85971
a. Predictors: (Constant), FLL				

Table - 4.44

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	51.136	1	51.136	69.187	.000[b]
	Residual	368.072	498	.739		
	Total	419.208	499			
a. Dependent Variable: Factor 4						
b. Predictors: (Constant), FLL						

Table - 4.45

Coefficients[a]					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	3.077	.098		31.366	.000
FLL	.020	.002	.349	8.318	.000
a. Dependent Variable: Factor 4					

The regression analysis was done to measure the variation in financial security (dependent variable), based on variation in FLL (independent variable). Through the analysis the following equation derived.

Factor 4 = 3.077 + 0.020 (FLL)

3.077 represent the constant value of investment decision with zero financial literacy level. 0.020 is the marginal effect of one unit of financial literacy level on investment decision. This means for every unit more of financial literacy level, it is estimated that the more Factor 4 influence on investment decision grows or become effective by 0.020 units. This shows a positive relationship between financial literacy level and investment decision.

The coefficient of determination (R square) which is to measure the strength of association has the value of 0.122, which shows 12.2% of variance in investor's financial security for investment decision can be predicted by his/her financial literacy level. The standard error of estimation value is 0.8597 or 85.97% which is not a good percent to predict the variance of dependent variable based on the variance of independent variable. This means there is a chance of 85.97 percent error in predicting an individual investment decision basing on his or her financial literacy level considering the influencing factor 'Financial security'.

The t-test value indicates individual independent variable significance at 95% level of confidence. The FLL is statistically significant with value of 0.000, which is less than 0.05. The F-test shown in Anova table is also

significant with value of 0.000. This reveals that the linear regression is statistically significant among the variables.

4.13.7. Factor 5 Regression analysis: Financial literacy level and Market Potentiality and Personal inclination

To see the impact of FLL on investment decision, FLL is taken as independent variable and Market Potentiality and personal inclination (as a factor of investment decision) as dependent variable. The results of correlation between the variables are given below.

Table - 4.46

Correlations		FLL	Factor 5
FLL	Pearson Correlation	1	.264**
	Sig. (2-tailed)		.000
	N	500	500
Factor 5	Pearson Correlation	.264**	1
	Sig. (2-tailed)	.000	
	N	500	500
**. Correlation is significant at the 0.01 level (2-tailed).			

The correlation coefficient of the two variables is 0.264, with a significant value of 0.000, which is less than 0.05 at 5% level of significance. The value r suggests that there is a positive correlation between the two variables. So, the researcher further conducts simple linear regression analysis and the results are given in the following.

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Table - 4.47

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.264[a]	.070	.068	.62313

a. Predictors: (Constant), FL

Table - 4.48

ANOVAª

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	14.481	1	14.481	37.295	.000[b]
	Residual	193.371	498	.388		
	Total	207.852	499			

a. Dependent Variable: factor5mean

b. Predictors: (Constant), FL

Table - 4.49

Coefficientsª

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.636	.071		23.013	.000
	FL	.011	.002	.264	6.107	.000

a. Dependent Variable: factor5mean

To measure the variation in Market Potentiality and personal inclination (dependent variable), based on variation in FLL, regression analysis was performed and the following equation is developed.

Factor 5 = 1.636 + 0.011 (FLL)

1.636 represents the constant value of investment decision with zero financial literacy level. 0.011 is the marginal effect of one unit of financial literacy level on investment decision. This means for every unit more of financial literacy level, it is estimated that the more Factor 5 influence on

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investment decision grows or become effective by 0.011 units. This shows a positive relationship between financial literacy level and investment decision.

The coefficient of determination (R square) which measures the strength of association of variables value is 0.070. This means only 7% of variance in Market Potentiality and personal inclination for investment decision can be predicted by his/her financial literacy level. The standard error of estimation is 0.6231 which is 62.31% chances of error is predicting the dependent variable based on the variance of the independent variable. These shows there is a chance of 62.31 percent of error in predicting a person investment decision basing on his or her financial literacy level considering the influencing factor 'Market potentiality and Personal inclination'.

The t-test value indicates individual independent variable significance at 95% confidence level. FLL is statistically significant with a value of 0.000. The F-test result in Anova table also shows the significant value of 0.000 which is less than 0.05 at 5% level of significance. This shows linear regression of the variables is statistically significant.

4.13.8. Factor 6 regression analysis: Financial literacy level and Genuine investment alternatives

To check the impact of financial literacy level on investment decision, FLL is considered as independent variable and genuine investment alternatives as dependent variable. The regression correlation of the variables is given in the following Table 4.50.

Table - 4.50

Correlations		FLL	Factor 6
FLL	Pearson Correlation	1	.357**
	Sig. (2-tailed)		.000
	N	500	500
Factor 6	Pearson Correlation	.357**	1
	Sig. (2-tailed)	.000	
	N	500	500
**. Correlation is significant at the 0.01 level (2-tailed).			

The correlation coefficient value of the variables is 0.357, with a significant value of 0.000, which is lower than 0.05 at 5% level of significance. The r value suggests that there is a positive linear correlation between financial literacy level and genuine investment alternatives. Hence, the investigator further conducts linear simple regression analysis. The findings are as follows.

Table - 4.51

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.357[a]	.127	.125	.94938

a. Predictors: (Constant), FL

Table - 4.52

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	65.416	1	65.416	72.578	.000[b]
	Residual	448.856	498	.901		
	Total	514.272	499			
a. Dependent Variable: factor6mean						
b. Predictors: (Constant), FL						

Table - 4.53

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.767	.108		16.308	.000
	FL	.022	.003	.357	8.519	.000
a. Dependent Variable: factor6mean						

To measure the variation in genuine investment alternatives (dependent variable), based on variation of FLL (independent variable), the following regression equation was developed.

Factor 6 = 1.767 + .022 (FLL)

1.767 represents the constant value of investment decision with zero financial literacy level. 0.022 is the marginal effect of one unit of financial literacy level on investment decision. This means for every unit more of financial literacy level, it is estimated that the more Factor 6 influence on investment decision grows or become effective by 0.012 units. This shows a positive relationship between financial literacy level and investment decision.

R square (coefficient of determination) value is 0.127, which shows 12.70% of variance in investor's genuine investment alternatives for investment decision can be predicted by his/her financial literacy level. The standard error of estimation of the two variables is 0.9493 or 94.93%. The better in prediction with the R square value closer to 1 but here the value seems to be low. The better the smaller value in standard error of estimation but here the value is big. This shows a person investment decision cannot be predicted with much accuracy by basing on his/her financial literacy status when comes to 'Genuine investment options'.

The t-test value indicates individual independent variable significance at 95% confidence level. FLL is statistically significant with a value of 0.000,

which is less than 0.05. The result of F-test in Anova table is also significant with a value of 0.000., which reveals linear regression is statistically significant among the variables and indicates the model is statistically significant at the confidence of 95%.

4.13.9. Factor 7 Regression analysis: Financial literacy level and Family recommendation

To test the impact of financial literacy level on investment decision, FLL is considered as independent variable and family recommendation (as a factor of investment decision) is considered as dependent variable. The correlation results between the variables are as under.

Table - 4.54

Correlations		FLL	Factor 7
FLL	Pearson Correlation	1	.201**
	Sig. (2-tailed)		.000
	N	500	500
Factor 7	Pearson Correlation	.201**	1
	Sig. (2-tailed)	.000	
	N	500	500
**. Correlation is significant at the 0.01 level (2-tailed).			

The correlation coefficient of the two variables is 0.201, with a significant value of 0.000 which is less than 0.05 at 5% level of significance. This reveals a positive linear correlation between the two variables. Hence the researcher further conducts simple linear regression analysis. The results are as follows.

Table - 4.55

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.201[a]	.040	.039	.91667

a. Predictors: (Constant), FLL

Table - 4.56

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	17.642	1	17.642	20.995	.000[b]
	Residual	418.460	498	.840		
	Total	436.102	499			
a. Dependent Variable: Factor 7						
b. Predictors: (Constant), FLL						

Table - 4.57

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.773	.105		16.949	.000
	FLL	.012	.003	.201	4.582	.000
a. Dependent Variable: Factor 7						

To measure the variation in family recommendation (dependent variable), based on variation in FLL, regression analysis was run and thus the following regression equation was adopted.

Factor 7 = 1.773 + 0.012 (FLL)

1.773 represents the constant value of investment decision with zero financial literacy level. 0.012 is the marginal effect of one unit of financial literacy level on investment decision. This means for every unit of more financial literacy level, it is estimated that the more Factor 7 influence on

investment decision grows or become effective by 0.012 units. This shows a positive relationship between financial literacy level and investment decision.

The R square (coefficient of determination) value stands at 0.040, which shows only 4% of variance in investor's family recommendation for investment decision can be predicted by his/her financial literacy level. The standard error of estimation value is 0.9166 or 91.66% which close to 1. The smaller the value the better in prediction but for this factor the Standard error value is high. This means individual investment decision cannot be predicted with much accuracy basing on his or her financial literacy level considering the influencing factor 'Family recommendation'.

The t-test value for the significance of individual independent variable indicates the significance at 95% confidence level. FLL is statistically significant with a value of 0.000, which is less than 0.05. The result of F-test in Anova table is also significant with a value of 0.000., which allows the researcher to determine that linear regression is statistically significant and indicates the model is statistically significant at the confidence of 95%.

4.13.10. Regression analysis: Financial literacy level and Overall sum of investment decision factors

To find out the impact of financial literacy level on investment decision, five point rating Likert Scale (Saul McLeod, 2008) has been used to assessed the score of financial literacy factors affecting investment decision. The financial literacy level has been considered as independent variable and sum of investment decision factors as dependent variable. Each individual Financial Literacy Level score has been considered against own individual score on investment decision factors. The results of regression analysis and correlation of the variables are shown in the following tables with interpretation.

Table - 4.58

Correlations		FL	Overall FL factors
FL	Pearson Correlation	1	.841**
	Sig. (2-tailed)		.000
	N	500	500
Overall FL factors on Investment decision	Pearson Correlation	.841**	1
	Sig. (2-tailed)	.000	
	N	500	500
**. Correlation is significant at the 0.01 level (2-tailed).			

The table shows correlation between Financial Literacy Level (FLL) and Financial literacy factors in investment decision. It has been found out that the correlation between the two variables under Pearson Correlation is 0.841 which shows there is significant correlation between them. Level of confidence is taken at 95% where the level of significance needs to be below 0.5 or 5%. In the findings, the significant value is 0.000 which is lower than 0.5 at 5% level of significance. This reveal there is a strong positive linear correlation between FLL and financial literacy factors for investment decision. Thus, regression linear analysis maybe carried out for further testing.

Table - 4.59

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.841[a]	.707	.707	.27616

a. Predictors: (Constant), FLL
b. Dependent Variable: Overall FL factors

Table - 4.60

ANOVAª						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	91.793	1	91.793	1203.653	.000ᵇ
	Residual	37.978	498	.076		
	Total	129.771	499			
a. Dependent Variable: Overall FL factors influencing investment decision						
b. Predictors: (Constant), FLL						

Table - 4.61

Coefficientsª						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.645	.032		52.190	.000
	FLL	.026	.001	.841	34.694	.000
a. Dependent Variable: Overall FL factors						

Regression analysis was done to measure the variation of the dependent variable which is investment decision, based on the variation of the independent variable which is Financial Literacy Level. The analysis gives the investment decision equation.

Investment Decision = 1.645 + 0.026 (FLL)

1.645 represents the constant value of investment decision with zero financial literacy level. 0.026 is the marginal effect of one unit of financial literacy level on investment decision. This means for every unit of more financial literacy level, it is estimated that the more investment decision grows or become effective by 0.026 units. This shows a positive relationship between financial literacy level and investment decision.

The coefficient of determination denoted by R Square measure the association between the two variables. The value of R Square is 0.707, which

means 70.7% of variance in investors' investment decision which can be predicted by his or her financial literacy level. This shows investment decision highly depends on financial literacy level. The percentage which cannot predict investors' investment decision is 29.3% (1 – 0.707 = 0.293). As R Square value is closed to 1, the regression equation is highly helpful in making prediction.

In the model summary, the analysis shows the value 'Standard Error of Estimation' which is used to measure how accurately the regression equation predicts values of dependent variables. The smaller the value of standard error of estimation the better the prediction that independent variable (FLL) caused variance to the dependent variable (investment decision). The value of standard error of estimation is 0.2761 or 27.61% which is a smaller value, close to zero, which reveals there will be less error in predicting the variance of investor's investment decision factors based on his/her financial literacy level. This reveals investor with high FLL would have effective investment decision than investor having low FLL.

Co-efficient table shows that at 95% level of confidence, the t-test value between financial literacy level and investment decision is 0.000, which is less than 0.05. The F-test results shown in the ANNOVA table (in Chapter -4) reveals that the significance value of the independent variable (FLL) and dependent variable (investment decision) is also 0.000, which is also less than 0.5 or 5%. This clearly indicates that the linear regression is statistically significant at the confidence level of 95%.

Therefore, after a thorough deliberation on the analysis to test the hypothesis, the null hypothesis "There is no significant impact of financial literacy level on investment decision of investors" is rejected as significant value 0.000 is less than 0.05 at 5% level of significance. Thus, the hypothesis frame to be tested is rejected and concluded with the statement that "There is

significant impact of financial literacy level on investment decision of investors".

The following Table – 4.62 summarizes the result of overall regression analysis in the study to find out the impact of financial literacy level on investment decision of investors.

Table - 4.62

Summary of Regression Analysis of Financial literacy level and Investment Decision

Factors	R Square	Adj. R square	S.E. of estimates	Beta	t- value	Sig.	F-test	Sig
Personal financial needs, account.info. and financial facilities	0.679	0.679	0.36715	0.824	32.480	0.000	1054.937	0.000[b]
Monetary expectation and advocate recommendation	0.337	0.336	0.50396	0.580	15.909	0.000	253.106	0.000[b]
Operational recommendation	0.039	0.037	0.80945	0.197	4.485	0.000	20.119	0.000[b]
Financial security	0.122	0.120	0.85971	0.349	8.318	0.000	69.187	0.000[b]
Market Potentiality and personal inclination	0.070	0.068	0.62313	0.264	6.107	0.000	37.295	0.000[b]
Genuine investment alternatives	0.127	0.125	0.94938	0.357	8.519	0.000	72.578	0.000[b]
Family recommendation	0.040	0.039	0.91667	0.201	4.584	0.000	20.995	`0.000
Sum of investment factors	0.707	0.707	0.2761	0.841	34.694	0.000	1203.653	0.000[b]

p<0.05, significant at 0.05, p<0.1, significant at 0.1

For this chapter, requisite data were collected from the individual investor of Nagaland by using well structured questionnaire. An in-depth analysis of data was done to draw the appropriate inferences. Useful Univariate, bivariate and multivariate techniques were employed during the data analysis. The result of these statistical tests presented in this chapter shows the impact of financial literacy level on investment decision and satisfies the objective of this chapter.

<center>***</center>

CHAPTER 5

IMPACT OF FINANCIAL LITERACY IN PREVENTION OF BANKING RELATED MALPRACTICES

5.1. INTRODUCTION

An informed investor is an aware investor. Being aware of money management, income, saving, and spending can equip oneself with knowledge to fight fraud and take charge of own finances. We are living in an age of unprecedented debt and destined to face challenging times financially due to changing scenario of financial markets, financial products and services innovations through financial engineering, developments in information and communication technology. There are so much facilities for the investors to avail financial service but at the same time there is also much risk involve in it, if one does not have adequate knowledge. There are huge challenges to understand the benefits and costs associated with the innovations and more specifically, the risk-return matrix inherent to each innovation and hence, leave many individuals ill-equipped to cope up with the sophisticated choices that they need to make, for wise saving and investment decisions. Financial literacy has become very essential for investors as it helps to understand how to avoid transactions those are financially destructive. Public warnings and advised have been provided on how to avoid been taken by scams by consumer interest groups, the news media and government agencies. Despite these warnings, new cases of scams are constantly hitting the headlines and increasing day by day. Financially many are at risk of losing money through financial scams, fraud, or similar financial malpractice of one type or the other as lots of scams in the financial market. Hence, at times like this, a study on financial literacy in prevention of banking related malpractices on consumers in Nagaland can be an instrument helping the people to counteract and combat financial scams and be financially saved and protected. Banking frauds are used to denote banking related malpractices in the context of this study.

This chapter has been designed to cover a description on the frauds found in the financial market and examination of the financial literacy impact in prevention of banking related malpractices on investors. Thus, the Chapter explains the concepts and classification of frauds and banking frauds. Attempt has also been made to present an analysis of how investors have been affected by different frauds and scams. Cases of new frauds affecting the investors, procedure to file complaints against fraudulent practices, and Banking Ombudsmen service procedures have also been presented in this Chapter.

5.2. FRAUDS

Section 25 of Indian Penal Code 1860, defines fraudulent as, 'A person is said to do a thing fraudulently if he does that thing with intent to defraud but not otherwise. The fraudulent act of a person can cause loss to another person or gain to another person'. (aaptaxlaw 2019). The word 'Fraudulently' is mentioned in section 25 of the IPC (Indian Penal Code) but it does not, per se define 'Fraud', but Section 420 in the Indian Penal Code deals with Cheating and dishonestly inducing delivery of property. The maximum punishment which can be awarded is imprisonment for a term of 7 years and fine (Indian Kanoon).

In fact, Fraud is wrongful or criminal deception intended to result in financial or personal gain. Fraud is intentional deception to secure unfair or unlawful gain, or to deprive a victim of a legal right.

Fraudulent act is a thing intended to deceive others to make a wrongful gain causing someone's loss. Those intentions can be misrepresentation, or misstatement, or suppression of essential facts, or misuse of confidence, or breach of trust or dishonesty etc. When it involves finance, it is called financial frauds but in India it is not categorized as a separate crime and is said to be Fraud only. But in U.K. and USA, depending upon magnitude of frauds involving large funds, financial frauds are a separate category of offence.

However in India, if an act or omission is done in a contractual situation, involving private/ public / combined funds, which is tainted with elements like cheating/ impersonation/ breach of trust of criminal dimensions/conspiracy or common object/forgery/ destruction of document/ counterfeiting/ cancellation or alteration or removal of marks/ Falsification of Accounts/ Dishonesty, misapplication/ misappropriation/ embezzlement etc., and intention to make wrongful gain or cause wrongful loss, then such act or omission is called fraud and is an offence. But, the word "Fraud' is used in many statutes as well as Regulatory notifications which may not measure upto strict criminal liability required under I.P.C. and as such may not become Crimes per se though remaining into criminal domain.

5.3. CLASSIFICATION OF FRAUDS

Frauds or financial frauds are of different types. Reserve Bank of India gives a detail classification of frauds as discussed under.

- Misappropriation;
- Criminal breach of Trust;
- Fraudulent encashment through forged instruments;
- Manipulation of books of accounts;
- Fictitious Accounts,
- Conversion of property;
- Negligence and cash shortages;
- Cheating and Forgery;
- Irregularities in FOREX transactions;
- Unauthorized credit facilities extended for reward or illegal gratification.

With regard to borrowal accounts related frauds, Reserve Bank of India has further specify the following

- Fraudulent discount of instruments or Kite flying in clearing effects
- Fraudulent removal of pledged stocks/ disposing hypothecated stocks without bank's knowledge.
- Inflating the value of stock statement and drawing Excess finance.
- Diversion of funds outside the borrowing UNIT and criminal neglect on part of borrowers leading to the UNIT becoming Sick
- R.B.I. has also left one window open for categorising any other act not covered under any of the above specific heads as fraud.

5.4. BANKING FRAUDS

Frauds in terms of banking environment are Financial Frauds which are also called Scams. It is an act of cheating public and making a dent in Public funds for self gain. Public funds include Government Funds, Public Deposits and Public Investments. It is a matter of public concern and hence Government and Regulators are keeping strict vigil on it. Generally, these frauds are committed in a series of transactions- contractual or otherwise between two or more parties. One party cheats the other party.

Frauds maybe intentional or incidental and can be committed by -
i) the bank employees themselves,
ii) The staff members of the banks in collusion or involvement with the customers or outsiders, and
iii) the customers or outsiders.

Bank frauds arises in every sphere of banking dealing, like Cheques, Loan, Hypothecation, Deposit Accounts, Purchased bills etc. A fraudster can play havoc with the bank's assets.

5.4.1. Major Bank Frauds

Some of the types of major Bank Frauds are given

i) Cheque Frauds: Cheque frauds include frauds relating to customer's cheques, banker's cheques (drafts) or traveler's cheques.

ii) Deposit Account Frauds: Accounts opened without introduction or with improper introduction, Dormant accounts fraudulently operated by o forger on forged signatures, Joint accounts operated by one of the signatories (forger) by forging the signatories of others.

iii) Hypothecation Frauds: Inflating the value of hypothecated goods, not registering lien of the bank with RTO office etc., which are on increase nowadays.

iv) Loan Frauds:

- Loans are taken by different persons on the same time.

- Nomadic artisans obtain loans and vanish from the scene.

- False firms appear everywhere and obtain loans.

- Loans taken for agricultural development were later used for other purposes not relating to agriculture.

- Farm machinery purchased with loans and hypothecated to banks is sold without informing the banks or repaying the loans.

v) Cash shortage: Cash the most sensitive asset of the bank is prone to fraud. The cash shortages frauds are generally occurred due to carelessness/negligence of the staff who are the custodians of cash.

vi) Frauds in computerized Environment:

- CTS (Cheque Truncation System) Forgery, Colour Photocopy with MICR Coding

- ECS - Electronic Clearing Service (Debit & Credit) Changing account numbers for credit or debit.

- ATMs skimming, unauthorized reversals

- Credit / Debit Cards cloning of the cards, getting the passwords in wrong ways.

- Internet Banking Phising, Vishing (major current threats).

   (Maheswari S 2017)

5.4.2. Top victims of bank frauds in India – Reserve Bank of India

  According to RBI source, there have been over 50,000 frauds in the last 11 fiscal years. ICICI Bank, State Bank of India and HDFC bank had reported highest number of cases. 53,334 cases of frauds have been reported during the period 2008-09 and 2018-19 involving an amount of Rs. 2.05 lakh crore.

  Details of frauds including the number and the quantum reported by various banks 2008-19 is furnished as under in the Table - 5.1.

Table - 5.1

Top victims of bank frauds in India

Sl. No.	Bank	Frauds Reported (No.)	Amount in crore (Rs.)
1	ICICI	6,811	5033.81
2	State Bank of India	7574	25655.82
3	HDFC Bank	2497	1200.79
4	Bank of Baroda	2160	12962.96
5	PNB	2047	28700.74
6	Axis Bank	1944	5301.69
7	Bank of India	1872	12358.20
8	Syndicate Bank	1783	5830.85
9	Central Bank of India	1613	9041.95
10	IDBI	1264	5978.96
11	Standard Chartered Bank	1263	1221.41

12	Canara Bank	1254	5553.38
13	Union Bank of India	1244	11830.74
14	Kotak Mahindra Bank	1213	430.46
15	Indian Overseas Bank	1115	12644.70
16	Oriental Bank of Commerce	1040	5598.23
17	United Bank of India	944	3052.34
18	Punjab & Sind Bank	276	1154.89
19	UCO	1081	7104.77
20	Tamil Nadu Mercantile Bank	261	439.92
21	Laxmi Vilas Bank	259	862.64
22	American Express	1862	86.21
23	CITI	1764	578.09
24	HSBC	1173	312.10
25	RBS	216	12.69

Source: Two Roses (2019)

5.5. BANKING FRAUDS AFFECTING INVESTORS

Fraud is any dishonest act and behaviour by which one person gains or intends to gain advantage over another person. Fraud is a generic term meaning wrongful or criminal deception intended to result in financial or personal gain by false suggestions or by suppression of the truth (SK Mohiddin 2016). It causes loss to the victim directly or indirectly. Banking Frauds constitute a considerable percentage of white collar offences being probed by the police. Unlike ordinary thefts and robberies, the amount misappropriated in these crimes runs into lakhs

and crores of rupees. Bank fraud is a federal crime in many countries, defined as planning to obtain property or money from any federally insured financial institution. Bank fraud is a big business in today's world. With more educational qualifications, banking becoming impersonal and increase in banking sector have gave rise to this white collar crime (Shounak Mitra 2012).

Banking malpractices on customers is an improper treatment which appears to be genuine and promising but turns out to be dishonest means to lure people with the intention to rob and mishandled someone's money. It is important to be aware of these terms and concepts and have clarity on it. Accordingly, some of the important banking frauds have identified and explained below.

1. **Theft of identity:** Dishonest bank personnel have been known to disclose depositors' personal information for use in theft of identity frauds. The perpetrators then use the information to obtain identity cards and credit cards using the victim's name and personal information.

2. **Forgery and altered cheque:** Fraudsters altered cheque to change the name or the amount on the face of a cheque. E.g. a few strokes of a pen can change 100.00 into 100,000.00.

3. **Stolen cheque:** Some fraudsters obtain access to facilities handling large amounts of cheques, such as a mailroom or post office or the offices of a tax authority (receiving many cheques) or a corporate payroll or a social or veterans' benefit office (issuing many cheques). A few cheques go missing; Accounts are then opened under assumed names and the cheques (often tampered or altered in some way) deposited so that the money can then be withdrawn by thieves. Stolen blank cheque books are also of value to forgers who then sign as if they were the depositor.

4. **Accounting fraud:** In order to avail financial assistance, some people use fraudulent bookkeeping to overstate sales and income, inflate the worth of the company's assets or state a profit in the name of some enterprises. These

tampered records are then used to seek investment in the company's bond or security issues or to avail fraudulent loan.

5.   **Credit/ debit card fraud:** Credit/ debit card fraud is widespread as a means of stealing from banks, merchants and clients. The cards are manipulated, altered, created and fraudulent telemarketing is done. Genuine cards are obtained on fraudulent applications in the names/addresses of other persons and used. With the expansion of e-commerce, m-commerce and Internet facilities being available on massive scale the fraudulent fund freaking are done via credit/debit cards.

6.   **Bad cheque:** Cheque used for purpose of financial transaction and later found no available funds in the particular account or inoperative.

7.   **Stolen payment cards:** Stolen cards are used for payments or transactions while the concern person delayed in reporting to block the stolen card. It refers to the use of a card lost by a legitimate account holder for unauthorized/illegal purposes.

8.   **Impersonation to avail loans:** Scam operates by obtaining information about a victim, then using the information to apply for identity cards, accounts and credit in that person's name. Unfortunately for the banks, identity thieves have been known to take out loans and disappear with the cash, quite content to see the wrong persons blamed when the debts go bad.

9.   **Phishing and Internet fraud:** Phishing operates by sending forged email, impersonating an online bank, auction or payment site; the email directs the user to a forged web site which is designed to look like the login to the legitimate site but which claims that the user must update personal info. The information thus stolen is then used in other frauds, such as theft of identity or online auction fraud.

10.   **Lottery frauds:** Emails or SMS are sent that people have won lotteries worth millions which the person never enters into it. The sender then asked for personal details, bank account details and then demand to deposit money for service charge.

11. **Fake bank officials/Imposters:** Fraudsters make telephonic calls claiming they are bank officials and disguise people saying there is problem with the account and the receiver need to disclose his account details and security numbers.

12. **Internet banking frauds:** While assessing internet banking some pop-up dialog box or link are suggested for the users, a number of malicious "Trojan horse" programmes have been used to snoop on Internet users while online, capturing keystrokes or confidential data in order to send it to outside sites.

13. **Ponzi schemes:** In the financial market, investors are lure by promising high returns on investment in the company which maybe a non-existent company.

14. **Service fee frauds:** Bank officials or mediocre charged service fee for processing the money besides the provided banks service charge.

15. **Pro-forma or false invoicing:** Mails are sent representing a reputed company promoting new products and the products will be sender to the receiver. The receiver need to update personal information and need to pay for delivery charged.

16. **Pyramid schemes:** A scheme you need to pay subscription fee and your financial rewards based on people in higher levels of the pyramid each receiving a share of the contribution from new members recruited to the scheme. Finding down lines. Investors are asked to pay money in advance. Early investors may receive high returns fairly quickly from 'interest cheques.' Pleasant words were used and so pleased to hear the promoters; they invest more money, or recruit friends and family as new investors. The truth is, the investment doesn't exist. The 'interest cheques' are paid from investors' own money and the contributions of new investors. The scheme eventually collapses when the new investors drops. Ultimately, the promoters vanish, taking the investors money with them. (SEBI 2012, Investment Planning for Retirement, Avoid investment Scams)

17. **Pump and dump:** Mails and SMS are sent promoting incredible deal on stock describing as once-in-lifetime investment and making offer to easily buy it through savings bank account. The investor does not know that the person or the

company touting the stock owns a large huge amount of it. As the fraudsters accumulate more and more investors in buying their shares, their market value skyrocket. Once the price hits the top or a peak, the scamsters sells their shares and then the value of the stock plumnet making a dramatic fall. Then, the investors are left holding worthless shares. (SEBI, 2012. *Investment Planning for Retirement.* Avoid Investment Scams).

18.   **OTP fraud:** In a fraudulent activity, people received OTP(one time password) through SMS, then fraudster make a call saying he has mistakenly type the phone number and then ask the receiver to disclose the OTP (The Hindu, 2018).

19.   **Automated Teller Machine(ATM) Fraud/Security PIN fraud:** People pretend to help while people using cards in ATM or shopping malls and then security PIN is captured and later victimized the innocent consumers. A fraudster acquires a customer's card and/or PIN and withdraws money from the machine (Rawat D S, 2015).

20.   **Counterfeit Notes:** These notes are duplicate currency notes used in the market as genuine notes.

Sample specimen of Rs 2000 and Rs 500 currency notes are given below in the following Exhibit – 25, and 26 along with its features.

Exhibit – 25
Features of the new Rs. 2000 genuine note

Obverse:

1. See through register with denomination numeral 2000 can be seen when the note is held against light
2. Latent image with denomination numeral 2000 which can be seen when the banknote is held at 45 degree angle at the eye level
3. Denomination numeral 2000 in Devnagari
4. Portrait of Mahatma Gandhi in the centre
5. Micro letters 'RBI' and '2000'
6. Windowed security thread with inscriptions 'भारत', RBI and 2000 with colour shift. Colour of the thread changes from green to blue when the note is tilted

7. Guarantee Clause, Governor's signature with Promise Clause and RBI emblem towards right
8. Mahatma Gandhi portrait and electrotype (2000) watermarks
9. Number panel with numerals growing from small to big on the top left side and bottom right side
10. Denomination numeral with Rupee Symbol, ₹2000 in colour changing ink (green to blue) on bottom right
11. Ashoka Pillar emblem on the right

For visually impaired:

Intaglio or raised printing of Mahatma Gandhi portrait, Ashoka Pillar emblem, bleed lines and identification mark

12. Horizontal rectangle with ₹2000 in raised print on the right
13. Seven angular bleed lines on left and right side in raised print

Reverse:

14. Year of printing of the note
15. Swachh Bharat logo with slogan
16. Language panel towards the centre
17. Motif of **Mangalayan** - reflecting country's first venture in the interplanetary space

For more details on banknotes in the denomination of ₹2000 please visit: www.paisaboltahai.rbi.org.in

New design notes in other denominations will follow

Issued in public interest by   केनरा बैंक   Canara Bank
A Government of India Undertaking

Exhibit – 26
Features of the new Rs 500 genuine note
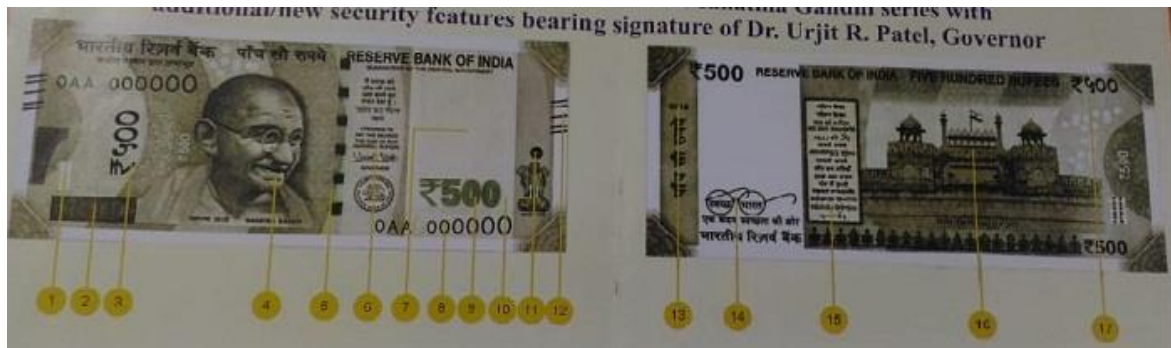
Obverse (Front Side):
1. See through register in denominational numeral.
2. Latent image of the denominational numeral.
3. Denominational numeral in Devangari.
4. Orientation and relative position of Mahatma Gandhi portrait changed.
5. Windowed security thread changes colour from green to blue when note is tilted.
6. Guarantee clause, Governor's signature with Promise Clause and RBI emblem shifted towards right.
7. Portrait and electrotype watermark.
8. Number panel with numerals growing from small to big on the top left side and bottom right side.
9. Denomination in numerals with Rupee symbol in colour changing ink (green to blue) on bottom right.
10. Ashoka pillar emblem on the right.

For visually impaired :
Intaglio or raised printing of Mahatma Gandhi portrait, Ashoka pillar emblem, bleed lines and identification mark continue.
11. Circle with ₹ 500 in raised print on the right.
12. 5 bleed lines on left and right in raised print.

Reverse :
13. Year of printing of the notes on left.
14. Swachh Bharat logo with slogan.
15. Language panel towards centre.
16. Red Fort-an image of Indian heritage site with Indian flag.
17. Denominational numeral in Devangari on right.
18. The size of the note is 66mm × 150mm.
19. The colour of the note is stone gray.

Technological changes and digitization have made financial market more sophisticated. Financial services are now at the doorstep of the customers with the upgradation of digitization in financial market. Alongside, with the advancement in technology, rise on numerous investment scams is also happening day-by-day. The prevalence of banking related malpractices or banking frauds in the financial market is adversely affecting the financial well-being of the investors. Thus, in order to analyse the investors affected by banking related malpractices, several commonly known banking frauds have been identified for the study. Respondents were asked to specify on the particular banking fraud which affected them. The data so collected have been analysed and tabulated appropriately as presented in the Table 5.2 below.

Table - 5.2

Status of Banking related malpractices affecting investors

Rank	Banking frauds affecting investors	No. of respondents affected	Percentage	Kohima	Dimapur
1	Fake bank officials/Imposters	48	9.6%	21 (8.4)	27(10.8)
2	Lottery frauds	41	8.2%	16(6.4)	25(10)
3	Phishing and internet fraud	37	7.4%	19(7.6)	18(7.2)
4	Ponzi schemes	35	7%	16(6.4)	19(7.6)
5	Security PIN fraud	33	6.6%	13(5.2)	20(8)
6	Pyramid schemes	29	5.8%	14(5.6)	15(6)
7	OTP fraud	27	5.4%	15(6)	12(4.8)
8	Credit/debit card frauds	22	4.4%	10(4)	12(4.8)
9	Internet banking fraud	18	3.6%	8(3.2)	10(4)
10	Fake currency notes	13	2.6%	6(2.4)	7(2.8)
11	Service fee fraud	11	2.2%	7(2.8)	4(1.6)
12	Stolen card payments	8	1.6%	4(1.6)	4(1.6)
13	Pro-forma or false	6	1.2%	2(0.8)	4(1.6)

	invoicing				
14	Forgery and altered cheque	5	1%	3(1.2)	2(0.8)
15	Theft of identity	4	0.8%	1(0.4)	3(1.2)
16	Stolen cheque	3	0.6%	1(0.4)	2(0.8)
17	Accounting fraud	2	0.4%	0	2(0.8)
18	Impersonation to avail loans	2	0.4%	1(0.4)	1(0.4)
19	Bad cheque	1	0.2%	0	1(0.4)
20	Pump and dump (selling stocks)	1	0.2%	0	1(0.4)

Source: Field survey

Note: The figures shown in the parenthesis are the percentage of the respondents

The above Table – 5.2 shows the number of respondents who are affected by banking related malpractices. Some commonly known banking malpractices prevailing in the market has been identified. Respondents are asked to report on whether they have been affected by such cases. The study has been found out that, the banking frauds affecting the investors the most are 'Fake Bank officials or Imposters' affecting 48 respondents i.e. 9.60 percent of the investors, 'Lottery Fraud' affecting 41 respondents which is 8.20 percent of the investors, 'Phising and Internet Fraud' affecting' affecting 37 respondents i.e. 7.40 percent investors, and 'Ponzi schemes' affecting 35 respondents i.e. 7 percent investors. 'Security PIN fraud', 'Pyramid scheme frauds' and 'OTP fraud' have affected the investors to the extent of 6.60 percent, 6.40 percent and 5.40 percent of the respondents respectively. All the above mentioned frauds affecting the investors are by more than 5 percent, which is alarming. This implies banking related malpractices can affect more investors if no proper precautions, guidance and awareness are given to our society.

Banking frauds affecting the respondents by 1 - 5 percent of the investors are 'Credit/debit card frauds' affecting 4.40 percent of the respondents, "Internet Banking Fraud" affecting 3.60 percent of the respondents, 'Fake Currency Notes'

affecting 2.60 percent of the respondents, 'Service Fee Fraud' affecting 2.20 percent of the respondents, 'Stolen Card Payments' affecting 1.60 percent of the respondents, 'Pro-forma or False Invoicing' affecting 1.20 percent of the investors, and 'Forgery and Altered cheque' affecting 1 percent of the investors These are some of the frauds happening in the financial market and affecting the investors here in Nagaland and its happening at an alarming rate. With the new technological updates and more sophisticated software and applications used for today's financial market, the investors need to be more cautious in dealing with the financial transactions. More focus and attention need to given when investment products seems to be very good and looks suspicious, the investors need to authenticate it or better ignore it.

There are some certain Banking frauds affecting investors by less than one percent. These frauds are considered as insignificant as very less number of investors is affected by these frauds. These frauds are 'Theft of Identity' (0.8 percent), 'Stolen Cheque' (0.6 percent), 'Accounting Frauds' (0.4 percent), 'Impersonation to avail loan' (0.4 percent), "Bad Cheque" (0.2 percent) and 'Pump and Dump (selling stocks)' (0.2 percent). These banking frauds are almost insignificant at present in Nagaland, but the number may increase if no proper financial awareness on these frauds has been given to the people.

For better understanding, a representation of the same has been depicted in the Exhibit – 27.

Exhibit - 27

Banking Frauds victims

■ Bank fraud victims

Category	Percentage
Pump and dump (selling stocks)	0.20%
Bad cheque	0.20%
Impersonation to avail loans	0.40%
Accounting fraud	0.40%
Stolen cheque	0.60%
Theft of identity	0.80%
Forgery and altered cheque	1%
Pro-forma or false invoicing	1.20%
Stolen card payments	1.60%
Service fee fraud	2.20%
Fake currency notes	2.60%
Internet banking fraud	3.60%
Credit/debit card frauds	4.40%
OTP fraud	5.40%
Pyramid schemes	5.80%
Security PIN fraud	6.60%
Ponzi schemes	7%
Phishing and internet fraud	7.40%
Lottery frauds	8.20%
Fake bank officials	9.60%

Source: Field survey

5.5.1. Banking related frauds affecting investors: A comparison between Kohima and Dimapur districts

With a view to find out the number of respondents affected by banking related frauds in Kohima and Dimapur districts, attempt has been made to present

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data separately on this aspect for the two districts. The data so collected and analysed have been exhibited and explained in Exhibit – 28 below.

Exhibit - 28

Bank related frauds of Kohima and Dimapur investors

■ Dimapur   ■ Kohima

Fraud type	Dimapur	Kohima
Pump and dump (selling stocks)	0.40%	0
Bad cheque	0.40%	0
Impersonation to avail loans	0.40%	0.40%
Accounting fraud	0.80%	0
Stolen cheque	0.80%	0.40%
Theft of identity	1.20%	0.40%
Forgery and altered cheque	0.80%	1.20%
Pro-forma or false invoicing	1.60%	0.80%
Stolen card payments	1.60%	1.60%
Service fee fraud	1.60%	2.80%
Fake currency notes	2.80%	2.40%
Internet banking fraud	4%	3.20%
Credit/debit card frauds	4.80%	4%
OTP fraud	4.80%	6%
Pyramid schemes	6%	5.60%
Security PIN fraud	8%	5.20%
Ponzi schemes	7.60%	6.40%
Phishing and internet fraud	7.20%	7.60%
Lottery frauds	10%	6.40%
Fake bank officials/Imposters	10.80%	8.40%

Source: Field survey

The Exhibit - 28 shows banking frauds affecting investors between Kohima and Dimapur districts. Six most significant banking frauds affecting investors of Kohima are 'Fake bank officials /imposters' affecting 8.4 percent investors, 'Phising and internet fraud' affecting 7.6 percent investors, 'Lottery frauds' and 'Ponzi schemes' each affecting 6.4 percent investors, 'Pyramid scheme' affecting 5.6 percent investors, and 'Security PIN fraud' affecting 5.2 percent investors.

Six most significant banking frauds affecting investors of Dimapur are 'Fake bank officials or Imposters' affecting 10.80 percent investors, 'Lottery frauds' affecting 10 percent investors, 'Security PIN fraud' affecting 8 percent investors, 'Ponzi schemes' affecting 7.60 percent investors, 'Phising and Internet Fraud' affecting 4.20 percent investors, and 'Pyramid schemes' affecting 6 percent investors.

The exhibit shows, in most of the banking frauds reported investors from Dimapur district has been affected more than investors affected from Kohima. Kohima investors has been affected more in 'OTP frauds' than Dimapur investors by 1.2 percent, "Service Fee fraud" by 1.2 percent, "Phising and Internet Fraud" by 0.4 percent and "Forgery & Altered cheque" by 0.4 percent. Pump and Dump (selling stock), bad cheque, and accounting seem to be insignificant and no affected cases have been reported in Kohima district.

Similarly, in all others banking frauds affecting investors, Dimapur investors had been affected much more than Kohima investors. In "Lottery Frauds" Dimapur has 3.6 percent more affected investors than Kohima, "Security PIN Frauds" more affected investors by 2.8 percent, "Fake bank officials or imposters" more affected investors by 2.2 percent, "Ponzi schemes" affected investors by 1.2 percent, "Debit and Credit Card frauds" more affected investors by 0.8 percent, "Internet Banking Fraud" more affected investors by 0.8 percent, "Pyramid Schemes" more affected investors by 0.4 percent, "Pro-forma

Invoicing" more affected investors by 0.8 percent, "Fake Currency Notes" more affected investors by 0.4 percent, "Theft of Identity" more affected investors by 0.8 percent, "Stolen Cheque" more affected investors by 0.4 percent, "Accounting Frauds" more affected investors by 0.8 percent, "Bad Cheque" more affected investors by 0.4 percent, and "Pump and Dump(selling stocks)" more affected investors by 0.4 percent. For both the districts, "Stolen Card Payments" and "Impersonation to avail loans" are equally affecting investors by 1.60 percent and 0.4 percent respectively.

From this, it has been learnt that investors from Dimapur district is slightly affected more than Kohima investors. Different banking frauds are happening frequently, so awareness programme on banking frauds need to be spread among the investors without discrimination and irrespective of caste and creed. This will help the investors prevent themselves from such evil practices.

5.6. ASSOCIATION BETWEEN FINANCIAL LITERACY OF THE RESPONDENTS AND BANKING RELATED MALPRACTICES

In this part of the study, data have been analysed in order to understand the impact of financial literacy level of the respondents on banking related malpractices. Accordingly, the respondents have been group into three categories, namely – highly affected, affected and not affected. Respondents who were affected by 3 or more frauds were considered as *"Highly affected",* respondents affected by 1 or 2 frauds were considered as *"Affected",* and respondents not affected by any of the mention frauds were considered as *"Not affected".* The data so collected have been analysed and presented in Table – 5.3 to ascertain the association between financial literacy of the respondents and banking related malpractices.

Table - 5.3

Association between financial literacy and banking frauds affecting investors

Financial literacy	No. of respondents and %		Banking malpractices on investors					
			Highly affected		Affected		Not affected	
High level	122	(100%)	0	(0%)	3	(2.45%)	119	(97.54%)
Low level	378	(100%)	23	(8.2%)	82	(21.69%)	273	(72.22%)
Total	**500**	**(100%)**	**23**	**(4.6%)**	**85**	**(17%)**	**392**	**(78.4%)**

Source: Field survey

Note: The figures shown in the parenthesis are the percentage of the respondents

The result shows that no respondents with high FLL is found to be 'Highly Affected' by banking frauds, 2.45 percent out of 122 respondents with high FLL are 'Affected' by banking frauds, and the remaining 119 respondents i.e. 97.54 percent is in 'Not Affected' category. Out of 378 investors with low FLL, 8.2 percent are 'Highly Affected', 21.69 percent are 'Affected', and 70.11 percent are 'Not Affected'. This reveals that investors with high FLL are affected minimally whereas investors with low FLL are more vulnerable and prompt to banking frauds.

The impact of financial literacy of the respondents on banking related malpractices/banking frauds in terms of their socio-economic background has also been tabulated accordingly. The same is annexed in Annexure – 5.

5.7. ANALYSIS OF BANKING RELATED MALPRACTICES AFFECTING INVESTORS ACCORDING TO THEIR DEMOGRAPHIC PROFILE

On the basis of demographic profile of the respondents, an analysis of bank related malpractices affecting investors becomes eminent. Accordingly, attempt

has been made to find out the impact of financial literacy of the respondents on banking related malpractices/banking frauds in terms of their socio-economic background.

5.7.1. Age wise analysis of Banking Frauds affecting investors

Banking frauds affecting investors does not have any age bar. It can victimize anyone who falls under its prey. The study also reveals banking frauds affecting respondents on the basis of their age profile and is depicted by Exhibit – 29 below.

Exhibit - 29

	15-25years	26-35 years	36-45 years	46-55 years	56 & above
Not affected	78.09%	75%	78.01%	80.49%	90.63%
Affected	17.14%	19.29%	17.02%	15.85%	9.38%
Highly affected	4.76%	5.71%	5%	3.66%	0%
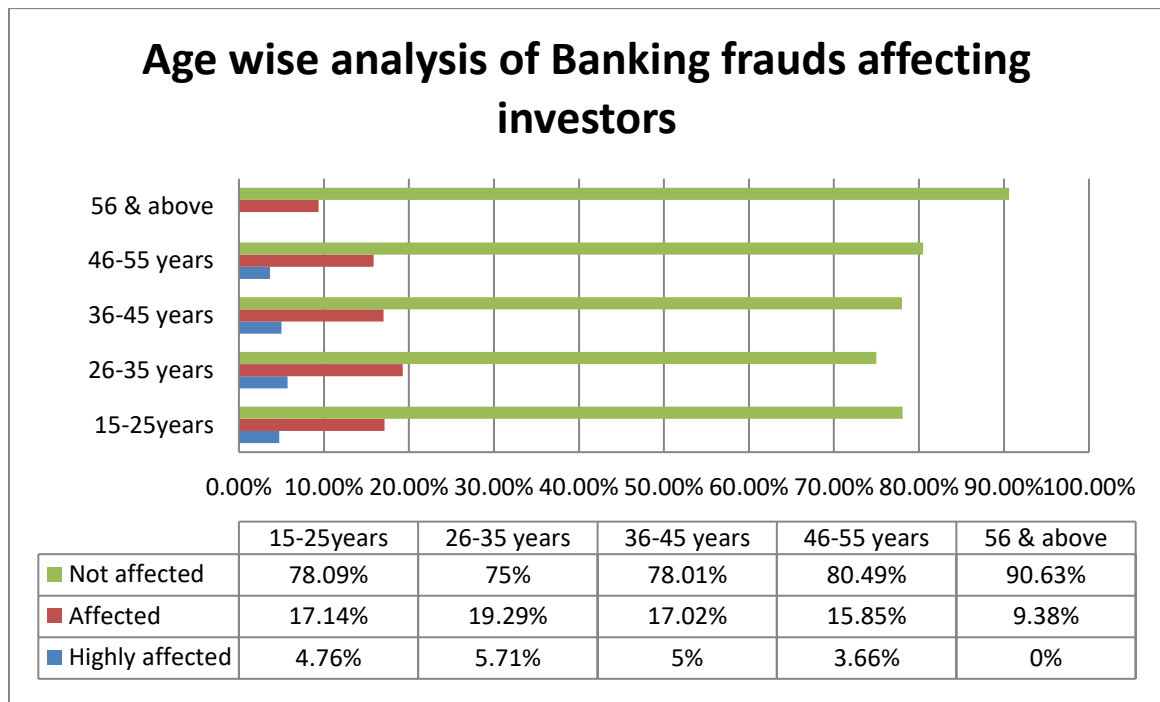
Source: Field survey

The exhibit presents Age wise analysis of Banking Frauds affecting investors. The respondents who are *'Highly Affected'* by banking related malpractices are 4.76 percent from the age group of 15-25 years, 5.71 percent from the age group of 26-35 years, 5 percent from the age group 36-45 years, 3.66 percent from 46 -55 years and none from above 55 years. The respondents who are

'Affected' by banking frauds are 17.4 percent from the age group 15-24 years, 19.29 percent from the age group 26-35 years, 17.02 percent from the age group 36-45 years above, 15.85 percent from the age group 46-55 years, and 9.38 percent from the age group 56 years and above. The respondents who are *'Not Affected'* by banking frauds are 78.09 percent from the age group 15-25 years, 75 percent from the age group 26-35 years, 78.01 percent from the age group 36-45 years, 80.49 percent from the age group 46-55 years, and 90.63 percent from the age group 56 years and above. This vocal out that financial education is important for the young executives as the age between '26 to 35' years are the most affected groups followed by '15-25 years' and '26-35 years'. In order to prevent financial frauds, Financial Education should reach out to the people especially in colleges, work place and in different organisations irrespective of ages.

With a view to find out the impact of financial literacy level of the respondents affected by banking frauds according to their age profile, data have been collected and analysed by cross-tabulation as shown in Table 5.4 below.

Table - 5.4

Cross tabulation of the respondents' Financial Literacy level and Banking frauds according to their age profile

Age	FLL	No. of respondents	%	Banking related malpractices						Total %
				Highly affected		Affected		Not affected		
				f	%	f	%	f	%	
15-25years	High	25	23.81	0	0	1	4	24	96	100
	Low	80	76.19	5	6.25	17	21.25	58	72.5	100
26-35 years	High	36	25.71	0	0	1	2.77	35	97.22	100
	Low	104	74.28	8	7.69	26	25	70	67.31	100
36-45 years	High	40	28.36	0	0	1	2.5	39	97.5	100
	Low	101	71.63	7	6.93	23	22.77	71	70.3	100
46-55 years	High	17	20.73	0	0	0	0	17	100	100
	Low	65	79.26	3	4.61	13	20	49	75.38	100
56 & above	High	4	12.5	0	0	0	0	4	100	100
	Low	28	87.5	0	0	3	10.71	25	89.28	100
Total		**500**		**23**	**4.6**	**85**	**17**	**392**	**78.4**	100

Source: Field survey

The relationship between financial literacy level and banking frauds shows that for all the age group no investors with high FLL is 'Highly affected' and only 3 respondents i.e. 0.6 percent is 'Affected' at least once by banking malpractices. Whereas investors with low FLL, 23 respondents i.e. 4.6 percent is 'Highly affected' and 79 respondents i.e. 16.4 percent is 'Affected' by banking malpractices. This shows respondents high FLL are less affected by banking malpractices comparing to respondents with low FLL. So, this clearly reveals a significant association between financial literacy level and banking malpractices affecting investors.

5.7.2. Gender wise analysis of Banking Frauds affecting investors

The result of Fraud and Security survey 2018 carried out by Sarah Rutherford revealed in her FICO Blog that men are less tolerant on security measures related to frauds than women. In this study too, attempt has been made to ascertain whether the affect of banking frauds differ according to gender or not. Accordingly, data analysis has been done and depicted by Exhibit – 30.

Exhibit - 30

	Highly affected	Affected	Not affected
Female	4.89%	19.02%	76.09%
Male	4.43%	15.82%	79.75%

Source: Field survey

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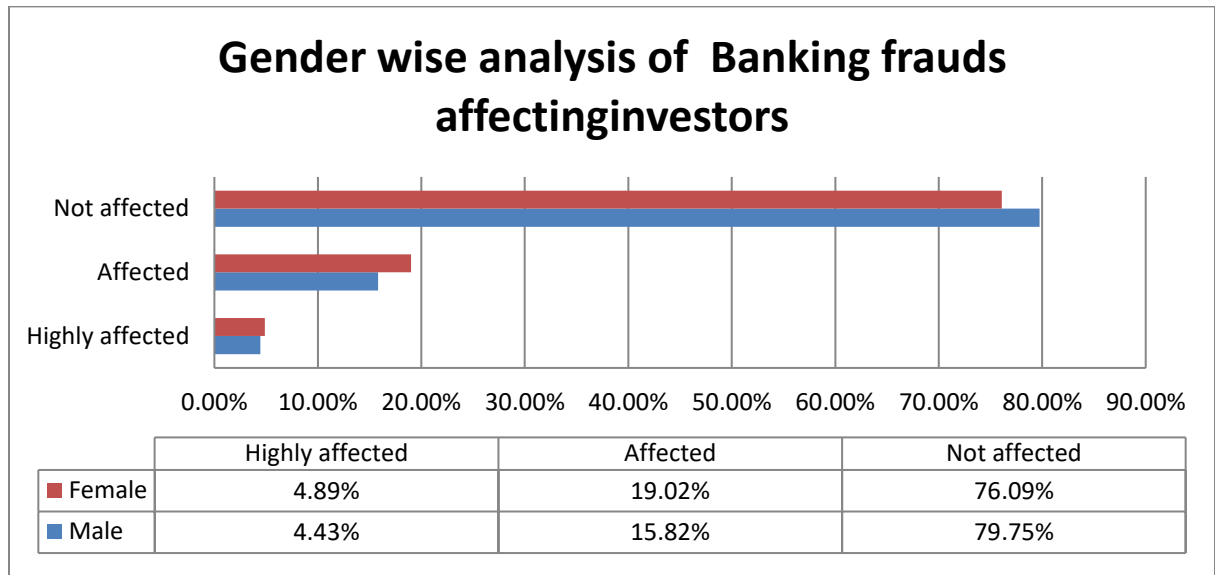
The Exhibit - 30 displays Gender wise analysis of banking frauds affecting investors. On the basis of gender of the respondents, it found that 4.43 percent of the male investors are 'Highly Affected' by banking frauds, 15.82 percent are 'Affected' by banking frauds, and 79.75 percent are 'Not Affected' by banking frauds. Similarly, 4.89 percent of female investors are 'Highly Affected' by banking frauds, 19.02 percent are 'Affected' by banking frauds and 76.09 percent are 'Not Affected' by banking frauds. This shows the female gender are more prompt to investment scams.

Analysis has also been done to find out the relationship between respondents' gender, FLL and Banking frauds. Data so collected have been analysed by cross tabulation and is presented in Table – 5.5.

Table - 5.5

Cross tabulation of the respondents' Financial Literacy level and Banking frauds according to their gender

Demographic		FLL	No. of respondents	%	Banking related malpractices						Total %
					Highly affected		Affected		Not affected		
					f	%	f	%	f	%	
Gender	Male	**High**	94	29.75	0	0	2	2.12	92	97.87	100
		Low	222	70.25	14	6.31	48	21.62	160	72.07	100
	Female	**High**	28	15.22	0	0	1	3.57	27	96.42	100
		Low	156	84.78	9	5.77	34	21.79	113	72.44	100
	Total		**500**		**23**	**4.6**	**85**	**17**	**392**	**78.4**	100

Source: Field survey

The above Table – 5.5 compares financial literacy level and banking related malpractices according to gender wise. It has been found out that among respondents with high FLL no respondents from both "Male" and "Female" gender are 'Highly affected' by banking related malpractices and only 1 respondent i.e. 3.57 percent of "Female" and 2 respondents i.e. 2.12 percent of "Male" have been 'Affected' by banking malpractices. Whereas respondents with low FLL, 14 respondents i.e. 6.31 percent of "Male" and 9 respondents i.e. 5.77 percent of "Female" are 'Highly affected' and 48 respondents i.e. 21.62 percent

of "Male" and 34 respondents i.e. 21.79 percent of "Female" are 'Affected' by banking frauds. Basing on gender wise analysis too, respondents with high FLL are less affected by banking frauds comparing to respondents with low FLL.

5.7.3. Marital Status wise analysis of banking frauds affecting investors

With a view to find out respondents affected by banking frauds on the basis of their status, data have been collected and analysed. The findings of this analysis according to married and unmarried respondents are depicted by Exhibit – 31.

Exhibit- 31

	Highly affected	Affected	Not affected
Married	4.25%	16.99%	78.76%
Unmarried	5.15%	17.01%	77.84%
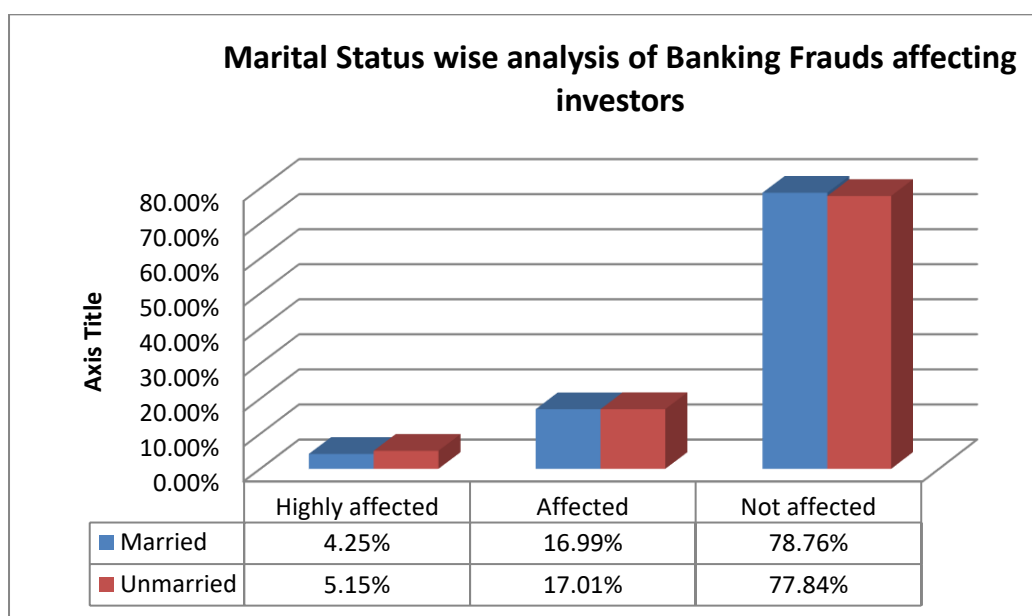
Source: Field survey

The exhibit shown above presents Marital Status wise analysis of banking frauds affecting investors. On the basis of marital status of the investors, it is found that 4.25 percent of Married investors are 'Highly Affected' by banking frauds, 16.99 percent investors are 'Affected' by banking frauds, and 78.76 percent investors are 'Not Affected' by banking frauds. Similarly, 5.15 percent of Unmarried investors are 'Highly Affected' by banking frauds, 17.01 percent investors are 'Affected' by banking frauds, and 77.84 percent investors are 'Not Affected' by banking frauds. This show the unmarried respondents are affected slightly more by banking frauds than the married respondents.

An analysis has also been done in order to ascertain financial literacy level of the respondents affected by banking frauds according to their marital status. Data so collected have been analysed by cross-tabulation and is presented in Table – 5.6 below.

Table - 5.6.

Cross tabulation of the respondents' Financial Literacy level and Banking Frauds according to their Marital Status

Demographic		FLL	No. of respondents	%	Banking related malpractices						Total %
					Highly affected		Affected		Not affected		
					f	%	f	%	f	%	
Marital Status	Married	**High**	76	24.84	0	0	2	2.63	74	97.37	100
		Low	230	75.16	13	5.65	50	21.73	167	72.61	100
	Unmarried	**High**	46	23.71	0	0	1	2.17	45	97.82	100
		Low	148	76.29	10	6.75	32	21.62	106	71.62	100
Total			**500**		**23**	**4.6**	**85**	**17**	**392**	**78.4**	100

Source: Field survey

The table shows a Cross tabulation of the respondents' Financial Literacy level and Banking frauds according to their marital status. Among high FLL respondents, no respondent has been 'Highly Affected' from both the "Married" and "Unmarried" respondents. 2 respondents i.e. 2.63 percent of 'Married' respondents and 2.17 percent of 'Unmarried' respondents have been 'Affected'. Similarly, for respondents with low FLL investors, 13 respondents i.e. 5.65 percent of 'Married' respondents and 10 respondents i.e. 6.75 percent of 'Unmarried' respondents have been 'Highly Affected', while 50 respondents i.e. 21.73 percent of 'Married' respondents and 32 respondents i.e. 21.62 percent of 'Unmarried' respondents have been 'Affected'. This shows the role of financial literacy is significant for prevention of banking related malpractices affecting investors as high FLL respondents are minimally affected by banking frauds comparing to low FLL respondents.

5.7.4. Educational Qualification wise analysis of Banking Frauds affecting investors

Respondents of this study are with different educational background. As been stated earlier in Chapter 3, respondents with higher educational qualification are found to have higher financial literacy level. Here, attempt has been made to find out banking frauds affecting investors according to their educational qualification. Data have been collected and analysed accordingly the result of which is depicted in Exhibit – 32 below.

Exhibit - 32
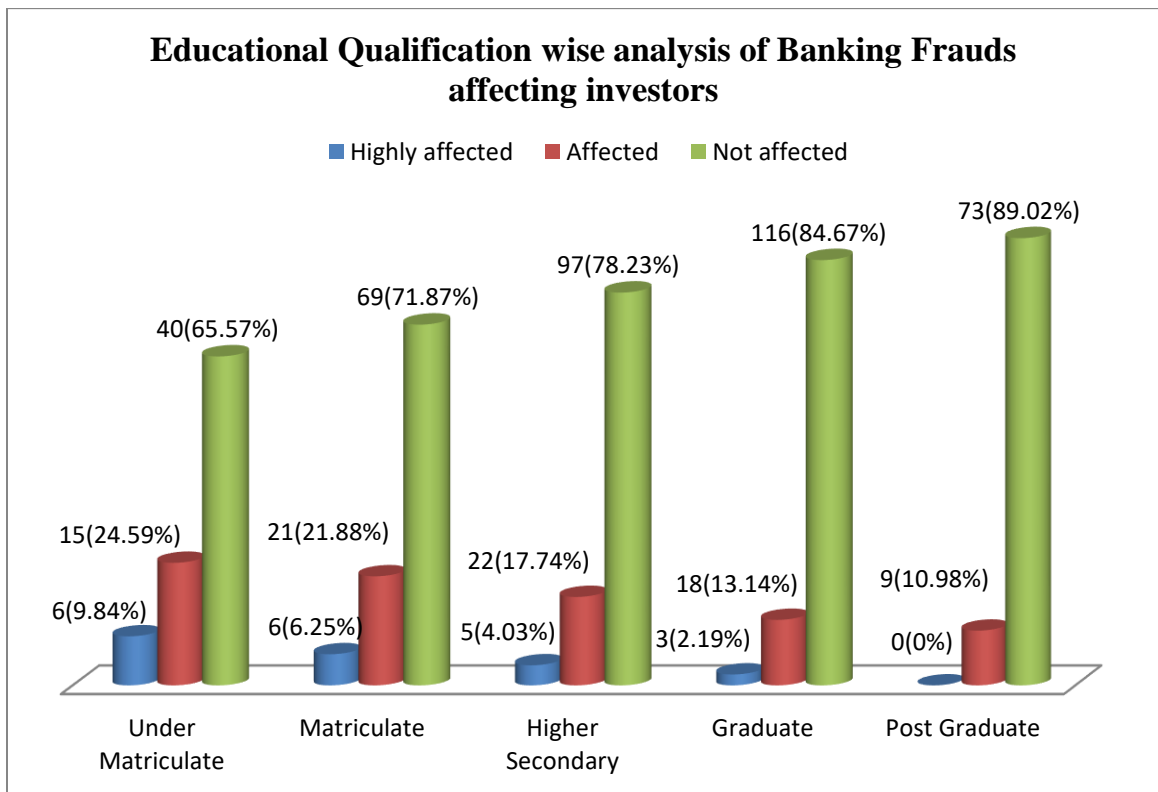
Source: Field survey

The above exhibit shows educational qualification wise analysis of banking frauds affecting investors. On the basis of educational background of the investors, it is found that investors who are 'Highly Affected' by banking frauds are: 9.84 percent from the group Under Matriculate, 6.25 percent from the group Matriculate, 4.03 percent from the group Higher Secondary, 2.19 percent from the

group Graduate, and none from the group Post Graduate. The investors who are 'Affected' by banking frauds are: 24.59 percent from the group Under Matriculate, 21.88 percent from the group Matriculate, 17.74 percent from the group Higher Secondary, 13.14 percent from the group Graduate, and 10.98 percent from the group Post Graduate. The investors who are 'Not Affected' banking frauds are: 65.57 percent from the group Under Matriculate, 71.87 percent from the group Matriculate, 78.23 percent from the group Higher Secondary, 84.67 percent from the group Graduate, and 89.02 percent from the group Post Graduate. This reveals the higher the educational qualification the lower the number of respondents affected by banking frauds. Thus, financial education in education system will have a better impact in prevention on banking frauds.

An analysis by cross tabulation has also been done to ascertain the association between financial literacy level of the respondents affected by banking frauds according to their educational qualification. Data so analysed and tabulated is presented in Table – 5.7 given below.

Table – 5.7
Cross tabulation of the respondents' Financial Literacy level and Banking frauds according to their educational qualification

Demographic		FLL	No. of respondents	%	Banking related malpractices						Total %
					Highly affected		Affected		Not affected		
					f	%	f	%	f	%	
Qualification	Under Matriculate	High	4	6.55	0	0	1	25	3	75	100
		Low	57	93.44	6	10.53	14	24.56	37	64.91	100
	Matriculate	High	11	11.46	0	0	1	9.09	10	90.1	100
		Low	85	88.54	6	7.05	20	23.52	59	69.41	100
	Higher Secondary	High	29	23.38	0	0	1	3.44	28	96.55	100
		Low	95	76.61	5	5.26	21	22.12	69	72.63	100
	Graduate	High	47	34.30	0	0	0	0	47	100	100
		Low	90	65.69	3	3.33	18	20	69	76.67	100
	Post Graduate	High	31	37.8	0	0	0	0	31	100	100
		Low	51	62.2	0	0	9	17.64	42	82.35	100
	Total		**500**		**23**	**4.6**	**85**	**17**	**392**	**78.4**	100

Source: Field survey

The above table presents a cross-tabulation on financial literacy level and banking frauds according to their educational background. It presents Under Matriculate, Matriculate, Higher Secondary, Graduate, and Post Graduate respondents with their FLL and banking frauds affecting investors. For high FLL respondents no respondent is 'Highly affected' by banking frauds from all the different educational backgrounds. 1 respondent i.e. 25 percent of Under Matriculate respondents, 1 respondent i.e. 9.09 percent of Matriculate respondents, 1 respondent i.e. 3.44 percent of Higher Secondary respondents, zero respondents from both Graduate and post graduate respondents are 'Affected' by banking frauds. Whereas, for low FLL respondents, 6 respondents i.e. 10.53 percent of 'Under Matriculate' respondents, 6 respondents i.e. 7.05 percent of 'Matriculate' respondents, 5 respondents i.e. 5.26 percent of 'Higher Secondary' respondents, and 3 respondents, i.e. 3.33 percent of 'Graduate' respondents are 'Highly Affected' by banking frauds. 14 respondents i.e. 24.56 percent of Under Matriculate, 20 respondents i.e. 23.52 respondents of Matriculate, 21 respondents i.e. 22.12 percent of Higher Secondary, 18 respondents i.e. 20 percent of Graduate, and 9 respondents i.e. 17.64 percent of Post Graduates are 'Affected' by banking frauds. This reveals respondents with high FLL are less affected by banking frauds than those respondents with low FLL. Thus, educational qualification analysis reveals there is a significant association between FLL and banking frauds affecting investors.

5.7.5. Occupation wise analysis of Banking Frauds affecting investors

Respondents in this study are from different occupational background as stated earlier. In order to find out respondents affected by banking frauds according to their occupation, analysis has been done. Exhibit- 33 clearly depicts the result of that analysis.

Exhibit - 33

Occupation wise analysis of Banking Frauds affecting investors

	Service	Business	Housewife	Student	Unemployed	Retired
■ Highly Affected	4.57%	4.88%	5.48%	4.11%	5.06%	3.33%
■ Affected	16.99%	18.29%	24.66%	13.25%	15%	10%
■ Not Affected	78.43%	76.83%	69.86%	83%	79.75%	86.67%
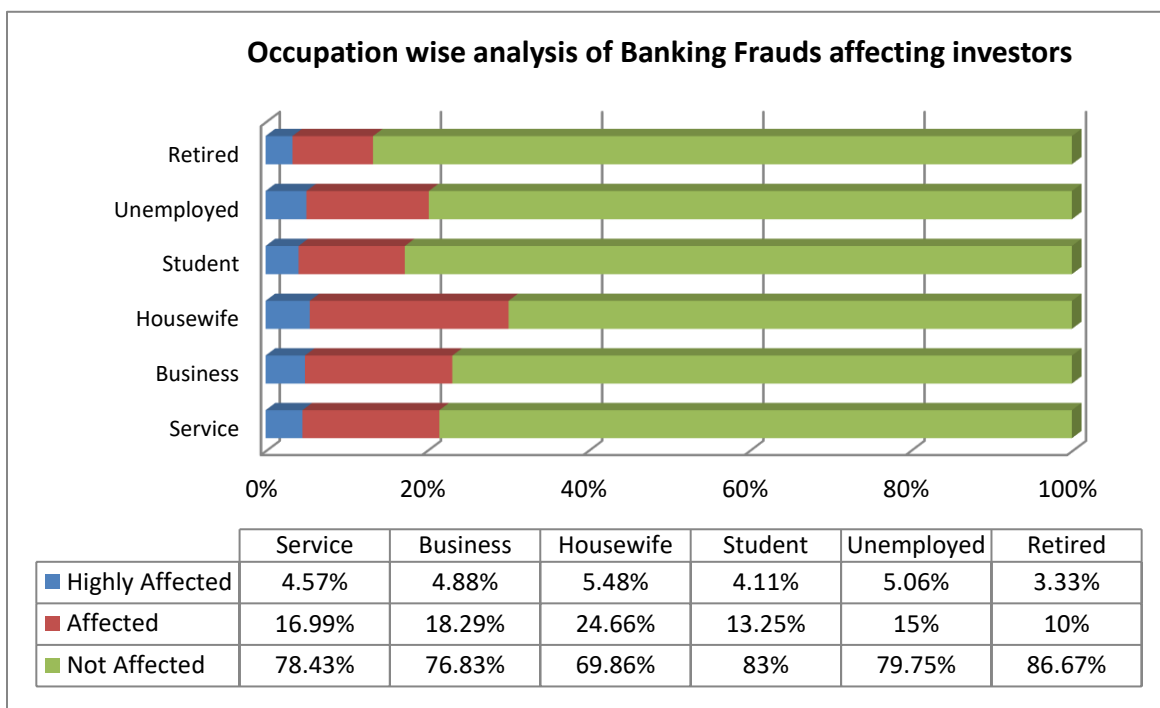
Source: Field survey

Exhibit – 31 presents occupation wise analysis of banking frauds affecting investors. On the basis of Occupation of the investors, it is found that the investors who are 'Highly affected' by banking frauds are: 4.57 percent from the group 'Service', 4.88 percent from the group 'Business', 5.48 percent from the group 'Housewife' which is the most 'Highly affected' group, 4.11 percent from the group 'Student', 5.06 percent from the group 'Unemployed or Daily Wagers', and 3.33 percent from the group 'Retired' which is the least 'Highly affected' group. The investors who are 'Affected' by banking frauds are 16.99 percent from the group 'Service', 18.29 percent from the group 'Business', 24.66 percent from the group 'Housewife', 13.25 percent from the group 'Student', 15 percent from the group 'Unemployed or Daily Wagers', and 10 percent from the 'Retired'. The investors who are 'Not Affected' by banking frauds are 78.43 percent from the group 'Service', 76.83 percent from the group 'Business', 69.86

percent from the group 'Housewife', 83 percent from the group 'Student', 79.75 percent from the group 'Unemployed', 86.67 percent from the group 'Retired'. This reveals, banking frauds have affected in all the occupational background of respondents. A solution to prevent these banking frauds among the investors is through financial awareness on various investment schemes, by being aware of the fact that there are many investment scams prevailing in the market, and not falling into such scams.

In order to understand the impact of financial literacy level of the respondents affected by banking frauds according to their occupation, data have been collected and analysed by cross-tabulation as shown in Table 5.8.

Table - 5.8

Cross tabulation of the respondents' Financial Literacy level and Banking frauds according to their occupation

Demographic		FLL	No. of respondents	%	Banking related malpractices						Total %
					Highly affected		Affected		Not affected		
					f	%	f	%	f	%	
Occupation	Service	High	44	28.75	0	0	1	2.27	43	97.73	100
		Low	109	71.24	7	6.42	25	22.93	77	70.64	100
	Business/ Self employed	High	28	34.15	0	0	1	3.57	27	96.42	100
		Low	54	65.85	4	7.4	14	25.93	36	66.67	100
	Housewife	High	9	12.32	0	0	1	11.11	8	88.89	100
		Low	64	87.67	4	6.25	17	26.56	43	67.18	100
	Student	High	21	25.3	0	0	0	0	21	100	100
		Low	62	74.7	3	4.83	11	17.74	48	75	100
	Unemployed/ Daily Wagers	High	15	18.99	0	0	0	0	15	100	100
		Low	64	81.01	4	6.25	12	18.75	48	75	100
	Retired	High	5	16.67	0	0	0	0	5	100	100
		Low	25	83.33	1	4	3	12	21	84	100
	Total		**500**		**23**	**4.6**	**85**	**17**	**392**	**78.4**	100

Source: Field survey

The relationship between financial literacy level and banking related malpractices in occupational wise has been shown in the above table. Under the group 'Service' no respondent with high FLL has been 'Highly Affected' and only 1 respondent i.e. 2.27 percent of high FLL respondents are 'Affected', whereas for

respondents with low FLL, 7 respondents i.e. 6.42 percent are 'Highly Affected' and 25 respondents i.e. 22.93 percent have been 'Affected' by banking frauds. Under 'Business' group, no respondent with high FLL has been 'Highly Affected', and 1 respondent i.e. 3.57 percent of high FLL respondents have been 'Affected' whereas respondents with low FLL, 4 respondents i.e. 7.4 percent have been 'Highly Affected' and 14 respondents i.e. 25.93 percent have been 'Affected' by banking frauds. Among 'Housewife', for respondents with high FLL, no respondent has been 'Highly Affected' and 1 respondent i.e. 11.11 percent have been 'Affected' whereas respondents with low FLL, 4 respondents i.e. 6.25 percent have been 'Highly Affected' and 17 respondents 26.56 percent have been 'Affected' by banking frauds. This group seems to be the most affected group. Among the 'Student' category, respondents with high FLL, no respondents is neither 'Highly Affected' nor 'Affected' by banking malpractices whereas respondents with low FLL, 3 respondents i.e. 4.83 percent have been 'Highly Affected' and 11 respondents i.e. 17.74 percent have been 'Affected' by banking frauds. Among 'Unemployed or "Daily Wagers', respondents with high FLL, none is 'Highly affected' and 'Affected' by banking malpractices whereas respondents with low FLL, 4 respondents i.e. 6.25 percent have been 'Highly Affected' and 12 respondents i.e. 18.75 percent have been 'Affected' by banking frauds. Among the "Retired", respondents with high FLL, none is 'Highly Affected' and 'Affected' by banking frauds whereas respondents with low FLL, 1 respondent i.e. 4 percent have been 'Highly Affected' and 3 respondents i.e. 12 percent have been 'Affected' by banking frauds. After a careful examination on occupation wise of the respondents, the relationship between financial literacy level and banking related malpractices affecting investors is significant as investors possessing high FLL are less affected by banking malpractices than those investors with low FLL. From this, inference can be drawn that there is a significant relationship between financial literacy level and banking related malpractices affecting investors.

5.7.6. Employment wise analysis of Banking Frauds affecting investors

It is evident from the analysis carried out in Chapter 3 that respondents' financial literacy level differs according to their employment status. Respondents in this study are either government employees or private employees. Thus, an analysis has been done to ascertain how banking frauds have affected the respondents on the basis of their employment status as shown in the Exhibit – 34 below.

Exhibit - 34
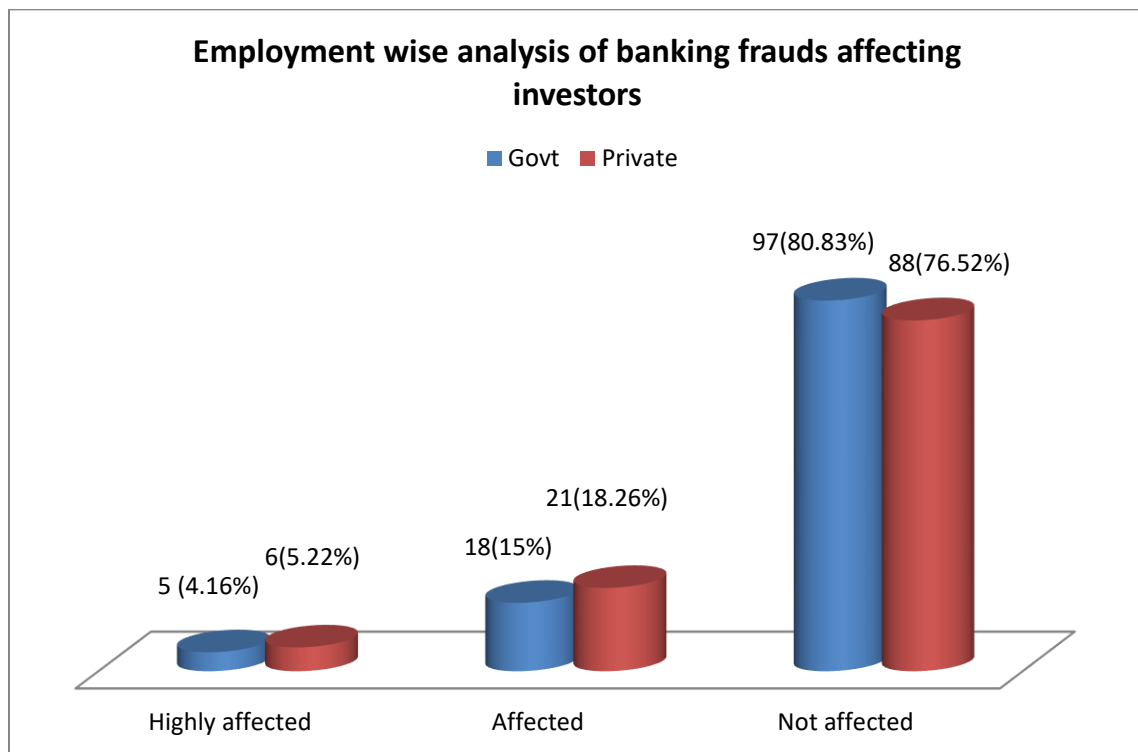
Source: Field survey

The above exhibit shows employment wise analysis of banking frauds affecting investors. On the basis of employment of the investors, it is found that 5 respondents i.e. 4.16 percent investors of Government employees are 'High Affected' by banking frauds, 18 respondents i.e. 15 percent investors are 'Affected', and 97 respondents i.e. 80.83 percent investors are 'Not Affected' by

banking frauds. Similarly, 6 respondents i.e. 5.22 percent investors of Private employees are 'Highly Affected' by banking frauds, 21 respondents i.e. 18.26 percent investors are 'Affected' by banking frauds, and 88 respondents i.e. 76.52 percent investors are 'Not Affected' by banking frauds. This shows banking frauds have affected investors both government employees and private employees which suggests equal importance should also be given to both government employees and private employees on financial education, in order to curb or prevent banking frauds.

In order to find out the relationship between financial literacy level of the respondents affected by banking frauds according to their employment status, data have been collected and analysed through cross-tabulation as shown in Table 5.9 below.

Table – 5.9
Cross tabulation of the respondents' Financial Literacy level and Banking frauds according to their employment

Demographic		FLL	No. of respondents	%	Banking related malpractices						Total %
					Highly affected		Affected		Not affected		
					f	%	f	%	f	%	
Employment	Govt.	**High**	37	30.83	0	0	1	2.7	36	97.3	100
		Low	83	69.17	5	6.02	17	20.48	61	73.49	100
	Private	**High**	35	30.43	0	0	1	2.86	34	97.14	100
		Low	80	69.57	6	7.5	20	25	54	67.5	100
Total			**235**		**11**	**4.68**	**39**	**16.6**	**183**	**77.87**	100

Source: Field survey

The table presents a cross-tabulation of the respondents' financial literacy level and banking frauds according to their employment. It shows that no respondent with high FLL from both the government employees and private employees have been 'Highly affected' by banking frauds. Whereas, from low FLL respondents, 5 respondents i.e. 6.02percent of the government employees have been 'Highly affected' and 6 respondents i.e. 7.5 percent of private

employees have been 'Highly affected' by banking frauds. In the 'Affected' category, among high FLL respondents, 1 respondent i.e. 2.7 percent of government employees and 1 respondent i.e. 2.86 percent of the private employees have been 'Affected' by banking frauds. While for respondents with low FLL, 17 respondents i.e. 20.48 percent from government employees and 20 respondents i.e. 25 percent from private employees have been 'Affected' by banking frauds. Therefore, the analysis reveals that respondents with high FLL are affected much lesser than those respondents with low FLL. Thus, this shows there is a significant association between respondents' FLL and banking frauds affecting investors.

5.7.7. Place of residence wise analysis of Banking Frauds affecting investors

Respondents of the study area are from town and villages. So, an analysis of the respondents affected by banking frauds according to their place of residence becomes eminent. In order to find out how banking frauds have affected the respondents from the two residential places, required data have been collected and analysed accordingly. Exhibit – 35 clearly depicts the result of the data analysis.

Exhibit - 35

	Highly affected	Affected	Not affected
Village	5.85%	20.21%	73.94%
Town	3.84%	15.06%	81.08%
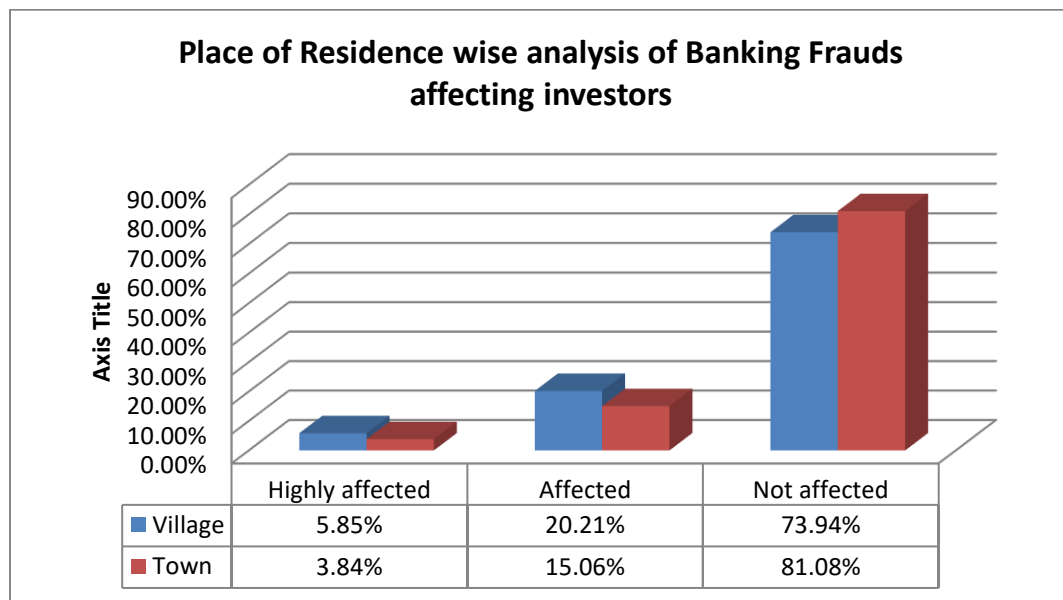
Source: Field survey

On the basis of the place of residence of the investors, it is found that 11 respondent i.e.5.85 percent of Village respondents are 'Highly Affected' by banking frauds, 38 respondents i.e. 20.21 percent respondents are 'Affected' by banking frauds, and the remaining 73.94 percent respondents are 'Not Affected' by banking frauds. Similarly, 3.84 percent of Town respondents are 'Highly Affected' by banking frauds, 15.06 percent respondents are 'Affected' by banking frauds, and 81.08 percent respondents are 'Not Affected' by banking frauds. This shows that respondents from 'Village' are affected banking frauds more than the 'Town' respondents.

In order to ascertain the significant association between respondents' financial literacy level affected by banking frauds according to their place of residence, data have been collected and analysed by cross tabulation as shown in Table – 5.10.

Table - 5.10

Cross tabulation of the respondents' Financial Literacy level and Banking frauds according to their place of residence

Demographic		FLL	No. of respondents	%	Banking related malpractices						Total %
					Highly affected		Affected		Not affected		
					f	%	f	%	f	%	
Residence	Village	**High**	42	22.34	0	0	1	2.38	41	97.62	100
		Low	146	77.66	11	7.53	37	25.34	98	67.12	100
	Town	**High**	80	25.64	0	0	2	2.5	78	97.5	100
		Low	232	74.36	12	5.17	45	19.39	175	75.43	100
Total			**500**		**23**	**4.6**	**85**	**17**	**392**	**78.4**	100

Source: Field survey

Table 5.10 presents the association between financial literacy level and banking frauds according to respondents' place of residence. For investors with high FLL none is 'Highly Affected' from the 'Village' respondents, and1 respondent i.e. 2.38 percent has been 'Affected' by banking malpractices. Whereas, for respondents with low FLL, 11 respondents i.e. 7.53 percent have been 'Highly Affected' and 37 respondents i.e. 25.34 percent has been 'Affected' by banking frauds. While for 'Town' respondents with high FLL, none has been

'Highly Affected' and only 2 respondents i.e. 2.5 percent have been 'Affected' by banking frauds. Whereas for respondents with low FLL, 12 respondents i.e. 5.17 percent has been recorded as 'Highly Affected' and 45 respondents i.e. 19.39 percent has been 'Affected' by banking related malpractices. This vividly reveals that there is a significant relationship between financial literacy level and banking related malpractices affecting investors as respondents with high FLL tends to be less affected by banking frauds than respondents with low FLL.

5.7.8. Analysis of Banking Frauds affecting investors in Kohima and Dimapur districts

A comparison between respondents of Kohima and Dimapur districts affected by banking frauds has been done in this section of the study. The result of which is depicted by Exhibit – 36 given below.

Exhibit - 36

Analysis of Banking Frauds affecting investors in Kohima and Dimapur districts

	Highly affected	Affected	Not affected
Dimapur	4.80%	18%	77.20%
Kohima	4.40%	16%	79.60%
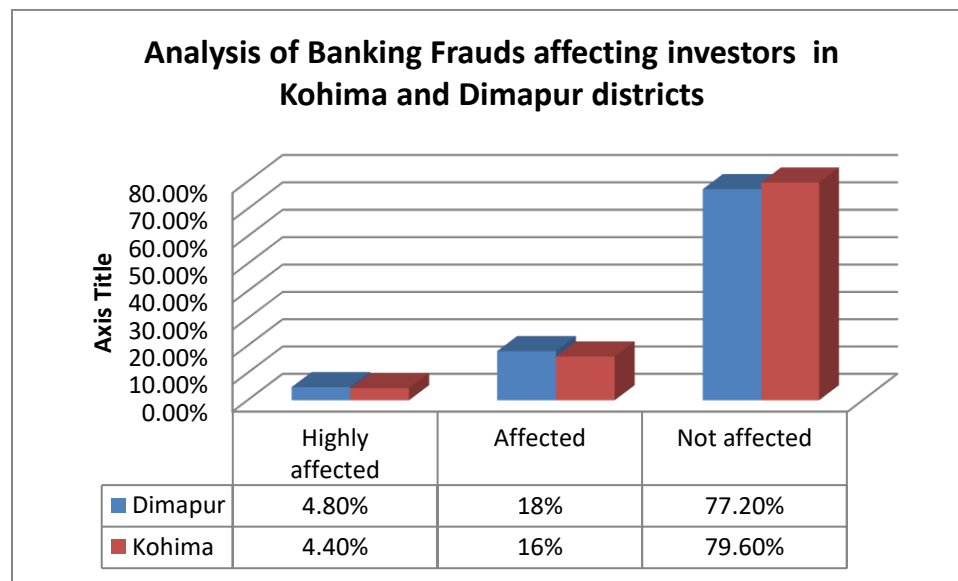
Source: Field survey

Comparison between Kohima and Dimapur districts shows that Dimapur investors are affected by banking frauds marginally higher than Kohima

investors. 4.80 percent of Dimapur investors are 'Highly Affected' by banking frauds whereas for Kohima investors 4.4 percent are 'Affected' by banking frauds. 18 percent Dimapur investors are 'Affected' whereas 16 percent Kohima investors are 'Affected by banking frauds. The number of investors affected by banking in both the districts is alarming. So, it is pertinent for every investor to have requisite financial education in order to avoid financial scams.

In order to ascertain the relationship between respondents' financial literacy level affected by banking frauds in Kohima and Dimapur districts separately, data have been analysed through cross tabulation and presented in Table – 5.11.

Table - 5.11

Association between the level of financial literacy of the respondents and Banking Frauds affecting investors of Kohima and Dimapur districts

District	FLL	No. of respondents	%	Banking related malpractices					
				Highly affected		Affected		Not affected	
				f	%	f	%	f	%
Dimapur	**High**	62	24.8	0	0	2	3.22	60	96.77
	Low	188	75.2	12	6.38	43	22.87	133	70.74
Kohima	**High**	60	24	0	0	1	1.67	59	98.33
	Low	190	76	11	5.78	39	20.52	140	73.68
Total		**500**	**100**	**23**	**4.6**	**85**	**17**	**392**	**78.4**

Source: Field survey

The table shows that for investors with high FLL, no investor is 'Highly Affected' by banking frauds in both the districts. 3.22 percent of Dimapur investors are 'Affected' and 1.67 percent of Kohima investors are 'Affected' by banking frauds which is marginally low for investors with high FLL. On the other hand, for investors with low FLL, 6.38 percent of Dimapur investors are 'Highly Affected' and 5.78 percent of Kohima investors are 'Highly Affected' by banking frauds. In the 'Affected' group, 22.87 percent of Dimapur investors are 'Affected' and 20.52 percent of Kohima investors are 'Affected' by banking frauds. So,

comparatively investors from Kohima district were less affected than Dimapur investors.   The analysis clearly shows that there is a significant relationship between financial literacy and banking related malpractices affecting investors. As investors' possessing high FLL tends to be very less affected comparing to the investors' possessing low FLL.

5.8. SUMMARY OF ADDITIONAL FRAUD CASES

With the fast changing world and rapid development in financial market, there is shift of paradigm from manual to digital world. This has given the opportunity to easy access of financial service but at the same time it has also given an opportunity to the imposters or fraudster to loot money on the other hand. The advancement of digitization has created an opportunity to loot innocent people where the people need to be careful and be aware of. Towards this end, attempt has been made to investigate into new cases of frauds. Respondents were asked to report if they have ever faced or encountered any fraud cases other than the frauds specified in the questionnaire. In response to this, several cases have been reported by the respondents. A brief review of the fraud cases reported by the respondents is given below;

Case 1: Pop-up Internet games

A respondent reported that while browsing a website, a pop-up dialog box came up inviting him to play a game. If the player completes some level of the game or wins the game. The player will be rewarded with handsome gifts (i.e. i-phone, laptops etc), but in order to claim the price the player need to pay a certain amount. The respondent played the game and won it as it was an easy game. After the game, the respondent pays some amount to claim the price following the rule of the game. But, once amount was debited, the player did not receive any gift either in cash or kind.

Case 2: Fake matrimonial promise/online dating using fake social media accounts.

A case was reported by a respondent/investor that on social media he happens to be a friend of a beautiful lady (foreigner). They were being chatting for quite a long time (for months) and they decided to get married. But before that the lady asked for financial help for her hand in marriage and also to meet on a fixed date. So bank transaction was done accordingly to the deal. As the fixed date arrived for meeting, the lady was nowhere to be found. Then the respondent tried to contact the lady but contact cannot be done, social media accounts had been blocked and the banks details given were seem to be closed down by unknown person. The respondent said it must be some men using fake social media account using some foreigner's identity and photographs, to lure people around for hand in marriage, and in return looting others money.

Case 3: Hacking ATM cards details and security PIN

One investor reported that he went Guwahati city for a personal trip. There he withdrew some amount at ATM booth. A moment after that he received messages that some money was withdrawn apart from what he had drawn. He was so confused what was happening with his account as no transaction was done by him. Immediately, the idea of blocking the ATM card came to his mind and he called the customer care to block it. After that, no money was drawn from his account by fraudster. He said that his ATM details and PIN were hack at the ATM booth by fraudsters and stealing his money.

Case 4: Annual subscription fee fraud

A case has been found in the study that a respondent received e-mail mentioning him that he was charge subscription fee for banks annual magazine or journal in which he didn't subscribe such thing. Directions were given if he wants to unsubscribe, he need to follow the link given in the e-mail and then asked to

update bank details and personal information. Then later it was found some amount of money had been looted.

Case 5: Online shopping lottery fraud

A case had been reported from Kigwema village that the respondent had done an online shopping. After the shopping he received an email which reads he had won a car namely 'Tata Nexon' in a lottery from the online shopping company 'Flip kart.' On receiving the mail, the respondent got excited and responded to the mail accordingly to the instruction given. He contacted to the phone number given, and he was assured he have won the wonderful looking dashing car. He was so tempted by the offer. In order to claim the prize he was asked to pay some money for delivery charge as they will be coming from Mumbai to Kohima, Nagaland. They also asked some money for the insurance. So the respondent paid a sum of 35,000 for the delivery. After the payment, the company assured him they will send the car on Monday (specific date no specified). Then on Wednesday morning a phone call was received that they have reached Kanpur, Uttar Pradesh, saying that they have met an accident there. They have hit a student on the way and the victim families are not allowing them to move out from the place asking for compensation i.e. a sum of Rs. 5 lakhs only. The respondent was shocked and stunt by the news, thinking, how comes they went to Kanpur which was not the proper route to come from Mumbai to Kohima and also how they have reached Kanpur in just one day that also by road, but still then he request them to deliver it to Kohima. After that whatever expenses they have made he will bear and repay it. However, the person on the phone who was supposed to deliver the car asked the money for compensation and also tries to threaten the respondent that he will be in trouble if the victim files an FIR saying since the car owner name was now under the respondent name. From there, the respondent realized something fishy and gets suspicious thinking this might be a fraud case. He requested them to keep the car with them and refund the money, by then they started mentally torturing him to pay the money for compensation as they are in trouble in the middle of the road of

Kanpur. Then he got fed up and angry, he told them that he is filing an FIR of fraud case in the police station against the account holder name where he had transferred the money and told them whatever the circumstances arise he will fight to get his money back. Then, when he went to check the status of that particular account, it was learnt, that account had already been closed. He said he didn't file any case and just left it. He advised everyone to be very careful and avoid such kind of incidents.

Case 6: Fraud Online games

A respondent reported that he plays lots of online games with friends and play games with multi-player. He earns lots of points, and sometimes he lost all his points. Once he bought points from a player of the game spending around Rs. 20,000 as he so addicted to the game. One day he wins many points and wants to sell it to some players of the game. One player decided to buy his point so the respondent gives his details to transact the money and take the points of the game. After the points were transacted, money was not received in his account. After a short while, the respondent's phones got hacked where he is using his Google account and could not operate the phones for some hours. And that is how he was victimized by fraudsters. He requested and advice everyone not to buy or transact money for online game purpose.

Case 7: Online shopping fraud

A case was reported that a respondent ordered a product through online which was to be delivered at Head Post Office Kohima. The respondent went to the office after a phone called saying his parcel had arrived. It was cash on delivery, so luckily before the payment, he opened up the parcel. To his surprised there was nothing in the package, but except a bunch of paper packed in the parcel. He said he didn't file any complaint against the company. He requested every customer to check the parcel carefully before payment if it was ordered cash on delivery. The respondent advised that if payment has already been done

and found the product to be manipulated or found unsatisfactory, returned the product and files a complaint for refund immediately.

Case 8: Proxy bank account

A case was reported that a respondent was paid certain sum of rupees (amount not revealed) by someone (name not revealed) in exchange to use his bank account. He accepted it as he had no money and moreover no money in his bank account. After some few months, he received a letter from the bank complaining that his bank account has some suspicious fraudulent transaction which needs explanation. He was so shocked, as he hasn't done any transaction with his account. Then, he remembered he took some money in exchange of using his account by someone for which now he was dragged into trouble.

Case 9: Hamper or bumper gifts fraud

Another case was reported that a respondent received a mail saying that in promotion of a company product, the company was providing free gifts hamper worth rupees one lakh to the selected customers where he was selected to receive the gift hamper. Since the company was foreign based and a foreign product, they need to pay custom duty for delivery.   For this, they requested the respondent to pay the custom duty amount to them to arrange the necessary formalities in order to deliver the gift hamper safely on time. The offer seems very lucrative so the respondent made the payment (amount not disclosed) as per the request of the company. After that they assure him they will be dispatching the parcel to his delivery address. The delivery time approached but there was no sign of any parcel, then the respondent tried to contact the company but to his shocked he couldn't contact them, no responses to mail and contact numbers were not working. Then, later he realized it was a fraud company fooling the people and requested the people not to go for any offer received on mails or SMS, no matter how attractive the gifts maybe.

Case 10: Online Insurance fraud

A respondent from Kohima town reported (dated: 25/6/19) that he bought a life insurance policy from an insurance company claiming to be Max Life Insurance Company on internet. After processing necessary documentation, he was asked to make a yearly premium of Rs. 1,50,000/- and in return he will get huge handsome assured amount (detailed of the product not disclosed by the respondent). As instructed, with the help from a cousin brother he transferred Rs. 1 lakh against the premium through internet banking. After transferring the amount he found that the amount was transferred to a personal bank account (named not disclosed). The respondent being shocked by the transaction and he went to Canara bank Kohima branch for enquiry as the amount transferred to the account was Canara bank account. The bank staff told him that it was an account of New Delhi branch and amount left in that account was Rs. 30,000/-. Most of the transferred money was withdrawn. It was also reported that at that very moment while the respondent was in the bank, the fraudster started to call him again and again, asking him to pay the remaining amount of the premium. Knowing this the respondent asked the bank officials to helped him out, but as the account home branch was of Delhi, they bank staff told him they cannot do anything, cannot even to hold the remaining amount. The bank officials told him to write an application so they could send it to Delhi branch to hold the suspected account, and also instructed him to ask the fraudster to wait for 1month for the remaining amount, in the meantime file a FIR to the police. Later he filed FIR registering on this fraud case. Till now he neither get his money nor any contact from the said company.

Case 11: ATM card cloning

A case was reported by a respondent that once he went to an ATM booth for cash withdrawal. When he swipes his debit card and made the necessary

commands for withdrawal, the ATM machine screen got hang and he was unable to withdraw his money after entering all required commands to process his money. There were two strangers in the booth before he was there, they tried to help him but also failed and they all left the ATM booth. The next day he received messages that he had withdrawn cash from ATM which he didn't. Then he filed a complaint at his branch reporting the case and got his debit card blocked to abstained further withdrawal by unknown person. Later he came to know that someone has made a duplicate card of his by cloning his card at the ATM booth recording all his card details and later withdrawing his money.

Case 12: Hacking bank accounts through accessing details from social media

A case was reported by a respondent from a bank. He reported a case of his customer how account was hacked by fraudster through accessing details from social media. The name and date of birth was access from facebook, with this details the fraudster obtain PAN card details and mobile number by updating the details in Income Tax site. The fraudster made a duplicate copy of PAN card and obtain new SIM card of the access number from the telecom company by reporting it lose or damage. Then the internet banking is access by the fraudster, he goes to site and uses forgot password option and then the new password for internet banking comes to the newly obtain SIM number. Now the money in account is stolen by the fraudster.

Case 13: QR Code fraud

A case has been reported by a respondent that he has put up an advertisement on social media saying he want to sell his old camera. After a few days, someone responded to his advertisement saying that he is interested in buying the old camera. The man intruded the seller that he wants to buy the camera and offer to make an advance payment for the same. The seller insist the man to first get a first hand check by himself, but the man insisted he is okay with

it and to check the old camera is not necessary. The man suggested the seller that he will send a QR code for which the seller need to scan it from his mobile phone to receive the advance payment. The innocent seller has followed the instruction as given by the man. Soon the seller receive a few sum of money in his account as advance payment, but after sometime to his surprise a good amount of his money (seller) has been looted and debited from his account. The seller has been stunt and shocked by what has just happened, he immediately contacted the bank officials to hold and block any further transaction from his account. He further advises the people not to get lure in to such incident for getting advance payment in the form of scanning QR code.

5.9. GRIEVANCE REDRESSAL MECHANISM OF INDIAN BANKS

In order to seek redressal on grievances by the investors in Indian banking system, there are certain procedures to follow. Some steps to be followed are:

1. For any grievances/complaints, a written complaint needs to be lodged with the concerned branch for redressal.

2. For un-redressed grievances at branch level, higher authorities of the bank (Regional / Zonal Manager) can be approached by the complainant. For redressal the complainant can also approach Customer Service Section of the concerned bank circle office or regional office.

3. The complainant can approach the Customer Service Section of the concerned bank head office if the complaints were un-redressed or found unsatisfactory at circle/regional office,

4. If no reply received within 30 days of lodging a complaint with the bank or reply not satisfied, the complainant may approach the Banking Ombudsman. Banking Ombudsman contact details should be made available at the branch and also at the website
 www.rbi.org.in>Home>MoreLink>Complaints>Banking Ombudsman Scheme

5.10. BANKING OMBUDSMAN SCHEME

Under Section 35 A of the Banking Regulation Act, 1949 The Banking Ombudsman Scheme was introduced by RBI with effect from 1995. The objective of this Scheme is to protect customers from unfair practices of the banking industry. Banking Ombudsman Scheme covers all Scheduled Commercial Banks, Regional Rural Banks and Scheduled Primary Co-operative Banks.

5.10.1. Banking Ombudsman

Banking Ombudsman is a senior official appointed by the Reserve Bank of India (RBI) or a quasi (nominal) judicial authority functioning under India's Banking Ombudsman Scheme 2006. The responsibility of Banking Ombudsman is to resolve customer complaints against unfair practices in banking operations. In order to settle customer banking service related complaints, RBI has appointed 15 Ombudsmen in state capitals.

5.10.2. Revisions of Banking Ombudsman Scheme

Banking Ombudsman Scheme has been revised in 2006 by Reserve Bank of India with broader scope which includes certain new areas on customer complaints, such as- credit card complaints, failure in fulfilling promised services given by banks' sales agents, without prior notice to the customer levying service charges and non-adherence to the fair practices code as adopted by the banks.

5.10.3. Eligible Complaints

Any complaint relating to various lapses in banking operations including internet banking can be put up to baking Ombudsmen. Such complaints can be the following;

1. Delayed or non - payment of inward remittances, cheque clearings, drafts, bills, etc.
2. Non-acceptance of small denomination notes or coins tendered for any purpose without any valid reasons, and charging commission for service rendered.
3. Delayed or failure in issuing drafts, bankers' cheques or pay orders.
4. Closing accounts without customer consent.
5. Deny or delay in closure of accounts.
6. Non-adherence to bank's fair code of conduct.
7. Wrong information by bank official causing financial loss to customer.
8. Violation of directives issued by the Reserve Bank in any matter relating to banking or other services
9. Non-adherence to directives of Reserve Bank by bank or subsidiaries on ATM/debit card or credit card processing.
10. Non-disbursement or delay in payment of pension.
11. Refusal or delay in accepting payment of taxes, as directed by Reserve Bank/Government
12. Complaints against, deposits, remittances from abroad and other bank-related matters from Non Residents of India whose bank account is in India.
13. Not following prescribed working hours.
14. Guarantee or letter of credit commitments not honored.

15. Delay or fail to provide banking facility (other than loans and advances) as promised by bank or its direct selling agents in writing.

16. Non-credit or delay of proceeds to parties' accounts, non-payment of deposit, non – adherence to RBI directives by banks on applicability of rate of interest on various deposits like savings, current or other accounts..

17. Exporters complaints pertaining to the bank's operations in India related to delays in collection of bills, handling of export bills, receipt of export proceeds etc.,

18. Without any valid reason denying/ refusing to open deposit bank accounts.

19. Without proper prior notice to the customer levying charges.

20. Failure to service or delay in servicing, or refusal to issue or delay in issuing, or redemption of Government securities.

21. Without proper notice or without sufficient reason closing of deposit accounts forcefully.

22. Delay in payment or non-payment of inward remittances.

23. Deny opening of deposit accounts without any valid reason.

24. Not following the provisions of the Code of Banks Commitments to Customers issued by Banking Codes and Standards Board of India.

25. Complaint against deficiency in service on loans and advance related matters.

26. Delays in sanction or disbursement, or non-adherence to stipulated time schedule for loan applications disposals.

27. Refusal of loans applications without proper valid reasons.

28. Non-observance to direction or instruction of Reserve Bank as may be specified by the Reserve Bank from time to time.

5.10.4. Procedure for Filing Complaint

For complaint to the Banking Ombudsman, a written representation need to be produced to the bank and the bank should have:

1. Complaint rejected; or
2. No response within one month time from the bank after received the complainant; or
3. Reply from the bank not satisfactory.
4. No reply received, within 1 year and 1 month after the date of the representation to the bank.

Any person who has a grievance against a bank other than any of the eligible complaints mentioned can file a complaint through an authorized representative (other than an advocate) to the Banking Ombudsman.

Credit cards complaints and other types of centralized operation services should be filed before the Banking Ombudsman within the designated territorial jurisdiction.

A written complaint signed by the complainant or his authorized representative should be presented. The following information should be clearly stated in the complaint:

- Name and the address of the complainant.
- Name and address of the branch or office of the bank against which the complaint is made.
- Facts or reasons for complaint.
- The nature and extent of the loss caused to the complainant and
- The relief sought for.

Along with the complaint, copies of the documents, if any, a complainant should be file. Banking Ombudsman should also accept complaints through electronic means and a print out of the complaint should be taken on the record of the Banking Ombudsman.

On submission of complaint, records from the Bank will be called for by the Banking Ombudsman and hearings will be initiated settling the case.

5.10.5. Rejection of the Complaint

Banking Ombudsman can reject a complaint, if the same complaint is in process or in proceedings before any court, tribunal or arbitrator or any other forum which is in pending or a decree or Award or order has been passed. A complaint can also be rejected, if there is no sufficient cause or not pursued by the complainant with reasonable diligence. The Banking Ombudsman can reject a complaint if in his opinion, the complainant did not bear any loss or damage or inconvenience. (Indiafilings, 2018).

5.10.6. Procedure for Online Complaint process to Banking Ombudsman

If the complainant faced the following issues, online complain can be processed to Banking Ombudsman.

- If no reply has been received from the bank within one month on the complaint made to the bank.

- The complaint has been rejected by the bank.

- The complainant not satisfied with the reply given by the bank.

  For lodging an online complaint with the Banking Ombudsman, a complainant can follow the following process:

- Visit ONLINE COMPLAINT

- A question will be asked "Have you made a written complaint to the bank?" Click "YES" If complaint to bank has been made. Then the system will show "If Yes, Whether 30 days are over from the

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lodgement of complaint to the bank or not satisfied with Bank's reply?". Click "YES" if complaints satisfy these conditions.

- Fill up Bank name, Account no., Complaint name, Mobile no.
- Once these details are filled up, complain form will open up.
- Select BO office (Banking Ombudsman). Click on 'visit here' button to know the office jurisdiction of BO.
- Fill up necessary details like Name, address, bank name, complaint category, description of complaint etc. then Click "SAVE"
- On successful submission of application, supporting documents such as copy of complaint, bank reply, evidence etc. can be uploaded by clicking on upload button.

An acknowledgement of complaint will be received once review has been done by Ombudsman. Ombudsman will resolve the issue within time duration of 30 days. For any clarification require, the complainant will be contacted. Vikaspedia (2019).

5.11. SAFEGUARDS/PRECAUTIONS TO COMBAT THE FRAUD CHALLENGES

Frauds cannot be prevented merely by laying down well conceived and well defined procedural instructions. It can be possible through strict adherence to the implementation of such instructions. Frauds can be reduced if the banks arranged available suitable machinery for ensuring proper checks and counter checks at various stages. Some strategies for prevention of frauds could be-

1. Technological Solutions: Real-time transaction monitoring is the key mitigating fraud. One of the best practices of fraud management is integrated from end to end, which includes-

i) Data analysis and alert generation: The ability to assimilate data from multiple sources and accurately assess transactions activities and customers' details in real time. Transaction monitoring in new accounts, automated channels like ATM, Internet/Mobile banking etc. Monitoring suspicious

behaviours of customers check unusual large amount deposits, account linked to another account known to be in a suspected fraud ring, entity holding multiple accounts or similar identities, unusual transactions etc.

ii) Alert management: The mechanism for accepting, prioritizing and distributing alerts from the various fraud detection and money laundering tools used across the banks.

iii) Social network analysis: An analysis and visualization tool for uncovering unknown relationships among accounts or entities.

2. Awareness Training: Banks or financial institutions should educate or create awareness among the customers, so to prevent them from falling in to prey of bank frauds. This can be done through

i) Customer awareness: Malpractices and frauds activities awareness programme can be deliver through – Newspapers and other media, SMS alerts, E-mails.

ii) Staff awareness: The banking staff need to be well acquainted with frauds and this can be done through, Training programmes (practical and online), Culture building, Rewarding 'fraud preventers'.

3. Policy adherence: Proper checks points can be set at various levels to adhere to the policies and procedures to prevent frauds. Surprise audits to be conductced through IT security Policy, Outsourcing Policy, Employee Code of Conduct, Whistle Blower Policy, and Fraud Policy. Investors need to be vigilant, and resilient to avoid frauds. There is something which the investors always need to keep in mind before making an investment. That is -

i) Know your company. The investor need to know to what company his money has been invested. Before making an investment, the financial institutions need to be authenticated. There are lots of fake companies existing in the modern financial market to lure the investors.

ii) Know your intermediaries: Brokers and agents are actively operating nowadays finding probable investors and luring people to make investment.

iii) Know your investment products: Fraudsters investment products comes in very handy to lure the investors, with high interest rates, bonus, cash backs, bumper gifts, gift coupon etc. the investor need to be careful, when the product seems to be so good to be true, it might be a fraud.

iv) Know your partner: With the digital world in the modern day, most of the transactions and activities are done through e-banking and a-commerce. With what party, partners, agents and vendors the business is dealing with and getting into business agreements, the investor need to know with whom he or she is dealing with or else he/she will just fallen into prey of fraudsters.

The data analysis in this chapter shows the number of respondents affected by banking frauds. The relationship between financial literacy level and banking related malpractices has been discussed here. A significant association between the two became evident and established the fact that adequate financial literacy can prevent banking related malpractices. Hence, the Chapter objective has been achieved.

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Chapter- 6

FINDINGS, SUGGESTIONS AND CONCLUSION

6.1. INTRODUCTION

The study on Financial Literacy in Nagaland has been carried out with the objectives of discovering new facts and validation of the existing facts about the position and dynamics of financial literacy in the State. The study has revealed numerous useful findings on financial literacy, its impact on investment decision as well as in prevention of banking related malpractices. One of the notable findings of this study is that majority of the people in the study area are with low level of financial literacy. Savings habit among the people is found to reasonably very less as compare to other parts of the country. Making investment out of savings still remains a distant dream for many. People with high financial literacy level tend to have effective investment decision comparing to those with low level financial literacy. It has also been found that people with low level of financial literacy are affected most by banking frauds. This chapter aims to present a brief summary of the major findings of the study followed by suitable recommendations and conclusion.

Thus, a compilation of all the major findings of the research project has been explained in a nutshell. The lapses in financial literacy outreach have also been identified and suitable suggestions and recommendations have been given accordingly in the ensuing text.

6.2. SUMMARY OF MAJOR FINDINGS

In this section of the chapter an attempt has been made to summarize the major findings of the research study so that one can have a better insight into the various aspects of financial literacy level in Nagaland and the significance of financial literacy in investment decision and in prevention of banking related malpractices.

6.2.1. Status of Financial Literacy around the world

Financial literacy around the world appears strongest in countries with developed and advanced economies, especially Western Europe and English-speaking countries. Upto 2014, there were no countries in South America where more than 50% of people are financially literate, and only one country in all of Africa.

A provoking thought after a comparison between study on financial literacy and study on extreme poverty around the world. There was no clear correlation between poverty and financial literacy. But, there are many places with very few extremely poor people, like Russia and China, and yet these same places also have extremely low financial literacy rates. This means poor people aren't necessarily financially illiterate, and neither are rich people.

6.2.2. Status of Financial Literacy in Asia

The financial literacy situations in Asia are quite low. Till the end of 2014, Yemen recorded 13 percent and Afghanistan at 14 percent is at the rock bottom of the worldwide rankings. Kyrgyzstan (19%) Nepal (18%), Bangladesh (19%) and Cambodia (18%) are for some countries whose results are very unsatisfying. China recorded 28 percent, Myanmar and Bhutan standout impressively, more than 50 percent of the people are financially literate.

Countries with the highest financial literacy rates are Australia, Canada, Denmark, Finland, Germany, Israel, the Netherlands, Norway, Sweden, and the UK, where more than 65 percent of adults are financially literate. The countries with the lowest financial literacy scores are from the South Asian countries, where only a quarter of adults or fewer are financially literate. Singapore stands at top in Asia with the highest percentage of 59 percent adults as financially literate.

6.2.3. Status of Financial literacy in India

In India, only 14 percent of the adults were found to be aware of Risk Diversification while 44 percent understood compound interest and 56 percent only aware of inflation. India recorded the lowest number of financial literate among the BRICS countries. This shows people of India are lagging behind in financial education and financial literacy.

Worldwide data show that 65 percent of men are not financially literate as compared to 70 percent of women, making thereby a gender gap of five-percent. In India, the gap is wider at 7 percent with 73 percent of men and 80 percent of women not being financially literate.

The study revealed that no state of India recorded literacy rate of less than 50 percent, contrary to this no state of India is found to be with more than 50 percent financial literacy rate till the end of 2015.

The highest rate of financial literacy recorded Goa with 50 percent and the lowest was recorded in Chhastishgarh with 4%. The average financial literacy rate in India was 19.33 percent. Kerala and Manipur have financial literacy of 36 percent behind Goa. Mizoram recorded 6 percent ahead of Chhatisgarh at the bottom. While Nagaland and Sikkim recorded financial literacy rate of 8 percent.

Among the Indian Union-territories, Chandigarh stands at the highest with 38 percent financial literacy rate and Andaman and Nicobar Island with 14 percent financial literacy rate at the bottom. The average financial literacy rate of the Union-territories is 26.71 percent which is much higher than the average financial literacy rate of the Indian states.

6.2.4. Status of Financial Literacy in Nagaland

Nagaland is among the states of India with low financial literacy. The survey based on secondary data reveals that among the Employees of Central

Government (CG), Central Autonomous bodies (CAB), State Government (SG) and State Autonomous Bodies (SAB) of Nagaland, 48 percent have average financial literacy, 28 percent have high financial literacy and 24 percent have low financial literacy.

6.2.5. Financial literacy awareness in Nagaland

- With regard to basic financial literacy, it is observed that 94.2 percent of the respondents rarely know about 'Bank'. While for other most commonly used basic financial literacy terms, 84.4 percent of the respondents are either aware or familiar with the term 'Savings bank account', 76.4 percent of the respondents knows about 'KYC', 68.8 percent of the respondent are aware of 'Fixed Deposits', 62.6 percent of the respondents knows about 'Interest', 59.4 percent of the respondents knows 'Inflation', 59 percent of the respondents knows about 'Compound and Simple Interest', 57.8 percent of the respondents are aware of 'Cheque', 51 percent of the respondents knows about 'Insurance', 49.8 percent of the respondents knows about 'Fake Currency', and 49 percent of the respondents knows about 'Recurring Deposit'.

- Some of the less known basic financial literacy terms are - 'overdraft' known by 21.6 percent of the respondents, 'Diversification' known by 11.8 percent of the respondents, and 'Regulatory Body of Market Structure' known by 23.2 percent of the respondents.

- With regard to Advanced Financial Literacy, the less known financial literacy terms are - "DEMAT Account" and "Ponzi Schemes" with 11.8 percent and 13 percent of the respondents know about these two terms. Only 13.6 percent of the respondents are aware of 'Equity Shares', 14.2 percent of the respondents knows about "Unit linked Insurance Plan", and 14.4 percent each of the respondents knows about 'Tax Deduction under Section 80c' and 'Risk Return Trade Off'.

- 15 percent of the respondents know about "Gold monetization Scheme" and 'Systematic Withdrawal Plan', 15.4 percent of the respondents know about 'Debentures and Bonds', 15.6 percent of the respondents know about 'Preference Shares', 16.4 percent of the respondents know about 'Gratuity Schemes', 18.4 percent of the respondents are aware of 'Functioning of Stock Market', 21 percent of the respondents know about 'Senior Citizen Schemes' and 24.2 percent of respondents know about 'Health Insurance Family-floater Plans'. 25.4 percent of the respondents are aware of the benefit of "Retirement/Insurance Plan". 36.4 percent of the respondents know about "Mutual Fund".

6.2.6. Financial literacy level in Nagaland

While assessing the level of financial literacy of the respondents, it is observed that majority of the respondents belong to low financial literacy level category as evident from the fact that only 24.4 percent (n=122) of the respondents have 'High Financial Literacy level' and the remaining 75.6 percent (n=378) of the respondents are in "Low Financial Literacy Level" category. The mean financial literacy level of the respondents is derived at 38.012 score as shown in Chapter – 3. Number of respondents above the mean score are categorised with high financial literacy level and those below the mean score are categorised with low financial level.

6.2.7. Financial Literacy Level of the respondents according to their demographic profile

- On the basis of the respondents' age groups, it has been found that majority of the respondents are having low financial literacy level. Among the different age groups, the age group found to be having the highest percentage in high Financial Literacy Level is '36-45 years' with 40 respondents i.e. 28.36 percent of the respondents having high FLL, followed by the age group '26-35 years' with 36 respondents i.e. 25.71

percent of the respondents having high FLL. In the bottom, the age group to be having the lowest percentage among the age group in high FLL is '56 years and above' with 4 respondents i.e. 12.5 percent of the respondents having high FLL. Next is the age group "46- 55years" with 17 respondents i.e. 20.73 percent of the respondents having high FLL, and followed by the age group '15-25 years' with 25 respondents i.e. 23.81 percent of the respondents having high FLL.

- Gender wise analysis reveals that among the "Male" respondents, 29.75 percent of the respondents are with high financial literacy level and 70.25 percent of the respondents are with low FLL. Similarly, among the female respondents 15.22 percent of the respondents are with high FLL and 84.78 percent of the respondents are with low FLL.

- On the basis of the marital status of the respondents, 24.84 percent of the "Married" respondents have high financial literacy level whereas 23.71 percent of the "Unmarried" respondents have high financial literacy level. While 76.16 percent of the married respondents have low FLL as against 76. 29 percent of the unmarried respondents.

- According to educational background of the respondents, it is observed that the group at top with highest percentage in high FLL is 'Post graduate' respondents with 37.8 percent and in the bottom is 'under matriculate' respondents with 6.55 percent. 11.46 percent of "Matriculate" respondents have high FLL, 23.38 percent of "Higher Secondary" respondents have high FLL, and 34.3 percent of "Graduate" respondents have high FLL.

- On the basis of occupation wise analysis, it is found that the group at the top with the highest percentage of high FLL is 'Business' respondents with 34.15 percent and in bottom is 'Housewife respondents with 12.32 percent. The respondents with high FLL are 16.67 percent belonging to 'Retired persons', 18.99 percent belonging to "Unemployed or Daily Wagers", and 25.3 percent belonging to "Student", 28.75 percent belonging to 'Service'.

- Employment wise analysis of the respondents shows that in high FLL category, government employees have marginally higher percentage of 30.83 percent as against "Private Employees" of 30.30 percent.

- According to their place of residence, only 25.64 percent of "Town" respondents are with high FLL and 74.36 percent are with low FLL whereas 22.34 percent of "Village" respondents are with high FLL and 77.66 percent are with low FLL.

6.2.8. Financial Literacy Level of the respondents in Kohima and Dimapur districts

The study shows that financial literacy level of the respondents of Kohima and Dimapur districts are almost similar. 75 percent of the Dimapur respondents are with low financial literacy level as against 76 percent of Kohima respondents. 25 percent of the respondents from Dimapur district are with high FLL as against 24 percent of the respondents from Kohima district.

6.2.9. Expenditure to monthly income of the respondents

- In order to derive savings pattern of the respondents, expenditure to monthly income of the respondents has been computed. It is found from the study that only 4.4 percent of the respondents are found to be spending less than 20% of their monthly income. 18.4 percent, 26.6 percent and 39 percent of the total respondents are spending 41 to 60%, 61 to 80% and above 80% respectively.

- In Kohima district, 4 percent of the respondents spend "Less than 20% of their monthly income" as against 4.8 percent of the respondents of Dimapur district. 26.4 percent of the respondents of Kohima district spent '61 to 80%' of their monthly income as against 38.4 percent of the respondents spending 'Above 80%' of their monthly income. Whereas in Dimapur district, 26.8 percent of the respondents spent '61% to 80%' of their

monthly income as against 39.6 percent of the respondents spending over 80% of the income.

- The relationship between financial literacy level of the respondents and their expenditure to monthly income shows out that out of the respondents with high FLL, 25.41 percent spent "61 – 80% of their monthly income", 28.69 percent spent "above 80%"of their monthly income, and only 6.56 percent spent "less than 20% of their monthly income". Similarly, out the respondents with low FLL, 26.98 percent spent "61 – 80% of their monthly income", 42.33 percent spent "more than 80% of their monthly income" and only 3.71 percent spent "below 20% of their monthly income".

6.2.10.Savings out of monthly income of the respondents

It is observed from the analysis that 24.4 percent of the respondents saved less than "10% of their monthly income" and 36.2 percent of the respondents saved "10% - 30% of their monthly income". While only 18.4% of the respondents were found to be saving their monthly income more than 50%.

6.2.11. Investment out of savings of the respondents

- The study reveals that 41.6 percent of the respondents have investment out of savings. Majority of the respondents i.e. 58.4 percent does not have any investment besides savings bank account.
- A comparison between Kohima and Dimapur districts shows that 39.6percent respondents from Dimapur district and 43.6 percent respondents from Kohima district have investment out of savings. Kohima has marginally more investors than Dimapur.
- The association between financial literacy level and investment shows that 78.69 percent of the respondents with high FLL have investment out of their savings. Whereas, only 29.63 percent of the respondents with low FLL have investment out of their savings. 70.37 percent of the respondents with low FLL do not have any investment out of their savings.

6.2.12. Type of investors

- Out of 208 total investors, it is found that 44.23 percent are seldom investors where they hardly invest in the financial market, 33.17 percent are found to be occasional investors and only 22.6 percent are regular investors. This shows 77.4 percent of the investors don't have the habit of investing regularly.

- The relationship between financial literacy level and type of investors shows that 33.33 percent of investors having high FLL are regular investors whereas 13.39 percent of investors with low FLL are regular investors. 44.79 percent of the respondents with high FLL are occasional investors and 21.88 percent are seldom investors. Whereas, 33.17 percent of the respondents with low FLL are occasional investors and 44.23 percent are seldom investors.

6.2.13. Type of risk takers

- The study reveals that 14.4 percent of the total investors are "high risk takers", 22.6 percent are "moderate risk takers" and 62.9 percent are "low risk takers".

- While comparing between Kohima and Dimapur districts, it is found that 12.8 percent of Kohima investors are "high risk takers", 20.2 percent are "moderate risk takers" and 66.9 percent are "low risk takers" as against 16.2 percent of Dimapur investors are "high risk takers", 25.3 percent are "moderate risk takers" and 58.6 percent are "low risk takers". This shows Kohima investors are less risk takers comparing to Dimapur investors.

- The association between financial literacy level and type of risk takers reveals that 12.5 percent of investors with high FLL are "high risk takers", as against 16.07 percent of investors with low FLL as "high risk takers". 22.92 percent of investors with high FLL and 22.33 percent of investors with low FLL are moderate risk takers. However, 64.58 percent of investors

with high FLL and 61.60 percent of investors with low FLL are low risk takers.

6.2.14. Investors' investment horizon

- The findings on investors' investment horizon reveals that the investment horizon with the most number investors is '1-3 years' with 66 investors i.e. 31.73 percent of the investors and the investment horizon with the least number of investors is 'Below 1 year' with 21 investors i.e.10.10 percent of investors. The other number of investors in different investment horizon are 58 investors i.e. 27.88 percent of investors invest for "3-5 years", 32 investors i.e. 15.38 percent of investors invest for "5-10 years", and 31 investors i.e. 14.90 percent of investors invest for 'above 10 years'.

- While comparing between Kohima and Dimapur districts, it is found that most preferred investment horizon for investors of Dimapur district is '3-5 years' with 30.30 percent investors and most preferred investment horizon for investors of Kohima district is '1- 3 years with 33.94 percent investors. The least preferred investment horizon for investors of Dimapur and Kohima districts is "Below 1 year" with 11.11 percent investors and 9.17 percent investors respectively.

- The association between FLL and Investment Horizon shows that 31.25 percent of investors with high FLL invest for a period of "5 years and above", whereas 29.46 percent of investors with low FLL invest for "5 years and above". 67.16 percent of the investors with high FLL have investment horizon of "1-5 years" whereas, 75.79 percent of the investors with low FLL are found to be investing for "1 – 5 years".

6.2.15. Investment options of the investors

It is observed that out of the total investors, 31.25 percent have invested in Bank Fixed Deposit, 25 percent have invested in Bank Recurring Deposit,

17.30 percent have invested in provident Funds (EPF, PPF, GPF etc.), and 14.42 percent have invested in Insurance and Pension Plans.

The investment options with the less number of investors are Kisan Vikas Patra scheme with 1.92 percent investors, Debentures/Bonds with 2.45 percent investors, Shares with 2.88 percent investors, Gold /Precious metals with 3.36 percent investors and Sukanya Samridhi Account (SSA) with 4.32 percent investors.

6.2.16. Investors' investment preference

The investors' preference for different investment option shows that investors most preferred investment option is Bank deposits with 62.4 percent investors, followed by Insurance and Pension Plans with 12 percent investors, Post Office Saving Schemes with 10.2 percent investors, Real Estate with 5 percent investors, Provident funds with 3.8 percent investors, Mutual Funds with 2.4 percent investors, Debenture and bonds with 1.6 percent investors, Shares with 1.4 percent investors, and Gold/ Precious metals with 1.2 percent investors.

6.2.17. Financial Literacy Factors influencing investment decision

From the factor analysis, it is found that out of 40 variables initially considered as factors influencing investment decision, only 24 variables group under 7 Factors have been found to be strong enough in influencing investment decision. The remaining 16 variables are been removed as they were considered as weak factors. The findings of the strong variables influencing investment decision are given below;

Factor 1: *Financial needs, accounting information, and financial facilities*

There are 13 variables identified under factor 1. They are 'Account transferability', 'Marketing ability of the company', 'Past performance/history of the company', 'Diversification of investment', 'Pre-mature closure of investment facility', 'Safe/secured investment', 'Terms and conditions of the financial products/services', 'Studying the portfolio investments of other market players',

'Compounding frequency interest rates', 'Liquidity associated with investment', 'Nomination facilities', 'Interest rates', and 'Dividend Policy of the company'. 21.30 percent of variance is obtained from these 13 extracted variables. This represents the most influencing factors affecting individual investment decision.

Factor 2: *Monetary expectations and advocate recommendation*

There are four variables identified under this factor, they are 'Ease in availing borrowed funds', 'Government investment schemes or financial product/services backed by Govt. of India, 'Higher Income opportunity / expected returns on investment', and 'Views and opinion of professionals, company executives and sector experts'. 8.95 percent of variance has been obtained from this factor. This shows that investors do rely on these factors while making investment decision.

Factor 3: *Operational recommendation*

There are two variables identified under this factor namely, 'Friends and relatives Advise', and 'Existing investors opinion'. These two extracted factors have a variance of 6.92 percent indicating the extent of influence on investment decision.

Factor 4: *Financial security*

This extracted factor has one variable namely 'Guaranteed returns'. This factor has a variance of 6.19 percent, showing the extent of influence on investment decision.

Factor 5: *Market Potentiality and personal inclination*

The variables under this factor extracted are 'Company's net worth and market capitalization', and 'Feeling towards company's products and services'. The variance of this factor is 5.48 percent showing influencing effect on investment decision.

Factor 6: *Genuine investment alternatives*

This extracted factor has one variable namely 'Verifying the authenticity of advertised financial products/services and rumours' and has a variance of 5.00 percent showing influencing effect on investment decision.

Factor 7: *Family recommendation*

The variable under this extracted factor is 'Family members' advice' and has a variance of 4.99 percent showing influencing effect on investment decision making.

The other 16 variables are considered as weak factors influencing investors' investment decision as they have weak extraction values as shown in Chapter 4. They are considered as independent variables or least influencing variables and need to be separated from the other variables. They are identified as Affordable investment amount to availed financial products/services/schemes benefits, Company's affiliation with government, Perceived ethics of the company, Economic forecast by Research Institution and result of technical analysis of the company, Recommendations of financial advisors and analysts, Credit rating agencies report , Tax benefits, Company's Annual report, Earnings Per Share (EPS)/ Per Equity (PE) ratio, Company's position in the industry, News updates on financial markets, Current economic indicators, Company's reputation on fund management & credit worthiness, Minimizing risk factors, Preferred investment period, and Government's share in the company's stock.

6.2.18. Investors affected by banking related malpractices

- The banking fraud affecting investors the most is been found to be 'Fake bank officials or imposters' with 9.60 percent of the investors affected. Next is the 'Lottery frauds' which affected 8.20 percent of investors. 'Ponzi schemes' affects 7 percent of investors. Security PIN fraud, Pyramid scheme frauds and OTP fraud have affected investors to the extent of 6.60 percent, 6.40 percent and 5.4 percent of the respondents respectively.

- There are certain Banking Frauds affecting 2 - 5 percent of the investors. These banking are "Credit/debit card frauds" (4.40 percent), "internet banking fraud" (3.60 percent), "fake currency notes" (2.60 percent), and 'service fee fraud' (2.20 percent).

- However, less than 2 percent of the investors are affected by remaining 9 banking fraud. These frauds are considered as insignificant as very less number of investors is affected by these frauds. These frauds are "stolen card payments" (1.60 percent), "pro-forma or false invoicing" (1.20 percent), "forgery and altered cheque" (1 percent), "theft of identity" (0.8 percent) and "stolen cheque" (0.6 percent), "accounting frauds" (0.4 percent), "impersonation to avail loan" (0.4 percent), "bad cheque" (0.2 percent), and "pump and dump (selling stocks)" (0.2 percent).

- Six most significant banking frauds affecting investors of Kohima are 'Fake bank officials /imposters' affecting 8.4 percent investors, 'Phising and internet fraud' affecting 7.6 percent investors, 'Lottery frauds' and 'Ponzi schemes' each affecting 6.4 percent investors, 'Pyramid scheme' affecting 5.6 percent investors, and 'Security PIN fraud' affecting 5.2 percent investors.

- Six most significant banking frauds affecting investors of Dimapur are 'Fake bank officials or Imposters' affecting 10.80 percent investors, 'Lottery frauds' affecting 10 percent investors, 'Security PIN fraud' affecting 8 percent investors, 'Ponzi schemes' affecting 7.60 percent investors, 'Phising and Internet Fraud' affecting 4.20 percent investors, and 'Pyramid schemes' affecting 6 percent investors.

6.2.19. Association between financial literacy level and banking related malpractices

- The respondents have been group into three categories, namely – 'Highly Affected', 'Affected', and 'Not Affected'. Respondents who were affected

by 3 or more frauds were considered as *"Highly affected",* respondents affected by 1 or 2 frauds were considered as *"Affected",* and respondents not affected by any of the mention frauds were considered as *"Not affected".*

- The result shows that no respondents with high FLL is found to be 'Highly Affected' by banking frauds, 2.45 percent out of 122 respondents with high FLL are 'Affected' by banking frauds, and the remaining 119 respondents i.e. 97.54 percent is in 'Not Affected' category. Out of 378 investors with low FLL, 8.2 percent are 'Highly Affected', 21.69 percent are 'Affected', and 70.11 percent are 'Not Affected'. This reveals that investors with high FLL are affected minimally whereas investors with low FLL are more vulnerable and prompt to banking frauds.

6.2.20. Association between demographic profile of the respondents and Banking related malpractices

- The respondents who are *'Highly Affected'* by banking related malpractices are 4.76 percent from the age group of 15-25 years, 5.71 percent from the age group of 26-35 years, 5 percent from the age group 36-45 years, 3.66 percent from 46 -55 years and none from above 55 years. The respondents who are *'Affected'* by banking frauds are 17.4 percent from the age group 15-24 years, 19.29 percent from the age group 26-35 years, 17.02 percent from the age group 36-45 years above, 15.85 percent from the age group 46-55 years, and 9.38 percent from the age group 56 years and above. The respondents who are *'Not Affected'* by banking frauds are 78.09 percent from the age group 15-25 years, 75 percent from the age group 26-35 years, 78.01 percent from the age group 36-45 years, 80.49 percent from the age group 46-55 years, and 90.63 percent from the age group 56 years and above.

- On the basis of gender of the respondents, it found that 4.43 percent of the male investors are 'Highly Affected' by banking frauds, 15.82 percent are 'Affected' by banking frauds, and 79.75 percent are 'Not Affected' by Banking Frauds. Similarly, 4.89 percent of female investors are 'Highly Affected' by banking frauds, 19.02 percent are 'Affected' by banking frauds and 76.09 percent are 'Not Affected' by banking frauds.

- On the basis of marital status of the investors, it is found that 4.25 percent of Married investors are 'Highly Affected' by banking frauds, 16.99 percent investors are 'Affected' by banking frauds, and 78.76 percent investors are 'Not Affected' by banking frauds. Similarly, 5.15 percent of Unmarried investors are 'Highly Affected' by banking frauds, 17.01 percent investors are 'Affected' by banking frauds, and 77.84 percent investors are 'Not Affected' by banking frauds.

- On the basis of educational background of the investors, it is found that investors who are 'Highly Affected' by banking frauds are: - 9.84 percent from the group Under Matriculate, 6.25 percent from the group Matriculate, 4.03 percent from the group Higher Secondary, 2.19 percent from the group Graduate, and none from the group Post Graduate. The investors who are 'Affected' by banking frauds are:- 24.59 percent from the group Under Matriculate, 21.88 percent from the group Matriculate, 17.74 percent from the group Higher Secondary, 13.14 percent from the group Graduate, and 10.98 percent from the group Post Graduate. The investors who are 'Not Affected' banking frauds are:- 65.57 percent from the group Under Matriculate, 71.87 percent from the group Matriculate, 78.23 percent from the group Higher Secondary, 84.67 percent from the group Graduate, and 89.02 percent from the group Post Graduate.

- On the basis of Occupation of the investors, it is found that the investors who are 'Highly affected' by banking frauds are 4.57 percent from the group 'Service', 4.88 percent from the group 'Business', 5.48 percent from

the group 'Housewife', 4.11 percent from the group 'Student', 5.06 percent from the group 'Unemployed or Daily Wagers', and 3.33 percent from the group 'Retired'. The investors who are 'Affected' by banking frauds are 16.99 percent from the group 'Service', 18.29 percent from the group 'Business', 24.66 percent from the group 'Housewife', 13.25 percent from the group 'Student', 15 percent from the group 'Unemployed or Daily Wagers', and 10 percent from the 'Retired'. The investors who are 'Not Affected' by banking frauds are 78.43 percent from the group 'Service', 76.83 percent from the group 'Business', 69.86 percent from the group 'Housewife', 83 percent from the group 'Student', 79.75 percent from the group 'Unemployed', 86.67 percent from the group 'Retired'.

- On the basis of employment of the investors, it is found that 4.16 percent investors of Government employees are 'High Affected' by banking frauds, 15 percent investors are 'Affected', and 80.83 percent investors are 'Not Affected' by banking frauds. Similarly, 5.22 percent investors of Private employees are 'Highly Affected' by banking frauds, 18.26 percent investors are 'Affected' by banking frauds, and 76.52 percent investors are 'Not Affected' by banking frauds.

- On the basis of the place of residence of the investors, it is found that 5.85 percent of Village investors are 'Highly Affected' by banking frauds, 20.21 percent investors are 'Affected' by banking frauds, and 73.94 percent investors are 'Not Affected' by banking frauds. Similarly, 3.84 percent of Town investors are 'Highly Affected' by banking frauds, 15.06 percent investors are 'Affected' by banking frauds, and 81.08 percent investors are 'Not Affected' by banking frauds.

Besides those twenty stated banking frauds mentioned in the questionnaire few more fraud cases have also been reported in this study. Those are:

Case 1: Pop-up Internet games

Case 2: Fake matrimonial promise/online dating using fake social media accounts.

Case 3: Hacking ATM cards details and security PIN

Case 4: Annual subscription fee fraud

Case 5: Online shopping lottery fraud

Case 6: Fraud Online games

Case 7: Online shopping fraud

Case 8: Proxy bank account

Case 9: Hamper or bumper gifts fraud

Case 10: Online Insurance frauds

Case 11: ATM card cloning

Case 12: Hacking bank accounts through accessing details from social media

Case 13: QR Code fraud

6.3. TESTING OF HYPOTHESIS

In this part of the Section, an attempt has been made to bring forth the result of hypotheses testing. The following two hypotheses were identified for the purpose of the study.

1. There is no significant association between investors' gender and their financial literacy level.

2. "There is no significant association between financial literacy level and investors' investment decision.

In order to test the veracity of the hypothesis- "There is no significant association between investors' gender and their financial literacy level", financial literacy level of all 500 respondents have been considered. In this study, there were 316 male respondents and 184 female respondents. For statistical testing of the hypothesis, Financial Literacy Level of both male and female respondents

were computed. On the basis of financial literacy level, Male and Female respondents were further grouped into two categories namely High FLL and Low FLL. 94 male respondents representing 29.75 percent were with High FLL and 222 male respondents representing 70.25 percent were with low FLL. 28 female respondents representing 15.22 percent were with high FLL and 156 respondents representing 84.78 percent were with low FLL.

With the above mentioned statistics, cross tabulation and Pearson's Chi-square test were done in Chapter – 3 to find out the association between the financial literacy level of male and female respondents. Chi-square test was performed at 5% level of significance. Chi-square significance value is 0.000 which is less than 5% of the level of significance. The linear-by-linear association is 75.272 and the degree of freedom is 1. The Cramer's V value significance value is also 0.000 and the degree of association between these two variables is found to be 1.000 i.e. 100%. This reveals a clear relationship between investors' gender and their financial literacy level. So, the null hypothesis "There is no significant association between investors' gender and their financial literacy level" is rejected. Hence, the alternate hypothesis "There is significant association between investors' gender and their financial literacy level" is accepted.

In order to test the second hypothesis that is "There is no significant association between financial literacy level and investors' investment decision", Five Point Rating Likert Scale was used to assess the score of financial literacy factors affecting investment decision. The financial literacy level has been considered as independent variable and investment decision as dependent variable. Each individual Financial Literacy Level score has been considered against own individual score on investment decision factors. Regression analysis was done to find out the association between the two variables, - Financial Literacy Level (independent variable) and Investment Decision (dependent variable).

- The result shows that the correlation coefficient between the two variables under Pearson Correlation is 0.841 which shows there is significant positive correlation between them. Level of confidence is taken at 95%. The calculated significant value is 0.000 which is less than 0.05 at 5% level of significance. This reveals that there is a strong positive linear correlation between FLL and financial literacy factors for investment decision as shown in Chapter – 4.

- The coefficient of determination denoted by R Square measure the association between the two variables. The value of R Square is 0.707, which means 70.7% of variance in investors' investment decision which can be predicted by his or her financial literacy level. This shows investment decision is highly dependent on financial literacy level. Since, R Square value is closed to 1; the regression equation is highly helpful in making prediction.

- The smaller the value of standard error of estimation the better the prediction that independent variable (FLL) caused variance to the dependent variable (investment decision). The calculated value of standard error of estimation is 0.2761 or 27.61% which is sufficiently less than 1 (one). This shows that there is less error in predicting the variance of investor's investment decision factors based on his/her financial literacy level.

- Co-efficient table (in Chapter- 4) shows that at 95% level of confidence, the t-test value between financial literacy level and investment decision is 0.000, which is less than 0.05. The F-test results shown in the ANNOVA table (in Chapter -4) reveals that the significance value of the independent variable (FLL) and dependent variable (investment decision) is also 0.000, which is also less than 0.5 or 5%. This clearly indicates that the linear regression is statistically significant at the confidence level of 95%.

From the above analysis, it is clear that the null hypothesis i.e. "There is no significant impact of financial literacy level on investment decision of investors" is rejected and the alternative hypothesis is accepted. Therefore, it is established that there is significant impact of financial literacy level on investors' investment decision.

SUGGESTIONS

After making in-depth investigation through this study and based on the findings and analysis, it's become imperative on the part of the researcher to recommend certain suggestions for improving financial literacy level of the people of Nagaland. The study reveals that there is an urgent need of remedial corrective measure for the people of Nagaland to cope up with the fast moving financial market and digital world. Below are some useful suggestions recommended for improving financial literacy level of the people for making effective investment decision and to avoid financial frauds;

6.4.1. For Financial Literacy outreach

After analysis and interpretation of the data, in the light of this research study, the following suggestions are recommended for improving financial awareness and financial literacy level.

1. Since 76.19 percent of respondents in the age group between 15-25 years are with low financial literacy level, it is a real concern. So, financial education/ money management should be included as a main subject in the curriculum of schools, colleges, and universities to enhance the financial literacy of the students. Financial education needs to be imparted to them so as to enable them take care of their personal finances as well.

2. Proper guidance and trainings for teachers on financial education is needed in order to make them effective financial educators. As such, the State should to take up this matter earnestly.

3. 84.78 percent of female respondents have low FLL and 87.68 percent of Housewife respondents are with low FLL. Proper financial education should be made available to this section of people. NGOs working for women and SHGs in particular should take initiatives in imparting financial education to the women folk. As homemakers they need to be empowered and encouraged in order to make them realize the importance of their role/participation in investment decision making at the family level. The State and financial institutions should also come up with steps to ensure financial education for them.

4. Financial literacy level is quite low even in service sector too, as only 30.83 percent of government employees and 30.30 percent of private employees are with high FLL. Financial organizations and employers should organize workshops or seminars at workplace on financial education.

5. 89 percent of matriculate respondents have low FLL and thus this section of people cannot be ignored in financial literacy awareness campaign. Financial education outreach programme should them at the earliest.

6. 77.66 percent of the respondents from village areas are with low FLL. This suggests that more financial outreach programme need to be conducted in villages as well. Such programmes should be conducted in the local dialects and preferably in the language understandable to them.

7. The importance of financial literacy need to be ingrained in the minds of the investors as well as common people. This will not only build interest and boost financial knowledge, but also will be a key factor for effective investment decision and in the prevention of investment frauds.

8. A common learning goal and financial language should be established for financial literacy education across masses in order to enable an individual to be self equipped in taking care of own personal finances.

9. In order to inculcate the habit of savings, proper money management and investment, financial education program should start at an early stage of

human life. This will help the child in developing a mindset on savings and investment.

10. Financial education should start at home. Parents or learned family members need to educate other members of the family regarding the importance of financial literacy, investment options and financial scams.

11. Financial educators should provide financial education as an information and instruction in a most constructive way to avoid misinformation.

12. Spread of financial literacy must be in a comprehensive manner with latest updates in order to sensitize the people about latest happenings in the financial market.

13. Promotion of financial education should be carried out by documenting and broadcasting programmes in radios and television. Soft copy of materials like videos, templates, handouts, magazines, wallpapers, banners, billboards, etc. are to be provided even in social media to educate the people.

6.4.2. For Investment Decision

Drawing inferences from the findings of the study, some suggestions are put forth for effective investment decision.

1. The study reveals that 60.8 percent of the respondents save less than 30% of their monthly income. 41.6 percent of respondents are making investment out of savings, and 70.37 percent of respondents in low Financial Literacy Level do not make investment out of their savings. This shows the lack of awareness among the people for financial investment. Financial education specially designed on different investment options is to be provided to the public through different means of communication like, newspapers, Radio, TV, Billboards, and Social Media to enable the investors to select the best investment options to realise their financial goals.

2. 77.4 percent of the investors were found to be occasional and seldom investors. In order to become a regular investor's one should encourage each other to make investment and share good authentic investment options among family members, friends and relatives, and also at workplace.

3. The study shows that only 11 percent of respondents have their investment with maturity period of 10 years and above. This indicates that a very less number of investors are interested for long term investment. It is, therefore, necessary to educate the investors anywhere possible, guide them to invest according to their financial goals and also share the benefits of different investment horizon.

4. Investment in debenture, bonds, shares, mutual funds were found to be very less. On an average only 4 percent investors are investing in these investment options. Investment in Post office investment schemes, girl child plans, insurance plans, precious metals, National saving certificates and Kisan Vikas Patra (special fixed deposit scheme) were also very less as only 6 percent investors are investing in this investment products. Thus, financial institutions need to educate the investors about different investment options and their benefits besides only selling these products. In order to sensitize the public about different investment products, it is necessary to promote the products through print/e-print media.

5. Investment by rural people is very less in Nagaland. 68.62 percent investors from rural areas are not investing in the financial market. This shows their lack of knowledge and awareness about financial investment. So, Financial Institutions and SEBI should reach out to rural areas for educating the people on various financial investment products.

6. The study reveals that 78.69 percent of respondents with high FLL and 29.63 percent of respondents with low FLL have investment. As such, the NGOs, local bodies and state authorities need to realize the importance of

financial literacy and take appropriate measures to promote financial education.

6.4.3. For Prevention of Banking related malpractices

After in-depth analysis and interpretation of the researched data, the following suggestions are recommended for the prevention of banking related malpractices.

1. 21.9 percent of the respondents from the age group between 15-25years have been affected by banking related malpractices. It reveals that this group of people is very vulnerable and can be easily trapped into debt and snare of the scamsters. Policy makers need to design financial education for the college students covering different types of scams and frauds prevailing in the market.

2. 25 percent of Female respondents as a whole and 26 percent of respondents from rural areas have been affected by banking related malpractices. This necessitates proper awareness among these groups. They need to become aware of how people easily get lured to invest in Ponzi schemes. Awareness programmes to be carried forward through various activities like radio programmes, newspapers, magazines, televisions, signboards, banners, wallpapers, etc. and preferably in local languages especially for the people of rural areas.

3. Central and State government, Regulatory bodies, NGOs, SHGs and civil bodies must try to outreach the people for promoting financial education by conducting seminars/workshops on various financial risks and ways to protect against financial scams.

4. Since, many people do not know how to file a complaint against financial frauds, proper awareness campaign is needed. Besides radio and TV, messages, posters and banners need to be put up in important locations of towns and villages with contact numbers and websites where the people can file a complaint and report fraud cases immediately.

5. Every investor/customer must be provided with SMS and e-mail alert facility for every transaction done through his/her account. Also, the investors and bank customers are to be cautioned with information of all imposters and suspicious transaction.

6. RBI and SEBI guidelines, investors' protection programmes and grievance redressal schemes should be made available in local languages so that common people can easily learn and protect themselves from any type of financial frauds.

7. Investors need to check the authenticity of the company as well as the financial institutions before taking any investment decision. It is advisable to invest in such companies and institutions which are come under SEBI, AMFI, IRDA and RBI guidelines. The investor should take extra precaution when the investment offer is highly lucrative. These investment options tend to be doubtful.

8. Customers should not make delay in reporting the fraud cases. According to RBI, any fraud case/ suspicious transaction need to be reported to the concerned branch within 7 days from the date of incident.

9. Friends and family members should educate one another about various financial scams, so as to protect their near and dear ones from it.

10. People with criminal mindset always try to take advantage of any ambiguity and loopholes in the law. In order, to reduce and prevent the frequency and magnitude of scams, law enforcing bodies and authorities should maintain constant vigilance and formulate stringent laws and regulations to penalized fraudsters heavily.

6.5. SCOPE FOR FUTURE STUDY

Since, the study was confine only to Kohima and Dimapur district out of 12 districts in Nagaland, the remaining 10 districts are kept outside the purview of this investigation.

This study opens up significant areas of further research in terms of how financial awareness should be carried forward, sensitizing the young and old, the educated and uneducated, village and town, the society as a whole.

This particular study focused only on few segments to measure financial literacy level of the respondents. With the coming up of many new financial products and changing rules and regulations for financial market, it pave the way for innovative methods of determining financial literacy. There are several other factors influencing investor's investment decision remained outside the purview of this study. Commonly known banking frauds and malpractices affecting the investors were considered for the purpose of the study and insiders' frauds happening within the financial institutions were not taken into account. This opens up scope for further research study in this area.

Research on the following lines can be undertaken by the future researchers;

- Impact of Financial Literacy in selecting Retirement Plan.
- Effectiveness of Youth Financial Education in Nagaland.
- Effect of financial education on investors' financial behavior in Nagaland.
- Financial malpractices affecting the financial institutions and investors in Nagaland.

6.5. CONCLUSION

Thus, to sum up, it is quite obvious that there is a need for further improvement of financial education in Nagaland. The study has highlighted on the role of financial literacy in making effective financial decision. It is observed that less than twenty five percent of the respondents as a whole are with high financial literacy level and the majority of the respondents i.e., more than seventy five

percent are with low financial literacy level. This suggests that the people at large are yet to get access to proper financial education. Further, the study has illustrated on the impact of financial literacy on investors' investment decision. It is found that investors with high financial literacy level tend to make more effective investment decision as compared to those investors with low financial literacy level. This emphasizes the need for financial literacy of the people to coped up with the modern financial markets and become efficient investment decision makers.

Around 21.6 percent of the respondents have been affected by banking frauds. This gives an idea of the vulnerability of the people getting trap in financial scams. It has been highlighted that respondents with high financial literacy level are less affected by banking frauds than those respondents with low financial literacy level. This underlines the role of financial literacy in the prevention of banking related malpractices. With rapid development in financial market and increased use of technology, several new financial scams are being uncovered today. This creates a risky situation for the aspiring people to make investment or avail any financial services. In order to overcome these challenges, one should have financial knowledge and capability to make effective financial decision.

An investigation into the dynamics of financial literacy in making effective investment decision and in the prevention of banking related malpractices is an awakening and an eye opener for the people to realise that it is imperative for everyone to have financial literacy. People across the society are required to encourage each other to acquire financial literacy, as it provides the scope for sustainable investment. In fact, investment yields return, increases earning potential, increases return on investment, improve the quality of life and finances, secure retirement, secure investment portfolio from unnecessary losses, and provides a stable mind to manage finances.

Financial literacy paves way for financial inclusion which helps in financial deepening and provides resources for the banks to expand financial credit services to the public. In order, to avail these facilities, financial literacy plays the key role acting as the foremost sustainable and scalable solutions because of the offers available in multiple products and services in the financial markets. Development of one's skills and knowledge in the area of finance and financial management has become inevitable for sustainability.

Finally, financial awareness means financial literacy, financial literacy means effective investment decision, effective investment decision means financially secured, and financially secured means sustainability. So, financial literacy is inevitably a key role to sustainable development.

Thus, basing on this empirical study, it can be inferred that financial literacy undoubtedly plays the most crucial role for effective investment decision and in prevention of banking related malpractices. Hence, the proposed objective of the research study on financial literacy in Nagaland has been amply achieved.

This study is presented with a hope that it will definitely draw the attention of future researchers, academicians, stake holders, state authorities, and financial institutions. If the study helps them in any form, the researcher will feel his efforts are amply recognized.

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Annexure – 1

Questionnaire

Dear respondent,

    The main purpose of this study is to find out the financial literacy level of the people of Nagaland. Through this study, the researcher is interested to investigate whether there is any relationship between financial literacy and investment decision of the people and to examine the impact of financial literacy in prevention of banking related malpractices. In order to achieve this objective, the researcher requires some useful information from you. Such information will serve as basic inputs for my research project.

    Without your help and support the researcher will not be able to complete his project. The information so collected from you will be used only for academic purpose and will be kept confidential. Under no circumstances the information will be divulged to any other person for any other reason.

    Your kind co-operation is highly solicited.

Mr. Meno Thorie
Investigator

▪▪▪

Name of the respondent: ………………………………..

Address: …………………………………………

Part 1

Demographic information of the respondents

Please put a tick mark against the most appropriate option in the following questions.

1. Age in years:
   a) 15 to 25 years   (   )   b) 26 to 35 years   (   )
      c) 36 to 45 years (   )   d) 45-55 years (   )   e) 56 & above (
)
2. Gender:
   a) Male   (   )   b) Female   (   )   c) Others   (
)
3. Occupation:
   a) Service   (   )   b) Business   (   )   c) Housewife   (
)
   d) Student   (   )   e)Unemployed/Daily Wagers   (   )
    f) Retired   (   )
4. Type of employment
   a) Government   (   )   b) Private   (   )
5. Educational Qualification
   a)Under Matriculate   (   )   b) Matriculate   (   ) c) Higher Secondary
         (   )
   d) Graduate (   )   d) Post Graduate (   )
6. Place of residence: a) Village   (   )   b) Town   (   )
7. Marital Status: a) Married   (   )   b) Unmarried (   )

Part 2
Section A: Basic Financial literacy

1. **Savings Bank Account:** If a person opens a savings account, he or she can withdraw from the account as many times he or she wishes without any restriction or conditions.
   a) Yes   b) No   c) Don't know
2. **Fixed Deposits: '**A Fixed deposit means a lump sum amount in the bank at a certain rate of a interest for a fixed period of time'. Do you agree?
   a) Yes   b) No   c) Don't know
3. **Recurring Deposit: '**A regular incomes to deposit a fixed amount every month into their recurring deposit account and earn interest at the rate applicable to Fixed Deposits'. Do you agree?
   a) Yes   b) No   c) Don't know

4. **Inflation:** Imagine that the interest rate on your savings account was 1% per year and inflation was 2% per year. After 1 year, how much would you be able to buy with the money in this account?
   ☐ More than today ☐ Don't know☐ Less than today ☐Exactly the same

5. **Time value of money:** Assume Mr. John inherits Rs. 10000 today and his sibling inherits Rs. 10000 3 years later. Whose money worth more?
   Mr. John☐   His sibling☐   They are equally rich☐   ☐ Do not know

6. **Diversification:** When an investor spreads his money among different assets, the risk of losing money ………………………..:
   Increase☐   Decrease☐   Stay the same☐   None of above☐   ☐ Don't know

7. **Risk**: The presence of risk means that
   Investors may lose money.☐   Investor may gain money.☐
   All of above☐   None of above☐   Don't know☐

8. **Regulatory body of market structure:** Out of following which is not the regulatory authority.
   SEBI☐   IRDA☐   RBI☐   ☐ AMFI
   None of above☐   All of above☐   Don't know☐

9. **KYC:** "Know your customer" (KYC) is a document, which is used for customer/client identification process.
   True☐   False☐   Don't know☐

10. **Interest:** Do interest rate normally remain fixed in the market?
    Yes☐   No☐   Don't Know☐

11. **Plastic money:** Are the facilities and functions of Plastic Money i.e., Debit card and credit card same?
    Yes☐   No☐   ☐ Don't Know

12. **Fake/counterfeit currency:** Is counterfeit currency notes genuine and authentic?
    ☐ Yes   No☐   Don't know☐

13. **Demand draft:** Demand draft is a money instrument.
    ☐ True   False☐   Don't☐ know

14. **Cheque:** Cheque is used only for withdrawal and not to transfer money.
    True☐   False☐   Don't☐ know

15. **RTGS & NEFT:** Real Time Gross Settlement and National Electronic Fund Transfer are both used to transfer fund. Is there any difference between them?
    Yes☐   No☐   Don't Know☐

16. **Overdraft:** Credit facility for overdrawing a bank account up to a certain approved limit is overdraft.
    True☐   False☐   Don't☐ know

17. **Cashless payment:** E- wallets are used for cashless payment?
    Yes☐   No☐   ☐ Don't Know

18. **Compound & Simple Interest**: For long-term investment whether simple interest or compound interest is more profitable?
    a) Simple interest only   b) Compound only   c) Both A & B   d) Don't know

19. **Banks:** Banks are meant for:
    a) Savings and investments   b) only loans & advances   c) both A & B d) Don't know

20. **Insurance:** Insurance is a means of indemnity against a future occurrence of an uncertain event.
      True☐   False☐   Don't☐ know

Score:………………

Section B: Advanced Financial Literacy

Sl. No.	Questions	True	False	Don't know
1	**Financial worth:** Suppose you have the total assets of Rs. 40,000; out of which investment comprising of Rs.30,000; on the other hand you are owing total liabilities/debt of Rs. 10,000, then your financial worth will be calculated by: Total assets minus total liabilities☐			
2	**Numeracy on Simple interest:** Suppose you have Rs. 100 in a saving bank account, earning an annual interest rate of 4 % under simple interest rate method. After 2 years you would have Rs. 104 in the account if you have left the money to grow.			
3	**Interest Compounding:** Suppose you had Rs. 1000 in a saving account and the interest rate is 20 % per year and you never withdraw money or interest payments. After 5 years, under compounding your money in the account in total will be Rs 2000.			
4	**Function of Stock market:** The main function of the stock market is to bring people who want to buy stocks together with those who want to sell stocks.			
5	**Risk-return trade off:** Buying a single company's stocks usually provides safer return than a stock mutual fund.			
6	**Ponzi schemes**: Ponzi schemes do not involve risks and are good investment options.			
7	**Investment time horizon and fluctuation:** Normally stocks			

	display higher price fluctuations over time than bonds and savings account.			
8	**Systematic Investment Plan (SIP)** is a mutual fund and a low risk investment plan.			
9	**Systematic withdrawal Plan (SWP):** allows an investor to withdraw a fixed or variable amount fund scheme on a preset date every month, quarterly, semi annually or annually as per his needs.			
10	**Tax deduction under Section 80C:** Section 80C offers a window of investment opportunities for claiming tax exemption up to Rs. 1.5 lakh.			
11	**National Savings Certificates (NSCs):** Interest rate is constant and updated and revised twice in a year.			
12	**Senior Citizen Savings Scheme:** Interest rate on Senior Citizen savings Scheme is normally higher than normal saving schemes.			
13	**Public Provident Fund (PPF):** Savings in this product is not tax-free.			
14	**Employee Provident Fund (EPF):** Employee provident fund is applicable to not only salaried employees.			
15	**National Pension Scheme:** NPS is only for government employees.			
16	**Equity Shares:** The return that the share holder receives is known as earning per share and these equity shareholders have voting rights in the company.			
17	**Preference Shares:** Equity shareholders get the preference over the preference shareholders at the time of dividend distribution.			
18	**Mutual Fund:** Mutual funds are Equity link saving scheme. All the profit, loss, risks and dividends from the investment are shared among all the investors according to their contributions.			
19	**Debentures and Bonds:** Debentures and bonds are risk free investment.			
20	**Post Office Monthly Income Scheme (POMIS):** The scheme is not inflation protected and the return from the scheme earns no real returns.			
21	**Life Insurance Endowment Plan:** If the policy holder survive the policy term, the holder get back the sum assured and returns earned by the policy.			
22	**Real Estate Investment:** It is a an Operating, investing, and financial activities centered in making money from intangible property or cash flows from the intangible property			
23	**Gratuity Scheme:** Gratuity is paid only to employees who complete 5 or more years with the company.			
24	**Atal Pension Scheme:** Any candidate from 18 years and 40 years can subscribe this pension scheme and after 60 years the subscriber can apply for regular pension.			
25	**General Provident fund (GPF):** The accumulation in the fund is paid at the time of superannuation or retirement and is for salary class employed with the government.			
26	**DEMAT Account:** DEMAT account holds all the share and financial instruments you purchase in electronic or dematerialized form.			

27	**Gold Monetization Scheme:** Idle gold can yield interest earning by depositing it with banks under Gold Deposit Scheme.			
28	**Health Insurance Family-Floater Plans:** It is an extension of individual plan; these cover a family spreading the risk across the members.			
29	**Unit Linked Insurance Plan:** ULIPs offer several fund-investment options with insurance and are expected to deliver inflation beating returns in the long term.			
30	**Retirement/Insurance Pension Plan:** The policy works as an accumulation tool that collects premiums and earns a return or also the accumulation fund is paid back as an annuity. Life insurance is also covered.			

Score: ……   …………

Part- 3
INVESTMENT DECISION

1. What is the percentage of your expenditure to monthly income? Put a tick mark against the appropriate option.
   a) Below 20 %   b)   21% to 40%   c) 41 % to 60%

   d)   61 % to 80%   e)   Above 90%
2. What percentage of your monthly income you are able to save? Put a tick mark against the appropriate option.
   a) Less than 10%   b) 10% - 30%   c)30% - 50%   d) Above 50%
3. Have you ever made any investment out of your savings
   a) Yes   b) No.
4. If yes, what type of investor are you? (Besides investment in GPF and NPS for Govt. employees)
   a) Regular   b) Occasional   c) Seldom
5. If no, do you have the desire to invest in the future?
   a) Yes   b)No
6. What is your major investment objective?
   a) High Return (high risk)   b) Moderate returns(moderate risk)
   c) Low return/Secured investment (lows risk)
7. What is your normal investment horizon?
   a) Below 1 year   b) 1 -3 years   c) 3 - 5 years
   d) 5 - 10 years   e) Above 10 years
8. Put a tick mark against the item of investment you made and mention the amount in rupees against the given below in the table.

INVESTMENT ALTERNATIVES/ OPTIONS

Sl. No	Investments Options	Tick (√)	Amount
1	Shares		
2	Debentures/Bonds		
3	Mutual Funds		
4	Provident Funds (EPF, PPF, GPF)		
5	National pension Scheme		
6	National Saving Certificate		
7	Kisan Vikas Patra		
8	Sukanya Samridhi Account (SSA)		
9	Bank Fixed Deposit		
10	Insurance and Pension Plans		
11	Real Estate		
12	Gold Scheme/precious metals		
13	Bank Recurring Deposit		
14	Post office Saving Schemes		
15	Others		

9. State the approximate size of your investment in rupees till date.
……………………………………..
10. Select any investment options that you prefer and rank them from 1 – 9 on the basis of your priority.

Sl. No	Investments	Rank
1	Shares	
2	Debentures/Bonds	
3	Mutual Funds	
4	Post Office Saving Scheme	
5	Provident Funds	
6	Bank Deposits	
7	Insurance and pension Plans	
8	Real Estate	
9	Precious Metal (Gold /Silver etc.,)	

11. FINANCIAL LITERACY FACTORS INVOLVED IN INVESTMENT DECISION

State the level of influence upon you of the following financial literacy factors for making investment decision.

Sl. No	Financial Literacy Factors	Level of influence				
		Very low influence	Low Influence	Moderately Influence	High influence	Very High influence
Factor 1: Personal Financial Need/Facilities						
1	Secured/safe investment					
2	Ease in availing borrowed funds					
3	Preferred investment period					
4	Liquidity associated with investment					
5	Tax benefits					
6	Affordable investment amount to availed financial products/services/schemes benefits					
7	Account transferability					
8	Nomination facilities					
9	Pre-mature closure of investment facility					
10	Compounding frequency interest rate					
Factor 2: Accounting, Business and Financial information						
11	Past performance/ history of the company					
12	Dividend Policy of the Company					
13	Marketing ability of the company					
14	Company's position in the industry					
15	Terms and conditions of the financial products/ services					
16	Company's reputation on fund management & credit worthiness					
17	Company's annual report					
18	Company's net worth and market capitalization					
Factor 3: Economic and regulatory environment						
19	Development in stock index					
20	Current economic indicators					
21	Government investment schemes or financial product/services backed by Govt. of India					
22	Company's affiliation with government					
Factor 4: Operational feedback						
23	Existing investors opinion					
24	Family members					
25	Friends and relatives					
Factor 5: Experts recommendation						
26	Recommendations of financial advisors and analysts					
27	Credit rating agencies report					
28	News updates on financial markets.					
29	Economic forecast by Research Institution and					

	result of technical analysis of the company					
30	Views and opinion of professionals, company executives and sector experts					
Factor 6: Credit features						
31	Diversification of investments					
32	Minimizing risk factors					
Factor 7: Personal inclination						
33	Perceived ethics of the company					
34	Feeling towards company's products/services					
35	Studying the portfolio investments of other market players					
36	Verifying the authenticity of advertised financial products/services and rumours.					
Factor 8: Monetary expectation						
37	Higher income opportunity/expected returns on investment					
38	Interest rates					
39	Earnings Per Share (EPS)/ Per Equity (PE) ratio					
40	Guaranteed returns					

Part 4
Banking malpractices

Sl. No.	Questions	Yes	No
1	**Fake currency notes:** Have you been victimized by someone using fake currency notes		
2	**Debit card skimming:** Did someone ever pick up your card information and PIN numbers when you use your cards at ATM booth?		
3	**Forgery and altered cheques:** Do you ever entrust people to use your cheque and have face problems like altering the amount written on cheque or forge your signature to do transactions?		
4	**Stolen cheques:** Does your blank cheques ever go missing or stolen by someone and you lost your money?		
5	**Accounting Fraud:** If you are an entrepreneur, does anyone prepare accounts on behalf of your enterprise and availed financial assistance in the name of your enterprise without your knowledge?		
6	**Credit/debit card fraud:** Have you faced fraudulent telemarketing done with your credit/ debit card?		
7	**Booster/ bad cheque:** Have you ever accept cheque in exchange of cash and found no amount in account or account inoperative?		
8	**Lost/stolen card:** Have you faced problem with your lost/stolen card being used for payments or any other unauthorized purposes, as you delayed in reporting to block your card?		
9	**Impersonation and theft of identity:** Did someone take loans in your name without your knowledge?		
10	**Phishing and Internet fraud:** Do you receive e-mails, a payment site		

	which directs user to a forged web site which is designed to look like the login to the legitimate site but which claims that the user must update personal information and you update your details for transaction purpose?		
11	**Lottery frauds:** You received mails or SMS saying you have won lottery in a lucky draw (which you have never entered) worth millions of dollars or pounds and to claim it asking you to submit personal information, bank accounts and pay certain amount for delivery or service charge. Do you reply to them and act according to their directions and victimized?		
12	**Fake bank officials/ Social engineering:** Did someone convince you over the phone or via e-mail that he is bank official or officials and is supposed to receive your bank details to avail you financial services and then victimized you?		
13	**Online fraud:** Have your Card information being stolen at the time of an online transaction and have being used the card information to make online purchases or assume as individual's identity by fraudsters?		
14	**Ponzi schemes:** Have you done bank transactions, diverting your investment to other investment which promises very high return and later you lost your money?		
15	**Service fee frauds:** Have you ever been charged by bank officials for processing your money besides banks service charge?		
16	**Pro-forma or false invoicing:** Have you received mails saying a reputed company have launched new product and promoting it and will be send to you, where you need to pay invoice charge which is due and you paid the charge?		
17	**Pyramid schemes:** Have you been victimized through pyramid schemes? (A scheme you have to pay subscription fee, and your financial rewards are based on people in higher levels of the 'pyramid' each receiving a share of the contribution from new members recruited to the scheme. Finding down lines.)		
18	**Pump and dump:** You receive mails or SMS promoting an incredible deal on stock described as once-in-a-lifetime investment. You don't know the person or company. Do you buy such shares without proper authentication?		
19	**OTP fraud:** You received SMS which contains OTP (one time password), you receive call saying that the caller had mistakenly type your phone number and asked you to please tell him the OTP. Do you share your OTP?		
20	**ATM fraud:** Did someone acquires your customer's card and/or PIN and withdraws money from the machine.		

Score: …………….../20

21. Have you faced any incident related to banking malpractices besides the above mentioned? If any, then kindly write down below.

Kohima Respondents Financial Literacy Score

Financial Literacy Score

	FL Score (in %)	Frequency	Percent	Valid Percent	Cumulative Percent
	14.00	1	.4	.4	.4
	16.00	3	1.2	1.2	1.6
	18.00	4	1.6	1.6	3.2
	20.00	6	2.4	2.4	5.6
	22.00	7	2.8	2.8	8.4
	24.00	17	6.8	6.8	15.2
	26.00	13	5.2	5.2	20.4
	28.00	16	6.4	6.4	26.8
	30.00	27	10.8	10.8	37.6
	32.00	23	9.2	9.2	46.8
	34.00	21	8.4	8.4	55.2
	36.00	32	12.8	12.8	68.0
	38.00	20	8.0	8.0	76.0
	40.00	7	2.8	2.8	78.8
	42.00	5	2.0	2.0	80.8
	44.00	2	.8	.8	81.6
	46.00	2	.8	.8	82.4
	50.00	3	1.2	1.2	83.6
	52.00	3	1.2	1.2	84.8
	54.00	2	.8	.8	85.6
Valid	56.00	3	1.2	1.2	86.8
	58.00	2	.8	.8	87.6
	62.00	3	1.2	1.2	88.8
	64.00	1	.4	.4	89.2
	66.00	1	.4	.4	89.6
	68.00	2	.8	.8	90.4
	70.00	3	1.2	1.2	91.6
	72.00	3	1.2	1.2	92.8
	74.00	2	.8	.8	93.6
	76.00	2	.8	.8	94.4
	78.00	2	.8	.8	95.2
	80.00	2	.8	.8	96.0
	82.00	2	.8	.8	96.8
	84.00	2	.8	.8	97.6
	86.00	1	.4	.4	98.0
	88.00	1	.4	.4	98.4
	90.00	1	.4	.4	98.8
	92.00	1	.4	.4	99.2
	94.00	1	.4	.4	99.6
	96.00	1	.4	.4	100.0
	Total	250	100.0	100.0	

Annexure - III

Dimapur Respondents Financial Literacy Score

Financial Literacy Score

FL Score (in %)	Frequency	Percent	Valid Percent	Cumulative Percent
16.00	1	.4	.4	.4
18.00	3	1.2	1.2	1.6
20.00	7	2.8	2.8	4.4
22.00	6	2.4	2.4	6.8
24.00	15	6.0	6.0	12.8
26.00	15	6.0	6.0	18.8
28.00	17	6.8	6.8	25.6
30.00	20	8.0	8.0	33.6
32.00	25	10.0	10.0	43.6
34.00	26	10.4	10.4	54.0
36.00	30	12.0	12.0	66.0
38.00	23	9.2	9.2	75.2
40.00	10	4.0	4.0	79.2
42.00	7	2.8	2.8	82.0
44.00	2	.8	.8	82.8
46.00	2	.8	.8	83.6
48.00	3	1.2	1.2	84.8
50.00	4	1.6	1.6	86.4
52.00	2	.8	.8	87.2
54.00	3	1.2	1.2	88.4
56.00	1	.4	.4	88.8
60.00	1	.4	.4	89.2
66.00	1	.4	.4	89.6
68.00	4	1.6	1.6	91.2
70.00	2	.8	.8	92.0
72.00	3	1.2	1.2	93.2
74.00	4	1.6	1.6	94.8
76.00	1	.4	.4	95.2
78.00	1	.4	.4	95.6
80.00	2	.8	.8	96.4
82.00	2	.8	.8	97.2
84.00	2	.8	.8	98.0
86.00	1	.4	.4	98.4
88.00	1	.4	.4	98.8
90.00	1	.4	.4	99.2
92.00	1	.4	.4	99.6
94.00	1	.4	.4	100.0
Total	250	100.0	100.0	

Note: "Valid" label spans the score rows.

Annexure - IV
Overall Respondents Financial Literacy Score

Financial Literacy Score

FL Score (in %)	Frequency	Percent	Valid Percent	Cumulative Percent
14.00	1	.2	.2	.2
16.00	4	.8	.8	1.0
18.00	7	1.4	1.4	2.4
20.00	13	2.6	2.6	5.0
22.00	13	2.6	2.6	7.6
24.00	32	6.4	6.4	14.0
26.00	28	5.6	5.6	19.6
28.00	33	6.6	6.6	26.2
30.00	47	9.4	9.4	35.6
32.00	48	9.6	9.6	45.2
34.00	47	9.4	9.4	54.6
36.00	62	12.4	12.4	67.0
38.00	43	8.6	8.6	75.6
40.00	17	3.4	3.4	79.0
42.00	12	2.4	2.4	81.4
44.00	4	.8	.8	82.2
46.00	4	.8	.8	83.0
48.00	3	.6	.6	83.6
50.00	7	1.4	1.4	85.0
52.00	5	1.0	1.0	86.0
54.00	5	1.0	1.0	87.0
Valid 56.00	4	.8	.8	87.8
58.00	2	.4	.4	88.2
60.00	1	.2	.2	88.4
62.00	3	.6	.6	89.0
64.00	1	.2	.2	89.2
66.00	2	.4	.4	89.6
68.00	6	1.2	1.2	90.8
70.00	5	1.0	1.0	91.8
72.00	6	1.2	1.2	93.0
74.00	6	1.2	1.2	94.2
76.00	3	.6	.6	94.8
78.00	3	.6	.6	95.4
80.00	4	.8	.8	96.2
82.00	4	.8	.8	97.0
84.00	4	.8	.8	97.8
86.00	2	.4	.4	98.2
88.00	2	.4	.4	98.6
90.00	2	.4	.4	99.0
92.00	2	.4	.4	99.4
94.00	2	.4	.4	99.8
96.00	1	.2	.2	100.0
Total	500	100.0	100.0	

District wise comparison of Financial Literacy of the respondents

Demographic		FLL												Total	%
		Dimapur						Kohima							
		High	%	Low	%	Total	%	High	%	Low	%	Total	%		
Age	15-26years	12	22.64	41	77.36	53	100	13	25	39	75	52	100	105	100
	26-35 years	17	24.64	52	75.36	69	100	19	26.76	52	73.24	71	100	140	100
	36-45 years	22	32.35	46	67.65	68	100	18	24.66	55	75.34	73	100	141	100
	46-55 years	9	20	36	80	45	100	8	21.62	29	78.38	37	100	82	100
	56 & above	2	13.33	13	86.67	15	100	2	11.76	15	88.24	17	100	32	100
	Total	**62**	**24.8**	**188**	**75.2**	**250**	100	**60**	**24**	**190**	**76**	**250**	100	**500**	100
Gender	Male	50	32.26	105	67.74	155	100	44	27.33	117	72.67	161	100	316	100
	Female	12	12.63	83	87.37	95	100	16	8.69	73	34.24	89	100	184	100
	Total	**62**	**24.8**	**188**	**75.2**	**250**	100	**60**	**24**	**190**	**76**	**250**	100	**500**	100
Occupation	Service	20	27.40	53	72.60	73	100	24	30	56	70	80	100	153	100
	Business	17	36.17	30	63.83	47	100	11	31.43	24	68.57	35	100	82	100
	Housewife	5	14.29	30	85.71	35	100	4	10.53	34	89.47	38	100	73	100
	Student	10	25.64	29	74.36	39	100	11	25	33	75	44	100	83	100
	Unemployed/ Daily Wagers	8	19.05	34	80.95	42	100	7	18.92	30	81.08	37	100	79	100
	Retired	2	14.29	12	85.71	14	100	3	18.75	13	81.25	16	100	30	100
	Total	**62**	**24.8**	**188**	**75.2**	**250**	100	**60**	**24**	**190**	**76**	**250**	100	**500**	100
Employment	Govt.	15	28.85	37	71.15	52	100	22	32.35	46	67.65	68	100	120	100
	Private	8	40	12	60	20	100	5	38.46	8	61.54	13	100	33	100
	Total	**23**	**31.94**	**49**	**68.06**	**72**	100	**27**	**33.33**	**54**	**77.77**	**81**	100	**153**	100
Qualification	Under Matriculate	2	6.25	30	93.75	32	100	2	6.90	27	23.10	29	100	61	100
	Matriculate	5	10.64	42	89.36	47	100	6	12.24	43	87.76	49	100	96	100
	Higher Secondary	15	23.44	49	76.56	64	100	14	23.33	46	76.67	60	100	124	100
	Graduate	25	35.71	45	64.29	70	100	22	32.84	45	67.16	67	100	137	100
	Post Graduate	15	40.54	22	59.46	37	100	16	35.56	29	64.44	45	100	82	100
	Total	**62**	**24.8**	**188**	**75.2**	**250**	100	**60**	**24**	**190**	**76**	**250**	100	**500**	100
Residence	Village	10	15.15	56	84.85	66	100	22	18.03	100	81.96	122	100	188	100
	Town	52	28.26	132	71.74	184	100	38	29.69	90	70.31	128	100	312	100
	Total	**62**	**24.8**	**188**	**75.2**	**250**	100	**60**	**24**	**190**	**76**	**250**	100	**500**	100
Marital Status	Married	40	24.69	122	75.31	162	100	36	25	108	75	144	100	306	100
	Unmarried	22	25	66	75	88	100	24	22.64	82	77.36	106	100	194	100
	Total	**62**	**24.8**	**188**	**75.2**	**250**	100	**60**	**24**	**190**	**76**	**250**	100	**500**	100

Source: Field survey

Association between FLL and Banking malpractices

Demographic		FLL	No. of respondents	%	Banking related malpractices						Total %
					Highly affected		Affected		Not affected		
					f	%	f	%	f	%	
Age	15-25years	**High**	25	23.81	0	0	1	4	24	96	100
		Low	80	76.19	5	6.25	17	21.25	58	72.5	100
	26-35 years	**High**	36	25.71	0	0	1	2.77	35	97.22	100
		Low	104	74.28	8	7.69	26	25	70	67.31	100
	36-45 years	**High**	40	28.36	0	0	1	2.5	39	97.5	100
		Low	101	71.63	7	6.93	23	22.77	71	70.3	100

	46-55 years	**High**	17	20.73	0	0	0	0	17	100	100
		Low	65	79.26	3	4.61	13	20	49	75.38	100
	56 & above	**High**	4	12.5	0	0	0	0	4	100	100
		Low	28	87.5	0	0	3	10.71	25	89.28	100
	Total		**500**		**23**	**4.6**	**85**	**17**	**392**	**78.4**	**100**
Gender	Male	**High**	94	29.75	0	0	2	2.12	92	97.87	100
		Low	222	70.25	14	6.31	48	21.62	160	72.07	100
	Female	**High**	28	15.22	0	0	1	3.57	27	96.42	100
		Low	156	84.78	9	5.77	34	21.79	113	72.44	100
	Total		**500**		**23**	**4.6**	**85**	**17**	**392**	**78.4**	**100**
Occupation	Service	**High**	44	28.75	0	0	1	2.27	43	97.73	100
		Low	109	71.24	7	6.42	25	22.93	77	70.64	
	Business/ Self employed	**High**	28	34.15	0	0	1	3.57	27	96.42	100
		Low	54	65.85	4	7.4	14	25.93	36	66.67	100
	Housewife	**High**	9	12.32	0	0	1	11.11	8	88.89	100
		Low	64	87.67	4	6.25	17	26.56	43	67.18	100
	Student	**High**	21	25.3	0	0	0	0	21	100	100
		Low	62	74.7	3	4.83	11	17.74	48	75	100
	Unemployed/ Daily Wagers	**High**	15	18.99	0	0	0	0	15	100	100
		Low	64	81.01	4	6.25	12	18.75	48	75	100
	Retired	**High**	5	16.67	0	0	0	0	5	100	100
		Low	25	83.33	1	8	3	12	12	48	100
	Total		**500**		**23**	**4.6**	**85**	**17**	**392**	**78.4**	**100**
Employment	Govt.	**High**	37	30.83	0	0	1	2.7	36	97.3	100
		Low	83	69.17	5	6.02	17	20.48	61	73.49	100
	Private	**High**	35	30.43	0	0	1	2.86	34	97.14	100
		Low	80	69.57	6	7.5	20	25	54	67.5	100
	Total		**235**		**11**	**4.68**	**39**	**16.6**	**183**	**77.87**	**100**
Qualification	Under Matriculate	**High**	4	6.55	0	0	1	25	3	75	100
		Low	57	93.44	6	10.53	14	24.56	37	64.91	100
	Matriculate	**High**	11	11.46	0	0	1	9.09	10	90.1	100
		Low	85	88.54	6	7.05	20	23.52	59	69.41	100
	Higher Secondary	**High**	29	23.38	0	0	1	3.44	28	96.55	100
		Low	95	76.61	5	5.26	21	22.12	69	72.63	100
	Graduate	**High**	47	34.30	0	0	0	0	47	100	100
		Low	90	65.69	3	3.33	18	20	69	76.67	100
	Post Graduate	**High**	31	37.8	0	0	0	0	31	100	100
		Low	51	62.2	0	0	9	17.64	42	82.35	100
	Total		**500**		**23**	**4.6**	**85**	**17**	**392**	**78.4**	**100**
Residence	Village	**High**	42	22.34	0	0	1	2.38	41	97.62	100
		Low	146	77.66	11	7.53	37	25.34	98	67.12	100
	Town	**High**	80	25.64	0	0	2	2.5	78	97.5	100
		Low	232	74.36	12	5.17	45	19.39	175	75.43	100
	Total		**500**		**23**	**4.6**	**85**	**17**	**392**	**78.4**	**100**
Marital Status	Married	**High**	76	24.84	0	0	2	2.63	74	97.37	100
		Low	230	75.16	13	5.65	50	21.73	167	72.61	100
	Unmarried	**High**	46	23.71	0	0	1	2.17	45	97.82	100
		Low	148	76.29	10	6.75	32	21.62	106	71.62	100
	Total		**500**		**23**	**4.6**	**85**	**17**	**392**	**78.4**	**100**

Annexure – VII: Master Sheet

Abbreviation:

M : Male   **F:** Female   **UM :** Under Matriculate   **MAT:** Matriculate   **HS :** Higher Secondary

GRA: Graduate   **PG :** Post Graduate   **SER :** Service   **BUS:** Business   **U/DW:** Unemployed/Daily Wagers

HW : Housewife   **STD:** Student   **R/S:** Retired or Senior Citizens   **L:** Low   **H:** High

NA: Not Applicable   **FL:** Financial Literacy   **FLL:** Financial Literacy Level

Respondents	Age	Gender	Educational Qualification	Occupation	Residence	FL score	FLL	Type of Investors	Banking Malpractices
1	36-45 years	M	MAT	SER	TOWN	18	L	Seldom	Not Affected
2	26-35 years	M	PG	SER	VILLAGE	36	L	Seldom	Not Affected
3	15-25years	M	MAT	STD	TOWN	32	L	NA	Not Affected
4	26-35 years	M	PG	SER	TOWN	38	L	Seldom	Affected
5	46-55 years	M	MAT	SER	TOWN	38	L	Seldom	Affected
6	26-35 years	M	MAT	BUS	VILLAGE	36	L	NA	Not Affected
7	36-45 years	F	PG	SER	TOWN	32	L	Seldom	Not Affected
8	26-35 years	M	UM	BUS	TOWN	38	L	Occasional	Not Affected
9	15-25years	M	HS	U/DW	VILLAGE	38	L	NA	Highly Affected
10	46-55 years	F	GRA	HW	TOWN	36	L	NA	Affected
11	26-35 years	M	MAT	U/DW	TOWN	38	L	NA	Highly Affected
12	26-35 years	M	PG	SER	TOWN	20	L	NA	Not Affected
13	36-45 years	M	PG	SER	TOWN	82	H	Regular	Not Affected
14	26-35 years	M	UM	U/DW	TOWN	38	L	NA	Not Affected
15	36-45 years	M	GRA	BUS	VILLAGE	26	L	Seldom	Not Affected
16	26-35 years	F	GRA	SER	TOWN	36	L	Seldom	Affected
17	15-25years	M	MAT	U/DW	VILLAGE	38	L	NA	Not Affected
18	36-45 years	M	GRA	BUS	TOWN	32	L	Seldom	Not Affected

19	26-35 years	M	UM	U/DW	TOWN	38	L	NA	Highly Affected
20	46-55 years	M	HS	SER	TOWN	38	L	Seldom	Affected
21	26-35 years	M	UM	U/DW	TOWN	32	L	NA	Not Affected
22	36-45 years	M	MAT	SER	TOWN	38	L	Seldom	Affected
23	46-55 years	M	PG	BUS	TOWN	26	L	Regular	Affected
24	15-25years	F	MAT	STD	VILLAGE	38	L	NA	Not Affected
25	56 years above	M	MAT	SER	TOWN	38	L	Seldom	Not Affected
26	26-35 years	M	PG	U/DW	TOWN	30	L	NA	Affected
27	26-35 years	M	GRA	SER	VILLAGE	36	L	Seldom	Affected
28	36-45 years	M	GRA	SER	TOWN	20	L	Seldom	Not Affected
29	26-35 years	M	UM	U/DW	VILLAGE	38	L	NA	Not Affected
30	36-45 years	M	MAT	SER	TOWN	38	L	NA	Affected
31	26-35 years	M	GRA	U/DW	TOWN	28	L	NA	Not Affected
32	15-25years	M	MAT	STD	TOWN	38	L	NA	Not Affected
33	36-45 years	F	GRA	SER	TOWN	30	L	Seldom	Not Affected
34	26-35 years	M	UM	U/DW	VILLAGE	36	L	NA	Not Affected
35	46-55 years	F	GRA	SER	TOWN	16	L	Seldom	Affected
36	26-35 years	M	MAT	U/DW	TOWN	26	L	NA	Affected
37	46-55 years	M	HS	SER	VILLAGE	36	L	Seldom	Not Affected
38	15-25years	M	UM	U/DW	TOWN	38	L	NA	Not Affected
39	26-35 years	M	PG	BUS	TOWN	38	L	NA	Not Affected
40	15-25years	F	MAT	U/DW	VILLAGE	18	L	NA	Affected
41	46-55 years	M	GRA	SER	TOWN	36	L	Seldom	Not Affected
42	26-35 years	F	GRA	BUS	TOWN	20	L	Seldom	Highly Affected
43	36-45 years	M	UM	SER	TOWN	38	L	NA	Affected
44	15-25years	M	HS	BUS	TOWN	60	H	Seldom	Not Affected
45	26-35 years	M	UM	U/DW	TOWN	30	L	NA	Affected

46	15-25years	M	HS	STD	TOWN	20	L	NA	Not Affected
47	56 years above	F	MAT	R/S	VILLAGE	22	L	Seldom	Not Affected
48	26-35 years	M	GRA	BUS	TOWN	36	L	NA	Not Affected
49	15-25years	M	UM	U/DW	TOWN	28	L	NA	Highly Affected
50	36-45 years	F	MAT	HW	VILLAGE	26	L	NA	Affected
51	46-55 years	M	GRA	SER	TOWN	38	L	Seldom	Not Affected
52	26-35 years	M	PG	U/DW	TOWN	74	H	Seldom	Not Affected
53	36-45 years	M	GRA	BUS	TOWN	30	L	NA	Not Affected
54	15-25years	F	UM	U/DW	TOWN	36	L	NA	Not Affected
55	26-35 years	M	PG	U/DW	TOWN	22	L	NA	Affected
56	15-25years	F	MAT	HW	TOWN	22	L	NA	Not Affected
57	36-45 years	M	MAT	SER	VILLAGE	36	L	NA	Affected
58	26-35 years	F	PG	HW	TOWN	24	L	NA	Not Affected
59	46-55 years	M	UM	BUS	VILLAGE	20	L	Seldom	Affected
60	26-35 years	F	PG	SER	TOWN	20	L	NA	Not Affected
61	36-45 years	M	GRA	SER	TOWN	28	L	Seldom	Not Affected
62	15-25years	F	GRA	HW	TOWN	66	H	Seldom	Not Affected
63	15-25years	F	MAT	STD	TOWN	36	L	NA	Not Affected
64	46-55 years	M	MAT	SER	TOWN	24	L	Occasional	Not Affected
65	36-45 years	F	HS	HW	VILLAGE	26	L	NA	Not Affected
66	15-25years	M	UM	U/DW	TOWN	32	L	NA	Not Affected
67	36-45 years	M	GRA	BUS	TOWN	92	H	Occasional	Not Affected
68	26-35 years	M	PG	BUS	TOWN	30	L	NA	Not Affected
69	36-45 years	F	MAT	HW	TOWN	84	H	Occasional	Not Affected
70	36-45 years	F	MAT	BUS	TOWN	26	L	NA	Not Affected
71	46-55 years	M	PG	SER	VILLAGE	88	H	Regular	Not Affected
72	46-55 years	M	HS	SER	TOWN	36	L	Occasional	Not Affected

73	36-45 years	F	MAT	HW	TOWN	24	L	NA	Not Affected
74	36-45 years	M	MAT	U/DW	VILLAGE	28	L	NA	Affected
75	36-45 years	F	GRA	SER	TOWN	90	H	Occasional	Not Affected
76	56 years above	M	HS	R/S	TOWN	24	L	NA	Not Affected
77	26-35 years	F	UM	U/DW	VILLAGE	22	L	NA	Not Affected
78	15-25years	M	MAT	STD	TOWN	26	L	NA	Not Affected
79	46-55 years	F	GRA	HW	VILLAGE	38	L	NA	Not Affected
80	15-25years	M	UM	STD	TOWN	32	L	NA	Affected
81	15-25years	M	GRA	STD	VILLAGE	68	H	NA	Not Affected
82	56 years above	F	HS	R/S	TOWN	30	L	NA	Not Affected
83	36-45 years	M	UM	SER	TOWN	30	L	NA	Not Affected
84	15-25years	F	HS	BUS	TOWN	70	H	Seldom	Not Affected
85	46-55 years	M	GRA	SER	TOWN	28	L	Occasional	Not Affected
86	26-35 years	F	MAT	HW	TOWN	22	L	NA	Affected
87	36-45 years	M	PG	SER	TOWN	36	L	NA	Affected
88	36-45 years	M	PG	BUS	TOWN	70	H	Occasional	Not Affected
89	26-35 years	F	MAT	U/DW	TOWN	32	L	NA	Not Affected
90	15-25years	M	GRA	STD	TOWN	40	H	NA	Not Affected
91	46-55 years	M	HS	SER	TOWN	26	L	Occasional	Not Affected
92	36-45 years	F	HS	U/DW	VILLAGE	32	L	NA	Not Affected
93	15-25years	F	MAT	STD	TOWN	34	L	NA	Not Affected
94	56 years above	M	HS	R/S	VILLAGE	24	L	Seldom	Not Affected
95	15-25years	F	MAT	STD	TOWN	28	L	NA	Not Affected
96	46-55 years	M	HS	SER	TOWN	36	L	Regular	Not Affected
97	15-25years	M	MAT	STD	VILLAGE	30	L	NA	Not Affected

98	56 years above	F	HS	R/S	TOWN	36	L	NA	Not Affected
99	15-25years	M	MAT	STD	VILLAGE	34	L	Seldom	Not Affected
100	36-45 years	M	GRA	SER	TOWN	26	L	NA	Affected
101	26-35 years	M	PG	STD	TOWN	72	H	Seldom	Not Affected
102	46-55 years	F	UM	HW	TOWN	32	L	NA	Not Affected
103	46-55 years	M	GRA	SER	TOWN	68	H	Regular	Not Affected
104	26-35 years	M	PG	U/DW	TOWN	34	L	NA	Not Affected
105	36-45 years	F	MAT	SER	TOWN	36	L	NA	Not Affected
106	15-25years	M	MAT	STD	VILLAGE	28	L	NA	Not Affected
107	26-35 years	F	GRA	SER	TOWN	26	L	NA	Highly Affected
108	36-45 years	M	PG	SER	VILLAGE	24	L	Occasional	Not Affected
109	26-35 years	F	PG	SER	TOWN	38	L	NA	Not Affected
110	46-55 years	M	HS	BUS	VILLAGE	36	L	NA	Not Affected
111	15-25years	M	HS	STD	TOWN	30	L	NA	Not Affected
112	26-35 years	M	PG	SER	VILLAGE	76	H	Seldom	Not Affected
113	36-45 years	F	UM	BUS	TOWN	34	L	NA	Not Affected
114	15-25years	M	GRA	STD	TOWN	72	H	NA	Not Affected
115	26-35 years	M	HS	U/DW	TOWN	26	L	NA	Affected
116	15-25years	F	HS	STD	VILLAGE	20	L	NA	Not Affected
117	36-45 years	M	PG	SER	TOWN	32	L	Occasional	Not Affected
118	46-55 years	M	GRA	SER	VILLAGE	28	L	NA	Not Affected
119	15-25years	M	HS	STD	TOWN	40	H	NA	Not Affected
120	36-45 years	F	HS	BUS	TOWN	24	L	NA	Not Affected
121	26-35 years	M	PG	SER	TOWN	72	H	Regular	Not Affected
122	15-25years	M	HS	STD	TOWN	34	L	NA	Not Affected
123	46-55 years	F	GRA	HW	TOWN	74	H	NA	Not Affected

124	26-35 years	F	HS	HW	TOWN	30	L	NA	Not Affected
125	46-55 years	F	GRA	SER	TOWN	50	H	Regular	Not Affected
126	15-25years	M	MAT	BUS	TOWN	34	L	NA	Highly Affected
127	36-45 years	M	GRA	BUS	TOWN	68	H	Regular	Not Affected
128	46-55 years	F	UM	HW	TOWN	32	L	NA	Not Affected
129	15-25years	F	HS	STD	TOWN	18	L	NA	Not Affected
130	46-55 years	M	HS	BUS	VILLAGE	94	H	Seldom	Not Affected
131	36-45 years	F	PG	SER	TOWN	48	H	Regular	Not Affected
132	36-45 years	F	HS	HW	VILLAGE	26	L	NA	Affected
133	26-35 years	M	MAT	BUS	TOWN	40	H	Seldom	Not Affected
134	46-55 years	F	HS	U/DW	TOWN	34	L	NA	Not Affected
135	26-35 years	M	GRA	SER	VILLAGE	28	L	Occasional	Affected
136	15-25years	M	MAT	BUS	TOWN	54	H	Occasional	Not Affected
137	36-45 years	F	PG	HW	TOWN	30	L	NA	Not Affected
138	15-25years	F	HS	U/DW	VILLAGE	36	L	NA	Not Affected
139	36-45 years	M	GRA	SER	TOWN	40	H	Occasional	Not Affected
140	36-45 years	F	HS	BUS	TOWN	26	L	NA	Affected
141	26-35 years	F	PG	SER	VILLAGE	74	H	Regular	Not Affected
142	36-45 years	M	PG	SER	TOWN	78	H	Regular	Not Affected
143	26-35 years	M	GRA	SER	TOWN	32	L	Occasional	Not Affected
144	15-25years	F	HS	STD	TOWN	24	L	NA	Not Affected
145	46-55 years	M	UM	BUS	VILLAGE	36	L	NA	Highly Affected
146	15-25years	F	HS	STD	TOWN	34	L	NA	Affected
147	46-55 years	M	HS	SER	TOWN	40	H	Regular	Not Affected
148	26-35 years	F	UM	HW	TOWN	26	L	NA	Affected
149	36-45 years	M	GRA	SER	TOWN	40	H	Regular	Not Affected
150	15-25years	M	HS	STD	TOWN	24	L	NA	Not Affected

151	26-35 years	F	GRA	SER	VILLAGE	36	L	NA	Not Affected
152	36-45 years	M	PG	BUS	TOWN	34	L	NA	Not Affected
153	26-35 years	F	MAT	HW	TOWN	26	L	NA	Not Affected
154	36-45 years	M	GRA	BUS	VILLAGE	74	H	Seldom	Not Affected
155	46-55 years	M	GRA	SER	VILLAGE	30	L	NA	Not Affected
156	36-45 years	F	HS	HW	TOWN	32	L	NA	Not Affected
157	26-35 years	M	PG	BUS	VILLAGE	36	L	NA	Not Affected
158	46-55 years	F	GRA	SER	TOWN	28	L	Regular	Not Affected
159	15-25years	M	HS	STD	VILLAGE	42	H	NA	Affected
160	26-35 years	F	MAT	HW	VILLAGE	34	L	NA	Not Affected
161	36-45 years	M	HS	BUS	TOWN	24	L	NA	Highly Affected
162	26-35 years	F	GRA	SER	TOWN	36	L	NA	Not Affected
163	36-45 years	M	PG	U/DW	TOWN	42	H	Occasional	Not Affected
164	46-55 years	F	UM	HW	TOWN	30	L	NA	Not Affected
165	36-45 years	M	HS	U/DW	TOWN	40	H	NA	Not Affected
166	36-45 years	M	GRA	BUS	TOWN	34	L	NA	Affected
167	26-35 years	F	MAT	HW	TOWN	22	L	NA	Not Affected
168	15-25years	M	MAT	U/DW	VILLAGE	36	L	NA	Affected
169	26-35 years	F	UM	HW	TOWN	32	L	NA	Affected
170	56 years above	M	GRA	R/S	TOWN	40	H	NA	Not Affected
171	26-35 years	M	UM	BUS	TOWN	42	H	Occasional	Not Affected
172	36-45 years	F	GRA	SER	VILLAGE	34	L	NA	Affected
173	46-55 years	F	HS	HW	TOWN	28	L	Seldom	Not Affected
174	15-25years	M	MAT	U/DW	TOWN	36	L	NA	Affected
175	36-45 years	F	HS	U/DW	VILLAGE	24	L	Seldom	Not Affected
176	26-35 years	M	GRA	BUS	TOWN	42	H	Occasional	Not Affected
177	36-45 years	M	MAT	BUS	TOWN	36	L	NA	Highly Affected

178	46-55 years	F	GRA	SER	TOWN	30	L	Seldom	Not Affected
179	15-25years	M	GRA	STD	TOWN	68	H	NA	Not Affected
180	56 years above	F	UM	R/S	VILLAGE	34	L	Seldom	Not Affected
181	26-35 years	M	PG	BUS	VILLAGE	32	L	NA	Affected
182	36-45 years	F	GRA	SER	TOWN	36	L	Regular	Not Affected
183	15-25years	M	UM	STD	VILLAGE	24	L	NA	Affected
184	26-35 years	M	GRA	SER	TOWN	42	H	Occasional	Not Affected
185	46-55 years	F	UM	HW	TOWN	30	L	NA	Not Affected
186	26-35 years	M	HS	SER	TOWN	40	H	Occasional	Not Affected
187	56 years above	M	MAT	R/S	TOWN	34	L	NA	Not Affected
188	26-35 years	F	UM	HW	VILLAGE	36	L	NA	Not Affected
189	15-25years	M	GRA	STD	TOWN	28	L	Seldom	Not Affected
190	26-35 years	F	GRA	SER	VILLAGE	38	L	NA	Not Affected
191	46-55 years	F	UM	HW	TOWN	34	L	Seldom	Not Affected
192	26-35 years	M	PG	BUS	TOWN	42	H	Occasional	Not Affected
193	46-55 years	M	HS	SER	TOWN	36	L	Regular	Not Affected
194	36-45 years	M	GRA	SER	TOWN	24	L	Seldom	Not Affected
195	26-35 years	F	HS	U/DW	VILLAGE	34	L	NA	Not Affected
196	15-25years	M	GRA	STD	TOWN	42	H	NA	Not Affected
197	56 years above	M	HS	R/S	TOWN	34	L	NA	Not Affected
198	46-55 years	F	GRA	SER	VILLAGE	36	L	Regular	Not Affected
199	15-25years	M	MAT	STD	TOWN	32	L	NA	Affected
200	46-55 years	M	HS	BUS	TOWN	44	H	Regular	Not Affected
201	56 years above	F	GRA	R/S	TOWN	28	L	NA	Not Affected

202	26-35 years	F	PG	HW	TOWN	44	H	Occasional	Not Affected
203	36-45 years	M	HS	U/DW	VILLAGE	34	L	Seldom	Highly Affected
204	26-35 years	F	GRA	SER	VILLAGE	30	L	NA	Not Affected
205	46-55 years	M	GRA	BUS	TOWN	34	L	Occasional	Not Affected
206	26-35 years	F	GRA	HW	TOWN	24	L	NA	Affected
207	26-35 years	M	GRA	SER	VILLAGE	50	H	Occasional	Not Affected
208	46-55 years	F	MAT	HW	TOWN	34	L	NA	Not Affected
209	36-45 years	M	PG	SER	VILLAGE	32	L	Regular	Not Affected
210	26-35 years	F	GRA	SER	TOWN	32	L	Regular	Not Affected
211	15-25years	M	HS	STD	VILLAGE	34	L	NA	Not Affected
212	15-25years	F	GRA	STD	TOWN	34	L	Seldom	Affected
213	36-45 years	F	HS	HW	TOWN	28	L	NA	Not Affected
214	36-45 years	M	GRA	SER	TOWN	40	H	Regular	Not Affected
215	46-55 years	M	MAT	BUS	TOWN	30	L	NA	Not Affected
216	36-45 years	M	HS	SER	TOWN	80	H	Regular	Not Affected
217	15-25years	F	GRA	STD	TOWN	24	L	NA	Not Affected
218	56 years above	M	HS	R/S	VILLAGE	34	L	NA	Not Affected
219	15-25years	M	HS	STD	TOWN	38	L	NA	Not Affected
220	36-45 years	F	UM	HW	TOWN	30	L	NA	Not Affected
221	26-35 years	M	GRA	SER	TOWN	46	H	Occasional	Not Affected
222	46-55 years	M	UM	BUS	VILLAGE	32	L	Occasional	Highly Affected
223	46-55 years	M	HS	BUS	TOWN	80	H	Occasional	Not Affected
224	26-35 years	F	HS	SER	VILLAGE	34	L	NA	Not Affected
225	36-45 years	M	GRA	U/DW	TOWN	28	L	Seldom	Not Affected
226	26-35 years	M	PG	SER	TOWN	46	H	Occasional	Not Affected
227	56 years above	F	HS	R/S	TOWN	32	L	NA	Not Affected

228	15-25years	M	HS	STD	TOWN	56	H	NA	Not Affected
229	46-55 years	M	PG	BUS	TOWN	30	L	Occasional	Not Affected
230	36-45 years	F	GRA	HW	TOWN	32	L	NA	Not Affected
231	26-35 years	M	GRA	U/DW	TOWN	34	L	NA	Not Affected
232	15-25years	F	HS	STD	VILLAGE	32	L	NA	Not Affected
233	36-45 years	M	GRA	BUS	TOWN	82	H	Occasional	Not Affected
234	26-35 years	M	PG	STD	TOWN	48	H	NA	Not Affected
235	56 years above	F	GRA	R/S	TOWN	34	L	NA	Affected
236	36-45 years	F	HS	HW	VILLAGE	86	H	NA	Not Affected
237	46-55 years	M	HS	BUS	TOWN	28	L	NA	Not Affected
238	36-45 years	M	HS	U/DW	TOWN	84	H	Seldom	Not Affected
239	15-25years	F	HS	STD	TOWN	32	L	NA	Affected
240	36-45 years	F	MAT	U/DW	TOWN	48	H	NA	Affected
241	36-45 years	M	HS	BUS	VILLAGE	32	L	NA	Not Affected
242	26-35 years	M	MAT	U/DW	TOWN	50	H	NA	Not Affected
243	36-45 years	F	GRA	U/DW	TOWN	52	H	NA	Not Affected
244	36-45 years	M	HS	BUS	TOWN	50	H	Occasional	Not Affected
245	46-55 years	M	UM	U/DW	VILLAGE	52	H	NA	Not Affected
246	26-35 years	F	HS	HW	TOWN	28	L	NA	Not Affected
247	56 years above	M	GRA	R/S	TOWN	54	H	Occasional	Not Affected
248	36-45 years	M	HS	U/DW	VILLAGE	32	L	NA	Not Affected
249	36-45 years	M	GRA	BUS	TOWN	54	H	Regular	Not Affected
250	15-25years	F	HS	STD	TOWN	30	L	NA	Not Affected
251	56 years above	M	HS	SER	VILLAGE	30	L	Occasional	Not Affected
252	36-45 years	M	PG	BUS	VILLAGE	26	L	NA	Not Affected

253	26-35 years	M	PG	STD	TOWN	72	H	Occasional	Not Affected
254	36-45 years	M	HS	U/DW	VILLAGE	32	L	NA	Not Affected
255	56 years above	M	HS	SER	VILLAGE	34	L	Occasional	Not Affected
256	15-25years	M	UM	STD	VILLAGE	30	L	NA	Not Affected
257	26-35 years	M	UM	BUS	VILLAGE	32	L	NA	Affected
258	36-45 years	M	PG	BUS	VILLAGE	34	L	NA	Not Affected
259	15-25years	F	HS	STD	VILLAGE	70	H	NA	Not Affected
260	56 years above	F	HS	R/S	VILLAGE	36	L	NA	Not Affected
261	36-45 years	M	UM	U/DW	VILLAGE	38	L	NA	Affected
262	15-25years	F	HS	HW	VILLAGE	26	L	NA	Not Affected
263	36-45 years	M	HS	R/S	TOWN	74	H	Seldom	Not Affected
264	36-45 years	M	UM	U/DW	VILLAGE	28	L	NA	Affected
265	56 years above	F	HS	R/S	VILLAGE	30	L	NA	Not Affected
266	36-45 years	M	UM	BUS	VILLAGE	32	L	Occasional	Not Affected
267	36-45 years	F	PG	SER	TOWN	74	H	Regular	Not Affected
268	56 years above	M	HS	R/S	VILLAGE	34	L	NA	Not Affected
269	26-35 years	M	UM	U/DW	VILLAGE	78	H	Occasional	Not Affected
270	56 years above	M	HS	R/S	VILLAGE	36	L	NA	Not Affected
271	36-45 years	M	MAT	BUS	VILLAGE	28	L	NA	Not Affected
272	15-25years	F	HS	STD	TOWN	46	H	NA	Not Affected
273	36-45 years	M	UM	U/DW	VILLAGE	30	L	NA	Not Affected
274	56 years above	F	MAT	R/S	TOWN	32	L	NA	Not Affected
275	36-45 years	M	HS	BUS	VILLAGE	32	L	Occasional	Affected

276	56 years above	M	HS	R/S	TOWN	68	H	Occasional	Not Affected
277	26-35 years	M	UM	STD	VILLAGE	32	L	NA	Not Affected
278	26-35 years	F	HS	HW	VILLAGE	34	L	NA	Affected
279	56 years above	M	UM	R/S	VILLAGE	32	L	NA	Not Affected
280	26-35 years	M	PG	SER	TOWN	32	L	Seldom	Not Affected
281	56 years above	M	UM	R/S	TOWN	30	L	NA	Not Affected
282	26-35 years	M	PG	SER	VILLAGE	62	H	Occasional	Not Affected
283	36-45 years	M	PG	SER	TOWN	30	L	Seldom	Affected
284	15-25years	F	HS	HW	TOWN	34	L	NA	Affected
285	56 years above	M	HS	R/S	TOWN	32	L	NA	Affected
286	36-45 years	F	PG	SER	VILLAGE	30	L	Occasional	Not Affected
287	15-25years	M	HS	STD	TOWN	36	L	NA	Not Affected
288	36-45 years	F	GRA	SER	TOWN	34	L	Regular	Affected
289	15-25years	M	HS	STD	TOWN	28	L	NA	Not Affected
290	56 years above	M	MAT	R/S	VILLAGE	28	L	NA	Not Affected
291	36-45 years	M	PG	SER	TOWN	30	L	Occasional	Not Affected
292	36-45 years	M	MAT	BUS	VILLAGE	52	H	Seldom	Not Affected
293	56 years above	M	HS	R/S	VILLAGE	26	L	NA	Not Affected
294	36-45 years	M	PG	SER	TOWN	32	L	Occasional	Not Affected
295	56 years above	M	HS	R/S	TOWN	50	H	Occasional	Not Affected
296	26-35 years	M	MAT	SER	VILLAGE	30	L	NA	Affected
297	36-45 years	F	UM	BUS	VILLAGE	36	L	NA	Not Affected

298	26-35 years	M	PG	SER	VILLAGE	38	L	Occasional	Not Affected
299	15-25years	M	HS	STD	TOWN	38	L	NA	Not Affected
300	26-35 years	M	HS	BUS	VILLAGE	36	L	NA	Affected
301	36-45 years	M	MAT	SER	TOWN	34	L	Seldom	Affected
302	46-55 years	M	HS	U/DW	VILLAGE	32	L	Seldom	Affected
303	36-45 years	M	PG	SER	TOWN	88	H	Regular	Not Affected
304	46-55 years	M	MAT	BUS	TOWN	80	H	Regular	Not Affected
305	15-25years	M	HS	STD	VILLAGE	30	L	NA	Not Affected
306	36-45 years	F	MAT	BUS	TOWN	28	L	NA	Not Affected
307	15-25years	M	HS	STD	VILLAGE	28	L	NA	Not Affected
308	36-45 years	F	GRA	U/DW	VILLAGE	92	H	Occasional	Not Affected
309	56 years above	M	MAT	R/S	TOWN	26	L	Seldom	Not Affected
310	36-45 years	F	UM	HW	VILLAGE	28	L	NA	Affected
311	15-25years	M	MAT	STD	TOWN	30	L	NA	Not Affected
312	15-25years	F	MAT	HW	VILLAGE	32	L	NA	Not Affected
313	26-35 years	M	PG	STD	TOWN	34	L	NA	Affected
314	56 years above	M	MAT	R/S	TOWN	38	L	Seldom	Not Affected
315	26-35 years	M	PG	SER	TOWN	82	H	Regular	Not Affected
316	15-25years	M	HS	STD	VILLAGE	36	L	NA	Not Affected
317	46-55 years	M	MAT	BUS	TOWN	38	L	Occasional	Not Affected
318	15-25years	F	HS	STD	VILLAGE	36	L	NA	Highly Affected
319	56 years above	F	MAT	R/S	TOWN	34	L	NA	Not Affected
320	15-25years	F	PG	STD	VILLAGE	72	H	Occasional	Not Affected
321	46-55 years	M	MAT	SER	VILLAGE	34	L	Seldom	Affected
322	15-25years	M	HS	STD	VILLAGE	32	L	NA	Not Affected

323	15-25 years	F	HS	HW	VILLAGE	56	H	Seldom	Not Affected
324	46-55 years	M	HS	SER	VILLAGE	32	L	NA	Affected
325	15-25years	M	HS	STD	VILLAGE	36	L	NA	Not Affected
326	36-45 years	F	MAT	BUS	TOWN	38	L	Seldom	Affected
327	46-55 years	M	PG	SER	TOWN	34	L	Occasional	Not Affected
328	15-25years	F	UM	HW	VILLAGE	32	L	NA	Affected
329	36-45 years	M	MAT	U/DW	TOWN	30	L	NA	Not Affected
330	46-55 years	M	GRA	SER	TOWN	28	L	Seldom	Not Affected
331	26-35 years	F	PG	SER	TOWN	26	L	Seldom	Not Affected
332	15-25years	M	HS	STD	VILLAGE	26	L	NA	Highly Affected
333	46-55 years	F	UM	BUS	VILLAGE	30	L	NA	Affected
334	15-25years	M	MAT	STD	TOWN	38	L	NA	Not Affected
335	36-45 years	F	PG	SER	TOWN	38	L	Regular	Affected
336	26-35 years	M	GRA	BUS	TOWN	36	L	Occasional	Not Affected
337	15-25years	F	UM	HW	VILLAGE	30	L	NA	Not Affected
338	26-35 years	M	PG	SER	TOWN	34	L	NA	Not Affected
339	15-25years	F	GRA	HW	TOWN	36	L	NA	Not Affected
340	26-35 years	M	HS	U/DW	TOWN	36	L	NA	Not Affected
341	15-25years	M	HS	SER	TOWN	42	H	Occasional	Not Affected
342	46-55 years	M	GRA	SER	VILLAGE	24	L	Seldom	Not Affected
343	36-45 years	M	MAT	U/DW	VILLAGE	38	L	NA	Not Affected
344	26-35 years	F	PG	SER	VILLAGE	70	H	Occasional	Not Affected
345	36-45 years	M	PG	BUS	TOWN	22	L	NA	Not Affected
346	46-55 years	F	GRA	HW	TOWN	24	L	NA	Not Affected
347	15-25years	M	PG	STD	TOWN	40	H	NA	Not Affected
348	46-55 years	M	HS	U/DW	VILLAGE	76	H	Seldom	Not Affected
349	26-35 years	M	MAT	SER	VILLAGE	36	L	NA	Affected

350	36-45 years	F	PG	SER	TOWN	80	H	Regular	Not Affected
351	36-45 years	M	GRA	SER	VILLAGE	38	L	Seldom	Affected
352	26-35 years	M	PG	U/DW	VILLAGE	18	L	NA	Not Affected
353	26-35 years	M	PG	STD	TOWN	40	H	NA	Not Affected
354	15-25years	M	HS	STD	VILLAGE	38	L	NA	Not Affected
355	36-45 years	F	PG	BUS	TOWN	36	L	Seldom	Not Affected
356	15-25years	F	GRA	HW	TOWN	20	L	NA	Not Affected
357	36-45 years	M	GRA	BUS	VILLAGE	34	L	Occasional	Not Affected
358	15-25years	M	GRA	STD	VILLAGE	68	H	Seldom	Not Affected
359	26-35 years	M	HS	STD	VILLAGE	34	L	NA	Highly Affected
360	15-25years	F	MAT	HW	VILLAGE	36	L	NA	Not Affected
361	36-45 years	M	PG	SER	TOWN	28	L	Occasional	Not Affected
362	15-25years	M	GRA	STD	TOWN	30	L	NA	Not Affected
363	26-35 years	F	PG	SER	TOWN	32	L	Regular	Not Affected
364	15-25years	M	GRA	SER	TOWN	36	L	NA	Not Affected
365	26-35 years	F	PG	HW	VILLAGE	38	L	Seldom	Not Affected
366	15-25years	M	HS	STD	VILLAGE	36	L	NA	Not Affected
367	36-45 years	F	PG	SER	TOWN	38	L	NA	Not Affected
368	26-35 years	M	GRA	U/DW	VILLAGE	36	L	NA	Not Affected
369	36-45 years	M	GRA	SER	TOWN	52	H	Regular	Not Affected
370	36-45 years	M	MAT	BUS	TOWN	38	L	Seldom	Not Affected
371	15-25years	F	GRA	SER	VILLAGE	38	L	NA	Affected
372	26-35 years	M	MAT	U/DW	TOWN	40	H	Seldom	Affected
373	46-55 years	M	MAT	U/DW	VILLAGE	38	L	NA	Affected
374	36-45 years	M	HS	U/DW	TOWN	72	H	Seldom	Not Affected
375	26-35 years	F	GRA	BUS	TOWN	38	L	NA	Highly Affected
376	46-55 years	M	MAT	BUS	VILLAGE	70	H	Regular	Not Affected

377	36-45 years	M	PG	SER	VILLAGE	36	L	NA	Not Affected
378	15-25years	M	GRA	STD	TOWN	42	H	NA	Not Affected
379	36-45 years	M	MAT	BUS	TOWN	38	L	Seldom	Not Affected
380	46-55 years	M	GRA	U/DW	TOWN	64	H	Regular	Not Affected
381	26-35 years	M	GRA	SER	VILLAGE	36	L	NA	Affected
382	36-45 years	F	PG	HW	VILLAGE	62	H	Occasional	Not Affected
383	36-45 years	M	PG	BUS	TOWN	36	L	Regular	Not Affected
384	15-25years	F	HS	HW	VILLAGE	34	L	NA	Affected
385	26-35 years	M	GRA	SER	TOWN	76	H	Occasional	Not Affected
386	26-35 years	M	MAT	U/DW	TOWN	30	L	NA	Affected
387	26-35 years	M	PG	BUS	TOWN	56	H	Occasional	Not Affected
388	46-55 years	M	HS	U/DW	VILLAGE	28	L	NA	Not Affected
389	26-35 years	M	GRA	SER	TOWN	36	L	Seldom	Not Affected
390	36-45 years	M	GRA	U/DW	VILLAGE	42	H	NA	Not Affected
391	26-35 years	M	GRA	SER	VILLAGE	40	H	Occasional	Not Affected
392	46-55 years	F	HS	HW	VILLAGE	38	L	NA	Affected
393	26-35 years	M	HS	BUS	TOWN	58	H	Seldom	Not Affected
394	46-55 years	M	GRA	SER	TOWN	22	L	Seldom	Not Affected
395	15-25years	F	GRA	HW	VILLAGE	24	L	NA	Not Affected
396	36-45 years	M	UM	U/DW	TOWN	16	L	NA	Highly Affected
397	26-35 years	F	GRA	SER	VILLAGE	24	L	NA	Affected
398	36-45 years	M	UM	BUS	TOWN	40	H	Regular	Not Affected
399	36-45 years	M	MAT	U/DW	VILLAGE	38	L	NA	Not Affected
400	26-35 years	F	PG	SER	TOWN	66	H	Regular	Not Affected
401	15-25years	M	GRA	STD	VILLAGE	40	H	NA	Not Affected
402	36-45 years	M	PG	SER	TOWN	30	L	NA	Not Affected
403	46-55 years	F	UM	HW	TOWN	20	L	NA	Affected

404	26-35 years	M	MAT	U/DW	VILLAGE	24	L	NA	Not Affected
405	36-45 years	F	GRA	SER	VILLAGE	22	L	Seldom	Highly Affected
406	26-35 years	M	HS	U/DW	TOWN	24	L	NA	Not Affected
407	46-55 years	M	GRA	BUS	TOWN	24	L	Regular	Not Affected
408	26-35 years	F	PG	SER	VILLAGE	34	L	Seldom	Not Affected
409	46-55 years	M	PG	SER	TOWN	32	L	Seldom	Not Affected
410	15-25years	F	MAT	HW	VILLAGE	32	L	NA	Not Affected
411	36-45 years	M	MAT	BUS	TOWN	90	H	Occasional	Not Affected
412	26-35 years	M	GRA	SER	VILLAGE	34	L	Seldom	Highly Affected
413	36-45 years	F	PG	SER	TOWN	32	L	Regular	Not Affected
414	26-35 years	M	HS	STD	TOWN	30	L	NA	Affected
415	15-25years	F	MAT	HW	TOWN	28	L	NA	Affected
416	26-35 years	F	PG	SER	VILLAGE	36	L	NA	Not Affected
417	36-45 years	M	HS	BUS	TOWN	26	L	Regular	Affected
418	26-35 years	M	MAT	U/DW	TOWN	24	L	NA	Affected
419	36-45 years	M	GRA	SER	VILLAGE	86	H	Regular	Not Affected
420	46-55 years	F	UM	SER	VILLAGE	32	L	NA	Highly Affected
421	36-45 years	M	HS	BUS	TOWN	84	H	Regular	Not Affected
422	36-45 years	M	UM	U/DW	VILLAGE	30	L	Seldom	Not Affected
423	46-55 years	F	PG	SER	TOWN	84	H	Occasional	Not Affected
424	36-45 years	M	UM	U/DW	VILLAGE	28	L	NA	Not Affected
425	26-35 years	F	HS	BUS	TOWN	30	L	NA	Affected
426	46-55 years	M	PG	SER	TOWN	54	H	Regular	Not Affected
427	46-55 years	M	UM	U/DW	VILLAGE	32	L	NA	Not Affected
428	36-45 years	M	GRA	BUS	VILLAGE	94	H	Occasional	Not Affected
429	36-45 years	M	GRA	SER	TOWN	24	L	Seldom	Not Affected
430	15-25years	F	GRA	HW	TOWN	34	L	NA	Affected

431	26-35 years	M	UM	STD	VILLAGE	24	L	NA	Not Affected
432	26-35 years	M	GRA	SER	TOWN	52	H	Occasional	Not Affected
433	15-25years	F	GRA	HW	TOWN	40	H	NA	Not Affected
434	36-45 years	M	GRA	SER	TOWN	24	L	Seldom	Not Affected
435	26-35 years	F	MAT	HW	VILLAGE	36	L	NA	Affected
436	15-25years	M	GRA	SER	VILLAGE	50	H	Occasional	Not Affected
437	36-45 years	M	GRA	U/DW	VILLAGE	36	L	NA	Not Affected
438	26-35 years	F	HS	SER	TOWN	26	L	Seldom	Not Affected
439	26-35 years	M	MAT	U/DW	TOWN	24	L	NA	Not Affected
440	46-55 years	F	GRA	SER	TOWN	30	L	Occasional	Not Affected
441	36-45 years	M	GRA	U/DW	VILLAGE	26	L	NA	Not Affected
442	15-25years	F	HS	STD	VILLAGE	28	L	NA	Affected
443	36-45 years	M	GRA	SER	TOWN	36	L	Seldom	Not Affected
444	26-35 years	F	MAT	HW	VILLAGE	24	L	NA	Highly Affected
445	15-25years	F	MAT	STD	VILLAGE	36	L	NA	Not Affected
446	26-35 years	M	GRA	BUS	TOWN	30	L	NA	Not Affected
447	36-45 years	F	UM	HW	VILLAGE	36	L	NA	Not Affected
448	26-35 years	F	HS	HW	TOWN	34	L	NA	Not Affected
449	36-45 years	M	GRA	SER	TOWN	96	H	Regular	Not Affected
450	36-45 years	F	MAT	HW	VILLAGE	36	L	NA	Not Affected
451	46-55 years	M	HS	U/DW	TOWN	34	L	NA	Not Affected
452	26-35 years	F	GRA	SER	TOWN	44	H	Occasional	Not Affected
453	46-55 years	M	GRA	SER	VILLAGE	24	L	Seldom	Not Affected
454	15-25years	M	GRA	STD	VILLAGE	42	H	NA	Not Affected
455	36-45 years	F	GRA	HW	TOWN	18	L	NA	Not Affected
456	46-55 years	M	MAT	SER	TOWN	42	H	Seldom	Not Affected
457	36-45 years	F	HS	HW	VILLAGE	30	L	NA	Highly Affected

458	46-55 years	M	GRA	BUS	TOWN	78	H	Regular	Not Affected
459	36-45 years	M	GRA	SER	TOWN	36	L	NA	Not Affected
460	26-35 years	M	HS	SER	VILLAGE	50	H	Occasional	Not Affected
461	15-25years	F	GRA	STD	VILLAGE	16	L	NA	Affected
462	46-55 years	M	GRA	U/DW	TOWN	24	L	Seldom	Not Affected
463	26-35 years	F	MAT	HW	VILLAGE	36	L	NA	Not Affected
464	46-55 years	M	GRA	SER	TOWN	26	L	Seldom	Not Affected
465	26-35 years	F	HS	HW	VILLAGE	22	L	NA	Not Affected
466	36-45 years	F	HS	HW	TOWN	30	L	NA	Highly Affected
467	26-35 years	M	PG	SER	VILLAGE	24	L	NA	Not Affected
468	36-45 years	F	GRA	HW	VILLAGE	32	L	Seldom	Not Affected
469	26-35 years	M	MAT	STD	VILLAGE	30	L	NA	Not Affected
470	46-55 years	F	HS	SER	TOWN	18	L	NA	Not Affected
471	15-25years	M	HS	STD	TOWN	20	L	NA	Not Affected
472	26-35 years	F	GRA	SER	TOWN	34	L	Seldom	Not Affected
473	46-55 years	M	UM	U/DW	TOWN	20	L	NA	Not Affected
474	26-35 years	F	MAT	HW	VILLAGE	18	L	NA	Not Affected
475	15-25years	M	MAT	STD	TOWN	16	L	NA	Not Affected
476	36-45 years	F	UM	HW	VILLAGE	32	L	NA	Not Affected
477	26-35 years	M	PG	SER	TOWN	82	H	Occasional	Not Affected
478	46-55 years	F	UM	HW	TOWN	22	L	NA	Not Affected
479	36-45 years	M	UM	U/DW	VILLAGE	22	L	NA	Not Affected
480	26-35 years	M	MAT	STD	TOWN	20	L	NA	Not Affected
481	46-55 years	F	GRA	SER	TOWN	28	L	Seldom	Not Affected
482	26-35 years	M	UM	U/DW	VILLAGE	14	L	NA	Not Affected
483	15-25years	F	MAT	STD	TOWN	22	L	NA	Not Affected
484	46-55 years	F	PG	SER	VILLAGE	30	L	Seldom	Not Affected

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485	26-35 years	M	MAT	STD	TOWN	28	L	NA	Not Affected
486	15-25years	F	GRA	STD	VILLAGE	26	L	NA	Not Affected
487	46-55 years	F	MAT	HW	VILLAGE	36	L	NA	Not Affected
488	26-35 years	M	GRA	SER	TOWN	36	L	NA	Not Affected
489	15-25years	M	GRA	STD	TOWN	62	H	Seldom	Not Affected
490	26-35 years	F	GRA	U/DW	TOWN	26	L	NA	Not Affected
491	26-35 years	F	GRA	SER	VILLAGE	46	H	Occasional	Not Affected
492	36-45 years	M	GRA	SER	TOWN	28	L	Seldom	Not Affected
493	26-35 years	F	GRA	SER	TOWN	24	L	Seldom	Not Affected
494	36-45 years	M	HS	BUS	TOWN	54	H	Regular	Not Affected
495	15-25years	M	MAT	STD	VILLAGE	30	L	NA	Not Affected
496	26-35 years	F	GRA	SER	TOWN	58	H	Occasional	Not Affected
497	26-35 years	M	GRA	SER	TOWN	26	L	Seldom	Not Affected
498	15-25years	F	MAT	STD	TOWN	20	L	NA	Not Affected
499	36-45 years	F	HS	HW	TOWN	44	H	Seldom	Not Affected
500	26-35 years	M	GRA	SER	VILLAGE	56	H	Regular	Not Affected

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