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The Impact of Financial Literacy on Entrepreneurial Intention Among Students: A Mediating Role of Risk Tolerance

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Article Details

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ABSTRACT

The current research study aims to assess the impact of financial literacy on entrepreneurial intention and to evaluate that mediating effect of Risk tolerance on the relationship of financial literacy and entrepreneurial intention. The data was collected form the business students of universities and degree awarding institutions of district Peshawar. The study was deductive and primary data was collected through questionnaires. A total of 233 students respond to the survey. The findings revealed that financial literacy is significant for investment decisions. Besides, it was also revealed that risk tolerance mediates the relationship of financial literacy and investment decisions. The findings of the study suggest that government, educational and financial institutions should play a vital role in financial literacy, investment decisions, and risk.

BACKGROUND OF THE STUDY

Entrepreneurship and small and medium-sized enterprises (SMEs) effectively reduce poverty and stimulate economic growth (Pedraza, 2021). Because of their importance in fostering innovation and improving people's quality of life, researchers have paid great attention to entrepreneurship and small and medium-sized enterprises (SMEs). However, more efforts are still needed to ensure their growth and success. This assistance might come in the form of physical structures (Ali et al., 2021) or mental techniques (Bhatti et al., 2021). More precisely, early preparation is required for the formation of entrepreneurial purpose among people, especially future entrepreneurs (qualified students). For instance, people must learn to trust themselves, take calculated risks, and be open to new ideas (Arruti & Panos-Castro, 2020).

As an added step, aspiring business owners should learn about personal Finance, develop the habit of saving, and keep an eye out for market opportunities (Okwudire & Ashike, 2020). For this reason, people must acquire financial education, also known as financial knowledge; (Kaiser et al., 2022), financial literacy, or financial awareness (Ali et al., 2021). According to Philippas and Avdoulas (2020) financial literacy is "the knowledge and skill necessary to manage one's financial affairs prudently and to realise one's economic potential."

High levels of financial literacy are associated with increased venture creation and entrepreneurship (Rai et al., 2019). These advantages can be attained by anyone with a basic understanding of money and its uses. In addition, financially literate people are more likely to save regularly (Doan, 2020), which may then be invested in the launch of new firms or the growth of current ones (Rikwentishe et al., 2015). Researchers agree that further research is required to understand better the relationship between financial literacy and risk tolerance, particularly among young adults in developing nations (Seraj et al., 2022). The willingness to take risks significantly affects entrepreneurial intention (Liu et al., 2019).

Similarly, Hussain et al. (2021) found a relationship among entrepreneurial intention, the willingness to take risks, and self-efficacy. Van der Kuip & Verheul (2003) found that an entrepreneur's risk-taking propensity significantly predicts business success. Entrepreneurial education at the university level increased risk propensity, and entrepreneurial intention (Ilhan & Gurel, 2011). Resultantly, it is imperative to analyse the effect of financial literacy on the behavioural intentions of business students in Pakistan. Besides, it is also necessary to know the mediating effect of saving behaviour on the relationship of financial literacy and entrepreneurial intentions. It is pertinent to mention that Pakistan has ample opportunities for sustainable entrepreneurship (Abdelwahed et al., 2022). Hence, the effect of financial literacy and risk tolerance on entrepreneurial intentions needs to be investigated.

It has been stated that financial literacy is essential for the growth of business acumen (Lusardi, 2019). People with sound financial literacy live improved life style and take rational financial decisions (Gilenko and Chernova, 2022). As previously said (Li and Qian, 2020), financial literacy assists in preparing people with entrepreneurial financial skills, market awareness, financing sources, financial knowledge, and entrepreneurial purpose. However, risk tolerance capacity is much more crucial for entrepreneurs than financial literacy (Widjaya et al., 2021). Hence, the current research study aims to assess the impact of financial literacy on entrepreneurial intention with a mediating effect of risk tolerance on the relationship of financial literacy and entrepreneurial intention.

PROBLEM STATEMENT

Business education encourages the development of an entrepreneurial mindset. New technologies, such as information technology and web-based platforms, are often cited as potential efficiency boosters for entrepreneurship programs in today's business climate (Hejazinia, 2015). Awogbenle and Iwuamadi (2010) state that there is a high need for entrepreneurial activity in a developing nation since it can potentially reduce poverty and unemployment. As described by Yanget al. (2021), risk tolerance is the propensity to engage in financially risky behavior, notwithstanding the presence of uncertainty about the result of such behavior. Knowledge of personal Finance is crucial for entrepreneurs. The complicated structure of modern financial markets makes it challenging for those without financial expertise to make sound financial choices. For people with little means in Pakistan, the importance of learning about personal Finance cannot be overstated. A few Pakistanis understand fundamental financial concepts, including compound interest, risk diversification, and inflation, according to a survey by the State Bank of Pakistan (Khan, 2023) that found just 23% of the population to be financially literate. People need to learn about money to be aware of how to handle their finances responsibly and plan accordingly (Rasool & Ullah, 2020). Thus, this research examines how risk tolerance mediates the relationship between financial literacy and entrepreneurial intentions among business students in the district of Peshawar.

RESEARCH QUESTIONS

Does financial literacy effect entrepreneurial intention?

Does financial literacy effect risk tolerance?

Does Risk tolerance effect the entrepreneurial intention?

Does Risk tolerance mediate the relationship between financial literacy and entrepreneurial intention?

RESEARCH OBJECTIVES

To investigate the effect of financial literacy on entrepreneurial intention.

To assess the effect of financial literacy on risk tolerance.

To analyse the effect of Risk tolerance on the entrepreneurial intention.

To evaluate that mediating effect of Risk tolerance on the relationship of financial literacy and entrepreneurial intention.

LITERATURE REVIEW

ENTREPRENEURIAL INTENTIONS

Entrepreneurial intentions refer to an individual's desire or willingness to start or manage a business and take risks to achieve business goals. Entrepreneurial interest is very important to build and develop a company because, without a strong interest, a person lacks the motivation and passion to face the challenges and risks of the business world. Entrepreneurial intention serves as the bridge between concepts and deeds. A person is guided toward a specific objective by their mental state (Saeed et al., 2015). In line with this, (Ajzen, 1991) defines it as "a measure of how much people are willing to sacrifice or exert in order to engage in a behavior.". As stated in (Rocha et al., 2022). Thus, the likelihood that a person will engage in a certain action increases with the strength of their intention.

FINANCIAL LITERACY

Financial literacy is an individual's ability to understand financial information and use it effectively to make intelligent decisions about their finances. This includes an understanding of financial concepts such as budgeting, investing, retirement planning, and financial risk management. People with good financial literacy are generally able to make good financial decisions and manage their money more effectively. He can also recognize the signs of financial fraud and understands how to protect himself from unwanted financial risks. Some research results like, financial literacy is essential for preventing financial issues. Low income and poor management are the root causes of financial difficulty, therefore the necessity for "financial literacy" has become a scheduled program in many industrialized countries. Financial literacy has an impact on financial behavior, according to research findings (Yushita, 2017) The ability to make wise financial decisions requires having a solid foundation in financial literacy (Altman, 2012). The ability to understand and effectively apply financial principles is what is meant by "financial literacy," as defined by (Servon & Kaestner, 2008). According to the (PISA 2018 Assessment and Analytical Framework, 2019), financially literate individuals have a firm grasp on basic financial concepts and risks, as well as the abilities, motivation, and self-assurance to put those insights to use in a variety of real-world situations.

In addition, it boosts people's and the community's financial security and opens doors to economic engagement. Financial planning is more important to someone who has a high level of financial literacy (Setiawati et al., 2018). Basic information about money, borrowing, saving/investing, and protection is included in financial literacy, (Huston, 2010). The elements of financial planning are also greatly influenced by financial literacy. Financial literacy has been found to have an impact on retirement planning, insurance, investment, and personal financial planning (Hsiao & Tsai, 2018; Lusardi & Mitchell, 2007; Setyowati et al., 2018)

FINANCIAL LITERACY AND ENTREPRENEURIAL INTENTION

According to Stolper and Walter (2017), "financial literacy" is "the extent to which an individual possesses the knowledge of financial concepts and the ability to apply this knowledge to make sound financial decisions." Entrepreneurship and financial success may flourish when individuals have the financial literacy to see opportunities, manage risks, and understand the market (Hilgert et al., 2003). Li and Qian's 2020 research shows that a lack of start-up funding is one of the most significant barriers to business creation. This finding highlights the value of financial literacy in helping would-be business owners become aware of available financing options. Financially literate entrepreneurs are more likely to get the Finance they need to grow their businesses (Glaser & Walther, 2014).

Additionally, prospective company owners who are financially literate are better able to manage their companies' budgets, make informed choices about where to put their money, and launch successful ventures (Levesque et al., 2009). In addition, it helps budding businesspeople learn how to spot and capitalize on chances in the marketplace (Evan and Jovanovic, 1989). Those who are financially literate are less likely to make rash choices when investing in potentially lucrative businesses (Gilenko and Chernova, 2021). They are more likely to save money, invest, and use other financial goods and services (Hogarth & Hilgert, 2002).

In light of above discussion, the following hypothesis is developed;

H1: There is a significant effect of financial literacy on entrepreneurial intent.

FINANCIAL LITERACY AND RISK TOLERANCE

There have only been a few studies looking at how financial knowledge affects risk tolerance. Several studies (Noviarini et al., 2021; Sharma, 2020; Zakaria et al., 2019) have found a positive correlation between financial literacy/education and risk tolerance. Using covariance analysis, Masters (1989) looked at a group of investors from a Midwestern investment firm and found that those with more investment knowledge were more willing to take risks than those with less. Grable and Joo (1999) utilized regression analysis to examine demographic and socioeconomic factors of 220 white-collar professionals, and they showed that financial literacy positively linked with a person's willingness to accept financial risks. Yong and Tan (2017) used discriminant analysis to look at the demographic, socioeconomic, and attitudinal determinants of risk tolerance for a group of students at a large southern university. They found that financial literacy was positively correlated with risk taking. Wang (2009) has found that investor knowledge affected risk-taking.

H2. There is a significant effect of financial literacy on risk tolerance

RISK TOLERANCE AND ENTREPRENEURIAL INTENTION

According to Suliswiyadi, Kurnia, & Nugroho (2020), a strong correlation exists between the willingness to take financial risks and the desire to start a business. Karhunen and Ledyaeva (2010) found a strong correlation between Financial Risk Tolerance and the desire to start a business. As many authors have noted before, "entrepreneurial personality" is often associated with a willingness to take risks (Ferreira et al., 2012; Van der Kuip & Verheul, 2003). Entrepreneurial aspirations have been shown to correlate favorably with a willingness to take risks (Stewart and Roth, 2001; Zhao, Seibert, & Lumpkin, 2010). Estelami (2020) reports on research that indicates fiscal risk tolerance and financial literacy substantially affect the decision to start a business. In addition, Zhao et al. (2010) find no statistically significant correlation between entrepreneurial success and education.

H3. There is a significant effect of Risk tolerance on entrepreneurial intention

RISK TOLERANCE AS A MEDIATOR

Few studies have attempted to anticipate how financial literacy would influence an individual's propensity to be an entrepreneur (Alshebami & Al Marri, 2022; Nurbaeti et al., 2019). An understanding of personal Finance is crucial to the success of every business. Decisions on what to buy, how to allocate funds, and how to best use those funds often include the business's owner (Pandey & Gupta, 2018). Some company owners lack a proper grasp of bank and equity financing, contrary to other research findings. According to Fatoki (2014), new microentrepreneurs in South Africa suffer from a lack of financial literacy.

H4. Risk tolerance mediates the relationship between financial literacy and entrepreneurial intention

UNDERPINNING THEORY

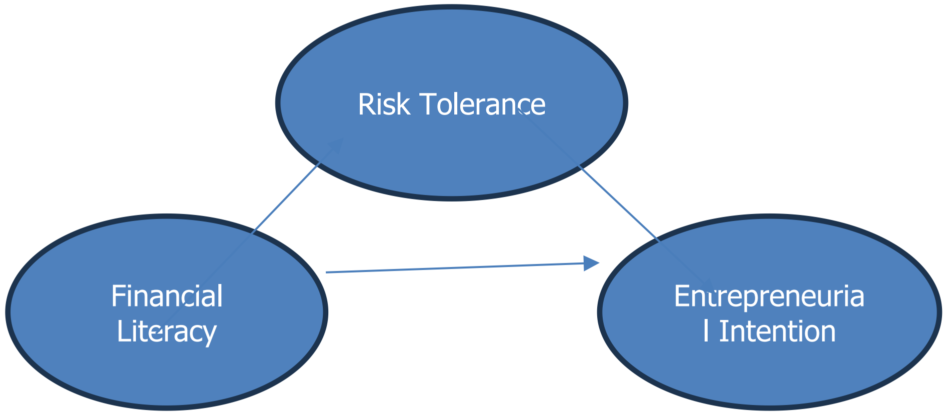
THEORY OF PLANNED BEHAVIOUR

This investigation is grounded on planned behaviour (Ajzen, 1991). The entrepreneur's goals may be understood through the idea of planned behaviour. According to the theory of planned behaviour, business owners' ability to exercise self-control while making financial choices depends on their level of financial literacy. Literacy has a direct impact on people's actions. In any case, investment inclination is influenced by both individual and generalised levels of knowledge.

PROSPECT THEORY

According to Prospect Theory (Shefrin & Statman, 1993), investors weigh each option's possible benefits and drawbacks while making a financial decision. Remorse aversion, loss aversion, and mental accounting are just a few factors that prospect theory suggests influence our tendency to make certain choices (Waweru et al., 2008). Prospect theory, as established by Kahneman and Tversky (1979), is an alternative to traditional models that provides a more accurate depiction of real-world behaviour. According to the hypothesis, individuals would choose the option that will result in more positive outcomes if they weigh the benefits of that option against the costs. As described by prospect theory, individuals' perceptions of risk and reward play an important role in their choice-making processes. When applied to the world of Finance, it helps explain why individuals do things that, at first glance, make no sense. According to prospect theory, people will always prioritise avoiding losses, even if doing so means previous otherwise equivalent outcomes. It is a synonym for "risk tolerance," which describes an individual's comfort level with financial uncertainty.

CONCEPTUAL FRAMEWORK



SOURCE: LITERATURE REVIEW

METHODOLOGY

RESEARCH APPROACH

The research approach of the study was deductive. Bryman and Bell (2011) argue that the deductive approach has the potential to be very effective. Adil et al (2018) noted that while testing a research hypothesis, it is advisable to use both deductive and quantitative methods. According to Johnson and Christensen (2014), the deductive approach is the best technique to draw valid conclusions from numerical data while seeking solutions to research questions.

TECHNIQUES AND PROCEDURES

The primary data was collected through questionnaires. The questionnaires were adopted from past research studies. The data was statistically analysed and different statistical tests were applied.

POPULATION OF THE STUDY

The study population was comprised of final-semester business students of private sector universities and degree-awarding institutes in the jurisdiction of district Peshawar. In this regard all those universities and degree awarding institutions were selected which have high number of Business program students. The students were enrolled in their final semesters. The population of the study were 930 students.

SAMPLE

The sample comprises all those students studying in their final semesters. The students were comprised of male and females. Through using Yumani (1967) formula of sample size determination the sample size of the study was calculated.

n=N/1+Ne2

Where,

n= sample size

N= population of the study

e= error term

n=930/1+930(0.05)2

n= 278

SOURCES OF DATA

The primary data was collected through questionnaires. The questionnaires are adopted from the previous studies and the detail of the questionnaires are given below in data collection tools section.

DATA COLLECTION TOOLS/METHODS

As discussed above the data was collected through questionnaires which were adopted from previous studies. The information of the measurement of scales are given in the below table. The scales are measured on five-point Likert scale from 1= strongly disagree to 5= strongly agree

Financial literacy	4 items	van Rooij et al. (2007)
Entrepreneurial intention	6 items	Karabulut & Ahu Tuğba, (2016).
Risk tolerance	4 items	Grable and Lytton (1999)

DATA COLLECTION PROCEDURE

The online questionnaires were sent to the students through their emails and WhatsApp numbers. The participants were requested to participate in the survey, and the data was collected upon their willingness. The scholar visited the universities and apprised the students of the research study. The emails were collected and sent them questionnaires. Out of 278 questionnaires sent to the respondents a total of 233 questionnaires were considered for data analysis. The remaining questionnaires were discarded and excluded from data analysis owing to incomplete or wrongly filled. Hence, only complete and duly filled questionnaires were considered.

DATA ANALYSIS TECHNIQUE

The data collected was statistically treated by applying different statistical tests such as descriptive statistics, regression, and correlation analyses. For mediation analysis the Hayes PROCESS MACRO will be used through SPSS 28.0. The filled questionnaires were properly sorted and entered into the software.

RESULTS AND DISCUSSION

RESPONDENTS' PROFILE

This section describes the demographic information from the respondents. Table 1 represents a thorough detail of the participants demographic characteristics. Male participants are more than female participants in the sample that was obtained through the distribution of questionnaires, with a ratio of 65.7 percent to 34.3 percent, respectively. Only 9.4% of respondents were in their 20s, 39.5% of respondents who were of 21 years age, and respondents over the age of 22 were 35.6%. Moreover, 15.5% of respondents were over 22 years old. The results show that (38.2 %) specialise in Finance, some (39.1%) specialise in marketing, and only a small percentage (18.9%) specialise in human resource management. Besides, respondents (3.9 %) were in other disciplines.

TABLE 1: DEMOGRAPHIC PROFILES OF THE RESPONDENTS (N=233)

			Numbers	%age
Gender	Male		153	65.7
	Female		80	34.3
		Total	233	100
Age	20 years		22	9.4
	21 years		92	39.5
	22 years		83	35.6
	>22 years		36	15.5
		Total	233	100
Specialization	Finance		89	38.2
	Marketing		91	39.1
	HRM		44	18.9
	Other		9	3.9
		Total	233	100

TABLE 2 CROSS-TABULATION GENDER * SPECIALIZATION OF THE RESPONDENT.

CROSS TABULATION

		Specialization of the Participants				Total
		Finance	**Marketing**	**HRM**	**Other**	
Gender of the Respondents	Male	56	61	29	7	153
	Female	33	30	15	2	80
Total		89	91	44	9	233

It can be seen from the table above that out of the 153 male respondents of the study, 56 have specialized in the field of Finance, 61 of the participants have specialized in marketing, 29 have specialization in Human Resource Management and 7 participants of the study have their specialization in some other fields. Similarly, out of the 80 female participants of the study, 33 have their specialization in the field of Finance, 30 have specialized in Marketing, 15 have their degrees in human resource management and only 2 female participants have their specialization in some other fields.

RELIABILITY TEST

The reliability test's main goal is to determine how likely a scale will demonstrate that random error has no impact on it. The internal consistency of instrument elements are assessed using Cronbach's alpha coefficient test.

In this study, the internal coherence of the measures utilized for the investigation are evaluated through Cronbach's alpha coefficient for every factor. Table 5 displays the Cronbach's alpha value for every construct.

TABLE 5: RELIABILITY TEST

	Constructs	No. of items	Cronbach's Alpha
1	Entrepreneurial Intention	6	.787
2	Financial Literacy	4	.769
3	Risk Tolerance	4	.842

Nunnally (1978) and DeVellis (2003) explain high dependability as at least level of 0.70 for the scale of the construct. Entrepreneurial intention is measured with six items, its scale reliability is 0.787. Financial literacy and risk tolerance are measured with four items but their reliability

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is 0.769 and 0.842, respectively. So, all variables have good reliability as compared with the benchmark.

CORRELATION ANALYSIS

The link among the independent variables (IVs) and the dependent variable (DV) is examined in this section using Pearson's correlation. The mediator in this study is used as a dependent variable in this part to test the link. With the use of correlation coefficients, the strength and direction of a linear connection between the independent and dependent variables may be quantitatively summarised. Pearson's correlation coefficients (r), which indicate whether there is a positive or negative association, have an array of values from -1 to +1. Data on the magnitude of the link are formulated using Pallant's (2007) definition of the absolute value dimension. The findings of the correlations between the predictor and outcome variables are summarised in Table 6.

TABLE 6: CORRELATION ANALYSIS

	Constructs	Entrepreneurial Intention	Financial Literacy	Risk Tolerance
1	Entrepreneurial Intention	1		
2	Financial Literacy	0.748	1	
3	Risk Tolerance	.525	.546	1

**. Correlation is significant at the 0.01 level (2-tailed).

Entrepreneurial Intention and Financial Literacy and Risk Tolerance have a significant, robust, and positive association (r =0.748, r =0.525, respectively, p .01). Testing the correlation among the variables, a strong correlation is 0.748, moderate correlation is 0.30 to 0.60, and weak correlation is less than 0.30. According to this relationship, risk tolerance increases with financial knowledge, which also increases entrepreneurial intent. Financial literacy and risk tolerance have a large, robust, and positive link (r =0.546, respectively, p .01). This further emphasises the relatively close association between variables.

MEDIATION ANALYSIS

It demonstrates that risk tolerance (the mediator) is positively impacted by financial literacy (the predictor). The following stage is to demonstrate the relationship between risk tolerance (the mediator) and entrepreneurial in 0.09*** e outcome). The final step is to demonstrate that adding risk tolerance as a mediator to the model strengthens the relationship between financial literacy (independent variable) and entrepreneurial intention (dependent variable).

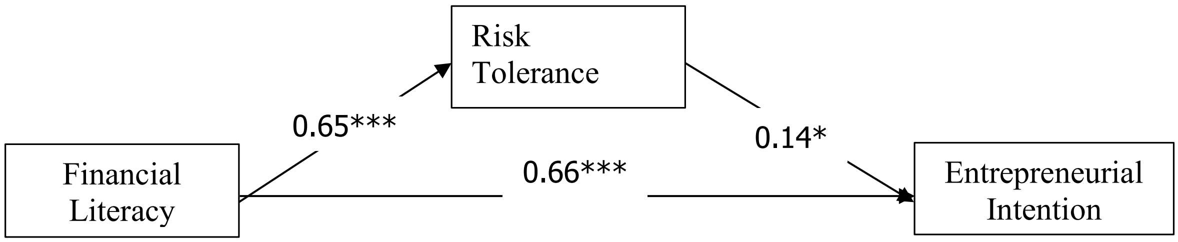

FIGURE: MEDIATION ANALYSIS USING HAYES PROCESS.

TABLE 7: MODEL SUMMARY FOR THE EFFECT OF FINANCIAL LITERACY ON RISK TOLERANCE

R	R. Square	MSE	F	P
.5463	.2985	.3395	98.2884	.0000

TABLE 8: EFFECT OF FINANCIAL LITERACY ON RISK TOLERANCE

	β	SE	t	P
FL	.6513	.0657	9.9141	.0000

Risk tolerance was significantly impacted by financial literacy: p=0.000. Risk tolerance will rise with greater financial understanding. Risk tolerance variance is explained by financial knowledge in 29.8% of cases (Table 7). Risk tolerance has been considerably altered by financial literacy.

Concerning the linear regression model, the results in Table 9 demonstrate that the model is statistically significant with F=158.3978, R2 = 0.5794, and p = 0.000 when the output variable is entrepreneurial intention combined with such predictive characteristics as financial literacy and risk tolerance. The R2 of the effect of financial literacy on performance is stronger at this value (R2 = 0.0692). Therefore, risk acceptance plus financial knowledge are better indicators of entrepreneurial intent than financial knowledge alone. In other words, risk tolerance has a considerably greater positive impact on entrepreneurial intention than financial knowledge alone. Thus, when financial literacy is regulated, risk tolerance has a beneficial effect on entrepreneurial ambition. The findings are aligned with past research studies such as Karabulut (2016) and Sánchez, (2012).

TABLE 9: MODEL SUMMARY FOR THE EFFECT OF RISK TOLERANCE ON ENTREPRENEURIAL INTENTION WHEN FINANCIAL LITERACY IS CONTROLLED

R	R. Square	MSE	F	P
.7612	.5794	.1455	158.3978	.0000

TABLE 10: EFFECT OF FINANCIAL LITERACY AND RISK TOLERANCE ON ENTREPRENEURIAL INTENTION

	β	**SE**	**t**	**P**
FL	.6614	.0513	12.88	.0000
RT	.1399	.0431	3.24	.0013

Table 10 represents a positive and strong relationship of risk tolerance and entrepreneurial intention (p = 0.000). Risk Tolerance's regression coefficient in linear regression model with output construct as entrepreneurial intention after controlling the impact of financial literacy is 0.6614 (b = 0.166).

TABLE 11: INDIRECT EFFECT

Mediator	**Effect**	**SE**
Risk Tolerance	.0911	.0445

Table 10 shows the direct relationship between financial literacy and entrepreneurial intention when risk tolerance is present. It demonstrates a significant relationship between the two (p = 0.000), with a regression coefficient c'= 0.1399. This direct regression coefficient (c'=0.1399 less than c = 0.6513) is smaller than the total regression coefficient (c = 0.6513). Therefore, the relationship between financial literacy and entrepreneurial intent is mediated by risk tolerance. Risk tolerance has a substantial indirect effect, as determined by testing the indirect effect's size =0.0911.

HYPOTHESIS SUMMARY

TABLE 12: DECISION SUMMARY OF RESULTS

S.No	**Statement**	**Decision**
1	There is a significant effect of financial literacy on entrepreneurial intention.	Accepted
2	There is a significant effect of financial literacy on risk tolerance.	Accepted
3	There is a significant effect of Risk tolerance on entrepreneurial	Accepted

	intention.	
4	Risk tolerance mediates the relationship between financial literacy and entrepreneurial intention.	Accepted

CONCLUSION AND RECOMMENDATIONS

CONCLUSION

The current research study aims to assess the impact of financial literacy on entrepreneurial intention with a mediating effect on risk tolerance. The results have revealed that financial literacy significantly affects entrepreneurial intention while risk tolerance mediates the relationship between financial literacy and entrepreneurial intention.

RECOMMENDATIONS

The recommendations of any study are considered to be the crux of a research. These are suggestions which are brought forward as outcome of the study for the relevant stakeholder such as government, society and organisations. Furthermore, it provides guidelines for the government to chalk out policies for the betterment of the industry. Following are recommendations of the study.

The research suggests that in order to maximize the benefits for potential entrepreneurs and direct them toward starting their own small businesses, policymakers, educational institutions, and other development programs should prioritize developing the necessary financial literacy programmes and saving curricula and including them as an essential part of their university syllabus. Financial organizations like banks and credit unions need to focus on developing new kinds of saving services to encourage people to save while educational institutions like colleges work on developing financial literacy programs. In addition, banks and other financial institutions need to do more to help academics fund their studies on the relationship between financial literacy, investing knowledge, and small and medium-sized enterprises (SMEs).

Individual strategy for increasing financial literacy

1. SUBSCRIBE TO FINANCIAL NEWSLETTERS.

Individual investors may get reliable financial news sent straight to their inbox by subscribing to a financial newsletter. They may learn about the latest events and trends in personal Finance, among other things.

2. LISTEN TO FINANCIAL PODCASTS OR FINANCIAL NEWS

Investors/ students may listen to a podcast that provides you with the latest financial news.

They may locate podcasts and music streaming services that cater to your interests and provide access to interviews with financial experts. Discover easy-to-understand explanations of complex financial concepts, and get advice on improving their family's financial literacy.

4. MAKE USE OF SOCIAL MEDIA.

Investors should use YouTube, Instagram, and TikTok to learn about and do investment research. Follow specialists in the field of personal Finance, collect links to informative articles, and watch videos all about money management via their preferred social networking platform. Investors benefit from being a part of a personal finance Facebook group where they can talk to others and exchange information. Investors may read a wide range of articles on bettering their financial situation and preparing for the future by following relevant accounts on social media platforms like LinkedIn, Twitter, and Facebook.

5. CONSULT A FINANCIAL ADVISOR

If someone wants to learn more about personal Finance, consulting a professional might be a great asset. Whether they have concerns regarding their day-to-day budget or more complicated projections for the future, professionals have the answers. Together, they can take stock of investors' financial standing and figure out how to get to where they need to be and remain there. No matter how much investors already know about personal Finance, there's always more to learn. If someone want to better their financial situation, it's important to see learning as an ongoing process.

6. GOVERNMENT STRATEGY FOR ENHANCING FINANCIAL LITERACY

The government, as a significant stakeholder, should also play its crucial role in boosting the financial literacy of investors and students. This would be appropriate given the government's position. It should enact regulations as well as implement methods that would assist investors in improving their literacy levels. In this sense, the public private model and the public model might both be put into practice. For example, the State Bank of Pakistan and the Pakistan Stock Exchange need to be contacted about the possibility of a cooperative collaboration including the provision of a number of programs with the goal of enhancing investors' and students' levels of financial literacy. For instance, the State Bank of Pakistan has initiated a number of initiatives, such as Jamma Punji and the Nation Financial Inclusion Strategy, which are examples of foundational moves in this direction. Nevertheless, further, more rigorous actions must to be done as well.

7. EDUCATIONAL INSTITUTIONS

Educational institutions are considered key stakeholders in the research because they may play a critical role in increasing students' financial literacy and instilling entrepreneurial ambition. This is why the study considers educational institutions to be a significant stakeholder. As a result, it is advised that educational institutions should also incorporate in their curricula the steps necessary to increase students' financial literacy. In this respect, educational institutions need to take the necessary precautions, some of which include the organization of training workshops, the conducting of seminars, and the simulation of trade, among other activities.

8. Alignment and modification of the curriculum as per industry requirements

It is imperative for the educational institutions to align their curriculum with the industry demands and needs. Hence, curriculum should be modified, revised and aligned. In this regard industry representatives should also be included as members of curriculum revision process. Their inputs and advices should also be taken into account during the revision of curriculum. Practitioner bankers and financial analysists should be preferable members which need to be the part of curriculum process.

LIMITATIONS AND FUTURE DIRECTIONS

Similar to previous research studies, the present study contains a number of drawbacks, all of which need to be addressed by future researchers. To begin, this is research of a cross-sectional design, and the sole method used to gather primary data is via the use of questionnaires. As a result, further research needs to be carried out using either data collected over a period of time or longitudinal information. This would offer a more in-depth look into the phenomena that is now being studied. The problem of generalizability comes as a consequence of the fact that cross-sectional data are prone to errors of biasness. Second, the present research study was conducted on students, and only the replies provided by students were included in the analysis; nevertheless, it is recommended that future researchers concentrate their attention on the financial investors in other provinces as well. In this respect, comparison research in various other provinces may also be carried out for the purpose of gaining a deeper understanding.

The present research study has only considered risk tolerance as a mediating variable; however, there are a number of additional elements that may also be considered mediating variables. For example, saving habits, self-efficacy, and other related aspects may also be evaluated to see whether or not they operate as mediators between financial literacy and the desire to start a business.

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