

Financial Knowledge and Attitude of Sole Proprietors: Selected Cases of Village Banasthali Rajasthan

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Abstract- Financial literacy, knowledge and education are related to the wider impacts of the country's economic welfare and its promotion. The problem of lack of financial literacy is not only with the developing nations but also with developed countries. The OECD (March 2015) defined financial literacy as "A combination of awareness, acquaintance, skill, attitude and behavior necessary to make sound financial decisions and ultimately achieve individual financial well-being." This study determines the financial literacy among the sole proprietors of Banasthali village, near Jaipur, Rajasthan. This study aims to understanding the financial knowledge of sole proprietors and their investment pattern in the form of case lets. Researcher has collected the complete information through unstructured interview schedule of sole proprietors working in campus of Banasthali Vidyapith which is located in village Banasthali. Majority of the proprietors do not aware towards the current investment avenues like equity mutual funds, direct equity, bonds etc. family & friends and financial advisor or brokers are the main source that affect or influence the investor's decision towards investment avenues. Fixed deposits, bank deposits schemes, insurance policies are the most preferred investment avenues among investors, followed by real estate through some investors.

Index terms- Financial knowledge, sole proprietors, investment attitude

INTRODUCTION

An investment decision is a process that varies among individuals. It depends on the critical of a person that relies on financial knowledge, measurement of risk, logical reasoning which based on the feelings, past experiences, judgments, and intuition. When variables are clear he will take precautionary measures to avoid risk in the future, to

knowing about the factors which have huge importance and relationship in financial decisions is a highly important aspect for an individual investor or the growth of the economy. In the current era, one should not have only the information about the updates in investment decisions but they also should know about financial literacy and its influence on the decisions made for the investment purpose. There have been numerous researches conducted to analyze the impact of investment decision, but according to some researches and analyzing the factors that have an effect on the investment decision have diverted from the traditional finance theory and using the behavioral finance theory. One of the major financial literacy tool i.e. financial knowledge is being discussed in this paper for the sole proprietor of various retail shops such as confectionery, grocery, stationery and medical shops etc.

This paper is divided into three sections in which section one defines the conceptual understanding of financial literacy has been discussed. Then section two discusses the research methodology part starting with overview of past literatures followed by formulation of the problem and objectives. At the end section three analyses the various cases of sole proprietors to understand their financial awareness towards various financial avenues followed by interpretation and conclusion.

Section I

Conceptual Thought: Behavioral Finance & Financial Literacy

Behavioral finance is considered as the study of the pattern an investor takes under the influence of their psychology and its impact on the markets (Sewell, 2010). According to the perspective of a behavioral theory which states that all investors are human

beings and human being have exclusive features that in different situations take the decisions accordingly, so in other terms, the calculated decisions could be altered by their own emotions, their mental approach and their judgments which based on the particular biases. And it seems that they do not pursue the rules set by traditional finance, so it could be stated that these are the drawbacks of the traditional finance theory.

Financial literacy can be definite as an understanding of financial models to minimize risk as well as approach better opportunities among alternatives (OECD, 2011). It enables a man to manage their money, make better choices in investments and establish identical business portfolios. Financial literacy has been observed as a broader knowledge due to composite market variations therefore, insufficient financial awareness and understanding put the financiers in a situation to invest without being a focus on the risky processes and long-run incomes. Knowledge about financial sources supports those investors who have not sufficient resources but try to gain extreme advantage from their inadequate incomes. It assists nominees to know about the current investment systems, capital budgeting, profitability index, and cash flows to meet the objective despite having inadequate incomes (Seth, Patel and Krishnan, 2011).

BASIC COMPONENTS OF FINANCIAL LITERACY

An individual may understand basic financial products would comprise bank accounts, fixed deposit or savings, and insurance plans, handled by them in daily course of action. Furthermore there should be an understanding of basic financial concepts which may include compound interest, the value of current and future money, information of annuity, risk, and return of investment, security, and diversification, etc. In spite of above all, a person must have abilities and self-confidence to become responsive for financial risks and opportunities in the financial market. Making good financial choices regarding saving, spending, investing and managing debt throughout one's life would become a dream come true. The figure below represents the various components of financial literacy in which a person or an investor must be aware of:

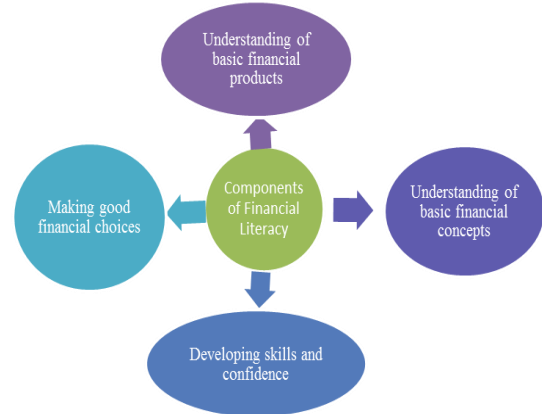


Figure 1 Basic components of financial literacy

SIGNIFICANCE OF FINANCIAL LITERACY

Indian Perspective

In India, Financial Literacy has still not become a priority like other developed nations and lack of basic financial knowledge leads to poor investment decisions. Majority of people invest in short-term plans and physical assets to accomplish their personal goals which generate lesser returns and unable to support in the economic development of the country. According to a global survey, about a staggering 76% of Indian adults do not understand basic financial concepts and are unfortunately financially illiterate even today. The investigation approves the financial literacy rate in India has been constantly poor as associated to the rest of the world. It is indeed high time for a developing country like India to realize the importance of financial literacy as such a poor financial literacy rate can prove to be a major setback to India's ambition of becoming an economic superpower in the coming years.

Why is Financial Literacy Important?

- Not only improving the financial knowledge of an individual it also brings clarity on basic financial concepts and principles such as compound interest, debt management, financial planning, etc.
- From managing finances efficiently it supports in forming appropriate financial decisions about investing, savings, insurance, buying a house, child education, retirement planning, etc.
- It helps to achieve financial stability and financial freedom with developing the skill sets

required for better financial planning in-depth knowledge of financial education.

- It may develop approaches which are crucial for achieving financial growth and success.

Section II

REVIEW OF LITERATURE

Adequate work has been done to analyze the investors' behavior or to understand the financial awareness of investors. Following are the literatures included in which financial knowledge; financial awareness, investment preferences or impact of income on investments has been analyzed:

Hasan al-Tamimi, h. A., and Anud bin Kalli, A. (2009) have done a study on the financial literacy and investment decisions of UAE investors. Primary data were collected from 290 respondents through questionnaires and scaling at five points. The researcher has used cronbach alpha test, ANOVA, regression instruments to analyze the data. The study suggests that religious causes are the main factors that influence the investment decisions of investors in the UAE. He had little knowledge about the financial market. Financial literacy was found to be influenced by income level, education level, and workforce activity. Women have lower financial literacy than men. Financial literacy hurts investment decisions.

Eresia-EKE, C. E., and Raath, C.A.T.H.E.R.I.N.E. (2013) have conducted a study on financial literacy and business growth of SMME owners. The researcher did cross-sectional empirical study by using non-probability sampling method. A combination of judgmental samples and snowball samples was used and structured questionnaire was distributed to 70 respondents. The researcher demonstrates that there is a relationship between the owner's perceived financial literacy and level of financial education or training. This implies that exposure to training and education improves a person's ability in a specific area. The study also shows that while the small business in the sample showed signs of growth, there is no correlation between owners' financial literacy for business growth.

Sarigül, H. (2014) has accompanied a study of financial literacy amongst college scholars. The researcher has used primary data to collect information from 1099 respondents with the help of

structured questionnaires. The reliability of the research was evaluated by the Cronbach alpha test and statistical instruments such as mean, percentage, F-test, t-test, ANOVA were used. Results showed that students had lower financial literacy, female respondents are less aware of investment avenues. Senior students have more knowledge than junior and new students. Universities should organize some financial literacy and education programs for students by which students get some knowledge about the new investment avenues and financial concepts.

Altaf, N (2014) has conducted a study on the level of financial literacy among management graduates of Kashmir Central University. Primary data was collected from 200 respondents through a questionnaire and secondary data were collected from available literature, journals, and web search. The collected data was analyzed with the help of tables, percentages, and average score analysis. The result of the study shows that students do not have much knowledge and skills in investing. Some students are theoretically aware of the term financial but are not fully aware of the investment route. Respondents believe that lack of financial and time leads to loss of personal interest, lack of source of information, failure of financial institutions to present information in a manner that attracts respondents. For measures and methods to improve financial literacy, students have a good perception of methods. Furthermore, the results of the analysis suggest that the government should broadcast some financial literacy programs on radio and television.

Vijay kumar, J. H. (2014) has conducted a study the level of financial literacy and its impact on investment decisions in an in-depth analysis of investors in Gujarat. Exploratory and descriptive research designs were used to conduct the study. Researcher has used non probability convenient sampling techniques for selecting the respondents for primary data. Through personal interviews and questionnaires the researcher gets some information from the respondents. Statistical instruments such as Cronbach alpha test, chi-square test, t-test, regression, skewness, mean were used. The researcher analyzed that investors are less aware of financial terms and markets; it was found that women had a lower financial status than men. It is also concluded that for respondents with a higher monthly income, a greater number of years of investment

experience, and those who make the maximum number of purchases/inquiries when investing, they have a comparatively high level of financial literacy. Others are included. Financial literacy has a significant impact on financial decisions. Regarding the relation between financial literacy and financial behavior, it was found that financial literacy leads to controlled spending behavior and encourages savings behavior and also has a significant impact on investors' investment decisions.

Malti, C., & Patil, D. Y. (2014) has examined a research on financial literacy between salaried females in Pune. The key objective of this research is to examine the most preferred investment avenues among respondents. Primary data was collected by questionnaire and secondary data was composed from many papers, articles and websites. Result of the analysis revealed that most of the females have knowledge about financial avenues but they were not aware about the new financial instruments. Still majority of the females are highly ignorant about different investment opportunities in the market as majority of them does not have a demat account. Most preferred investment avenues among respondents were moderate risk avenues.

Sekar, M., and Gowri, M. (2015) have carried a study on financial literacy and its elements among Gen Y (generation Y) workers in the city of Coimbatore. The main purposes of this study are to regulate the level of relationship between financial knowledge, challenges, and youth goals and financial literacy and demographic factors and socio-economic factors. Primary data were collected from 189 respondents through a structured questionnaire. The researchers analyzed that financial literacy is directly related to the level of demographic factors and number of dependents whereas it is not affected by age. Overall, it can be concluded that financial literacy among Gen Y employees was low and the essential events should be taken by the management to increase alertness about financial matters.

Baluja, G. (2016) has conducted a study on financial literacy among women in India: a review. The main objective of this study is to identify the factors that affect the financial literacy of Indian women. It has been observed that Indian women faced many problems, due to which they lacked financial literacy such as cultural barriers, physical barriers, psychological and financial barriers, etc. Therefore

more financial literacy, education camps and organizations should be set up to create greater responsiveness on financial terms for women. This will make women a part of financial inclusion and help in the development of the nation as a whole.

Ghaffar, S., and Sharif, S. (2016) have accompanied a study on the level of financial literacy in Pakistan. The purpose of this study is to determine the relationship between financial literacy with demographics. The investigator selects 300 investors from Karachi. Through this survey, the researcher observed that middle-aged people were prudent in spending their income. Secondary, male members in Pakistan have savings habits. Third, individuals with better qualifications and larger families advise their coworkers, friends, and relatives about better investment options. Finally, high-income respondents have a better knowledge of financial aid.

Kumar, T. V. V. (2016) has conducted a study on financial literacy among rural households in the coastal district of Andhra Pradesh. The researcher has used primary data as well as secondary data for the study. Primary data was collected from 2025 respondents with the help of stratified random sampling. Collected data were analyzed with the help of bivariate analysis. The result shows that financial literacy among the rural household was low as compared to lesser age groups. Financial literacy is directly interrelated to the education and income of the respondents. Male respondents are highly aware of financial concepts as compared to female respondents. Unmarried couples are highly aware of investment avenues. Therefore, financial literacy is average among rural households in Andhra Pradesh.

Bhargava, N. R., Mittal, S., & Kushwaha, V. S. (2017) has conducted a study on the impact of Financial Literacy on personal financial management based on occupation. The key objective of this research is to analyze the effect of financial literacy on the personal financial management of men and women. The research was used as a convenient sample for descriptive studies and data collection. Primary data were collected from 650 respondents (business class, service class, and self-authorized) through the quota sampling method. The researcher has used SPSS software, mean, standard deviation and ANOVA to analyze the data collected. The study shows that business class has higher financial literacy than other classes. There is almost equal financial

literacy in-service class and occupation. It is also concluded that education is an important part of the service class and self-occupied class but in the case of business class, they were not highly educated as they started their business at a young age. The business class earns from their experience and works further. The overall impact of financial literacy on personal finance was minimal and the penetration of financial literacy can be increased and made more practical.

Goswami, M., & Dhawan, K. (2017) has accompanied a research on financial literacy among college students in Delhi/NCR. The key aim of this research is to examine the many demographic reasons like gender and education level on the level of financial literacy. Primary data was collected from 100 respondents through structured questionnaire and collected data was analyzed through ANOVA. The result shows that gender, age, education, income is not significantly associated with the financial behavior of an individual. Also, discipline of study, parents' occupation and income expressively related with the financial behavior of an individual.

Mahapatra, M. S., Alok, S., & Raveendran, J. (2017) have carried a study on Financial Literacy of Indian Youth: in twin cities of Hyderabad–Secunderabad. The aim of this study is to determine the effect of socio-demographic factors on the financial literacy of scholars in India. Primary data was collected from 425 students through a structured questionnaire. Collected data were analyzed by bivariate analysis, regression, and correlation. The result shows that university pupils were not sufficiently educated about personal finance. It is also observed that financial literacy is determined by demographic factors positive attitude to financial planning. The result shows that the investments and borrowing behavior of adults significantly influenced by the parent's educations and profession.

Reddy, M. M., Akhila, M., Arundhathi, C., Bharathwaj, S. S. B., & Deepak, N. (2017) have carried a research on perception of rural households towards financial literacy in Karimnagar district of Telangana state. The objective of this research is to explore the awareness of online banking services among rural households. The study was analytical as well as descriptive in nature while a stratified convenience sampling method was used to select the respondents. Primary data was collected from 200

households with the help of structure and pre-test structured questionnaire. The secondary data was collected from various sources such as reports of OECD, RBI annual reports, NCFE, SEBI, IRDA reports, journals and magazines, online database & newspapers, etc.

Singh, M. C., & Kumar, R. (2017) has conducted a study of women's financial literacy–A Case of BHU. The researcher has used both primary as well as secondary source for the study. Primary data collected from 103 teachers by a survey. Statistical tools like percentage and frequencies were used to analyze the data and presented with the help of bars and graphs. The study shows that the majority of the women were investing their money in one and other investment instruments by taking the help of their family and friends. They were not confident while taking their own investment decisions. The study also reveals that the most preferable investment avenue among women is fixed deposits. Further analysis of research reveals that women are less aware of the different investment opportunities available in the market. So they should be educated about investment will help them in their real economic development.

Ramavhea, G., Fouché, J., & van der Walt, F. (2017) has carried a study on the financial literacy of undergraduate students in South Africa. The researcher has used primary data for the study. Primary data was collected from 300 students through a questionnaire. A researcher has select respondents with the help of a quota sampling method. The researcher has used SPSS statistical package, frequencies, central tendency, standard deviation, correlation, Mann-Whitney U-test, and Kruskal- Wallis for analyzing the data. The findings of the study indicated that respondents were low financial literacy. The study supports the notion that demographic factors and the level of qualification from parents does not have an important guidance on financial literacy. It concludes that students have poor knowledge, they were not aware of the basic concept of financial avenues. The government should organize some financial literacy and education programs for students by which they improve their knowledge and skills towards investment avenues.

Sheikh, M., and Mustafa, G. (2017) have done a research on the importation of financial inventory on the case of investment of a case of Larkana city. The objectives of this study are to explore the relationship

between financial literacy and investment decisions and analyze the financial impact on investor decisions. The research was explanatory. Primary data was collected from 35 respondents through questionnaires. Statistical tools such as the Cronbach alpha test, frequencies, correlations, regression, and coefficients and factor analysis were used. Financial literacy in Larkan city was very low, most investors were not aware of the way of investment. Demographic aspects have a direct connection through financial literacy; this can influence investor choices towards investment avenues.

Roy, B., and Jain, R. (2018) have accompanied a research on the level of financial literacy among Indian women in Jaipur. The purpose of this study is to analyze the awareness of women in financial products and services and to study the need for women in making a wise decision related to their savings and investment activities. Primary data were collected from 100 respondents through the questionnaire method. Collected data were analyzed with the help of tables, bar charts, graphs, pie charts, etc. This study shows that most of the women were from an urban area, they were not aware of the financial concept and many of them do not consider it important. It was also found that investors were highly risky and did not want to take risks. The study also shows that women also lack basic banking knowledge, such as transferring cash payments from one account to another. It also indicates that women do not have any services by which they manage their savings. It was also found that women have better financial services, but due to lack of knowledge, they have not used those services.

Kuruvilla, R. R., and Harikumar, p. N. (2018) has conducted a research on financial awareness amongst female's entrepreneurs in the Kottayam district. The purpose of this study is to identify the relationship between the level of education and financial literacy among women. The researcher has used primary data as well as secondary data for this study. Primary was collected through interview schedule from 50 respondents. Statistical instruments such as the Pearson coefficient, percentage method were used to analyze the data. The researcher recognizes that while women have basic knowledge about the financial concept, they were not aware of the new concepts of financial aid or new schemes. It has also been

observed that education has a direct relationship with the financial literacy level.

Berry, J., Karlan, D., and Pradhan, M (2018) have carried a study on the impact of financial education for youth in Ghana. The researcher has used experimental design for the study. 135 schools were randomly selected for primary data. Statistical instruments such as standard deviation, z-test, and t-test were used to analyze the data. The researcher observed that the level of financial literacy between younger respondents was low. The government should increase financial awareness and education programs such as Aflatoon programs, offering both financial and social education and HBM programs that offer only financial education.

FORMULATION OF THE PROBLEM

Previously discussed that extensive research work has been done to study and analyze the financial knowledge and awareness. There were studies in which financial knowledge of investor have also been analyzed in different sections of the society such as women entrepreneurs, financial knowledge gap in men and women, SMME owners or students. But till now no such study has been found which focuses on the financial knowledge of sole proprietors in India. Studies that have been done on sole proprietors examine their behavior on either succession planning or contribution to family businesses but the analysis of financial knowledge of a single owner of a retail shop is missing. Thus there is a need to study the financial knowledge for sole proprietors of either confectionery, Grocery, Medical store, stationary or cafeteria, etc. of village Banasthali, Rajasthan.

OBJECTIVE OF THE STUDY

Therefore, this study aims in understanding the financial knowledge of sole proprietors and the pattern of their investments for the village Banasthali Rajasthan in the form of cases.

RESEARCH METHODOLOGY

The current paper has accepted Descriptive Research Design for the analysis with the help of conceptual structure. This design is found suitable because the analysis deals with an area where small numbers of

respondents were being available and reluctant to provide details of their financial well-being.

Universe of Study:

The study is conducted at the village Banasthali, near Jaipur (Rajasthan) and all the respondents are operate their merchandising /business in the campus of Banasthali Vidyapith, (Rajasthan).

Sample Size of Study:

The total numbers of shops in the campus are around 25 to 28 out of which 13 shops has been chosen according to the convenience sampling method.

Tools of Study:

In this paper data has been collected from primary source. Unstructured interview schedule has been used to gather information from the owners and related parties such as spouse or children. Personal information of the respondents has been kept confidential.

LIMITATIONS

1. The present study is restricted only to the village Banasthali. Hence, there is a less scope to generalize the data to other sole proprietors.
2. All respondents have been measured through Interview Schedule no attempt has been made to cross validate the result.

Section III Analysis & Interpretation

Following are the few cases of sole proprietors of village Banasthali who are managing their finances with lesser knowledge and awareness about new financial avenues.

CASE 1

Name: Confectionery Shop 1, New Market, Campus Banasthali Vidyapith

The owner has started the shop 25 years ago and earns around 50000 Rs. monthly. The majority of the income has been spent on household chores and the remaining income is being saved in fixed deposits. The owner is aware about only traditional financial avenues such as fixed deposits and post office savings etc. the outlook of the owner is to go with safe and low risk avenues with minimum amount of returns. He influences from the words of his friends and prefers the avenues suggested by them only. He

also willing to invest in physical gold rather than ETFs but prefers APY over insurance policies.

CASE 2

Name: Grocery Store 1, New Market, Campus Banasthali Vidyapith

The owner has started his commercial business at the age of 20 years and currently his earnings are 50000 Rs. monthly. The majority of the income has been invested in real estate because the owner considered himself as a beginner in financial investment journey and he does not have any prior experience into investment. As per the information provided by him, he has awareness about safe and low risk investment avenues and traditional investment avenues like, savings account, bank deposits and real estate. Real estate broker is the only source which influences the decision of investment but he believes that government savings schemes are better than gold.

CASE 3

Name: Grocery Store 2, New Market, Campus Banasthali Vidyapith

This sole trader started his business 35 years ago and today he earns approximately 45000 Rs. monthly. The owner is aware about high risk investment avenues such as stock market, mutual funds etc. and he has knowledge about traditional financial avenues like real estate, insurance and banks deposits etc. The approach of the owner is to invest in high risk avenues and generate high amount of returns. He influences from his broker & friends and prefers the avenues suggested by them only. He believes that rather than investing in government schemes or physical assets like gold, one should consider mutual funds schemes for investing their money to maximize their income.

CASE 4

Name: Cafeteria 1, New Market, Campus Banasthali Vidyapith

The owner started his canteen 12 years ago and earns 60000 Rs. monthly. The majority of the income has been spent on family responsibilities and the other part of income is deposited in savings accounts only. The owner is aware about traditional financial avenues and moderate risk investment avenues such as insurance, savings account, real estate etc. But the attitude of the owner is to go only with safe and low

risk avenues with minimum amount of returns. He takes decision on the basis of self-awareness and willing to invest in physical gold rather than insurance policy and government schemes.

CASE 5

Name: Stationary Shop 1, New Market, Campus Banasthali Vidyapith

The owner started his business 40 years ago and earns 30000 Rs. monthly currently. The majority of the earnings are being used for personal expenses while the remaining income is being deposited with bank in savings accounts and other deposits scheme. The owner is aware about only traditional financial avenues such as insurance, savings account, fixed deposits, post office schemes etc. Owner believes that one should invest in safe and low risk avenues with expectation of minimum returns which carries low risk and has certainty of getting money back. He is also willing to invest in physical gold rather than gold ETFs but prefers insurance policies because he influences from the words of his friends and prefers the avenues suggested by them only.

CASE 6

Name: Medical Store 1, Hospital area, Campus Banasthali Vidyapith

The owner started his medical store 15 years ago and earns 30000 Rs. monthly. The owner is aware about traditional financial avenues such as saving account, life insurance policies and real estate etc. the owner approach is to go with low risk investment avenues, safety and security. He chooses only those investment avenues which are suggested by friends and internet. He believes that government schemes are not good as compared to gold. According to the owner, insurance policy schemes are the best for investing their money due to safety and security.

CASE 7

Name: Stationary shop 1, New Market, Campus Banasthali Vidyapith

The owner has 15 years' experience and he earns above 60000 Rs. monthly. The owner is aware only about safe and low risk investment avenues such as insurance policy etc. He believes insurance policy is the only investment avenue which gives least possible rate of return as well as safety & security of the amount as compared to other government

schemes and other investment avenues. He influences from his broker who is his own family member and an insurance agent and prefers the avenues suggested by him only.

CASE 8

Name: Cafeteria 2, New Market, Campus Banasthali Vidyapith

The owner started his business 5 years ago and earns 65000 Rs. monthly. The owner is aware about majority of the investment avenues whether the traditional investment, high risk or moderate risk avenues like, insurance policies, mutual funds, shares, corporate bonds, real estate etc. out of these investment avenues he prefers mutual funds for investing due to tax benefits and high rate of return. The owner is well qualified among all sole proprietors working in the same region and collects complete information before investing and then selects the particular investment avenues for portfolio basket. Thus he does not affect by any the other source such as agent or brokers. He believes that insurance policies and gold ETFs are the best option for investment as compared to government schemes to get high returns.

CASE 9

Name: Cafeteria 3, New Market, Campus Banasthali Vidyapith

The canteen owner started his shop 30 years ago and earns 45000 Rs. monthly. Owner is well aware of traditional investment avenues such as fixed deposits, insurance policies, and real estate etc. He believes in safety and security with lowest rate of return. Financial agents and print media are the sources from where he gathered the information and select his investment avenues. Life insurance policy is the most preferred investment avenues as compared to government schemes.

CASE 10

Name: Confectionary Shop 2, Old Market, Campus Banasthali Vidyapith

The owner started his works 45 years ago and today he earns 55000 Rs. monthly. The owner has a life insurance policy and does not have any knowledge of any other investment avenues. He also believes that a person should have hard cash for some emergencies rather than investing in various schemes. Any scheme

would be considered good only if it provides benefit at the time of non-working age or to the dependents. Thus his choices of investment included life insurance policies which cover both the benefits as suggested by him.

CASE 11

Name: Confectionary Shop 3, Old Market, Campus Banasthali Vidyapith

The owner of the canteen started his business 15 years ago and earns 30000 Rs. monthly. The owner has no experience in any investment avenues but has knowledge towards the traditional investment avenues such as fixed deposits and insurance policies, etc. The shopkeeper believes in safety and security with assured returns. Banks and friends are the sources through which he collects information about the investment avenues. According to the proprietor, fixed deposits are better investment than government savings schemes.

CASE 12

Name: Medical Store 2, Hospital Area, Campus Banasthali Vidyapith

The owner started his shop 15 years ago and earns 30000 Rs. monthly. The majority of the income has been used to purchase a real estate and gold. The owner is the beginner in which they have any experience of investing but they know about safe and low risk investment avenues and traditional investment avenues such as saving account, bank deposits and real estate. The broker is the only medium that influences their decision to investment. He believes that government savings schemes are better than gold.

CASE 13

Name: Cafeteria 4, Old market, Campus Banasthali Vidyapith

The owner has 20 years' experience in his business and presently he earns above 65000 Rs. monthly. Owners know about traditional investments, high risk investment avenues and medium risk avenues, such as insurance policies, mutual funds, shares, corporate bonds, real estate and more. The proprietor only gives preference to mutual funds for investment due to tax benefits and high rate of return. He is fully influenced by his financial advisor and alters his decisions for investment accordingly. He believes

that insurance policies and gold is the best option for investment.

INTERPRETATION

As India is an emerging country, financial segments developments are in next stage, fresh investment avenues are changing fast. The different features of different investment avenues demand high level of financial information. However the result of this study indicates that sole proprietors don't have satisfactory level of financial knowledge and expertise in investing any financial avenues. It is found that most of the respondents have positive attitude when it comes to setting financial target for the future. Majority of the investors choose only safe & low risk traditional investment avenues such as insurance policy and fixed deposits but they neither have knowledge and awareness towards schemes prevailing currently in the financial market like systematic investment plans (SIP), systematic withdrawal plans (SWP) etc. nor any other high/moderate risk investment avenues. Most of the respondents are influenced by their friends & relatives while 4 to 5 have their own financial advisors. Banasthali campus has 3 banks (SBI, Corporate Bank, UCO Bank) but the proprietors never visited any financial awareness camp to gather the information or to upgrade their financial wellbeing.

SUGGESTIONS TO INCREASE THE FINANCIAL KNOWLEDGE

To raise the investment awareness of the sole proprietors, the following reference should be applied by the concerned bodies:

- Sole proprietors play a vital role in Indian economy and form a huge share in unorganized market. A large part of country's economy is related to small business enterprises and do not affect directly to the economy but its affect the overall development of the economy. Government should focuses to organize programs that advise these sole proprietors about new investment avenues and schemes. Thus policy makers as well as financial organizations and banks have to take essential steps to develop the level of financial knowledge, education and inclusion amongst the sole proprietors.

- The government has organized various awareness camps for females and the people belongs to agriculture sector but there is a negligence towards the sole traders and this can become main cause for poor financial knowledge among them. Government and other related financial institutions should organize camps specifically for sole proprietors to increase their financial knowledge, informing them about new investment avenues and other government schemes like Atal Pension Schemes, Pradhan Mantri Jeevan Jyoti Beema, health insurance etc. that have been started for low income groups.

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