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AATMANIRBHAR BHARAT :
PROSPECTS & CHALLENGES

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DAYANAND COLLEGE OF COMMERCE,

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Executive Editor
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A State of Financial Awareness among College Teachers

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Abstract –

Financial Literacy means "The possession of knowledge and understanding of financial matters. Financial literacy is mainly used in connection with personal finance matters. Financial literacy often entails the knowledge of properly making decisions pertaining to certain personal finance areas like real estate, insurance, investing, saving, tax planning and retirement. It also involves intimate knowledge of financial concepts like compound interest, financial planning, the mechanics of a credit card, advantageous savings methods, consumer rights, time-value of money, etc." The present research paper tries to explore untapped points related to degree of financial awareness among college teachers.

Key Words- Financial education, investment awareness, portfolio management, financial advisor.

Introduction

Complete awareness about one's income, expenditure, and asset, family's annual budget, risk bearing capacity, insurance cover etc. includes financial awareness. To get the solutions of economic problems is the basic object of economic policies of any nation. All economists from Adam Smith to Marks and Kers have thought about economic development.

Financial literacy: the ability to use knowledge and skills to manage financial resources effectively for a lifetime of financial well-being.

Financial education: the process by which people improve their understanding of financial products, services and concepts, so they are empowered to make informed choices, avoid pitfalls, know where to go for help and take other actions to improve their present and long-term financial well-being.

Role of teachers in financial awareness:

The very famous *Sharda Chit Fund Scam* or *KounBanegaKarodpati* of Maharashtra is self-explanatory and state how a hard earned money get loose due to ignorance or unawareness. Government machinery proved insufficient to provide protection and safeguarding the interest of savers and investors. The Institutions like SEBI, IRDA and many more are working on their battlefield, but it is not sufficient. These institutions also come to the conclusion that providing judicial aid is not sufficient but an environment should be developed to generate the awareness. A young generation taking education in college is our future earners. They are the architectures designing our future economy. If they are well informed and aware we can expect much prominent financial stage of our nation. In short they should be properly informed and importance of financial planning should be inculcated in them. Here a role of

teachers begins. From many evidences of the history we have witness the importance of the teachers (GURU) and work as a core of any social transformation. Chanakya, Dronacharya, had created history by nurturing their students in such a way that their pupils had led revolution. This is the time when our teacher community should take initiative to spread the financial literacy in the society. Literacy makes person intelligent/eligible. Computer literacy makes him skilled/knowledgeable but financial literacy makes him risk proof/sensible about financial decisions. If we want to bring any considerable change in society efficient channel is teachers (Guru).

Importance of the study:

Indian economy being the fifth largest super power in the world has poses some opportunities as well as challenges in its own. Large portion of population is on the edge of income earner. The future of the nation is in the hands of these young aspirants. Higher education plays vital role in the same. The duty of shaping these young minds and designing their professional behaviour is in the hands of college teachers. The values inculcated by these teachers in the minds of their students will definitely affect the tomorrow's picture. In short well aware and informed income earner has a power to create better financial atmosphere. Even in ancient times, education system was instrumental for any type of social transformation of that time. Any type new change if first got translated by efficient teachers will definitely have an optimum social impact. In this way improved financial awareness of citizen is an issue of national interest. The current educational system can remarkably contribute in this task. Therefore the work of financial education and awareness will definitely serve the purpose effectively, if got started through college level study. Therefore study regarding degree of financial

awareness and the aptitude among college teachers become inevitable.

This research tried to study the degree of investment awareness in college teachers to generate the overall aptitude regarding investment in them. The research is an attempt to study the process of better financial decision. Researcher is of the opinion that it is the natural responsibility of the teachers' community to impart knowledge to the society at large to improve better financial environment among common people by transmitting the same to their students who are going to be future investors.

Review of Literature:-

Prof. CA Yogesh P. Patel; Prof. CS Charul Y. Patel have started that investment is the employment of funds with the aim of getting return on it. It is the commitment of funds which have been saved from current consumption with the hope that some benefits will accrue in future. Thus, it is a reward for waiting for money. So the first step to investment is savings. In common usage, saving generally means putting money aside, for example, by putting money in the bank or investing in a pension plan. In a broader sense, saving is typically used to refer to economizing, cutting costs, or to rescuing someone or something.

Dr. A. A. Attarwala, studied on the role of SEBI in financial literacy and concluded that the Securities and Exchange Board of India has been making sustained efforts to spread financial literacy and disseminate neutral information related to the markets so that larger number of Indians participates in India's growth story.

Dr. Rekha Mehta, has studied the trends and Patterns of House Hold Saving In India and express views as follows - Savings play an important role in economic development and the major objective of Government policy has been promotion of savings and capital formation in the economy as primary instruments of economic growth. This study aims to analyse trends and patterns of House Hold saving (1950-2010) and to determine different Saving Functions which would possibly explain the long term saving behaviour and saving Potentials of the House hold sector.

Dr. Duvvuri Subarea: - strongly pointed out that financial literacy is prerequisite of financial stability and being the central bank it has to promote financial literacy programme a great challenge indeed. He tossed two terms of financial inclusion and financial literacy which are integral and of prime importance in state's economy. Financial inclusion provides access whereas financial literacy generate awareness about financial matters.

Research Methodology

The work of collecting data included a purposive gathering of information related to the topic of research study. Secondary data is collected by others and used by others. It is mostly published in newspapers, periodicals Journals and authentic websites etc. Secondary data has been collected from the websites, annual reports as well as publications of SEBI, NISM, RBI and other financial institutes.

A purposefully designed, structured and orderly formed questionnaire has been used to collect responses from 100 respondents. Feedback is obtained through it by personally visiting the respondents at their workplace.

Objectives of the study:

1. To study the investment awareness among college teachers
2. To study the state of insurance protection of college teachers
3. To know the borrowing pattern of senior college teachers
4. To know the saving and investments behavior of senior college teachers

Hypothesis

1. College teachers save more but invest less
2. They adopt modern investment options
3. College teachers consult financial advisor for their investment.

Data Analysis

Object behind investment		
Sr. No.	Object behind investment	Number of Respondents
1	Planning for retirement	12
2	Future for children	40
3	Unforeseen Event	19
4	Creation for Property	29
Total		100

Nature of Investment		
Sr.No.	Nature of Investment	Number of Respondents
1	Bank FD	24
2	Gold	26
3	Real Estate/Land	08
4	Other	32
Total		100

Consult while investment

Sr.No.	Nature of Response	Number of Respondents
1	Spouse	19
2	Friends	32
3	Financial Consultant	29
4	None	20
Total		100

Satisfaction from Current Investment

Sr.No.	Nature of Response	Number of Respondents
1	Completely	12
2	Partly	59
3	No	26
4	Can't Say	3
Total		100

Opinion about Safe Investment



Conclusion:-

1. The degree of satisfaction regarding own investment is not completely seen among majority of the respondents. Very less proportion of them are completely satisfied for their existing investments and huge segment of respondent is partly satisfied about own investment.
2. A huge portion of the respondents are unable to express their views on safe and profitable investment and majority of them agreed that investment in gold attracts them
3. Comparatively very less respondents deal in shares and Mutual Funds as investment vehicles where as investment in gold attracts major part of investors. Many of the

respondents stated that investment in shares and mutual funds requires expertise and it is quite complicated. In fact many of the respondents can't even frame their own opinion on the complexity of the investment in shares.

4. Portfolio management is a new concept used in smart investment allocation which needs to be adopted on large scale. Majority of the respondents adopted traditional and very few of them adopted modern investment vehicles to park their investment and both are completely extreme in nature.
5. Almost all respondents unanimously urged the need of financial education to all faculty students and majority of them showed their readiness to impart investment education to their students if they receive proper training.

Suggestion:-

1. Insurance protection is of almost important factor for every income earner specifically head of the family. A future of whole family is completely dependent on him and any sad happening may ruin financial future of the dependents. Therefore inbuilt insurance arrangement should be incorporated with salary arrangements irrespective of nature of job.
2. Every college giving graduate and post graduate education has to constitute a Financial Training cell within its fold where participation of student as well as teachers performing various activities to develop their investment skill.
3. We have been teaching to save more and spend in accordance with income and necessities. Though we are good savers but fail to take smart investment decisions. This condition has bilateral effects. One individual saving is short to attract good returns and cannot earn better reward. Other effect is the process of capital formation get slower down as saving can be withdrawn with short notice
4. The concept of decentralization should imbibe in the minds of teachers and all investors as majority of them have concentrated on one specific type of investment options. The rule 'Don't keep all your eggs in one basket' must be inculcated among college teachers and new investors in case of investment selections
5. College can arrange investment evaluation camp as like medical checkup camp after specific intervals in order to assess the effectiveness of investment done by teachers in the context of updated investment environment.
6. Modern investment options should be elaborated with simple language with the help

of posters, brochures on the occasion of annual assembly to spread the message among huge stakeholders.

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