

Abstract of Doctoral Dissertation

Financial Literacy and Personal Investment Decisions : A Study of Investors in Delhi¹

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I. Introduction

FINANCIAL LANDSCAPE OVER the years has become considerably complex making the common man vulnerable to increased financial risk. To combat this risk, some basic level of financial knowledge and skills is required. Financial Literacy refers to “a combination of awareness, knowledge, skill, attitude and behavior necessary to make sound financial decisions and ultimately achieve individual well-being” (OECD,2005). Various researches have highlighted that financial illiteracy is pervasive among retail investors across the world. This financial illiteracy or lack of financial knowledge in turn culminates into severe glitches and sometimes even result in to a crisis involving a larger number of retail investors and also a bank or financial institution that manages public funds and channels them. Thus, a clear understanding of various aspects of financial literacy and how it influences our decisions is fundamental to prudent financial planning, both- at the micro level (individual level) and for the society as a whole (macro level).

II. The Study : Objectives, Hypothesis and Methodology

2.1 Objectives

The main thrust of the present study is to measure the financial literacy level and the link between financial literacy training and investment decisions. The specific objectives are as follows:

- To determine the level of financial literacy prevalent among investors of Delhi.

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