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ORIGINAL RESEARCH PAPER

A Study on determinants of financial literacy and its impact on investment decisions

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Abstract

The meaning of financial literacy is "the ability to understand and be aware of financial concepts and terminology." At the same time, an investment decision includes collecting, interpreting, and selecting financial information for investment. This study aims to analyze the determinants and impact of FL on investment decisions. This paper helps to identify variables of financial literacy and investment decisions. Some of the papers published between 2010 and 2023 were selected to meet the objective. Prospective results will be utilized to determine the primary variables that characterize financial literacy and to establish the connection between financial literacy and investing choices.

Keywords: Investment decision, Financial literacy, Financial attitude, Financial behavior, Financial knowledge.

Introduction

Since the term "financial literacy" has recently gained popularity, it is imperative that members of the middle class and lower class, in particular, who participate in these markets as borrowers or savers, know the wide range of products available. People are reported to save or make safe investments instead of investing savings in other marketplaces since they lack knowledge regarding financial products (Chowdhary T., 2016).

Meaning of literacy

The ability to recognize, comprehend, interpret, produce, communicate, and compute with printed and written materials in a variety of circumstances is known as literacy.

Meaning of financial literacy

To put it simply, financial literacy is the capacity for money management. In general, it refers to the comprehension and knowledge of financial concepts, the capacity to use them with assurance and the responsible behavior to make well-informed decisions for one's own financial well-being (Samriti Kamboj, 2017).

Components of financial literacy

Aspects of knowledge, attitude, and behavior spanning a variety of contexts, including money management, goal-setting for both short- and long-term financial objectives, and product awareness and selection, are all included in financial literacy.

Financial knowledge (FK)

Understanding fundamental financial ideas and being able to assess value in practical financial scenarios are components of financial knowledge.

Financial behaviour (FB)

Examining every day, financial planning, money management, saving, spending, investing, depending on credit to fulfill daily needs, and creating safety for future well-being are all part of the study of financial behavior.

Financial Attitude (FA)

The goal of FA is to examine how people respond to savings and whether they prioritize immediate gratification over long-term stability.

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Investment Decision

Individuals with savings who are looking for a positive return engage in investing by allocating their funds to capital assets, goods, and services. Whether investing personally or managing investments within a company, investors must determine the timing, method, location, amount, and nature of their investment opportunities.

Objective

The primary goals of the current investigation are:

- To provide an overview of previously published research on investment decision-making and financial literacy
- To provide a future scope and categorize the 82 international and Indian studies according to different variables.
- To Examine current trends in the areas of investment decision-making and financial literacy

Methodology

A paper review is an examination of the corpus of published research on a certain topic. It represents a summary of research published on a specific topic. Additionally, it aids in choosing statistical tools, research methodology, and problem clarification in the study, among other things. Numerous studies have been carried out concerning financial literacy and investment choices. To fulfil the objectives, papers published between 2010 to 2023 were selected. Data was collected via Google Scholar. Data was derived from the open access sources from July 2022 to August 2023. Within the body of literature, there are study papers that are published in both domestic and foreign periodicals and theses written by academic researchers. The paper is classified into two parts: 1. Summary of Literature. 2. Systemic Review of Literature

Literature Review

Financial literacy scenario at national & international level

The adult financial literacy survey score of 60.48 for general and 59.52 for financial literacy from the OECD (2020) (Ravneet Kaur, 2021)[8] was higher than the mean FL score of women in salaried positions in Uttar Pradesh, which was 58.53%.

Even the meaning of spending, budgeting, investing, saving, and using credit and debt responsibly are often unclear to the general public (Rani P., 2019).

There is an unacceptable lack of FK in the world. Individuals frequently err when making judgments about their finances because they struggle to do so with confidence (Bhushan P. and Medury Y. 2014). The government should financially enlighten the rural populace through the camps, conferences, and seminars (Muthulakshmi M, 2014). The majority of Gujarati working women made their own financial decisions (Baruah M, 2017). The adoption of essential agricultural technology and increasing farm output are in Financial Literacyuenced by timely cash availability and FL (Saranya Soman, 2020).

In general, FL is low in Malaysia and the UK, and the government should take the appropriate steps to raise awareness of financial-related issues (Janor Z., Yakob R., Hashim N., and Wel C., 2019). Investors in Karachi have a lower-than-average degree of financial literacy (Arif K., 2015). Investment knowledge is lacking among traders; the majority of individuals are unaware of the notion of liquidity, which defines the degree to which an asset may be quickly purchased or sold on the market without depressing its price (Oteng E., 2019). Teachers at Prayagaraj's Institutions of higher learning are not very financially savvy, and they don't even have a basic idea of what money is. (Abobaker A., 2022). People in the Sagar District have a moderate degree of financial literacy (Jain N, 2020).

While the majority of individuals in Haryana show positive financial behavior and have a basic understanding of finance, the majority of people lack a positive financial attitude (Kamboj S., 2017). The majority of working women are not very financially literate (Sighn C., 2019). Women are less knowledgeable in many topics. Certain specific aspects, such as liquidity, safety, risk, and return linked with avenues, affect their investing decision in addition to demographic characteristics like income and marital status (Manasa B. And Ishwara P., 2015).[26]

The majority of Gujarati investors lack fundamental and advanced financial literacy, and some don't even comprehend certain crucial ideas about money (Jariwala H.,2013). There is an association between respondents' FL and demographic characteristics such as age, income, education, gender and occupation (Gupta K land Gupta S., 2018).

An assessment of financial literacy and its component was conducted by the OECD. With a sample size of 125,787 adults across 26 countries, the OECD conducted surveys. A basic set of knowledge and financially responsible behaviors and attitudes are indicated by the maximum financial literacy score of 12.7, which is slightly less than 61% for the entire sample, according to the poll. The mean for participating OECD member countries is just marginally higher, at 13.0 (62% of the maximum). Hong Kong, China, achieved the highest score of any nation with 14.8 (71% of the maximum), while Italy received a low score of 11.1 (53% of the maximum) (International Survey of Adult Financial Literacy, OECD/INFE 2020).

Demographic variable and financial literacy

Age, gender, education, other wealth characteristics, information sources, and financial guidance all have an effect on financial literacy levels; however, personal income and the type and position of one's work have no such effects (Mbarire T and Ali A., 2014). Financial education and financial socialization agents positively impact students' financial literacy in Uzbekistan. (Singh J. and Isomidinova G., 2017). Impulsivity, Time orientation, social status, locus of control, self-discipline, and attitudes toward borrowing, spending, and saving are important determinants that respondents' financial literacy (Jayamary P. 2019).

Age, gender, residential origin, income, educational attainment, occupation, and other demographic factors all contribute to the pervasiveness of financial illiteracy in emerging nations (Kumar V., 2019). The degree of financial literacy among farmers is more closely connected with their wealth index, education, age, experience in agriculture, and the amount of land they own. (M. Patel, 2022). Farmers' financial literacy was highly impacted by their education, experience, age, farm income, length of bank relationship, quantity of landholding, frequency of bank visits, and bank account (R. Ravikumar, 2013).

Women and girls' ability to take advantage of the opportunities offered by digital transformation is constrained by limited access and affordability, a lack of knowledge, deep-seated biases, and socio-cultural norms. (Pragati Shukla P and Kumari V, 2023). Farmers mostly obtained information about agriculture from sources at the local level, including acquaintances, progressive farmers, neighbors, relatives, and rural agricultural officers (Watti, U, 2019).

Marital status, income, and Father's education are significant determinants that improve financial literacy (Ussain A., Kijkasiwat P., Rehman H., and Ullah M, 2022). Significant disparities in financial literacy were found among respondents based on age, gender, employment status, and marital status. (Arif K., 2015).

Educational attainment, age, monthly income, gender family life cycle stage, occupation, type of work activity, years of investment experience, frequency of shopping, and risk tolerance all show statistically significant relationships with the degree of financial literacy (Gupta S, 2017). Regularity of saving, gender, income, and educational attainment all favorably impacted the possibility of rescuing (Mahdzan N. and Tabiani S.,2013). Real estate investors' decision-making about investments was discovered to be strongly influenced by their financial literacy level. (Musundi K., 2014).

The ability of investors to take on risk is primarily determined by their age and gender (Dash M., 2010). Financial literacy was found to be significantly affected by five factors, including "personal investment decisions, revision of the investment, maintaining the investment portfolio, influence on personal investment, and facing the problem in investment" (Alamelu R, Motha L, Amudha R and Nalini R, (2016). Only age, income, and prior investing experience are demographic criteria that influence investment decisions (Senta D., Rahayu C., and Rahmawati C., 2020).

An investor's financial literacy and the investments they make are statistically influenced by their gender, age, educational background, type of job, and annual income (Chowdhary T., 2016). Age, organization, occupation, and income all have a big influence on the variables influencing working women's financial literacy (Manchanda P., 2019). Individuals' financial literacy is influenced by their demographics, which should be considered when creating financial literacy programs and courses (Yadav N., 2020). The gender and educational background of salaried people have no bearing on financial literacy and do not correlate with the degree of financial literacy of paid people (Balani S. (2016). Individuals in India exhibited low financial literacy, with notable variations observed in relation to sociodemographic and economic characteristics (Gangwar R. and Singh R., 2018).

Component of Financial Literacy

The seven key characteristics that significantly influence investor decision-making are attitude, knowledge, budgeting habits, liquidity, self-analytical skills, emotional tendencies, and goal planning. (Bhargava N., 2017). In all the components, there were no notable distinctions between the caste groups(Donda R., 2022). The general people must understand the significance of financial behavior, attitude, and knowledge in managing funds given that these components are essential to building a long-term profitable investment (Wangi L. and Baskara I., 2021).

Investment decisions are positively impacted by financial knowledge(LK), financial behavior(FB), financial awareness(FA), and financial attitudes (FA) (Kristanto R, Gusaptono R., 2020). Agreeableness, conscientiousness, and extraversion did not significantly impact Financial Literacy (Hamz N, Arif I, 2019). Four aspects affect financial literacy: technical knowledge, market information, accounting information, and broad overview (Kiran and Sharma, 2017).

Financial Literacy and Investment Decision

Investment decisions and financial knowledge are highly positively correlated. The findings imply that financial skills, financial knowledge, and financial attitudes have a big impact on investing decisions (Khalid Ullah, 2020), (Ikhsan S, Disman, Nugraha, Sari M, Baihaqqy M, 2020), (Putri L, Christiana I, Widya, Justianti M, Kalsum U, 2021), (Anastasia N., Basana S., Hendrerto K., and 2022), (Alzain, E., Alshebami, A., and Seraj, A., 2022), (M. GARANG) (2016), (Gupta K. and Singh I., 2021). Generation Z's stock market investing decisions have been influenced by several factors, including financial literacy, overconfidence, familiarity, availability,i illusion of control, and bandwagon effect (Prasetyo A. and Rahadi R., 2022).

It was discovered that fund managers' decisions about investments were significantly influenced by their degree of knowledge about finances (Amisi S., 2012). Financial behavior and FK have an major in Financial Literacy and investment decisions, while financial literacy has no discernible impact

(Arianti B, 2018). Undergraduates' investing decisions were positively and significantly affected by financial literacy (D. Kumari, 2020). FL and the process of making Investment choices are associated with positive correlations (Alaaraj H. and Bakri A., 2019).

Individual investors' investment decisions in the Jaffna district are greatly impacted favorably by financial literacy (Balagobei S and Prashanthan V, 2021). Financial decision-making and financial literacy are related, with Pakistan's stock exchange investing behavior acting as a mediating factor (Asghar H., Khan A., Pirzada J., Ghaffar I., Majeed K. (2022). Investment choices are heavily influenced by one's financial understanding and conduct (Mirosea N., Hajar I., 2023).

Financial attitude has little bearing on investment decisions, while FK and abilities have a considerable impact on them (Walakumbura S., 2021). FL has a favorable impact on people's investment decisions and greatly improves entrepreneurs' capacity to understand complex financial concepts like risks and diversifications (Garang M., 2016).

Individual saving was significantly and favorably impacted by financial literacy level (Mahdzan N. and Tabiani S. (2013). Gwalior City investors are quite cautious with their money, and they haven't taken any investment-related courses (Bhopte A., 2019). Three of the eight savings motives—improvement, foresight, and precautionary motives—are found to be highly predictive of all six investment decision-making elements (P. Shanmugha,2017).

To meet their financial needs, working women are eager to make investments in post office savings and bank deposits, among other financial instruments (Chellamma A., 2021). Both the husband and it is the wife's responsibility to decide what to invest in. Man's impact is greater when it comes to products like real estate, corporate deposits, debentures or bonds, pension plans, equity shares, and derivatives (Sharma M and Kota H, 2019).

The demands and goals of investments differ for working and non-working women, and the percentage of women who make their own financial decisions is comparatively low (Maurya R., 2022). Gen Z in Jakarta made important investment decisions based on their financial literacy (Utami N, Sitanggang M, 2021). Greater risk tolerance will result from more financial awareness and investment experience (Laborer M, Awais M, Khursheed A, Rasheed N, 2016). Investors take into account a variety of sources and information when making investment decisions, but they often neglect to assess their financial literacy and discern the best places and methods to invest (Popat D., 2019).

Compared to those with high levels of literacy, those with financial illiteracy prefer to invest more in long-term savings plans and to safeguard their future (Banthia D., 2021). Compared to bank deposits and gold, women in the Dharwad district choose mutual funds as a means of investment (Koti K., 2019). The economic situation determines the decision (Kethan M., Jaggaiah T., Basha M., and Khizerulla M., 2022). Several factors influence people's decisions about investments, and the most important ones are the past stock performance of the company, recommendations from friends and coworkers, the condition of financial statements, and the opinion of family and/or relatives (Shah M., 2018). Financial literacy has a positive influence on saving and investing decisions and a negative influence on borrowing propensity and quality (Biswas S., and Gupta A., 2021).

Systemic Review of Literature

The following variables were used to classify published studies to meet the second study aim.

Financial literacy and investment decision literature: Variables evaluated

Variable consideration

The whole body of research on financial literacy and investing decisions that were published between 2010 and 2023 is categorized here according to the study titles. Seven studies examined the financial literacy of farmers, 58 studies focused on financial literacy and investment decisions, and 17 studies exclusively addressed financial literacy.

The year of publication was used to further categorize these articles. Studies on financial literacy and investing decisions that were published between 2010 and 2023 were chosen for examination.

Geographic context

Initially, articles released between 2010 and 2023 concerning financial literacy and investing choices were categorized

Table 1: Variables

Variable	*Basis of identification*
Article classification	Title Publication year, no. of papers, no. of Author(s), Author(s) and Journal
Geographic context	Country, Region, and No. of Article/Papers
Data base	Name of Journals, No. of Article, Name of Author(s)
Article category	Type of article, No. of Papers
Methodology adopted	Type of Research Design, No. of Article
Data collection tools	Data Collection Methods, No. of Articles

Table 2: Article classification

S. No.	*Variables*	*No. of papers*
1	Papers on Financial Literacy (1)	17
2	Papers on Financial Literacy and Investment decision (2)	58
3	Financial Literacy and Farmers (3)	7

Table 3: Year of publication

S. No.	*Year of publication*	*No. of articles/ papers*	*No. of author*	*Name of author*	*Journals*
1	2010	1	1	Dash M	Int.J.Buss.Mgt.Eco.Res
2	2012	1	1	Amisi S	-
3	2013	3	4	Jariwala H, Mahdzan N. and Tabiani S, R Ravikuam	Sodhganga(2), Transformations in Business and Economics(1)
4	2014	5	8	Mbarire T and Ali A, Bhushan P. and Medury Y., Musundi K., Muthulakshmi M, Aggarwal N., Gupta M, and Singh S	Research Journal of Finance and Accounting, IJEBEA, Sodhganga, Pacific Business Review International
5	2015	1	1	Arif K	Journal of Poverty, Investment and Development
6	2016	6	15	Chowdhary T., Balani S, Janor Z., Yakob R., Hashim N., and Wel C., GARANG M. Nalini R, Amudha R, Motha L, Alamelu R, , Rasheed N, Khursheed A, Awais M, Laber M	Sodhganga(3), MJSS, Indian Journal of Science and Technology, International Journal of Economics and Financial
7	2017	8	11	Kamboj S., Bhargava N., Morgan P., Trinh L, Kiran R.,Sharma R Isomidinova G.,Singh J. , Gupta S, Shanmugha P., Baruah M	Sodhganga(4) IJRISS, Asian Development Bank Institute Record of the International Conference on 'Research and Business Sustainability, Electronic Journal of Business & Management
8	2018	4	6	Gangwar R., Singh R., Arianti B, Gupta K, Gupta S, Shah M.	Munich Personal RePEc Archive, Economics and Accounting Journal, IJRM, JETIR
9	2019	15	24	Jayamary P, Popat D, Manchanda P., Sighn C., Rani P, Koti K., Alaaraj H., Bakri A, Oteng E., Fitria Y, Rahadi R, Afgani K, Nur Arief R., Murtaqi P, Faturohman F., Hamz N, Arif I Rai K, Yadav S, Sharma M, Kota H, Bhopte A, Kumar V., Watti, U	Sodhganga(8), Humanities & Social Sciences Reviews, International Business and Accounting Research Journal, Research Journal of Finance and Accounting, European Journal of Business and Management, Research Market Forces College of Management Sciences, SAGE, AABFJ
10	2020	9	15	Yadav N, Kumari D, Ullah K, Baihaqqy M, Disman, Nugraha, Sari M ,Ikhsan S, Senda D., Rahayu C., Rahmawati C., Kristanto R, Gusaptono R. , Jain N, Saranya Soman	Sodhganga(2) Asian Journal of Contemporary Education, Ilkogretim Online - Elementary Education Online, BIRCI-Journal, Media Ekonomi dan Manajemen, The Asian Institute of Research Journal of Economics and Business, IJM

11	2021	17			Sodhganga Sodhganga(6), International Journal of Accounting & Business Finance, Ilkogretim Online - Elementary Education Online, European Journal of Business and Management Research, Petra International Journal of Business Studies, Journal of General Management Research, International Journal of Economics and Financial Issues, AJHSSR, Journal of International Conference Proceedings, Inovbiz: Jurnal Inovasi Bisnis,
12	2022	9	24	Prasetyo A., Rahadi R, Ussain A., Kijkasiwat P., Rehman H.,Ullah M Basha M., Kethan M., Jaggaiah T., Khizerulla M. Majeed K., Khan A. , Ghaffar I. Asghar H. , Pirzada J. Seraj A.,Alzain E., Alshebami A, Maurya R., Donda R, Annu, ABOBAKER A., Patel M., Das, S, Maji, S. K	Himalaya Journal south asian journal of finance, EAJMR, PalArch's Journal of Archaeology of Egypt/ Egyptology, Frontiers in Psychology, IJSR, Business Spectrum
13	2023	2	4	Mirosea N., Hajar I. Shukla P, Kumari V	International Conference on Science and Its Applications Sustainable Innovation in Natural Science, Economic and Business Science, and Social Science», MANAGE-survey report
14	Not Specify	1	-	Manasa B. And Ishwara P	-

Table 4: Geographical context: state wise

S. No.	*Name of state*	*No. of paper*	*S. No.*	*Name of state*	*No. of paper*
1	AP	1	11	MP	4
2	Chhattisgarh	1	12	Maharashtra, Gujarat, And Uttar Pradesh	1
3	Delhi	5	13	Mumbai	1
4	Gujarat	5	14	Odisha	1
5	Haryana	2	15	Rajasthan	1
6	Himachal Pradesh	2	16	Tamilnadu	6
7	Jammu Indore	1	17	Up	4
8	Karnataka	4	18	West Bengal	2
9	Kerala	1	19	All Over India	5
10	Punjab	4			

geographically. In this instance, research papers were classified based on the nation in which they were conducted. The following table shows that the majority of the selected studies, all of them, are from India.

The states were used to better categorize Indian texts. The following table shows how 51 Indian studies were categorized based on the states in which they were conducted.

Data Base

It was noted that the published research was sourced from the following web databases. In this case, the internet source

Table 5: Data Base

S. No.	*Database*	*No. of paper*	*Author*
1	AABFJ	1	Sharma M and Kota H(2019)
2	(AJHSSR	1	Wangi L. and Baskara I.(2021)
3	Asian Development Bank Institute	1	Morgan P. and Trinh L (2017)
4	Asian Journal of Contemporary Education	1	Kumari D(2020)
5	Budapest International Research and Critics Institute-Journal (BIRCI-Journal	1	Baihaqqy M, Disman, Nugraha, Sari M, Ikhsan S (2020)
6	Business Spectrum	1	Das, S. & Maji, S. K(2022)
7	East Asian Journal of Multidisciplinary Research (EAJMR)	1	Basha M., Kethan M., Jaggaiah T., and Khizerulla M.(2022)
8	Economics and Accounting Journal	1	Arianti B (2018)
9	EJBM	1	Isomidinova G. and Singh J. (2017)
10	EJBMR	2	Walakumbura S (2019) Fitria Y, Rahadi R, Afgani K, Nur Arief R.Murtaqi P, Faturohman F.(2021)
11	Frontiers in Psychology	1	Seraj A.,Alzain E., and Alshebami A(2022)
12	Himalaya Journal	1	Prasetyo A. and Rahadi R(2022)
13	Humanities & Social Sciences Reviews	1	Koti K. (2019)
14	Ilkogretim Online - Elementary Education Online	2	Ullah K (2020) Yadav C, Rana A. and Gupta A (2021)
15	Int.J.Buss.Mgt.Eco.Res	1	Dash M(2010)
16	Indian Journal of Science and Technology	1	Nalini R, Alamelu R, Amudha R, and Motha L (2016)
17	Inovbiz: Jurnal Inovasi Bisnis 9	1	Utami N, Sitanggang M (2021)
18	International Conference on Science and Its Applications "Innovation in Natural Science, Economic and Business Science, and Social Science"	1	Mirosea N., Hajar I.(2023)
19	IBARJ	1	Alaaraj H. and Bakri A(2019)
20	IJABF	1	Balagobei S and Prashanthan V (2021)
21	IJEF	1	Awais M, Laber M, Rasheed N, Khursheed A (2016)
22	International Journal of Economics and Financial Issues	1	Biswas S., and Gupta A(2021)
23	IJEBEA	1	Bhushan P. and Medury Y. (2014)
24	IJM	1	Soman S(2020)
25	IDRISS	1	Bhargava N. (2015)
26	International Journal of Research in Management	1	Gupta K and Gupta S (2018)
27	IJSR	1	Maurya R. (2022)
28	JETIR	1	Shah M. (2018)
29	Journal Of General Management Research	1	Singh I. and Gupta K. (2021)
30	Journal of International Conference Proceedings	1	Putri L ,Christiana I , Kalsum U , Widya , Justianti M (2021)
31	Journal of Poverty, Investment and Development	1	Arif K(2015)
32	Malaysian Journal of Society and Space	1	Janor Z., Yakob R., Hashim N., and Wel C. (2016)
33	Market Forces College of Management Sciences	1	Hamz N, Arif I (2019)
34	Media Ekonomi dan Manajemen	1	Senda D.,Rahayu C. and Rahmawati C. (2020)
35	Munich Personal RePEc Archive	1	Gangwar R. and Singh R.(2018)
36	NA (students report)	2	Amisi S(2012) Musundi K. (2014)
37	National Institute of Agricultural ExtensionManagement (MANAGE)-survey report	1	Shukla P and Kumari V(2023)
38	not specify	1	Manasa B. And Ishwara P

39	Pacific Business Review International	1	Aggarwal N., Gupta M, and Singh S(2014)
40	PalArch's Journal of Archaeology of Egypt/Egyptology	1	Majeed K., Khan A. , Ghaffar I. Asghar H. , Pirzada J.(2022)
41	Petra International Journal Of Business Studies	1	Hendarto K., Anastasia N. and Basana S(2021)
42	Proceedings of International Conference on 'Research and Business Sustainability	1	Kiran R., Sharma R (2017)
43	Research Journal of Finance and Accounting	2	Mbarire T and Ali A (2014) Oteng E. (2019)
44	SAGE	1	Rai K, Yadav S (2019)
45	Sodhganga	31	Kamboj S.(2017), Jayamary (2019), Popat D(2019), Chowdhary T. (2016), Manchanda P. (2019), Yadav N (2020), Balani S(2016), Ravneet Kaur (2021), Sighn C. (2019), Lohia S. (2021), Roy S. (2021), Banthia D(2021), Rani P (2019) Jariwala H (2013), Garang M. (2016), Mahalakshmi M (2014), Jain N (2020) Gupta S (2017), Donda R (2022), Chellamma A (2021), Shanmugha P. (2017), Annu(2022), Bhopte A (2019), Abobaker A. (2022), Baruah M (2017), Dharmendra H. (2021), Yatoo M. (2021) Kumar V. (2019), Patel M. (2022) R Ravikuam (2013) Watti, U (2019)
46	South Asian Journal of Finance	1	Ussain A., Kijkasiwat P., Rehman H. and Ullah M (2022)
47	The Asian Institute of Research Journal of Economics and Business	1	Kristanto R, Gusaptono R. (2020)
48	Transformations in Business and Economics	1	Mahdzan N. and Tabiani S (2013)

Table 6: Article Category

S. No.	*Category*	*No. of paper*
1	Research Paper	46
2	Review Paper	3
3	Students Report	3
4	Thesis	30

Table 7: Methodology Adopted

S. No.	*Research design*	*No. of paper*
1	Causal Research Design	1
2	Cross-Sectional	1
3	Cross-Sectional and Quantitative	1
4	Descriptive	17
5	Descriptive and Analytical	2
6	Descriptive and Causal	1
7	Exploratory cum descriptive research design	1
8	Empirical	4
9	Exploratory	11
10	Exploratory and Descriptive	7
11	Exploratory and Analytical	1
12	Quantitative	4
13	Quantitative and Descriptive	1
14	Survey Methods	1
14	Non intervention	1
15	Not Specify	28

Table 8: Data Collection Tools

S. No.	*Data collection tool*	*No. of paper*
1	Interview	3
2	Previous Literature	5
3	Questionnaires	74

was used to categorize all published studies. The journal and online sources where the specific studies were published are included in the following table.

Article category

Here, the entire set of studies was categorized according to the kinds of papers. The table below demonstrates that 46 research publications, 30 theses, three review papers, and three student reports were included in the overall number of studies.

Methodology Adopted

About 82 studies were categorized further according to the research design that was used. Out of all the studies, it was found that 17 were descriptive, 11 were exploratory, seven were both exploratory and descriptive, and four were quantitative, with the remaining studies being casual research, cross-sectional, exploratory, and so on. The classification according to categories of study design is displayed in the following table.

Table 9: Trend Analysis

Year	*Major conclusion*
2010	Their age and gender primarily determine investors' ability to accept risk.
2013	The majority of investors possess less understanding of several basic and complex financial concepts.
2014	People in our nation still have a poor level of financial literacy, with rural women having a particularly low financial literacy level. 37% of farmers possessed sound financial literacy, indicating that most farmers were financially literate.
2016	spent their resources across a range of investment options; most respondents had a lesser degree of financial understanding. Compared to male respondents, more female respondents had high levels of financial literacy.
2017	Major variables include attitude, knowledge, budgeting practices, liquidity, self-analytical skills, emotional predisposition, and goal orientation.
2018	Low financial literacy levels were observed. Financial knowledge has a big influence on investment decisions. People also don't know a lot of notions about topics related to basic and advanced financial literacy.
2019	The man has better Financial Litercay than the female has. The respondents' overall level of financial literacy is moderate. How age, income, organization, education, and occupation affect the variables influencing working women's financial literacy.
2020	Demographic factors influence the financial literacy. The financial literacy levels of the respondents were significantly impacted by their family life stage, age, occupation, academic qualification, etc.
2021	People Preferred to Invest Less in Long-Term Investments Due to Low financial literacy. Investor decision-making and attitude, as well as financial literacy.
2022	The degree of financial literacy among farmers is more closely associated with their years of schooling, farming experience, and age.
2023	According to this study, women's and girls' access to and capacity to take advantage of the opportunities presented by the digital transformation is hampered by low access and affordability, a lack of knowledge, ingrained biases, and socio-cultural norms.

Table 10: Future agenda

Author	*Scope*
Kamboj S.(2017)	Further research might be done to examine the connection between financial behavior, financial attitude, and financial knowledge. Further investigation is required to fully understand the implications of inadequate FL.
Jayamary P (2019)	The study might broaden its purview to include the entire country. As a separate study, the research may concentrate on the causes of financial knowledge in both industrialized and poor countries. Future studies may examine the connection between financial literacy and wellness in India's rural and urban locations.
Popat D (2019)	The study can potentially be expanded by focusing on the residents of Gujarat's Commerce Stream and other streams, gathering data, and drawing conclusions by contrasting the various streams' approaches to stock market trading.
Patel M. (2022)	The research could be broadened by including more Gujarati rural communities. It is also possible to perform a comparative study using the replies gathered from other Indian states or districts.
ABOBAKER A. (2022)	Studies on the contribution of financial literacy to the development of a stable financial system are also possible.

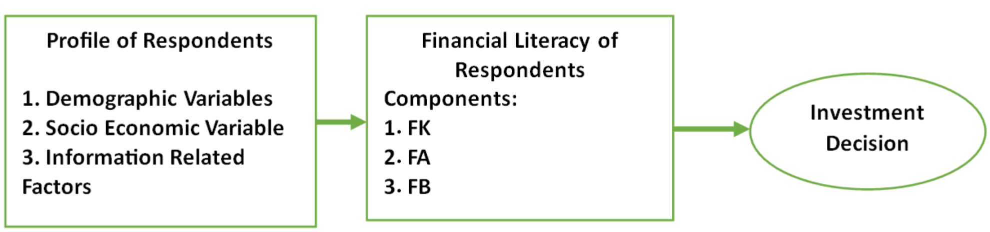

Figure 1: Theoretical Model

Data collection tools

The research was categorized here according to the technique used to acquire the data. It was noted that three research and 74 questionnaires were used to gather the primary data. For the study, five studies' worth of prior research were used.

Trend analysis

It was noted that the research findings published between 2010 and 2023 were categorized according to the year of publication and the main conclusions that were drawn from the analysis. The trend in financial literacy and investing decisions is displayed in the table below.

Theoretical model

Based on the review of the published literature we can develop the following theoretical model showing the financial literacy variable and the connection between financial literacy and investing choice.

Future Research Agenda

Conclusion

Financial decision-making is the act of choosing an appropriate investment avenue, whereas financial literacy is all about understanding financial avenues and terms associated with the financial market. At the national and international levels, numerous research was carried out in the various domains of financial literacy for the various segments. Upon reviewing previously published papers, it was discovered that there is a great deal of untapped potential and research to be done in the area of financial literacy and investment decision-making. Financial conduct, financial attitude, and financial knowledge are important components of financial literacy.

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Conflict of Interest

I, Kailash Naghera, declare that there are no financial, personal, or professional conflicts of interest related to the research presented in the paper titled "A Study on Determinants of Financial Literacy and Its Impact on Investment Decisions: Review." The study was conducted independently, without any external funding or financial support.

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