

Factors Influencing Investment Awareness among Undergraduates in Sri Lanka: Reference to Undergraduates of Rajarata University of Sri Lanka

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Abstract

The world economy has become more complex and thus, every individual need to be more aware, active, and smart in investment decisions in order to manage the rising living cost. Therefore, investment awareness can be identified as a key factor to enhance the financial development and economic growth of the country. In facing these challenges, it is important to access the younger generation, especially undergraduates who are seen as future investors. Accordingly, this study aims to examine the factors influencing investment awareness among undergraduates in Sri Lanka with special reference to undergraduates of the Rajarata University of Sri Lanka. Data were collected through a self-structured questionnaire which consisted of 150 undergraduates of the Rajarata University of Sri Lanka and the convenience sampling method was executed in selecting the sample. The dependent variable was investment awareness and the independent variables were financial literacy, personal interest, and environment. In data analysis, reliability tests were performed at first, and descriptive, correlation, and regression analyses were performed subsequently. The findings revealed that there was a significant impact of financial literacy and personal interest on investment awareness. However, it further found that the impact of the environment on investment awareness was insignificant. Based on the findings it could be concluded that enhancing the financial literacy of undergraduates through introducing new investment awareness programs and maintaining a regularly updated trading information system in Colombo Stock Exchange is essential. These findings will be benefited to especially undergraduates, potential investors, future researchers, government, and other institutional bodies and extend investment awareness research using more factors and focusing on other clusters of society.

Keywords: Financial literacy, investment awareness, personal interest