A Study of Financial Literacy of Student Teachers of Sardar Patel University

A Dissertation submitted to the Sardar Patel University,

Vallabh Vidyanagar in Partial Fulfillment of the

Requirement for the Degree of

MASTER IN EDUCATION

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Certificate

This is to certify that the work incorporated in the dissertation bearing the title '*A Study of Financial Literacy of Student teachers of Sardar Patel University*' submitted by Jasbir kaur Shangewal comprises the result of independent and original investigations carried out by her. The materials that have been obtained (and used) from other sources have been acknowledged in the dissertation.

Vallabh Vidyanagar

4th April , 2015 Signature of the Researcher

Certified that the work mentioned above is carried out under my guidance.

Vallabh Vidyanagar

6th April , 2015 Signature of the Guide

Certificate of Approval

This dissertation directed and supervised by the candidate's guide has been accepted by the Waymade College of Education, Sardar Patel University, Vallabh Vidyanagar in partial fulfillment of the requirement for the degree of

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Guide : Dr. Sheetal Helaiya

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Jasbir Kaur

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LIST OF GRAPHS

APPENDICES I

QUESTIONNAIRE

RESEARCH TOPIC: A Study of Financial Literacy among the Student Teachers of Sardar Patel University

Dear Student Teachers,

I am an M. Ed student. I am pursuing M. Ed course at Waymade College of Education. As a part of the course work I have to undertake a research work entitled as "A Study of Financial Literacy among the Student Teachers of Sardar Patel University".

To complete my research work, your co-operation is required for data collection. Kindly answer all questions honestly. The data provided by you will be used only for the research purpose. The data collected will be kept confidential.

PERSONAL INFORMATION

Name of the Student Teacher : - ______________________________

Name of the Institution : - ______________________________

Educational Qualification : - ______________________________

Gender : - ______________________________

Age : - ______________________________

Marital Status : - ______________________________

1) What is a Credit Report?
   - o List of your financial assets and Liabilities
   - o A monthly credit card assessment
   - o A loan and bill payment history
   - o A credit line with a financial Institutions

2) Net worth is :
   - o The difference between expenditures and Income
   - o The difference between Liabilities and Assets
   - o The difference between Cash Inflow and Outflow
   - o The difference between borrowings and savings
   - o None of these above

3) Which account usually pays the MOST Interest?
   - o Certificate of Deposit
   - o Savings Account
   - o Checking Account
   - o Money Market account

4) When a check bounces, who, if anyone, is usually charged a fee?
   - o The check writer only
   - o The person to whom the check is written only
   - o Neither the check writer nor the person to whom the check is written
   - o Both the check writer and the person to who the check is written

5) The most important factors that lender use when deciding whether to approve a loan are :
   - o Marital status and number of children
   - o Education and Occupation
   - o Age and Gender
   - o Bill paying record and Income

6) If a consumer fails to pay personal debts, a creditor is allowed to do all the following EXCEPT:
   - o Discuss the consumer's debt with his or her employer
   - o Bring suit against the Consumer
   - o Tell a credit bureau that the account is delinquent
   - o Turn the account over to a profession al debt collector

7) All of the following are TRUE of Bankruptcies except:
   - o It is more difficult to get a low interest rate loan
   - o It will stay on your credit for ten years
   - o Any loan you receive will have a higher Interest rate due to the bankruptcy
   - o For all types of bankruptcies you are released from all your debt

8) In financial transactions, a CD is a:
    - Certificate of debt
    - Certificate of deposit
    - Citizens deposit
    - Certificate of collateral

9) What does a Credit bureau do?
    - Approves applications for credit
    - Informs applicants of the reasons for denial of credit
    - Extends credit to qualified applicants
    - Provides creditors with reports of consumers' bill-paying records
    -

10) The owner of a credit card that is lost or stolen is legally responsible for :
    - Any unauthorised charges
    - Any unauthorised charges until the loss or theft is reported
    - Only the first 3095 of any unauthorised charges
    - Only the first 30950of any unauthorised charges
    - No unauthorised charges

11) If a credit card account has a balance carried over from the previous month, when will interest charges usually begin on a new credit Purchase?
    - On the day of purchase
    - One month after the date of purchase
    - After a 2- week grace period
    - After a 2-month grace period

12) Which of the following combination of investments is most risky?
    - A mutual fund containing 80% stocks and 20% bonds
    - A mutual fund containing 80% bonds and 20% stocks
    - An Index Fund
    - Stock in a Single Company

13) In terms of credit, what does APR stand for?
    - Annual percentage rate
    - Annual penalty rate
    - Annual payment rate
    - Annual payoff rate

14) The main reason to purchase insurance is to
    - Protect you from a loss recently incurred
    - Provide you with excellent investment returns
    - Protect you from sustaining a catastrophic loss
    - Protect from your small incidental losses
    - Improve your standard of living by filing fraudulent claims

15) Which of the following cannot legally access your credit reports?
    - Creditors

- Employers
- Apartments rental agencies
- Insurance companies
- All of the above can access your credit report

16) Which group would have the biggest problem during periods of high inflation that lasts several years?
    - Young working couples with no children
    - Young working couples with children
    - Older, Working couples saving for retirement
    - Older people living on fixed retirement Income

17) Which of the following types of Investments would be the best protect the purchasing power of a Family's savings in the event of a sudden increase in Inflation?
    - A 25 year Corporate Bond
    - A house Financed with a fixed rate mortgage
    - A 10 year bond issued by a Corporation
    - A certificate of deposit at a bank

18) Which of the following can increase your Credit Rating/ Score?
    - Making late payments on loans and debts
    - Staying in one job too long
    - Living in the same location too long
    - Using your credit card frequently for purchases

19) What affects the amount of interest that you would pay on a loan?
    - Paying of the mortgage over a long period of time
    - Agreeing to pay the current rate of Interest on the mortgage for as many years a possible
    - Making a smaller down payment at the time of Purchase

20) Which of the following statement is not correct about most ATM cards?
    - you must have a bank account to have an ATM card
    - you can generally get cash 24 hours a day
    - you can generally obtain information concerning your bank balance at an ATM machine
    - you can get cash anywhere in the world with no fee

21) Which of the following instrument is not typically associated with spending?
    - ATM card
    - Cash
    - Certificate of deposit
    - Credit card

22) Who would require the highest amount of life insurance if each of the following persons had the same amount of take home pay?

- A young single woman with two young children
- A young single woman with no children
- An elderly retired man, with a wife who is also retired
- A young married man without children

23) How sure do you feel about your ability to manage your own Finances?
    - Not sure at all- I wish I knew a lot more about money management
    - Not too sure- I wish I knew more about money management
    - Somewhat sure- I understand most of what I'LL need to know
    - Very sure- I understand money management very well

24) How interested are you in increasing your Financial Knowledge? Why?
    - Very Uninterested
    - Somewhat Interested
    - Not Sure
    - Somewhat Interested
    - Very Interested

Why?

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25) Would you take Personal Finance course as An Elective if Offered?
    - Yes
    - No

Why or Why Not?

----

26) Which topics would be of Interest to you?
    - Budgeting
    - Investing
    - Taxes
    - Life Insurance
    - Loans/Debts
    - Credit cards
    - Savings
    - Others

27) Using the scale given below, please rate the importance of items to you :

(1. Not Important, 2. Somewhat unimportant, 3. Not sure, 4.Somewhat Important, 5. Very Important.)

Please give a tick mark against the option that applies your situation:

a. Maintaining adequate financial records
   - 1
   - 2
   - 4
   - 4
   - 5

b. Spending less than your income
   - 1
   - 2
   - 3
   - 4
   - 5

c. Maintaining adequate Insurance Coverage
   - 1
   - 2
   - 3
   - 4
   - 5

d. Planning and Implementing a regular savings/ Investments
   - 1
   - 2
   - 3
   - 4
   - 5

28) Rate the following items on a scale of 1-5 (1= not at all true of me and 5= very true of me)

Please give a tick mark against the situations that applies you:

a. I feel in control of my financial situations
   - 1
   - 2
   - 3
   - 4
   - 5

b. My finances are a significant source of worry or ‘’hassle” for me
   - 1
   - 2
   - 3
   - 4
   - 5

c. I feel credit cards are safe and risk free
   - 1
   - 2
   - 3
   - 4
   - 5

d. I am uncertain about where my money is spent
   - 1
   - 2
   - 3
   - 4
   - 5

e. I am afraid of credit and credit cards
   - 1
   - 2
   - 3
   - 4
   - 5

f. I feel putting away money each month for savings is important
   - 1
   - 2
   - 3
   - 4
   - 5

g. I feel it is important to understand apartment leases and Loan Agreements before I sign
   - 1
   - 2
   - 3
   - 4
   - 5

h. I enjoy talking to my peers about money management (i.e. Taxes ,credit cards, investing)
   - 1
   - 2
   - 3
   - 4
   - 5

29) Some people tend to be very thrifty, saving money whether they have the chance while others are spending-oriented, buying whenever they can and even borrowing to consume more. How would you classify yourself?
   - Very thrifty, Saving money whenever I can
   - Somewhat thrifty, often saving money
   - Neither thrifty, nor spending money
   - Somewhat spending-oriented, seldom saving money
   - Very spending-oriented, hardly saving money

30) What kind of financial accounts do you have?
   - Savings
   - Checking
   - Money market
   - Certificate of Deposit
   - Stocks
   - Bonds
   - Mutual Funds
   - IRA
   - Others

31) By using unit pricing at the grocery store, you can easily compare The cost of any brand and any package size
   a. True
   b. False

32) If you have a savings account at a bank, which of the following would be correct concerning the interest that you would earn on this account?
   - Sales tax may be charged on the interest that you can earn
   - You cannot earn interest until you pass your 18th Birthday
   - Earnings from savings account interest may not be taxed
   - Income tax may be charged on the Interest if your income is high enough

33) How many credit cards do you have?
   ----

34) How do you usually pay your monthly credit card bills?
   - I pay the minimum
   - I pay between the minimum and full amount
   - I pay credit bills in full
   - My parents pay my credit card bill

35) In what manner do you maintain financial records?
- o Maintain No records
- o Maintain Minimal records
- o Maintain very detailed records

36) Rate the following on a scale 1-5 (1= never, 2= once per year, 3= every few months, 4= twice per month, 5=weekly). How often were you influenced by or did you discuss finances with the following;

Parents:

- o 1
- o 2
- o 3
- o 4
- o 5

Friends

- o 1
- o 2
- o 3
- o 4
- o 5

Schools:

- o 1
- o 2
- o 3
- o 4
- o 5

Books:

- o 1
- o 2
- o 3
- o 4
- o 5

Media:

- o 1
- o 2
- o 3
- o 4

Job:

- 1
- 2
- 3
- 4
- 5

Life Experiences:

- 1
- 2
- 3
- 4
- 5

Internet:

- 1
- 2
- 3
- 4
- 5

Informal Class:

- 1
- 2
- 3
- 4
- 5

Financial Counsellor:

- 1
- 2
- 3
- 4
- 5

37) Which of the following is true about sales taxes?
- The federal government will deduct if from your pay check
- It makes things more expensive from you to buy
- You don't have to pay the tax if your income is very low
- The national sales tax percentage rate is 6%

38) If you are behind on your debt payments and go to a responsible credit counselling service such as the Consumer Credit Counselling Services, what help can they give you?
   - They can force those who lent you money to forget all your debts
   - They can work with those who lent you money to set up a new payment schedule that you can meet
   - They can get the Federal government to apply your income taxes to pay off your debts
   - They can cancel and cut up of your credit cards without your permission

39) Angad has saved 50,000 for his college expenses by working part time. His plan is to start college next year and he needs all of the money he saved. Which of the following is the safest place for saving for schools?
   - Corporate Bonds
   - Mutual Funds
   - A Bank Savings Account
   - Locked in a Safe at home
   - Stocks

40) Which of the following best describes the primary sources of income for most people aged 20-35?
   - Profits from business
   - Dividends and interest
   - Rents
   - Salaries, wages and tips