



Digital Financial Literacy on Financial Behaviour Among Management Undergraduates of State Universities in Sri Lanka

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Abstract

Fintech has transformed the financial landscape by integrating technology, resulting in a rapid surge in digital financial services and products. The growing adoption of these services exposes individuals to various risks, such as data theft, confidentiality concerns, unregulated network operators, security threats, and a lack of proficiency in financial and digital skills. Inadequate financial knowledge may lead individuals to overspend and incur debt, contributing to the failure of sound financial behavior. Therefore, this study aims to address this issue by investigating the impact of digital financial literacy on the financial behavior of management undergraduates in state universities in Sri Lanka. The research model was constructed with the independent variable of digital financial literacy and the dependent variable of financial behavior. The study employed a quantitative approach, drawing a sample of 370 undergraduates from a population of approximately 10,033 management undergraduates at the state universities of Sri Lanka. Data was collected using a structured questionnaire, and four hypotheses were formulated for the study. Statistical Package for Social Sciences (SPSS) version 23.0 was utilized for data analysis, with descriptive statistics, correlation analysis, and regression analysis as the analytical tools. The regression results revealed that digital financial awareness, digital financial skills and knowledge, and the digital financial usage of management undergraduates significantly impact financial behavior. However, digital financial attitude was found to have no significant impact on financial behavior. These findings emphasize the necessity for comprehensive digital financial education programs. Furthermore, the study suggests educational policy implications, recommending collaborations between financial institutions and universities to implement practical initiatives that enhance students' real-world application of digital financial knowledge.

Keywords: Digital Financial Literacy, Financial Behaviour, Management Undergraduates

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1. Introduction

In an era marked by swift technological advancements, the convergence of digitalization with financial landscapes holds growing significance, fundamentally altering the approach individuals take to manage and navigate their finances. This paradigm shift underscores the imperative of comprehending the interplay between digital financial literacy and financial behavior, particularly pertinent among management undergraduates in state universities in Sri Lanka. As the financial sector undergoes continuous transformation due to technology, cultivating an environment where individuals possess essential digital financial skills and awareness becomes pivotal for fostering informed decision-making and responsible financial behavior. Digital financial literacy involves the grasp and management of one's finances in an increasingly digital world. The ubiquity of online banking, mobile payments, and digital currencies accentuates the heightened importance of being financially literate in the digital realm. This proficiency stands as a critical skill, facilitating access to financial services and contributing to economic mobility. Notably, the lack of digital financial literacy poses a substantial obstacle to embracing digital technology fully, as emphasized by Azeez and Akhtar (2021). Rahayu et al. (2022) defined digital financial literacy (DFL) as an individual's understanding of all aspects related to financial literacy using digital technology, underscoring the necessity for a foundational understanding of basic financial literacy for developing proper digital financial literacy.

Additionally, financial behavior encompasses human behavior associated with financial management, covering aspects such as money management, savings, and investment behavior. Tharanga and Gamage (2021) reveal that students are more conversant with basic finance but less familiar with elements such as bank credit, taxes, stock markets, financial statements, and insurance. Instead of venturing into activities like purchasing insurance policies, investing in stock markets, buying jewelry, or lending to friends, the focus of most students tends to center on bank savings. Hibbert and Beutler (2001) assert that a lack of financial knowledge often leads to financial difficulties in students' lives, contributing to the failure of financial behavior through overspending and accumulating debt.

The relevance of digital financial literacy remains high, prompting ongoing discussions and research. Despite expressions of concern regarding the nation's inadequate financial literacy levels, as highlighted by Ajward et al. (2015), there persists a need for sustained investigation. It is imperative to explore how DFL affects financial behavior, as prior studies have primarily focused on examining the effects of digital technology products on financial behavior, neglecting the examination of DFL levels (digital behavior), especially in terms of saving, retirement planning, and investing, which are still notably rare (Yadav & Banerji, 2023). Most previous studies are confined to financial literacy without delving into specific financial behaviors (Mullappallykayamkulath & Shinu, 2022). Moreover, previous research studies have concentrated on financial literacy without conducting an in-depth examination of DFL. Additionally, the literature seldom mentions the measure of DFL. Financial technology constitutes a digital financial system in financial services provided through technological media such as smartphones, computers, and the internet, connected to the platform of digital

investment or payment. The absence of DFL may impede individuals' ability to use digital platforms for crucial financial decisions like saving and spending. Previous research findings demonstrate that financial literacy significantly influences financial behavior, including saving and spending behavior (Ameliawati & Setiyani, 2018; Allgood & Walstad, 2012).

To date, only a few recent studies have focused on defining and measuring the specific impacts of Digital Literacy (DL) within the context of Financial Literacy (FL) and financial behavior (Lyons & Kass-Hanna, 2021). This scarcity of research may undoubtedly impact the limited understanding of the impact of digital financial literacy on financial behavior, particularly on its significance. Building on the preceding explanation and the study's aims, this research endeavors to determine the relationship between DFL and financial behavior, specifically in terms of saving, investing, and money management. Consequently, the issue of digital financial literacy remains relevant and warrants further discussion and research. Therefore, this research seeks to fill this empirical gap, extending and contributing to the body of research by utilizing Sri Lankan management undergraduate students in state universities to investigate the impact of digital financial literacy on financial behavior.

2. Literature Review

2.1 Digital Financial Literacy

The rapid evolution of digital products has given rise to a concurrent increase in public literacy within the domain of digital finance, commonly denoted as "Digital Financial Literacy" (DFL) (Rahayu et al., 2022). According to Prasad et al. (2018), the collective understanding, analysis, management, and communication of personal financial matters constitute financial literacy. However, an individual's comprehensive grasp of everything related to financial literacy using digital technology defines their level of DFL. Hence, DFL encompasses both financial literacy and digital literacy, underscoring the significance of proficiency in both realms for effective engagement with digital financial services (DFS). Concurrently, possessing an elevated level of financial literacy empowers individuals to make informed financial decisions and adeptly manage their finances (Yadav & Banerji, 2023). The fundamental components of financial literacy encompass awareness and knowledge of available products and services, coupled with an understanding of how to access and utilize them, utilizing available tools and modes of delivery to enhance their lives (Lyons & Kass-Hanna, 2021). Additionally, the core elements of DFL include basic financial knowledge and fundamental digital skills, highlighting the interconnected nature of financial and digital literacy.

2.2 Financial Behaviour

The exploration of financial behavior delves deeply into the actual decision-making processes of individuals, investigating the psychological impact on both personal financial choices and the broader financial markets (Baker & Nofsinger, 2010). As elucidated by Bauer et al. (2000), financial literacy plays a pivotal and influential role in motivating students to adopt prudent financial practices, encompassing savings, investments, debt management, and

effective budgeting. The manifestation of commendable financial behavior becomes apparent through an individual's approach and attitude towards the adept management of cash inflows and outflows, credit handling, and the decision-making process concerning savings and investments. Essentially, it reflects the nuanced allocation of income for short-term needs (consumption) and long-term goals (investment) (Hilgert et al., 2003). Moreover, the quality of individual financial decisions is subject to the influence of various factors, encompassing information, skills, and other elements such as behavioral and cognitive biases, self-control issues, family dynamics, peer influence, economic conditions, community aspects, and institutional factors, as meticulously outlined by Huston (2010). The multifaceted nature of these influences highlights the intricate interplay of diverse elements shaping financial decisions and underscores the need for a comprehensive understanding of the myriad factors impacting financial behavior at both individual and broader societal levels.

2.3 Theory of Planned Behaviour

The application of the Theory of Planned Behaviour (TPB) in predicting financial behavior involves understanding and foreseeing the factors influencing financial conduct. The integration of perceived control over behavior into a modified version of the Theory of Reasoned Action (TRA) is denoted as the Theory of Planned Behaviour (TPB) (Ajzen & Madden, 1986; Ajzen, 1991). TPB expanded upon TRA by introducing the concept of perceived control over the opportunities, resources, and skills required for behavior. The idea of perceived behavioral control aligns with the concept of an individual's self-efficacy perception regarding the ability to perform a behavior. TPB, chosen as the foundational framework for this study, is selected for its efficacy in predicting financial behavior change (Ajzen & Madden, 1986; Ozmete & Hira, 2011).

TPB highlights attitudes as a crucial determinant of an individual's intention to change financial behavior. Attitudes manifest in an individual's specific behavior, indicating preferences for or against certain outcomes (Ajzen & Madden, 1986; Ajzen, 1991). An individual may respond positively or negatively based on their perception of the beneficial or detrimental nature of a particular thing (Ajzen & Fishbein, 1980). Hence, this study posits that undergraduates, equipped with foundational financial knowledge, are likely to exhibit a positive attitude toward altering their financial behavior (Ozmete & Hira, 2011).

2.4 Digital financial awareness (DFA) on financial behaviour

Adequate skills, foundational knowledge, and a positive mindset are indispensable prerequisites that lay the foundation for the proper execution of financial transactions. Individuals who lack experience or engagement in the workforce often manifest lower levels of awareness, arising from their limited exposure to financial matters and decision-making processes. Rahayu et al. (2022) have underscored that the millennial generation tends to possess a restricted understanding and awareness when it comes to engaging in digital financial activities. The work by Prasad et al. (2018) accentuates a positive correlation existing between awareness levels and the utilization of digital platforms for conducting financial transactions. This implies that an enhanced awareness regarding digital platforms

significantly contributes to their pragmatic use in various day-to-day financial dealings. In the exploration conducted by Rahim et al. (2022), a discernible lack of digital financial awareness is observed, particularly concerning the potential risks associated with digital financial transactions. This observation is made in comparison to other facets encompassed within the realm of digital financial literacy (DFL). Carpena et al. (2011) assert that elevated levels of individual awareness and initiative can wield a notable influence on financial decision-making processes. Setiawan et al. (2020) further draw attention to the fact that millennials exhibit a heightened level of awareness specifically pertaining to the risks associated with digital financial transactions. It is noteworthy that adults holding master's degrees demonstrate a more practically applied digital security awareness and showcase rational financial behavior in their day-to-day dealings.

H₁ - There is a significant impact of digital financial awareness on financial behaviour among management undergraduates in state universities of Sri Lanka.

2.5 Digital financial skills and knowledge (DFSK) on financial behaviour

There exists a noteworthy discrepancy in financial knowledge and the practical application of knowledge and skills among adults, and this variance is significantly influenced by their age (Ravikumar et al., 2022). Moreover, the utilization of knowledge and skills, the manifestation of rational financial behavior, and the application of financial knowledge in real-world scenarios exhibit substantial differences based on the level of education attained (Ravikumar et al., 2022). This scholarly insight emphasizes the impact of age and education on the nuanced aspects of financial knowledge and its practical implications. The significance of augmenting knowledge, fostering awareness, and honing skills cannot be overstated when it comes to making informed decisions about selecting products and services that align with one's specific needs and preferences (Lyons & Kass-Hanna, 2021). Furthermore, the knowledge an individual acquires and sustains regarding financial matters plays a pivotal role in facilitating ease when making day-to-day financial decisions, as highlighted by Edirisinghe et al. (2017). This underscores the enduring importance of continuous financial education and awareness. Prasad et al. (2018) provide a comprehensive definition of digital financial literacy, characterizing it as a compilation of skills and knowledge that empowers individuals to make informed and effective decisions by comprehending various financial concepts. This definition underscores the multifaceted nature of digital financial literacy and its role in equipping individuals with the tools necessary for navigating the complexities of the modern financial landscape.

H₂ - There is a significant impact of digital financial skills & knowledge on financial behaviour among management undergraduates in state universities of Sri Lanka.

2.6 Digital financial attitude (DFAT) and financial behaviour

Digital Financial Literacy (DFL) is conceptualized in terms of "knowing about" positive financial attitudes and practices, encompassing activities such as regular saving, responsible borrowing, and preparedness for emergencies (Lyons & Kass-Hanna, 2021). The assessment of financial attitudes is intricately linked to the digital knowledge indicator and seamlessly integrated with attitudes towards Digital Financial Services (DFS). Within the millennial demographic, financial management poses challenges, particularly in navigating the complexities of digital financial products and services. Without the requisite financial or digital knowledge forming the bedrock of their financial attitude and behavior, millennials may encounter a multitude of financial risks in the future. In alignment with the Theory of Planned Behavior, maintaining a positive attitude toward finance is deemed crucial in determining the success of financial behavior (Normawati et al., 2021). Individuals harboring a positive financial attitude tend to assume responsibility for their financial situation and are inclined to engage in activities such as saving, investing, and planning for the future. This assertion underscores the pivotal role of attitude in shaping financial behavior, emphasizing the significance of fostering positive financial attitudes for long-term financial well-being.

H₃ - There is a significant impact of digital financial attitude on financial behaviour among management undergraduates in state universities of Sri Lanka.

2.7 Digital financial usage (DFU) and financial behaviour

Fintech platforms equip users with the capability to execute financial transactions seamlessly, utilizing e-wallets, online banking, mobile banking, and various channels. This eliminates the necessity for individuals to physically visit a bank for their financial needs, as elucidated by Setiwan et al. (2020). The digitally engaged millennial generation in India often relies on social media influences as a significant factor when making financial decisions, as observed by Shinu and Azeem (2022). Moreover, Rajdev et al. (2020) emphasize a noteworthy association between digital financial literacy and the practical utilization of digital financial services. Despite possessing a considerable level of digital financial literacy, students tend to underutilize these services, indicating a gap between knowledge and application. It is pertinent to note that, despite the simplicity introduced by digital payments, there exists significant potential for transformation in consumers' transactions, and this has the capacity to revolutionize the consumption patterns of products or services, as highlighted by Setiawan et al. (2020). The influence of digital payments in reshaping consumer transactions underscores the evolving landscape of financial interactions, suggesting a paradigm shift in the way individuals engage with and consume various products and services.

H₄ - There is a significant impact of digital financial usage on financial behaviour among management undergraduates in state universities of Sri Lanka.

3. Methodology

3.1 Conceptual Framework

Employing a conceptual framework serves as the most straightforward method to articulate the natural progression of phenomena within the researcher's investigation context. It encapsulates ideas, hypotheses, and, significantly, the research that contributes to shaping the researcher's knowledge structure (Sekaran & Bougie, 2016). At the heart of this study lies the examination of the influence of digital financial literacy on financial behavior, which involves identifying four independent variables and one dependent variable. In this context, digital financial literacy is designated as the independent variable, while financial behavior is recognized as the dependent variable.

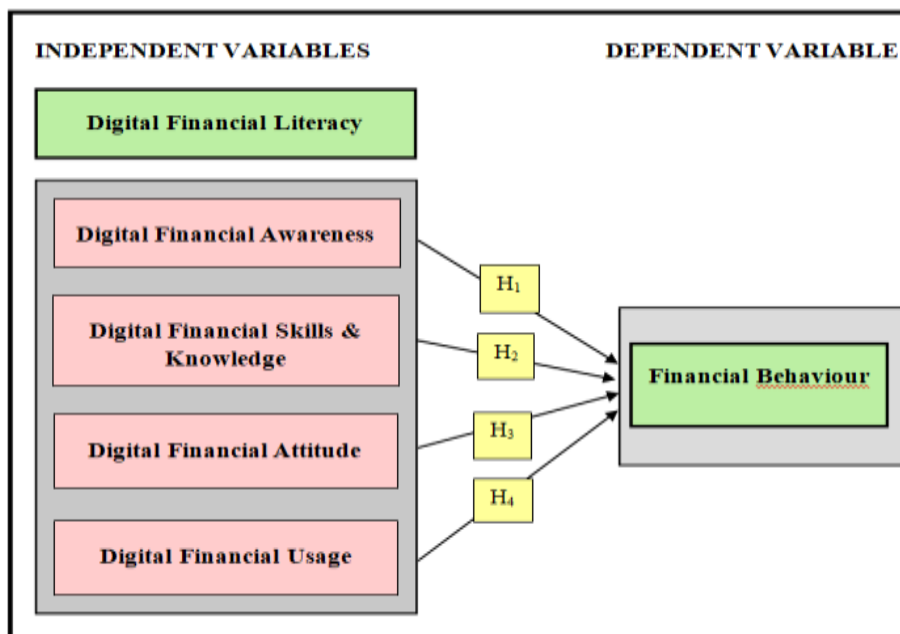


Figure 1. Conceptualization

Source: Author Complied (2023)

3.2 Research Approach & Design

The research employs a deductive approach and adopts a quantitative method. Given that the primary aim of the current study is to assess formulated hypotheses and established associations within the research model, it qualifies as explanatory research. Consequently, it represents a causal study designed to unveil cause-and-effect relationships. Moreover, this study is characterized as a cross-sectional investigation with minimal researcher interference, functioning simultaneously as a field study. The unit of analysis focuses on individual levels, specifically management undergraduates at the state universities of Sri Lanka. Data collection was executed through a structured questionnaire distributed via a Google form. Analysis of the data utilized SPSS and Excel, incorporating frequency analysis, correlation tests, and regression analysis to scrutinize and evaluate the formulated hypotheses.

3.3 Population and Sampling

The research centered on management undergraduates within state universities in Sri Lanka, with the target population estimated at around 10,033 undergraduates based on the student allocation handbook issued by the University Grant Commission over the last four years. The sample, comprising 370 management undergraduates, was specifically drawn from the University of Colombo, the University of Sri Jayewardenepura, Rajarata University of Sri Lanka, the Eastern University of Sri Lanka, the University of Jaffna, the University of Peradeniya, and the University of Ruhuna. The selection of the sample employed a stratified random sampling method to ensure a proportionate representation of the population.

3.4 Measurement Scale

The measurement scales for the four independent variables and the dependent variable in the research model were borrowed from existing studies. The initial independent variable, Digital Financial Awareness, was evaluated using the measurement scale developed by Azeez and Akhtar (2021). The second independent variable, Digital Financial Skills & Knowledge, utilized the item scale proposed by Lyons and Kass-Hanna (2021). Assessing the third independent variable, Digital Financial Attitude, involved adopting the item scale suggested by Rajdev et al. (2020). Similarly, the fourth independent variable, Digital Financial Usage, was appraised using the item scale recommended by Rajdev et al. (2020). The dependent variable, Financial Behaviour, was gauged with the item scale presented by Azeez and Akhtar (2021). Respondents expressed their level of agreement with the items on a five-point Likert scale, where 1= strongly disagree and 5= strongly agree.

3.5 Data Analysis Techniques

The data gathered from primary sources play a crucial role in the analysis phase of this study. The researcher utilized the Statistical Package for the Social Sciences (SPSS) 23.0 version to analyze the statistical data obtained from the questionnaire. The results of the analysis are conveyed in this study through the presentation of graphs, tables, and figures. The data analysis encompasses sample description, descriptive statistics, preliminary analysis, and hypothesis testing.

4. Results and Discussion

4.1 Response Rate

In gathering primary data from respondents, the author distributed 400 questionnaires to undergraduates through email. Google forms were disseminated on online platforms to collect primary data, resulting in the retrieval of 370 completed forms from respondents. The acknowledged effective response rate in social research for collecting primary data is 33% (Saunders & Thornhill, 2011). Notably, in this research study, the effective response rate stands at 92.5%, signifying that the researcher obtained a substantial amount of primary data for subsequent analysis.

4.2 Reliability and Validity Test

Table 1. Reliability Analysis

Variable	Cronbach Alpha Value
DFA	.939
DFSK	.935
DFAT	.934
DFU	.939
FB	.966

Source: Survey Data (2023)

The results presented in table 1 indicate that the internal consistency reliability of each item was deemed satisfactory. Upon data analysis, it was observed that the Cronbach's alpha value for all the variables exceeded 0.7. This suggests a robust internal consistency within the constructs of each variable in the questionnaire. Consequently, it can be inferred that the questionnaire is reliable, given that all the values surpass the recommended threshold of 0.7.

Table 2. KMO and Bartlett's Test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.902
Bartlett's Test of Sphericity	Approx. Chi-Square	917.57
	df	10
	Sig.	.000

Source: Survey Data (2023)

The KMO Measure of Sampling Adequacy was employed to measure the internal reliability of the questionnaire in the study. Regarding the survey data (2023) results, Table 2 shows the measurements of the KMO and Bartlett's test. According to the results, the Kaiser-Meyer-Olkin Measure of Sampling Adequacy value is 0.902, greater than the minimum value.

4.3 Descriptive Analysis

In relation to the survey data from 2023, Table 3 presents the mean values and standard deviations for each variable/dimension.

In relation to the survey data from 2023, Table 3 presents the mean values and standard deviations for each variable/dimension. Digital financial awareness, digital financial knowledge, and digital financial usage exhibit similar mean levels, all exceeding 4 and aligning with an agreement level on the Likert scale.

Table 3. Descriptive Analysis

	DFA	DFSK	DFAT	DFU	FB
Mean	4.08	4.03	3.90	4.01	4.03
Sta. Dev.	0.697	0.704	0.714	0.723	0.696
Minimum	1.00	1.00	1.00	1.00	1.00
Maximum	5.00	5.00	5.00	5.00	5.00
N=370					

Source: Survey Data (2023)

However, digital financial attitude registers a lower mean level of 3.90. The overall standard deviations for digital financial awareness, digital financial knowledge, digital financial attitude, and digital financial usage are 0.697, 0.704, 0.714, and 0.723, respectively. Notably, digital financial usage displays the highest deviation with a standard deviation of 0.723, indicating greater variability compared to the other variables. Conversely, digital financial awareness has the minimum deviation, boasting a standard deviation of 0.697, implying lower variability. As for financial behavior, the mean is 4.030, and the standard deviation is 0.696.

4.4 Correlation Analysis

According to Table 4, the correlation coefficient of dimensions of digital financial literacy revealed a positive moderate relationship between financial behaviour and each dimension individually, which is explained below.

Table 4. Correlation Analysis

	FB	DFA	DFSK	DFAT	DFU
FB	1				
DFA	.822**	1			
DFSK	.870**	.570**	1		
DFAT	.818**	.367**	.277**	1	
DFU	.882**	.515**	.371**	.556**	1

Source: Survey Data (2023)

Table 4 depicts the correlation coefficient of all the significant dimensions at 0.01 levels. Digital financial awareness, digital financial skills and knowledge, digital financial attitude, and digital financial usage on financial behaviour show correlation coefficients of 0.822, 0.870, 0.818, and 0.882, respectively. Also, it indicates a 0.000 significant value where $p < 0.01$ for all the dimensions. Thus, all the variables are significant at 0.01 levels, and there is a significant and strong positive relationship between digital financial literacy and financial behaviour. It can be concluded that there is a significant and strong positive relationship between

financial behaviour and each dimension, and the results are supported individually for the established hypotheses.

4.5 Multicollinearity Analysis

Table 5 shows none of the tolerance levels is less than 1 or equal to 1 and VIF values are below 10. It revealed no multicollinearity problems in the multiple regression model used to predict the dependent variable of financial behaviour.

Table 5: Multicollinearity Analysis

Model	Tolerance	Variance Inflation Factor (VIF)
DFA	.695	1.132
DFSK	.651	1.629
DFAT	.666	1.021
DFU	.504	1.908

Source: Survey Data (2023)

4.6 Regression Analysis

4.6.1 Model Summary

Table 6. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.909 ^a	.826	.821	.294

Source: Survey Data (2023)

Table 6 shows that the multiple coefficients of correlation (R) is 0.826. Therefore, independent variables: digital financial awareness, digital financial skills and knowledge, digital financial attitude and digital financial usage are jointly correlated with financial behaviour. The coefficient of determination R^2 is 0.826, which is referred to as the 82% dependent variable, which is financial behaviour, is covered by the model. The adjusted R square is used to adjust unnecessary independent variables. If there is a considerable gap between R square and adjusted R square, that is due to unnecessary variables. In this adjusted R square, 82% indicates no huge gap between the R square and the adjusted R square. The model is nicely fitted, and the model is appropriate.

4.6.2 ANOVA Table

Table 7. Anova Table

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	150.09	4	37.52	433.786127	.000 ^b
Residual	31.6	365	0.0865		
Total	181.7	369			

Source: Survey Data (2023)

ANOVA defines the significance of the overall model and forecasts the dependent variable (Field, 2005). The probability of F-test statistics in regression ANOVA is $p = 0.000$, which is less than 0.005 and highly significant. This indicates that the independent variable has the ability to adjust for the variance of the dependent variable. As the ANOVA result is highly significant, all independent variables jointly influence financial behaviour. Therefore, the model is significant and more appropriate together.

4.6.3 Coefficient

Table 8. Regression Results

Model		Unstandardized Coefficients		Standardize Coefficients		Sig.
		B	Std. Error	Beta	T	
1	(Constant)	.283	.150		1.893	.060
	DFA	.165	.079	.166	2.084	.039
	DFSK	.322	.089	.326	3.611	.000
	DFAT	-.027	.084	-.028	-.326	.745
	DFU	.468	.075	.487	6.260	.000

Source: Survey Data (2023)

The data findings analyzed also show that taking all other independent variables at zero, financial behaviour will be 0.283. According to significant values, the P value given by digital financial skills and knowledge and digital financial usage is 0.000. This is highly significant as the P value is less than 5%. The individual beta value of digital financial skills and knowledge is 0.322; this indicates that digital financial skills and knowledge have a highly significant positive impact on financial behaviour. The individual beta value of digital financial usage is 0.468; this shows that digital financial usage has a highly significant positive impact on financial behaviour. The Standardized Beta Coefficients give a measure of the contribution of each variable to the model. A significant value indicates that a unit change in this predictor (independent) variable greatly affects the dependent variable. The significant P-value of digital financial awareness is 0.039, less than 5% of the P value. The individual beta value of digital financial awareness is 0.283, indicating that digital financial awareness has a highly significant positive impact on financial behaviour. Conversely, the individual beta value of digital financial attitude is -0.027, which is notably lower, and the p value is 0.745,

indicating that digital financial attitude lacks a statistically significant impact on financial behaviour.

4.7 Discussion of the Results

According to the findings of other literature related to this study, it has been found that these four variables have an impact on financial behaviour. The following studies can be considered comparable investigations with this study.

H₁ - There is a significant impact of digital financial awareness on financial behaviour.

The standardized beta coefficient associated with digital financial awareness is 0.165, with a highly significant value of 0.039, lower than 0.05 ($p > 0.050$). Hence, this indicates a highly significantly positive impact of digital financial awareness on financial behaviour. Therefore, the first hypothesis (H₁) of the study is supported. Similar research findings also can be gathered to prove that, such as Raia and Sharma (2019) have indicated a corresponding p -value of 0.015 in their research. Also, the findings of Prasad et al. (2018) revealed a p -value of 0.000, indicating that there is a significantly positive relationship between digital financial awareness and financial behaviour.

H₂ - There is a significant impact of digital financial skills & knowledge on financial behaviour.

The standardized beta coefficient associated with digital financial skills and knowledge is 0.322, with a highly significantly positive value of 0.000, less than 0.05 ($p < 0.050$). Hence, this indicates a highly significant positive impact of digital financial skills and knowledge on financial behaviour. Therefore, the second hypothesis (H₂) of the study is supported. As demonstrated by Azeez and Akhtar (2021) and Rahayu et al. (2022) with statistical significance established at $p < 0.05$. The outcome of their research revealed a significant positive relationship between digital financial skills and knowledge and financial behaviour.

H₃ - There is a significant impact of digital financial attitude on financial behaviour.

The standardized beta coefficient is -0.028 with a significance value of 0.745, greater than 0.05 ($p > 0.050$) in digital financial attitude. Hence, this indicates that digital financial attitude does not impact financial behaviour. Therefore, the third hypothesis (H₃) of the study is not supported. According to Rahayu et al. (2022) no significant positive relationship exists between digital financial attitude and financial behaviour, with statistical significance established at $p < 0.05$.

H₄ - There is a significant impact of digital financial usage on financial behaviour.

The standardized beta coefficient for digital financial usage is 0.487, with a high significance value of 0.000, which is less than 0.05 ($p < 0.05$). Hence, this indicates a highly significant positive impact of digital financial usage on financial behaviour. Therefore, the first hypothesis (H₄) of the study is supported. According to Rahayu et al. (2022) the study's results

also revealed a significant and positive correlation between digital financial usage and financial behaviour, as evidenced by the p -value of 0.048, which is less than the customary significance level of 0.05. Also, according to Shen et al. (2018) there is significant and positive relationship between digital financial usage and financial behaviour with a p -value of 0.001.

4.8 Implication

The findings of this study on the impact of digital financial literacy among management undergraduates in state universities of Sri Lanka hold significant implications for academics and policy-makers. To begin with, the study underscores the critical need for integrating digital financial education into the curriculum of management programs. As the digital landscape continues to evolve, students must be equipped with the necessary knowledge and skills to navigate the complexities of digital financial tools and platforms. Institutions should collaborate with financial institutions and industry experts to design comprehensive courses covering online banking, digital payments, and investment strategies. This would enhance the financial literacy of management undergraduates and contribute to their preparedness for the modern, technology-driven business environment. Moreover, the research outcomes affect policymakers aiming to foster financial inclusion and economic development. Recognizing the pivotal role of education in shaping financial behaviour, policymakers should consider initiatives to promote digital financial literacy at the national level. This could involve the development of standardized digital financial literacy programs and the establishing of partnerships between educational institutions and government agencies. Additionally, financial regulators should collaborate with universities to ensure graduates possess the requisite skills to responsibly engage with the digital financial landscape. By addressing the digital divide in financial knowledge, policymakers can empower the youth to make informed financial decisions, thereby contributing to the nation's economic well-being. From a practical stand point, the research findings offer valuable insights for financial institutions and industry stakeholders. Understanding the impact of digital financial literacy on the behaviour of management undergraduates can guide financial service providers in designing user-friendly interfaces and educational resources. Institutions can leverage this knowledge to develop targeted campaigns that enhance awareness and promote adopting digital financial services. Furthermore, the study suggests the potential for collaborations between financial institutions and universities to create internship programs and real-world projects that expose students to practical applications of their digital financial knowledge. This benefits the students by providing hands-on experience and also serves the financial industry by fostering a pool of skilled and digitally literate graduates. In essence, the practical implications of this research extend beyond the academic realm, offering actionable insights for stakeholders seeking to bridge the digital financial literacy gap and foster a financially savvy and empowered generation of management professionals in Sri Lanka.

4.9 Future Research Directions

To advance the understanding of the impact of digital financial literacy on financial behaviour among management undergraduates in state universities of Sri Lanka, future studies should adopt a cross-cultural perspective and incorporate comparative analyses across diverse cultural contexts. Exploring how cultural factors influence digital financial literacy and its subsequent impact on financial behaviour will provide valuable insights and contribute to developing globally applicable models. Additionally, longitudinal studies are essential to examine the dynamic nature of digital financial literacy and its enduring effects on financial behaviour. Tracking participants over time will offer a nuanced perspective on acquiring, retaining, and adapting digital financial literacy skills, especially in the context of ongoing technological advancements. Furthermore, investigating the role of educational interventions and their effectiveness in enhancing digital financial literacy can provide practical insights for educators and policymakers aiming to foster financial well-being among management undergraduates in state universities of Sri Lanka.

5. Conclusion

The research delved into an in-depth exploration of the influence exerted by components of digital financial literacy on the financial behavior of management undergraduates within state universities in Sri Lanka. A comprehensive sample size of three hundred and seventy undergraduates was meticulously selected from the expansive populations of management undergraduates spanning across prominent universities in Sri Lanka such as the University of Colombo, University of Sri Jayewardenepura, Rajarata University of Sri Lanka, Eastern University Sri Lanka, University of Jaffna, University of Peradeniya, and University of Ruhuna. The empirical findings robustly substantiate the hypothesis asserting that digital financial awareness significantly shapes financial behavior, indicating a discernible positive correlation. Likewise, the study establishes that digital financial skills and knowledge wield a noteworthy and positive influence on the financial behavior exhibited by the surveyed students. Intriguingly, in contrast to initial expectations, digital financial attitude did not manifest as a significant predictor of financial behavior within this specific context. However, the investigation revealed that digital financial usage exhibited a robust and positive relationship with financial behavior, underscoring the pivotal role played by active engagement with digital financial tools in shaping positive financial behavior among management undergraduates. These revelatory results contribute invaluable insights into the intricate dynamics between digital financial literacy and financial behavior, highlighting specific facets that merit closer attention and warrant further in-depth investigation.

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