



Individual Investors' Financial Behaviour and Financial Attitude: Role of Financial Literacy as Moderator in Decision Making



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Abstract *As an individual investor, it is incredible to have a successful performance return without financial knowledge. An organization's performance must be measured and analysed based on an adequate financial management system. In today's multifaceted financial scenery Financial Literacy is crucial as it does not only impact financial decisions at the business level but is also important for the country's development. Financial literacy has the importance of the backbone of society. The study adds a new mechanism of financial literacy. The main objective of this study is to determine further insight into the role of financial literacy on an individual's behaviour and attitude towards financial decision making. For analysis, the moderator impact of financial literacy on decision-making data of 100 individual investors has been collected from different banking sectors of Pakistan. The result of this study shows that financial literacy has a significant impact on financial decision making. This study delivers knowledge that can contribute to guiding coming studies, making policies, directors and instructors in their teaching.*

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Introduction

Does financial literacy distress financial behaviour? Is it correct if the public studies financial works, they can make a better financial decision? How does financial behaviour distress the financial decisions of people? If the answer is yes, do the school or college students apply those influences in actual life as sophisticated persons? It was not probable to live in present creation deprived of being financially well-educated

[\(Casanova, Espeland et al., 2011\).](#)

An individual's skill to achieve his individual capital goal has to convert significant matter in today's world. The public currently is watching at diverse facets of their financial matters. They not only watched their short time matters but also, keep an eye on the long-time matters as well. For instance, individuals give attention to their superannuation tactics, their kid's schooling, household

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forthcoming, and alike objects. In addition to investment decisions, nowadays, people make significant verdicts concerning their bases of money. When money is desirable, an individual may pursue to take debt from the bank or other money facility giver such like credit card or from the friend or family person. The enlarged difficulty of the budget, financial marketplaces and their rules estimate approaches, and obtainability of dissimilar financial items have produced a solid change to research and analyse financial knowledge between school and college pupils, as well as stakeholders and authorities.

The influence of less financial literacy is further overwhelming in emerging frugality, where entree to financial facilities and the variety of facilities given is abundant extra imperfect and customer guard negligible. Short financial literacy might take to bad financial decision-making, with terrible results. At what time in a person's life would one start to acquire about financial stuff? Preferably, it should start when one starts to make business choices, frequently upon send-off house. School and university pupils essential to have information and assistance to achieve their expenditures and money that can be from family or scholarship from the college or university.

[\(Kefela 2010\)](#). Exposed that financial literacy is straight related with self-beneficial financial behaviour and so financial information programs must take a healthy viewpoint to contain the basics of finance meanwhile deprived of empathetic the main finance ideologies, annuity knowledge will be unsuccessful. Research proves to be appreciated as it has exposed this influence as well. Financial knowledge, which is also connected with the proficiency of factors such as inflation, compounding interest and diversification of risk, as the analysis of these aspects also assistances to go for

suitable decisions. [\(Awais, Laber et al. 2016\)](#)

The investment behaviour of an individual is a developing part of behavioural finance. Behavioural finance emphasis on person's mental influences, which subsidizes operative decision making [\(Ritter 2003\)](#). Investors usually capitalize with the assistance of societal connections. Standards impact stakeholder decision making. Today internet transaction also rises single investors generally do transactions with the assistance of the internet [\(Barber and Odean 2001\)](#).

[\(Spaniol and Bayen 2005\)](#) According to him mental assistances of investors are an extra limitation that enhances persons financial decision making. Another important behavioural phenomenon is the disposition effect. [\(Henderson and Tookes 2012\)](#) According to him, there are many researches about the natural outcome that national investors are disinclined to trade resources at damage relating to the worth at which they are buying this benefit. Nature result is the propensity of an investor to trade victors too primary, and grip failures also extended. [\(Ammann, Ising et al. 2012\)](#) accomplish that executives who have a minor nature result invest extra in bigger equities with advanced business size, an advanced previous going and a complex danger familiar act. But, the financial situation and money feature one account for a portion quantity of the change in the disposition result transversely joint capitals.

Financial knowledge might be gainful for humanity as an entire, as well as for the countries' attractiveness, falling economic barring hazards, growing well-informed behaviours and causative to bigger liquidness for the economic marketplaces. In a 2008 determination, the European Assembly enquired for the

development of customers' knowledge and compassion to money and particularly praised matters. Dissimilar Western republics understood, additional or fewer, how significant it is to grow a strategy of economic information. England related republics appear to be improved ready, though European Union efforts to execute a convinced lively for the Mainland Europe. A novel idea established, that of economic knowledge, in the similar method we conversation about knowledge in overall, or about computer knowledge, data knowledge.

Financial literacy or financial education can largely be clear as "giving awareness with a considerate of all financial market products, particularly income and dangers, for making the right decision". Observed from this viewpoint, financial education mostly relies on individual investors to authorize people to take active performance to progress their financial happiness and make them save from suffering in cases that are economical. Financial literateness goes outside the facility of economic info and guidance. The emphasis of any argument on financial knowledge is mainly on the separate, who typically has partial capitals and assistance to raise the difficulties of financial businesses with financial mediators on an everyday root. Investment is clear as the procedure of purchase of financial products or further things of worth with confidence of their better future income. Also, saving is well-defined the tactic by which the money is saved away for taking a return hope in future moderately minor in contrast to venture. Saving and investment behaviour has continually remained a very variance in the purposes of financial literacy programmes in the advanced and emerging countries has stayed a critical principle for the introduction for trade stakeholders for making an investment

decision. In advanced countries, financial knowledge is related to customer defence. Well info exposes, they trust, would go an extensive means in establishment supervisory morals for customer defence.

Literature Review

The significance of Financial Literacy in financial decision making as emphasized in the report of The World Bank, comprise i) assistances to make consumers for hard financial periods by encouraging approaches that ease risk such as gathering savings, spreading assets and buying insurance. ii) supports behaviours such as appropriate payment of bills and escaping of over obligation which assistance consumers to keep their access to loans in close-fitting credit markets. iii) serious for promoting access to finance by producing encouragements and atmosphere that indorse wanted financial behaviours.

[\(Kumar, Watung et al. 2017\)](#) This research practical, measurable technique with 337 trials as respondents occupied from President University students. Research practical suitability sampling method. They conclude that financial behaviour is impacted by financial knowledge and that will affect to financial choice of kids, so paternities must give decent understanding about financial stuff to their children that might distress to kids' financial behaviour and the decision that they will be made after that. The result of this research is appreciated and can benefit education organizations that come from any related to raise the financial knowledge of college or university students.

[\(Adomako, Danso et al. 2016\)](#). This research makes to present financial knowledge as a moderator of the association between easy availability to finance and firm progress. They collected the data from 201 small and medium firms

in Ghana. Their experimental conclusions recommend that financial knowledge improves the easy availability to investment and firm development associations. And they suggest that the managers of the firms should learn the financial management process that will be helpful in the growth of the firm in a strong way of; this study finds out the influence of financial knowledge on personal capital management. To find out this thing, he made a structured questionnaire to collect the data from the workers of the Bank of Baroda located in Kenya. He used the descriptive method to find out the results. Questionnaire distributed among the 173 workers of the bank 64 respondents was the middle and senior workers of the bank. To assess financial literacy and its effect on the personal finance management of employees of a bank, The finalized questionnaires were tested with the help of SPSS software. Analysis of variance finds out from dependent and independent variables of the data. The research found that financial knowledge strongly affects the personal capital management among the workers of the bank of Baroda, which takes to extreme maximum investment exercise. The absence of financial knowledge was showed to disturb the personal economic management of the workers of the bank of Baroda.

[\(Visyvalini 2018\)](#). The key factors attentive in this research were demographic, economic defiance, financial knowledge and financial knowledge influences—this study practical together measurable and qualitative practice. Data was gathered from the survey and the interview. There was held two surveys; in the first survey, he interviewed 1239 individuals, and in the second one, he interviewed the 623 individuals of Klang valley. He used a simple random sampling method to collect the data. Results show

that there was an optimistic association between age and relaxed superannuation. There was an optimistic association among gender and capital possession, relaxed superannuation, period of savings too, approximation superannuation investments, and financial preparation conduct. Furthermore, there was an optimistic association between society and relaxed retirement. He found a strong association between the knowledge and the possession of the assets and period of saving which last.

[\(Blue 2016\)](#). Knowledge about active behaviours to handle money is the first thing of 21st-century ability. Individuals considered have less financial knowledge whenever checked by the financial literacy plans/programs. In this research, the researcher found that financial literacy is not important for the individual only; it should be on community base program which helps not only the individual of that specific country but the whole community at the same time, which helps in the financial decision making.

[\(Khan 2016\)](#). The main aim of this research was to examine the financial knowledge and financial knowledge of persons and specialized investors who invest in the financial market to earn profit. He also tests the association of financial literacy and financial knowledge and the impact of risk factors that impact the investment decision. He used a questionnaire for collecting data for examining Rawalpindi and Islamabad investor 257 respondents responded to the questionnaire. He used correlation and regression with the help of SSPS software for analysis. The result shows that there is an important confident association among the financial knowledge, financial literacy and investment decision

[\(Fitra, Rasyid et al. 2018\)](#). This research intentions to regulate the result of Locus of Control and Financial literacy

on Investment Decisions of people. They collected the data from PERTAMINA, which was the branch of Padang, and they got 43 respondents. Data was first hand-collected data which they collected with the help of a questionnaire. There exercise the different tests on data. They did regression analysis with the help of SSPS software. The outcomes exposed that the variable Locus of Control and Financial Information partly important impact on investment decision making of employees. The immediate exam outcomes also express that the variables of Locus of Control and Financial Information have an important effect on employee investment decisions.

[\(Shusha 2017\)](#) This study sample contains 386 respondents on behalf of diverse parts people of Egyptian; the key arithmetical approaches used to trial the study propositions were Pearson's association test and ranked regression investigation. The fallouts established that there were belongings of demographic features on economic hazard acceptance. Furthermore, the results confirmed that financial literacy moderates the relationships between demographic features of entities and their leaning to take risks. [\(Nguyen, Gallery et al. 2016\)](#). The main objective was to test the impact of risk acceptance features name: customer financial knowledge, customer trust in the advice of the agent and association with the facilities. For this research, they collected primary data of 538 from the customers of agents with the help of the survey method. Results show that risk tolerance and investment decision making have a strong positive association between them. Additional, customer trust and association span with the facility were completely connected with customer financial knowledge and risk tolerance.

[\(Engle-Warnick, Pulido et al. 2016\)](#). They tested the household people's trust towards trust and its role in the investment. They found that trust has a positive impact on the decision making, investment and behaviour of individuals. They found that real confidence and the financial knowledge of people and strongly predict their behaviour. With the knowledge and trust, they make the right decision for the investment.

[\(Arianti 2018\)](#). This study intentions to analyse the effect of financial knowledge, financial behaviour and pay on investment decisions. He used the descriptive method, and they used primary data for this research. They collected the data from the 100 students with the help of a questionnaire which was distributed among them. He has done different tests apply on that data; he finds out t-test, f test, regression and correlation with the help of SSPS software. He concludes that financial literacy has not any impact on the investment decision, while he said financial behaviour has a strong impact on the investment decision because the behaviour of any person take to do something that he thinks.

[\(Janor, Yakob et al. 2017\)](#). They associate the Financial Literacy levels of two different countries Malaysia and the United Kingdom, by using the data of the survey with the help of a questionnaire made by the OECD. They conclude that the financial knowledge of both countries was low and governments of their countries to take some steps to spread the financial knowledge among the people. They also found out that different factors also impact the investment decision making, which was demographic, financial, societal and mental factors key factors that respect to financial literacy on investment decision.

Methodology

This section is designed to exact the facts of methodology and assumed actions to discourse the research question. Its additional frameworks are the argument on the research plan, research approaches, research policy, sampling, instrument and instruments used for data inspection. For that, data was collected from the individual investors of investment banking offering banks of Pakistan.

The opinion of research idea defines that how individuals react to an actual condition or situation ([Johnson and Onwuegbuzie 2004](#)). In practicality, it takes the opinion that people are probable to argue their understandings in the informally built atmosphere, and it is to be used totally on human focuses. This shows that practicality is extra related to business managing study. Mainly, the descriptive research plan tells the participants of respondents of the study ([Bryman and Becker 2012](#)). The determination to choose this research tactic for use is to define the landscapes of a populace being examined. Though, this study strategy does not discourse the queries about how, when and why these features happen.

Investigator strategy is mostly an investigation plan which wants to choose to carry out the research work ([Saunders, Lewis et al. 2007](#)). This study used a review grounded approach, and questionnaires were modified to get the responses.

Data Collection Method

Data always have two types primary and secondary. Primary data collect from direct bases, and it desires to collect the first time, and it needs to be managed, while the data which has previously been composed and analysed is called secondary data. This research is a

quantitative-based study, so we are taking a survey-based research strategy, so first handed data on a survey-based questionnaire is suitable for this study.

Target Population

A whole list of all the fundamentals below attention is recognized as the target population. In this, the targeted population was 100 individuals' investors of different banks of Pakistan.

Determining Tools

Investigators stressed that the survey must be built on an exact scale, influenced free and accurate queries should be comprised which rises its dependability and cogency ([Bonds-Raacke and Raacke 2012](#)). ([Ghauri and Grønhaug 2005](#)) reinforced the use of an inspection in the study. Also, they suggested using adapted questionnaires for their dependability and cogency have previously been verified. So, if it is possibly better to use an approved questionnaire. So, to get the replies, the current research has also used a modified questionnaire that contained numerous queries over which an effort is made to quantify the variables.

The questionnaire has four parts in the first part, there are five questions which are related to Financial Literacy, and the second part is related to Financial Behaviour consist of five questions third part of questions are about Financial Attitude and have five questions these three parts of the questionnaire with Likert Scale answering options of Strongly disagree, Slightly disagree, Neutral, Slightly agree and Strongly agree the last part of the questionnaire is related to Financial Trust, and it has four questions with answering options of yes and no. So altogether, there are nineteen questions to which respondents are going to respond. On which average will take, and the correlation will find to check the relation

of variables Financial Behaviour, Financial Attitude, Financial Trust and moderator role of Financial literacy on the Decision making.

Findings and Discussions

This chapter included the found results

and proper discussion on that results. Financial knowledge, financial behaviour, financial attitude and financial trust-related questions data result calculated with the help of simple average, and the first result of financial knowledge start below.

Financial Literacy

Table 1. Correct Answers to Knowledge Questions

S. NO	Questions	Note	Score
1	I always use mental arithmetic to solve a simple division.	Open answer and correct answer are, therefore, a good pointer of practical skill	90%
2	I am assured in my understanding of financial ideas such as money managing, investments, and budgeting.	Many responses	86%
3	I understand how time variance could disturb the value of money is relative to the investment.	Many responses	87%
4	I know that high inflation means that cost of living is growing.	Many responses	84%
5	I know the calculation of compounding interest.	Open response and a correct answer are, thus, a good pointer of practical proficiency	94%
Total score			88%

With the taking averages of all questions, the finding for the Financial Literacy question 1 respondent give 90% strongly agree it means financial individuals normally use intellectual mathematics to solve a simple division. For question 2, respondents give multiple different answers 86% strongly agree that they are self-assured in their understanding of financial ideas such as money managing, investments, and budgeting. For question three, 87% of respondents strongly agree that they know time differences could

affect the value of money in relation to the investment. In question 4, 84% of respondents strongly agree that they know that extreme inflation means that cost of living is increasing.

The highest score of 94% in the last question respondents strongly agree that they know the calculation of interest plus principal, which show high financial literacy in respondents that shows most respondents know how to calculate the interest plus principle.

Financial Behavior

Table 2. Correct Replies to Behavior Questions

S. No	Questions	Score
1	I have savings and investments suitable for the needs	93%
2	I use my debit card to make money or buy things straight.	72%
3	I track my monthly expenses.	88%

S. No	Questions	Score
4	I keep enough balances in my bank account.	87%
5	I set long term goals and struggled to attain them.	52%
	Total Score	78%

This portion was about the financial behaviour of the individual investors, and for question 1, they responded 93% strongly agree that they have savings and investments adequate for needs. The first question has the highest score, which means most respondents have saving and their investments adequate for need. And for question no 2, 72% of respondents respond strongly agree that they use their debit card to make money or buy things straight on a consistent basis. 88% of respondents respond strongly agree for

question no 3 that they track their monthly expenses, which shows a good financial behaviour of individual investors. In question no 4, 87% of respondents respond strongly agree that they maintain enough balances in their bank accounts. In the last question 52% respondents strongly agree with that they set long term goals and strives to achieve them this percentage is a bit higher than half of the respondent which shows a gainful financial behaviour particularly.

Financial Attitudes

Table 3. Correct Replies to Attitude Questions

S. No	Questions	Score
1	I am pleased with my capability to meet my financial responsibilities.	85%
2	I am pleased with the income potential my current job offers me.	64%
3	I am pleased with my expenditure habits.	80%
4	I am pleased with the level of debt I carry	82%
5	I am satisfied with my current investment choices.	72%
	Total Score	77%

For the financial attitude, respondents respond to five questions as well; in question 1 highest score of 85% of respondents strongly agree that they are satisfied with their ability to meet their financial obligations, and for the question, no 2 64% of respondents strongly agree with that they are pleased with the income potential their current job or career provides them.

In question, no 3, 80 % of respondents said they strongly agree they are satisfied with their spending habits which very positive attitude towards spending. 82% of respondents strongly agree that they are satisfied with the level of debt they carry respond in question no 4. In the last question, 72% of respondents strongly agree that they are satisfied with their current investment choices.

Financial Trust

Table 4. Correct Replies to Trust Questions

S. No	Questions	Note	No
1	Do you trust the agent to take care of your certain resources?	Yes/no question	98%

S. No	Questions	Note	No
2	Does your agent provide you with the right information at the right time?	Yes/no question	93%
3	Does trust decline with age?	Yes/no question	65%
4	Does trust increase with a willingness to take investment risks?	Yes/no question	90%
Total Score			86%

The financial trust portion has four questions which are in yes or no highest score in the first question; respondents respond 98% yes that they trust the agent to take care of their certain resources, and in the second question, two respondents respond 93% yes for their agent provide

you with the right information at the right time. In the third question, 65% of respondents respond yes to that the trust declines with age, and in the last question of financial trust, 90 % of respondents respond yes for trust increase with a willingness to take investment risk.

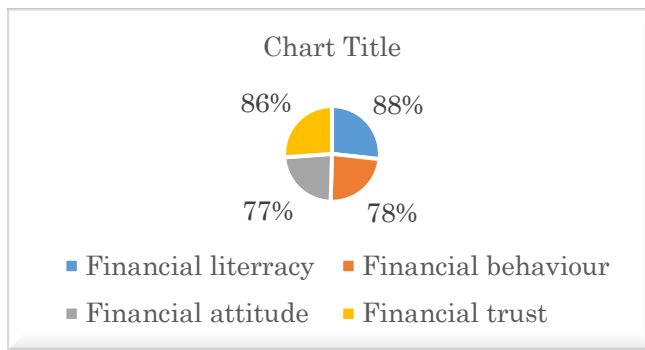


Chart:

From these averages, we can make a chart that shows that financial literacy has the highest score from other variables that strengthen other variables. These averages show that Financial Literacy is extremely important which develop the interest of people in investment, it makes a person more confident that can make

investment other factors like Financial Behavior, Financial Attitude and Financial Trust also improved by Financial literacy because knowledge leads the person to investment without financial knowledge trust cannot be created.

Table5. Correlation Between Financial Literacy and Financial Behaviour.

	Q 1	Q2	Q3	Q 4	Q 5	Q6	Q7	Q8	Q9	Q10
Question 1	1									
Question 2	0.226	1								
Question 3	-0.0668	0.2366	1							
Question 4	0.2997	0.2553	0.0624	1						
Question 5	0.0096	0.0472	0.1112	0.0436	1					
Question 6	0.0894	-0.0939	-0.0902	-0.0679	0.1041	1				
Question 7	0.0288	0.0328	-0.1825	0.0019	-0.0333	0.2751	1			
Question 8	0.0584	-0.0876	-0.1154	-0.1329	0.0433	0.5329	0.2791	1		
Question 9	0.1791	0.0054	-0.0751	-0.038	0.1189	0.5882	0.3561	0.76	1	

	Q 1	Q2	Q3	Q 4	Q 5	Q6	Q7	Q8	Q9	Q10
Question 10	-0.1292	0.0072	-0.0269	0.0774	0.0694	0.037	0.3219	0.0353	0.077	1

Correlation between financial literacy and financial Behavior. Question no 1 to 5 are related to financial literacy and questions 6 to 10 are related to financial behavior.

Question no 1 of Financial literacy is positively significant with questions no 6 (0.0894),7 (.0288) and 8 (0.0584). Question no 2 of financial literacy has positively correlated with 3 questions of financial behavior 7 (0.328),9 (0.0054) and 10 (0.0072) and negatively correlated with question no 6 (-0.0939) and 8 (-0.0876).

Question no 3 of financial literacy negatively correlated with questions no 6 (-0.0902),9 (-0.0751) and 10 (-0.0269). Question no 4 of financial literacy positively correlated with question no 7 (0.0333),10 (0.0694) and negatively correlated with question no 6 (-0.0679) and 9 (-0.038). Question no 5 of financial literacy positively correlated with question no 8 (0.433),10 (0.693) and negatively correlated with question no 7 (-0.333).

Table 6. Correlation Result of Financial Literacy and Financial Attitude

	Q1	Q2	Q 3	Q4	Q5	Q11	Q12	Q13	Q14	Q15
Question 1	1									
Question 2	0.226	1								
Question 3	-0.0668	0.2366	1							
Question 4	0.2997	0.2553	0.0624	1						
Question 5	0.0096	0.0472	0.1112	0.0436	1					
Question 11	0.0402	-0.0423	0.0627	-0.1532	0.1408	1				
Question 12	0.1346	0.0662	0.1281	-0.0105	0.1429	0.6994	1			
Question 13	0.1165	0.0752	0.1474	0.0067	0.043	0.4573	0.6651	1		
Question 14	-0.0257	0.0445	0.1432	-0.1122	0.2373	0.3483	0.4476	0.6204	1	
Question 15	0.0905	0.0132	0.0741	0.0009	0.4002	0.4002	0.526	0.4144	0.1645	1

Correlation between financial literacy and financial attitude. Question no 1 to 5 are related to financial literacy, and questions 6 to 10 are related to financial attitude. We find out financial literacy and financial attitude's correlation with each other the result shows that question no 1 of financial literacy positively correlated with question no 11 (0.0402) and 15 (0.0905) and negatively correlated with question no 14 (-0.0257). Question no 2 of financial literacy positively correlated with all questions no 11 (0.0423),12 (0.0662),13 (0.0752),14 (0.0445) and 15 (0.0132). Question no 3 of financial literacy positively correlated with

question no 15 (0.0741) and negatively correlated with question no 11 (-0.0627) of financial attitude. Question 4 of financial literacy is positively correlated with question no 13 (0.0067),15 (0.0009) and negatively correlated with question no 12 (-0.0105) of financial attitude. Question no 5 of financial literacy positively correlated with question no 13 (0.043) of financial attitude.

Conclusion

Financial decisions can be challenging. Many of us make bad decisions about when to save and when to spend. And if

we're honest, most of us would admit to having a limited capacity to properly evaluate different mortgage, savings and investment options. To help us, governments, schools, employers, and other organizations have introduced a range of financial literacy initiatives. Most importantly, we should be concerned when financial literacy is offered as a substitute for action on poverty, as is sometimes the case and with the ways that initiatives seem to imply that the poor are responsible for their condition. In this study, we found the role of financial literacy as a moderator between financial attitude, financial behaviour and investment decisions. For this purpose, we analysed the data of 100 investors from different banking sectors of Pakistan; we use financial behaviour and financial attitude as independent variables, financial literacy as moderator and investment decision as dependent variables. In this study, we use descriptive statistics, correlation analysis to analyse the data. In total, the current study estimates four types of models to examine the proposed relationships among variables of interest. The main motivations of this research are the scarcity of studies that provide detailed descriptive analysis for financial literacy and investment decisions of investors at the institution level. This study examined whether financial literacy is controlled the attitude and behaviour of investors in the context of investment decisions.

After the review of literacy and do this research, it can accomplish that the level of financial literacy is much better in individual investors of investment banking offers by the different banks of Pakistan. Pakistan is a joint culture country, so making decisions by investors is more dependent on the social impact and other strains comparatively processing of private data. On the analysis

of literature that relates financial literacy to investment decisions, and this research also conclude that financial literacy is generally related to investment decisions, and some factors that impact individual investors, attitude and behaviour are extremely impacted by some other aspects.

Financial attitude and behaviour of individuals impacted by the demographic, financial, societal, and mental approach. Results also show that trust is the main factor after financial literacy, which lead people to make an investment. Individuals trust in their agents take them to other levels of investment. Results show the trust have the 2nd maximum average, which shows that people have trust in their agents and they got the right information at the right time, which helps them to do make the right investment decision.

Correlation results show that financial literacy has maximum positive and some negative correlation with financial behaviour and financial attitude. Financial literacy creates saving behaviour in people and make a positive attitude towards the right decision making.

Furthermore, the greatest significant conclusion in this research is that it can be concluded that the financial literacy role is as a moderator in decision making, and financial literacy changes the financial behaviour and financial attitude of individuals and create strong trust in them, which leads to making an investment. Pakistan is a developing country, and this research shows that the financial literacy of the public is not at a low level if the Government make some good policies and start some financial knowledge programs for the public that not only help people to start more investment in financial markets but also it

will help in the economic growth of Pakistan.

The study offers plans for rule creators, directors and instructors in teaching appropriate mechanisms of financial literacy in their exercise. Upcoming exploration might cover the breaches recognized in this research and examine the facets by improved practice and occurrence of financial literacy's moderating impact is extra productive for those legislators and financial mediators by demonstrating that the rise in financial literacy of individuals might have a significant impact on their investments.

In conclusion, financial literacy significantly and positively-moderate the relationship between financial attitude, financial behaviour and investment decisions. This is the first empirical evidence in which we found that investors financial behaviour and attitude could be influenced by well-established financial policies practices for investment decisions. It also provides great implications to investors or individual decision-makers of banking sectors in which investment performance is highly determined, as, in Pakistan, the results are subject to any biases intrinsic in the estimation models.

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