

**Impact of Financial Literacy on Entrepreneurial Success: A Study at the University Level
among Students of Higher Education Institutions**

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ABSTRACT

Financial literacy is increasingly recognized as a key determinant of entrepreneurial success among university students. In higher education institutions, it plays a vital role in shaping students' ability to manage financial resources effectively for sustainable business development. The objectives of the study were to examine the level of financial literacy among university students, to investigate the relationship between financial literacy and entrepreneurial success, and to assess the impact of financial literacy on entrepreneurial decision-making and business performance. The study adopted a quantitative, descriptive, and correlational research design based on a positivist research philosophy. The population of the study consisted of approximately 12,500 students enrolled in business-related programs across higher education institutions in Islamabad. A sample of 370 students was selected using stratified random sampling technique to ensure representation from different universities and academic disciplines. The research tool was a structured questionnaire consisting of Likert-scale items measuring financial literacy and entrepreneurial success. Validity of the instrument was ensured through expert review, while reliability was confirmed using Cronbach's Alpha ($\alpha \geq 0.70$) based on a pilot study. Data were analyzed using SPSS, applying descriptive statistics, Pearson correlation, and regression analysis to test hypotheses. The first objective revealed that university students possess a moderate level of financial literacy, particularly stronger in budgeting skills but weaker in investment knowledge, and it was recommended that universities introduce compulsory financial literacy courses and practical training programs to strengthen students' financial competencies. The significance of the study lies in its contribution to policymakers, educators, and curriculum developers by highlighting the importance of integrating financial literacy into entrepreneurship education to enhance students' entrepreneurial success and business sustainability in higher education institutions.

Keywords: financial literacy, entrepreneurial success, university students, higher education, entrepreneurship education, Pakistan.

INTRODUCTION

Financial literacy has emerged as a critical determinant of entrepreneurial development in contemporary knowledge-based economies. It refers to the ability of individuals to understand and effectively apply financial concepts such as budgeting, investment, savings, credit management, and risk evaluation in decision-making processes. In higher education contexts, financial literacy is increasingly recognized as a foundational competency that influences students' entrepreneurial intentions and long-term business performance (Abbasi et al., 2025). Recent studies emphasize that individuals with higher financial knowledge are more capable of identifying viable business opportunities and managing financial risks effectively (Lusardi & Mitchell, 2017; OECD/INFE, 2016; van Rooij, Lusardi, & Alessie, 2017).

Entrepreneurial success, on the other hand, is defined not only in terms of business profitability but also sustainability, innovation, and growth capacity (Mehmood et al., 2022). University students, particularly those engaged in business and entrepreneurship programs, represent a vital segment for studying the relationship between financial literacy and entrepreneurial outcomes (Batool et al., 2025). Research indicates that young entrepreneurs often face financial management challenges, which significantly affect business survival rates (Nabi et al., 2017; OECD, 2018; Potrich, Vieira, & Kirch, 2015). Thus, financial literacy serves as a bridge between entrepreneurial intention and successful venture execution.

In the context of higher education institutions, financial literacy education is increasingly integrated into academic curricula to enhance students' entrepreneurial competencies (Bibi et al., 2023). Studies highlight that students with stronger financial literacy skills demonstrate improved budgeting behavior, investment planning, and strategic decision-making abilities (Lusardi & Mitchell, 2019; Atkinson & Messy, 2016; Morgan & Trinh, 2018). These competencies are essential for navigating complex financial environments in entrepreneurial ventures.

Furthermore, globalization and digital financial systems have intensified the need for financial awareness among young entrepreneurs. The rise of fintech, digital banking, and online investment platforms requires entrepreneurs to possess advanced financial decision-making skills (Ibrahim et al., 2025). Research suggests that inadequate financial literacy is one of the primary causes of early-stage business failure among university graduates (OECD/INFE, 2015; Hasler & Lusardi, 2017; Drexler, Fischer, & Schoar, 2014). This highlights the importance of integrating financial education into entrepreneurship development programs.

In developing economies, including Pakistan, the gap in financial literacy remains a significant barrier to entrepreneurial success among university students (Kiran et al., 2022). Limited access to structured financial education and practical exposure often results in poor financial planning and unsustainable business practices (Khan, 2016; Hussain & Mahmood, 2018; World Bank, 2019). Therefore, understanding the impact of financial literacy on entrepreneurial success at the university level is crucial for policy formulation and curriculum development (Mahnaz, 2023).

Overall, financial literacy is increasingly recognized as a key predictor of entrepreneurial effectiveness (Mehrukh et al., 2022). The ability to manage financial resources efficiently enables entrepreneurs to sustain competitive advantage and achieve long-term business success (Lusardi & Mitchell, 2017; OECD/INFE, 2016; van Rooij et al., 2017).

Statement of the Problem

Despite the growing emphasis on entrepreneurship education in higher education institutions, many university graduates continue to face challenges in achieving entrepreneurial success (Mahnaz & Nayab,

2026). A major contributing factor is the lack of adequate financial literacy, which affects their ability to manage business finances effectively. Poor financial decision-making often leads to inefficient resource allocation, cash flow mismanagement, and ultimately business failure (Mahnaz & Kiran, 2024a). Although entrepreneurship programs exist in universities, they often lack a strong focus on practical financial literacy skills. Therefore, there is a need to examine how financial literacy influences entrepreneurial success among university students in higher education institutions.

Objectives of the Study

1. To examine the level of financial literacy among university students in higher education institutions.
2. To investigate the relationship between financial literacy and entrepreneurial success among university students.
3. To assess the impact of financial literacy on entrepreneurial decision-making and business performance.

Hypotheses of the Study

- H1: There is a significant relationship between financial literacy and entrepreneurial success among university students.
- H2: Financial literacy has a significant positive impact on entrepreneurial decision-making among university students.
- H3: Higher levels of financial literacy lead to improved entrepreneurial performance and business sustainability.

Conceptual Framework

The conceptual framework of this study is based on the relationship between financial literacy (independent variable) and entrepreneurial success (dependent variable).

Independent Variable: Financial Literacy

- Financial knowledge
- Budgeting skills
- Investment understanding
- Credit management

Dependent Variable: Entrepreneurial Success

- Business performance
- Decision-making efficiency
- Profitability

- Business sustainability

Relationship

Financial literacy influences entrepreneurial success by improving financial decision-making, enhancing resource management, and reducing business risks. The framework assumes that students with higher financial literacy are more likely to achieve entrepreneurial success.

Significance of the Study

This study holds significant importance for multiple stakeholders. For students, it highlights the importance of financial literacy in developing successful entrepreneurial ventures. For educational institutions, it provides insights into curriculum development by integrating financial literacy training into entrepreneurship education programs. For policymakers, the findings may guide the formulation of strategies aimed at improving youth entrepreneurship through financial education. Furthermore, this study contributes to the existing literature by providing empirical evidence on the role of financial literacy in entrepreneurial success at the university level, particularly in developing country contexts.

LITERATURE REVIEW

Financial Literacy: Concept and Evolution

Financial literacy is widely recognized as a fundamental life skill that enables individuals to make informed financial decisions regarding budgeting, saving, investment, and credit management (Nasir & Mahnaz, 2026). In the context of entrepreneurship, financial literacy has evolved from being a basic numerical skill to a strategic competency essential for business survival and growth (Mahnaz & Kiran, 2024b). Recent studies emphasize that financial literacy enhances individuals' ability to interpret financial information and apply it effectively in real-life entrepreneurial contexts (Lusardi & Mitchell, 2017; OECD, 2016; Atkinson & Messy, 2016). Moreover, financial literacy is increasingly integrated into higher education curricula to prepare students for economic participation and entrepreneurial engagement (Morgan & Trinh, 2019; OECD/INFE, 2018; Hasler & Lusardi, 2017). Scholars argue that financial literacy is not static but evolves with exposure to financial systems, digital finance tools, and entrepreneurial learning environments (Klapper & Lusardi, 2020; Xu & Zia, 2018; World Bank, 2020).

In addition, financial literacy is considered a multidimensional construct involving knowledge, behavior, and attitude toward financial management. Research indicates that individuals with higher financial literacy demonstrate better budgeting practices, lower debt dependency, and improved investment decision-making (Lusardi & Mitchell, 2017; van Rooij et al., 2017; OECD, 2016). In university settings, students' financial literacy is strongly linked with their socioeconomic background, educational exposure, and access to entrepreneurship training programs (Potrich, Vieira, & Kirch, 2015; OECD/INFE, 2016; Morgan & Trinh, 2019). Thus, financial literacy serves as a foundational pillar for entrepreneurial development among students in higher education institutions.

Entrepreneurial Success: Definition and Dimensions

Entrepreneurial success is a multidimensional concept that extends beyond financial profitability to include sustainability, innovation, and business growth (Nazir et al., 2025). Scholars define entrepreneurial success as the ability of a business to achieve long-term survival, customer satisfaction, and competitive advantage in dynamic markets (Nabi et al., 2017; OECD, 2018; Shane & Venkataraman, 2019). In the context of student entrepreneurship, success is often measured through venture creation,

business continuity, and self-employment outcomes (Ismail et al., 2018; Rauch & Hulsink, 2015; Zhang & Cain, 2017). These dimensions highlight that entrepreneurial success is not only economic but also behavioral and strategic in nature.

Furthermore, research suggests that entrepreneurial success is influenced by both internal and external factors, including financial literacy, entrepreneurial education, access to capital, and market conditions (Brush et al., 2019; Autio et al., 2018; OECD, 2020). Among these, financial literacy is considered a critical internal factor that determines how effectively entrepreneurs manage financial risks and opportunities (Lusardi & Mitchell, 2019; van Rooij et al., 2017; Morgan & Trinh, 2019). Therefore, understanding entrepreneurial success requires a holistic approach that integrates financial, cognitive, and environmental factors.

Financial Literacy and Entrepreneurial Intention

Entrepreneurial intention refers to an individual's willingness and commitment to start a new business venture. Studies consistently show that financial literacy significantly influences entrepreneurial intention among university students (Mahnaz & Kiran, 2024c). Individuals with higher financial knowledge are more likely to perceive entrepreneurship as feasible and less risky (Liñán & Fayolle, 2015; Nabi et al., 2017; Bae et al., 2017). Financial literacy enhances confidence in managing startup costs, forecasting revenue, and handling financial uncertainty (OECD, 2018; Morgan & Trinh, 2019; Hasler & Lusardi, 2017).

Moreover, financial literacy plays a mediating role between entrepreneurship education and entrepreneurial intention. Students exposed to financial education programs tend to develop stronger entrepreneurial aspirations due to improved financial confidence (Fayolle & Gailly, 2015; Rauch & Hulsink, 2015; OECD/INFE, 2018). Empirical evidence also suggests that financial literacy reduces fear of business failure, thereby increasing entrepreneurial motivation (Lusardi & Mitchell, 2017; Klapper & Lusardi, 2020; van Rooij et al., 2017). Thus, financial literacy is a key predictor of entrepreneurial intention among students.

Financial Literacy and Entrepreneurial Performance

Entrepreneurial performance refers to the effectiveness and efficiency with which a business achieves its objectives, including profitability, growth, and sustainability (Noreen et al., 2025). Studies show that financial literacy has a direct positive impact on entrepreneurial performance, particularly among small business owners and student entrepreneurs (Morgan & Trinh, 2019; OECD, 2020; Xu & Zia, 2018). Entrepreneurs with higher financial literacy are better at cash flow management, investment decisions, and risk mitigation (Lusardi & Mitchell, 2019; van Rooij et al., 2017; World Bank, 2020).

In addition, financial literacy contributes to improved resource allocation and operational efficiency in entrepreneurial ventures. Research indicates that entrepreneurs with financial skills are more likely to secure funding, manage debt effectively, and maintain financial stability (Hasler & Lusardi, 2017; Potrich et al., 2015; OECD/INFE, 2016). Consequently, financial literacy is considered a significant determinant of long-term business success and sustainability.

Role of Entrepreneurship Education in Financial Literacy Development

Entrepreneurship education plays a vital role in enhancing financial literacy among university students. Universities integrate financial management courses, business simulations, and experiential learning programs to improve students' entrepreneurial capabilities (Nabi et al., 2017; Fayolle & Gailly, 2015;

OECD, 2018). These programs help students develop practical financial skills such as budgeting, forecasting, and investment planning (Morgan & Trinh, 2019; Klapper & Lusardi, 2020; World Bank, 2020).

Furthermore, studies indicate that entrepreneurship education significantly improves financial confidence and decision-making abilities among students (Rauch & Hulsink, 2015; Liñán & Fayolle, 2015; OECD/INFE, 2018). However, the effectiveness of such programs depends on curriculum design, teaching methodology, and practical exposure. Institutions that integrate real-world financial scenarios into entrepreneurship education tend to produce more financially literate graduates (Hasler & Lusardi, 2017; Bae et al., 2017; Xu & Zia, 2018).

Challenges of Financial Literacy among University Students

Despite increasing awareness, financial literacy levels among university students remain relatively low in many developing countries. Studies highlight that students often lack practical financial knowledge related to credit management, investment, and taxation (OECD, 2016; Morgan & Trinh, 2019; World Bank, 2020). This gap is particularly evident in entrepreneurship students who require advanced financial competencies to manage business ventures effectively (Sarfaraz et al., 2025).

Moreover, socio-economic factors, lack of exposure, and inadequate curriculum design contribute to low financial literacy levels (Potrich et al., 2015; Hasler & Lusardi, 2017; OECD/INFE, 2016). Inadequate financial knowledge often leads to poor business decisions, high failure rates, and limited entrepreneurial sustainability among graduates (Lusardi & Mitchell, 2017; Klapper & Lusardi, 2020; Nabi et al., 2017). Therefore, addressing these challenges is essential for promoting successful student entrepreneurship (Shaheen et al., 2022).

Theoretical Framework

The theoretical foundation of this study is primarily based on Human Capital Theory, which posits that education, skills, and knowledge significantly enhance individual productivity and economic outcomes. In the context of entrepreneurship, financial literacy is considered a form of human capital that improves decision-making, resource management, and business performance (Becker, 1993; Lusardi & Mitchell, 2017; OECD, 2018). According to this theory, individuals with higher levels of financial knowledge are more capable of identifying opportunities and minimizing risks in entrepreneurial activities. Human Capital Theory further suggests that investment in education, particularly financial education, leads to improved entrepreneurial outcomes. Financial literacy equips students with the ability to manage capital, evaluate investments, and sustain business operations effectively (Morgan & Trinh, 2019; van Rooij et al., 2017; World Bank, 2020). This theoretical perspective supports the assumption that financial literacy directly influences entrepreneurial success by enhancing cognitive and analytical skills (Waheed et al., 2025).

Another relevant framework is the Theory of Planned Behavior (TPB), which explains entrepreneurial intention as a result of attitude, subjective norms, and perceived behavioral control. Financial literacy strengthens perceived behavioral control by increasing confidence in financial decision-making (Ajzen, 1991; Liñán & Fayolle, 2015; Nabi et al., 2017). Students with higher financial literacy are more likely to believe they can successfully start and manage a business. Additionally, Social Cognitive Theory emphasizes the role of self-efficacy in entrepreneurial behavior. Financial literacy enhances self-efficacy by improving individuals' understanding of financial processes and reducing uncertainty (Bandura, 1986; Klapper & Lusardi, 2020; Hasler & Lusardi, 2017). This increased confidence contributes to higher entrepreneurial engagement and persistence in business activities.

Overall, these theories collectively explain how financial literacy functions as a critical determinant of entrepreneurial success among university students. They highlight that financial knowledge, behavioral confidence, and cognitive ability interact to influence entrepreneurial outcomes.

RESEARCH METHODOLOGY

Research Design

The present study adopts a quantitative research design to examine the impact of financial literacy on entrepreneurial success among university students. A quantitative approach is considered appropriate because it allows systematic measurement of variables and statistical analysis of relationships between them. The study is descriptive and correlational in nature, as it aims to describe the level of financial literacy and determine its relationship with entrepreneurial success. This design enables the researcher to generalize findings to a larger population within higher education institutions. Moreover, the cross-sectional approach is used to collect data at a single point in time, ensuring efficiency and relevance of the findings.

Research Philosophy

This study is grounded in positivist research philosophy, which assumes that knowledge is objective, measurable, and can be analyzed using statistical methods. Positivism supports the idea that financial literacy and entrepreneurial success can be quantified and examined through observable indicators. The researcher maintains an objective stance, avoiding personal bias in data interpretation. This philosophy is suitable for testing hypotheses and identifying cause-and-effect relationships. It also aligns with the use of structured questionnaires and statistical tools for data analysis.

Population

The population of this study consists of university students enrolled in higher education institutions in Islamabad, Pakistan. Islamabad has several public and private universities offering business and entrepreneurship-related programs. The total estimated number of students in relevant departments (Business Administration, Commerce, and Entrepreneurship) across selected universities is approximately 12,500. These students represent potential or active entrepreneurs who may engage in business activities after graduation. The population is considered appropriate for studying financial literacy and entrepreneurial outcomes. The focus on Islamabad ensures accessibility and relevance of data collection.

Sample and Sampling Technique

The sample for this study consists of 370 university students selected from various higher education institutions in Islamabad. The sample size is determined using Krejcie and Morgan's sampling table to ensure statistical adequacy. A stratified random sampling technique is used to ensure representation from different universities and academic programs. This technique helps in reducing sampling bias and improves the generalizability of results. Students from Business Administration, Commerce, and Entrepreneurship programs are included in the sample. Equal representation from public and private universities is maintained to enhance diversity in responses.

Research Tool

The primary research tool used in this study is a structured questionnaire. The questionnaire is divided into three sections: demographic information, financial literacy scale, and entrepreneurial success scale.

Likert scale (5-point) items ranging from strongly disagree to strongly agree are used to measure responses. The financial literacy section assesses budgeting, saving, investment, and credit management skills. The entrepreneurial success section measures business performance, decision-making ability, and sustainability. The questionnaire is adapted from previously validated studies and modified according to the research context.

Validity and Reliability of Research Tool

Content validity of the research instrument is ensured through expert review from academic professionals in the field of business and education. Suggestions from experts are incorporated to improve clarity, relevance, and accuracy of questionnaire items. Construct validity is established through alignment with existing literature and theoretical frameworks. Reliability of the instrument is tested using Cronbach's Alpha, with a threshold value of 0.70 or above considered acceptable. A pilot study is conducted on 30 students to test reliability before full-scale data collection. The instrument demonstrates strong internal consistency, ensuring dependable results.

Data Collection Procedure

Data collection is carried out through both online and physical distribution of questionnaires. Permission is obtained from selected universities before data collection begins. Respondents are briefed about the purpose of the study and assured of confidentiality. The researcher ensures voluntary participation and provides clear instructions for completing the questionnaire. Data collection is completed within a period of four weeks. Completed questionnaires are carefully checked for completeness before analysis.

Ethical Consideration

Ethical standards are strictly followed throughout the research process. Informed consent is obtained from all participants before data collection. Respondents are assured that their participation is voluntary and they may withdraw at any time without penalty. Confidentiality and anonymity of participants are maintained by not collecting personal identifiers. Data is used strictly for academic purposes only. The study ensures honesty and transparency in reporting findings without manipulation or bias.

Data Analysis Technique

The collected data is analyzed using Statistical Package for Social Sciences (SPSS). Descriptive statistics such as frequency, percentage, mean, and standard deviation are used to summarize demographic data. Inferential statistics including Pearson correlation and regression analysis are used to examine relationships between variables. Hypotheses are tested at a 0.05 significance level. The results are presented in tables and interpreted in a clear academic manner. Data analysis helps in determining the impact of financial literacy on entrepreneurial success.

Table 1: Gender Distribution of Respondents

Gender	Frequency	Percentage
Male	190	51.4%
Female	180	48.6%

Total	370	100%
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The table shows that male respondents slightly outnumber female respondents in the study. The difference in gender distribution is minimal, indicating balanced participation. Both genders are almost equally represented, ensuring fairness in data interpretation. This balance enhances the reliability of comparative analysis. The results suggest that both male and female students are actively engaged in entrepreneurial education.

Table 2: Age Distribution of Respondents

Age Group	Frequency	Percentage
18–20	120	32.4%
21–23	160	43.2%
24–26	70	18.9%
27+	20	5.5%
Total	370	100%

The age distribution indicates that the majority of respondents fall within the 21–23 age group. This reflects that most participants are undergraduate or early postgraduate students. The presence of older students ensures diversity in experience levels. Younger students dominate the sample, which is typical in university-based research. The distribution supports the relevance of findings for early-career entrepreneurs.

DATA ANALYSIS:

Objective 1: To examine the level of financial literacy among university students

Table 3: Level of Financial Literacy among University Students

Indicators	Mean	Std. Deviation	Level
Budgeting Skills	3.62	0.84	Moderate
Saving Behavior	3.48	0.91	Moderate
Investment Knowledge	3.21	0.88	Low–Moderate
Credit Management	3.35	0.86	Moderate
Overall Financial Literacy	3.41	0.87	Moderate

The table shows that the overall financial literacy level of university students is moderate. Budgeting skills are relatively stronger compared to investment knowledge, which remains comparatively weak. Saving behavior also falls within the moderate range, indicating that students are somewhat financially aware but lack advanced financial competencies. Credit management skills are slightly better but still

require improvement. Overall results indicate that financial literacy among students is not fully developed and requires institutional support and training.

Objective 2: To investigate the relationship between financial literacy and entrepreneurial success

Table 4: Correlation between Financial Literacy and Entrepreneurial Success

Variables	Correlation (r)	Significance (p)
Financial Literacy & Entrepreneurial Success	0.68	0.000

The table indicates a strong positive relationship between financial literacy and entrepreneurial success. The correlation value ($r = 0.68$) shows that an increase in financial literacy is associated with higher entrepreneurial success among university students. The significance value ($p = 0.000$) confirms that the relationship is statistically significant. This suggests that financially literate students are more likely to achieve better entrepreneurial outcomes. The result highlights the importance of financial knowledge in entrepreneurial development.

Objective 3: To assess the impact of financial literacy on entrepreneurial decision-making and business performance

Table 5: Regression Analysis of Financial Literacy on Entrepreneurial Success

Predictor	Beta	t-value	Significance
Financial Literacy	0.62	8.45	0.000

The regression analysis shows that financial literacy has a significant positive impact on entrepreneurial success. The beta value (0.62) indicates a strong influence of financial literacy on entrepreneurial outcomes. The t-value confirms statistical significance, while p-value (0.000) shows high reliability of results. This suggests that financial literacy is a strong predictor of entrepreneurial success among university students. The findings highlight its critical role in business decision-making and performance.

DISCUSSION

The finding that university students possess moderate financial literacy is consistent with Lusardi and Mitchell (2017), who found that young individuals generally have partial financial knowledge but lack advanced competencies. Similarly, OECD (2018) reported that university students in developing economies demonstrate moderate financial understanding due to limited exposure to financial education. Morgan and Trinh (2019) also support this result, stating that financial literacy levels remain uneven across student populations, particularly in emerging economies. The relatively stronger budgeting skills observed in this study align with Atkinson and Messy (2016), who found that budgeting is the most commonly understood financial skill among students. Hasler and Lusardi (2017) further confirm that basic financial skills such as budgeting are more accessible compared to complex concepts like investment. Klapper and Lusardi (2020) also highlight that students tend to develop simple financial behaviors earlier than advanced financial decision-making skills.

The weak performance in investment knowledge is supported by Xu and Zia (2018), who identified investment literacy as the lowest among youth populations globally. Potrich et al. (2015) similarly found that students often lack exposure to capital markets and investment planning. World Bank (2020) also

emphasizes that limited financial education leads to poor investment awareness among university students. The strong relationship between financial literacy and entrepreneurial success is supported by Lusardi and Mitchell (2019), who found that financial knowledge significantly improves entrepreneurial decision-making. Similarly, van Rooij et al. (2017) confirmed that financially literate individuals are more likely to engage in successful business activities. Morgan and Trinh (2019) also reported a strong association between financial literacy and entrepreneurial performance in developing countries.

Nabi et al. (2017) support this finding by stating that entrepreneurship success is highly dependent on financial management skills acquired through education. OECD (2020) also highlights that financial literacy enhances business sustainability and reduces failure rates among young entrepreneurs. Xu and Zia (2018) further confirm that financial knowledge is a key predictor of entrepreneurial success globally. Additionally, Klapper and Lusardi (2020) emphasize that financial literacy improves risk management and investment decisions, leading to better entrepreneurial outcomes. These findings collectively support the positive and significant relationship identified in this study.

The finding that financial literacy significantly predicts entrepreneurial success is consistent with Lusardi and Mitchell (2017), who identified financial literacy as a strong determinant of economic decision-making. Similarly, Hasler and Lusardi (2017) found that financial knowledge improves individuals' ability to manage business operations effectively. Morgan and Trinh (2019) also support this finding by highlighting its strong predictive role in entrepreneurial performance. OECD (2018) reports that financial literacy enhances decision-making quality in business environments, leading to improved performance outcomes. Van Rooij et al. (2017) also confirm that financial knowledge reduces uncertainty and improves investment decisions. Klapper and Lusardi (2020) further emphasize that financial literacy strengthens business sustainability through improved financial planning. Additionally, Xu and Zia (2018) state that financial literacy is essential for entrepreneurial success in both developed and developing economies. These studies collectively validate the strong predictive relationship identified in the present research.

CONCLUSION

The study concludes that financial literacy plays a crucial role in shaping entrepreneurial success among university students. The findings indicate that students possess moderate financial literacy levels, which are not sufficient for advanced entrepreneurial performance. This suggests a need for improved financial education in higher education institutions.

Furthermore, the study confirms a strong positive relationship between financial literacy and entrepreneurial success. Students with higher financial literacy demonstrate better entrepreneurial outcomes, including improved decision-making and business sustainability. This highlights financial literacy as a key driver of entrepreneurial development.

Finally, the study concludes that financial literacy significantly predicts entrepreneurial performance. It influences business decision-making, risk management, and overall success. Therefore, enhancing financial literacy among students is essential for promoting entrepreneurship in higher education institutions.

Findings of the Study:

1. University students exhibit a moderate level of financial literacy overall. Budgeting skills are comparatively stronger than other financial components.

2. Investment knowledge remains the weakest area among students. There is a strong positive relationship between financial literacy and entrepreneurial success.
3. Financial literacy significantly influences entrepreneurial outcomes among students. Higher financial literacy leads to better entrepreneurial performance.
4. Financial literacy significantly predicts entrepreneurial success. It has a strong positive impact on business decision-making. Financial literacy enhances entrepreneurial performance.

Recommendations:

1. Universities should introduce compulsory financial literacy courses to strengthen students' financial knowledge. Practical workshops on budgeting and investment should be arranged regularly.
2. Special focus should be given to improving investment-related financial skills. Universities should integrate entrepreneurship and financial literacy programs.
3. Students should be encouraged to participate in business simulations and financial planning activities. Policy makers should promote financial literacy campaigns for young entrepreneurs.
4. Financial literacy training should focus on improving decision-making skills. Universities should introduce real-life business case studies.
5. Internship opportunities should be increased to improve practical financial exposure.

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