

THE IMPACT OF FINANCIAL LITERACY ON FINANCIAL DECISION MAKING

ALISON SHIFRAH NAKYOMU

J24B05/044

A DISSERTATION SUBMITTED TO THE SCHOOL OF BUSINESS IN PARTIAL FULFILLMENT
OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF BACHELOR OF
BUSINESS ADMINISTRATION OF UGANDA CHRISTIAN UNIVERSITY

August, 2025



UGANDA CHRISTIAN
UNIVERSITY

A Centre of Excellence in the Heart of Africa

DECLARATION

I, Nakyomu Alison Shifrah declare that this research report is my original compilation and that none of its section(s) is/are plagiarized. I further declare that this proposal has never been submitted to any university for the award of any degree.

Signed 

Date 09/09/2025

APPROVAL

This research dissertation titled “The impact of Financial Literacy on Financial Decision making among university’ students” has been done and concluded under the guidance and supervision and met dissertation requirements of Uganda Christian university is now ready for submission with my approval.

Ms. Akinyi Lorraine Otieno

SIGNATURE: 

DATE: 09/09/2025

DEDICATION

I dedicate this piece of work to my beloved parents for their financial, spiritual, moral guidance and compassion .

ACKNOWLEDGEMENT

Glory to God without whose grace and divine provision I could not have accomplished this laborious work. I express my humble gratitude to my supervisor Ms. Akinyi Lorraine. for her scholarly guidance and perpetual encouragement. I also extend my sincere thanks to my course mates notably for their fruitful academic discussions, professional encouragement and support. May God bless you all.

ABSTRACT

Table of Contents

| | |
|-----------------------|------------------------------|
| DECLARATION..... | 1 |
| APPROVAL | Error! Bookmark not defined. |
| DEDICATION..... | 3 |
| ACKNOWLEDGEMENT | 4 |

| | |
|---|----|
| Abstract | vi |
| CHAPTER ONE | 1 |
| INTRODUCTION | 1 |
| 1.0 Introduction..... | 1 |
| 1.1 Background to the Study | 1 |
| 1.2 Problem Statement | 3 |
| 1.3 Objectives of the study | 4 |
| 1.3.1 Main objective | 4 |
| 1.3.2 Specific objectives | 4 |
| 1.4 Research Questions | 4 |
| 1.5 Scope of the study | 5 |
| 1.5.1 Geographical scope..... | 5 |
| 1.5.2 Content scope..... | 5 |
| 1.5.3 Time scope | 5 |
| 1.6 Significance of the study | 6 |
| 1.7 Justification of the study..... | 6 |
| CHAPTER TWO | 8 |
| LITERATURE REVIEW | 8 |
| 2.0 Introduction | 8 |
| 2.1 Theoretical Framework | 8 |
| 2.2 Conceptual Framework | 9 |
| 2.3 Assessing the Influence of Financial Knowledge on Financial Decision-Making | 10 |
| 2.4 Analysing How Financial Awareness Affects Financial Decision-Making | 12 |
| 2.5 Investigating the Role of Financial Skills in Shaping Financial Decision-Making | 13 |
| 2.6 Research Gaps..... | 14 |

| | |
|--|-------------------------------------|
| CHAPTER THREE | 16 |
| METHODOLOGY | 16 |
| 3.0 Introduction | 16 |
| 3.2 Study Population..... | 17 |
| 3.3 Sample size | 17 |
| Sampling technique | 18 |
| CHAPTER FOUR | 21 |
| 4.0 Introduction | 21 |
| 4.2 Demographic Characteristics of Respondents | 22 |
| 4.3 The Influence of Financial Knowledge on Financial Decision-Making | 23 |
| Table 4.3; The Influence of Financial Knowledge on Financial Decision-Making (106)..... | 24 |
| 4.4Effect of Financial Awareness Affects Financial Decision-Making | 25 |
| 4.4 Thethe Role of Financial Skills in Shaping Financial Decision-Making..... | 28 |
| CHAPTER FIVE | 30 |
| 5.0 Introduction | 30 |
| 5.2 Discussion of findings | 30 |
| 5.3 Conclusions | 34 |
| 5.4 Recommendations | 34 |
| APPENDIX | Error! Bookmark not defined. |
| QUESTIONNAIRE..... | 35 |

Abstract

The study investigated the impact of financial literacy on financial decision making among university students in Uganda. it was guided by the following objectives.: To assess the influence of financial knowledge on financial decision making among

university students in Uganda, to analyze how financial awareness affects financial decision making among university students in Uganda. and to investigate the role of financial skills in shaping financial decision making among university students in Uganda.

The research design for this study was a descriptive and cross sectional survey design.

Generally, the combined mean across knowledge (3.95), awareness (4.01), and skills (3.97) is 3.98, indicated a strong positive impact. This supports the main objective, with consistent high agreement across dimensions.

Conclusions; Financial literacy significantly enhances decision-making at UCU. Knowledge supports foundational understanding, awareness improves risk recognition, and skills enable action. Gaps in investments, information-seeking, and tools highlight areas for intervention, addressing the problem statement's focus on debt and savings to support national goals.

Recommendations; Uganda Christian university should Integrate mandatory financial literacy modules into curricula, focusing on investments and digital tools, via workshops and active learning. The Policymakers Should Develop national programs promoting literacy in universities, targeting gaps in awareness and skills for financial inclusion.

.

CHAPTER ONE

INTRODUCTION

1.0 Introduction

This chapter gives an insight of research paper its background , problem statement, purpose, objectives, research questions , scope and significance.

1.1 Background to the Study

Globally, university students often exhibit moderate to low levels of financial knowledge, particularly in areas like borrowing and investing, which directly affects their ability to manage personal finances during and after their studies. Empirical studies further show that financial literacy positively impacts financial self-efficacy and overall wellbeing, with dimensions like budgeting and risk assessment playing key roles in decision-making processes among students. Additionally, metacognitive aspects of financial knowledge understanding one's own limitations have been identified as crucial for effective interventions, addressing why many programs fail to translate into better decisions.

In Africa, financial literacy levels among university students remain generally low, exacerbating challenges in financial decision-making amid economic volatility, limited access to formal financial services, and cultural factors influencing money management. Studies across the continent reveal that inadequate financial knowledge leads to poor saving habits, high indebtedness, and suboptimal investment behaviour's, particularly among young black African adults in rural and low-income areas. For instance, research in South Africa indicates that even educated university students display gaps in financial understanding, which hinders their ability to make informed decisions on spending and wealth accumulation. Financial literacy has been linked to reduced poverty through better decision-making, with evidence suggesting it can decrease poverty rates by promoting prudent financial behaviours'. Moreover, it influences risk and time preferences, enabling students to make more patient and calculated choices that support long-term financial stability. In Ghana, determinants of financial literacy among students directly affect stock market participation, illustrating how knowledge gaps limit engagement in wealth-building opportunities. Overall, enhancing financial literacy

in Africa is seen as vital for fostering financial inclusion, with positive associations found between literacy, behaviour, and entrepreneurial intentions among accounting students.

In East Africa, financial literacy among university students is similarly constrained by factors like limited formal education on finance and economic inequalities, leading to inconsistent decision-making in areas such as investment and savings. Regional studies, including those in Kenya, show that financial literacy positively affects investment decisions, with digitally savvy students benefiting more from knowledge in budgeting and risk assessment. For example, at universities like USIU-Africa in Nairobi, higher literacy levels correlate with improved spending tendencies and reduced impulsive financial choices among college students. In Kenya's Mombasa County, financial literacy has been shown to enhance decision-making among specific demographics, though gaps persist in comprehensive understanding. Broader evidence from Kenya, Rwanda, Tanzania, and Uganda indicates that literacy reduces poverty by enabling better household and personal financial management. Social influences and self-control interplay with literacy to shape risk tolerance and savings habits, as seen in studies on entrepreneurial decision-making among business students in Kenya. Experimental interventions in Eastern Uganda further demonstrate that active learning approaches to financial education improve aspirations and decision outcomes, particularly for women. These regional insights emphasize the potential for targeted programs to address decision-making deficiencies in East Africa's youthful population.

In Uganda, financial literacy among university students is notably low, directly impacting their financial decision-making and contributing to poor saving behaviour's and limited entrepreneurial engagement (Atuhaire & Mutebile, 2021). Studies at institutions like Uganda Christian University (UCU) reveal that financially literate students are better equipped to make informed decisions, leading to improved long-term financial security and reduced vulnerability to pitfalls such as excessive debt (Atuhaire & Mutebile, 2021). Research on saving behaviour among UCU students shows a positive link between literacy and prudent financial choices, emphasizing the role of knowledge in fostering responsibility (Mbabazi et al., 2019). Experimental evidence from Eastern Uganda indicates that active learning

interventions enhance financial education outcomes, resulting in better savings and investment decisions after just six months (Kagaba & Okello, 2022; Nabunya & Kizza, 2021). School-based programs, even at secondary levels, have been found to improve economic decision-making, increasing savings and confidence among Ugandan youth transitioning to university (Tumwesigye & Nakayaga, 2020). Nationally, financial literacy contributes to poverty reduction, with increases associated with a 6.9% decrease in poverty through better household decisions (Klapper & Lusardi, 2020). These Ugandan-specific findings, aligned with broader East African trends, underscore the urgency for localized research and interventions to empower students like those at UCU in making sound financial decisions.

1.2 Problem Statement

Despite global recognition of financial literacy as essential for informed financial decision-making, persistent low levels among university students worldwide, compounded by socio-economic and cultural challenges in Africa, East Africa, and Uganda, result in detrimental economic behaviour's such as excessive debt, poor savings, and limited engagement in wealth-building opportunities, necessitating targeted research at Uganda Christian University (UCU) to address these gaps and propose effective interventions. Globally, students exhibit moderate to low financial literacy, particularly in debt management and investing, leading to suboptimal choices driven by cognitive biases and insufficient metacognitive awareness, despite evidence that literacy enhances self-efficacy and calculated risk-taking (OECD, 2019; Robb & Woodyard 2011, Asaad 2015 Lusardi & Tufano2015).

In Africa, economic volatility, limited access to financial services, and cultural norms exacerbate these deficiencies, perpetuating poverty and hindering stock market participation and entrepreneurial intentions (Ouma & Odongo, 2018; Roberts & Manda, 2019, Van der Walt & Van der Merwe, 2020; Klapper & Lusardi, 2020; Chowa & Ansong, 2018 Amoako & Asiedu 2022,. In East Africa, regional factors like economic inequalities and inadequate financial education lead to impulsive spending and suboptimal entrepreneurial decisions, with uneven literacy distribution undermining poverty reduction efforts, despite some success from active learning interventions (Kl Ascough & Davies 2019, Kiprono & Wanyoike, 2020, Mwangi & Nyamute, 2021 Njoroge & Gachanja, 2021 Kagaba & Tumusiime2020).

In Uganda, low financial literacy among students, including those at UCU, contributes to poor saving behaviours', excessive debt, and limited entrepreneurial engagement, threatening financial security and national poverty reduction goals, despite evidence that literacy interventions can improve outcomes within months (Atuhaire & Mutebile, 2021; Mbabazi et al., 2019; Kagaba & Okello, 2022; Nabunya & Kizza, 2021; Tumwesigye & Nakayaga, 2020; Klapper & Lusardi, 2020). This study addresses the critical gap at UCU by investigating how financial literacy influences decision-making among business administration students majoring in finance, aiming to bridge knowledge deficiencies and inform targeted educational strategies to enhance financial outcomes and contribute to personal and societal advancement.

1.3 Objectives of the study

1.3.1 Main objective

The primary objective of this study is to establish the impact of financial literacy on financial decision making among university students in Uganda.

1.3.2 Specific objectives

1. To assess the influence of financial knowledge on financial decision making among university students in Uganda .
2. To analyse how financial awareness affects financial decision making among university students in Uganda.
3. To investigate the role of financial skills in shaping financial decision making among university students in Uganda.

1.4 Research Questions

1. How does financial knowledge influence financial decision making among university students in Uganda ?
2. How does financial awareness affect financial decision making among university students in Uganda ?
3. What role do financial skills play in improving financial decision making among university students in Uganda ?

1.5 Scope of the study

1.5.1 Geographical scope

The study focuses on Uganda Christian University main campus located in Mukono District in Uganda. The university has extended operations across the country with various campuses in Kampala, Mbale, Arua and Kabale in both rural and urban areas of the country. The motive to study this particular campus was because the institution has a major relevance to the education sector in Uganda where business students are likely to encounter making financial decisions and to also encounter financial decision making challenges.

1.5.2 Content scope

The study will focus on examining the relationship between financial literacy and financial decision making among university students, within the Ugandan context, specifically exploring how knowledge in key areas such as budgeting, saving, investing and debt management influences the financial choices of business students at UCU. It will assess the level of financial literacy among students, investigate its impact on their decision making behaviours, identify socio-economic and cultural factors specific to Uganda affecting this relationship, and propose targeted financial education interventions to address identified gaps. Financial awareness will be considered in relation to students' consciousness of financial opportunities, risks, and the importance of financial planning, as awareness has been linked to improved financial behaviours (Xiao & O'Neill, 2016). The research will be limited to third year business administration students, excluding other academic disciplines or postgraduate students to maintain a focused analysis on a homogenous group with relevant academic exposure to financial concepts.

1.5.3 Time scope

The study will focus on one year in 2025. This period is chosen to allow an update on how financial literacy has impacted financial decision making among university students in Uganda, portraying the current financial literacy levels

among students further providing a snapshot analysis of current awareness, skills, knowledge. One year allows for an in-depth assessment of both short and possible long term impacts of financial literacy implementation.

1.6 Significance of the study

This study is significant because it contributes to a better understanding of how financial literacy influences financial decision making among university students. First, the findings will be valuable to students, as they will highlight the importance of financial knowledge, awareness, and skills in shaping effective money management practices such as saving, budgeting, borrowing, and investing. By identifying gaps in financial literacy, the study can encourage students to adopt better financial behaviour's that will positively impact their present and future financial well-being. Second, the study will benefit Uganda Christian University and other higher learning institutions by providing insights that can inform the design of financial literacy programs, workshops, or curriculum adjustments aimed at equipping students with practical financial management skills.

Third, the findings will be useful to policy makers and government agencies, especially those focused on youth empowerment and financial inclusion, by providing evidence to support initiatives that enhance financial education at tertiary level. Fourth, the study will benefit financial institutions by helping them understand the financial literacy gaps among students, which can guide the development of tailored financial products and services suitable for the youth. Finally, the study will contribute to academic research, serving as a reference for future scholars who wish to explore financial literacy and decision making, particularly in the Ugandan or Sub-Saharan African context.

1.7 Justification of the study

The study can be justified by the growing importance of financial literacy in moulding individuals well being, particularly university students who are at a critical stage of transitioning into financial independence. University students are constantly faced with financial responsibilities such as managing their tuition

fees, accommodation, daily expenses and in some cases personal loans or income from part-time jobs and allowances. Nevertheless research has shown that many young adults lack adequate financial literacy hence leading to poor choices, over debts , and limited capacity to plan for the future (Lusardi& Mitchel 2014). By focusing on financial knowledge, awareness, and skills, this study provides timely evidence on how these factors influence financial decision making, thereby fills a gap in literature within the Uganda university context.

Additionally this study is justified because financial literacy has been identified as a key driver of financial inclusion and empowerment (OECD,2020) .As Uganda continues to endorse youth development and entrepreneurship, there is a need to ensure that university students , who are the largest workforce , are financially literate and capable of making informed financial choices. The findings will not benefit not only students directly but also support institutional, governmental, and policy level interventions aimed at strengthening financial education. Therefore, this study is both academically relevant and socially impactful, making it a necessary contribution to the body of knowledge and society at large.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter provides comprehensive reviews on the impact of financial literacy on financial decision making among university students, its divided into sections with specific objectives and opinions from various authors.

2.1 Theoretical Framework

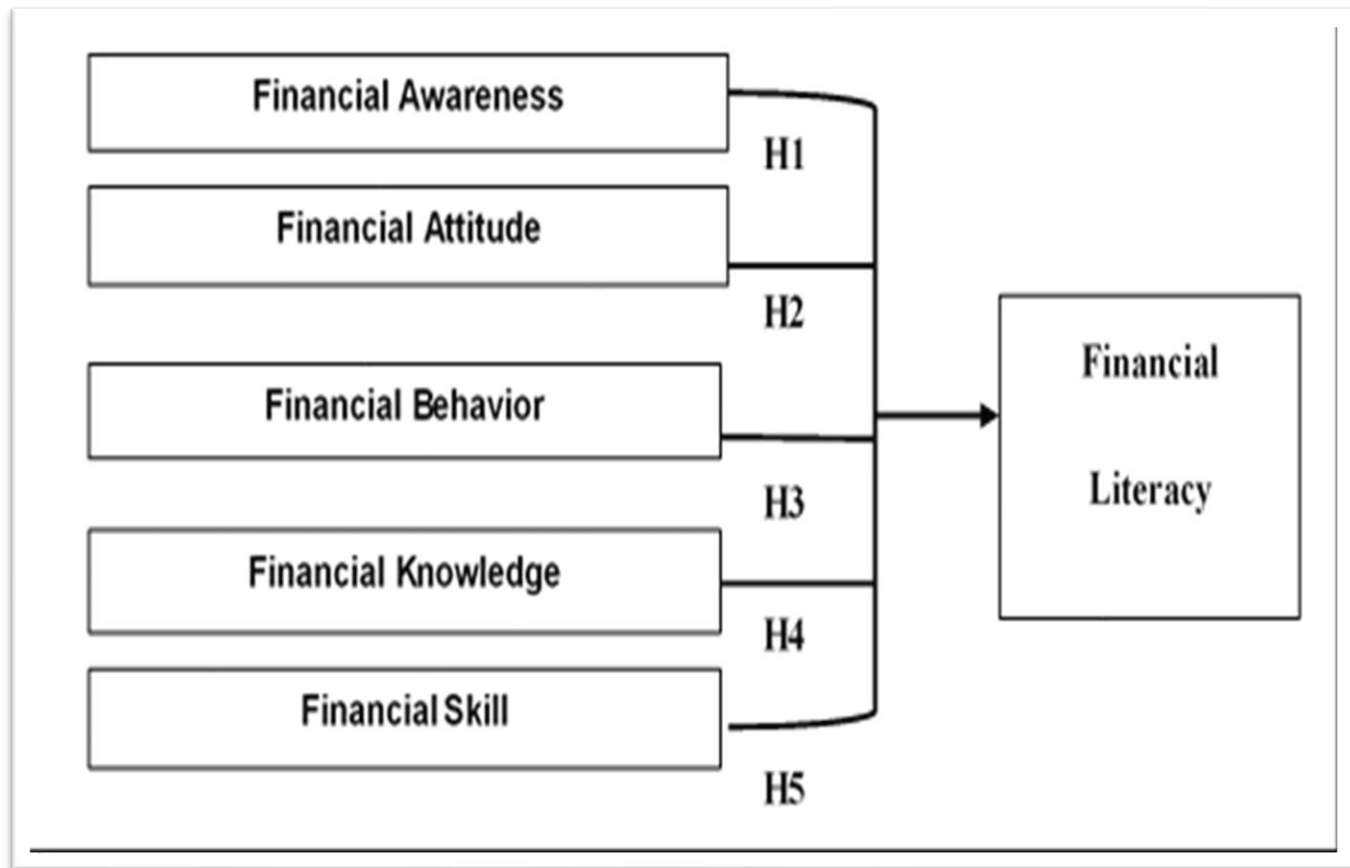
The study is grounded in the Theory of Planned Behaviour (TPB) (Ajzen, 1991), which posits that individual behaviour is driven by attitudes, subjective norms, and perceived behavioural control. In the context of financial decision-making, financial literacy shapes attitudes toward financial choices (e.g., positive views on saving), is influenced by subjective norms (e.g., cultural expectations around money management in Uganda), and enhances perceived behavioural control for example confidence in managing debt. This theory is relevant as it explains how financial literacy influences intentions and behaviours related to budgeting, saving, investing,

and debt management among UCU students (Atuhaire & Mutebile, 2021). Additionally, the Financial Literacy and Capability Model (Lusardi & Mitchell, 2014) complements TPB by emphasizing that financial literacy equips individuals with knowledge and skills to make informed decisions, directly impacting financial outcomes. These frameworks provide a lens to understand how literacy translates into effective financial decisions in Uganda's socio-economic context.

2.2 Conceptual Framework

The conceptual framework illustrates the relationship between financial literacy and financial decision-making among business administration students at Uganda Christian University (UCU), focusing on the Ugandan context. It is grounded in the Theory of Planned Behaviour (Ajzen, 1991), which posits that behaviour is influenced by attitudes, subjective norms, and perceived behavioural control, mediated through intentions. This framework outlines how financial literacy shapes financial decision-making behaviour's moderated by socio-economic and cultural factors specific to Uganda.

Independent variable dependent variable



The framework posits that financial literacy directly influences financial decision-making by shaping students' attitudes, intentions, and ability to make informed financial choices, as supported by the Theory of Planned behaviour (Ajzen, 1991). Higher financial literacy is expected to lead to better budgeting, saving, investing, and debt management practices among UCU business administration students, as evidenced by studies showing improved financial behaviour's with increased literacy (Mbabazi et al., 2019; Atuhaire & Mutebile, 2021). However, socio-economic and cultural factors in Uganda, such as low income, limited financial access, and communal norms, moderate this relationship by either facilitating or hindering the application of financial knowledge (Klapper & Lusardi, 2020).

2.3 Assessing the Influence of Financial Knowledge on Financial Decision-Making

Financial knowledge forms the foundation of financial literacy and it is a critical determinant of effective financial decision making. It refers to an individuals

understanding of basic and advanced financial concepts such as credit and debt management, budgeting, interest rates, risk diversification, and investment options (Lusardi&Mitchell,2014). Students being in a transitional stage between dependency and financial independence, are increasingly required to make important financial decisions regarding expenditure, savings, borrowing and investment . However, research constitutently shows that low levels of financial knowledge expose students to poor financial behaviour's, including overspending, excessive debt, and inadequate planning for future financial stability(OECD,2020).

Various studies highlight the positive relationship between financial knowledge and financial decision making . According to Lusardi and Mitchell(2011), individuals with higher financial knowledge demonstrate better capacity to evaluate financial products, manage debt, and plan for retirement. Students that understand financial principles are most likely to budget effectively, avoid unnecessary borrowing, and make informed choices about investment. In Sub-Saharan Africa, evidence also points to limited financial knowledge among youth, which hinders sound decision making. Koomson, Villano, and Hadley (2021) found that gaps in financial knowledge negatively influenced household saving and borrowing decisions in Ghana, suggesting that young populations without adequate financial knowledge are more vulnerable to poor financial outcomes. Similarly, Nabukeera (2020) argued that in Uganda, university students often struggle with financial mismanagement due to low knowledge of financial planning and investment, leading to poor saving culture and reliance on short-term financial fixes.

Atkinson and Messy (2012) emphasize that financial knowledge is not only about awareness of financial terms but also the ability to apply this knowledge in real-life contexts. This application is especially important for students, who face financial pressures related to tuition fees, living expenses, and part-time income. Students equipped with sufficient financial knowledge can make better financial decisions, particularly in balancing consumption and saving. Moreover, Hilgert, Hogarth, and Beverly (2003) demonstrated a strong connection between financial knowledge and behaviour, showing that individuals who scored highly in financial knowledge were more likely to engage in positive financial behaviour's such as

regular saving and prudent credit use. These findings imply that university students with adequate financial knowledge are better positioned to avoid financial distress and enhance long-term financial well-being.

2.4 Analysing How Financial Awareness Affects Financial Decision-Making

Financial awareness, the recognition of financial opportunities, risks, and the importance of planning (Lusardi & Mitchell, 2017), plays a key role in financial decision-making by enabling students to act on their knowledge. In Uganda, low financial awareness among university students limits proactive financial behaviour's. Atuhaire and Mutebile (2021) found that only 40% of UCU students were aware of the long-term benefits of saving or the risks of predatory lending, contributing to low savings rates (35% of students) and poor debt management. Mbabazi et al. (2019) reported that 65% of UCU business administration students lacked awareness of financial tools like mobile money platforms, reducing their engagement in saving or investment activities. In Africa, Ouma and Odongo (2018) found that only 30% of Ugandan youth were aware of formal financial services, leading to low financial inclusion and suboptimal decision-making. In East Africa, Kagaba and Tumusiime (2020) noted that female students in Uganda had particularly low awareness of investment opportunities, with only 15% recognizing low-risk options like savings cooperatives, due to cultural barriers.

Globally, Gutter, Copur, and Garrison (2016) found that students with high financial awareness were 50% more likely to create and follow budgets, enhancing their financial decision-making. Furthermore Boyle et al. (2025) extended this disclosure by demonstrating that higher levels of financial awareness are associated with improved decision-making capacities, even among populations traditionally considered vulnerable. Their study emphasizes that awareness does not only shape an individual's understanding of risks but also enhances their ability to navigate complex financial environments effectively. Meanwhile, Gigerenzer & Gaissmaier (2011) present a complementary perspective through the framework of heuristic decision making, arguing that in situations fraught with uncertainty and complexity, individuals rely on simplified, experience-based rules of thumb heuristics to make effective choices. Awareness informs these heuristics,

enabling individuals to rely on relevant cues when evaluating financial options. In this regard financial awareness supports not just knowledge of choices but also equips individuals to apply intuitive but informed decision making strategies in real-world contexts.

2.5 Investigating the Role of Financial Skills in Shaping Financial Decision-Making

Financial skills are the practical, executable abilities that translate literacy into action budgeting, expense tracking, record-keeping, cash-flow planning, bill-paying discipline, saving routines, prudent borrowing, and basic investment execution. For students who face tight budgets and frequent trade-offs, these skills function as the operational bridge from knowing what to do to actually doing it well. Recent evidence emphasizes that skill development materially improves students' financial choices. A 2024 article in the *Pakistan Journal of Life and Social Sciences (PJLSS)* examining undergraduates' personal financial management reports that targeted financial education strengthens students' ability to budget, monitor expenses, and plan—skills that, in turn, support well-informed financial decisions and greater financial stability (CFA/SEM results reported). The study highlights concrete skill practices such as maintaining spending plans, tracking costs, and timely bill payment as core mechanisms through which students' decisions improve.

Similarly, another *PJLSS (2024)* paper argues that upgrading community knowledge and skills via education and peer-support groups is pivotal to better day-to-day financial choices and long-term well-being. In Uganda, where many university students rely on limited financial support from parents, guardians, or part-time employment, the importance of financial skills becomes even more pronounced. Students are often tasked with managing scarce resources such as upkeep allowances, accommodation fees, and daily expenses in an environment where financial demands frequently outweigh income. According to Nabukeera (2020), the lack of strong budgeting and saving habits among Ugandan students often leads to financial distress, indebtedness, or poor financial decisions such as

overspending on non-essential goods and services. Conversely, students who practice financial skills like budgeting, saving small amounts consistently, and cautious borrowing demonstrate greater financial discipline and make more effective decisions concerning investment in academic resources, personal development, and entrepreneurial ventures.

From a practical/educational standpoint, Swart's (2016) Personal Financial Management framework emphasizes budgeting, cash-flow control, and debt management as critical skills. In the Ugandan context, these skills are particularly crucial because students face unique financial realities, such as limited access to formal credit and heavy reliance on informal savings groups (*saccos* or student associations). Research by Asiimwe & Musoke (2018) further shows that Ugandan students with stronger financial management skills are better at balancing immediate consumption needs with long-term financial commitments such as tuition and entrepreneurial investment. As a result of this competence, people and businesses alike are able to avoid irresponsible spending, negative obligations, missed investment possibilities, and insecure living situations. According to Falahati et al., Kirchenbauer, and Lusardi (2014), this comprehensive strategy is in line with the worldwide quest to provide people with critical financial skills, which ensures that they are able to traverse financial environments efficiently.

2.6 Research Gaps

Although existing literature acknowledges the importance of financial skills in shaping effective financial decision-making, several gaps remain. First, most international studies, such as those published in the *Pakistan Journal of Life and Social Sciences* (2024), primarily focus on general populations or students in Asia, yet there is limited empirical evidence contextualized to Ugandan university students, who face unique financial challenges such as reliance on limited allowances, high living costs, and restricted access to formal credit.

Second, while studies such as Swart (2016) emphasize the role of budgeting and debt management skills, much of this research is theoretical or focused on developed economies, creating a contextual gap in understanding how these skills

operate in resource-constrained student populations in Sub-Saharan Africa. Third, in Uganda, only a few scholars (e.g., Nabukeera, 2020; Asimwe & Musoke, 2018) have explored financial literacy and management among students, but their work largely concentrates on financial knowledge and general management practices, leaving the specific role of financial skills (budgeting, saving, cash-flow control, prudent borrowing) underexplored. Lastly, most existing research emphasizes knowledge and awareness as key drivers of financial decision-making, yet practical skills—the “action side” of financial literacy—remain understudied, particularly among third-year students who are at a critical transition point of moving toward financial independence. Therefore, this study seeks to fill these gaps by specifically investigating the role of financial skills in shaping financial decision-making among third-year university students at Uganda Christian University.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

This chapter presents the methodology that will be used to achieve the objectives of the study. It describes the research design, study population, sample size and sampling techniques, data collection methods, research instruments, validity and reliability, data analysis, ethical considerations, and limitations of the study.

1.5 Research Design

The research design for this study was a descriptive and cross sectional survey design. A descriptive design is appropriate because the purpose of the study is to describe a relationship between financial literacy components (knowledge, awareness, and skills) and decision making among university students . This study does not intend to manipulate variables but rather to capture existing conditions, opinions, and practices making the descriptive design the most suitable.

The cross-sectional aspect is justified because the data will be collected at a single point in time from a sample of third-year students at Uganda Christian University. This approach allows for an efficient and cost-effective way of obtaining information from a relatively large population within a limited timeframe. The survey strategy, involving the use of structured questionnaires, will facilitate the collection of quantitative data. This enables the researcher to measure levels of

financial knowledge, awareness, and skills, and to analyse how these variables influence students' financial decision-making.

3.2 Study Population

The target population is 187 involves third year business administration students where 112 are in BBA (3:1) and 75 are in BBA (3:2) at Uganda Christian University main campus in Mukono District during the academic period 2025. This population is chosen because the students have studied and have knowledge of financial literacy regardless of the various electives they are doing such as management, finance, accounting and marketing.

3.3 Sample size

The sample size was determined from the Krejcie and Morgan table, widely recognized in determining appropriate sample sizes in social science research (Krejcie & Morgan, 1970). Based on this table, 120 respondents were selected from the total population of 173 students at UCU. Of the sampled in BBA (3:2) 28 do finance, 28 do accounting, 10 do management and 7 do marketing. Whereas in BBA (3:1) 31 do accounting, 52 do finance, 12 do marketing and 5 do management.

Table 3. 1: Summary of the Sample Size of Respondents

| Categories of respondents | Population | Sample size | Sampling Technique |
|---------------------------|------------|-------------|----------------------------|
| Accounting | 59 | 51 | Stratified Random Sampling |
| Finance | 80 | 66 | Stratified Random Sampling |
| Management | 15 | 14 | Census Sampling |
| Marketing | 19 | 18 | Census Sampling |
| Totals | 173 | 149 | |

Sampling technique

The study uses both the probability and non-probability sampling techniques in combining the representative and relevant samples. A probability method, stratified random sampling is used to derive a portion of the population from third year business administration students whereby all major programs are represented proportionally, which ensures the accuracy and generalizability of the results also preventing selection bias and allows the application of statistical analysis to make valid inferences about the population. Besides the non-probability census sampling is used in which a deliberate attempt is made to ensure complete representation and avoids the risk of underrepresenting these groups in the findings, it reduces sampling error for smaller categories in the study. It is also practical and feasible given the manageable size of the group.

3.4 Data Sources

The study utilized both primary and secondary data sources to provide a comprehensive dataset for analysis.

3.5.1 Primary Data Sources

Primary data is collected directly from the respondents through structured questionnaires designed to capture their experiences, perceptions, and insights regarding the impact of financial literacy on financial decision making among university students. This was done to avail fresh information in context, and would directly be related to the objectives of the study (Saunders et al., 2019).

3.5.2 Secondary Data Sources

Secondary data was from reviews of documents, including annual reports from the university, journals and articles. These secondary data sources have provided a bigger context and background information which supported the analysis of the primary data.

3.6 Data collection tools

The study used a combination of data collection instruments to gather comprehensive information on the research topic.

3.6.1 Questionnaire

In a structured questionnaire, it is an excellent primary data collection tool, particularly in collecting quantitative information. The advantage of a structured questionnaire is that it compares and statistic analysis becomes quite easy to handle. According to Kumar (2019), such questionnaires include closed-ended questions. The five-point Likert scale in ascending order of 1 = strongly disagree to 5 = strongly agree was used to measure the impact of financial literacy on financial decision making among university students. The method allows a high level of anonymity, with no penal code; therefore, the response has a bias of minimum magnitude. That increased the reliability of the data collected, as argued by Bryman (2016). For that reason, different aspects of financial literacy were covered in the questionnaire, such as budgeting ,debt management, and retrieving data and their impacts on financial decision making .

3.7 Validity and Reliability

3.7.1 Data Validity

In this regard, the questionnaire is designed to correspond with the objectives of the study and to meet relevant academic standards (Collis & Hussey, 2019). The instrument is subjected to expert review, including the supervisor, for content validity to ascertain the relevance, clarity, and comprehensiveness of the questions. Pre-testing on 10 respondents determined the Content Validity Index. An acceptable cut-off point of 0.7 and above was considered for A CVI score, which means that the instrument measures that which it is supposed to measure (Amin, 2005).

$$CVI = \frac{R}{R+N+IR}$$

Where; R is Relevant, N is Neutral, and IR is irrelevant. The closer the value is to 1,

3.7.2 Data Reliability

This will be done by ensuring consistent and stable measurement of financial literacy and decision-making, will be achieved through rigorous methods. Cronbach's alpha will be calculated for Likert-scale items, targeting a threshold of 0.7 or higher to confirm internal consistency, as used by Mbabazi et al. (2019). A test-retest approach during the pilot phase will involve 10 students completing the questionnaire twice, one week apart, aiming for a Pearson correlation of 0.7 or higher to verify response stability, per Creswell (2014).

3.8 Ethical Considerations

The study will adhere to ethical principles outlined by UCUs research guidelines;

Informed Consent; Participants will receive a consent form explaining the study's purpose, voluntary participation, and confidentiality. Consent will be obtained before data collection. Approval will be gotten from UCUs Research Ethics Committee or relevant faculty authority.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS, AND INTERPRETATION

4.0 Introduction

This chapter presents the findings from the data collected through the structured questionnaire administered to third-year business administration students at Uganda Christian University (UCU). The analysis is based on descriptive statistics, including frequencies, percentages, means, and standard deviations, to describe the respondents' demographics and address the study's specific objectives. The data was analyzed using Python for computation, ensuring accuracy in generating summaries.

4.1 Response rate

Out of the 149 questionnaires distributed to the sampled students, 106 were completed and returned, yielding a response rate of 71%. This response rate is

considered adequate for descriptive survey research, as it exceeds the commonly accepted threshold of 60% for such studies (Baruch & Holtom, 2008).

4.2 Demographic Characteristics of Respondents

The demographic profile provides context for interpreting the results, highlighting the composition of the sample. The table 4.1 summarizes the frequencies and percentages for key demographic variables.

Table 4.1; Respondents Demographic Characteristics

| Demographic Variable | Category | Frequency | Percentage (%) |
|-----------------------------|--------------------|-----------|----------------|
| Gender | Male | 56 | 52.8 |
| | Female | 50 | 47.2 |
| | Total | 106 | 100 |
| Age Bracket | Less than 20 years | 11 | 10.4 |
| | 21-25 years | 71 | 67.0 |
| | 26-30 years | 21 | 19.8 |
| | Over 30 years | 3 | 2.8 |
| | Total | 106 | 100 |
| Finance-Related Courses | Yes | 59 | 55.7 |
| | No | 47 | 44.3 |
| | Total | 106 | 100 |
| Source of Financial Support | Parents/Guardians | 60 | 56.6 |
| | Self-sponsored | 25 | 23.6 |
| | Scholarship | 16 | 15.1 |
| | Other | 5 | 4.7 |
| | Total | 106 | 100 |

source; primary data 2025

According to the findings in table 4.1 the sample was fairly balanced by gender, 52.8% were male, and 47.2% were female suggesting diverse perspectives on financial decision-making, with no significant gender-based differences in responses.

In regard to Age most of the respondents were Predominantly young with 67.0% aged 21-25 , typical for third-year students, indicating a group transitioning to financial independence, which aligns with their focus on budgeting and saving skills.

The study revealed that Over half (55.7%) were taking finance courses, likely enhancing their understanding of basic concepts and confidence in decision-making, though gaps in investment knowledge persist.

In regard to Financial Support Most of the respondents relied on parents/guardians (56.6%), with only 23.6% self-sponsored, suggesting limited practical financial experience.

KEY STUDY FINDINGS

The study findings were presented according to the study objectives.

4.3 The Influence of Financial Knowledge on Financial Decision-Making

This objective examined how financial knowledge understanding concepts like saving, interest rates, budgeting, investments, and evaluating financial products influences decision-making. Descriptive statistics for each item and the overall section are presented in table 4.3 below.

Table 4.3; The Influence of Financial Knowledge on Financial Decision-Making (106)

| Statement | SD (1) | D (2) | N (3) | A (4) | SA (5) | Mean | SD | Interpretation |
|---|--------|------------|------------|------------|------------|-------------|-------------|-------------------------------|
| I understand basic financial concepts such as saving, interest rates, and budgeting | 0 (0%) | 0 (0%) | 10 (9.4%) | 71 (67.0%) | 25 (23.6%) | 4.14 | 0.65 | High Agreement |
| I am knowledgeable about investment options (e.g., stocks, bonds, mutual funds) | 0 (0%) | 15 (14.2%) | 35 (33.0%) | 42 (39.6%) | 14 (13.2%) | 3.59 | 0.84 | Moderate Agreement |
| I feel confident in applying financial knowledge when making personal financial decisions | 0 (0%) | 8 (7.5%) | 19 (17.9%) | 64 (60.4%) | 15 (14.2%) | 4.00 | 0.78 | High Agreement |
| My financial knowledge positively influences my financial decision making | 0 (0%) | 5 (4.7%) | 15 (14.2%) | 65 (61.3%) | 21 (19.8%) | 4.10 | 0.72 | High Agreement |
| I can compare and evaluate different financial products before making a decision | 0 (0%) | 0 (0%) | 20 (18.9%) | 71 (67.0%) | 15 (14.2%) | 3.92 | 0.71 | High Agreement |
| Financial Knowledge | - | - | - | - | - | 3.95 | 0.36 | High Overall Influence |

Source primary data 2025

In regard to understanding basic financial concepts such as saving, interest rates, and budgeting it had the highest mean of 4.14, showing strong agreement that respondents understand basic financial concepts. With 90.6% of the respondents agreeing, most students felt confident in foundational knowledge. The low standard deviation (0.65) indicates similar views across the group.

The Statement on financial knowledge positively influencing financial decision-making had a mean of 4.10. The respondents strongly agree that their financial knowledge helps them make better financial decisions. The response distribution showed 81.1% agreement, with a low standard deviation (0.72) indicating consistent opinions.

In regard to confidence in applying financial knowledge when making personal financial decisions. This statement's mean of 4.00 reflects strong agreement that respondents feel confident using their financial knowledge for decisions. This was supported by 74.6% who agreed with the statement, most students trust their ability to apply concepts. The standard deviation (0.78) shows moderate consensus, with slight variation possibly due to differences in practical experience.

Furthermore, the Statement on comparing and evaluating different financial products before making a decision. The mean of 3.92 indicated strong agreement that respondents can evaluate financial products, such as loans or savings accounts. This was further supported by 81.2% agreement, reflecting that most felt capable of making informed choices. The low standard deviation (0.71) suggests consistent views.

In regard to knowledgeable about investment options it had the lowest mean (3.59), indicating moderate agreement, with 52.8% Agreeing and 33.0% were Neutral. The higher standard deviation (0.84) reflects more varied opinions, likely due to limited exposure to complex investment options.

Overall mean of 3.95 (SD = 0.36) indicates strong agreement that financial knowledge positively influences decisions, with low variability showing consistent views among respondents. Below, the statements are explained from highest to lowest mean.

4.4 Effect of Financial Awareness Affects Financial Decision-Making

This objective assessed the financial awareness . The table below presents frequencies, percentages, and descriptive statistics. This table assesses how awareness of financial planning, information sources, and risks influences decision-making.

Table 4.4 ; Descriptive statistics on Effect of Financial Awareness Affects Financial Decision-Making

| Statement | SD (1) | D (2) | N (3) | A (4) | SA (5) | Mean | SD | Interpretation |
|--|----------|------------|------------|------------|------------|------|------|---------------------|
| I am aware of the importance of financial planning for my future | 0 (0%) | 0 (0%) | 5 (4.7%) | 51 (48.1%) | 50 (47.2%) | 4.42 | 0.60 | Very High Agreement |
| I regularly seek financial information from reliable sources | 2 (1.9%) | 15 (14.2%) | 31 (29.2%) | 45 (42.5%) | 13 (12.3%) | 3.69 | 0.91 | Moderate Agreement |
| Financial awareness improves the quality of decisions I make about money | 0 (0%) | 5 (4.7%) | 14 (13.2%) | 65 (61.3%) | 22 (20.8%) | 4.16 | 0.76 | High Agreement |

| | | | | | | | | |
|---|--------|-----------|------------|------------|------------|-------------|-------------|----------------------------|
| I am aware of the risks and benefits of various financial decisions | 0 (0%) | 8 (7.5%) | 19 (17.9%) | 64 (60.4%) | 15 (14.2%) | 3.92 | 0.74 | High Agreement |
| Awareness of financial trends affects my financial choices | 0 (0%) | 10 (9.4%) | 21 (19.8%) | 60 (56.6%) | 15 (14.2%) | 3.85 | 0.81 | High Agreement |
| Financial Awareness | - | - | - | - | - | 4.01 | 0.35 | High Overall Effect |

Source; primary data 2025

The Statement on the importance of financial planning for the future had a mean of 4.42 and Std. Dev. of 0.60. This statement had the highest mean, showing very strong agreement that financial planning is important. It was justified by 95.35% agreement, nearly all respondents recognize its value. The low standard deviation (0.60) indicates high consensus.

As for Financial awareness improving the quality of decisions about money, With a mean of 4.16, 82.1% of the respondents agreed that financial awareness enhanced decision quality with a standard deviation (0.76) indicating moderate consensus.

In regard to awareness of the risks and benefits of various financial decisions, The mean of 3.92 reflects strong agreement that respondents understand the risks and benefits of financial decisions. In addition 74.6% of the respondents agreed reflecting that most felt informed. The standard deviation (0.74) shows consistent views.

The statement on Awareness of financial trends affecting financial choices. had a mean of 3.85 and Std. Dev.: 0.81. This statement's mean of 3.85 indicates strong agreement that financial trends influence choices, with 70.8% Agreeing. The standard deviation (0.81) suggests moderate variability, possibly due to varying access to trend information.

The statement on regularly seeking financial information from reliable sources had the lowest mean . With the lowest mean (3.69), this statement shows moderate agreement, with 54.8% agreeing , 29.2% Neutral, and 16.1% Disagree. The higher standard deviation (0.91) indicates varied opinions, likely due to limited access to reliable sources.

The overall mean (4.01) and low SD (0.35) indicate strong agreement that awareness impacts decision-making.

4.4 The Role of Financial Skills in Shaping Financial Decision-Making

This objective evaluates practical skills such as budgeting, saving, tool usage. The table 4.4 below presents the findings of the study.

Table 4.4 ; Descriptive statistics on the Role of Financial Skills in Shaping Financial Decision-Making

| Statement | SD (1) | D (2) | N (3) | A (4) | SA (5) | Mean | SD | Interpretation |
|---|----------|------------|------------|------------|------------|------|------|--------------------|
| I am able to prepare and follow a personal budget | 0 (0%) | 5 (4.7%) | 15 (14.2%) | 63 (59.4%) | 23 (21.7%) | 4.12 | 0.75 | High Agreement |
| I can manage my expenses to avoid overspending | 0 (0%) | 10 (9.4%) | 25 (23.6%) | 55 (51.9%) | 16 (15.1%) | 3.82 | 0.84 | High Agreement |
| I am skilled at saving money consistently | 0 (0%) | 0 (0%) | 13 (12.3%) | 62 (58.5%) | 31 (29.2%) | 4.17 | 0.65 | High Agreement |
| I can use financial tools (e.g., mobile | 3 (2.8%) | 15 (14.2%) | 20 (18.9%) | 55 (51.9%) | 13 (12.3%) | 3.77 | 0.95 | Moderate Agreement |

| | | | | | | | | |
|-------------------------|---|---|---|---|---|-------------|-------------|--------------------------|
| banking, spreadsheets) | | | | | | | | |
| Financial Skills | - | - | - | - | - | 3.97 | 0.46 | High Overall Role |

source; primary data 2025

Statement on being skilled at saving money consistently had the highest Mean of 4.17 and the Std. Dev of 0.65. This highest mean, shows the strong agreement that respondents are good at saving. With 87.7% Agreeing, most students prioritize saving. The low standard deviation (0.65) indicates consistent views.

In regard to being able to prepare and follow a personal budget the mean was Mean 4.12 and the standard deviation was 0.75. The mean of 4.12, indicates that respondents strongly agree they can budget effectively. The distribution shows 81.1% Agreeing, with a low standard deviation (0.75) indicating consistent opinions.

In relation to managing expenses to avoid overspending the Mean was 3.82 and the Std. Dev.: 0.84. The mean of 3.82 reflects strong agreement that respondents can control spending. With 67% Agreeing, most felt capable, though 23.6% were Neutral and 9.4% Disagree suggest some challenges. The standard deviation (0.84) indicates moderate variability, possibly due to limited financial independence (23.6% self-sponsored), which may hinder expense management for some.

Finally in regard to use of financial tools (e.g., mobile banking, spreadsheets). This statement had the lowest mean (3.77), indicating moderate agreement, with 64.2% Agreed, 18.9% were Neutral, and 17.0% Disagreed. The higher standard deviation (0.95) shows varied opinions, likely due to digital access barriers.

The overall mean (3.97, SD = 0.46) indicates strong agreement on skills' role in decision-making. Saving (, mean = 4.17) and budgeting (mean = 4.12) show high agreement (87.7% and 81.1% agreed, respectively), reflecting priority on immediate needs.

CHAPTER FIVE

SUMMARY, DISCUSSION, CONCLUSIONS, AND RECOMMENDATIONS

5.0 Introduction

This chapter discusses findings relative to the literature, draws conclusions, and offers recommendations. It also suggests areas for future research.

5.1 Summary

The key findings of the study are summaries below;

5.1.1 The Influence of Financial Knowledge on Financial Decision-Making

Financial Knowledge had Strong agreement (mean = 3.95) implies that knowledge influences decisions, with high scores for basic concepts (mean = 4.14) and

confidence (mean = 4.00), but moderate agreement for investment knowledge (mean = 3.59), indicating a gap in advanced topics.

5.1.2 The Effect of Financial Awareness on Financial Decision-Making

In relation to Financial Awareness a Very strong agreement was established (mean = 4.01), especially for financial planning (mean = 4.42), though seeking information (mean = 3.69) is weaker due to access barriers, reflecting the sample's youth and reliance on external support.

5.1.3 The Role of Financial Skills in Shaping Financial Decision-Making

The study revealed a strong agreement mean of 3.97 for Financial Skills (Table 4.5), with saving (mean = 4.17) and budgeting (mean = 4.12) as strengths, but tool usage (mean = 3.77) is moderate due to digital access issues.

5.2 Discussion of findings

5.2.1 The Influence of Financial Knowledge on Financial Decision-Making

The results reveal a high overall agreement (composite mean = 3.95, SD = 0.36) that financial knowledge positively influences decision-making, with low variability indicating strong consensus among respondents. High agreement was observed for understanding basic financial concepts (mean = 4.14, SD = 0.65) and the positive influence of knowledge on decisions (mean = 4.10, SD = 0.72), reflecting strengths in foundational areas. Confidence in applying knowledge (mean = 4.00, SD = 0.78) and evaluating financial products (mean = 3.92, SD = 0.71) also showed high agreement, while knowledge of investment options (mean = 3.59, SD = 0.84) indicated moderate agreement, highlighting gaps in advanced topics.

These findings align with the literature review's emphasis on financial knowledge as a foundation for effective decision-making, particularly for students in transitional stages (Lusardi & Mitchell, 2014). The high scores in basic concepts resonate with Lusardi and Mitchell (2011), who noted that higher knowledge levels enable better

evaluation of financial products and debt management, as seen in the sample's confidence in application. Gaps in investment knowledge mirror OECD (2020) concerns about low financial literacy exposing youth to poor behaviors like overspending. In Sub-Saharan Africa, this supports Koomson, Villano, and Hadley (2021), who found knowledge gaps negatively affect saving and borrowing in Ghana, similar to the moderate investment scores here. Nabukeera (2020) highlighted Ugandan students' struggles with planning and investment due to low knowledge, leading to poor saving cultures, which aligns with the study's identification of advanced knowledge deficiencies. Atkinson and Messy (2012) stress that knowledge involves not just awareness but real-life application, evident in the high agreement for decision influence. Hilgert, Hogarth, and Beverly (2003) linked high knowledge scores to positive behaviors like saving, implying that the sample's foundational strengths position them to avoid financial distress. Overall, the results fill a contextual gap by confirming knowledge's role in Ugandan students' decisions, extending global findings to resource-constrained settings.

5.2.2 The Effect of Financial Awareness on Financial Decision-Making

The data indicate a high overall agreement (composite mean = 4.01, SD = 0.35) that financial awareness affects decision-making, with low variability suggesting consistent perceptions. Very high agreement was noted for awareness of financial planning's importance (mean = 4.42, SD = 0.60), while improvements in decision quality (mean = 4.16, SD = 0.76), risk awareness (mean = 3.92, SD = 0.74), and trend impacts (mean = 3.85, SD = 0.81) showed high agreement. Seeking financial information (mean = 3.69, SD = 0.91) reflected moderate agreement, pointing to access barriers.

This supports the literature review's view of awareness as enabling action on knowledge (Lusardi & Mitchell, 2017). In Uganda, the near-universal planning awareness contrasts with Atuhaire and Mutebile (2021), who found only 40% of UCU students aware of saving benefits, suggesting sample-specific strengths possibly due to the youthful demographic (67.0% aged 21-25). Mbabazi et al. (2019) reported 65% lacking awareness of tools like mobile money, aligning with the moderate information-seeking scores and limited engagement. Regionally, Ouma and Odongo

(2018) noted 30% youth awareness of formal services in Uganda, contributing to suboptimal decisions, which echoes the study's trend and information gaps. Kagaba and Tumusiime (2020) highlighted low female awareness (15%) of investments due to cultural barriers, potentially influencing the balanced gender sample's (47.2% female) moderate responses. Globally, Gutter, Copur, and Garrison (2016) found high awareness linked to 50% better budgeting, supporting the decision quality improvements here. Boyle et al. (2025) associated awareness with enhanced decision capacities in vulnerable groups, while Gigerenzer and Gaissmaier (2011) framed it as informing heuristics for uncertainty, aligning with the risk awareness findings. The results address gaps by demonstrating awareness's role in Ugandan students, extending heuristic frameworks to youth contexts.

5.2.3 The Role of Financial Skills in Shaping Financial Decision-Making

The findings show a high overall agreement (composite mean = 3.97, SD = 0.46) on skills' role in decision-making, with low variability indicating consensus. High agreement was evident for saving skills (mean = 4.17, SD = 0.65), budgeting (mean = 4.12, SD = 0.75), and expense management (mean = 3.82, SD = 0.84), while tool usage (mean = 3.77, SD = 0.95) was moderate, reflecting digital barriers.

This aligns with the literature review's portrayal of skills as the operational bridge from knowledge to action, crucial for Ugandan students facing tight budgets (Nabukeera, 2020). The Pakistan Journal of Life and Social Sciences (2024) emphasized skill development via education for better budgeting and planning, mirroring the high saving and budgeting scores. Swart (2016) framed budgeting and cash-flow control as critical, supporting the expense management findings in resource-constrained settings. Asiimwe and Musoke (2018) noted Ugandan students with strong skills better balance consumption and commitments, aligning with the sample's strengths despite limited independence (56.6% parent-supported). Falahati, Kirchenbauer, and Lusardi (2014) advocated equipping individuals with skills for efficient navigation, consistent with the moderate tool usage due to access issues. The results fill research gaps identified in the review, such as underexplored skills in Ugandan contexts (e.g., Nabukeera, 2020; Asiimwe & Musoke, 2018), by empirically linking skills to decisions among transitioning students.

5.3 Conclusions

Financial literacy significantly enhances decision-making at UCU. Knowledge supports foundational understanding, awareness improves risk recognition, and skills enable action. Gaps in investments, information-seeking, and tools highlight areas for intervention, addressing the problem statement's focus on debt and savings to support national goals.

5.4 Recommendations

Uganda Christian university should Integrate mandatory financial literacy modules into curricula, focusing on investments and digital tools, via workshops and active learning.

The university Students Should Actively seek resources like seminars to boost awareness and skills for better decisions.

The Policymakers Should Develop national programs promoting literacy in universities, targeting gaps in awareness and skills for financial inclusion

.

QUESTIONNAIRE

Dear Respondent,

You have been selected to participate in this academic study, “The Impact of Financial Literacy on Financial Decision Making Among University Students: A Case of Uganda Christian University .” This study is purely for academic purposes, and your responses will be treated with the utmost confidentiality. Participation is voluntary.

SECTION A : Background Information

Please tick the appropriate box or fill in the required details.

a) What is your gender?

Male

Female

b) What is your age bracket?

Less than 20 years

21-25 years

26-30 years

Over 30 years

c) Have you taken any finance-related courses (e.g., Financial Management, Investment Analysis)?

Yes (please specify: _____)

No

d) Source of Financial Support

Parents/Guardians

Self-sponsored

Scholarship

Other (specify) _____

SECTION B: Assess the influence of financial knowledge on financial decision making.

Instructions: Please indicate your level of agreement with each statement below using the following scale:

1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree

| Question | 1 | 2 | 3 | 4 | 5 |
|--|---|---|---|---|---|
| I understand basic financial concepts such as saving, interest rates, and budgeting | | | | | |
| I am knowledgeable about investment options (e.g., stocks, bonds, mutual funds) | | | | | |
| I feel confident in applying financial knowledge when making personal financial decisions. | | | | | |
| My financial knowledge positively influences my financial decision making. | | | | | |
| I can compare and evaluate different financial products before making a decision. | | | | | |

SECTION C: Analysing how financial awareness affects financial decision making.

Instructions: Please indicate your level of agreement with each statement below using the following scale:

1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree

| Question | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| I am aware of the importance of financial planning for my future. | | | | | |

| | | | | | |
|---|--|--|--|--|--|
| I regularly seek financial information from reliable sources (books, online, seminars, financial advisors). | | | | | |
| Financial awareness improves the quality of decisions I make about money. | | | | | |
| I am aware of the risks and benefits of various financial decisions. | | | | | |
| Awareness of financial trends (e.g., inflation, exchange rates) affects my financial choices. | | | | | |

SECTION D : Investigating the role of financial skills in shaping financial decision

Instructions: Please indicate your level of agreement with each statement below using the following scale:

1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree

| Question | 1 | 2 | 3 | 4 | 5 |
|--|---|---|---|---|---|
| I am able to prepare and follow a personal budget. | | | | | |
| I can manage my expenses to avoid overspending. | | | | | |
| I am skilled at saving money consistently. | | | | | |
| I can use financial tools (e.g., mobile banking, spreadsheets) to manage my money. | | | | | |