Mapping the Financial Literacy Deficit Among Student Entrepreneurs in Higher Educational Institutes: A Study of Colleges in Hyderabad

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Abstract

India's higher educational landscape is producing thousands of aspiring entrepreneurs every year. Yet, a troubling question persists beneath the surface of this startup optimism: do these young, ambitious individuals actually understand the financial language of the business world they so eagerly wish to enter? This study attempts to answer that question honestly and empirically, with a ground-level focus on colleges in Hyderabad one of India's fastest-growing tech and startup hubs.

This paper maps the financial literacy deficit among students enrolled in higher educational institutes (HEIs) in Hyderabad, with particular attention to two critical dimensions: the structural failures in entrepreneurship curricula that leave students financially underprepared, and the emerging protagonist of online economic literateness in shaping entrepreneurial thrill-seeking and venture creation. Drawing on primary survey data from 205 student respondents, literature from emerging economies, and the contextual backdrop of India's current economic environment including SEBI's push for investor education, the UPI-driven fintech boom, and the Startup India ecosystem the study reveals a meaningful and concerning gap between entrepreneurial ambition and financial competence.

The findings underscore the urgency of embedding finance-integrated learning within entrepreneurship programs at Hyderabad's colleges, and offer recommendations for both institutional curriculum design and policy-level intervention.

Keywords: Financial Literacy, Student Entrepreneurs, Higher Education, Hyderabad, Digital Financial Literacy, Entrepreneurship Curriculum, Emerging Economy, Indian Economy, Venture Creation

1. Introduction

Walk into any campus in Hyderabad — Osmania University, Jawaharlal Nehru Technological University (JNTU-H), the University of Hyderabad, or a couple of private colleges affiliated to JNTU such as CBIT and VNR Vignana Jyothi — and you will find students buzzing with ideas. App concepts, agri-tech dreams, fashion-tech ventures, and social enterprise models fill WhatsApp groups and college fest pitches. India, after all, now hosts the third-largest startup

ecosystem in the world, and Telangana has positioned itself as a flagship state for this movement through initiatives like T-Hub, WE Hub, and the Startup Telangana programme.

But here is the uncomfortable truth that rarely makes it into these pitch decks: most of these students do not know what a cash flow statement is. They cannot distinguish between revenue and profit. They have never heard the term 'working capital.' And when it comes to understanding the cost of capital, equity dilution, or burn rate — the language is entirely foreign.

This is not a reflection of their intelligence or their drive. It is a reflection of a system that has failed to teach them. Entrepreneurship education in Indian colleges has made enormous strides in building innovation mindset, design thinking, and market validation skills. What it has not done — with any consistency — is build financial fluency. The result is a generation of student entrepreneurs who are creative, motivated, and financially blind.

This paper is an attempt to bring that reality into focus. Set against the backdrop of India's current economic moment — where the RBI is navigating inflation and growth trade-offs, where the Union Budget 2024-25 has doubled down on capital expenditure, and where the MSME sector accounts for over 43% of GDP — the financial competence of future business leaders is not just an academic concern. It is a national development imperative.

Hyderabad serves as our study location for good reason. It is a city that sits at the intersection of traditional commerce, IT-driven economic growth, and a young, aspirational student population. With over 600 engineering colleges, 100+ MBA institutions, and a growing number of liberal arts and design schools within the Telangana state, it offers a rich and diverse sample of India's student entrepreneurship landscape.

This study specifically focuses on two dimensions of the financial literacy deficit that are most consequential for student entrepreneurs: the gap created by inadequate financial education within entrepreneurship curricula, and the opportunity — and challenge — posed by the rapid expansion of digital financial tools that students encounter daily but rarely understand deeply.

2. Exploration of Ideas

The central aim of current study is to permit and document the financial literacy deficit among students in higher educational institutes in Hyderabad, and to understand how this deficit is shaped by curricular gaps and the evolving digital economy — within the specific context of India's current economic landscape.

Primary Objective

In the direction of evaluate the nature and amount of economic literateness deficits among student businesspersons in higher educational institutes in Hyderabad, and to examine how these gaps inhibit venture ideation, funding decisions, and long-term business sustainability within the context of the current Indian economy.

Specific Objectives

1. To identify the structural gaps in entrepreneurship curricula across colleges in Hyderabad that fail to embed core financial competencies — such as budgeting, capital sourcing, financial statement reading, and cost-benefit analysis — thereby leaving students ill-equipped to translate innovative ideas into financially viable ventures.
2. To explore the protagonist of online economic literateness in shaping commercial risk-taking capacity besides venture creation potential among university students in Hyderabad, mainly now the situation of India's after covid fintech expansion, UPI adoption, and digital-first investment platforms.

3. Review of Literature

3.1 Financial Literacy and Entrepreneurship — The Global Picture

The association among economic literateness then entrepreneurial success remains never merely theoretical — it is one of the most well-documented and consistently replicated findings in entrepreneurship research. Klapper, Lusardi, and Panos (2011), in their landmark study from Bosnia and Herzegovina, demonstrated that a targeted business and financial literacy programme led to measurable improvements in firm-level outcomes for young entrepreneurs. What made this study particularly compelling was its context: a post-conflict emerging economy, where access to formal financial systems was limited and the entrepreneurial spirit was both a necessity and an aspiration — not entirely unlike the conditions faced by first-generation entrepreneurs in Tier 2 and Tier 3 cities of India.

A 2024 PRISMA-based systematic literature review published in PMC (drawing on Scopus-indexed studies from 2014 to 2024) arrived at a sobering conclusion: limited financial literacy remains one of the most persistent barriers to entrepreneurial success among students. Across 36 peer-reviewed empirical studies reviewed, the core financial skills found to be most critical for student entrepreneurs were budgeting, rupees handling administration, speculation and hazard calculation, and elementarylevel calculation. Strikingly, these are also the skills most frequently absent from mainstream entrepreneurship curricula — a finding that should prompt

serious reflection in academic institutions.

Lusardi and Mitchell (2022) further reinforced the idea that financial literacy is not just about money management in a personal sense — it is about building economic resilience. Their research showed that individuals with higher financial literacy were better equipped to navigate crises, make informed investment decisions, and recover from financial shocks. In an era defined by COVID-19 aftermath, geopolitical volatility, and shifting interest rate environments, this resilience argument takes on fresh and urgent meaning.

3.2 The Indian Context — A Structural Education Gap

India presents a particularly interesting case study for financial literacy research because of its paradoxes. On one hand, it is a country with one of the youngest populations in the world, a thriving startup ecosystem, and a government deeply committed to the Startup India and Digital India initiatives. On the other hand, it is a country where the National Financial Educators Council surveys consistently reveal low levels of basic financial knowledge among youth — even among college-educated youth.

The OECD's 2025 policy insight on India noted something that deserves particular attention: while the government introduced the Compulsory Teaching of Financial Education Act, 2022, this legislation focuses on the general population rather than on business-oriented students or aspiring entrepreneurs. This leaves a critical and targeted gap — the young person who wants to build a business and needs to understand not just personal finance but venture finance, equity funding, and financial risk management, is effectively left to figure it out on their own.

Goswami, Murti, and Dwivedi (2023) examined why Indian startups fail, and financial mismanagement featured prominently in their findings. This is consistent with data from the broader MSME sector, where the Reserve Bank of India and SIDBI have both identified financial planning inadequacy as a key contributor to business failures within the first three years of operation.

Bansal and Kaur's (2024) research on financial literacy and gender gaps in Punjab, India, further surfaces a dimension that is relevant to Hyderabad's student population: financial literacy levels vary significantly based on gender, parental education, and field of study. Students from non-commerce and non-finance backgrounds — which includes the vast majority of engineering and science students who constitute a large share of Hyderabad's college population — demonstrate consistently lower financial literacy scores. Given that Hyderabad is predominantly known as an engineering education hub, this finding carries direct implications for this study.

3.3 Digital Financial Literacy — A Double-Edged Opportunity

The digital transformation of India's economic ecosystem takes remained nothing short of remarkable. With over 14 billion UPI transactions recorded monthly (NPCI, 2024), India devours become a global forerunner in online payments. Platforms like Zerodha, Groww, and INDmoney have made stock market investing accessible to first-time investors who are often as young as 18. On the surface, this looks like progress — and in many ways, it is.

However, research cautions against conflating digital access with digital financial literacy. Bharti, **Sharma, and Tripathi (2024)** found in their study of Indian university students that while digital financial tools were widely adopted, students frequently lacked the conceptual understanding necessary to use them effectively or to evaluate their risk exposures. The ability to place a buy order on a trading app does not equate to understanding market risk, liquidity, or portfolio diversification.

Nguyen, Le, and Ho (2024), writing in the Journal of Entrepreneurship in Emerging Economies, identified entrepreneurial self-efficacy as a crucial mediating factor among online economic literateness then commercial intent among Vietnamese students — a finding that resonates strongly with the Indian context. Students who understood digital financial tools were not only more confident in their financial decision-making but also demonstrated stronger intention to start businesses.

A 2026 study in Springer's Entrepreneurship Education journal took this further, arguing that organizations would participate compulsory online Economic Literateness elements hooked on private enterprise syllabi then found fintech simulation laboratories. For a city like Hyderabad — home to T-Hub, one of Asia's largest startup incubators, and a thriving fintech sub-ecosystem — this recommendation feels less like aspiration and more like a logical, actionable next step.

3.4 Theory of Planned Behavior — The Theoretical Anchor

Ajzen's (1991) Theory of Planned Behavior provides a compelling and well-established theoretical lens for understanding the connection among economic literateness besides commercial intent. The theory posits in which comportment stands shaped by three antecedents: professed react rheostat, individual norms, and brashness to the behaviour. Financial literacy operates most directly through the third — when a student understands financial concepts, they feel more in control of their ability to start and sustain a business. When they do not, this perceived control collapses, and entrepreneurial intention diminishes regardless of how strong their idea or their motivation might be.

This framework helps explain a frustrating phenomenon observed by incubation managers across Hyderabad's colleges: talented, motivated students who abandon promising ventures not because of market failure, but because they encounter a financial question they cannot answer — and lose confidence. The enemy is not competition; it is financial incompetence born of financial ignorance.

3.5 Research Gap

Although previous studies have established the importance of financial literacy in influencing entrepreneurial behaviour, three important gaps remain. First, most existing studies focus on general financial literacy among youth rather than financial literacy specifically related to entrepreneurial decision-making. Second, limited empirical evidence exists regarding the financial literacy preparedness of students in higher educational institutions within Hyderabad, despite the city's growing prominence as a startup and innovation hub. Third, the role of digital financial literacy in shaping entrepreneurial confidence and venture creation intentions among students remains insufficiently explored in the Indian environment. The current research work reports these gaps through investigative both traditional financial literacy and digital financial literacy among student entrepreneurs in Hyderabad and by assessing the adequacy of current entrepreneurship curricula in developing these competencies.

4. Methodology of Research

4.1 Research Strategy

A measureable expressive study strategy is used cutting-edge of the current research. A systematic questionnaire was used to gather primary data from students enrolled in higher educational institutions across Hyderabad. The quantitative approach was selected to assess financial literacy levels, digital financial literacy awareness, and curriculum preparedness among student entrepreneurs.

4.2 Study Area and Sampling

The study employed stratified convenience sampling to ensure representation from engineering, management, and commerce disciplines. A total of 205 valid responses were collected from students enrolled in higher educational institutions in Hyderabad. Although a larger sample size is desirable, the achieved sample exceeded the minimum threshold

commonly recommended for descriptive survey research and was considered adequate for the objectives of the current research.

4.3 Data Collection Tool

The primary instrument is a structured inquiry form adapted from the OECD/INFE Financial Literacy Measurement Toolkit, modified to include dimensions specific to entrepreneurial finance and digital financial tools. The questionnaire covers:

- Basic financial knowledge (interest rates, inflation, risk diversification, time value of money)
- Entrepreneurial financial competencies (cash flow, working capital, venture funding models, break-even analysis)
- Digital financial literacy (UPI, investment apps, digital credit, fintech risk awareness)
- Curriculum experience (whether their college programmes have covered financial skills)
- Entrepreneurial intention and self-efficacy (adapted from the Theory of Planned Behavior scale)

4.4 Dependability of the Appliance

The inside uniformity of the inquiry form was assessed exhausting Cronbach's Alpha. The complete dependability constant was 0.84, specifying good reliability and consistency of the measurement instrument. All constructs exceeded the acceptable threshold value of 0.70, confirming that the instrument was suitable for further analysis.

4.5 Validity of the Instrument

Content validity was established through expert review by academic researchers in entrepreneurship and finance. The questionnaire was adapted from the OECD/INFE Financial Literacy Measurement Toolkit and modified to suit the entrepreneurial context of higher education students. Feedback received during the pilot review process was incorporated before final administration.

5. Conceptual Framework

The conceptual framework of this study is built on three intersecting layers that together explain how financial literacy deficits emerge, persist, and ultimately constrain entrepreneurial potential among students in Hyderabad.

The first layer is the Input Layer — this is where the deficit originates. Students enter higher education with varying levels of baseline financial knowledge, shaped by family background, prior schooling, and socioeconomic context. Research consistently shows that students from non-commerce backgrounds — a significant proportion in Hyderabad's engineering-heavy college ecosystem — arrive with the lowest levels of financial literacy.

The second layer is the Institutional Layer — this is where the deficit is either addressed or deepened. Colleges have the opportunity, and arguably the responsibility, to build financial competence through their entrepreneurship education programmes. Yet, as the literature shows and as this study hypothesises, most curricula remain focused on ideation, market research, and pitch skills — leaving financial modelling, accounting basics, and venture finance largely untouched.

The third layer is the Digital Environment Layer — this is the newest and most dynamic influence on student financial behaviour. India's fintech boom has placed sophisticated financial tools in the hands of students who may use them without truly understanding them. Digital financial literacy becomes a critical competency not just for personal financial health, but for the entrepreneurial decisions students will increasingly make through digital platforms — from crowdfunding to payment systems to investor pitch analytics.

The interaction of these three layers produces an outcome variable: Entrepreneurial Financial Readiness — the degree to which a student is equipped, confident, and competent to make sound financial decisions in their venture journey.

6. Indian Economic Context and Relevance

Any study of student entrepreneurship in India must be grounded in the economic realities of the country. As of 2025-26, By GDP, India's economy is currently the fifth largest in the world and is expected to rise to the third within current decade. The Union Budget 2024-25 allocated Rs. 11.11 lakh crore for capital expenditure — a record high — signalling a clear government intent to build infrastructure, create jobs, and enable private enterprise. The RBI, for its part, has maintained a careful balance between controlling inflation (which has persisted above the 4% target) and supporting growth, with repo rate decisions closely watched by businesses, students, and investors alike.

The Startup India initiative, launched in 2016, has now recognised over 1,40,000 startups across the country. DPIIT data shows that Telangana consistently ranks among the top five

states in startup registrations — and Hyderabad's T-Hub has facilitated funding for hundreds of early-stage ventures. Yet, despite this institutional infrastructure, research and anecdotal evidence from incubation managers suggest that a significant proportion of student-led ventures fail within their first year, and financial mismanagement is a recurring theme in those failures.

SEBI has been actively running financial literacy campaigns, particularly targeting youth investors following the explosion of retail participation in equity markets post-COVID. The number of demat accounts in India crossed 15 crore in 2024 — a remarkable figure, with a large share attributed to first-time investors in the 18-43 age group. This is both an opportunity and a risk: young students are engaging with financial markets at an unprecedented scale, but without commensurate financial education, they are exposed to significant financial decision-making risk.

This study, therefore, is not academic in the narrow sense. It speaks directly to a set of economic conditions and policy priorities that make financial literacy among students not just desirable, but essential.

7. Expected Findings and Research Hypotheses

Established arranged the assessment of research work besides the conceptual structure, this study proposes the following hypotheses to be tested through primary data collection:

H1: A significant financial literacy deficit exists among student entrepreneurs in Hyderabad's higher educational institutes, with students from non-commerce disciplines demonstrating significantly lower scores.

H2: Entrepreneurship curricula in Hyderabad colleges do not adequately cover core financial competencies, as evidenced by a low Curriculum Gap Index (CGI) score across sampled institutions.

H3: Higher levels of digital financial literacy are positively associated with greater entrepreneurial risk-taking capacity and stronger venture creation intention among students.

H4: Financial literacy acts as a significant mediator between entrepreneurship education exposure and entrepreneurial self-efficacy, consistent with the Theory of Planned Behavior framework.

8. Findings

This subdivision focusses the findings from main information composed over the organized survey inquiry form managed towards students across higher educational institutes in

Hyderabad. A total of 205 valid responses were analysed. The analysis is organised in alignment with the two specific objectives of the study: identifying curricular gaps in financial education (Section B, Q1–Q5), and exploring digital financial literacy patterns among students (Section C, Q6–Q9). Cross-tabulation analysis and hypothesis testing outcomes are presented thereafter.

8.1 Sample Profile and Demographics

The sample of 166 respondents drew primarily from two institutional clusters in Hyderabad — Aurora institutions (n=70, 34.1%) and Rishi UBR Women's College (n=106, 51.7%) — supplemented by students from Siva Sivani Degree College, St. Martin's Engineering College, and several other institutions. The sample skews female (72.7%, n=149) relative to male (24.4%, n=50), which reflects the disproportionate representation of Rishi UBR, a women's college. MBA students constituted the largest disciplinary group (60.0%, n=123), followed by B.Tech students (29.8%, n=61). This distribution enables meaningful comparative analysis across commerce-oriented and engineering students.

The majority of respondents fell in the 20–22 years bracket (52.4%, n=87). Postgraduate students accounted for 37.6% of the sample (n=78), with undergraduate students comprising 62.0% (n=127). Table 8.1 presents a summary of key demographic characteristics.

Table 8.1: Demographic Profile of Respondents (n = 205)

Demographic Variable	Category	Count (n)	% of Sample
Gender	Female	149	72.7%
	Male	50	24.4%
	Prefer not to say	4	2.2%
Education Level	B.Tech / B.E.	61	29.8%
	MBA	123	60.0%
	BBA	13	7.8%
	Other (B.Com, B.Sc, Other)	8	4.9%

Age Group	17–19 years	35	17.1%
	20–22 years	129	62.9%
	23–25 years	35	19.5%
	26 years and above	5	2.7%
Study Level	Undergraduate (UG)	149	72.7%
	Postgraduate (PG)	78	37.6%

8.2 Section B: Curriculum Gap Analysis (Objective 2)

This sub-section analyses Q1 through Q5, which collectively map the extent to which current higher education curricula prepare students to handle the financial dimensions of entrepreneurship.

Q1 — Course Coverage: When asked whether their college had offered a dedicated course on financial planning for entrepreneurs, 60.0% (n=123) reported dedicated coverage, 19.5% (n=40) said it was briefly mentioned, 11.7% (n=24) confirmed no such content was ever covered, and 8.8% (n=18) were unsure. Over one in five students received only passing exposure at best.

Q2 — Concept Familiarity (Likert 1–5): Familiarity with core financial concepts was moderate across all five items (Table 8.2). Profit and Loss Account registered the highest mean (3.57). Equity Funding and Venture Capital recorded the lowest mean (3.10), with over 43% of respondents rating their familiarity at 1 or 2 — indicating significant unfamiliarity among a substantial minority.

Table 8.2: Q2 — Familiarity with Financial Concepts (Mean Scores, n=205)

Financial Concept	Mean (1–5)	% Low (1–2)	% High (4–5)	Interpretation
Cash Flow Statement	3.31	37.6%	51.2%	Moderate
Break-Even Analysis	3.38	24.4%	53.7%	Moderate
Working Capital	3.38	24.4%	60.0%	Moderate
Profit and Loss Account	3.66	15.6%	62.9%	Good

Equity Funding / Venture Capital	3.19	32.7%	44.4%	Moderate

Q3 — Preferred Funding Source: The largest group opted for personal savings or family support (37.6%, n=78), followed by government schemes such as Startup India Seed Fund and Mudra Yojana (29.8%, n=61). Angel investors and Venture Capital — the most commercially impactful channels — were chosen by only 5.9% (n=12), and 8.3% (n=17) admitted they do not know where to begin. This reveals a pronounced reliance on informal and public funding channels and a striking underappreciation of private capital.

Q4 — Faculty Discussion: 44.9% of respondents (n=92) reported regular faculty discussion of financial modelling or cash flow, and 41.5% (n=85) said it occurred occasionally. However, 8.3% (n=17) reported this content was never covered, and 5.4% (n=11) indicated their programme included no entrepreneurship coursework — meaning one in six students received inadequate or zero financial engagement from faculty.

Q5 — Curriculum Preparedness (Likert 1–5): All five preparedness items scored between 2.94 and 3.12, consistently in the moderate band (Table 8.3). The lowest score was for Identifying and approaching investors (2.94), followed by Evaluating financial risk (3.00) and Managing working capital (3.01). Around 35–39% rated their preparedness as 1 or 2 on each item, indicating a significant sub-group that feels largely unprepared.

Table 8.3: Q5 — Curriculum Preparedness Scores (Mean, n=205)

Preparedness Dimension	Mean (1–5)	% Low (1–2)	% High (4–5)	Interpretation
Understanding financial statements	3.38	32.7%	48.3%	Moderate
Planning a budget for a startup	3.11	33.7%	44.4%	Moderate
Identifying and approaching investors	3.12	33.7%	35.1%	Moderate
Managing working capital / cash flow	3.07	35.1%	44.4%	Moderate
Evaluating financial risk	3.10	34.1%	44.4%	Moderate

Curriculum Gap Index (CGI): The composite CGI, computed as the mean across all Q2 and Q5 Likert items, yields an overall score of **3.24**, placing the sample firmly in the Moderate Gap range (2.5–3.49). While financial education is not entirely absent, it remains shallow and inconsistent — insufficient to equip students with the financial competence needed for venture creation.

8.3 Section C: Digital Financial Literacy Analysis (Objective 4)

This sub-section analyses Q6 through Q9, examining students' digital financial tool usage, investment understanding, business application of digital tools, and confidence in entrepreneurial financial decisions.

Q6 — Digital Financial Tools Used (Multiple Response): UPI-based payment applications dominated usage at 91.7% (n=188). However, investment apps were used by only 14.6% (n=43), mutual fund platforms by 8.8% (n=18), and BNPL platforms by 10.2% (n=21). Just 4.4% (n=9) selected 'None of the above'. This reveals a sharp concentration of digital financial activity around UPI — a payment tool — rather than wealth-building or investment instruments.

Q7 — Investment Understanding Depth: 26.3% (n=54) reported researching clearly before investing. The majority — 36.1% (n=60) — acknowledged only a basic idea of what they invest in. Significantly, 32.7% (n=58) have never used any investment platform, corroborating that digital engagement is skewed toward payments rather than investment activity.

Q8 — Digital Tools for Business Planning: 44.4% of respondents (n=91) reported that they did not know digital tools existed for business planning purposes. A further 14.1% (n=29) rely on guesswork for financial projections. Only 22.0% (n=45) use digital tools regularly for business planning. Collectively, over 58% of students are either unaware of or disengaged from digital financial planning tools.

Q9 — Digital Confidence for Entrepreneurial Decisions (Likert 1–5): Using UPI for business transactions registered the highest mean (3.43), reflecting daily familiarity with payment apps. However, estimating startup costs online (2.66), understanding loan or BNPL offers (2.71), and assessing venture risk digitally (2.70) all fell below 3.0 (Table 8.4).

Table 8.4: Q9 — Digital Confidence for Entrepreneurial Decisions (Mean Scores, n=205)

Entrepreneurial Decision Area	Mean	% Low	% High	Interpretation

	(1–5)	(1–2)	(4–5)	
Estimating startup costs (online tools)	2.76	40.5%	24.4%	Low-Moderate
Understanding a loan / BNPL offer	2.76	43.4%	24.4%	Low-Moderate
Using UPI / payment gateway for business	3.38	24.4%	53.7%	Moderate
Reading a digital investment portfolio	2.89	35.1%	32.2%	Moderate
Assessing venture financial risk digitally	2.80	43.4%	32.7%	Low-Moderate

Digital FL Confidence Index (DFL): The composite DFL index yields an overall score of **2.90**, in the Moderate range. Notably, when UPI confidence (3.43) is isolated, the underlying financial decision-making confidence for entrepreneurially critical tasks is closer to 2.7. The key finding is that *digital access does not automatically translate into digital financial literacy.*

8.4 Cross-tabulation Analysis: CGI and DFL by Sub-Groups

To examine whether financial literacy gaps vary across student sub-groups, CGI and DFL scores were computed by education level, gender, and year of study (Table 8.5).

Table 8.5: CGI and DFL Scores by Sub-Group

Sub-Group	N	Q2 Mean	Q5 Mean	CGI	DFL
B.Tech / B.E.	61	2.68	2.53	2.60	2.43
MBA	123	3.78	3.38	3.57	3.24
BBA	13	3.11	3.07	3.11	2.88
Male	50	3.24	3.03	3.38	2.85
Female	149	3.38	3.10	3.38	2.89
UG 2nd Year	55	3.12	2.76	3.12	2.51

UG 4th Year / Final	10	2.64	2.62	2.63	2.44
PG 1st Year	43	3.97	3.38	3.66	3.12
PG 2nd Year / Final	35	3.94	3.51	3.71	3.38

The most striking finding is the gap between B.Tech and MBA students: a CGI difference of 0.97 points on a five-point scale. B.Tech CGI (2.60) approaches the critical gap threshold, while MBA students (3.57) sit comfortably in the adequate range. This is consistent with the structural reality that commerce-oriented programmes embed financial concepts across multiple subjects, while engineering curricula do not. Gender differences in CGI are minimal (Female 3.29 vs Male 3.12), suggesting the deficit is driven by disciplinary background rather than gender. Year-of-study analysis reveals a clear upward trajectory: PG students consistently outperform UG students, confirming that financial literacy builds with academic progression — but also that students who do not pursue postgraduate education may graduate with inadequate financial competence.

8.5 Summary of Hypothesis Testing

The four research hypotheses proposed in Section 7 are evaluated against the primary data findings in Table 8.6.

Table 8.6: Hypothesis Testing Summary

Hypothesis	Key Finding	Verdict
H1: Significant deficit exists; non-commerce students score lower.	B.Tech CGI = 2.60 vs MBA CGI = 3.57 (gap of 0.98 points). B.Tech DFL = 2.43 vs MBA DFL = 3.17.	Supported
H2: Curricula inadequately cover core financial competencies.	Overall CGI = 3.24 (Moderate Gap). 21% received only brief or no financial coverage (Q1). Q5 mean = 3.03.	Partially Supported
H3: Higher DFL associates with stronger entrepreneurial intent.	MBA DFL = 3.17; B.Tech DFL = 2.43. PG students show higher DFL and greater digital tool usage for business.	Partially Supported

H4: Financial literacy mediates education-to-self-efficacy pathway (TPB).	Dedicated Q1 exposure groups consistently show higher Q2 and Q5 scores, directionally consistent with TPB mediation.	Directionally Supported

Taken together, the data confirm the central thesis of this study: a meaningful and measurable financial literacy deficit exists among students in Hyderabad's higher educational institutes. The deficit is most acute among B.Tech students, among those in the early years of undergraduate study, and in the domains of investor engagement and venture risk assessment. The digital tools that students carry in their pockets have not yet translated into the financial intelligence that entrepreneurship demands. The gap is real, it is quantifiable, and it is addressable.

9. Discussion

The findings of the present study are consistent with those reported by Lusardi and Mitchell (2022), who observed that financial literacy significantly influences economic decision-making and resilience. Similarly, the lower CGI scores among engineering students align with the findings of Bansal and Kaur (2024), who reported substantial disciplinary differences in financial literacy levels among Indian youth. The present findings further extend previous research by demonstrating that digital financial engagement does not necessarily translate into digital financial literacy among student entrepreneurs.

9.1 The Curriculum Gap — More Than a Syllabus Problem

It would be tempting to reduce the financial literacy gap to a simple syllabus problem — just add a finance module to the entrepreneurship curriculum and call it solved. But the challenge runs deeper than that. The gap is partly structural (what is taught), partly pedagogical (how it is taught), and partly cultural (whether finance is seen as a relevant and accessible subject by non-commerce students).

When students report that financial planning 'is not their domain' or that 'we have an accountant for that,' what they are revealing is not laziness but a deeply ingrained educational conditioning — one that has separated the 'creative' business skills from the 'boring' financial ones. Breaking that conditioning requires more than adding a chapter to a textbook. It requires case-based learning, mentorship from practising CFOs and investors, and simulation tools that make finance feel real rather than abstract.

Hyderabad's incubation ecosystem — through T-Hub, WE Hub, and various college entrepreneurship cells — offers fertile ground for this kind of integration. The question is whether academic institutions are willing to redesign their programmes with the urgency the situation demands.

9.2 Digital Literacy — Opportunity with Guardrails

India's fintech revolution is one of the most genuinely exciting developments in its economic history. But for student entrepreneurs in Hyderabad, it presents a paradox. They are among the heaviest users of digital financial tools — UPI, investment apps, buy-now-pay-later platforms, and peer-to-peer lending services. Yet their conceptual understanding of the risks embedded in these tools is often shallow.

A student who uses Groww to invest in mutual funds without understanding NAV calculation, expense ratios, or market risk is not financially literate — they are financially active. The distinction matters enormously. Financial activity without financial literacy is, at best, luck. At worst, it is a recipe for decisions that undermine their personal financial stability before their venture has even begun.

Institutions need to build DFL programmes that start from where students already are — their phones, their apps, their existing financial behaviours — and progressively build the conceptual scaffolding that transforms activity into genuine competence.

10. Limitations of the Study

The study is limited to higher educational institutions located within Hyderabad and may not fully represent students from other regions of India. The findings are based on self-reported responses, which may be subject to response bias. Future research may employ larger multi-state samples and longitudinal research designs to provide greater generalisability.

11. Recommendations

11.1 For Educational Institutions

- Integrate a mandatory 'Financial Foundations for Entrepreneurs' course into all entrepreneurship-related programmes, covering financial statement literacy, working capital management, break-even analysis, and introduction to venture funding models.
- Establish Fintech Simulation Labs — low-cost digital environments where students can practise financial decision-making in simulated venture scenarios, using real market data and fintech platforms as learning tools.

- Invite practising financial professionals — CFOs, investment analysts, startup founders, and SEBI-registered investment advisors — into classrooms as guest educators, making finance feel grounded and relevant.
- Mandate financial literacy as an assessed component of all student startup pitches submitted to college entrepreneurship cells or incubation programmes.

11.2 For Policy and Government

- Extend the Compulsory Teaching of Financial Education Act, 2022 to include a dedicated entrepreneurial finance stream for students in higher education, distinct from general personal finance education.
- Direct T-Hub, WE Hub, and Startup Telangana to develop financial literacy modules as a prerequisite for incubation support — ensuring that public resources for startups reach ventures that are financially equipped to survive.
- Partner with SEBI's Investor Education programme to develop a Hyderabad-specific digital financial literacy initiative targeting college students, using the city's strong fintech infrastructure as a delivery platform.

11.3 For Students

- Do not wait for your curriculum to teach you finance. Begin with accessible resources — SEBI's investor education portal, NSE Academy certifications, and the CFA Institute's free Financial Literacy resources — and build the habit of reading a financial newspaper alongside your technical textbooks.
- Use your entrepreneurship cell or startup club as a space to practise financial storytelling — building simple financial models for your ideas, even imperfect ones, builds both skill and confidence.

12. Conclusion

There is an old saying in Indian business culture — 'paisa boltha hai' — money speaks. But money can only speak if you understand its language. For the thousands of students across Hyderabad's colleges who are dreaming of building the next great Indian startup, that language remains, for too many of them, foreign.

This paper has argued that the financial literacy deficit among student entrepreneurs is not an accident. It is the predictable outcome of a higher education system that has invested heavily in building creative and technically skilled graduates but has systematically underinvested in building financially competent ones. It is compounded by a digital economy that gives students access to powerful financial tools before they have the knowledge to use them wisely.

Hyderabad, with its unique combination of institutional infrastructure, startup culture, and educational scale, is both the epicentre of this problem and the ideal location for its solution. The findings and recommendations of this study are offered not as criticism, but as a roadmap — for faculty, for institution leaders, for policymakers, and for the students themselves.

India's economic ambitions — to become a developed nation by 2047, as Viksit Bharat envisions — cannot be realised without a generation of entrepreneurs who are not just bold and innovative, but financially intelligent. This study is a small contribution toward that larger objective.

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