

Financial Literacy and Emotional Intelligence as Predictors of Financial Behavior among Undergraduate Students



Journal of Emerging Management Studies
Volume 4 Issue 1
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Management Cell
<https://doi.org/10.3126/jems.v4i1.95434>

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Abstract

Purpose – The main purpose of this study is to examine the effect of financial literacy, financial risk tolerance, and emotional intelligence on financial behavior among undergraduate students of Tribhuvan University.

Design/methodology/approach – The research design adopted in this study was a causal. This study collected the relevant data based on a structured questionnaire with the help of five-point Likert scale among 155 students of Tribhuvan University. The data were collected through a convenience sampling method, and were analyzed using SPSS to determine the relationship between variables.

Findings – The findings show that emotional intelligence, financial literacy, and financial risk tolerance had a significant influence on financial behavior of undergraduate students. High financial literacy and emotional intelligence were seen as good predictors of better financial practices. The outcomes of the research revealed that financial literacy and emotional intelligence can be relevant to the enhancement of financial behavior among students of the university.

Implications – The implications of the research address on improving the levels of financial literacy and emotional intelligence which helps students achieve good financial habits. Governments and educational institutions are supposed to incorporate financial education and skills training in the curriculum to enhance the financial decision-making process of students.

Originality/value – The research enhances its significance by highlighting how cognitive financial knowledge and emotional competencies jointly influence students' budgeting, saving, spending, and financial decision-making practices. The findings are expected to provide useful insights for educators, policymakers, and financial institutions in designing educational interventions and financial awareness programs that promote responsible financial behavior among young adults.

Keywords – Emotional intelligence, Financial behavior, Financial literacy, Financial risk tolerance, Undergraduate students.

Paper – Research paper

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Received: March 03, 2026
Revised: April 07, 2026
Accepted: April 28, 2026

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How to cite this paper:

Adhikari, M., & Adhikari, K. (2026). Financial literacy and emotional intelligence as predictors of financial behavior among undergraduate students. *Journal of Emerging Management Studies*, 4(1), 46-55. <https://doi.org/10.3126/jems.v4i1.95434>

1. Introduction

Individuals are now being compelled to manage their own financial life in the new dynamic financial world. As the range of different financial instruments, digital finance, and credit accessibility becomes increasingly complicated, individual financial decisions have been a highly complicated process (Lusardi & Mitchell, 2023). Having the ability to make responsible financial decisions is an important life skill. It is especially important for young people who want to achieve financial stability in the future. Financial behavior refers to the financial practices or activities in which individuals engage in, which concern how they use their money (i.e., save, spend, plan, and invest) (Dewi et al., 2023). By acting well financially, individuals are in a position to not only meet their financial needs at the moment during which they are ready to meet any financial uncertainties that they might have along the way in future. On the other hand, negative financial behavior might translate to financial debt and financial stress and shocks (Indrawati et al., 2025). The results of different studies have shown that undergraduate students cannot properly manage their financial resources because they are specific to the impulse to spend money (Rosales-Perez et al., 2021).

Financial literacy has been widely known as an important factor as one of the relevant variables influencing financial behavior. It has been defined as the understanding and the knowledge an individual has on the basic financial aspects including interest rates, inflation, diversification, and financial management (Song et al., 2023). People with high scores in financial literacy have been observed to be in a position to make wise financial choices generally (Lusardi & Mitchell, 2023). It has, however, been observed that the financial literacy level among the undergraduate students in most countries is still on a low level. Indrawati et al. (2025) and Dewi et al. (2023) have also found out that students have good financial knowledge, but they have a challenge in financing their concepts into actual life scenarios and as such financial literacy does not work as an instrument to encourage good financial behavior among students. Besides, the factors affecting financial decision-making, which are cognitive related, psychological factors and emotional factors have a significant influence. As it has been observed, the process of making financial decisions is not rational and that it is affected by emotions, fear, anxiety, stress, and overconfidence that influence the behavior and decision-making capabilities of people (Buccioli et al., 2021). In this connection, the emotional intelligence (EI) has become a significant variable, which influences financial behavior. Emotional intelligence is defined as the skill of a person in cognizing and controlling emotions in oneself and other people (Mutlu & Ozer, 2022). It is believed that the life of an individual, especially during the undergraduate stage, is one of the most crucial periods in life because at this stage, the individual is supposed to take care of their financial resources on their own. It is observed at this stage that the person must make crucial financial choices that cover matters of budgeting, saving, and borrowing at the same time managing other educational and social needs (Widyakto et al., 2022). Financial behavior that is developed by an individual at this stage can be said to be one of the most critical factors that affect financial behavior of an individual in the late stages of his life a great deal since financial behavior that is developed during this stage has been found to play a critical role in influencing financial stability and economic well-being of the individual in latter stages of his life (Rosales Perez et al., 2021). It has therefore been one of the most pressing issues of interest by most researchers, educators, and policymakers to determine the factors that affect the financial behavior of undergraduate students.

Other than that, there are other causes of financial behavior that involve individual attitudes towards financial risks. The saving, borrowing, and investing behavior of the population, particularly young adults that lack sufficient financial experience is affected by financial risk-taking conduct (Buccioli et al., 2021). EI also gives this behavior some support as it enables current individuals to make objective decisions about risks (Song et al., 2023). Although the role of financial literacy, emotional intelligence and financial risk tolerance has been established by the literature in the past, most of the studies have been carried out separately. There is minimal research that has been performed where cognitive and emotional variables were taken together in order to impact the finances of undergraduate students particularly in developing and emerging markets of the world (Widyakto et al., 2022). This therefore requires a holistic effort involving the cognition of monetary behavior where both knowledge-based and emotional aspects are considered. The role of emotional intelligence will equally be important to the undergraduate students who are expected to excel in their studies, earn a low income and are not sure how they will secure a career after graduating. This may result into emotions which, in its turn, may affect the behavior of financial acts in case they are not addressed properly (Rahayu, 2023). Song et al. (2023) further explained that undergraduate student with high emotional intelligence have greater capabilities of handling financial stress, impulsive financial behavior, and make effective use of financial knowledge to address financial problems in life.

Knowledge based as well as emotional factors affect financial behavior of undergraduate students. Financial knowledge can also provide the much-needed cognitive backup in effectively handling financial problems, and emotional intelligence can help undergraduate students to manage emotions and apply their financial knowledge effectively to address real-life financial problems (Giri & Adhikari, 2023; Rahayu, 2023). The relevance of the financial literacy and emotional intelligence as the predictors of financial behavior of undergraduate students provides this research problem with the much needed academic importance.

2. Literature Review and Development of Hypotheses

Financial Literacy Theory

Financial literacy theory highlights the fact that the financial behavior of the individual is greatly determined by the financial knowledge and the understanding of the financial concepts. Studies done among undergraduate students show that an increase in financial literacy results into increased good budgeting, saving, and financial planning. Financial literature helps financially literate individuals make better judgments about their financial decisions and prevents them from making poor financial decisions (Rahayu & Nuansari, 2023).

Risk Tolerance Theory

The risk tolerance theory is used to explain the difference in financial behavior as per the ability of individuals to embrace financial uncertainty. Evidence on the empirical data indicates that those with greater financial risk tolerance are more likely to engage in investment and long term financial processes or activities. Financial literacy enhances self-confidence in risk management, whereas emotional intelligence helps people to fear and overconfidence to control risks during unwise financial transactions (Aisjah et al., 2024).

Behavioral Finance Theory

Behavioral Finance Theory is completely opposed to the notion of perfectly rational financial decision making and positioning a major part in the role played by emotions, psychological traits and cognitive constraints. Research has established that individuals possessing low emotional control are highly risk tolerant and irrational with regard to finances. The importance of emotional intelligence in building the relationship with financial behavior has been helped to be explained by the instruments of emotional intelligence when making financial decisions under uncertainty (fear, optimism, and stress) (Ajzen, 1991).

Emotional Intelligence Theory

The Emotional Intelligence Theory argues that it is the ability to perceive, understand, control, and utilize emotions that affect decision-making and behavior. Such aspects of the financial decision-making process as impulsive and biased can be alleviated by trait emotional competences such as self-control, personal emotional management, stress management, and empathy. Lower emotional intelligence of students influences them more in the context of over-risking, loss aversion, and self control problems, thus impacting their financial behaviors negatively (Rosales Perez et al., 2021). Emotional intelligence is one of the determinants of financial risk response and financial behavior as recognized by the theory.

Variables Used in the Study

Financial Literacy

Financial literacy refers to a skill of interpreting and establishing financial knowledge in saving, borrowing, investment, and budgeting decisions. Research conducted on youth and undergraduate students demonstrates that financial literacy enhances financial products assessment and good management of money as well as prevention of financial errors. According to Oberrauch et al. (2024), it is crucial in the formation of good financial habits at a young age, whereas Thapa and Nepal (2015) assume that financially literate students are more aware of financial planning and money management.

Financial Risk Tolerance

Financial literacy can be defined as an individual skill to conceive and apply fundamental financial resourcefulness in decisions to save, borrow, invest, and manage finances. Research amongst young individuals and undergraduate students reveals that greater financial literacy enhances assessment of financial products, prudent financial management and prevention of fallacies in finances. According to Oberrauch et al. (2024), it is paramount in building sound financial habits in young life, whereas Thapa and Nepal (2015) refer to the fact that financially smart students have a better financial planning and money management awareness.

Emotional Intelligence

Conversely, emotional intelligence may be defined as the ability to manage, perceive, and communicate emotions both to self and others and more so applied in contexts that are pressurized or ambiguous. In terms of finances, emotional intelligence would help individuals to control their emotional responses, deal with stress, and make sound financial choices. Thus, emotional intelligence may be considered to be a rational belief in making financial choices and it minimizes emotional financial errors. Findings of empirical research have revealed that emotional intelligence has a direct impact on the financial behavior. As an illustration, individuals with high emotional intelligence have been observed to have positive financial management behavior and defined investment behavior (Asandimitra & Kautsar, 2019; Chaturvedi Sharma, 2025).

Financial Behavior

Financial behavior can be described as the way the individuals act regarding the financial resources which includes saving, spending, investing as well as managing debt. The study indicates that both cognitive and psychological variables, including financial knowledge, emotive regulation and confidence, influence financial behavior. According to Lone and Bhat (2022), financial literacy indirectly improves financial behavior on the basis of high self-efficacy, whereas Asandimitra and Kautsar (2019) conclude that emotional intelligence people tend to be more responsible (take control over their finances by planning and budgeting). These results, in general, suggest that financial behavior is a result of the knowledge, emotional capability, risk perception interaction.

Relationship Between Variables

Financial Literacy and Financial Behavior

Financial literacy refers to the expression of personal financial management ability, which is defined by oneself to understand financial concepts and apply them. This directly impacts on the financial behavior of the person. In the past, it has been demonstrated that individuals with higher levels of financial literacy have been observed to have favorable monetary actions with regards to their budgetary, saving plans, managing debts and financial planning. Andarsari and Ningtyas (2019) have claimed that financially literate individuals have encouraged good financial habits, including controlling spending and saving. There was also an argument advanced by Lusardi and Mitchell (2014), that financial literacy has become an aspect of human capital that improves quality financial decision making. The latest research in the student population revealed that financial literacy influences the saving and spending discipline among students substantially thereby enhancing the financial behavior (Prempeh et al., 2024). On the basis of the argument, it is hypothesized that;

H1: *There is a significant relationship between financial literacy and financial behavior.*

Financial Risk Tolerance and Financial Behavior

Financial risk tolerance may be explained as being willing to risk and face the uncertainty which determines the financial actions of a person. Those people who have a great deal of financial risk in their portfolio tend to be more actively engaged in the decision-making process regarding investment, financial planning, and investment diversification. Further, Rabbani et al. (2021) determined that the financial risk tolerance could influence the decision-making behavior greatly as such the factor could help define the attitude of an individual to uncertainty and financial results. In line with this argument, Raut (2025) stressed that such psychological variables as financial risk tolerance are significant in determining the financial risk-taking behavior and financial behavior of a person. Also, it has been determined that variations in economic conducting of two varying people can be related to variations in the amount of financial risk endurance (Indrawati et al., 2025). Thus, with this argument, it is hypothesized that;

H2: *There is a significant relationship between financial risk tolerance and financial behavior.*

Emotional Intelligence and Financial Behavior

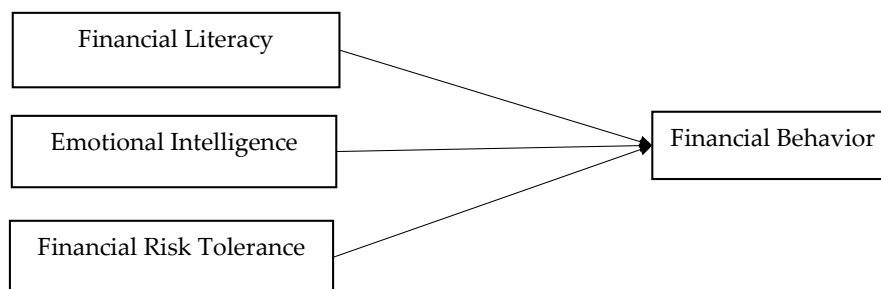
Emotional intelligence has been a significant element in defining financial behavior in an associated way since most financial behaviors are not made rationally but emotionally. Emotional intelligence assists individuals to resist the stress, manage their impulse, and remain calm when making financial decisions. Individuals having high emotional intelligence are more rational in their decision making and they do not make financial decisions in an emotional manner. This connection is empirically justified as individuals who have a high level of emotional intelligence are more likely to make sound financial decisions and

gain control over their feelings and act on impulse (Aisjah et al., 2024; Mutlu & Ozer, 2022). Emotional intelligence among the younger generations also makes them remain disciplined and self-restrained in their finances to ensure that they apply their financial literacy appropriately (Adhikari, 2024).

H3: *There is a significant relationship between emotional intelligence and financial behavior.*

Figure 1

Conceptual Framework



Source: Song et al. (2023); Chong et al. (2021)

3. Research Method

Research Design

The study has used explanatory research design to determine the relationship between financial literacy, emotional intelligence, and financial risk tolerance and the financial behavior of undergraduate students. A structured questionnaire comprising of a five-point Likert scale was used to collect data. The population of the study was the students of various academic programs under the Tribhuvan University. The sample size for the study was 155 students and they were selected by using purposive sampling method so that these respondents at least knew about the concept of financial literacy and financial behavior.

Measurement

Measurements of financial literacy were done based on items in saving, budget, interest rates, inflation and knowledge of investment (Lusardi & Mitchell, 2023). The financial risk tolerance was assessed on the basis of items that showed the readiness of the respondents to take a financial risk and uncertainty in financial decision-making (Rabbani et al., 2021). The items that measured emotional intelligence were those associated with emotional awareness, emotional control, and emotional regulation when making a decision (Asandimitra & Kautsar, 2019). The items included in the measure of financial behavior were associated with saving behavior, spending control, budgeting, and financial planning practices (Prempeh et al., 2024). The variables were measured on a five-point Likert scale starting with strongly disagree (1) to strongly agree (5).

4. Results and Analysis

Table 1

Socio Demographic Profile

Demographic Variable		Frequency	Percent (%)
Gender	Male	93	60.00
	Female	62	40.00
	Below 17	-	-
	18-20	22	14.19
	21-23	123	79.36
Age	24 and above	10	06.45
	BBA	97	62.60
	BBM	25	16.10

Demographic Variable		Frequency	Percent (%)
Program of Study	BBS	18	11.60
	Others	15	09.70
	1st year (1st and 2nd semester)	03	01.90
	2nd year (3rd and 4th semester)	20	12.90
Academic Level	3rd year (5th and 6th semester)	26	16.80
	4th year (7th and 8th semester)	106	68.40
Total		155	100

Source: Authors

Table 1 presents the demographic profile of the 155 respondents that were used in the study in terms of gender, age, program of study, and level of bachelors' degree. On the basis of gender distribution of respondents, it is quite evident that they mostly are male (93 or 60 percent of the total respondents) with 62 or 40 percent being women. This means that there are more male students as compared to female students. Concerning age composition of the respondents (in terms of age bracket) it is quite evident that the bulk of the respondents falls under the 21-23 age group with 123 or 79.36% of the total number of respondents. The 22 or 14.19% is of age bracket 18-20 years while only 10 or 6.45% is of age 24 years and above. No respondents who are less than 18 years old. This shows that the study is largely dominated by those students who belong to the age bracket of early twenties which is anticipated in the age-structure of the respondents in an undergraduate research. Respondents of the BBA program represent the largest number with 97 respondents 62.6% in respect to the program of study. This is further preceded by 25 respondents 16.1% of the BBM program and 18 respondents 11.6% of the BBS program. Further, other programs of study dominate the population with 15 and 9.7% respondents. The academic programs demonstrate that BBA program is most represented in the findings. As far as the bachelor level of study is concerned, the largest amount of respondents belongs to the fourth year (7th and 8th semester) and has 106 respondents 68.4%. This is succeeded by 26 respondents 16.8% in the third year (5th and 6th semester) and 20 respondents 12.9% in the second year (3rd and 4th semester). There are 3 first year respondents 1.9% (1st and 2nd semester). According to the findings, the sample is composed of mainly final-year undergraduate students. Overall, the demographic information of the respondents indicates that they are predominantly male, with an age range between 22 and 24 years, predominantly belong to the BBA course, and most of them are in the last year of the bachelor degree. According to the sample profile, the respondents will probably be older students pursuing their undergraduate education and encounter a greater experience in making financial and academic decisions.

Table 2
Reliability analysis and Descriptive Statistics

Constructs	No of Items	Cronbach's alpha	Mean	Standard Deviations
Financial Literacy	5	.875	3.96	.663
Emotional Intelligence	6	.851	3.86	.638
Financial Risk Tolerance	5	.777	3.80	.645
Financial Behavior	6	.846	3.83	.651

Source: Authors

The table 2 shows the reliability and other descriptive results of the major variables used in the research. The variable of financial literacy comprises 5 items with a Cronbach's Alpha of 0.875, indicating that the scale has high reliability. The mean of 3.9690 suggests that the respondents have relatively higher levels of financial knowledge. The standard deviation of 0.6638 shows moderate variability of responses. The variable of emotional intelligence comprises 6 items with a Cronbach's Alpha of 0.851, showing that the scale has high reliability. The mean of 3.8677 suggests that the respondents generally possess relatively higher levels of emotional intelligence. The standard deviation of 0.63867 shows moderate variability of responses. The variable of financial risk tolerance comprises 5 items with a Cronbach's Alpha of 0.777, showing that the scale has acceptable reliability. The mean of 3.8013 suggests that the respondents possess relatively moderate levels of financial risk tolerance. The standard deviation of 0.6456 shows moderate variability of

responses. The variable of financial behavior comprises 6 items with a Cronbach's Alpha of 0.846, showing that the scale has relatively high reliability. The mean of 3.8312 suggests that the respondents possess relatively positive financial behavior. The standard deviation of 0.6513 shows moderate variability of responses. All the scales used to collect the research data are reliable since all the Cronbach's alpha values are greater than 0.70.

Table 3
Correlation analysis

Variable		FL	EI	FRT	FB
FL	Pearson Correlation	.1			
	Sig. (2-tailed)	.000			
EI	Pearson Correlation	.738**	1		
	Sig. (2-tailed)	.000	.000		
FRT	Pearson Correlation	.654**	.660**	1	
	Sig. (2-tailed)	.000	.000	.000	
FB	Pearson Correlation	.558**	.612**	.708**	1
	Sig. (2-tailed)	.000	.000	.000	.000
Total (N)		155	155	155	155

Note. FL=Financial Literacy, EI=Emotional Intelligence, FRT=Financial Risk Tolerances, FB=Financial Behavior.

Table 3 demonstrates the correlation coefficients between the variables, financial literacy, emotional intelligence, financial risk tolerance, and financial behavior. According to the findings, all the variables are positively related to each other and they are statistically significant at the level of 0.01. Financial behavior is moderately and positively correlated with financial literacy ($r = .558, p < .01$), indicating that individuals who are more financially literate tend to have better financial behavior. It also states that it has a considerable and medium positive correlation with emotional intelligence ($r = .738, p < .01$), and financial risk tolerance ($r = .654, p < .01$). There is a moderate and positive relationship between emotional intelligence and financial behavior ($r = .612, p < .01$) which indicates that individuals that possess strong abilities of interpreting and controlling their emotions may exhibit proper financial behavior. It is also moderately positively related to financial risk tolerance ($r = .660, p < .01$). There is a strong and positive correlation between the financial risk-seeking behavior and financial behavior ($r = .708, p < .01$), which implies that, the more risk-seeking in financial situations a person is, the more positive financial behavior they are expected to engage in. The findings reveal that financial behavior can be portrayed more by people who are more financially literate, emotionally intelligent, and risk-takers.

Table 4.
Regression Analysis of Independent and Dependent Variable

Models	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	.729	.245		2.980	.003		
FL	.039	.085	.039	.454	.651	.406	2.466
EI	.241	.089	.236	2.702	.008	.400	2.499
FRT	.531	.079	.526	6.751	.000	.503	1.989
F	R Square		Adjusted R Square		Sig		
58.814	.539		.530		.000b		

Source: Authors

The table 4 shows the result of regression and the impact of financial literacy (FL), the emotional intelligence (EI) and financial risk tolerance (FRT) on financial behavior (FB). The value of the overall model is large ($F = 58.814, p < .001$) thereby indicating that the overall model accounts the variation in financial behavior.

The R^2 of 0.539 represents the total model that explains 53.9 percent of the change in financial behavior. The adjusted R^2 of 0.530 goes on to show that the model fits well. Financial risk tolerance is one of the most affecting variables of financial behavior with the strongest and significant positive impact ($b=.526$, $p < .001$). This implies that risk-seeking tendencies of people on financial matters are likely to give them better financial behavior. Emotional intelligence also positively affects and significantly affects the financial behavior ($b=.236$, $p=.008$), implying that individuals with higher emotional intelligence find it easier to manage their finances successfully. Finally, in this model, financial literacy is not a significant predictor of financial behavior ($b=.039$, $p = .651$), implying that it is not a significant influence of financial literacy on financial behavior. The collinearity diagnostics indicate that the model does not have any multicollinearity issues as the tolerance levels are all greater than 0.10, and the VIF levels are all less than 10. Altogether, the results indicate that emotional intelligence and financial risk tolerance are important influential variables that demonstrate financial behavior and that financial literacy is not significantly influenced in direct relations with the financial behavior in this model.

5. Discussion

The results show that financial literacy, emotional intelligence, and financial risk tolerance had a positive relationship with financial behavior. This follows other previously conducted studies that indicate that both cognitive and psychological factors influence the financial behavior (Dewi et al., 2023; Giri & Adhikari, 2023; Song et al., 2023). However, the regression analysis indicated that financial literacy did not directly influenced on financial behavior. This is in line with previous studies, which claim that financial literacy is not enough to guarantee proper financial behavior (Indrawati et al., 2025). With the behavioral Financial Theory, the decisions made are not entirely rational but are governed by emotions and psychological prejudices (Ajzen, 1991). Thus, students can have financial literacy but cannot implement the knowledge in practice (Rahayu, 2023).

The opposite was true of emotional intelligence though the effect was positive in relation to financial behavior. It means those students, who have developed the ability to control emotions, impulses, deal with financial stress, have better chances of developing responsible financial behavior. This result supports the Emotional Intelligence Theory, in which the most important aspect of decision-making is the ability to control emotions (Chaudhary et al., 2024; Mutlu & Ozer, 2022) that is also in line with previous literature (Aisjah et al., 2024). Moreover, financial risk tolerance has been identified to predict financial behavior to the greatest extent. This is in accordance with Risk Tolerance Theory that indicates individuals who take more financial risks tend to be more involved in financial planning and investing decisions (Rabbani et al., 2021). According to Bucciol et al. (2021), there are similar findings with emphasis on the role of risk attitude in determining the financial behavior. In general, it can be concluded that the psychological aspects of financial behavior, especially emotional intelligence and financial risk tolerance have greater role than financial literacy. This agrees with Behavioral Finance Theory that gains effective financial decisions which requires a combination of knowledge, as well as emotional abilities.

6. Conclusions

The research was grounded on the effects of financial literacy, emotional intelligence, and financial risk tolerance over financial behavior. Based on the findings, it was evident that all the variables had positive correlations with the financial behavior. This shows that students who possess financial knowledge, emotional intelligence and financial risk tolerance are bound to have a good financial behavior. Nevertheless, the regression analysis outcome could be utilized in order to gain more insight into the influence of the variables. Financial behavior is positively correlated with financial literacy as the results have indicated. Financial literacy on the other hand is not directly statistically linked to financial behavior. This suggests that financial literacy might not provide sufficient financial behavioral influence in undergraduate students. This is comparable to the literature that suggests the lack of psychological factors when financial knowledge occurs does not indicate to the financial behavior. This means the students might have knowledge on financial concepts but they lack the behavioral features to influence their financial behavior. They may lack the behavioral aspects to influence their financial behavior. Conversely, emotional intelligence makes a positive contribution towards financial behavior. The students who are able to manage their feeling, control their impulsive habit and handle the financial pressure efficiently are most likely to exhibit good practices of financial management. It is through emotional intelligence that people can make rational judgments as regards to their financial action through conquering emotional influence and impulsive

financial action. Moreover, financial risk tolerance proves to be the most predictive of the financial behavior. High-risk profile students have greater confidence in their financial choices and do invest more in financial planning and saving and investing activities. Regression model can also account a large percentage of variance in financial behavior which ascertains the fact that total financial literacy, emotional intelligence, and financial risk tolerance in combination constitute useful information in explaining financial behavior in undergraduates. To conclude, general psychological factors play an important role in the explanation of the financial behavior and financial knowledge does not guarantee good financial practice.

7. Implications

On the basis of the findings, certain implications can be gauged to educators, policy-makers, as well as students are possible. To begin with, in the case of implications on educators, it is suggested that financial education programs (as practiced in academic institutions) should be expanded to involve psychological and behavioral scope. The financial literacy is a significant element, but apparently, building emotional intelligence, along with the ability of the students to handle the financial risks could also play an important role in shaping the financial behavior of the students. In the case of implications on policymakers, it is suggested that financial education programs, like those offered to young adults, also should center on preserving skills of students in areas of financial management, emotional intelligence, and financial risk management rather than merely concentrating on financial literacy. Such programs that can be performed to make the students change their financial behavior might prove better with such financial education programs. Lastly, when thinking of implications to students, it can be advised that the development of emotional self-control and self-confidence when dealing with financial risks could be important in developing the financial management abilities of students as it is an important aspect of financial management. Moreover, the research has certain implications on the future research since it could be possible to add additional psychological or behavioral aspects, including financial attitude, financial self-efficacy and perception of financial risks, which may account the decision to act financially among the students.

Conflict of Interest

The authors have no conflict of interest while preparing this article

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