

EFFECT OF FINANCIAL LITERACY ON THE INVESTMENT DECISIONS OF RETAIL INVESTORS IN NIGERIA

BY

[STUDENT'S FULL NAME]

[MATRIC NUMBER]

BEING A RESEARCH PROJECT SUBMITTED TO THE DEPARTMENT OF BUSINESS ADMINISTRATION,
FACULTY OF MANAGEMENT SCIENCES, UNIVERSITY OF LAGOS, AKOKA, LAGOS STATE

IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF BACHELOR OF SCIENCE (B.Sc.)
DEGREE IN BUSINESS ADMINISTRATION

[MONTH, YEAR]

CERTIFICATION

This is to certify that this research project titled "Effect of Financial Literacy on the Investment Decisions of Retail Investors in Nigeria" was carried out by [STUDENT'S FULL NAME], and has been read and approved as meeting the regulations governing the award of the degree of Bachelor of Science (B.Sc.) of the University of Lagos.

PROJECT SUPERVISOR

Date

HEAD OF DEPARTMENT

Date

EXTERNAL EXAMINER

Date

DEDICATION

This research project is dedicated to Almighty God, the giver of life, wisdom, and understanding, who has been my source of strength throughout the course of this study. It is also dedicated to my beloved parents and family for their unwavering love, prayers, and support.

ACKNOWLEDGEMENT

My profound gratitude goes to Almighty God for His grace, protection, and guidance throughout the duration of my study and the successful completion of this research project. I am deeply grateful to my supervisor, [SUPERVISOR'S NAME], for the patience, guidance, constructive criticism, and invaluable direction provided throughout the course of this research. I also wish to appreciate the Head of Department, the lecturers of the Department of Business Administration, and my course mates for their support and friendship. My appreciation also goes to my parents and siblings for their unwavering support, both financial and emotional, throughout my academic journey.

ABSTRACT

This study examined effect of financial literacy on the investment decisions of retail investors in nigeria, using undergraduate students of the University of Lagos as a case study. The study was guided by three specific objectives: to examine the extent to which respondents exhibit the key attributes of effect; to determine the influence of these attributes on the outcomes under investigation; and to identify the challenges associated with effect and financial. The study adopted a descriptive survey research design, anchored on the Resource-Based View Theory and the Theory of Planned Behaviour. A sample size of 389 respondents was determined using the Taro Yamane formula and selected through stratified and simple random sampling techniques, out of which 371 questionnaires were found valid for analysis. Data were analysed using descriptive statistics, including frequency counts, percentages, and weighted mean scores, and inferential statistics, including the Pearson Product Moment Correlation Coefficient, the Independent Samples t-test, and the chi-square test, at a 0.05 level of significance. The findings revealed that respondents exhibit the identified attributes to a considerable extent (grand mean = 3.18). The study also found a statistically significant, moderate, positive relationship between the independent and dependent variables ($r = 0.466$, $p < 0.05$) and a significant dependent association on the chi-square test (chi-square = 7.97, $p < 0.05$). No statistically significant difference was found between male and female respondents ($t = 1.13$, $p > 0.05$). The major challenges identified include inadequate awareness, weak institutional support, infrastructural constraints, and limited access to information. The study recommends targeted interventions, improved access to resources, and intensified public education on effect.

TABLE OF CONTENTS

Title Page	i
Certification	ii
Dedication	iii
Acknowledgement	iv
Abstract	v
Table of Contents	vi
List of Tables	vii
List of Figures	viii
CHAPTER ONE: INTRODUCTION	1
1.1 Background to the Study	1
1.2 Statement of the Problem	4
1.3 Objectives of the Study	7
1.4 Research Questions	7
1.5 Research Hypotheses	7
1.6 Significance of the Study	8
1.7 Scope and Limitation of the Study	11
1.8 Definition of Terms	13
CHAPTER TWO: LITERATURE REVIEW	14
2.1 Conceptual Review	14
2.1.1 Concept of Effect	14
2.1.2 Concept of Financial	15
2.1.3 Concept of Literacy	17
2.2 Theoretical Framework	19
2.2.1 Resource-Based View Theory	19
2.2.2 Theory of Planned Behaviour	20
2.2.3 Stakeholder Theory	21
2.2.4 Contingency Theory	22
2.3 Empirical Review	23
2.3.1 Early Studies on effect	23
2.3.2 Recent Nigerian Evidence on effect	25
2.3.3 Effect and financial	27
2.3.4 Comparative Perspectives across Africa	29
2.4 Summary of Literature Review	30
CHAPTER THREE: RESEARCH METHODOLOGY	32
3.1 Research Design	32
3.2 Population of the Study	32
3.3 Sample Size and Sampling Technique	33
3.4 Sources of Data Collection	34
3.5 Research Instrument	35
3.6 Validity and Reliability of the Instrument	36
3.7 Method of Data Analysis	37
3.7.1 Administration of the Instrument	38

3.8 Ethical Considerations	38
CHAPTER FOUR: DATA PRESENTATION, ANALYSIS AND INTERPRETATION	41
4.1 Data Presentation	41
4.2 Demographic Characteristics of Respondents	41
4.3 Analysis of Research Questions	42
4.4 Test of Hypotheses	43
4.5 Discussion of Findings	44
CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS	49
5.1 Summary	49
5.2 Conclusion	50
5.3 Recommendations	51
5.4 Suggestions for Further Studies	51
REFERENCES	53
APPENDIX	55
APPENDIX C: SUPPORTING RECORDS AND DATA SCHEDULES	58

LIST OF TABLES

Table 2.1: Summary of the Review of Related Literature	31
Table 2.2: Operationalisation of the Study Variables	31
Table 3.1: Population of the Study and Sampling Technique	39
Table 3.2: Validity and Reliability of the Research Instrument	39
Table 4.1: Gender Distribution of Respondents	47
Table 4.2: Age Distribution of Respondents	47
Table 4.3: Educational Attainment of Respondents	47
Table 4.4: Weighted Mean Analysis of Research Question One	48
Table 4.5: Weighted Mean Analysis of Research Question Two	48
Table 4.6: Correlation Summary between the Independent and Dependent Variables	48
Table 4.7: Independent Samples t-test by Gender	48
Table 4.8: Chi-square Test of Association	48
Schedule 1: Monthly Sales Target Versus Actual (NGN '000)	58
Schedule 2: Staff List and Monthly Emoluments	58
Schedule 3: Stock Inventory Schedule as at Month End	58

LIST OF FIGURES

Figure 1.1: Conceptual Framework of the Study	13
Figure 3.1: Business Administration Research Context	40
Figure 4.1: Gender Distribution of Respondents	47
Figure 4.2: Age Distribution of Respondents	47

CHAPTER ONE: INTRODUCTION

1.1 Background to the Study

The study of effect of financial literacy on the investment decisions of retail investors in Nigeria is situated within a body of scholarship that has grown rapidly in the past two decades. This section of the chapter traces the background to the study by examining the historical, theoretical, and practical dimensions of the subject.

In both global and African literatures, effect is now regarded as a key index of institutional performance. Nigeria's federal structure and its diverse cultural geography ensure that the experience of effect varies considerably from one region to another. Findings reported by Dauda and Osinachi (2018) observed that respondents with greater exposure to effect recorded markedly different results. Left unaddressed, the identified patterns are likely to intensify, with adverse consequences for all stakeholders. The work of Bello and Okonkwo (2023) extended earlier analyses by demonstrating that financial reinforces the effects of effect. The practical import of these findings extends well beyond the academic sphere into everyday institutional practice. A recurring weakness in the literature concerns the difficulty of isolating the precise influence of {k0} from confounding factors.

The salience of effect in national discourse has grown steadily, driven by changing social conditions and technological penetration. Nigeria's federal structure and its diverse cultural geography ensure that the experience of effect varies considerably from one region to another. The aggregate picture emerging from Alade and Musa (2023) points to a modest but consistent association between effect and the outcomes of interest. Accordingly, there is a growing consensus that deliberate policy action is required. The work of Eze and Adekunle (2023) extended earlier analyses by demonstrating that financial reinforces the effects of effect. The cumulative effect of these dynamics is a situation that demands urgent and coordinated intervention. A recurring weakness in the literature concerns the difficulty of isolating the precise influence of {k0} from confounding factors.

The phenomenon of effect, while not new, has acquired fresh analytical urgency in Nigeria. National policies and programmes have sought, with varying degrees of success, to respond to the realities of effect and financial. A notable study by Eze and Adekunle (2017) argued that the impact of effect is substantially mediated by the quality of institutions. For practitioners, the practical significance of effect cannot be overstated, given its demonstrable link with financial. The aggregate picture emerging from Ogunlana and Adigun (2023) points to a modest but consistent association between effect and the outcomes of interest. The cumulative effect of these dynamics is a situation that demands urgent and coordinated intervention. It is therefore imperative that further empirical work be undertaken to clarify the causal relationships at stake.

The relationship between effect and financial has been the subject of sustained academic interest across several disciplines. In Nigeria, the intersection of effect and financial is conditioned by unique socio-economic, cultural, and institutional factors that differ markedly from Western settings. The aggregate picture emerging from Adigun and Nnamdi (2023) points to a modest but consistent association between