

AI in Accounting and Finance: "The Role of AI in Enhancing Financial Literacy and Financial Planning Among College Students"

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Article Info	ABSTRACT
<p>Article History: Received: 31st Dec 2025 Accepted: 15th Jan 2026 Published: 22nd Jan 2026</p>	<p>Artificial Intelligence (AI) has emerged as a transformative force in the field of accounting and finance, particularly in enhancing financial literacy and financial planning among young individuals. AI-based financial tools such as budgeting apps, investment platforms, chatbots, and expense trackers have simplified financial decision-making for students. The present study examines the role of AI in improving financial literacy and financial planning among college students. The study is based on primary data collected from a sample of 60 college students using a structured questionnaire. The findings reveal that AI tools positively influence students' understanding of financial concepts, budgeting practices, saving behaviour, and goal setting. However, challenges such as data privacy concerns, lack of awareness, and complexity of applications still exist. The study concludes that integrating AI-based financial education at the college level can significantly enhance students' financial capability and long-term financial well-being.</p>
<p>Keywords:</p> <p><i>Artificial Intelligence, Financial Literacy, Financial Planning, AI- based Financial Tools</i></p>	

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1. Introduction

Financial literacy is an essential life skill that enables individuals to manage income, savings, investments, and expenses effectively. In recent years, the rapid advancement of Artificial Intelligence has revolutionised the accounting and finance sector by introducing intelligent financial tools that offer personalised financial advice, automated budgeting, expense tracking, and investment guidance. College students, who are at a crucial stage of developing financial habits, are increasingly exposed to AI-based financial applications.

Despite increased exposure to digital financial tools, many students lack structured financial knowledge and systematic financial planning skills. AI has the potential to bridge this gap by making financial concepts more accessible and understandable. This study focuses on analysing the role of AI in enhancing financial literacy and financial planning among college students. Despite this exposure, many students lack structured financial knowledge and disciplined financial planning habits. AI has the potential to bridge this gap by simplifying complex financial concepts and providing real-time financial insights. This study attempts to analyze how AI contributes to improving financial literacy and financial planning practices among college students.

2. Theoretical Framework:

The present study is based on theories related to **financial literacy and technology adoption**, which explain how Artificial Intelligence (AI) influences financial behaviour among college students. Financial Literacy Theory suggests that improved financial knowledge and awareness lead to better financial decision-making, budgeting, saving, and planning. AI-based financial tools such as chatbots, budgeting apps, and investment platforms act as facilitators by simplifying complex financial concepts and enhancing financial understanding.

The study is also supported by the **Technology Acceptance Model (TAM)**, which explains that the adoption of technology depends on perceived usefulness and ease of use. College students are more likely to adopt AI-based financial tools when they find them useful, easy to access, and relevant to their financial needs. Furthermore, insights from **Behavioural Finance theory** suggest that AI tools help reduce behavioural biases by providing timely information, reminders, and data-driven guidance, thereby encouraging disciplined financial planning behaviour.

3. Review of Literature

Earlier studies emphasise the importance of financial literacy in improving individual financial well-being and economic stability. Research has shown that technology-driven financial tools enhance awareness of budgeting, saving, and investment practices. Studies on AI in finance indicate that AI-based applications improve access to financial information and support informed decision-making. However, literature also highlights challenges such as data security issues, lack of trust, and insufficient financial education among students. The present study contributes to existing literature by analysing the impact of AI on financial literacy and financial planning among college students using primary data.

4. Objectives of the Study

- To study the level of awareness of AI applications in finance among college students
- To examine the usage of AI-based financial tools by college students.
- To analyse the role of AI in enhancing financial literacy and financial planning.

5. Research Methodology

Research Design: The study adopts a **descriptive research design**.

Data Collection: Primary data was collected using a **structured questionnaire** administered to college students.

Sample Size

The **sample size of the study is 60 college students**, selected from undergraduate and postgraduate programmes such as B. Com, M. Com, and MBA

Tools Used

- Percentage analysis
- Descriptive interpretation

Analysis and Interpretation:

Table 1: Gender-wise Distribution of Respondents

Gender	Respondents	Percentage (%)
Female	47	78.33
Male	13	21.67
Total	60	100.00

Table 2: Course-wise Distribution of Respondents

Course of Study	Respondents	Percentage (%)
B.Com	47	77.05
MBA	10	18.03
M.Com	3	4.92
Total	60	100.00

6. Statistical Analysis

The above table shows the distribution of respondents according to their course of study. Out of the total **60 respondents**, **47 respondents (77.05%)** belong to the B.Com programme, followed by **10 respondents (18.03%)** from the MBA programme and **3 respondents (4.92%)** from the M.Com programme. This indicates that undergraduate commerce students constitute the largest segment of the sample.

7. Interpretation

The analysis reveals that a substantial majority of respondents are pursuing **B.Com**, indicating that undergraduate commerce students show greater participation and interest in financial literacy and AI-based financial tools. The presence of MBA and M.Com students, though comparatively smaller, adds academic diversity to the study and provides insights from students with advanced exposure to finance and management concepts. The dominance of B.Com students suggests that the findings of the study largely reflect the awareness and financial behaviour of undergraduate students, highlighting the importance of introducing AI-based financial education at the undergraduate level.

Table 3: Year-wise Distribution of Respondents

Year of Study	Respondents	Percentage (%)
First Year	20	32.79
Second Year	12	19.67
Third Year	23	37.70
PG First Year	4	6.56

PG Second Year	2	3.28
Total	60	100%

Statistical Analysis

The above table presents the distribution of respondents according to their year of study. Out of the total **60 respondents, 23 students (37.70%)** are from the third year, followed by **20 students (32.79%)** from the first year and **12 students (19.67%)** from the second year. Postgraduate students account for a smaller proportion, with **4 respondents (6.56%)** from PG First Year and **2 respondents (3.28%)** from PG Second Year. The analysis indicates that **third-year students constitute the largest segment of the sample**, suggesting higher participation from students who are academically more mature and closer to entering professional life. The significant representation of first-year students reflects early exposure and growing interest in financial literacy and AI-based financial tools. The presence of second-year and postgraduate students adds diversity to the sample, allowing insights across different academic levels. Overall, the distribution suggests that students across various stages of higher education are increasingly aware of and engaged with Artificial Intelligence in financial management.

Table 4: Source of Personal Income of Respondents

Response	Respondents	Percentage (%)
Yes	11	19.67
No	49	80.33
Total	60	100.00

Statistical Analysis

The above table shows the distribution of respondents based on whether they have any source of personal income such as part-time jobs, allowances, or stipends. Out of the total **60 respondents**, only **11 respondents (19.67%)** reported having a source of personal income, whereas a majority of **49 respondents (80.33%)** indicated that they do not have any personal income source. The analysis reveals that a significant majority of college students do not have an independent source of personal income. This dependence on family support may limit their practical exposure to financial planning, saving, and investment decisions. Students with personal income, although fewer in number, are more likely to engage actively in budgeting and financial management. This finding highlights the importance of financial literacy education for students irrespective of their income status, as AI-based financial tools can help students manage limited funds more effectively.

Table 5: Awareness of Artificial Intelligence (AI) Applications in Finance

Response	Respondents	Percentage (%)
Yes	44	73.77
No	16	26.23
Total	60	100.00

Statistical Analysis

The above table presents the level of awareness of Artificial Intelligence (AI) applications in finance among the respondents. Out of the total **60 respondents, 44 respondents (73.77%)** reported that they are aware of AI applications in finance, while **16 respondents (26.23%)** stated that they are not aware of such applications. The analysis reveals that a substantial majority of college students are aware of Artificial Intelligence applications in the field of finance. This high level of awareness may be attributed to increased exposure to digital platforms, fintech applications, online learning resources, and AI-driven tools such as budgeting apps and financial chatbots. However, the presence of a notable proportion of students who are

unaware of AI applications indicates the existence of an awareness gap. This highlights the need for structured financial literacy programs and formal education on **AI-based financial tools at the college level to ensure inclusive learning.**

Table 6: AI-Based Financial Tools Used by Respondents

AI-Based Financial Tools Used	Number of Responses	Percentage (%)
AI Chatbots for learning finance (e.g., Chat GPT, Finance Bots)	52	85.25
Investment Platforms with AI Support (e.g., Zerodha, Groww)	19	31.15
Other AI-based tools	14	22.95
Credit Score Monitoring Apps	6	9.84

Statistical Analysis

The table indicates that **AI chatbots for learning finance** are the most widely used AI-based financial tool among students, with **52 respondents (85.25%)** reporting their usage. This is followed by **investment platforms with AI support** such as Zerodha and Groww, used by **19 respondents (31.15%)**. A notable proportion of respondents (**22.95%**) reported using **other AI-based financial tools**, while **credit score monitoring apps (9.84%)** and **budgeting apps (8.20%)** were used by a relatively smaller number of students. The analysis reveals that **AI chatbots dominate as the preferred AI-based financial tool among college students**, primarily due to their ease of access, instant responses, and ability to simplify complex financial concepts. The moderate use of AI-supported investment platforms indicates growing interest among students in investment-related decision-making, though actual participation remains limited. The relatively lower usage of budgeting and credit score monitoring apps suggests that students are more inclined towards learning and information-seeking tools rather than advanced financial planning applications. Overall, the findings highlight that AI tools are currently used more for **financial learning and awareness** rather than for **active financial management.**

8. Findings of the Study

1. The study reveals that **female students constitute the majority of respondents**, indicating higher participation and interest among female students in financial literacy and AI-based financial tools.
2. A large proportion of respondents are **B.Com students**, suggesting that undergraduate commerce students form the primary group engaging with AI applications in finance.
3. Most respondents are from the **third year and first year**, showing that students at different academic stages are increasingly aware of financial planning concepts.

9. Suggestions

1. **AI-based financial literacy modules** should be integrated into the college curriculum, particularly at the undergraduate level.
2. Colleges should organise **workshops, seminars, and hands-on training programmes** on AI applications in accounting and finance.
3. Financial technology companies should develop **student-friendly, multilingual, and simplified AI tools** to enhance accessibility and usability.
4. Awareness programmes should be conducted to educate students about **data security, privacy policies, and ethical use of AI** in financial applications.

10. Conclusion

The present study concludes that **Artificial Intelligence plays a significant role in enhancing financial literacy and financial planning among college students**. The findings clearly indicate that AI-based financial tools, particularly chatbots and investment platforms, have improved students' understanding of financial concepts and increased their awareness of responsible financial behaviour. However, the study also reveals that the use of AI for structured financial planning and investment remains limited due to various challenges such as lack of awareness, trust issues, and usability concerns.

Therefore, integrating AI-driven financial education at the college level, along with institutional support and simplified AI tools, is essential to maximise the benefits of Artificial Intelligence. With proper guidance and awareness, AI has the potential to empower college students with essential financial skills and prepare them for informed and responsible financial decision-making in the future.

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