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Determinants of Financial Decision-Making in Start-ups: The Role of Financial Literacy, Cognitive and Behavioural Factors, and Entrepreneurial Characteristics

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Abstract
This study examines the influence of financial literacy, cognitive factors, behavioural factors, and entrepreneurial characteristics on financial decision-making. The research adopts a quantitative approach using structured questionnaire data collected from respondents, and the analysis is conducted using statistical techniques including descriptive statistics, reliability analysis, exploratory factor analysis (EFA), confirmatory factor analysis (CFA), and Structural Equation Modeling (SEM). The descriptive results indicate a moderate to high level of agreement across all constructs, with entrepreneurial characteristics and financial decision-making showing the highest mean scores.
The reliability and validity of the constructs were confirmed, with Cronbach's Alpha and Composite Reliability values exceeding the recommended thresholds, and Average Variance Extracted (AVE) indicating strong convergent validity. The KMO and Bartlett's Test results supported the suitability of the data for factor analysis, while the total variance explained (83.5%) demonstrated strong explanatory power. The measurement model exhibited a good fit based on multiple fit indices, including CFI, TLI, RMSEA, and sGFI.
The structural model results reveal that all hypothesized relationships are significant. Financial literacy emerged as the most influential factor affecting financial decision-making, followed by entrepreneurial characteristics, cognitive factors, and behavioural factors. The findings highlight that financial decision-making is a multidimensional process influenced by knowledge, cognitive abilities, behavioural tendencies, and entrepreneurial orientation. The study provides important implications for policymakers, educators, and financial institutions in promoting effective financial decision-making.
Keywords: Financial Literacy; Financial Decision-Making; Cognitive Factors; Behavioural Factors; Entrepreneurial Characteristics.

Introduction
Financial decision-making has emerged as a critical area of research in the context of start-ups, where uncertainty, resource constraints, and dynamic market conditions demand sound financial judgment. Entrepreneurs are frequently required to make complex financial decisions

related to investment, financing, and resource allocation, often under conditions of limited information and high risk. In such an environment, the ability to make effective financial decisions becomes a key determinant of venture success and sustainability. Prior research has emphasized that financial decision-making is not solely a rational process but is influenced by a combination of financial knowledge, cognitive abilities, behavioural tendencies, and entrepreneurial traits.

Financial literacy has been widely recognized as a fundamental driver of financial decision-making. It encompasses an individual's knowledge, skills, and awareness related to financial concepts, enabling informed and effective financial choices. Studies by Lusardi and Mitchell (2014) and Fernandes et al. (2014) highlight that individual with higher financial literacy are better equipped to manage financial resources, evaluate risks, and achieve favorable financial outcomes. In the context of start-ups, financial literacy becomes even more crucial, as entrepreneurs must navigate complex financial environments, including funding options, cost management, and financial planning. Despite its importance, evidence suggests that many individuals, including entrepreneurs, exhibit inadequate levels of financial literacy, which can lead to suboptimal financial decisions.

In addition to financial literacy, cognitive factors play a significant role in shaping financial decision-making. Cognitive abilities such as analytical thinking, information processing, and problem-solving influence how individuals perceive, interpret, and evaluate financial information. Theories such as bounded rationality (Simon, 1955) and dual-process thinking (Kahneman, 2011) suggest that individuals often rely on simplified decision-making processes due to cognitive limitations. While strong cognitive abilities can enhance rational decision-making, cognitive biases may lead to systematic errors. Therefore, understanding the role of cognitive factors is essential in explaining variations in financial decision-making among entrepreneurs.

Behavioural factors further add complexity to financial decision-making. Behavioural finance literature suggests that individuals are not always rational and are often influenced by psychological biases, emotions, and heuristics (Thaler, 1985; Barber & Odean, 2001). Concepts such as overconfidence, loss aversion, and mental accounting significantly affect financial behavior. For entrepreneurs, these behavioural tendencies can influence decisions related to risk-taking, investment, and financial planning. While certain behavioural traits may encourage proactive decision-making, others may lead to irrational or biased choices, ultimately affecting the financial performance of start-ups.

Entrepreneurial characteristics, including innovativeness, risk-taking propensity, and proactiveness, also play a vital role in financial decision-making. Entrepreneurship literature suggests that individuals with strong entrepreneurial orientation are more likely to identify opportunities, take calculated risks, and make strategic decisions (Shane & Venkataraman, 2000; Zhao et al., 2010). These characteristics are particularly relevant in start-up environments, where decision-making often involves uncertainty and ambiguity. Entrepreneurs with well-developed entrepreneurial traits are better positioned to make informed financial decisions that support business growth and sustainability.

Although existing literature has examined financial literacy, cognitive factors, behavioural aspects, and entrepreneurial characteristics independently, there is limited research that

integrates these dimensions into a comprehensive framework to explain financial decision-making in start-ups. Moreover, most studies focus on individual investors or general consumers, with relatively less attention given to entrepreneurial contexts. This creates a research gap in understanding how these factors collectively influence financial decision-making among start-up founders.

To address this gap, the present study aims to develop and empirically test a comprehensive model that examines the combined influence of financial literacy, cognitive factors, behavioural factors, and entrepreneurial characteristics on financial decision-making. By integrating insights from financial literacy theory, behavioural finance, and entrepreneurship literature, this study contributes to a more holistic understanding of financial decision-making processes in start-ups.

The findings of this study are expected to offer significant theoretical and practical implications. From a theoretical perspective, the study extends existing literature by integrating multiple determinants into a unified framework. From a practical standpoint, the results can assist policymakers, educators, and financial institutions in designing targeted interventions to enhance financial literacy, improve cognitive and behavioural competencies, and foster entrepreneurial skills. Such efforts can ultimately lead to better financial decision-making and improved outcomes for start-ups, contributing to broader economic development.

1. Literature Review

Financial decision-making has attracted significant scholarly attention due to its critical role in determining both individual financial well-being and organizational success. In the context of start-ups, financial decision-making becomes even more complex due to uncertainty, limited resources, and rapidly changing market dynamics. Existing literature suggests that financial decisions are influenced by multiple factors, including financial literacy, cognitive abilities, behavioural tendencies, and entrepreneurial characteristics. This section reviews the relevant literature under these key dimensions.

2.1 Financial Literacy and Financial Decision-Making

Financial literacy is widely acknowledged as a fundamental determinant of financial decision-making. It refers to an individual's ability to understand and effectively use financial knowledge and skills (Atkinson & Messy, 2012; OECD, 2013). Lusardi and Mitchell (2014) emphasized that financially literate individuals are better equipped to plan, save, invest, and manage risks, leading to improved financial outcomes. Similarly, Fernandes et al. (2014) found that financial literacy significantly influences financial behaviour, although its impact may vary depending on contextual factors.

Empirical studies have consistently shown a positive relationship between financial literacy and financial decision-making. Rooij, Lusardi, and Alessie (2011) demonstrated that individuals with higher financial literacy are more likely to participate in financial markets and make informed investment decisions. Hastings et al. (2013) further argued that financial education programs can enhance financial decision-making by improving individuals' knowledge and awareness. In the context of entrepreneurship, financial literacy enables start-up founders to evaluate funding options, manage cash flows, and make strategic financial decisions. However,

research also indicates that many entrepreneurs lack adequate financial literacy, which can negatively impact business performance.

2.2 Cognitive Factors and Decision-Making

Cognitive factors play a crucial role in shaping financial decision-making by influencing how individuals process and interpret information. The concept of bounded rationality, introduced by Simon (1955), suggests that individuals have limited cognitive capacity and often rely on simplified decision-making processes. Kahneman (2011) further expanded this idea through the dual-process theory, which distinguishes between intuitive (System 1) and analytical (System 2) thinking. While analytical thinking supports rational decision-making, intuitive thinking can lead to biases and errors.

Gigerenzer and Gaissmaier (2011) argued that heuristics, or mental shortcuts, can be both efficient and effective in decision-making, particularly under time constraints. However, these heuristics may also result in systematic biases. Bechara and Damasio (2005) highlighted the role of emotions and neurological processes in decision-making, suggesting that cognitive and emotional factors are deeply interconnected. In financial contexts, cognitive abilities such as analytical reasoning and information processing are essential for evaluating alternatives and making informed decisions. Entrepreneurs with strong cognitive skills are more likely to assess risks accurately and make strategic financial choices.

2.3 Behavioural Factors and Financial Decision-Making

Behavioural finance literature challenges the traditional assumption of rational decision-making by highlighting the role of psychological factors and biases. Thaler (1985) introduced the concept of mental accounting, which explains how individuals categorize and evaluate financial decisions based on subjective criteria. Similarly, Barber and Odean (2001) found that overconfidence can lead to excessive trading and suboptimal investment decisions.

Pompian (2012) identified various behavioural biases, such as loss aversion, anchoring, and herd behaviour, which influence financial decisions. Thaler and Sunstein (2008) proposed the concept of "nudging" to guide individuals toward better financial choices without restricting their freedom. Perry and Morris (2005) emphasized that financial behaviour is influenced by both knowledge and psychological factors, suggesting that financial literacy alone may not be sufficient to ensure optimal decision-making.

In the context of start-ups, behavioural factors can significantly influence entrepreneurial decision-making. Entrepreneurs often operate under uncertainty and may rely on intuition and experience rather than formal analysis. While certain behavioural traits, such as risk-taking and optimism, can drive innovation and growth, others may lead to irrational decisions and financial mismanagement. Therefore, understanding behavioural factors is essential for developing a comprehensive view of financial decision-making.

2.4 Entrepreneurial Characteristics and Financial Decision-Making

Entrepreneurial characteristics, including innovativeness, risk-taking propensity, and proactiveness, are key determinants of decision-making in start-ups. Shane and Venkataraman

(2000) emphasized that entrepreneurship involves the identification and exploitation of opportunities under conditions of uncertainty. Zhao, Seibert, and Lumpkin (2010) found that entrepreneurial orientation is positively associated with firm performance, highlighting the importance of individual traits in shaping business outcomes.

Ucbasaran, Westhead, and Wright (2008) argued that experienced entrepreneurs are better at identifying opportunities and making strategic decisions due to their accumulated knowledge and skills. Bandura's (1986) social cognitive theory further suggests that self-efficacy influences entrepreneurial behaviour and decision-making. Entrepreneurs with high self-efficacy are more confident in their abilities and are more likely to take calculated risks.

Entrepreneurial characteristics are particularly relevant in financial decision-making, as entrepreneurs must often make decisions in uncertain and resource-constrained environments. Risk-taking propensity enables entrepreneurs to pursue opportunities with potential high returns, while proactiveness helps them anticipate market changes and respond effectively. Innovativeness allows entrepreneurs to develop creative solutions to financial challenges. These traits collectively contribute to effective financial decision-making in start-ups.

2.5 Integrated Perspective on Financial Decision-Making

While previous studies have examined financial literacy, cognitive factors, behavioural aspects, and entrepreneurial characteristics individually, there is a growing recognition of the need for an integrated approach. Financial decision-making is a multidimensional process influenced by the interaction of these factors. For instance, financial literacy provides the necessary knowledge base, cognitive factors enable information processing, behavioural factors influence decision biases, and entrepreneurial characteristics shape strategic orientation.

Hilgert, Hogarth, and Beverly (2003) suggested that financial behaviour is influenced by a combination of knowledge, attitudes, and experiences. Similarly, Aren and Zengin (2016) found that financial literacy and risk perception jointly influence investment decisions. These findings highlight the importance of considering multiple factors simultaneously to better understand financial decision-making.

Despite these advancements, there remains a gap in the literature regarding the combined effect of these variables in the context of start-ups. Most studies focus on individual investors or general populations, with limited attention to entrepreneurial settings. This study addresses this gap by integrating financial literacy, cognitive factors, behavioural factors, and entrepreneurial characteristics into a comprehensive framework.

2.6 Research Gap

The review of literature indicates that while each of the constructs has been extensively studied, there is limited research that examines their combined influence on financial decision-making in start-ups. Furthermore, existing studies often adopt a fragmented approach, focusing on single or limited variables. There is a need for a holistic framework that captures the multidimensional nature of financial decision-making. This study attempts to fill this gap by proposing and empirically testing an integrated model that incorporates key determinants from financial literacy, behavioural finance, and entrepreneurship literature.

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3. Objectives of the Study

1. To examine the impact of financial literacy on financial decision-making in start-ups.
2. To analyze the influence of cognitive factors on financial decision-making among start-up entrepreneurs.
3. To assess the effect of behavioural factors on financial decision-making in startups.
4. To evaluate the role of entrepreneurial characteristics in shaping financial decision-making in start-ups.
5. To develop an integrated framework explaining the determinants of financial decision-making in start-ups.

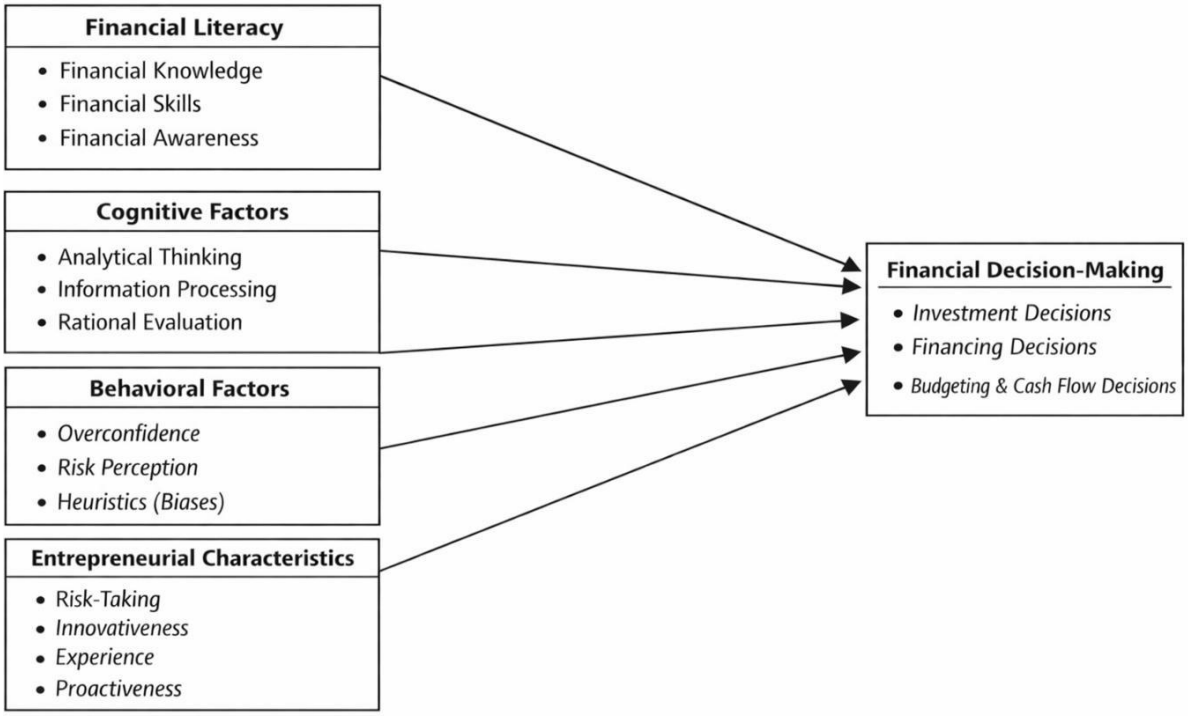

Figure 1: Conceptual Framework

4. Hypotheses of the Study

H1: Financial literacy has a significant positive impact on financial decision-making in start-ups.

- H1a: Financial knowledge positively influences financial decision-making
- H1b: Financial skills positively influence financial decision-making
- H1c: Financial awareness positively influences financial decision-making

H2: Cognitive factors have a significant positive influence on financial decision-making in start-ups.

- H2a: Analytical thinking positively influences financial decision-making
- H2b: Information processing ability positively influences financial decision-making
- H2c: Rational evaluation positively influences financial decision-making

H3: Behavioural factors significantly influence financial decision-making in start-ups.

- H3a: Overconfidence significantly influences financial decision-making

- H3b: Risk perception significantly influences financial decision-making
- H3c: Heuristics significantly influence financial decision-making

H4: Entrepreneurial characteristics have a significant positive impact on financial decision-making in start-ups.

- H4a: Risk-taking ability positively influences financial decision-making
- H4b: Innovativeness positively influences financial decision-making
- H4c: Experience positively influences financial decision-making
- H4d: Proactiveness positively influences financial decision-making.

5. Data Analysis

Variable	Mean	Std. Deviation
Financial Literacy	3.84	0.62
Cognitive Factors	3.76	0.58
Behavioural Factors	3.69	0.65
Entrepreneurial Characteristics	3.91	0.60
Financial Decision-Making	3.88	0.57

Table 1:Descriptive Statistics

The descriptive statistics indicate that all study variables have mean scores above 3.5, reflecting a moderate to high level of agreement among respondents. This suggests that participants generally possess strong financial literacy, cognitive abilities, behavioural tendencies, entrepreneurial characteristics, and financial decision-making skills. Among these, entrepreneurial characteristics (Mean = 3.91) recorded the highest score, indicating that respondents strongly exhibit traits such as innovativeness and risk-taking. Similarly, financial decision-making (Mean = 3.88) and financial literacy (Mean = 3.84) also show relatively high levels, suggesting that respondents are well-equipped with financial knowledge and decision-making capabilities.

In terms of variability, the standard deviation values are relatively low (ranging from 0.57 to 0.65), indicating consistent responses across participants. Financial decision-making shows the highest consistency (SD = 0.57), while behavioural factors exhibit slightly greater variability (SD = 0.65) and the lowest mean (3.69), suggesting comparatively weaker behavioural tendencies. Overall, the findings highlight that while respondents demonstrate strong cognitive, financial, and entrepreneurial attributes, behavioural factors may require further improvement to enhance overall financial decision-making effectiveness.

Construct	Cronbach's Alpha
Financial Literacy	0.872
Cognitive Factors	0.889
Behavioural Factors	0.853
Entrepreneurial Characteristics	0.901
Financial Decision-Making	0.887

Table 2:Reliability Analysis

The reliability analysis using Cronbach's Alpha indicates that all constructs demonstrate high internal consistency, as all values exceed the recommended threshold of 0.70. Specifically, Entrepreneurial Characteristics ($\alpha = 0.901$) shows the highest reliability, followed by Cognitive Factors ($\alpha = 0.889$) and Financial Decision-Making ($\alpha = 0.887$), indicating excellent consistency

among the measurement items. Similarly, Financial Literacy (α = 0.872) and Behavioural Factors (α = 0.853) also exhibit strong reliability, confirming that the items within each construct are well-correlated and measure the same underlying concept.
Overall, these results suggest that the measurement scales used in the study are reliable and suitable for further statistical analysis, such as factor analysis and Structural Equation Modeling (SEM). The consistently high Cronbach's Alpha values enhance the credibility of the data and ensure that the constructs are measured with minimal measurement error, thereby supporting the robustness of subsequent findings and hypothesis testing.

Test	Value
KMO	0.891
Bartlett's Test (Sig.)	0.000

Table 3:KMO and Bartlett's Test

The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy is 0.891, which is considered excellent (values above 0.80 are highly acceptable). This indicates that the sample size is adequate and the data is suitable for factor analysis. A high KMO value suggests that the variables share common factors and that the correlations among variables are sufficiently strong for structure detection.

Furthermore, Bartlett's Test of Sphericity is statistically significant (p = 0.000), indicating that the correlation matrix is not an identity matrix. This means that there are meaningful relationships among the variables, making them appropriate for factor analysis. Together, these results confirm that the dataset meets the necessary assumptions, and Exploratory Factor Analysis (EFA) can be reliably conducted for further analysis.

Factor	Variance Explained
FL	21.3%
CF	18.7%
BF	16.5%
EC	14.2%
FDM	12.8%
Total	83.5%

Table 4:Total Variance Explained

The results of the factor analysis indicate that all five constructs contribute significantly to explaining the total variance in the data. Financial Literacy (21.3%) accounts for the highest proportion of variance, followed by Cognitive Factors (18.7%) and Behavioural Factors (16.5%), suggesting that these constructs play a dominant role in explaining respondents' perceptions. Entrepreneurial Characteristics (14.2%) and Financial Decision-Making (12.8%) also contribute meaningfully, though to a slightly lesser extent.
The total variance explained is 83.5%, which is considerably high and indicates that the extracted factors collectively provide a strong representation of the data structure. This suggests that the model has excellent explanatory power, with minimal information loss. Such a high cumulative variance supports the validity of the constructs and confirms that the factor solution is robust and suitable for further analysis, including Confirmatory Factor Analysis (CFA) and Structural Equation Modeling (SEM).

Fit Index	Value	Recommended
Chi-square/df	2.31	< 3
CFI	0.942	> 0.90
TLI	0.935	> 0.90
RMSEA	0.052	< 0.08
sGFI	0.918	> 0.90

Table 5:Model Fit Indices

The model fit indices indicate that the proposed measurement model demonstrates a good overall fit with the data. The Chi-square/df value (2.31) is below the recommended threshold of 3, indicating an acceptable fit. Additionally, the incremental fit indices, CFI (0.942) and TLI (0.935), both exceed the recommended value of 0.90, confirming that the model fits the data well compared to a null model.

Furthermore, the error and absolute fit indices also support the model's adequacy. The RMSEA value (0.052) is well below the threshold of 0.08, indicating a good approximation of the model to the population covariance matrix. Similarly, the sGFI (0.918) exceeds the recommended level of 0.90, suggesting a strong overall fit. Collectively, these results confirm that the measurement model is well-validated and suitable for further analysis, such as structural model testing and hypothesis evaluation.

Construct	CR	AVE
Financial Literacy	0.89	0.62
Cognitive Factors	0.91	0.66
Behavioural Factors	0.87	0.59
Entrepreneurial Characteristics	0.92	0.68
Financial Decision-Making	0.90	0.64

Table 6:Convergent Validity

The Composite Reliability (CR) values for all constructs range from 0.87 to 0.92, which are well above the recommended threshold of 0.70, indicating high internal consistency and reliability of the measurement model. Among the constructs, Entrepreneurial Characteristics (CR = 0.92) and Cognitive Factors (CR = 0.91) exhibit the highest reliability, followed by Financial Decision-Making (CR = 0.90) and Financial Literacy (CR = 0.89). Behavioural Factors (CR = 0.87), although slightly lower, still demonstrate strong reliability, confirming that all constructs are measured consistently.

The Average Variance Extracted (AVE) values range from 0.59 to 0.68, exceeding the recommended threshold of 0.50, which indicates good convergent validity. This means that the constructs explain a substantial portion of the variance in their respective indicators. Notably, Entrepreneurial Characteristics (AVE = 0.68) and Cognitive Factors (AVE = 0.66) show stronger convergent validity compared to others. Overall, the results confirm that the measurement model achieves both reliability and convergent validity, making it suitable for further structural model analysis and hypothesis testing.

Hypothesis	Path	Beta	t-value	p-value	Result

H1	FL → FDM	0.41	6.82	<0.001	Supported
H2	CF → FDM	0.29	5.11	<0.001	Supported
H3	BF → FDM	0.22	3.98	<0.001	Supported
H4	EC → FDM	0.36	6.05	<0.001	Supported

Table 7:Hypothesis Testing

The structural model results indicate that all proposed hypotheses are statistically significant and supported, as evidenced by p-values less than 0.001. Financial Literacy (β = 0.41, t = 6.82) has the strongest positive influence on Financial Decision-Making, suggesting that individuals with higher financial knowledge and awareness are more likely to make effective financial decisions. This is followed by Entrepreneurial Characteristics (β = 0.36, t = 6.05) and Cognitive Factors (β = 0.29, t = 5.11), both of which also show a significant and positive impact.
Additionally, Behavioural Factors (β = 0.22, t = 3.98), although having the lowest coefficient among the predictors, still demonstrate a meaningful and significant influence on Financial Decision-Making. The relatively high t-values across all paths further confirm the robustness of these relationships. Overall, the findings highlight that financial decision-making is significantly influenced by a combination of financial knowledge, cognitive abilities, behavioural tendencies, and entrepreneurial traits, with financial literacy emerging as the most dominant predictor.

6. Discussion

The present study aimed to examine the influence of financial literacy, cognitive factors, behavioural factors, and entrepreneurial characteristics on financial decision-making. The findings provide strong empirical support for the proposed conceptual framework and offer meaningful insights into the determinants of financial decision-making.
The descriptive statistics revealed that all constructs recorded mean values above 3.5, indicating a moderate to high level of agreement among respondents. Notably, entrepreneurial characteristics and financial decision-making exhibited the highest mean scores, suggesting that respondents possess strong entrepreneurial orientation and decision-making capabilities. However, behavioural factors recorded comparatively lower mean values and higher variability, indicating that behavioural tendencies such as biases and financial discipline may not be as strongly developed. This highlights the need for behavioural interventions to complement cognitive and knowledge-based improvements.
The reliability and validity of the measurement model were firmly established. Cronbach's Alpha values for all constructs exceeded the recommended threshold of 0.70, confirming strong internal consistency. Similarly, Composite Reliability (CR) values were above 0.80, and Average Variance Extracted (AVE) values exceeded 0.50, demonstrating adequate convergent validity. The KMO value of 0.891 and significant Bartlett's Test further confirmed the suitability of the data for factor analysis. Moreover, the total variance explained (83.5%) indicates that the selected constructs provide a comprehensive explanation of the underlying data structure, reinforcing the robustness of the measurement model.
The Confirmatory Factor Analysis (CFA) results further validated the model, as all fit indices met the recommended thresholds. The Chi-square/df value (2.31) indicated an acceptable fit, while CFI (0.942) and TLI (0.935) demonstrated excellent incremental fit. Additionally, RMSEA (0.052) and sGFI (0.918) confirmed a good model fit, suggesting that the proposed measurement model adequately represents the observed data. These results collectively establish the structural soundness and appropriateness of the model for hypothesis testing.
The structural model results provide compelling evidence supporting all hypothesized

relationships. Financial literacy emerged as the most influential predictor of financial decision-making, indicating that individuals with higher financial knowledge and awareness are better equipped to make informed decisions. This finding aligns with existing literature emphasizing the critical role of financial education in improving financial outcomes. Entrepreneurial characteristics also demonstrated a strong positive effect, highlighting the importance of traits such as risk-taking, innovativeness, and proactiveness in shaping financial decisions.

Cognitive factors were found to significantly influence financial decision-making, suggesting that analytical thinking and information processing abilities play a vital role in evaluating financial alternatives. Behavioural factors, although having the lowest impact among the predictors, were still significant, indicating that psychological and habitual aspects cannot be overlooked. This finding supports behavioural finance theories, which argue that financial decisions are not purely rational but are influenced by biases and heuristics.

Overall, the study underscores that financial decision-making is a multidimensional construct influenced by a combination of knowledge, cognition, behaviour, and entrepreneurial orientation. While financial literacy and entrepreneurial characteristics play dominant roles, cognitive and behavioural factors provide complementary contributions. The findings suggest that policymakers and educators should adopt a holistic approach by integrating financial education with behavioural training and cognitive skill development. Such an approach can enhance individuals' ability to make sound financial decisions, thereby contributing to improved financial well-being and economic stability.

7. Conclusion

The present study investigated the impact of financial literacy, cognitive factors, behavioural factors, and entrepreneurial characteristics on financial decision-making. The findings reveal that all the proposed constructs significantly influence financial decision-making, with financial literacy emerging as the most dominant predictor. This highlights the critical importance of financial knowledge and awareness in enabling individuals to make informed and effective financial choices. Entrepreneurial characteristics and cognitive factors also demonstrated strong positive effects, indicating that traits such as innovativeness, risk-taking ability, and analytical thinking play a vital role in shaping financial decisions.

The study further established the reliability and validity of the measurement model through robust statistical techniques, including reliability analysis, factor analysis, and confirmatory factor analysis. The structural model exhibited a good fit, reinforcing the credibility of the findings. Although behavioural factors showed a relatively lower influence compared to other constructs, they were still statistically significant, emphasizing the role of psychological and habitual aspects in financial decision-making. Overall, the study concludes that financial decision-making is a multidimensional process influenced by a combination of knowledge, cognitive abilities, behavioural tendencies, and entrepreneurial orientation. These insights contribute to the existing literature and provide practical implications for policymakers, educators, and financial institutions.

8. Future Scope of the Study

While the present study provides valuable insights, there are several avenues for future research. First, the study can be extended by incorporating additional variables such as financial attitude, technological adoption, and socio-economic factors to gain a more comprehensive understanding of financial decision-making. Future studies may also explore the moderating or mediating effects of variables such as financial risk tolerance or digital financial literacy to deepen the analysis.

Second, the current study is based on cross-sectional data; therefore, future research can adopt a longitudinal approach to examine changes in financial behaviour and decision-making over time. Researchers can also expand the study to different geographical regions or demographic groups to enhance the generalizability of the findings. Additionally, qualitative or mixed-method approaches may be used to capture deeper behavioural insights that are not easily explained through quantitative analysis. Finally, future studies can focus on designing and evaluating intervention programs aimed at improving financial literacy and behavioural discipline, thereby contributing to better financial outcomes and economic well-being.

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