**Concept Note**

# **A. Personal Information:**

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# **B. Title of Proposal:**

Capital Asset Pricing Model: solution to its Inadequacies.

# **C. Problem Statement:**

Nowadays most of the people don’t have the idea about finance. This is because they have lack of knowledge about money making, money saving and money growing.

# **D. Introduction:**

Financial education is the process of learning about and developing personal finance abilities, such as budgeting, investing, saving, and future planning. In order to achieve financial stability, independence, and success, financial literacy is a crucial component of general education.

No of your age, income level, or line of work, everyone should have access to financial education. It enables people to make wise financial decisions, stay out of financial trouble, and reach their financial objectives. Understanding the fundamentals of personal finance, such as setting up a budget, saving money, and investing, as well as more complicated concepts like tax planning, retirement planning, and estate planning are all part of a strong financial education.

Financial education is becoming more and more necessary as more people struggle with debt and insufficient retirement savings.

# **E. Literature Survey/Previous Related Works:**

It's crucial to know whether people are prepared to successfully manage the maze of financial decisions they encounter every day in light of the quick changes and ongoing advancements in the financial sector and the larger economy.

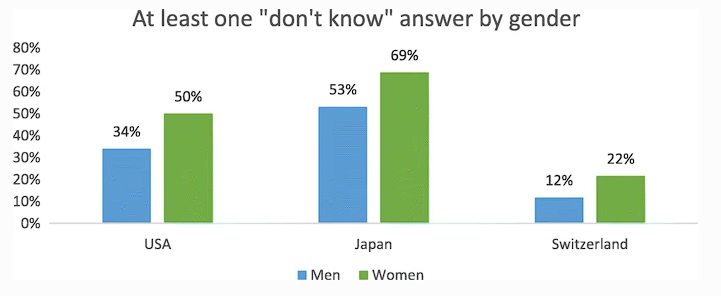
In order to give individuals the resources for improved financial decision-making, one must first determine what people already know as well as what they still need to learn, and then one must estimate the gap between those two knowledge sets.

The majority of financial decision-making is based on a few basic ideas. These ideas are general and apply in all situations and financial climates. The ability to calculate interest rates and comprehend how interest compounded are three of these principles, along with a comprehension of inflation and risk diversification.

For instance, the 2014 Standard & Poor's Global Financial Literacy Survey reveals that risk and risk diversification are the two financial concepts that are least understood globally (Klapper, Lusardi, and Van Oudheusden, 2015).

The findings of the 2016 Allianz survey, which gathered data on money, financial education, and risk in the digital age from 10 European nations, reveal very low risk literacy in every nation surveyed. Less than 20% of respondents in Austria, Germany, and Switzerland, the top-performing countries in terms of financial knowledge (Allianz, 2017).

There is a gender difference in financial education across all nations. Compared to men, women are less likely to correctly respond to inquiries. In addition to the overall scale, the difference is prevalent in each issue, across nations with varying wealth levels, and at various ages. Women are also significantly more likely to say they are unsure of the response to a particular topic , underscoring men's arrogance and women's awareness of their own ignorance. Even in Finland, a country with a generally equal distribution of gender roles, just 27% of women and 44% of men correctly answer about financial education, inflation and risk diversification, while 18% of women and less than 10% of men each respond with at least one "do not know" (Kalmi and Ruuskanen, 2017).



# **F. Proposed Solution:**

I agree that we don't have the facilities to read about finance subject in our country. This is why parents in our country don't want to let their children study outside. On top of that, the children of middle class families in developing countries like our country have to get education up to a certain qualification to enter their working life, so they cannot know about finance.

The probable solution of this condition should be as follows:

I think financial education should be included in post secondary school curriculum.

Everyone should allow their children to read about financial education subjects.

Every parent should attend educational career counseling for their children's future studies.

The Present generation and future generation should take knowledge about money making, money saving and money growing ideas from the field of financial education.

For this purpose website should be made for providing knowledge about money Market,stock market, mutual fund, economic system.

Although for financial education there are available apps and websites there but it's not easily accessible for all that due to lack of financial support,lack of knowledge and so on. Therefore there should be one website or app that can be easily accessible for all who seeks it, and that may not be free of cost but it's require only few money that one child having middle class background can afford.

People think as they don't have any such background in this financial field thus their children also may not be get success while choosing this option for their future.

# **G. Results/Expected Outcomes:**

The results and outcomes of the above solution are as follows:

1. Improved Financial Literacy: Including financial education in post-secondary school curriculums and encouraging parents to allow their children to study finance would help improve financial literacy in your country. This, in turn, can lead to more informed financial decisions and better financial outcomes for individuals and businesses.

2. Better Career Opportunities: By attending educational career counseling, parents can help their children make informed decisions about their future studies, which can lead to better career opportunities. Understanding finance and having financial skills can also open up new career paths and opportunities for individuals.

3. Increased Access to Financial Information: Creating a website or app for providing knowledge about the money market, stock market, mutual fund, and economic system will increase access to financial information, making it easier for people to educate themselves on these topics.

4. Increased Financial Security: Knowledge about money making, saving, and growing ideas from the field of financial education can help people make better financial decisions and improve their financial security in the long term.

5. Boost to the Economy: Improved financial literacy can help boost the economy by increasing the number of individuals who are financially savvy and capable of making informed decisions about investing, saving, and spending.

# **Risk and Mitigation Plan:**

As there are various obstacles and risk factors present in the pathway of this field,-

Some of them are as follows :

1. In our country people want make money but they don't want to make money by itself.
2. Today's youth if wants to go with financial education subject but they have their family burden.
3. In our country education system there is lack of this knowledge provided and also lack of experts for fully consult and clear one's doubt.
4. Due to lack of knowledge People fear about the fraud and scams related to money transduction along with money investment and others.

# **I. Revenue Outcome/Business Plan:**

While the outcomes of the solutions suggested are likely to be positive in terms of financial literacy and long-term economic growth, it is difficult to determine the exact revenue outcomes. However, there are some possible revenue outcomes that could result from the implementation of these solutions:

· Increased Economic Growth: If people have better financial skills and knowledge, they may be more likely to start their own businesses or make investments that could spur economic growth. This could lead to increased revenue for businesses and the economy as a whole.

· Reduced Financial Hardship: When people have better financial skills and knowledge, they may be less likely to experience financial hardship, such as bankruptcy or foreclosure. This could lead to reduced costs associated with social welfare programs and financial assistance.

# **J. Conclusion and Future Work:**

In conclusion, individuals and the economy as a whole may be significantly impacted by the lack of financial resources and knowledge in developing nations. It is possible to increase financial literacy, increase access to financial information, and improve financial outcomes for people and businesses by putting into practise solutions like incorporating financial education into post-secondary school curricula, encouraging parents to let their kids study finance, attending educational career counselling, and developing accessible websites or apps.

Future study may focus on developing more easily accessible financial tools, conducting additional research on the best approaches to teach financial literacy, and incorporating financial education into primary and secondary school curricula. In order to improve financial literacy and give access to financial resources, governments, educational institutions, and financial organisations might work together more frequently.

In general, increasing financial literacy and access to resources can have favourable long-term economic effects and is a crucial step towards financial stability and prosperity for people and nations.

**K. References:**

1. <https://chat.openai.com/>

2. <https://gflec.org/initiatives/sp-global-finlit-survey/>

3. <https://en.wikipedia.org/wiki/Financial_literacy>

[CLick here to view codes for the webpage I created :](https://drive.google.com/drive/folders/1OH0KnMQfWplOmqz5SrLOAiRiao-aUVxu?usp=sharing)

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