Investopedia describes Financial Literacy as “The possession of knowledge and understanding of financial matters. Financial literacy is mainly used in connection with personal finance matters. Financial literacy often entails the knowledge of properly making decisions pertaining to certain personal finance areas like real estate, insurance, investing, saving (especially for college), tax planning and retirement. It also involves intimate knowledge of financial concepts like compound interest financial planning, the mechanics of a credit card, advantageous savings methods, consumer rights, time value of money etc.”

Financial literacy is defined as “Knowledge and understanding of financial concepts, and the skills, motivation and confidence to apply such knowledge and understanding in order to make effective decisions across a range of financial contexts, to improve the financial well-being of individuals and society, and to enable participation in economic life.” (OECD, 2013)

In last three decades, the educational level of middle class has grown. Higher growth in numbers of universities and institutions for higher education has increased the numbers of academically and professionally qualified individuals. High growth in service and manufacturing sectors has provided higher opportunities to increase their incomes and their standard of living.

*Therefore this study aims to examine the increased level of financial literacy among the retail investors. This retail investor includes the Individual –Professionals of Delhi-NCR Region and further study elaborates to review the impact of financial literacy on the investment portfolio selected by them.*

**Objectives**

The key *objectives* of study are:

1. To review theory and empirics on financial literacy and Investment Pattern.
2. To quantify the financial awareness by developing more inclusive measures of it.
3. To examine the relationship between various demographic factors and the actual and perceived level of financial awareness.
4. To study the impact of actual financial awareness score and self perceived financial