

## **Financial Literacy and Cryptocurrency Investment Decision among Z Generation in Sri Lanka: With Special Reference to University of Kelaniya**

**H.V.B. Kaldera,<sup>1</sup> P.W.G. Madhushani<sup>2</sup>**

Department of Finance, University of Kelaniya, Sri Lanka<sup>1,2</sup>

[bhagyakaldera@gmail.com](mailto:bhagyakaldera@gmail.com)<sup>1</sup>, [gangam@kln.ac.lk](mailto:gangam@kln.ac.lk)<sup>2</sup>

### **Abstract**

**Purpose:** This study examines the impact of financial literacy on cryptocurrency investment decisions among Generation Z, focusing on students at the University of Kelaniya, Sri Lanka. The purpose of the study is to provide a nuanced understanding of how financial literacy influences the investment choices of Generation Z in the context of the emerging cryptocurrency market.

**Methodology:** The study employs a quantitative research design using survey instruments to collect data from a sample of students at the University of Kelaniya. The survey includes assessments of financial literacy, subjective and objective measures, as well as cryptocurrency investment decisions. Data are analyzed using structural equation modeling (SEM) in Smart PLS, which allows a comprehensive examination of complex relationships between variables.

**Findings:** Preliminary results show a significant positive impact of financial literacy on cryptocurrency investment decisions among Generation Z. The study also explores the mediating role of the perceived risk, demographic factors such as gender, departmental affiliation, and income in shaping the relationship between financial literacy and investment choices.

**Originality:** The study contributes to the existing literature by providing insights into the cryptocurrency investment decisions of Generation Z in a Sri Lankan university context. The findings of the study are expected to inform educational institutions, policymakers, and financial professionals about the importance of enhancing financial literacy among young investors.

**Keywords:** Financial Literacy, Z generation, Perceived risk, Cryptocurrency Investment Decision