

# Study on Importance of Financial (Accounting) Literacy

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**Abstract:** *There is limited empirical research and no definitive definition of what constitutes financial literacy for audit committees and business students, despite the fact that it is crucial for an audit committee to carry out its tasks. Using a tool created by Schipper and Weil, Coates et al. conducted a study at the University of Chicago that looked at the financial literacy of company board members and MBA students. According to their findings, neither group possesses the necessary level of financial literacy. In order to further that research, this work uses the same tool to assess the financial literacy of undergraduate accounting and finance students at a private university in the Midwest. Since the accounting profession does not have a standard definition of financial literacy, caution should be applied when interpreting these data.*

**Keywords:** Financial literacy, corporate governance, financial expert, audit committee, and literacy testing.

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