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Research Article

Awareness and Perceived Impact of Artificial Intelligence in Finance Among Management Students

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Abstract

Artificial Intelligence (AI) is increasingly influencing the financial sector by improving operational efficiency, forecasting accuracy, customer interaction, and managerial decision-making. Financial institutions now rely on AI-driven systems for fraud detection, investment analysis, automated customer support, and risk assessment. As a result, management students who will become future business leaders and financial professionals must develop an understanding of AI technologies and their applications.

The present study investigates the awareness and perceptions of management students regarding AI in finance. The research is based on primary data collected from 50 respondents using a structured questionnaire designed on a five-point Likert scale. The study focuses on four major dimensions: awareness of AI, impact of AI on financial forecasting, role of AI in decision-making, and the benefits and challenges associated with AI adoption in finance.

The findings reveal that students generally possess moderate awareness of AI and view its applications positively, especially in terms of efficiency and workload reduction. However, a large number of respondents remain uncertain about the practical implications and reliability of AI systems in financial operations. The study concludes that management institutions must strengthen AI-related learning through curriculum integration, practical exposure, and industry collaboration to prepare students for the rapidly evolving financial environment.

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KEYWORDS: Artificial Intelligence, Finance, Financial Forecasting, Decision-Making, AI Awareness, Management Students, Financial Technology

1. INTRODUCTION

Artificial Intelligence has become one of the most significant technological developments shaping modern industries. Over the past few years, AI has moved beyond technical research laboratories and entered mainstream business operations. Among all industries, the financial sector has experienced rapid adoption of AI technologies due to their ability to process large volumes of data quickly and accurately. Applications such as automated credit evaluation, fraud detection systems, robo-advisory services, and algorithmic trading are now common in banks and financial institutions.

The increasing use of AI has created new expectations for management professionals. Future managers are no longer expected to possess only traditional financial and managerial knowledge; they are also required to understand technology-driven systems that influence business decisions. Consequently, AI literacy is gradually becoming an essential competency for students pursuing management education.

Despite the growing integration of AI in finance, the level of understanding and acceptance among management students remains uncertain. Some students consider AI an opportunity for innovation and career growth, whereas others remain concerned about issues such as employment insecurity, privacy risks, and ethical challenges. Therefore, understanding students' perceptions toward AI is important for designing effective educational strategies and preparing future professionals for the changing financial landscape.

This study examines the awareness, attitudes, and perceptions of management students regarding AI in finance and evaluates how students perceive its impact on forecasting, decision-making, and operational efficiency.

1.1 Background of the Study

The financial services industry has undergone substantial technological transformation over the last decade. AI technologies are now widely used for customer service automation, fraud prevention, investment advisory, financial forecasting, and compliance monitoring. In India, the adoption of digital financial technologies increased significantly after the COVID-19 pandemic, encouraging banks and financial institutions to invest more heavily in AI-based systems.

These developments have direct implications for management education because students graduating today are likely to work in AI-enabled organizations tomorrow. Employers increasingly expect management graduates to understand digital tools and interpret AI-generated outputs alongside conventional financial analysis.

In modern financial institutions, managers are expected to combine human judgment with machine intelligence. Therefore, examining students' awareness and perceptions regarding AI becomes both academically relevant and practically important.

1.2 Role of AI in Financial Forecasting and Decision-Making

AI plays an important role in financial forecasting and strategic decision-making. Machine learning models can analyse large sets of historical and real-time financial data to identify trends and patterns that may not be easily detected through traditional methods. These systems improve the speed of analysis and assist organizations in making informed decisions.

AI applications in finance include:

- Fraud detection systems,
- Automated customer service through chatbots,
- Credit risk analysis,
- Portfolio management,
- Sentiment analysis,
- Compliance monitoring, and
- Financial planning.

These applications demonstrate that AI is no longer an experimental concept but an active component of modern financial systems.

1.3 AI Awareness Among Management Students

Although AI adoption in finance is increasing rapidly, students' awareness levels differ considerably. Some students recognize the importance of AI and show enthusiasm toward learning technology-driven skills. Others, however, remain uncertain due to limited practical exposure and concerns related to ethics, privacy, and employment opportunities.

Understanding these perceptions is essential because both overdependence and excessive distrust of AI can create challenges in professional decision-making. Management education must therefore encourage balanced understanding by combining technological knowledge with critical evaluation skills.

1.4 Statement of the Problem

A considerable amount of research has been conducted on AI applications in finance; however, studies specifically examining the perceptions of Indian management students toward AI in financial services remain limited. This study attempts to address this gap by analysing students' awareness, perceptions, and attitudes regarding AI in finance across four dimensions:

1. Awareness of AI,
2. Impact of AI on financial forecasting,
3. Role of AI in financial decision-making, and
4. Benefits and challenges associated with AI adoption.

2. REVIEW OF LITERATURE

Several studies have examined the influence of Artificial Intelligence on financial services and the opportunities and challenges associated with its adoption.

Arner, Barberis, and Buckley (2016) explained that technological complexity and implementation costs are major barriers to AI adoption, particularly for smaller financial institutions. Their study emphasized that while AI offers efficiency benefits, financial organizations often struggle with infrastructure and investment requirements.

Floridi et al. (2018) discussed the ethical dimensions of AI and highlighted issues such as privacy, accountability, and transparency. Their AI4People framework stressed the importance of responsible AI governance, especially in sectors involving sensitive financial information.

Buchanan (2019) examined the development of AI in finance from traditional rule-based systems to advanced machine

learning models. He argued that AI is most effective when used to support human decision-making rather than replace it entirely.

Cao (2020) analysed the role of AI in investment management and concluded that machine learning models can outperform conventional analytical techniques when trained using reliable and diverse datasets. However, the study also noted that AI systems may struggle during unpredictable market conditions.

Nagar and Bhargava (2021, 2022) investigated AI adoption within the Indian banking sector and found that financial professionals generally viewed AI positively but remained cautious about regulatory uncertainty, retraining costs, and algorithmic bias.

The reviewed literature indicates that although AI adoption in finance is expanding rapidly, concerns related to ethics, cost, transparency, and preparedness continue to influence perceptions toward AI technologies.

3. RESEARCH METHODOLOGY

3.1 Research Design

The study is based on a descriptive research design because it focuses on understanding and describing the perceptions of management students regarding AI in finance. A quantitative approach was used, and data was collected through a structured questionnaire consisting of five-point Likert scale statements.

3.2 Study Area

The research was conducted in a management institution offering MBA, BBA, and B.Com programmes.

3.3 Sampling Method

Purposive sampling was adopted for the study. Only students enrolled in management-related programmes who completed the questionnaire properly were included in the final analysis.

3.4 Data Collection

Primary data was collected using a Google Form questionnaire. The questionnaire included:

- Demographic information,
- Awareness of AI,
- AI in financial forecasting,
- AI in decision-making, and
- Benefits and challenges of AI.

Secondary data was collected from books, journals, research articles, reports, and credible online academic sources.

3.5 Sample Size

A total of 87 responses were initially received. After screening incomplete responses, 50 valid responses were selected for final analysis.

3.6 Statistical Tools Used

The following statistical tools were used:

1. Frequency Distribution
2. Percentage Analysis

The percentage formula used in the study is:

$$P = \frac{X}{Y} \times 100$$

Where:

- X = Number of respondents in a category
- Y = Total number of respondents

3.7 OBJECTIVES OF THE STUDY

1. To examine the awareness levels of management students regarding AI in finance.
2. To evaluate perceptions regarding the impact of AI on financial forecasting.
3. To analyse students' views on AI in financial decision-making.
4. To identify the benefits and challenges associated with AI adoption in finance.
5. To suggest measures for improving AI awareness and readiness among management students.

4. Data Analysis and Interpretation

Section A: Demographic Profile of Respondents

Table 1: Age-wise Distribution of Respondents

Age Group	Frequency	Percentage (%)
18–25	33	66.0
26–35	13	26.0
36–45	4	8.0
Total	**50**	**100.0**

Interpretation

The age distribution indicates that most participants belonged to the 18–25 age category, accounting for 66% of the total respondents. Participants aged between 26–35 years represented 26%, while only a small proportion (8%) belonged to the 36–45 age group. This reflects that the study mainly involved younger students who are generally more exposed to digital technologies and modern technological developments such as Artificial Intelligence.

Table 2: Gender Distribution of Respondents

Gender	Frequency	Percentage (%)
Male	33	66.0
Female	17	34.0
Total	**50**	**100.0**

Interpretation

The survey responses show that male participants formed the majority of the sample with 66%, whereas female respondents accounted for 34%. This variation may be linked to the actual enrolment composition within management programmes or differing levels of participation in the survey process.

Table 3: Educational Qualification of Respondents

Educational Qualification	Frequency	Percentage (%)
MBA	22	44.0
BBA	18	36.0
B. Com	10	20.0
Total	**50**	**100.0**

Interpretation

Among the respondents, MBA students represented the largest group at 44%, followed by BBA students at 36% and B.Com students at 20%. The inclusion of students from different academic programmes provides broader representation of management and commerce-related educational backgrounds.

Table 4: Year of Study of Respondents

Year of Study	Frequency	Percentage (%)
1st Year	16	32.0
2nd Year	23	46.0
3rd Year	11	22.0
Total	**50**	**100.0**

Interpretation

The highest number of respondents belonged to the second year of study, comprising 46% of the total sample. First-year students accounted for 32%, while third-year students represented 22%. The larger representation of second-year students suggests that many respondents had already acquired some understanding of management and finance concepts during their academic studies.

Table 5: Prior Knowledge of Artificial Intelligence

Prior AI Knowledge	Frequency	Percentage (%)
Yes	28	56.0
No	22	44.0
Total	**50**	**100.0**

Interpretation

More than half of the respondents (56%) stated that they had prior knowledge of Artificial Intelligence, whereas 44% reported no previous exposure to AI concepts. These findings indicate that awareness regarding AI exists among management students, although a considerable proportion still lacks familiarity with the subject.

Section B: Awareness of Artificial Intelligence

Table 6: Awareness Level of AI Among Management Students

Statement	SA	A	N	D	SD	Total	% Agree
Familiar with AI concept	5	8	18	11	8	50	26.0
Knowledge of AI in financial sector	10	8	9	16	6	50	36.0
Aware AI is used in financial forecasting	4	8	15	15	7	50	24.0
Know AI-based financial tools & applications	9	17	0	17	7	50	52.0
AI knowledge important for management students	9	0	16	20	5	50	18.0

SA = Strongly Agree, A = Agree, N = Neutral, D = Disagree, SD = Strongly Disagree

Interpretation

The data suggests that students possess a moderate level of awareness regarding Artificial Intelligence. While several respondents were familiar with the concept of AI, detailed understanding of its role within the financial sector appeared limited. The highest level of agreement (52%) was observed for awareness of AI-based financial applications and tools. However, a comparatively smaller percentage considered AI knowledge essential for management students, indicating that many respondents still do not fully recognize the importance of AI literacy in modern business education.

Section C: Impact of AI on Financial Forecasting

Table 7: Perceived Impact of AI on Financial Forecasting

Statement	SA	A	N	D	SD	Total	% Agree
AI improves accuracy of financial forecasting	6	5	17	15	6	50	22.0
AI helps in faster financial data analysis	11	9	16	10	4	50	40.0
AI reduces human errors in forecasting	6	12	17	6	7	50	36.0
AI provides better predictions vs traditional methods	9	14	16	6	5	50	46.0
AI increases efficiency in financial planning	13	12	18	5	1	50	50.0

Interpretation

The responses reveal that students generally hold positive opinions regarding the role of AI in financial forecasting. Half of the respondents agreed that AI contributes to greater efficiency in financial planning, while many also believed that AI-based systems can provide better predictions than conventional methods. Nevertheless, a large number of neutral responses suggests that students may not have sufficient practical exposure to AI forecasting technologies to form strong opinions regarding their accuracy and reliability.

Section D: Role of AI in Financial Decision-Making

Table 8: Role of AI in Financial Decision-Making

Statement	SA	A	N	D	SD	Total	% Agree
AI helps managers make better financial decisions	11	10	17	8	4	50	42.0
AI supports quick decision-making in finance	9	11	14	7	9	50	40.0
AI assists in identifying financial risks effectively	2	15	18	7	8	50	34.0
AI improves quality of investment decisions	6	17	11	9	7	50	46.0
AI enhances strategic financial management	5	12	18	8	6	50	34.0

Interpretation

The findings indicate that respondents generally consider AI to be a valuable support system in financial decision-making processes. The highest level of agreement was recorded for the statement that AI improves investment decision quality. However, opinions regarding AI-supported rapid decision-making were comparatively divided, suggesting that students

may still prefer the involvement of human judgment in critical financial decisions rather than relying entirely on automated systems.

Section E: Benefits and Challenges of AI in Finance

Table 9: Benefits and Challenges of AI in Finance

Statement	SA	A	N	D	SD	Total	% Agree
AI reduces workload in financial operations	5	19	13	10	2	50	48.0
AI helps organizations save time and costs	6	15	17	6	4	50	42.0
Data privacy and security issues are major concerns	5	11	15	10	7	50	32.0
High implementation cost is a barrier to AI adoption	5	7	19	9	9	50	24.0

Interpretation

The analysis shows that respondents clearly recognize the operational advantages of AI, particularly in reducing workload and improving efficiency within financial operations. Many respondents also agreed that AI can help organizations save both time and operational costs. At the same time, concerns related to data privacy, security, and implementation expenses were also highlighted. The high proportion of neutral responses suggests that many students still lack detailed understanding of the practical and financial challenges associated with AI implementation in the financial sector.

5. FINDINGS

The major findings of the study are summarized below:

1. Most respondents belonged to the younger age group, indicating strong exposure to digital technologies.
2. Students demonstrated moderate awareness regarding AI and its applications in finance.
3. AI was generally perceived positively in terms of efficiency and operational support.
4. Many students remained uncertain regarding the reliability and accuracy of AI systems in forecasting.
5. Students preferred AI-assisted decision-making rather than complete automation.
6. Data privacy and implementation cost emerged as important concerns.
7. A considerable proportion of respondents did not view AI literacy as essential for management education.

6. Suggestions

Based on the findings, the following suggestions are proposed:

1. Management institutions should integrate AI-related topics into finance and business curricula.
2. Students should receive practical exposure through workshops, internships, and industry collaborations.
3. AI ethics, privacy laws, and responsible technology usage should be included in management education.
4. Stronger partnerships between educational institutions and financial organizations should be developed.
5. Awareness programmes and mentorship initiatives should be introduced to encourage broader participation in AI-related learning.

7. CONCLUSION

The study concludes that management students possess basic awareness regarding Artificial Intelligence and generally hold positive attitudes toward its role in finance. Students recognize the ability of AI to improve efficiency, forecasting, and financial analysis. However, many respondents remain uncertain about the practical reliability and implications of AI systems due to limited hands-on exposure.

The findings indicate a clear gap between theoretical awareness and practical understanding. This gap presents a challenge for management education because future financial professionals must be capable of working effectively with AI-driven technologies while also critically evaluating their ethical and strategic implications.

As AI continues to reshape the financial sector, management institutions must strengthen AI literacy through curriculum development, practical training, and industry-oriented learning opportunities. Preparing students for AI-integrated workplaces is no longer optional but essential for the future of financial management and business leadership.

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