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# Research on Investment Ability and Countermeasures of College Students Based on Internet Application

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**Abstract:** The application of the Internet provides convenience for college students to invest and finance. However, college students who use mobile Internet technology to invest and finance have failed to achieve due results, with the reason of improper investment and financial behavior. This paper tracks and analyzes the investment and financing behaviors of college students, and puts forward the method and path to solve the problem.

**Keywords:** Internet finance; Internet banking; Internet investment.

## 1. Introduction

In recent years, with the rapid popularization of Internet finance, college students increasingly understand and use Internet finance and products. This paper starts with the investment and financial concept of Internet finance for college students, draws conclusions through the questionnaire survey of students in Guangzhou College of Commerce, understands the cognitive ability of college students to Internet financial products, and analyzes the investment behavior of college students using Internet finance. This paper studies the investment and financial behavior of college students, and puts forward some reasonable suggestions for college students' investment and financial behavior to improve their ability level.

## 2. Internet Investment and Finance and Its Characteristics

The Internet is a financial business model providing online financing, payment, investment and information intermediary services through Internet technology and information communication technology to traditional financial institutions and Internet enterprises. Internet investment methods include: Internet banking, Internet securities, Internet fund sales, Internet insurance, and Internet trust. The behavior of investing and financing around these forms of Internet finance is Internet investment and finance.

### 2.1. Quick and convenient transaction

With the development of global information technology, Internet investment and finance has benefited from the promotion of e-commerce and third-party mobile payments, which is carried out through the network, so its scale has expanded rapidly. Both parties of Internet investment and finance make full use of this advantage to conclude the transaction. Capital providers can enjoy Internet investment and financial products provided by merchants anytime and anywhere through the Internet.

### 2.2. Wide scope of coverage

Compared with traditional investment and financing methods, Internet investment and finance users can use the Internet and its mobile terminals to allocate their own funds at anytime and anywhere to get the maximum return on funds, which attracts a large number of users, especially the investment groups with small amounts of capital.

### 2.3. Low transaction costs

The entry threshold of Internet investment and finance has been gradually lowered to provide convenience for small investors. Many investment and financial products can be purchased with only RMB 100, while the minimum amount of a single transfer of some investment and financial products is RMB 1. In addition, there is no need to spend a lot of time and energy on offline investment and finance. At the same time, capital demanders also raise funds through the Internet platform without transaction costs and intermediary fees, and even without the expenses of offline financing outlets.

## 3. Analysis of Questionnaire Survey Data

### 3.1. Investigation and analysis of investment and financial behavior

In order to better understand the current Internet investment and financial behavior of college students, this paper designed and issued relevant questionnaires, which involved three factors of Internet investment and finance of college students, that are, college students' use of Internet investment and finance, their knowledge of Internet investment and finance, and their behavioral concerns about Internet investment and finance. A total of 1541 questionnaires were sent out, and 1541 were effectively recovered with a recovery rate of 100%. The respondents involved full-time undergraduate students in Guangzhou College of Commerce (mainly), South China Business College Guangdong University of Foreign Studies, Guangzhou Huashang College and other universities, among which, there are 665 male college students (43.15%) and 876 female college students (56.85%). The age distribution of college students at the time of investigation is 101 freshmen (6.55%), 172 sophomores (11.16%), 1105 juniors (71.71%) and 163 seniors (10.58%).

#### 3.1.1. Analysis of college students' cognition of Internet investment and finance

The design of the questionnaire focuses on the analysis of whether the surveyed college students will invest and finance in daily life, the importance of college students' investment and finance concept, and whether they have heard of Internet investment and financial products to know the respondents' willingness and reserves of Internet investment and financial knowledge. According to the survey results, 64.57% (995 students) of the students have been engaged in investment and financial activities, 546 (35.43%) students have never participated in investment and financial activities, and 98.77% (1,522 students) of the students think that investment and financial concepts are important.

Whether students are familiar with Internet investment and financial products: 533 (34.59%) of them know about and have bought them; 869 (56.39%) of them know little about but are interested in them; 139 (9.02%) of them have never heard of them.

#### 3.1.2. Analysis of college students' use of Internet investment and finance

The questionnaire is designed to investigate the investment ability of the surveyed college students, how much money they invest in investment and finance every month and in what way. According to the data, most students will use their money to invest. 993 students (64.44%) invested less than 10% of their capital in hand; 317 students (20.57%) invested 20% to 30%. 1,462 students (94.87%) invested in financial products including Yu'E Bao and WeChat; 87 students (5.65%) invested in p2p online lending products such as Yirendai; 357 students (23.17%) invested in online banking financial products; 234 students (15.18%) invested in online virtual currencies.

#### 3.1.3. Analysis of factors affecting college students' Internet investment and finance

In terms of the attitude to risk, 651 students (42.25%) are risk averse (unwilling to take risks); 730 students (47.37%) are risk-neutral (indifferent to investment risks); 160 students (10.38%) are risk-inclined (eager to pursue investment risks).

The respondents have different views on the yield of Internet investment and financial products, among which, 35.02% of the students expect a return rate of 6%-10%, 23.47% of the students expect a return rate of 10%-15%, 18.77% of the students expect a return rate of more than 20%, 12.27% of the students expect a return rate of 15%-20%, and 10.47% of the students expect a return rate of less than 6%.

### 3.2. Characteristics or tendency of investment and financial behavior

Firstly, students have a strong sense of spontaneity and randomness in investment and finance, especially Internet investment and finance. Due to the popularity of mobile Internet platform business, many investment and financial institutions expand their business, and students are gradually choosing Internet investment products. Considering the low entry threshold of Internet investment channels, students are more interested in Internet investment and finance than traditional financial products. However, there is often uncertainty and variability in the choice of investment products. What should be invested and what should not be invested lacks a clear bottom line or standard in students' consciousness [1].

Secondly, in the process of Internet investment and finance, students show a herd mentality and blindly follow the trend. The investment information channel for college students focuses on the recommendation of financial products from classmates, teachers and media, which becomes a basis for students' investment judgment and is no different from the the behavior of chasing for gains in the stock market. However, nowadays, there are many kinds of online investment and financial products. Limited by the level of financial knowledge of college students, there are still a lot of students who think that investing and financing is investing in stocks.

Thirdly, students have a high expectation on the return rate of investment, so they hope to maintain and increase the value of assets and realize their self-value by obtaining profits. In general, the risk-free rate of return is appropriate to refer to one-year fixed deposit in commercial banks. The real sense of investment and finance has not been achieved. It can be seen that they will be more cautious in the allocation of investment funds, focus on low-risk investment, and choose robust investment and financial products. For students with small funds and shallow experience, this is also understandable. At present, college students' view of investment and finance mainly focuses on the high and low returns. However, Internet investment and financial products with high return will have greater risks, which will easily lead to unstable investment funds and even cause the loss of all for college students with low risk tolerance.

In addition, students' awareness of risk identification is not strong, and they lack the ability to resist risks. Students hold the financial products they invest for a short time and lack confidence, which reflects their lack of investment knowledge and the contradiction of investment psychology. They expect that the return rate of Internet investment and financial products is relatively high, which indicates that they are too optimistic about the return of Internet investment and financial products and lack of understanding of the common sense that the return is proportional to the risk. It reflects college students' Internet habits and their trust in familiar brands, and they choose well-known platforms over the popularity of platforms.

## 4. Analysis of factors affecting Internet investment and financial behavior

### 4.1. Limited knowledge of Internet investment and finance

The purpose of investment and finance is to realize the freedom of wealth in the life cycle of individuals, and investment and finance is an important means of wealth appreciation. College students lack the overall understanding of Internet investment and financial knowledge, which is reflected in the fact that their understanding comes from the preliminary understanding of Internet financial products in daily life. Some schools set up courses related to Internet finance, mainly teaching the characteristics of Internet products, ignoring the basic attribute of Internet investment and financial transaction -- risk. The teaching content related to Internet as well as investment and finance is not updated and iterated enough, which causes that college students are not familiar with Internet investment and finance [2].

### 4.2. Lack of Internet investment and financial skills

The Internet is developing rapidly in today's society. At present, there are few investment and financing channels, mainly traditional investment and financing methods such as funds and bank deposits. For college students, the investment time of these varieties is long, and the investment varieties are relatively conservative. College students choose Internet investment and finance, and their investment and financial products are mostly limited to Yu’E Bao, WeChat and others. Although most people think they have a good understanding of Internet investment and finance, they lack practical skills and do not pay attention to risk control. College students invest in financial products for a short period about 3 to 6 months and invest less money. Students lack their own understanding of the reasons for investing in Internet investment and financial products as well as their views on Internet investment and finance.

### 4.3. Limited Internet investment and financial ability

College students lack effective and feasible investment and financial planning. Since most of the students' money is the living expenses given by their parents, they are more willing to use the money for daily expenses. They lack the ability to reasonably use the idle money to create wealth, and even if have the idea of investment and finance, they are limited by the small amount and lack of ability to choose the types of investment and financial products. Compared with the social people, college students are relatively lack of good investment and financial ability. Since many students are able to control the economy independently, their parents give more living expenses than before, and they start to invest without any concern. Therefore, some students have different degrees of economic problems.

## 5. Path to Realize the Improvement of College Students' Investment Ability

Based on the analysis of the factors of college students' Internet investment and finance, and combing with the actual situation of college students, the implementation of comprehensive training ideas can improve college students' Internet investment and financial ability to a certain extent.

### 5.1. Schools and families cooperate with each other to strengthen college students' awareness of Internet investment and finance [4]

At present, the society is in a favorable opportunity for the development of Internet finance. Guided by adapting to social development, schools actively carry out financial business education activities, create an environmental atmosphere for financial business education, guide students to accurately grasp the objective economic and financial situation, reduce the blindness of investment, and cultivate Internet investment and financial talents with sound personality and suitable for social needs. In terms of relevant professional courses, it is timely to increase the compulsory or elective courses of Internet Investment and Finance, and expand the elective courses of Internet investment and finance for non-finance majors, which can strengthen college students' understanding of Internet investment and finance and make them realize the importance of Internet investment and finance.

In addition to school education, parents' guidance is also important. In terms of family, college students' Internet investment and finance also need to be guided by their parents. College students are not financially independent, and their parents' daily investment and finance are subtly influencing their children. Parents should guide and communicate with their children more, pay attention to the changes of their children's state of mind in time, and teach them some correct investment and financial concepts, so that they can actively learn investment and financial knowledge and establish correct investment values.

### 5.2. Improve the practical ability of Internet investment and finance both inside and outside the classroom

All majors of the university can include the knowledge of Internet financial management into the quality goal of talent training and write it into the talent training program. The improvement of college students' practical ability of investment is reflected in learning, which requires college students to rely on the classroom platform for professional learning. Through the integration of internal and external resources, school classrooms carry out investment and financial education, play the role of the main channel of classroom teaching, and improve the teaching effect and influence through the reform of teaching content, methods and means, so as to play the role of these courses in cultivating students' financial knowledge [3], ability and quality. In class, college students should learn to invest and finance actively, and develop financial habits. The first step is the bookkeeping, and college students can use bookkeeping software. Bookkeeping can make them know the monthly flow of funds, know the source of monthly expenses, know how to adjust expenses properly, develop the habit of investment and financial planning, and help college students achieve various financial goals.

After class, schools should make full use of student associations, campus cultural activities and other channels to enrich the form of financial education, and carry out investment and finance related activities. In view of the poor combination of investment and finance theory and practice of college students, schools can set up relevant clubs for interested students, so that they can understand the actual operation process of investment and finance, and what aspects should be considered in the process of buying investment and finance products, so as to strengthen students' practical ability, strengthen the accumulation of experience, and effectively improve the financial quality of college students.

### 5.3. Teachers and students participate together to cultivate the concept of Internet investment and finance and risk awareness

Teachers are the guide of students' professional career. By giving full play to the leading role of professional teachers, we share professional knowledge and research results through public elective courses, academic lectures and guiding competitions, and disseminate the latest knowledge and skills of investment and finance to students. In addition, schools should regularly organize teaching assistants, teachers and professors involved in finance and economics within the school to carry out internal academic seminars and lectures, so that they can share their practical experience in Internet investment and finance as well as the knowledge of Internet investment and finance they learned recently. In this way, teachers can teach students the latest knowledge of Internet investment and finance, and guide students to participate in Internet investment and financial activities.

Internet investment and finance is a double-edged sword, which not only provides benefits to college students, but also has a series of latent risks. Therefore, college students should pay attention to the risk awareness of Internet investment and finance. From their own perspective, students should establish a correct investment concept as well as investment and financial concept. They should not only pay attention to the study of professional knowledge, improve the risk awareness of Internet investment and finance, but also pay attention to the cultivation of investment and financial concept. For college students who have the demand and conditions for investment and finance, they should adhere to certain principles to choose a variety of products. Students should pay attention to the qualifications of the platform and its management personnel, analyze the income indicators, and ensure the maximum benefit; deal with the investment cycle and duration, timely discard and choose; diversify their investment funds to effectively reduce risks and ensure corresponding returns. In terms of personal information, college students should not disclose important personal information, strengthen the protection of personal information, not blindly follow the trend and invest beyond their own capital range, refuse speculation, use the Internet investment and financial knowledge they have learned, deeply understand investment and financial products, carefully invest in financial products, and reduce the risk of Internet investment and finance.

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