Abstract

Fintech is growing tremendously during previous decades and give a significant challenge to traditional finance, and various service providers go with the revolution in the area of finance. With the collaboration of finance with technology, awareness about the financial products and services become interested in everyone, especially for the entrepreneurs. In this circumstance one question about whether the adoption of Fintech belongs to people that already relate to the areaof finance or other people also interested to adopt the products and services of Fintech. As same it has some attached risk and whether risk-taking behavior can impact.

Financial literacy is a significant part to access financial products and services, because of various terminologies that non-finance persons are unable to understand. As same the question about the Fintech, whether access of Fintech limits up to person aware about finance or not.

The purpose of this study is to examine the level of financial literacy of entrepreneurs, and as an entrepreneur examine the level of risk tolerance after how these can individually and within the relationship can impact the intention of entrepreneur for the adoption of Fintech.

To fulfill the purpose of this study we have collected data from more than 200 entrepreneurs fromLahore, Pakistan. And perform the test of research hypothesis using structural equation modeling – Partial Lease Square method.

From the results of examined hypothesis, a positive relationship has been found among the independent variable (Financial Literacy) and dependent variable (Risk Tolerance and Fintech adoption). This shows that change in the level of financial literacy can impact directly or indirectly entrepreneur for the adoption of Fintech.

One of the major limitations of this research is geographical. Because it's limited to only Lahore. Which can further conduct on multiple regions or overall the Pakistan

Key words: Financial Literacy, Risk Tolerance, Fintech Adoption, Prospect Theory, Entrepreneur