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3.1 Introduction

The literature review is done with the objective of identifying the proper research gap. For better understanding, the literature reviewed has been arranged in chronological order. It includes the literature from the period 1985 to 2015 covering studies relating to most countries. The literature review has been classified into Indian and International studies.

3.2 Indian Studies

Gupta (1991)\textsuperscript{49} examines that outlining portfolio for a customer is a great deal more than just grabbing securities for speculation. The portfolio chief requires comprehending the mind of his customer while planning the portfolio. As indicated by Gupta, speculators in India consider equity, debentures and company deposit as being in pretty much a similar hazard class and consider including all equity funds, all mutual funds, practically as safe as bank deposits.

Rao, Murthy and Ranganathan (1999)\textsuperscript{50} assessed that as a part of the procedure of economic progression, stock markets has been assigning an essential place in financing the Indian corporate sector. Other than empowering activating funds for investment, straightforwardly from the investors, giving liquidity to the financial specialists and observing and restraining organisation administration are the chief elements of the stock market. This paper analyses the advancement of the Indian stock market amid the nineties as far as these three parts.

Krishnan and Booker (2002)\textsuperscript{51} analysed the elements impacting the choices of financial specialist who utilise investigators' proposals to arrive at a short-time choice to hold or to sell a stock. The outcomes demonstrate that a solid type of the investigator outline proposal report i.e., one with extra data supporting the experts' position further, decreases the disposition mistake for gains and similarly lessens the disposition fault for losses.

Swarup (2003) focuses on the choices taken by the investors while putting resources into primary markets, the study shows that the sample investors offer significance to their own investigation when contrasted with dealer’s advice. They additionally consider market price as a superior marker than investigator proposals. The review likewise distinguishes elements that are influencing the essential market circumstance in India. Issue price, information accessibility, market price after listing and liquidity develop as essential elements. This study proposes that investors should be guaranteed of some arrival and current level of risk related to interest in the market. They had a poor experience as far as the lower market price after recording and high issue price. Accordingly, various measures as far as administrative, approach level and market-situated were proposed to enhance the investor's belief in primary markets.

Malmendier and Shanthikumar (2003) attempted to answer the question: Are little speculator honest? They found that many investors produce the strange volume of the purchaser, started exchanges after a positive suggestion only if the examiner is unaffiliated. Small traders apply unusual purchasing weight after every positive suggestion including those of associated experts.

Byrne (2005) examined the relation between past experience and tolerance of risk. The study revealed that risk and venture encounter have a tendency to show a positive connection and past experience of fruitful investment builds investor resistance of risk. Contrarily, unsuccessful past experience prompts to declined tolerance to risk. In this way, past investment behaviour influences future investment behaviour.

Shylajan and Marathe (2006) in their research article identified the main considerations in charge of deciding the states of mind and exchanging conduct of securities exchange on investors. In view of their common contributing state of mind and conduct, money markets investors are ordered into two classifications i.e. aggressive investors and non-aggressive investors.

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**Iqbal, and Usmani (2009)**\(^{56}\) The study mainly focuses on the investment decision process which comprises of financial points of view got from the relationship between the way of life, statistic variable and behavioural. The investment decision process consolidates a more extensive scope of things. Additionally, every investor may see the seven wide criteria diversely regarding relative significance. Individual investor doesn't utilise the valuation models when assessing stocks yet consider the current monetary indicators like GDP, Inflation rates, etc. The finding recommends that an individual considers on the wealth maximisation criteria on making their stock purchase.

**Kabra, Mishra, Dash (2010)**\(^{57}\) This review plans to think about the key elements that impact investment behaviour and ways these variables affect investment risk tolerance and basic leadership prepare among men and women and among various age groups. The study has been conducted with help of questionnaires. The reason for this review was to figure out if the factors, for example, demographic attributes (age, sex) and investment patterns could be utilized independently or in mix to both separate among levels of men and women investment choices and risk tolerance and build up a few rules for the investment administrators to outline their investment schemes by considering these perspectives of individuals. It can be inferred that the modern investor is enough prepared individual. Disregarding the amazing development in the security market and quality Initial Public Offerings (IPOs) in the market, the individual investors prefer investment as per their risk preference.

**Paditar (2010)**\(^{58}\) the study is aimed to analyse the Investor’s behaviour towards share market, examine the attitude of investors and also to study the decision process of investors. Both primary and secondary sources of data are taken for the study. The data were tabulated and analysed so as to represent in a diagrammatic form in a simple manner. It has been found that investor’s behaviour is influenced by many factors including social and psychological factors. It is an acceptable fact that the investors are the focal point to the security market. The behaviour of investors is not a static one. It varies from place to place. It is how individuals act to obtain and use


money and benefits including the decision process. It has been long since small investors have forgotten to go through the primary market. New issues from corporate have virtually come to a standstill over the last two years due to the adverse condition of the stock market. Now the small investors also fear to put their hard earned money on the secondary market.

**Srinivasa and Rasure (2010)**\(^{59}\) examined an experimental overview of the variables, which generally impact each investor behaviour in the Indian securities exchange. The outcomes revealed by the sample of 200 respondents affirm that there is a moderate degree of correlation between the components that behavioural finance theory and past experimental evidences recognise the affecting variables for the normal equity investor and the individual behaviour of dynamic investors in the Bombay Stock Exchange (BSE) impacted by the overall patterns prevailing at the time of the study in the BSE.

**Bennet, Selvam, Indhumathi, Ramkumar, and Karpagam (2011)**\(^{60}\) this paper goes for recognising the elements affecting the retail investor’s attitude. The study develops a modified questionnaire. To distinguish the different variables that impact the individual investor’s attitude towards putting resources into equities. The findings demonstrate that five variables had a high impact on the individual investor’s attitude towards putting resources into equities. They are in particular investors’ tolerance for risk, the quality of the Indian economy, media concentrate on the stock market, political stability and lastly, government policies towards business.

**Chandra and Kumar (2011)**\(^{61}\) examine whether some psychological and contextual factors affect individual investor behaviour and if yes which factors influence most. The principal variables of psychological axes of the study are prudence and precautious attitude, conservatism, under confidence, information asymmetry and financial addiction. The result reveals some psychological axes, such as conservatism and under confidence which are stable with prior literature to some extent but there

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are some contrary behavioural axes reported by the multivariable analysis such as prudence and precautious attitude and informational asymmetry which are not yet considered in prior in growing economies particularly in the Indian context.

Das (2011)\textsuperscript{62} the study is established on personal interviews of households’ heads using a structured questionnaire. The study reveals that insurance products still remains the most preferred investment avenues of the households. The result also highlights that certain factors like education level, awareness about the financial system, the age of investors etc., make a significant impact while deciding on the avenues for investment. Further, it is observed that the level of income also influences the investment decisions. Higher income group shows relatively high preference towards investment in share market, lower and average income group shows keen preference towards insurance and bonds as the most preferred investment avenues.

Bennet, Selvam, et.al (2011)\textsuperscript{63} The globalisation of financial markets gives a wide assortment of market and investment options which expanded the quantity of retail investors in India. The study in Behavioural Finance is comparatively less in India when compared with other foreign countries. The Stock Selection Process is viewed as vital in Behavioral Finance. Consequently, this paper goes for identifying the factors, influencing the stock selection decisions including demographic factors. The factors that impact the stock choice are Return on Equity, Quality of Management, Return on Investment, Price to Earnings Ratio and lastly, various ratios of the organisation. The study found that there is no significant difference in Fundamental and Market Factors, Earning Factors, Decision-Making Factors, Industry Related Factors, Corporate Governance Factors, Positioning Factors, Image Building Factors, Goodwill Factors and Industry Competition Factors between their Educational Qualification, Occupation, and Income Status in Stock Selection Decision. But, under Gender, Male and Female had significant difference only in Positioning Factors and Marital Status, Fundamental and Market Factors, Corporate Governance Factors and Industry related Factors in Stock Selection Decision.


Singh and Bedi (2011)\textsuperscript{64} examined the difference in behaviour of investors, investment style of investors belonging to a different segment of the society and the factors influencing the individual investors’ behaviour. The study is limited to the three districts of Punjab and restricted to the economic, demographic and biological factors. The data were analysed using mean, one-way ANOVA and factor analysis. The study revealed that male investors are investing more in the stock market, a maximum population who invest in the shares are postgraduates and individual investors are more focused towards investment rather than trading. The study concluded that there is significant difference between the behaviour of the investor of different segment while investing in the secondary market and Majority of the respondents are investing in the stock market with the objective to have higher returns and the second preference is given to Growth and least number of investors invest with the purpose to meet their contingencies.

Sasikumar and Vikkraman (2011)\textsuperscript{65} they attempted to discover the relationship between independent variables such as Age, Gender of an individual investor and dependent variable like Risk Tolerance level on the basis of the survey. The descriptive research design has been employed for the present study. It is the overall operational pattern or framework of the research that stipulates what information is to be collected from which sources by what procedures. The results indicate that majority of the investors are regular traders.

Shaikh and Kolkundarikar (2011)\textsuperscript{66} examined the awareness among retail investors about various investment alternatives available as well as objectives of investment of retail investors. The study indicates that only 12% of the respondents have good knowledge and 6% of the respondents have extensive market knowledge. They concluded that investors having extensive investment knowledge has the more return expectations when compared to other knowledge categories and the correlation analysis revealed that there is a negative correlation between the occupation of investor and the level of risk.

Awan and Arshad (2012)\textsuperscript{67} explored the factors that investors consider while making an investment decision on mutual fund. Analytical Hierarchy prepare (AHP) and factor analysis were utilised to screen out factors and further their indices were formulated. Investment in mutual funds is not very risky as compared to investment in stock market. Mutual fund schemes are designed for small. Major findings were investors are risk averse, exhibit representativeness, status quo bias, and are conservative. Investors consider that losses in investment are due to incorrect recommendations of family and friends and gains are due to the better result of investing companies. Image conscious investors are more inclined towards sponsor related services than professional investors. It is also found that investor age group and cities have a different impact on fund selection schemes but income, education level and occupation has no effect. Attributes like past performance of the fund, the reputation of the company, Company services, withdrawal facility, towards investor have a greater impact on decision making. Investors who are overconfident were selected best and a risky scheme.

Saita Bahl (2012)\textsuperscript{68} studied investment behaviour of working women of Punjab. The study was conducted based on various aspects of investment planning. With respect to investment behaviour, numerous aspects were studied including the mode of investing, the frequency of investing, the rationale of investing, the channel of investing, risk aversion etc. A close ended questionnaire was used to collect the required data. Mean and weighted mean is the statistical tools used in the study. It was identified that investments by households have been more into either bank fixed deposits, risk-free government-backed securities and low yielding instruments, or in non-financial assets. This study was also shown that how much women are aware of the investment benefits and whether they invest their money or not, and if invested, how much money is invested in them. It was concluded that majority of the households do not invest in new financial instruments.


Samudra and Burghate (2012)\textsuperscript{69} examined the investment behaviour of the middle-income class households in Nagpur. The reason behind this research topic is that the middle class in India has gained the attention of the financial experts, policy makers and the marketers. The study was conducted to understand the investment instruments and investment pattern of middle-class households, to identify the various purposes of investment of the middle-class households and to ascertain whether there has been any increase in their savings and the reason for the same. A maximum number of respondents has taken their investment instrument as Bank deposits followed by insurance, which results a maximum number of respondents invests in the fixed income bearing instruments. Small saving schemes such as Public provident fund, Post office saving deposits are the third preferred investment option. The largest share of households with savings accounts can be found in the oldest age categories. There was an inconsistency found in preference in shares and mutual funds, real estate and small saving schemes.

Yadavand Tiwari (2012)\textsuperscript{70} explained human life is a most vital resource and life insurance is the most vital kind of protection which gives financial security to a man and his family at the time of uncertain situation. Life insurance gives both safety and protection to individual and also encourages savings among individuals. LIC of India plays an imperative part in the welfare of human prosperity by giving protection to a large number of individuals against uncertain death or accident. The present exploratory and descriptive based study was chosen with an objective to identify those variables which influence customers policy buying decision and also analyse the preferences of customers while life policy investment decision-making. Various insurance related components have been talked about in the paper. The information for the review has been gathered from both primary and secondary sources. The area of study is restricted to Jabalpur district, of Madhya Pradesh and the sample size is 150 policyholders of LIC and various private life insurers have been chosen through a stratified and purposive sampling method. The author has taken few hypothesis based on demographic and insurance based preference factors and tested them with the help


of different statistical tools like chi-square, weighted average method and correlation. The analysed data has been presented using tables, bar graphs and pie-charts. LIC is the most accepted and popular brand in life insurance, the study reveals that the market share of private insurers is gradually increasing with individuals trust and better services offered by them. Insurance companies should spread more awareness about life insurance, reducing the premium amount and giving more consideration to need-based innovative products are some of the suggestions given by the study. The paper concluded that demographic variables of the individual play a major and vital role in deciding the life insurance policies.

**Das and Kanti (2012)** have examined the important mechanisms of Behavioural Finance in the Stock Selection Process. The main objective of this paper is to identify the factors which influence the stock selection decision. This study followed a qualitative methodology to examine the small investor’s behaviour in selecting stocks in Guwahati stock market. The study is also aimed to examine the role of various demographic, socio-economic and attitudinal factors affecting the investment decision of investors in the market. The study is conducted on the basis of primary data from 100 small investors living in Assam and linked with Guwahati Stock Exchange during the period between June and July 2011 through a Structured Questionnaire. It is found that majority of the small investors in Assam have taken into consideration all the 38 factors before selecting the stocks to invest. According to the small investors of Guwahati Stock Exchange the average value of the top five highly influential factors were ‘Financial statements of companies’ with the highest mean value of 4.90, ‘Referral’ with a mean value of 4.86, ‘public information’ with a mean value of 4.72 and ‘Profitability variable's’ of companies with mean value of 3.84 and so on. According to small investors, there were four factors with the lowest priority or which had low influence on the Stock Selection Decision.

**Dharmaja, Ganesh and Santhi (2012)** this study mainly focuses on factors which are influencing individual investor behaviour. The study is based descriptive research design. The standard questionnaire was used to collect the data. The study also focuses on the self-image/firm image coincidence on the investor behaviour and

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identify the influence of the accounting information on the investor behaviour. The questionnaire includes thirty items belonging to five categories: self-image, firm-image coincidence, accounting information, neutral information, advocate recommendations and personal financial needs. The findings show that accounting information of the companies influenced the majority of the respondents and advocate recommendation is the least influenced variable.

Dharmaja V. (2012)73 conducted a study on the behavioural finance, they examined whether information structure and the characteristics of market participants influence the individual’s investment and market outcome as well. As indicated by behavioural finance, investment market behaviour energies from psychological principles of decision making to explain why people buy or sell stocks. The study was done on "Factors Influencing the Individual Investor Behaviour". The review goes for distinguishing the most and the minimum impacting components of the individual investor behaviour. The venture depends on elucidating research outline. The information was gathered with the assistance of a survey. The survey included thirty questions that have a place with five classifications: self-image/firm-image coincidence, accounting information, neutral information, advocate recommendations and personal financial needs. About 200 Investors from GEOJIT BNP PARIBAS FINANCIAL SERVICE LTD, COIMBATORE were taken for the study. The frequency analysis and Chi-Square Test were incorporated to analyse the data. The examination was categorised into 2 stages which are Personal Factors and Behavioural Factors. The study states that accounting information is the most influencing factor for the individual investor behaviour and the neutral information is the least influencing factor. It was found that there are additionally some behavioural factors like investor’s financial tolerance, emotional risk tolerance and financial literacy which influence the investor’s behaviour.

Jain and Jain (2012)74 the research study was based on the microeconomic approach to estimating the response of the respondents that is school teachers towards the savings and investment pattern in the city of lakes that is Udaipur. The aim of the

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study was to define the relationship between the savings and investment literacy among the school teachers of different government and private school teachers. The study reveals that majority of the respondents are saving money in bank deposits for the safety of an uncertain future. It is also found that the majority of the respondents invest for their children education, marriage and safety after retirement.

**Samudra and Burghate (2012)**\(^7\) the study examine the investment behaviour of the middle-income class households in Nagpur. The research has been conducted to answer few important questions on the preference of investment instruments and investment pattern of the middle-class households, to know the various objectives and to know there has been any increase in their savings and the reason for the same. The study reveals that it is not only the income of the household that has an immediate bearing on the investment preferences but also age group to which the head of the household belongs that influences the choice of investment avenues. The research reveals that there is a need for increasing the financial literacy of the middle-class income households and illustrate that majority of the respondents of the selected middle-class households take investment decision on their own.

**Shanmugam and Ramya (2012)**\(^7\) the study examined the impact of social factors on Individual Investors’ Trading behaviour. The study indicated that individual investors are characterised by excessive trading and often their detriment. The study has applied the theory of reasoned action and theory of planned behaviour. The social factors identified for the study were social interactions, media and the internet. The main objective of the study is to find the impact of social factors on trading. The major statistical tool for the study was Correlation, Regression and ANOVA. The correlation analysis reveals that there is a very high positive correlation between intention towards trading and trading behaviour. Social interactions and media were found to have a positive relationship with attitude towards trading whereas the variable ‘internet’ does not seem to influence the respondents’ attitude towards trading. Moreover, among the social factors, social interaction is found to have a major impact on attitude towards trading followed by media.


Dr. V. Shanmugasundaram & Mrs. N. Jansirani (2012)\textsuperscript{77} states that standard financial measures and tools cannot be the base always to judge the market conditions moreover the vulnerability of markets has to lead to increased uncertainty and unpredictability of market. In an unpredictable market overexcitement and over reaction impacts the investment behaviour. Many a times investors were driven by financial magazine ratings, media impact, tips from share brokers, friends and others and the sources of information. The objective of financial independence and wealth drive millions of investors to seek out vehicles by which success may be achieved through any investment instrument. Investors have all the more socially oriented needs, which can have vital implications for their basic decision-making process. In this paper, investment behaviour is investigated to answer whether they behave rationally or irrationally towards various capital market information like rights issue, bonus issue, dividend declaration etc. The study concludes that investors behave rationally towards specific capital market information.

Suresh and Devanathan (2012)\textsuperscript{78} the study mainly focuses on identifying the various factors that influence the employees in the investment decision of pension fund scheme in a public sector organisation at Tiruchirappalli. Primary data was collected with the help of structured questionnaire administered to the middle-level employees who are about to retire from their service from a public sector organisation at Tiruchirappalli - Tamilnadu. This study established that the factors that affect investment decisions of the employees who are about to retire from a public sector organisation were rated as follows in the order of importance, Extra benefits at the time of maturity, the Risk profile of the scheme of investment, Balanced investment portfolio, Guarantee maximisation and Funds past performance.

Gabhane and Kishor (2013)\textsuperscript{79} this paper attempts to know the preferences and analyse the significance of demographic factors on the factors that influence the investor’s decision towards making investments. Investment is categorised on the


basis of its variability of returns into the fixed and variable return. The investment avenues offering fixed returns are less risky, as it is associated with interest and inflation risk. On the other hand, the investment avenues offering variable returns are moderate and highly risky due to the volatile nature of the market conditions. This study was conducted in Thane city of Maharashtra state to know the investor’s varied preferences over different investment avenues and whether or not their demographic characteristics have any relevance to the factors that influence investment decisions. Apart from the factors viz. psychological, behavioural etc., there is a need to study the factors that compel the investor to invest in the available avenues. There is always a gap between what really investor wants and what he is being offered. A study on the relevance of demographic characteristics on factors influencing investor’s decisions assumes a greater importance in bridging this gap, development of investment product, formulation of the policies to regulate the markets in general and promotion and protection of retail investors in particular. The study is based on primary and secondary sources of data. Chi-square test is used to test the significance of demographic factors on awareness of the level of the investors, safety, a period of investment, risk taking capability, liquidity etc. The study reveals that both male and female investors have a high preference towards bank fixed deposit and life insurance followed by gold/silver, real estate, mutual fund and others. Awareness among investors about investment avenues vary with their educational attainment level. Also, investors lack awareness about investment avenues especially in company debentures, company fixed deposit and fixed-income bonds. Safety from the investment is the prime concern of every investor while taking investment decisions. Younger investor prefers to invest in the investment avenue having low liquidity for a longer period and older one prefers to invest in the investment avenue having high liquidity for a shorter period.

Prof. K. K. Aggarwal (2013)\textsuperscript{80} this paper attempts to know the preferences and analyse the significance of demographic factors that influence the investor’s decision making towards investments. From previous studies, various demographic factors and factors compel investors to invest were identified. The hypotheses have been developed considering its relevancy to the research objectives. The literature has been reviewed from various secondary sources and primary data were collected through

\textsuperscript{80}Prof. K K Aggarwal (2013), “Demographic Factors influencing investment decision making”, \textit{Journal of Research in Commerce and Management},
structured questionnaire by interviewing 384 respondents among the population of Thane city. Data were classified, tabulated and tested for significance at \( \alpha = 0.05 \). Statistical inferences were drawn by the use of SPSS (Statistical package for Social Sciences) software and Pearson’s Chi-square technique. The study reveals that some of the demographic factors have a significant relationship with the factors influencing investor’s decision and insignificant in others too. It has been found that bank fixed deposit and life insurance is the preferred investment avenue followed by gold/silver, real estate, mutual fund and others.

Nisar (2013)\(^81\) the impact of accounting information, financial literacy and expected return on the short-term investment decision-making of the stock market investors were examined in this study. For the study, 17 items questionnaires were made and distributed among 110 stock market investors through non-probability sampling. The findings state that all these factors have a significant effect on the short term investment decision making of investors. It is also concluded that individual investors with greater experience have more intention for short term investment as compare to the investors with some other experience level.

Lodhi (2014)\(^82\) The objective of the study is to examine the impact of accounting information, financial literacy, openness to experience and information asymmetry on individual investors’ decision-making through the empirical research of the people living in Karachi city and also to examine the influence of accounting information of individual investor on his investment decision. The results show that financial literacy and accounting information helps investors in lowering information asymmetry and allows investors to invest in risky instruments. But the age and experience increase investors’ preference to less risky investments instruments, It was found that most of the investors are keen to get dividend return rather getting the capital gain.

Dr Sindhu K. P (2014)\(^83\) the study states that risk is an inherent feature of all types of financial investments due to the variability in the actual and expected returns on


investment. The concept ‘risk perception’ means the way in which investors view the risk of financial assets, based on their concerns and experience. The risk perception of investors is an important factor that influences the investment decisions of every individual. In the present paper, the relation between risk perception of the investors in the Kerala State and their investment decisions in mutual funds is examined. In the present study, factors influencing the risk perception of investors were identified. The unpredictability of returns, diversification of portfolios, a chance for incurring a loss, knowledge about the financial assets, and dependence on professional investment advice are the factors identified for this purpose. The investors were provided with nine statements relating to risk, to measure their perception towards risk.

Kaur (2015)\(^{84}\) In the era of volatility and uncertainty investors are exposed to greater risk in investment. When it comes to equity investment the uncertainty becomes more as a direct influence of the volatility and fluctuations are there in the return of equity i.e. on capital appreciation and dividend income. In post-globalised world, even business practices are changing due to more competition and forces working in the environment which results in changing investor’s expectations. Now a day’s investor’s behavioural outlook is getting modified due to changing behaviour and psychology towards financial decision making. It happens to subject matter of study how retail equity investors’ adapt themselves to the changed situation and take equity decision. This research paper is an attempt to study and analyse the behaviour influence of retail investors in equity investment and how their expectations are getting changes in the era of volatility. For the study primary data will be collected from the retail individual investors by designing questionnaire and secondary data will also be collected from websites, journals, research papers and news articles. Research can assist to throw light on changing expectations of individual investors which can lead to promoting more domestic retail investment in equities as well as to formulate organisations dividend policy.

P. Mathuraswamy (2015)\(^{85}\) Behavioural finance deals with individual investor behaviour and way of gathering information about the market and reciprocates the investment. In addition, it focuses application of psychological and financial


implications. The study considers the essence of rational investment decision-making behaviour of investors and to determine demographic, psychological, socio-economic variables how influencing individual investors’ investment rational on equity market in Chennai. The study fundamentally depends on primary data collected from 114 individual investors in Chennai. Respondents were chosen using convenient sampling technique. A structured questionnaire containing 26 objective oriented statements ranked on a five-point Likert scale which is used to bring out responses from individual investors. Regression analysis and ANOVA is used to achieve the objectives of the research. The result indicated that a significant relationship between investment rational and demographic, psychological, socio-economic variables. Further, it is attempted that the psychological variables are the most influencing factor in explaining investors intentions to invest in the equity markets. The result also revealed that a significant relationship between investment rational and investment performance of individual investors.

K Parimalakanthi (2015)\(^{86}\) this paper aims to find the behaviour of individual investors from Coimbatore city towards available investment avenues in Indian financial markets. This also analyses factors affecting the Investment decision and to find out the risk tolerance level of individual investors with respect to demographic variables. Savings and investments play a major role in economic development of any country and the primary objective of all government’s policy has been to promote savings and capital formation in the economy which is a primary instrument of economic growth. Personal Savings in India is attributed to growth in income of individuals and the rising rate of inflation. This research paper depicts that investor’s education is immensely important for the present day investors in Coimbatore. The study concludes that average level of investment behaviour was found among the respondents of Coimbatore and the investment behaviour was found to be better at the time of investment than before investment and post investment. The study also concludes that safety was also a foremost preferred aspect in fixed income and investment for safety. Capital appreciation was the foremost preferred aspect in long term investment.

Priyanka Grover (2015)\textsuperscript{87} Behavioural finance theories which are based on the psychology, attempts how emotions and cognitive errors influence the behaviour of investors in the investment decision. The main aim of present study is to determine the Behavioural Factors that influence the investment decision of investors in Real Estate. The study uses a structured questionnaire to collect the data from the respondents who invest in Real Estate. The sample of 200 respondents has been taken from the prominent areas of Udham Singh Nagar district of Uttrakhand and various statistical tool, of factor analysis, are applied to achieve the objective of the study.

3.3 International Studies

De Bondt and Richard (1985)\textsuperscript{88} tried to answer the question: “Does the stock market overreact? A structured questionnaire was used for the study. The study is based on stock market reaction. The study provided the evidence to support the hypothesis that investor overreaction to a long series of bad news could produce predictable mispricing of stocks traded on the New York stock exchange.

Epstein (1994)\textsuperscript{89} investigated the individual investors demand social information. The results reveal that the corporate shareholders seek information from annual reports of the company. The results also indicate that there is a strong demand for information about product safety and quality and the company’s contribution towards environmental activities. Likewise, a majority of the shareholders surveyed also need the company to report on corporate ethics, employee relations and community involvement for the better investment decisions.

Nagy and Obenberger (1994)\textsuperscript{90} investigated factors influencing investor behaviour. The study suggested that classical wealth maximisation criteria are important to investors, even though investors employ diverse criteria when choosing stocks. Contemporary concerns such as local or international operations, environmental area record and the firm’s ethical posture appear to be given only cursory consideration.


The recommendations of the brokerage house, individual stock brokers, family members and co-workers go largely unheeded. Many individual investors discount the benefit of valuation models when evaluating stocks.

James (2000), studied the various financial services provided by investment funds in the UK, the study identifies that the retail investors manage their wealth by largely investing in financial securities. Many a time these retail investors seek financial experts’ opinion to manage their funds. Those financial experts, in turn, charge retail investors for the portfolio and risk management services they provide, sparing retail investors the heavy task of performing these various services themselves. So in order to choose a sensible fund (a fund that meets his or her requirements), a retail investor must be able to ascertain the services provided and the price charged by each of the funds he or she may choose.

Dreman, Johnson, MacGregor and Sloric (2001) surveyed on investor expectations of returns, risk taking, confidence, portfolio composition between stock and bonds, future purchase plans and intentions to purchase on the dips. In their study, they found that investor confidence was exceptionally optimistic about the long-term return of stocks. The Other exciting findings were that men appeared to have higher risk tolerance than women, were more confident of their decisions and also expected higher returns over time.

Grinblatt and Keloharju (2001) their paper provides that investors are more likely to hold buy and sell the stocks of Finnish firms that are located close to the investor, that communicate in investors’ native tongue and that have chief officials of the same cultural background. There is a high influence of distance, language and culture among small investors than the institutional investors. They also expressed that it is possible that any familiarity ‘bias’ could be rational. Investors may acquire useful information about familiar firms from reading company statements in a language they understand. It is concluded that distance, language and culture are the most important aspects to attract the small investors.

Harrison (2003)\textsuperscript{94} stated that past investment experience and expertise of investors provide the individual investors with a base to make their investment decisions wisely. It is found that the risk awareness has become most important commodity risk assessment factors in future. Some personal traits such as personal experience and risk preference influence risk assessment and awareness of investors. The inclination to build up risk can further affect actual behaviour, where risk refers to how far decision makers are prepared to extend their exposure to risk.

Hodge (2003)\textsuperscript{95} examined investors’ perceptions of earnings quality, auditing, independence and the usefulness of audited financial information. The study concluded that lower perceptions of earnings quality are associated with greater reliance on a firm’s audited financial statements and fundamental analysis of those statements while making investment decisions of individual investors.

Merikas and Prasad (2003)\textsuperscript{96} followed a modified questionnaire to analyse factors influencing Greek investor behaviour on the Athens Stock Exchange. The results indicate that individual’s base their stock purchase decisions on economic criteria combined with diverse other variables. They do not rely on a single integrated approach, but rather on many categories of factors. The results also revealed that there is a certain degree of correlation between the factors that behavioural finance theory and previous empirical evidence identify the influencing factors for the average equity investor and the individuals of active investors in the Athens Stock Exchange influencing by the overall trends prevailing at the time of the survey in the Athens Stock Exchange.

Ritter (2003)\textsuperscript{97} gave a brief introduction to behavioural finance. The researcher stated that the Behavioural finance is the paradigm where financial markets are studied using models that are less narrow than those based on Von Neumann-Morgenstern expected utility theory and arbitrage assumptions. The two building blocks of behavioural finance are cognitive psychology (how people think) and the limits to arbitrage (when


markets will be inefficient). Cognitively refers to how people think. There is a huge psychology literature documenting that people make systematic errors in the way that they think: they are overconfident, they put too much weight on recent experience, etc. Their preferences may also create distortions. Behavioural finance uses this body of knowledge, rather than taking the arrogant approach that it should be ignored. The growth of behavioural finance research has been fuelled by the inability of the traditional framework to explain many empirical patterns, including stock market bubbles in Japan, Taiwan, and the U.S. Behavioural finance uses models in which some agents are not fully rational, either because of preferences or because of mistaken beliefs. The author also stated that not all valuations are caused by psychological biases, however. Some are just due to temporary supply and demand imbalances.

Shacklock (2003) the study discloses that the factors which lead to the retirement of workers, which also focused on the organisational factors leading to retirement decisions. It was determined that ageing workforce has created a number of issues and the importance of the retirement of older workers. Governments are encouraging older workers to continue working later in life and to delay their retirement to offset the dependence on the next generation workers. The findings from the quantitative analysis state that age has a significant moderating impact on the way employees perceive four traditional retirement factors such as intrinsic, health, financial and organisational policies and practices. Similarly, the findings from the quantitative analysis state that employees’ perceptions of autonomy in relation to retirement are significantly affected by those four traditional retirement factors, with the factors of ‘financial’ and ‘organisational policies and practices’ being the two significant factors.

Kadiyala and Rau (2004) examined investors’ reaction to corporate event announcements. They concluded that investors appear to under react to prior information as well as information conveyed through by the event, leading to different patterns, return continuation and return reveals, both documented in long-horizon return. There was no support for the overreaction hypothesis in the study.

Lucey and Dowling (2005)¹⁰⁰ their paper surveys the influence of investor feelings on equity pricing and also develops a theoretical basis with the intention to easy understanding the emerging trends in this area. The theoretical basis is developed with reference to research in the fields of economic psychology and decision-making. The paper concludes by suggesting a number of directions for future empirical and theoretical research.

Moreschi (2005) analysed the capability of an individual to accurately estimate the risk tolerance. The study was made to understand the impact of demographic factors on investment decision making. Correlation and regression statistical tools were used for the analysis. The study specified the gender and education are the most significant factors in explaining the ability of individuals to accurately forecast their own risk tolerance score.

Tamimi (2005)¹⁰¹ aimed at identifying the factors influencing the UAE investor behaviour. The data collected through the structured questionnaire. The questionnaire included thirty-four items, that belong to five categories: namely, self-image/firm image co-incidence, accounting information, neutral information, advocate recommendation and personal information needs. Six factors were found to be most influencing factors on the UAE investor behaviour. The most influencing factors were expected corporate earnings, get rich quick, stock marketability, past performance of the firm’s stock. On the other hand least influencing factors were expected losses in other local investments, minimising risk, expected losses in international financial markets, family member options, gut feeling in the economy and religious beliefs.

Bloomfield (2006)¹⁰² explained the concept and importance of behavioural finance in a simple way. The study said that the Behavioural finance originated as an attempt to understand why financial markets react inefficiently to public information. The behavioural finance examines how psychological forces induce traders and managers to make suboptimal decisions, and how these decisions affect market behaviour and also examines how economic forces might keep rational traders from exploiting deceptive opportunities for profit. Behavioural finance remains controversial but will

become more widely accepted if it can predict deviations from traditional financial models without relying on too many assumptions. It is also pointed that the Studies of individual behaviour show that investors and managers make systematic errors in judgment, but do not explain how other investors fail to exploit, and thereby eliminate, any aggregate mispricing.

**Kim and Nofsinger (2007)** examined the special issues on behavioural finance in Asia. The study first explained the behavioural finance in general and then explained why behavioural finance in Asia is an important topic worth studying. The study revealed that behavioural finance allows cognitive psychology to play a potentially important role in finance. People are not always rational, and, thus, their financial decision making may be wholly or partially driven by behavioural biases. It was concluded that the Asian financial markets represent a fruitful testing ground for behavioural finance researchers: the papers in this special issue represent solid proof of this assertion.

**Maditinos, Sevic and Theriou (2007)** the purpose of this paper is to investigate the various methods and techniques used by Greek investors (both professional and individuals) when evaluating potential additions to their investment portfolios. They took a sample of six different groups. The result of this study indicates that most Greek investors rely heavily on fundamental and technical analysis and less on portfolio analysis. Technical analysis is more popular among the Broker groups. Users of fundamental analysis prefer to employ accounting measure in their analysis. The results indicate that individual investors rely more on newspapers/media when making their investment decisions while professional investors rely more on fundamental and technical analysis and less on portfolio analysis.

**Akintoye (2008)** the study was about the efficient market hypothesis (EMH) and behavioural finance. The study is aimed to have awareness into how the marginal investor’s decision-making process, given the receipt of information, is reflected in the market prices of assets. The study indicated that the value of any information structure should be measured net of costs, so that any claim to abnormal returns as a

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result of the monopoly of relevant information may not be significant relative to the
cost of obtaining the information which is applicable to both portfolio managers and
individual investors. In this study, it was considered the impact of accounting
information on stock prices, new issues, block trades, stock splits and mutual fund
performance. Most of the evidences are consistent with the weak and semi-strong
forms of market efficiency but inconsistent with the strong form. In certain situations,
individuals with internal information appear to be able to earn abnormal returns. Also,
it is sometimes cited that market movements sometimes seem inexplicable in terms of
the conventional theories of stock price determination, this perception seems to give
weight to the impact of individual biases or psychology on market conditions.

Collard (2009)\textsuperscript{106} the research was carried out to inform whether the Personal
Accounts Delivery Authority (PADA) should be making decisions for its members
with respect to pension fund choices. The findings are based on an analysis of around
80 items, the research was carried out in the US and UK. The main evidence comes
from the discipline of economics and the field of behavioural economics in particular.
The data was collected from the survey, but the review included qualitative data as
well.

Barnea, Cronqvist and Siegal (2010)\textsuperscript{107} they used an identical and fraternal twins’
complete financial portfolios, they decompose the cross-sectional variations in
investor behaviour. They found that a generic factor explains about one-third of the
variance in stock market participation and asset allocation. Family environment has an
effect on the behaviour of young individuals, but this effort is not long lasting and
disappears as an individual gains experience. The interpretation of a genetic
component of the decision to invest in the stock market is that there are innate
differences in factors affecting effective stock market participation costs.

Rong Chou and Huang (2010)\textsuperscript{108} their study attempted to establish a model by
which to measure attitude and behaviour towards investment risk. A sample of
Taiwanese investors is surveyed to determine their past investment experience and to

Road, Bristol, Personal Finance Research Centre.

Investor Behaviour?”, A Report from Institute for Financial Research, SIFR, Drottninggatan 89, SE-
11360, Stockholm, Sweden.

\textsuperscript{108}Shyam-Rong Chou and Gow-Liang Huang, (2010), “Investor Attitudes and Behaviour towards
record their response when exposed to economic signals. The empirical results found no difference by Gender to take a risk and higher and lower perception of risk were indicated by investors according to their personal investment experience. The study concluded that investors having extensive investment knowledge have the return expectations of multifold when compared to other knowledge categories and the correlation analysis between the occupation of investor and the level of risk assume toshow that there is a negative correlation between occupation and level of risk.

Azam and Kumar (2011)\textsuperscript{109} analysed the individual investor behaviour and stock price variation in the Karachi Stock Market. The study focused only those variables which were identified by ordinary investors through a survey namely earning per share (EPS), dividend yield, foreign direct investment (FDI) and gross domestic product (GDP) growth rate. A sample of 35 dividend paying firms has been selected for the period of 2001 to 2008. Multiple regression analysis has been applied to predict the relationship between influencing variables and stock prices. Stock price variation model has been constructed by applying the approach of (Kothari, 1995) which is generally used by numerous researchers. The study concluded that the EPS, FDI and GDP growth rate are positively correlated and have a significant impact on stock prices. The parameter estimate for dividend yield is insignificant. This shows that ordinary investors have lots of awareness about the factors when they do invest in the stock market. They are also more inclined towards growth oriented stocks.

Geetha and Ramesh (2011)\textsuperscript{110} this study examines on the people’s choice in investment avenues of Kurumbalur. The main objective of this paper is to know the factor that influences investment behaviour of the people and to know about the attitude of the respondents towards different investment choices. Data were collected using structured questionnaires. After analysis and interpretation of data, it is concluded that in Kurumbalur respondents are medium aware of various investment choices but they do not know aware about the stock market, equity, bond and debentures. Findings show that all age groups give more important to invest in Insurance, NSC, PPF and bank deposit.


Masomi and Ghayekhloo (2011)\textsuperscript{111} in this study the role of behavioural finance and investor psychology in investment decision making at the Tehran Stock exchange with special reference to institutional investors. The behavioural factors considered for the study are \textit{representativeness, overconfidence, anchoring, gambler’s fallacy, loss aversion, regret aversion and mental accounting}. The findings show that behavioural factors do influence the investment decision-making process. Heuristic processes and prospect theory were evident with heuristic strongly dominating prospect theory. The impact of these factors on the institutional investor decision-making behaviour is in varying degrees of very high impact to little or no impact. Market information and the fundamental of underlying stocks had the highest impact on investment decision-making.

Tavakoli, Tanha and Halid (2011)\textsuperscript{112} the study follows a qualitative methodology to investigate small investor’s behaviour in choosing stock in Kuala-Lumpur stock market. The main purpose of this study is to identify the key determinants of choosing stock by small investors. The study reveals 13 effective factors in choosing stock which can influence small investor decisions for stock selection. These factors are in order of importance involving- financial statement of companies, accounting instruments, past stock price or return, firm’s public information, profitability variables, consult with anybody, financial ratios, past trading volume of stocks, second-hand information, discounted cash flow tools, government policies, calculation of risk and economic variables.

Aubert and Rap (2012)\textsuperscript{113} this study focus on the determinants of employee participation and of the total amount invested in the company savings plan and emphasise the individual determinants for choosing each asset categories and the portfolio breadth. This paper investigates the investment behaviour of 44,649 employees working in a CAC 40 index listed company. The company savings plan offers its employees a choice of the various asset categories generally listed by


\textsuperscript{113}Aubert, N., & Rapp, T (2010), “Employees’ investment behavior in company’s savings plan”, \textit{Research gate.}
financial institutions. This research showed how company savings behaviour varied according to people’s demographic characteristics and underlined the specificity of company based savings plan investment. The result of this paper shows that employees perceived company stocks as a separate asset category.

Jureviciene and Jermakova (2012)\textsuperscript{114} the article mainly talks about how the individual financial behaviour affects on investment decision. The main objective of this paper is to know the factors influencing on investment decision of an individual. According to the author, there are two types of psychological factors that determine investment decisions are distinguished cognitive and emotional basis. Results of survey confirmed the Friedman hypothesis and although the majority Lithuanian residents get low income, even 77.4 percent of the respondents try to control their expenses and savings result and the majority of investors are friendly followers, which is characterized by lack own investment ideas, being in the track of friends and colleagues and overestimation of risk tolerance.

Kadariya (2012)\textsuperscript{115} this study mainly investigates the market reactions to tangible information and intangible information in Nepalese stock market and to examine the investors’ opinions in Nepalese stock market issues. The specific objective of the study is to examine the investors ‘opinions in Nepalese stock market. The sample size is 185 stock investors and the response rate is 27 percent. The major findings of the study are the capital structure and average pricing method is one factor that influences the investment decisions, the next is political and media coverage, the third factor is a belief on luck and the financial education, and finally, the fourth component for stock market movement is trend analysis. Thus, it is concluded that both the tangible and intangible information are essential to succeed in Nepalese capital market.

Lubna Riaz (2012)\textsuperscript{116} states every individual is different from others due to various factors which include demographic factors, age, race and sex, education level, social and economic background similar is the situation with the investors. The most critical challenge faced by them is the investment decision, the investors act in a rational


manner and usually follow their instincts and emotional biases while making investment decisions. The investigation of previous studies reveals the importance of various psychological factors which affect their investment decision. Keeping this in view, a study model has been developed to describe the impact of risk propensity, asymmetric information and problem framing on investor’s behaviour while making decisions through the mediating role of risk perception; also it determines how much weight is attached to each independent variable by the investors when they make their decisions. The study concludes that the investor’s behaviour depends on how the available information is being presented to them and how much they are prone to taking the risk while making decisions, thus playing a significant role in determining the investment style of an investor.

Akhter and Ahmed (2013) the main objective of this study was to develop a framework about behavioural aspects of individual investors for investment in the stock market of Bangladesh. The study also aims to reveal the current scenario and the recent trend of the stock market of Bangladesh and to pinpoint the areas that should be emphasised more by the investors to make more profit and secure the investment. The findings show that Money market conditions are influenced investor’s decision. Individual investor’s decision was strongly affected by the advice of brokers, friends and family. Affordable price, positive movement, ease of obtaining borrowed fund, past performance could also influence an Investment decision.

Bashir and Nisar (2013) the study was made to examines the impact of accounting information, financial literacy and expected return on the short-term investment decision-making of the stock market investors. In this study, a probability sample is used and a seventeen-item questionnaire is developed for the collection of data from different short term investors. The study is aimed to find out the relationship between different factors affecting the short-term investment. Short term investment is the dependent variable, accounting information, financial literacy and expected returns are the independent variables for the study. The study concludes that the investors with high experiences generate more ideas and take strong and best decisions to compares to low experience in this field. It is shown that here an important

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relationship among experience and the short term investment decisions. According to the results, some suggestions for the improvement of the short-term investment decisions were provided like the government must support the stock market and industry which automatically improve the level of confidence of the investors and their intention to invest. Also, companies increase the dividend that improves the intention of an investor.

**Bashir, AaqibaJaved, Butt, Azam, Tanveer, Ansar (2013)**\(^{119}\) this research paper aims at ascertaining the factors that influence the Pakistan’s individual investor behaviour. And other objectives are, to study the influence of firm image/self-image on the individual investor behaviour in making investment decisions and to identify the impact of accounting information on individual investor behaviour. The data was collected with the help of a questionnaire. The result shows that investors give more importance to accounting information, self-image/firm image, personal financial needs, neutral information and advocate recommendation. Investment decisions also influenced by the dividend paid, the reputation of the firm, feelings for a firm’s products and services, get rich quick, firm's involvement in solving community problems, and firm’s status in industry related to firm’s image/self-image and accounting.

**Obamuyi (2013)**\(^{120}\) the study mainly aims to determine the main factors influencing investment decisions of investors and how these factors are related to the investors’ socio-economic characteristics in the Nigerian Capital Market. The results point out that the five most influencing factors on investment decisions of investors in Nigeria are past performance of the company’s stock, expected stock split/capital increases/bonus, dividend policy, expected corporate earnings and get-rich-quick. Also, the five least influencing factors include religions, rumours, loyalty to the company’s products/services, opinions of members of the family and expected losses in other investments. The study finds that the socio-economic characteristics of investors statistically and significantly influenced the investment decisions of investors in Nigeria.

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Gunathilaka (2014) the study examines the equity investment decision process of retail investors in Sri Lanka. Opinions are solicited using a five-point Likert scale survey questionnaire. The analysis of 168 responses indicates that the firm’s perceived value is the most influencing factor in equity selection. The study identifies Accounting Information, Advocates’ Recommendations and Self-Image/Firm-Image to be significant homogeneous groups of the factors influencing stock selection. The risk and historical prices are the second order factors in the process. The decision is also influenced by investors’ expectations on political stability, economic condition and good governance. Goodwill of the firm, stock’s liquidity, dividend payout and publicly available news are marginal factors. The religious beliefs, the family background and advocates’ opinion do not influence while the content of the annual financial statements is less confident. Investors do not aim abnormal returns. The main influencing factors do not show gender, age and education differences. The paper provides insights into behavioural explanations to many market anomalies; that the investor sentiment is of immense importance.

Jagongo and Mutswenje (2014) the main objective of this study was to establish the factors influencing investment decisions at the Nairobi Stock Exchange. The researcher found that the most important factors that influence individual investment decisions were: the reputation of the firm, firm’s status in the industry, expected corporate earnings, profit and condition of the statement, past performance firms stock, price per share, feeling on the economy and expected divided by investors. The findings from this research would provide an understanding of the various decisions to be made by investors based on the prevailing factors and the eventual outcomes for each decision and would identify the most influencing factors on the company’s investors’ behaviour on how their future policies and strategies will be affected by investment decisions by the investors will determine the company’s strategy to be applied.

Khoa Cuong Phan (2014) studies on market efficiency recently show evidence supporting the fact that VN-Index does not follow the random walk, which implies the fact that stock prices are predictable. One of the reasons for this phenomenon is identified as the existence of psychological factors having impacts on behavioural decisions made by individual investors in the stock market. Accordingly, the crucial purpose of this study is to use the theory of planned behaviour (TPB) as a connectional lens for exploring factors influencing individuals’ investment behavioural intention in the Vietnamese stock market. By employing the Structural Equation Modelling (SEM) with support of AMOS 20.0 software for analysing data collected from a national survey of 472 individual investors, the results indicated that the impact level of the given factors on individuals’ behavioural intention, which supports the hypotheses that an individual’s investment intention is significantly affected by his attitude towards investment, subjective norm and perceived behavioural control. The study has also provided strong evidence for the existence of psychological factors which supports the hypothesis that four psychological factors like overconfidence, excessive optimism, the psychology of risk and herd behaviour do have a significant impact on the individuals’ attitude towards investment decision. Simultaneously the study has found supporting evidence for the argument that gender has a strong moderation affect the relations between the psychological factors and the attitude towards investment, between the attitude and behavioural intention, between subjective norms and behavioural intention as well as between perceived behavioural control and behavioural intention of Vietnamese individual investors. Findings found from this study have provided both academic and practical contributions.

Muraguri, Irura, Kyaloteresia (2014) this study aimed at investigating the influence of financial literacy on investment decisions of the Sacco funds in Kenya. The study adopted survey and descriptive research design and targeted all the 34 active Sacco's in Laikipia County. A sample of 14 Sacco's was selected using random sampling. The results achieved indicate the importance of financial literacy skills in making informed decisions, removing investors fear and increasing the scope of the

investor. The study established that lack of financial management skills affects investment decisions and the findings are in agreement who argued that having financial literacy skills enable individuals to make informed decisions about their money and minimises the chances of being misled on financial matters.

**Muraguri, (2014)**

Savings and Credit Cooperative Organisations' (Sacco's) are among the fastest growing micro finances in Kenya today. In the year 2012 members’ deposits of Sacco's in Kenya amounted to approximately Kshs. 378 billion countrywide. The number of Sacco’s had increased to over 19,000 by the year 2012. According to section 48 (1) of the SACCO Act 2008, a SACCO society shall not invest in non-earning assets or property and equipment in excess of 10% of total assets of which land and building shall not exceed 5%. This study aimed at investigating the influence of financial literacy on investment decisions of the Sacco funds in Kenya. The study adopted survey and descriptive research design and targeted all the 34 active Sacco's in Laikipia County. A sample of 14 Sacco's was selected using random sampling. The respondents were SACCO board of directors. Data was analysed using SPSS and presented through frequency charts, tables and graphs. Financial literacy was regressed against investment decision and a coefficient of 0.621 was obtained. The results showed that financial literacy is very significant in influencing investment decision with a p-value of 0.007 at 95% confidence level. The study recommends the board of management in the Sacco’s to train the board members on testing the feasibility of a venture through analysing the risk and profitability of a venture. Training on the importance of cash and fund flow of an investment before investment are made. There is a need for legislations which will allow the Sacco’s to make investments which will serve as alternative sources of finance for member borrowings.

**Ngoc, (2014)**

this research aims to investigate behavioural factors influencing the decisions of individual investors at the Securities Companies in Ho Chi Minh City, Vietnam. Data for this research was collated from 188 individual investors, accounting for the response rate of 63%. There are five behavioural factors of individual investors at the Ho Chi Minh Stock Exchange such as Herding, Market,
Prospect, Overconfidence-gamble’s fallacy, and Anchoring-ability bias. The study helps the Securities Companies for better understanding on investors’ decision to give better recommendations to them. Stock prices then reflect their true value and Ho Chi Minh stock market becomes the yardstick of the economy’s wealth and helps enterprises to raise capital for business activities through investors.

Viswanadham, Edward, Dorika and Mwakapala (2014)\textsuperscript{127} this study attempts to identify the factors influencing the buying behaviour of investors. The main objectives of this study determine factors influencing investors buying behaviour in Tanzania Equity market. Data was collected with the help of interview, questionnaire and documentary evidence. The result of the paper that the all listed companies give more importance to the factors like quality management decisions, building brand, transparency in settlement issues. Specifically, companies should constantly review the interest rates and observe alternative companies marketing strategies to acquire a better position in the market. Investors should also take into consideration economic condition and GDP when taking investment decisions.

Islamoglu, Apan, Ayvali (2015)\textsuperscript{128} this study mainly focuses on to investigate the factors influencing the investment behaviour of the individual. The data was collected with the help of the survey method from the bankers in Barton. The main objective of this paper is to identify the investment behaviour. The findings show that there is a high correlation between the conscious investor behaviour, banking and payment behaviour. The results of the analysis showed that while investors in Bartin city decide on investment. They are affected by several factors such as level of income, past investment experiences, expert and other investors’ opinions and financial stability; they take steps to reduce risks by having alternative plans for their investment and they have high self-esteem.

Merikas, Vozikis and Prasad\textsuperscript{129} surveyed the factors which mostly influence individual investor. The study examined the factors that appear to exercise the

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greatest influence on the individual stock investor and included not only the factors investigated by previous studies and derived from prevailing behavioural finance theories but also introduced additional factors generated through personal interviews that have been found to influence the stockholders’ investment decision in Greece. The study focused exclusively on the variables that were identified by the Greek investors to significantly affect their individual investor behaviour, namely the ‘Act on’ variables. The most of the variables that were rated important are classic wealth maximisation criteria such as ‘expected corporate earnings’ condition of the financial statement, firm status in the industry and other important factors are get rich quick, recent price movement in the firm’s stocks and affordable share price influenced significantly only 1/3 of the respondents.

3.4 Conclusion

From the above literature review, it is clear that many researchers have attempted to conduct a study on the factors that have contributed to the investment decisions of individuals in India. However, there is no study conducted taking social and organisational factors influencing investment decisions of individual investors and also no much study conducted taking bank employees as the respondents for the investment decisions. One such study on women Bank employees in Madurai discloses their traditional investment behaviour. Apart from this, no other literature is found. There lies a huge research gap.

Based on the research gap the following research questions were identified.

1. What are the major economic, social and organisational factors influencing investment decisions of bank employees?
2. What are the purposes of investment of employees of SBI, Canara, Syndicate, ICICI, HDFC and Karnataka banks?
3. What are the sources of information for various investments of bank employees?
4. What is the relation of demographic variables with economic, social and organisational factors while investing by the bank employees?