PREFACE

Behaviour of Investors is one of the key factors affecting financial market movements. Philosophers from a specific school of thought presume that investors behave rationally and they always take decisions objectively after considering all the available information. This assumption has been criticized by the scholars of other school of thought on the ground that investors are human beings and have their own unique personality traits and thus cannot expect an investor to make decisions solely on the basis of objective factors, considering these facts, it may be concluded that the investor decisions may also be affected by the complex psychological factors. The identification of these factors led to a new school of thought, “Behavioral Finance”. Behavioral Finance (BF) is a field of study which helps to understand the role and impact of psychological factors on financial decision making or it is application of psychology to financial behavior; i.e. behavior of investors. Studies related to ‘Behavioral Finance’ have found irrational behaviour in ‘investor decision making’. However, an analytical and critical review of these existing studies show that limited research has been carried out in this area. In this context, studying the role of personality traits on ‘investor decision making’ is vital.

This study attempts to find relation between personality traits namely: ‘Agreeableness’, ‘Self-Image’, ‘Need for Achievement’, and ‘Risk Adaptiveness’ and ‘Investor’s decision making behaviour’ in the Indian financial market under the effect of different demographical features such as age, gender, education, income, occupation and caste.

This Research Report has been prepared by including five chapters. Various topics, facts, concepts and sub-topics contained by different chapters are mentioned hereunder:
Chapter 1, Introduction: A conceptual overview of all the dependent and independent variables is presented in this chapter. All the theories, concepts, facts and information related to the present research are also explained, examined and discussed in this chapter.

Chapter 2, Review of Literature: This chapter surveys and reviews the key literature/knowledge available in published & virtual form (like printed, vocal and electronic form) which is related to the area under study.

Chapter 3 Research Methodology: A detailed description of Objectives, Hypotheses and Research method included in the research has been described in this chapter. In the sub-unit of Research Methodology, ‘research design, sampling design, tools used, method of data collection and analytical & statistical techniques’ etc. have been suggested.

Chapter 4 Results and Findings: A logical and actual presentation of empirical results and findings drawn and based on data analysis has been included in this chapter.

Chapter 5 Discussion: Detailed discussion of the empirical results and findings in the light of existing studies, knowledge and other factors followed by a brief list of conclusions, limitations and suggestions is included in this chapter.

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