A Study of Investment Decision Making Style in Indian Equity Market

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ABSTRACT

The study looks into the socioeconomic profile of stock investors, the sources of information used to make investment decisions, and the factors that influence equity investors' investment decision-making methods. The research allows investors to become aware of and identify the most relevant socioeconomic aspects. The most essential sources of information for investing decisions and how they influence decision-making styles.

1. Introduction

The capital market invests in a variety of financial products, all of which are claims on money. These instruments can fall into a variety of groups, each with its own set of qualities. In market jargon, these are all referred to as securities. In a legal sense, the Securities Contracts Regulation Act of 1956 defines a security as "any marketable instrument of like nature in any company or body corporate, government or semi-government body, or any other market instrument of like nature in any government or semi-government body. It covers all rights and interests in them, including permits, loyalty coupons, and other papers issued by any of the entities, organizations, or the government. The term "equity" refers to a company's ownership position. It's a residual claim in the sense that creditors and preference shareholders must be paid on time before equity stakeholders are compensated. In the event of a bankruptcy, equity holders are only entitled to assets left after all preceding claimants have been paid. As a result, the risk associated with equity shares is the biggest, as is the expected return. When investors purchase equity shares, they are given ownership certificates that prove they are a part owner of the corporation. The number of shares bought and their par value are listed on the certificate. Equity shares are the most romantic of all the types of securities in the security market. Equity analysis is more difficult than bond appraisal, and selecting equity shares requires more skill than selecting fixed income assets. The public's perception of equity shares has shifted throughout time.

The key benefits of equity shares include the potential for profit, restricted liability, free 3 transferability, tax advantages, inflation protection, and a stake in the long-term growth of a company's earnings. Investment decision is a term used in the stock market to describe a decision involving purchase and sell orders. The availability of funds and the flow of information influence investment decisions. The fair value of a share, as well as the level of overvaluation and undervaluation, determine what to buy and sell. Common investors may have to depend on fundamentals rather than technical analysis to make such decisions, however technical analysis is also significant. Furthermore, even seasoned investors must be wary of poor timing when making purchase and sell decisions. A common investor must examine the company's balance sheet, annual report, and other financial documents, as well as the company's half-yearly performance, before deciding whether or not to purchase the company's stock. Fundamental analysis is the term for this. When investors use fundamental analysis to make decisions, this is referred to as a scientific and sensible judgment. The chances of losing money in the capital market are slim in the event of such a reasonable decision. By channeling individual investors' resources into multiple investments, financial intermediaries and markets effectively disperse the risk of long-term investment initiatives. The market serves as both a primary and secondary function in the issue of new shares, as well as the transfer of previously issued shares. Many people want to get the best return on their investment with the least amount of risk based on company presentation. Share prices are closely observed as objective gages of investor sentiment and expectations. For a long time, market contributors were thought to be balanced. However, the concept of completely balanced investors who continuously maximize their utility and display perfect self-control is proving to be insufficient. Investors would be reasonable, unbiased, and consistent in an efficient market. They'd 4 make a business choice devoid of emotion or passion. Their decisions would be driven only by the desire to maximize their predicted utility. According to recent study, the decision-making process for investments is more human than analytical Damage, pride, and distress regularly take preference over logic. Behavioral finance is a relatively new and developing topic of academic research that takes use of investors' irrationality. Irrational behavior that can affect investment decisions and market prices is the focus of behavioral finance. It aims to better know and explain how investors' emotions and cognitive errors impact their decision-making.

- Personal Finance

  Individuals engage in investing decisions for three reasons in general: 1) to deal with the fact that money's purchasing value is declining. 2) To save for retirement 3) to reach a specific financial objective, such as purchasing a home or ensuring financial security in the future. Individuals can pick from a variety of investment vehicles to achieve these goals, going from low-risk investments like savings accounts and government bonds to high-risk direct ownership in public stock. Although real estate and automobiles are seen as more significant than equity ownership for a person, the relatively large returns expected from equities have attracted many people in most economies to contribute in share markets in modern years. This is due to the fact that stocks are an excellent alternative for risky, high-return investments that are best matched to long-term investment decisions. Investment decisions in public equity can differ according on numerous aspects, including age, gender, family size, health, wealth, life style, decision-making style, and house ownership status, as described in the linked evaluation of the literature in the second chapter. As a result, it's critical to recognize that, while stock ownership promises significant returns, there are a variety of factors that influence variations over time and the investment classes of separate investors in stock shares around the world.

- Behavioral Finance

  Behavioral finance is a new model that aims to understand and do ahead the financial market consequences of psychological decision-making. In comparison to traditional finance, the new model offers a fresh perspective. Behavioral finance acknowledges that the current model can be correct within certain parameters. Behavioral finance better defines reality by understanding human behavior in financial decision-making. Behavioral finance adds behavioral components and focuses on using psychological and economic principles to better understand an individual's financial decision-making process. It essentially serves as a complete overview of behavioral finance. The core idea is that people are "imperfect processors" of information who are usually biased, make mistakes, and have ongoing issues. There is currently no solid theory of behavioral finance. The first steps in this tactic, although the literature has thus far focused on finding behavioral decision-making characteristics that are likely to have systematic implications on financial market behavior. The “Behavioral Finance” model is no longer as divisive. Human behavior and its effects on the stock market decision-making process are increasingly recognized by researchers. An investor has a multiplicity of investment options. However, the investor must use extreme caution when investing. Investors, on the other hand, usually exercise caution while making investment decisions. The ability and skill of the investors influence investment decisions. Every investment decision has an impact on the overall investment performance. As a result, decision-making is critical for any investment. Investment has grown increasingly volatile as a result of rapid market changes in the stock market. Investors are faced with the problem of not only operating professionally in the present, but also of innovating effectively and efficiently in order to make consistent investment decisions. To meet these new obstacles, an investor must think differently than the average person, such as thinking outside the box, which is necessary in today's investment market. As a result, one of the aspects that demands consideration is decision-making style. It is vital to investigate the investors' socioeconomic profile, decision-making information sources, and the elements that influence their decisions. The socioeconomic profile of the investors, the sources of data for decision-making, and the factors impacting decision-making style must all be investigated.

1.1 Detailed Literature Review

1. Researchers have offered a number of theories to explain how investors make investing decisions. Individual investor decision-making is not often addressed in utilitarian investment decision-making processes. Individuals optimize their utility based on traditional wealth criteria, selecting between consumption and saving, according to utility-based theories. Investors should maximize expected value returns, focus on avoiding unpleasant outcomes, and make investment decisions without respect for utility functions or probability.

2. The study of how psychology influences the conduct of financial professionals and how it affects markets is known as behavioral finance. It explores why and how markets might fail to work properly. A proponent of behavioral finance, claims that the key to understanding why investors stray from intended utility when evaluating risk is to know why they do so. The psychology of investors is a fascinating subject. When assessing risk, decision psychology describes how people depart from their intended utility (prospect Theory, narrow framing and ambiguity aversion). The psychology of decision-making explains why people vary from Baye's law (heuristic driven biases).

3. Based on the problem's existence, time, and decision setting, decision makers create distinct approaches and follow clear logical procedures to address difficulties, according to rational decision theory (Huei Lin). As a result, investors will be better prepared to make decisions. To be successful, managers must make effective decisions. In 1960, various studies on effective business hypotheses and the role of the stock market were done as a result of the effective business hypothesis. Old-style finance theory is built on the Efficient Market Hypothesis (EMH). Share prices, according to the notion, accurately reflect all financial market information, hence regular investors cannot profit by evaluating public data finally, in 1979, Kahneman and Tverskey created prospect theory to term decision-making behavior in uncertain circumstances.

- Prospect Theory

Prospect theory claims that investors' psychologies influence their decision-making process. According to Simon assertion of bounded rationality, investors frequently make simpler their decision processes and are likely to behavioral heuristics that can lead to systemic blunders and satisfied investment choices, but not to optimal ones. Behavioral analysts discovered that the EMH could not adequately explain the market's exceptional occurrence until the late 1980s.When faced with unpredictability, investors are more likely to make a variety of decisions in the hopes of making a profit (Talangy 2004). Professional investors have access to a wealth of information, but due to the nature of investment opportunities, their selections are not always completely fair.
Market proponents should take such inclinations into account when making investment decisions unless it is proven that a certain group of investors is susceptible to them.

- Regret Theory

People's emotional reactions to a blunder are the focus of the regret theory (Larrick Boles, 1995) Investors may, for example, postpone selling equities that have lost value in order to prevent the regret of a bad purchase or the embarrassment of having to report a loss. The fear of losing money can also lead to a hesitation to sell lost investments. The majority of investors follow the herd and stick to tried-and-true tactics. Wisdom to avoid experiencing regret if their acts are found to be incorrect. Many investors assume that buying a well-known company and rationalizing its drop is easy because someone else owns it and thinks highly of it.
Shiller (1999) claims that investors do not think or act rationally. They are motivated by greed and terror, on the other hand. According to investors, shares will swing between unsustainable peaks and lows. In other words, investors are misinformed by extremes of emotions, emotional cognition, and the whims of the herd. They make a habit of making illogical assumptions about a company's future performance. In addition to the economics As a result, they believe stock prices vary between basic values and above and below them. Behavioral finance is an empirical field that studies how feelings and cognitive mistakes affect investors and their decision-making styles. Individual investor behavior has always upset the interest of academics and fund managers. Individuals who respond to signals from others' actions participate in impulsive mental behavior, which leads to human herding.

- Decision-Making Styles

Make a choice. Styles are primarily viewed as a trend, as well as mental and cognitive approaches to shopping and purchasing that consistently 18 dominate the consumer's choice. Style, according to Scott and Bruce, is a person's learned habitual reaction pattern in a decision circumstance. Stocks with a high dividend yield are often purchased by individual investors. Buy stocks with rising price trends and sell stocks with downward price trends if you don't have enough fundamental and technical analysis. This is referred to as swarming behavior in behavioral finance.
An investment choice is one that involves determining how to allocate cash based on the expected future flow of rewards. Existing monies are swapped for future rewards in this transaction. When a person decides to invest (defer consumption), he will use the utility principle to select a portfolio that will provide him with the greatest amount of satisfaction. According to the principles of utility theory, investors must be completely skilled of making decisions. Reasonable, able to deal with a variety of possibilities, risks, and wealth maximizing.
The decision-making process is described differently by different writers, and it is based on each author's assumptions. Kahneman and Tversky define risky decision-making as a choice between opportunities and gambles. Tipuric defines decision-making as a "deliberate general mechanism" that is "inherent in all areas of human behavior and consists of a choice between two or more choices." A collection of acts, as well as the execution of those acts, must be done to achieve a defined aim of specified social bodies, decision-makers. Decision-making, according to Sikavica et al, is a time-consuming process that culminates in a decision. The same writers go on to add that it's a 'method' that can last a short or long time, in which a 'choice' is made between at least 'two or three options,' with the goal of ‘resolving the issue' that caused us to make the decision in the first place.

1.2 Objective of Study

1. Determine the investors' socioeconomic profile and how it affects the aspects that influence their investing decision-making style.

2. To determine the effect of psychological factors such as emotion and intuition on individual equities investors' Investment Decision Making Style.

3. To look into the outcome of an individual investor's frame of reference on their equity stake decision-making style.

4. To examine the effects of risk aversion on the way people make financial decisions.

5. To evaluate the influence of an individual investor's environmental, economic, and financial analyses on their investing decision-making style.

6. To look at the investment decision-making styles of particular investors.

2. Research Methodology

The terms "research" and "methodology" are used interchangeably in research methodology; we'll define "research" first. The process of research entails defining and redefining problems. Forming hypotheses or recommended solutions, gathering, organizing, evaluating, data collection, deduction, and investigation to reach at a final destination or conclusion. Finding a result to the title is what research entails. Every study contributes to decision-making by offering useful information. The knowledge obtained through research should be sufficient to justify the organization's investment of period and money in the research activity. “Research Method is a means to systematically tackle the search problem,” says the author of the paper. It is distinct as a science that studies how scientific research is conducted.” The last two kinds of research methodologies are commonly referred to as the analytical instruments of research. A research technique is a method for solving a research problem in a methodical manner. It can be thought of as a science that studies how scientific research is carried out. It examines the numerous processes that a researcher often takes to investigate his or her research problem, as well as the logic that behind them. The researcher must be familiar with not just the research methodologies and procedures, but also the methodology.
The quantitative strategy was chosen by the researcher since it primarily involves the use of controlled questionnaires with coded response possibilities and enables for a large number of respondents to be involved. Descriptive analysis has also been employed by researchers, and it usually entails surveys and studies aimed at analyzing reality. To put it another way, descriptive research focuses on the "description of the current state of affairs," and descriptive research allows for limited control over factors.

2.1 Data Collection

- Primary Data

With the use of a questionnaire, the researcher gathered primary data. The poll consisted of 13 questions that were based on the European Commission's public consultation on the Digital Education Action Plan. It's worth noting that the current poll has nothing to do with the present public consultation and was not commissioned nor sponsored by the Commission. Because the survey time and sample of respondents varies from those used by the Commission, the results are unique and unaffected by the conclusion.

- Secondary data

These are often published sources that were originally gathered for a different purpose. Internal firm records, government publications, reports; journals, trade, professional, and business organization publications are all sources.

2.2 Sampling Area

Kopargaon and its nearby place's

2.3 Population

The target population for the study are the Student, Private and government employee and Self-employed people. Who have knowledge of Equity Market?

2.4 Scope of Study

The study examines the socioeconomic profile of stock investors, the sources of information used to make investment decisions, and the factors that influence equity investors' investment decision-making methods. The study enables investors to identify the most essential sources of information for investing decisions, as well as analyze the most influential socio-economic elements.

Individuals' typical manner of perceiving and responding to decision-making styles has been defined as "a habitual pattern of individuals in decision making". An investment decision-making style is defined as a circumstance, which encompasses the individual's approach, strategy, reaction, and action. The process of choosing a certain investment option from a variety of choices is known as decision making.

2.5 Determinants of Investment Decision Making Style

1. Emotion
Emotion is a physiological condition of arousal brought on by beliefs about something. Emotion, on the other hand, might be defined as the instinctive desire to gravitate toward or away from anything that is intuitively seen well (useful) (harmful). When it comes to investing in equities shares, investors are subjected to a variety of emotional reactions. The market mechanism, family dedication, and other aspects could all be factors. This study's theoretical model is based on behaviorism theory.

2. Intuition:
The ability to perceive valid solutions to issues has been defined as intuition. Making hasty conclusions without evaluating alternatives is referred to as intuitive decision-making. In this decision-making process, managers can draw on prior experience to recognize comparable circumstances and intuitively adopt preferred solutions (Klein 2003).

An "instinctual process derived from a person's experiences" is defined as intuitive decision making (Judge & Robbins, 2006). The intuitive decision maker can make a speedy conclusion even with minimal information.

3. Frame of Reference
The frame of reference refers to trustworthy sources of information such broker, dealer, and friend recommendations. Investors usually exchange information with their neighbors, relatives, friends, and coworkers in order to make investment decisions. We consult with advisors, analysts, bankers, and planners.

4. Environment analysis:

Environmental analysis, entails taking into account investment policy, political stability, government incentives, and market indexes.
One of the most important environmental elements impacting investor decisions is information. Based on information gathered from a variety of sources, investors make decisions regarding the risks associated with every investment.

5. Financial Analysis
The process of evaluating the performance and suitability of firms, projects, budgets, and other financial operations is known as financial analysis. Financial analysis is commonly used to determine whether a company is stable, solvent, liquid, or profitable enough to deserve financial investment.
The goal of this study is to see how cognitive style affects decision-making when information, basic analysis, and technical analysis are presented in order. Individuals have a say in how they gather, process, and act on data.

6. Economic Analysis
Economic analysis is a term used to describe the study of economic systems. It could also be an investigation into a manufacturing method or sector. The goal of the analysis is to determine how efficiently the economy or a part of it runs.
Many economic and financial theories presuppose rational decision-making by investors. However, they are human beings.

7. Risk Aversion
Risk aversion is a psychological factor, according to Taylor (1974). Information searches are the process of developing risk-reduction solutions.
Risk taking is also known as risk seeking or the desire to take a risk, and risk aversion is known as risk avoidance (Rohrmann 2008). Risk aversion is the avoidance of risk in investment. Every investment entails a certain amount of risk.

2.6 Hypothesis

H1: There is an association among emotion and the investment decision making style

H2: There is an association among intuition and the investment decision making style.

H3: Frame of reference has an effect on investment decision making style.

H4: Environmental analyses have an impact on investment decision making style.

H5: Financial analyses have an effect an investment decision making style.

H6: Economic analysis does have an effect an investment decision making style.

H7: Risk aversion has consequence on investment decision making style.

3. Data Analysis and Interpretation

Part I

I. Demographic Information

Table no 1. Gender and Age of respondent

Demographic Characteristics	Frequency	Percentage
Gender		
Male	81	71.7

Female	32	28.3
Age		
18 to 25	28	24.7
26 to 30	36	31.8
31 to 40	26	19.5
40 to 50	14	12.3
total	113	100

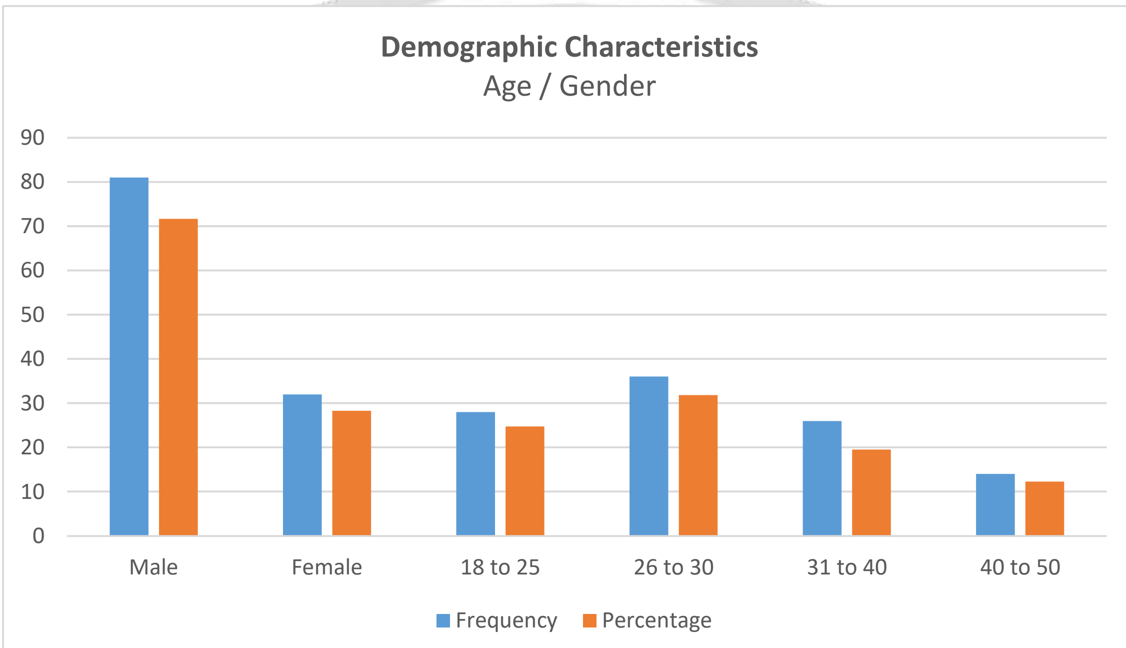


Table.1 indicates that 81 male respondents (71.7%) and 32 female respondents (28.3%) made up the total number of respondents. According to the results of the survey, men make up the bulk of the respondent

Table no 2. Type of family and marital status

Demographic Characteristics	**Frequency**	**Percentage**
Type of family		
Join family	71	63.4
Nuclear family	41	36.7
Marital status		
Single	50	44.4

Married	63	55.8

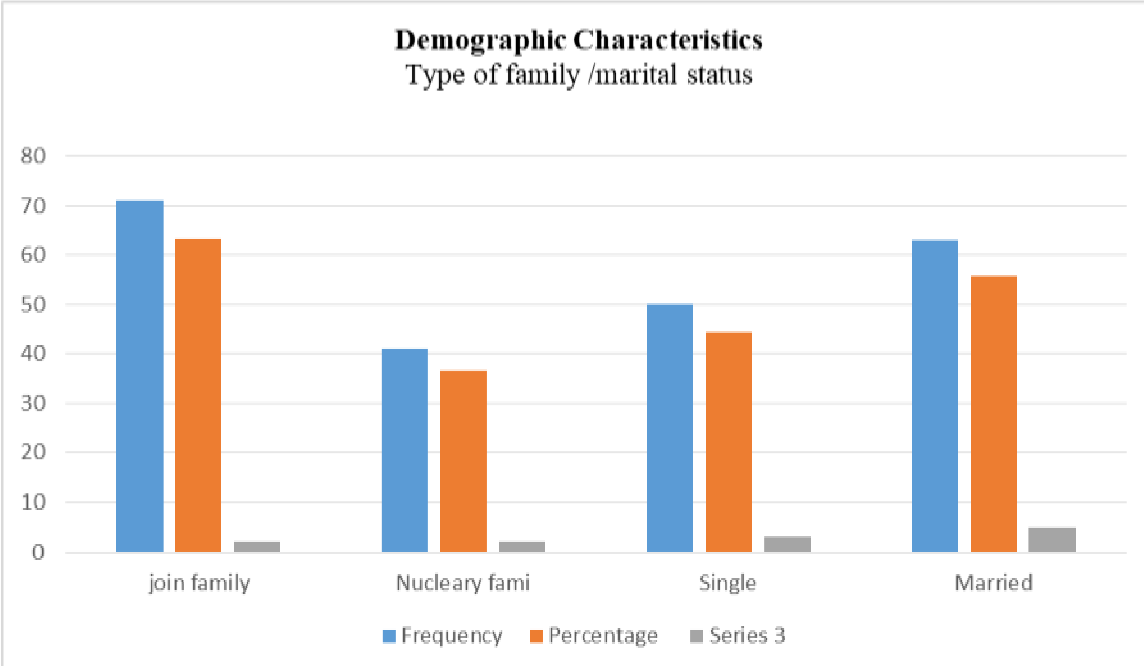


Table. 2 indicate that 71 (63.4) respondent lives in join family and 41 (36.7) lives in Nuclear family and according to their marital status 50 (44.4) of people are single and 63 (55.8) are married people

Table no 3. No. of dependent family member and Educational Qualification

Demographic Characteristics	Frequency	Percentage
No. of dependent family member		
Zero	40	36
One	15	13.5
Two	29	26.1
Three	13	11.7
Four & more	14	12.26
Educational Qualification		
Primary	3	2.7
Secondary	3	2.7
Diploma	10	8.8
Graduate	63	55.8

Post Graduate	34	30.1

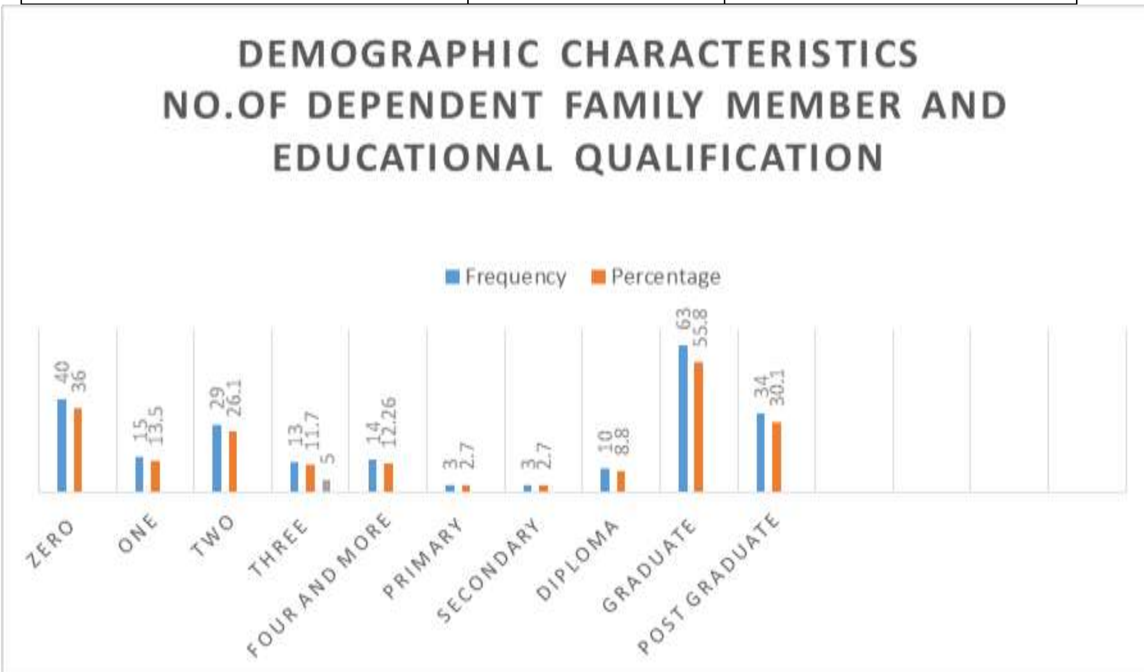


Table. 3 the above table shows no of dependent family member and Educational Qualification Of the respondent

I. 40% of respondent have zero dependent family member 13.5% have one dependent member 26.1 % have two dependent member 11.7 % three dependent member and 12.26%

II. 5.4 % respondent have primary and Secondary education 8.8 % people done their diploma 55.5% done their graduation 30.1 % have their Post graduate done

In the above information we come to know that the as educational qualification goes increasing people get more knowledge of investment in Equity market.

Table no 4 Employment Status & Employment Nature

Demographic Characteristics	**Frequency**	**Percentage**
Employment Status		
Employed	42	37.5
Student	16	14.3
Self employed	54	48.2
Employment Nature		
Private	50	44.2
Government	22	19.4

Self employed	41	36.2

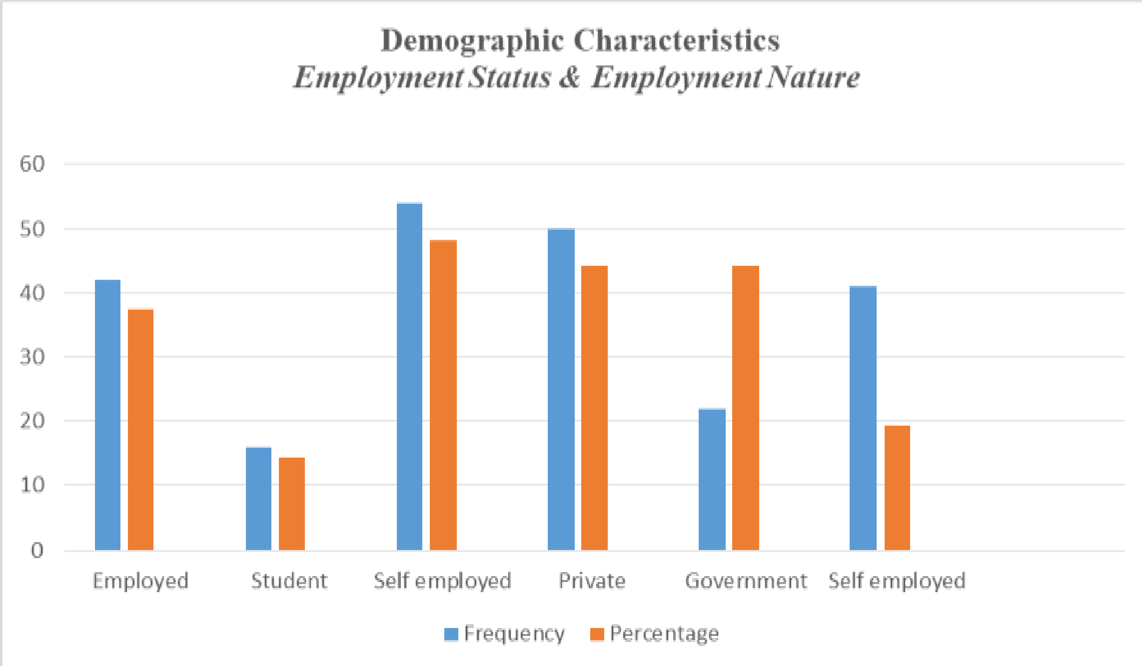


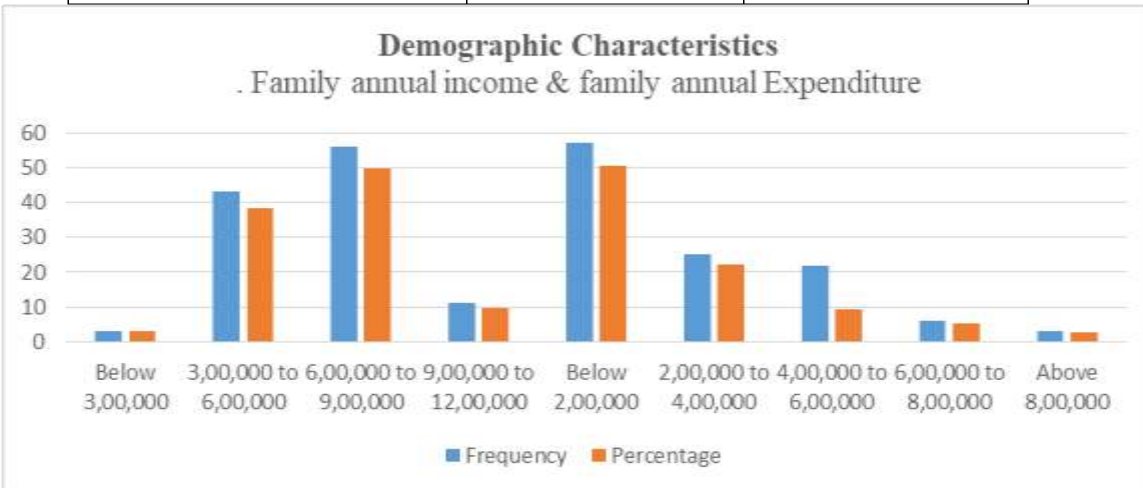
Table no 4 shows Employment Status & Employment Nature of the Respondents

37.5% respondent are Employed and 14.3% are Student 48.2% are Self-employed.
88.4 % Respondent are Private (50) and government (22) Sector Employees 19.4 are self-employed.

Table no 5. Family annual income & family annual Expenditure

Demographic Characteristics	**Frequency**	**Percentage**
Family Annual Income		
Below 3,00,000	3	2.9
3,00,000 to 6,00,000	43	38.4
6,00,000 to 9,00,000	56	49.6
9,00,000 to 12,00,000	11	9.7
Above 1200000		
Family Annual Expenditure		
Below 2,00,000	57	50.4
2,00,000 to 4,00,000	25	22.1
4,00,000 to 6,00,000	22	9.5
6,00,000 to 8,00,000	6	5.3

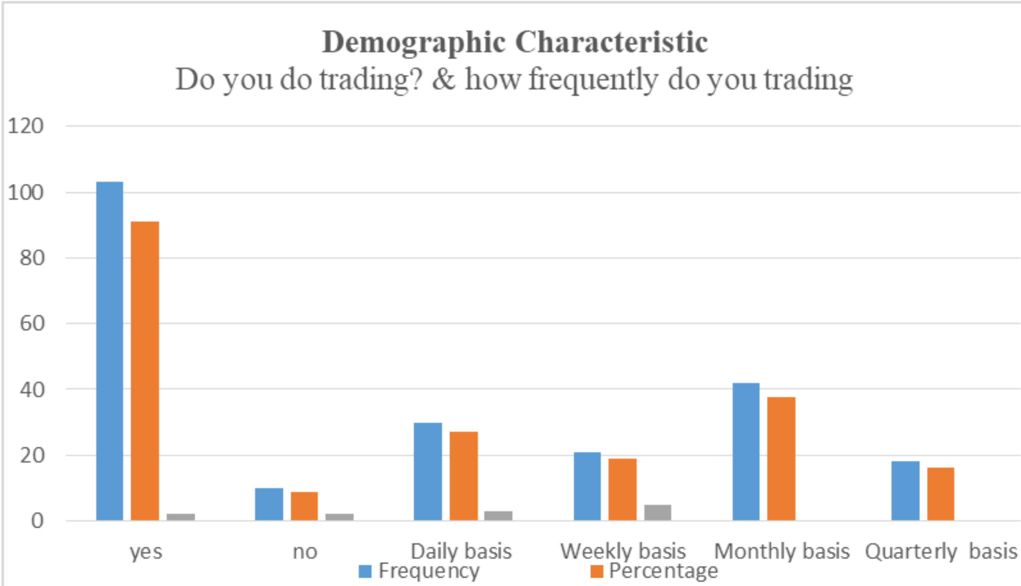
Above 8,00,000	3	2.7



Indicate Family annual income & family annual Expenditure done by respondent and their family member.

Table no 6. Do you do trading? & how frequently do you trade?

Demographic Characteristics	**Frequency**	**Percentage**
Do you do trading		
Yes	103	91.2
No	10	8.8
how frequently do you trading		
Daily basis	30	27
Weekly basis	21	18.9
Monthly basis	42	37.8
Quarterly basis	18	16.2



91.2 % Respondent do trading and 8.8 % respondent didn't do trading
27. % respondent do trading on daily basis 18.9% do on weekly basis 37.8 do on monthly basis and 16.2% do trading on Quarterly basis.

Table no 7. How much time do you expect to being making withdrawal from your Investment?

Demographic Characteristics	**Frequency**	**Percentage**
Time to being make withdrawal		
Immediately	43	38.4
Within the Year	48	42.9
5 to 6 years	18	16.1
7 to 10 years	2	1.8
more than 10 years	1	0.9

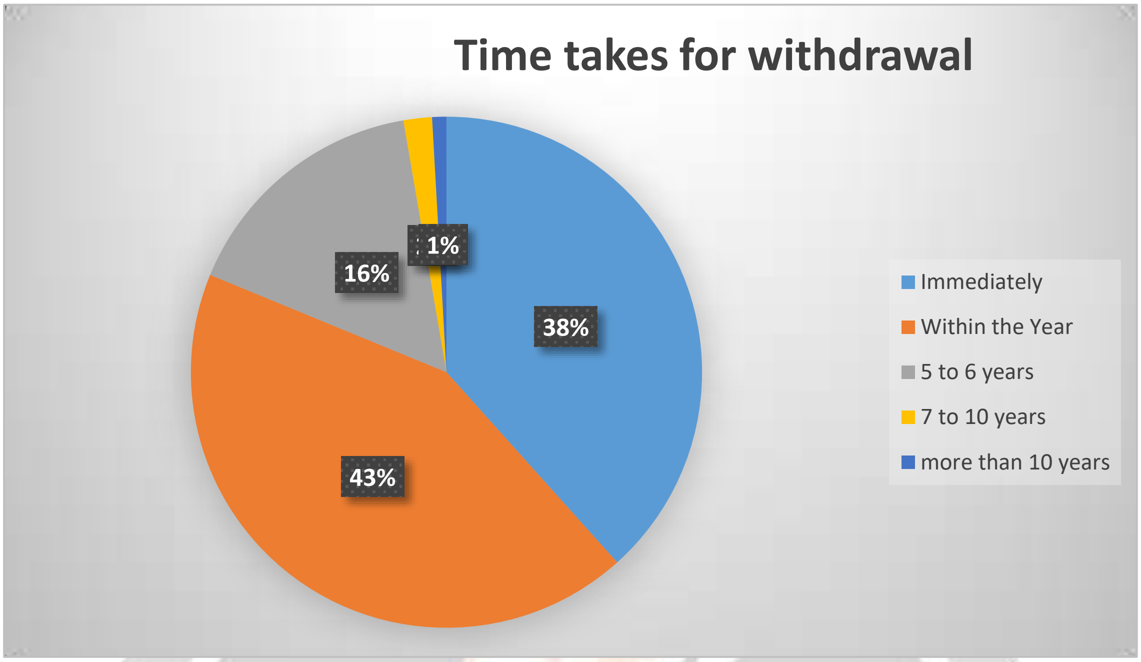


Table No 7 shows how much time investor takes to make a withdrawal from their investment 38% of investor do withdrawal on immediate basis 43% of investor withdraw within a year 16% investor take 5 to 6 year for withdrawal.

Part II

SOURCES OF INVESTMENT INFORMATION & INVESTMENT INSTRUMENTS

Table no 8 Rank the following sources of information listed below while making investment decision?

(1 being very good, and 5 Being very bad)

Sr.Sr.no.	"Sources of investment information"	"Rank"
a)	Published fund ratings / rankings	2
b)	Newspaper, Websites, Magazines, Books	1
c)	Financial Advisers	1
d)	Investment Books	3
e)	Fund Advertisement	1
f)	Investment Program on Television	3
g)	Suggestions from friends / relatives	2
h)	Investment forum / Brokers	1
i)	Analysis Forecast	4
j)	Stock Exchange announcement	1

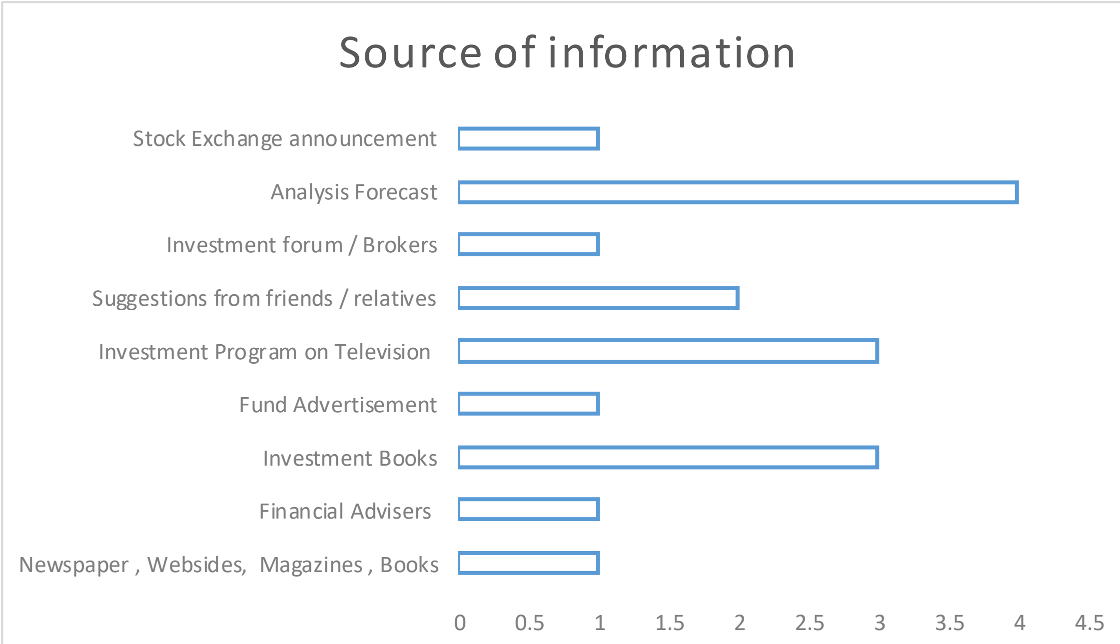
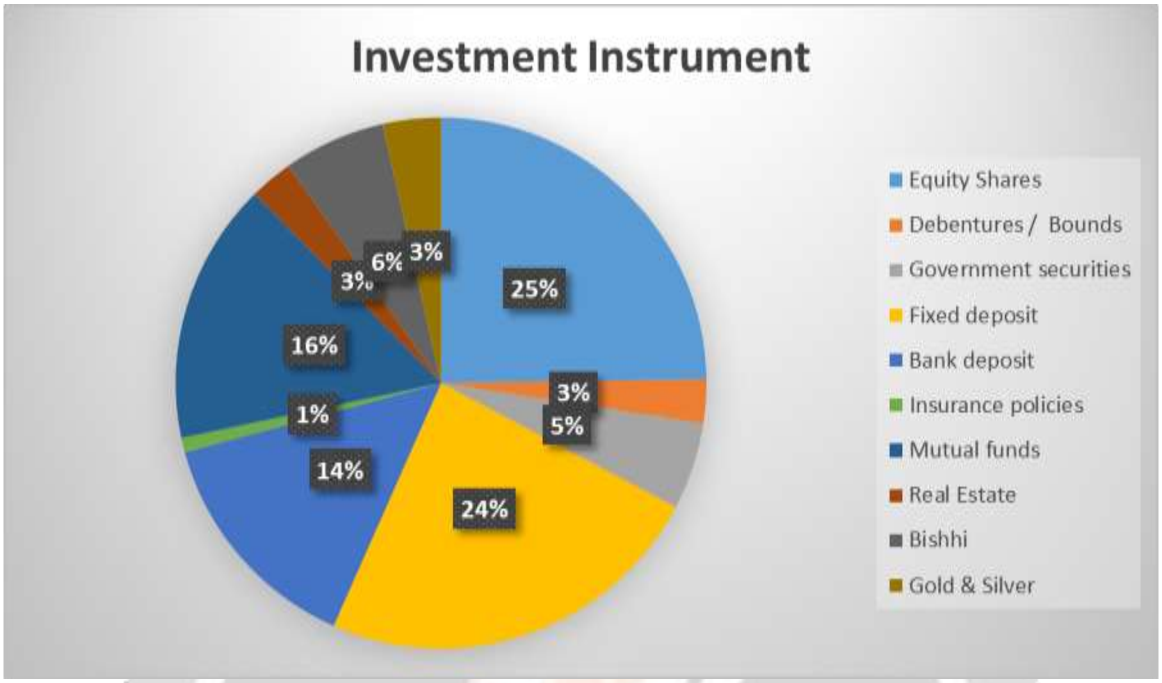


Table no 8 shows different investment sources prefer by investor while taking investment decision and the rank given by the investor to the following source of information shows in this table.

Table no 9 Most Preferred Investment Instrument

S. N	Investments	Frequency	percentage
a)	Equity Shares	28	24.4
b)	Debentures / Bounds	3	2.7
c)	Government securities	6	5.3
d)	Fixed deposit	27	23.9
e)	Bank deposit	16	14.2
f)	Insurance policies	1	0.9
g)	Mutual funds	18	15.9
h)	Real Estate	3	2.7
i)	Bishhi	7	6.2
j)	Gold & Silver	4	3.5



In this table we come to know that 25% of people prefer equity Shares for their investment 24% investment in fixed deposit 3% in debentures and bounds ,16% do their investment in Mutual funds 25% in bank deposit and others do their investment in a other options such as gold silver, real-estate, bhishi etc.
According to this chart people still prefer the safe way for their investment

PART III
FACTORS INFLUENCING INVESTMENT DECISION MAKING STYLE
(Scale: 1: Never, 2: Sometimes, 3: Often, 4: Always)
Table A

Environmental Analysis	Never	sometimes	often	always
I consider India's investment policy	9	48	40	15
I consider India's Foreign Investment Policy	6	66	29	11
I look at political situation of India	7	42	48	16
I consider foreign market performance	4	59	36	13
Financial Analysis				
I will determine the return I will get	46	29	25	13
I consider the disciplinary background of the company	72	14	19	25
I will refer to the company news and company financials reports e.g. annual reports	19	29	31	25
I make some fundamental analysis of the company's stock (e.g., calculate stock price, dividend yield, comparing PE Ratio) before investing	14	66	55	69
Economic Analysis				

I will refer to the state of US economy	13	3	6	4
I will refer to the world economies scenarios	3	71	28	10
I will refer to market price movement or current price	23	28	36	20
I will refer to historical share prices	13	11	18	21
I will refer to real time prices	4	58	30	21

Most of the people consider the Environmental analysis which include Indian investment policy, political situation of country, and foreign market performance and foreign investment policy
Almost 80% of investor consider financial analysis in terms of Return they will get background of the company and 92 % of them consider annual reports of the company and fundamental analysis of company
Only 109 people prefer economic Analysis for their investment which include current marketing movement, historical share price Etc.

Table B

(Scale: 1: Never, 2: Sometimes, 3: Often, 4: Always)

Emotion	Never	Sometimes	Often	Always
I will buy the stocks based on speculations (e.g., takeover and merger)	10	66	29	7
I make my investment selection choice based on feelings and beliefs	7	63	30	10
I take investment decision on the basis of my heart not by mind	9	65	24	14
I make investment in equity for earning huge money	7	10	14	12
Actions				
While I make decisions, I tend to rely on intuition	6	3	6	4
While making a decision, I rely upon my instinct	65	71	61	59
While making a decision, I trust my inner feelings and reactions.	30	31	31	39
I often make impulsive decisions.	11	8	11	9

In above table its shows that what are the actions taken by the investor before Making investment such as Emotional, Influence, personal belief's etc.

Frame of references	S. Agree	Agree	Neutral	Disagree	S. Disagree
Tips givens by my friends	25	15	21	20	28
Recommendation or advice from remise /dealer/broker/analyst	74	81	73	71	68
Based on the top ten most active counters of the day	5	7	7	13	7

Recommendation or advice from other sources. i.e. newspapers, magazines, internet, etc.	2	5	4	5	6
Recommendations or advise from my family members	6	2	5	2	3
Risk Aversion					
I Prefer to avoid risk while choosing stock for Investment.	16	9	11	6	10
I prefer to invest in low risk / high return stocks with a steady Performance.	54	82	68	74	35
I prefer to remain with an investment strategy that has known problems rather than take the risk trying a new investment Strategy that has unknown problems.	2	2	4	2	9
I view risk in investment as a situation to be avoided	2	1	2	3	11

In above table shows the actions taken by the investor before making investment such as Emotional, Influence, personal belief's Etc.

PART IV

INVESTMENT DECISION MAKING STYLE

(1. Strongly Disagree; 2. Disagree; 3. Neutral; 4. Agree; 5. Strongly Agree)

Terms	S. Agree	Agree	Neutral	Disagree	S. Disagree
Rational Decision-Making Style					
I double check my information sources to be sure I Have the right facts before making decisions.	50	30	10	10	-
I make decisions in a logical and systematic way	40	60	-	13	
My decision making requires careful thought	70	20	-	7	5
When making a decision, I consider various options in terms of a specified goal	50	30	10		20
I explore all of my options before making a decision	70	-	-	-	-
Intuitive Decision-Making Style					
When making decisions, I rely upon my instincts.	30		30	40	
When I make decisions, I tend to rely on my intuition	40	30	20		23
I generally make decisions that feel right to me	70			30	
When I make a decision, it is more important for me to feel the decision is right than to have a rational reason for it	50	30	10		23
When making a decision, I trust my inner feelings and reactions.	10	7	4	20	70
Dependent Decision-Making Style					
I often need the assistance of other people when Making important decisions.	70	30		10	10
I rarely make important decisions without consulting other people	30	20	10	50	

If I have the support of others, it is easier for me to make important decisions	70	10		25	26
I use the advice of other people in making my important decisions	70	20			10
I like to have someone steer me in the right direction when I am faced with important decisions	50	25		30	
Avoidant Decision-Making Style					
I avoid making important decisions until the pressure is on	70	10		30	
I postpone decision making whenever possible	5			10	80
I often procrastinate when it comes to making important decision	10		30		60
I generally make important decisions at the last minute			20		90
I put off making decisions because thinking about them makes me uneasy	10				80
Spontaneous Decision-Making Style					
I generally make snap decisions	20	-	30	50	13
I often make decisions on the spur of the moment	40	-	-	-	70
I make quick decisions	50		30	40	
I often make impulsive decisions				70	40
When making decisions I do what feels natural at the moment	20	10	30	50	-

from the following table we come to know that the decision-making style of investors which includes the rational decision making Approach, Intuitive Decision Making Approach, Dependent Decision Making Approach, Avoidant Decision Making Approach, Spontaneous Decision Making Approach.

3. Findings

1. Among the 113 respondent 55.8% are married and 44.4 are single which shows some people are investing for their secure future and some are investing for to create another income source.
2. 63.6% people are lives in a join family and 36% in nuclear family the most people do investment to taking care of their family.
3. According to Research there are less female respondent who invest in Equity market as compare to male candidate.
4. Most of the people are do investment to generate earning.
5. Most of the people are self-employee and remaining are private employee or government.
6. There is relationship between demographic and other factors that impacting decision- making style.
7. Inventor are able to get transparent information about their investment instrument through different sources.

4. Possible Methodological Limitation

1. Lack of available and/or reliable data.
2. Lack of prior research studies on the topic.
3. Measure used to collect the data.
4. Lack of generalizability
5. Time constraint.
6. Resource constraint
7. No direct source of information available

5. Conclusion

The study's goal is to determine how various factors interact with investing decision-making styles. Investors from varied socioeconomic and demographic backgrounds regarded all of the characteristics to be equally relevant. Furthermore, the variables have different influence on the types of investment decisions made by investors. There are sensible and illogical reasons for things. Factors that were discovered to have an impact on all of the styles

When it comes to investments, different investors have demonstrated distinct investing patterns or patterns. It depends on their objectives and commitments. Despite the lack of a strategy, some people can be successful in their financial decisions. The best investment option is one that considers the fundamentals of the company. Investors are conscious of their own emotions and biases, which they do not allow to influence their decisions. Individual investors should select reliable investment partners or partnerships as their investment sources. They can start forums to help each other get reliable stock market information. A group of investors working together will help them limit risks and increase the chances of a good investment outcome.

6. References

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