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A STUDY ON BEHAVIOURAL FINANCE AND ITS IMPACT ON DECISION MAKING OF AN INVESTMENT

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ABSTRACT
Behavioural finance questions the long-held belief in market rationality by investigating the impact of human psychology on financial decision-making. This study delves into the foundational ideas of behavioural finance, illuminating the ways in which emotions, cognitive biases, and shortcuts influence the actions of investors. It draws attention to the substantial impacts of these irrationalities on monetary choices by examining them. The research delves into certain biases including herding, anchoring, overconfidence, and loss aversion that impact investing decisions. Market inefficiencies caused by these biases may impact asset values and cast doubt on the long-held assumption that markets are inherently efficient.This study delves at the ways in which fear and greed influence financial decisions. Investors' impulsive actions, fuelled by these emotions, have the potential to cause market fluctuations. Investors may improve their risk management and strategy development by understanding the psychological aspects that play a role in decision-making. The need of comprehending behavioural finance for different parties is emphasized in the article. To counteract the detrimental impacts of cognitive and emotional biases in financial decisions, it emphasizes the need of raising awareness and providing education. These initiatives may aid lawmakers, financial advisers, and investors in making better decisions in the financial markets by encouraging educated and reasonable decision-making.

INTRODUCTION

Investors may embrace their rational side by basing their judgments on all the available facts and on the many theories and models in the financial area. But new developments in the financial sector have shown the significant importance that psychology and human behavior play in the decision-making process for investments. As a result of this insight, the fascinating discipline of behavioural finance has emerged, which sheds light on the ways in which investors' emotions, biases, and social influences shape their decisions. Psychological biases and illogical behavior cause investors to stray from the rational decision-making framework, which behavioural finance aims to remedy. Poor financial decisions and results could be the result of irrational biases. Overconfidence, loss aversion, anchoring, and mindset are common forms of behavioral bias. It is critical for financial advisors and individual investors to understand how behavioral finance influences investing decisions. Investor may learn a lot about the market and how the financial market works in general by considering both of these elements.

The process of market anomalies, illogical market behavior, and continuous divergence from established beliefs is well explained by this inquiry. But there are real-world consequences for financial advisors, investors, and lawmakers stemming from research into behavioral finance. Individual investors may feel the effects of behavioural finance, which can aid in reducing the impact of typical biases on investment decisions. By doing so, they will be able to identify their own biases, such as an emotional connection to their investments, an illogical sense of risk, or the tendency to follow the crowd, and overcome them to make sensible decisions. The advice-giving abilities of a financial adviser may be enhanced by their familiarity with behavioral finance. They take their customers' individual psychological characteristics into account while trying to persuade them to make investments with a longer time horizon.

Investment options are shaped by what we know about human psychology and behavior gleaned from this study and other sources of literature, research, and case studies. By doing so, we want to provide a thorough

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explanation of how behavioral finance is impacting investors' investment decision-making and, more specifically, what insights into investment strategies and financial decision-making are most important.

Behavioural finance refers to the study of factors that impact investors' decision-making processes in relation to the financial markets. When it comes to explaining the efficiency of financial markets and fostering innovation, behavioral finance is a great tool. Human psychology as it relates to the stock market and investor choices is the primary focus of this field of study. Behavioural finance provides explanations and solutions to questions about the emotional factors that impact stock prices. The field of behavioural finance was established in the 1970s and 1980s by economist Robert J. Shiller, psychologists Amos Tversky and Daniel Kahneman, and others. To learn about people's mental processes when it comes to making financial decisions, they have conducted extensive study on heuristics and unconscious biases. There has been some debate in the academic community over whether or not the efficient market hypothesis is static or subject to change. Due to the market's various inefficiencies and obstacles, investors often misjudge the relationship between price and risk. Advisors trained in behavioural economics, a field that draws on economic psychology, have seen a meteoric rise in popularity within financial groups in recent decades.

Better judgments and more reasonable expectations may be mapped out with the help of behavioral finance. The field of behavioral economics encompasses knowledge of both economic conduct and psychology. It explains the reasons investors would act on their emotions instead of reasoning and how this will impact economic models. If investor want to know why seasoned investors sell their shares at the top and buy them back at the bottom, or why regular people don't utilize their savings accounts to pay off big debt, this article has investor covered. A lack of market knowledge will prevent investors from making informed decisions. In addition to laying the groundwork for investors to avoid making the same mistakes, behavioural economics has spoken about the systemic errors and biases that might happen in certain situations. Humans rely heavily on two features of their behavior: heuristics and biases. An investor will seek the counsel of financial specialists when making decisions that are too complicated. In order to make predictions about future returns, a heuristic will look at historical performance. However, it will not take into account factors like how fully valued a stock is or changes in the economy. Mutual funds, according to investors, were riding high on the back of stock price drops and other market efficiency factors. On the other hand, claims that the mutual fund sector is booming due to the fact that investing shortcuts may be both lucrative and risk-reducing. Thankfully, investors know that heuristics might be wrong, which could influence their decision-making. Some helpful financial heuristics, such as saving 10% and having a 70% replacement ratio in retirement.

Some of the Factors

When monetary and economic heuristics cause people to form erroneous beliefs and assessments, this is known as a cognitive bias.

• **Falling victim to self-attribution bias:** attributing successful investment results to one's own abilities while attributing unsuccessful results to chance.

• **Confirmation bias:** When making financial or investing decisions, it's human nature to focus on data that supports existing beliefs while ignoring data that challenges them. One example is the phenomenon known as "representative bias," which occurs when people incorrectly assume a stronger relationship between two things than exists in reality.

• **Farming bias** : It refers to the propensity to respond to a certain financial opportunity according on its presentation.

• **Anchoring bias:** This happens when investor let the first number or price investor see influence investorr opinion too much.

• **Loss aversion:** the tendency to forego potentially lucrative investments in Favor of avoiding losses, as opposed to seizing opportunities when they arise.

STATEMENT OF THE PROBLEM

The impact of psychological variables on investing decisions is the primary subject of this study, which investigates the interplay between human behavior and financial markets. Investors' emotional and cognitive biases are discussed, and how they impact the rationality and efficacy of financial choices. Better understanding the complex relationship between human psychology and financial markets is the overarching goal of this study, which aspires to inform scholars, practitioners, and regulators. The overarching goal of this research is to fill a gap in our understanding of how to make sound financial decisions and improve investing strategies by taking into account the subtleties of human behavior.

OBJECTIVES OF THE STUDY

- To find out more about behavioral finance.
- To understand the investor's choice while making an investment.
- To examine the elements that impact the investor's actions throughout the investment process.
- To provide recommendations based on the study's results.

HYPOTHESIS

Hypothesis – I
H0: There is no significance impact of the Gender on Investment Objectives
H1: There is a Significance impact of the Gender on Investment Objectives
Hypothesis – II
H0: There is no Significance impact of the Gender on Behaviour of Investor
H1: There is a Significance impact of the Gender on Behaviour of Investor
Hypothesis – III
H0: There is no Significance impact of the Income on Investment Objectives
H1: There is a Significance impact of Income on Investment objectives
Hypothesis – IV
H0: There is no Significance impact of Income on Behaviour of Investors
H1: There is a Significance impact of Income on Behaviour of Investors

RESEARCH METHODOLOGY

Source of Data
The source of data collected is both primary and secondary data
Primary data: The data is gathered from the questionnaire Survey from the selected area of the study
Research Design: Descriptive and Exploratory Design
Sampling Design: Convenient Sampling
Sampling Procedure: Simple Random Sampling
Sample Size; 206 (out of 210)
Tool for Analysis: Structured Questionnaire
Secondary Data: The data is gathered from the secondary source of data from websites, journals, textbooks etc.

LIMITATIONS OF THE STUDY

- The time factor is a major constraint of the project.
- The reliability of the project's data for use in making decisions is debatable.
- The research only looked at one location, so the results may not apply to others.
- A total of 206 respondents were included in the research.

REVIEW OF LITERATURE

“Behavioural finance biases in investment decision making” by Muhammad Atif Sattar, Muhammad Toseef (April 2020): According to the rules of conventional finance, an investor's decision on an investment will be influenced by two main considerations: risk and return. After factoring in these considerations, the investor will have a better idea of how much money they can make, but behavioural finance will eventually warn conventional financiers that investors' emotions might influence their investing decisions. Finding out how behavioral finance influences investor psychology during decision-making is the primary goal of the study. To learn how behavioural finance plays a role in the decision-making process, these studies look at how human rational and irrational behavior might influence investment alternatives. Considering heuristics, prospects, personality traits, emotions, moods, and ecological aspects will allow investor to complete this assignment. The project's results indicate that investing decisions will be influenced by behavioral finance. They came to the conclusion that heuristic behaviors are more affected by these than by prospects' and individuals' personality traits.

“Role of behavioural finance in individual investor investment decision in the financial market” by Naveed Jan, Muhammad Adil, Dilkash Sapna, Uzma Haroon (January 2021): Individuals' decision-making processes in relation to financial markets are the focus of behavior finance. Traditional finance and behavioral finance are the two main schools of thought when it comes to studying markets. Returns, risk, the effective market, rationality, and classical finance theories like Markowitz are all part of conventional finance. As a means of estimating risk and return, these ideas enjoy widespread popularity in 1930. Midway through the 1990s, however, investors encountered several problems with the standard theories of finance. Next, the field of behavioral finance emerges. The field of behavioral finance studies the impact of investors' sociology and

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psychology on their financial decisions. This research explains the key distinctions between individual investors and institutional investors.

"A study on behavioural finance in investment decisions of investors in Ahmedabad" by Prof. Devrshi Upadhyay, DR. Paresh Shah (7 July 2019): Behavioural finance is a cutting-edge method for understanding the impact of investors' mental processes on their decisions in uncertain situations. If we want to understand people's thoughts and feelings while they're deciding between various investing options, behavioural finance is a must-read. We learned about people's thoughts while investing in various investment options (i.e., their investment mindset) from this project. The primary objective of the research is to identify the elements that impact an investor's behavior. Individuals' decision-making processes in the stock market are impacted by ideas like mental accounting, overconfidence, representation, anchoring cognitive dissonance, regret aversion, and restricted framing. This poll involved 181 people of Ahmedabad and was conducted via a questionnaire. Understanding the variables impacting investors is a secondary goal, but understanding the impacts of behavioral finance on decision-making is the main purpose.

"Behavioural finance and its usage to solve policy making problems; example: In household finance" by Oumaima Zahouane (February 2019): It is common practice to have a working knowledge of behavioral finance when formulating policy or making judgments, given the subject of behavioural finance is relatively new. Many investors are just starting out in the behavioral finance industry. It is crucial to have a thorough grasp of the framing policies. One of the most important areas of household finance is the public's view of behavioral finance. Randomized controlled trials and cost-benefit analyses are two of the policy framing methods mentioned in this article. Assuming improved saving habits and more investor excellence is helped by these theses.

"Impact of behavioural finance on investment decision making: A study of selected investment banks in Nigeria" by Olubunmi Edward Ogunlusi, Olalekan Obademi (April 2019): This experiment examined the effects of behavioral finance on the decision-making process around investments. Afrin Vest West Africa Limited, meristem Securities, Vetiva Capital, and ARM Nigeria Limited are the four investment banks that comprise the survey's 200 interviewees. Percentages, multiple regression, and correlation are used for data table analysis. According to the study's results, there's a strong and negative correlation between heuristics and investment decisions, a very good correlation between prospect theory and individual investment decisions, and a very good correlation between heuristics and individual investment decisions. According to the project's results and recommendations, there are a lot of things that could affect an investor's actions, and we need to be cognizant of the heuristics that take these things into account.

. "Study of behavioural finance with reference to investment behaviour" by Kavita Shah (December 2014): Theories such as the efficient market hypothesis, the capital asset pricing model, and portfolio optimization theory are cited by conventional and traditional finance. Individual, organizational, and collective decision-making may be influenced by problems in psychology and sociology, which behavioural finance helps to investigate. It seizes the opportunity to learn more about the financial markets and how investors act while making investments. Theories such as prospect theory, financial cognitive dissonance, loss aversion, and overconfidence are the primary foci of this study. Researchers came to the conclusion that people may avoid making the same mistakes again by following some of the financial ideas offered.

DATA ANALYSIS

Gender

Gender	Response	Percentage
Male	100	49
Female	106	51
Total	206	100

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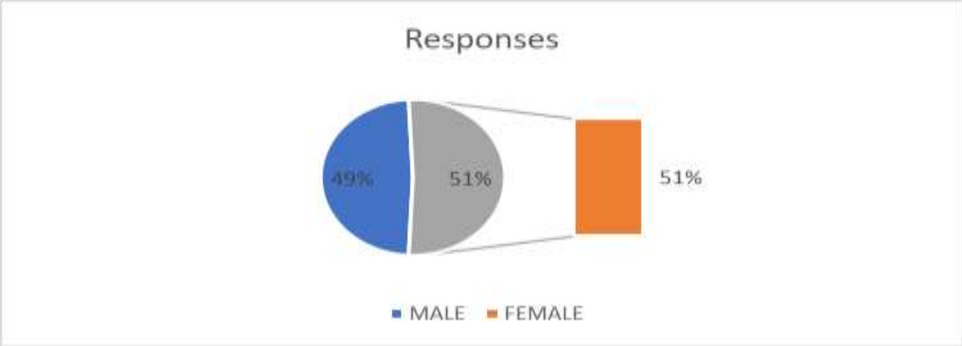
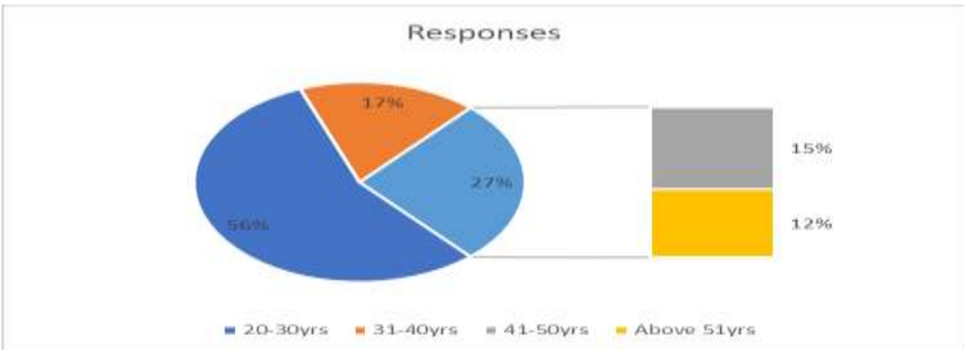


Interpretation: Classification according to gender is seen in the graph above. There are more men than women among the 206 responses (49% vs. 51.%). That 51% of the respondents are female is quite evident.

Age

Age	Responses	Percentage
20-30yrs	115	56
31-40yrs	36	17
41-50yrs	30	15
Above 51yrs	25	12
Total	206	100



Interpretation: About the age factor, the accompanying graphic shows. The age distribution of the 206 respondents is as follows: 56% are in the 20-30 age bracket, 17% are in the 31-40 age bracket, 15% are in the 41-50 age bracket, and 12% are above the 50-age bracket. A whopping 56% of the replies come from those in the 20-to 30-something age bracket.

Income

Income	Responses	Percentage
Below 200000	88	43
200001 – 400000	33	16
400001 – 600000	33	16
600001 – 800000	25	12
Above 800001	27	13
Total	206	100

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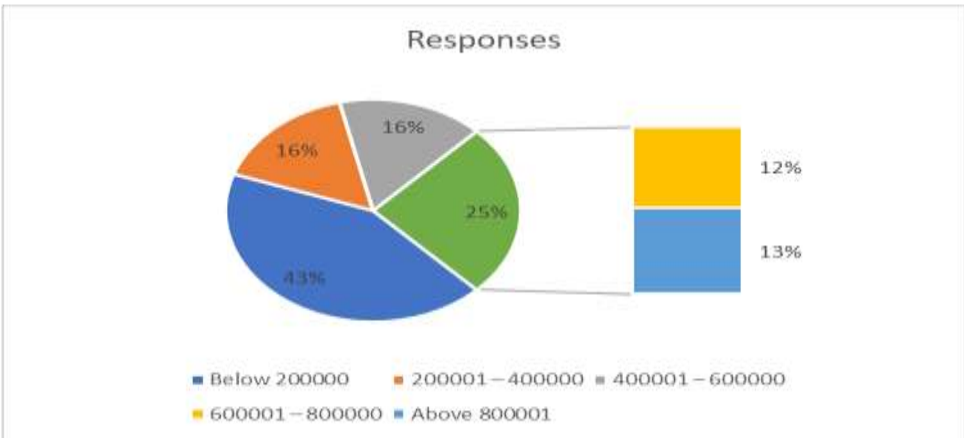
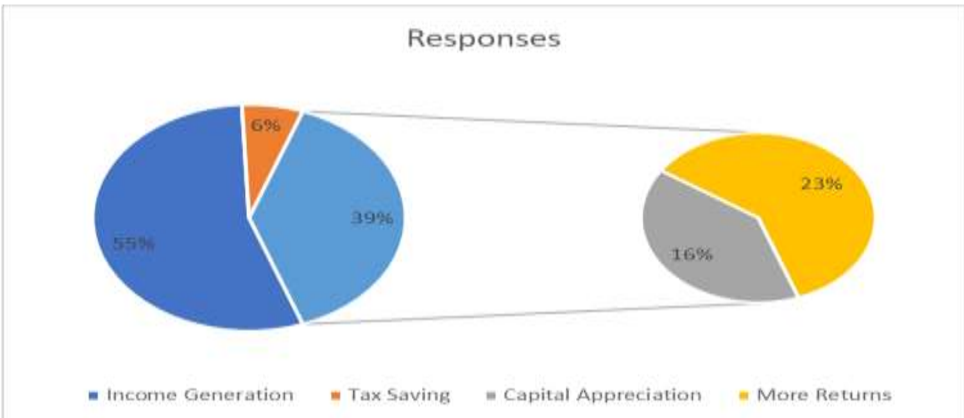


Interpretation - The income level is shown on the graph up there. The following income brackets are represented among the 206 respondents: 43% have incomes below 2 lakhs, 16.0% have incomes between 2.1 lakhs and 4 lakhs, 16.0% have incomes between 4.1 lakhs and 6 lakhs, and 13% have incomes above 8.1 lakhs. Of those who took the survey, 43 % are from areas with a population of less than below 2 lakhs.

Investment Objective

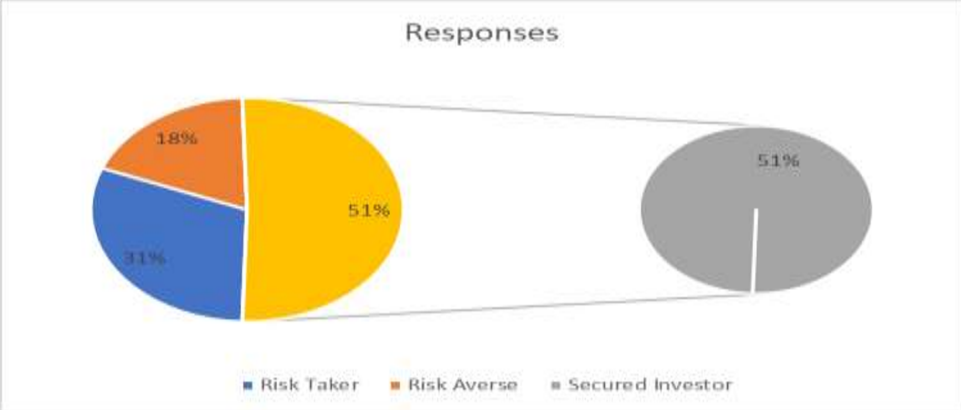
Objective	Responses	Percentage
Income Generation	113	55
Tax Saving	13	6
Capital Appreciation	32	16
More Returns	48	23
Total	206	100



INTERPRETATION: -The above graph explains about the investors objective at the time of taking investment decisions. Out of 206 respondents, 55% of respondents' objective is income generation, 6% of respondents' objective is tax saving,16% of respondents' objective is capital appreciation,23% of respondents' objective is more returns. The majority of the investment can be done because of income generation that is 55%.

Behaviour of the Investor

Behaviour	Responses	Percentage
Risk Taker	63	31
Risk Averse	38	18
Secured Investor	105	51
Total	206	100



INTERPRETATION: - The above graph represents about the behaviour of investors for getting returns. Out of 206 respondents,31% of the respondents are risk takers,18% of the respondents are risk averse and 51% of the respondents are secured Investors. The majority of the respondents are opted for secured Investors that is 51%.

HYPOTHESIS TESTING

Hypothesis – I

H0: There is no significance impact of the Gender on Investment Objectives

H1: There is a Significance impact of the Gender on Investment Objectives

Case Processing Summary						
	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Gender * What is the main objective of investorr investment	206	100.0%	0	0.0%	206	100.0%

Gender * What is the main objective of investorr investment							
			What is the main objective of investorr investment				Total
			Income generation	Tax saving	Capital appreciation	More returns	
Gender	Male	Count	59	1	18	22	100
		Expected Count	54.9	6.3	15.5	23.3	100.0
		% within Gender	59.0%	1.0%	18.0%	22.0%	100.0%
	Female	Count	54	12	14	26	106
		Expected Count	58.1	6.7	16.5	24.7	106.0
		% within Gender	50.9%	11.3%	13.2%	24.5%	100.0%
Total		Count	113	13	32	48	206
		Expected Count	113.0	13.0	32.0	48.0	206.0
		% within Gender	54.9%	6.3%	15.5%	23.3%	100.0%

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	10.196a	3	.017
Likelihood Ratio	11.852	3	.008
Linear-by-Linear Association	.217	1	.641
N of Valid Cases	206		
a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 6.31.			

Interpretation: From the above calculation, we came to know that the calculated value is lower than the table value that is (10.196<11.345). Therefore, **Null hypothesis (H0) is accepted and Alternative hypothesis (H1) is rejected**

Hypothesis – II
H0: There is no Significance impact of the Gender on Behaviour of Investor
H1: There is a Significance impact of the Gender on Behaviour of Investor

Case Processing Summary						
	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Gender * What is the behaviour of investorr investment to get returns	206	100.0%	0	0.0%	206	100.0%

Gender * What is the behaviour of investorr investment to get returns						
			What is the behaviour of investorr investment to get returns			Total
			Risk taker	Risk averse	Secured Investor	
Gender	Male	Count	39	20	41	100
		Expected Count	30.6	18.4	51.0	100.0
		% within Gender	39.0%	20.0%	41.0%	100.0%
	Female	Count	24	18	64	106
		Expected Count	32.4	19.6	54.0	106.0
		% within Gender	22.6%	17.0%	60.4%	100.0%
Total		Count	63	38	105	206
		Expected Count	63.0	38.0	105.0	206.0
		% within Gender	30.6%	18.4%	51.0%	100.0%

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	8.547a	2	.014
Likelihood Ratio	8.616	2	.013
Linear-by-Linear Association	8.449	1	.004
N of Valid Cases	206		
a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 18.45.			

Interpretation: - From the above calculation, we came to know that the calculated value is lower than the table value that is (8.547<9.10). Therefore, **Null hypothesis (H0) is accepted and Alternative hypothesis (H1) is rejected.**

Hypothesis – III
H0: There is no Significance impact of the Income on Investment Objectives
H1: There is a Significance impact of Income on Investment objectives

Case Processing Summary						
	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Income *What is the main objective of investorr investment	206	100.0%	0	0.0%	206	100.0%

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Income * What is the main objective of investorr investment Crosstabulation							
			What is the main objective of investorr investment				Total
			Income generation	Tax saving	Capital appreciation	More returns	
Income	Below 2 lakhs	Count	50	9	9	20	88
		Expected Count	48.3	5.6	13.7	20.5	88.0
		% within Income	56.8%	10.2%	10.2%	22.7%	100.0%
	2 – 4 lakhs	Count	21	1	4	7	33
		Expected Count	18.1	2.1	5.1	7.7	33.0
		% within Income	63.6%	3.0%	12.1%	21.2%	100.0%
	4 – 6 lakhs	Count	21	2	3	7	33
		Expected Count	18.1	2.1	5.1	7.7	33.0
		% within Income	63.6%	6.1%	9.1%	21.2%	100.0%
	6 – 8 lakhs	Count	12	1	6	6	25
		Expected Count	13.7	1.6	3.9	5.8	25.0
		% within Income	48.0%	4.0%	24.0%	24.0%	100.0%
	Above 8 lakhs	Count	9	0	10	8	27
		Expected Count	14.8	1.7	4.2	6.3	27.0
		% within Income	33.3%	0.0%	37.0%	29.6%	100.0%
Total		Count	113	13	32	48	206
		Expected Count	113.0	13.0	32.0	48.0	206.0
		% within Income	54.9%	6.3%	15.5%	23.3%	100.0%

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	20.624a	12	.056
Likelihood Ratio	20.419	12	.060
Linear-by-Linear Association	4.153	1	.042
N of Valid Cases	206		
a. 6 cells (30.0%) have expected count less than 5. The minimum expected count is 1.58.			

Interpretation: - From the above calculation, we came to know that the calculated value is lower than the table value that is (20.624<21.026). Therefore, **Null hypothesis (H0) is accepted and Alternative hypothesis (H1) is rejected.**

Hypothesis – IV

H0: There is no Significance impact of Income on Behaviour of Investors

H1: There is a Significance impact of Income on Behaviour of Investors

Case Processing Summary						
	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Income * What is the behaviour of investorr investment to get returns	206	100.0%	0	0.0%	206	100.0%

Income * What is the behaviour of investorr investment to get returns Crosstabulation						
			What is the behaviour of investorr investment to get returns			Total
			Risk taker	Risk averse	Secured Investor	
Income	Below 2 lakhs	Count	22	16	50	88
		Expected Count	26.9	16.2	44.9	88.0
		% within Income	25.0%	18.2%	56.8%	100.0%
	2 – 4 lakhs	Count	9	7	17	33
		Expected Count	10.1	6.1	16.8	33.0

		% within Income	27.3%	21.2%	51.5%	100.0%
	4 – 6 lakhs	Count	10	6	17	33
		Expected Count	10.1	6.1	16.8	33.0
		% within Income	30.3%	18.2%	51.5%	100.0%
	6 – 8 lakhs	Count	9	7	9	25
		Expected Count	7.6	4.6	12.7	25.0
		% within Income	36.0%	28.0%	36.0%	100.0%
	Above 8 lakhs	Count	13	2	12	27
		Expected Count	8.3	5.0	13.8	27.0
		% within Income	48.1%	7.4%	44.4%	100.0%
Total		Count	63	38	105	206
		Expected Count	63.0	38.0	105.0	206.0
		% within Income	30.6%	18.4%	51.0%	100.0%

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	9.061a	8	.337
Likelihood Ratio	9.169	8	.328
Linear-by-Linear Association	4.600	1	.032
N of Valid Cases	206		
a. 2 cells (13.3%) have expected count less than 5. The minimum expected count is 4.61.			

Interpretation: - From the above calculation, we came to know that the calculated value is lower than the table value that is (9.061<9.524). Therefore, **Null hypothesis (H0) is accepted and Alternative hypothesis (H1) is rejected.**

FINDINGS

- 48.5% are male and 51.5% are female. It clearly shows that, majority of the responses are from female with 51.5%.
- 55.8% of the respondents are related to the age group between 20-30.
- Out of 206 respondents, only 13.14% of the investors are having the income above five lakhs.
- Out of 206 respondents, 34.5 % responses are from the investors who have done their graduation,26.5% responses are from the investors who have done their post-graduation and 39.3% responses are from the investors related to other categories of qualifications.
- Both private employees and self-employed are investing more, that is 36.42% and 26.21%.
- It's clearly shows that majority of the investors have ranked their priority in investment avenues as accordingly, 1st position to real-estate,2nd position to gold& silver, 3rd position to insurance, 4th position to fixed deposits, 5th position to mutual funds and 6th position to stocks depending upon their interest towards the investment done by them.
- 35% of the respondents are altering their portfolio of investment quarterly.
- It is very clear that 54.9% respondents stated their objective for doing the investment to generate the income.
- 33.5% of the respondents are allotted there 10%-20% of their income for investment.
- 49.5% of the investors have been influenced with the help of their friends and family.
- Out of 206 respondents, 30.1% of the respondents are opted short term investment, 39.3% of the respondents are opted medium term investment, 30.6% of the respondents are opted long term investment. The majority of the respondents are investing for medium term that is 39.3%.
- 51% of the respondents are opted for secured investment.
- 49% of the respondents will do the investment for their future needs.
- 51% of the respondents choose returns has a guiding factor.
- Out of 206 respondents, 24.3% of the respondents are demotivated by the company profile, 10.7% of the respondents are demotivated by the premium, 22.3% respondents are demotivated by the lack of understanding, 9.2% of the respondents are demotivated by low potential returns, 15% of the respondents are demotivated by the risk and 18.4% respondents are demotivated by other factors. The majority of the respondents are demotivated by the company profile that is 24.3%.
- 44.2% respondents agreed that investors psychology will affect the investment decision making.
- 30.6% of the respondents says that social media may or may not affect the investment decision making.
- 33.5% respondents agreed that family structure will affect the investment decision making.

- 45.6% respondents agreed that social interaction will affect the investment decision making.
- 38.8% respondents says that the ethical judgement of religion may or may not affect the investment decision making.
- 39.8% respondents agreed that the investors personality and over confidence will affect the investment decision making.

Suggestions

- There has to be a continuation of the increased investment by private workers and self-employed people and an improvement in investment by government personnel.
- According to the ranking of investment options, real estate is at the top. However, those with lower incomes might consider alternate options, such as insurance or fixed deposits, if they cannot afford real estate.
- A large number of participants are required to implement corrective actions when they make changes to their portfolio, which occurs on a quarterly basis.
- Investors should take steps to increase their capital since earning income is their primary goal.
- In order for the investor's profits on the investment to potentially double, they are need to invest a substantial amount of their income.
- An enhancement in the targeted investment channel may be achieved by increasing advertising and promotional efforts.
- If Investor want to increase investorr income, investor need to make investments that last.
- Investors need to be made aware that they may take risks and earn higher returns, even if many of them choose protected investments.
- Family and friends are helping a lot of investors make choices. At the moment of investing, I think they should take the initiative on their own.
- A lot of investors are thinking about what they'll need in the future, so they need to figure out how to double their money.
- It is important to be conscious of portfolio diversity, even if most respondents are picking returns as their leading element.
- In order to alleviate these issues that discourage investing, investors might seek guidance from financial consultants or read publications that detail numerous investment options.

Future Scope of the Study

- Research in the future may look at how behavioral finance insights might be combined with new technologies like AI and ML, as they are already changing the financial environment.
- Potentially fruitful directions for future study include examining cultural and geographical differences in behavioral biases.
- To have a better grasp on how behavioral biases develop, longitudinal studies tracking investor behavior over time are a great place to start.
- Gaining insights into the neurological mechanisms behind financial decision-making might be achieved via future research at the interface of neuroscience and behavioral finance.
- Examining the impact of behavioral finance principles on company decision-making might be the subject of future research, broadening the scope beyond individual investors.
- The expanding significance of cryptocurrency markets suggests that studies on the application of behavioral finance concepts to digital assets should be considered for the future.
- Future research may want to look at how well educational interventions might reduce behavioral biases.

CONCLUSION

In order to comprehend the substantial influence of psychological elements on investing decision-making, this research has explored the domain of behavioral finance. Insights into the irrationality of financial market behavior have been greatly enhanced by research into cognitive biases, emotional impacts, and the consequences of these factors. Recognizing the limits of rational decision-making is crucial, as shown by the discovered behavioral biases such as overconfidence, loss aversion, anchoring, and herding. Market inefficiencies may be both problematic and advantageous since investors are human and subject to biases. A number of studies have shown that investors' emotions, particularly greed and fear, significantly impact their financial choices. The study's real-world consequences highlight the need of rethinking regulatory structures and implementing educational interventions to encourage better decision-making. Finally, by illuminating the intricacies of investor behavior, our study adds to the expanding corpus of knowledge in behavioral finance. A more robust and adaptable financial ecosystem may be achieved by recognizing and comprehending these behavioral features; this, in turn, leads to better investment strategies, risk management methods, and regulatory considerations.

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