A Survey of Factors Affecting Investment Decision Making of Individual Investors from Hyderabad City

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Abstract— This research analyzes and observes the factors which affect the investment decision making of an individual investor. The paper highlights study of the same aspect namely in terms of demographic factors, investors choices and preferences, monetary factors and other factors, and the implications collected are stated. A questionnaire was formulated using both closed- ended and open-ended questions and circulated using Google Forms among investors from Hyderabad city. The scaling technique used in the questions was Likert scale (5 Point). Non- random sampling was used under which convenience sampling was done to reach a sample size of 40 respondents (all above the age of 18 were included). The nature of collected data is quantitative data. The data recorded is displayed in the form of tables and bar charts, application of statistical technique of simple percentages is done. The results indicate a decrease in gender gap among investors, a greater number of young and middle-aged investors, preference of tangible assets, public sector banks being used for payments, preference of periodic returns, less tax being paid and higher return being earned on investments. Further, a number of investment options are ranked on the basis of investor preference. External factors are also listed and inferred. Followed by a conclusion towards the end.

Indexed Terms- Investment objective, Investor choice, Investment avenues, Preferable investment, MS Excel.

I. INTRODUCTION

An investment refers to a commitment of funds with an anticipation of expected returns associated with a particular level of risk. It refers to the transfer of funds by individuals, entities and organizations into financial assets or instruments which have the ability to provide a monetary benefit over a fixed time period.

The ones who are engaged in investments are called as investors. Unlike institutional investors, individual investors, also known as retail investors or small investors, who buy small quantities of financial assets or instruments for themselves.

In terms of economics, an investment is also seen as a tool which is used to direct the surplus funds to industrial sector with a particular motive such as earning gains, safety of idle funds and many more. This motive is particularly known as the investment objective of an investor.

Investment decision making is the process of choosing and customizing one's investment options. It is concerned with choosing the investment that leads to fulfillment of the criteria which provides the investor with the maximum satisfaction at an optimal cost.

Various factors such as risk tolerance, market conditions, tax implications, liquidity, time period, investment objective, demographic factors, financial factors, economic factors influence the decision making of an investor.

The present investment scenario is discussed as follows: due to the increasing rate of confidence among investors, the investment culture in India is improving daily. India's economy is currently ranked as the fifth largest in the world. With a remarkable GDP rate, India has propelled it to third place among number of developing countries, particularly when considering purchasing power parity .The current scenario of Indian investors includes huge dependency on traditional investment options such as gold, bank deposits and pension schemes which have a lower risk where a longer time period is present. However, in recent times, the advent of digital solutions has led to an increase in modern investment options such as mutual funds and shares.

To further merge the gap between the past investment scenario and current investment scenario with respect to the factors which effect the decision making of investors this research has been formulated.

II. LITERATURE REVIEW

The below given are some available sources of literature which have formed a base for our study and also helped us in the formation of our questionnaire for the survey.

The paper shows that they have done a quantitative survey using closed ended questions. The outcomes include - open market purchases were least preferred, high reliance on self-gathered information and both short term and long-term investments were made. The results state the relevance of mindfulness in taking rational investment decisions is necessary. (Dr. Anjali Bhatnagar, Gunjan Aggarwal, 2021).

The research is made in the form of a theoretical model using historical data. It states people with existing knowledge of investments from any medium (such as finance or commerce courses in education; idea from existing investors around them such as family/friends) make better informed investment decisions which usually have a higher risk tolerance and support the idea of diversification (Reema Sharma, 2020) .

This paper studies various risk factors, investment criteria of investors and physiological trait of conscientiousness and how they impact the investment decision making in India. They used several past studies and hypothesis testing to support their point. Major findings indicate a positive relation between risk factors and investment priority it also shows that investment priority and investment strategy were positively and significantly related to investment decision-making. (Jaheera Thasleema Abdul Lathief, Sunitha Chelliah Kumaravel, Regina Velnadar, Ravi Varma Vijayan, Satyanarayana Parayitam, 2024).

The thesis shows the nature of individual investors selected from various income groups of a sample taken from Kerela. The study conducted is analytical and a questionnaire has been used for the same. Few of the statistical tools used were- arithmetic mean, chi-square test, one sample t-test, spearman's rank correlation and many more. With the use hypothesis testing and several statistical tools they have given the following outcomes- income group, occupation leads to a noteworthy difference in portfolio creation of investors; the risk perception is same regardless of income levels, while in case of occupation risk perception made an impact on portfolio creation of the investors. (Rani.S, 2017)

The thesis carries out quantitative research done on a sample from Odisha. Investment decisions are positively related to sources of information, also indicating financial knowledge has significant and positive impact on financial literacy. Techniques such as Spearman's Rank Correlation and also Structural Equation modeling were used respectively. (Banthia, 2021)

Financial knowledge and risk tolerance have a positive relation with investment decision making, the empirical study conducted on certified investors who belong from Indonesia, and have attended their capital market school for the same. The study uses a questionnaire along with usage of Likert scale(5 pointer), and multiple linear regression analysis used for data analysis. Suggestions include paying more attention to financial knowledge and recognition of type of risk associated with the investments. (Muhammad Raihan Mubaraq, Muslich Anshori, Huda Trihatmoko, 2021)

Investor's level of financial literary is positively related to the level of trust they keep in the financial institutions. The study shows that the people who have higher literacy are more likely to invest into stock markets (which is a market with comparatively, higher risk than secured investments). It also states that these individuals have even kept their funds in share market at the time of Covid-19. Indicating a higher risk tolerance and awareness towards the market. (Mohd Adil,Yogita Singh,Mohammad Subhan,Mamdouh Abdulaziz Saleh Al-Faryan,Mohd Shamim Ansari, 2023)

In today's world there is surely a requirement to raise a voice for women empowerment and hence this study shows the Gender differences in investment decision making. Main factors studied include - financial risk tolerance, financial literary and types of investment. It uses descriptive statistics and a survey was conducted on the employees of EIAS Ghana to collect the data. Results indicate a variation between both financial risk tolerance and financial literary on the basis of gender. While there in no gender gap in terms of type of investments made. (Mensah Morris Ayaa, Williams Kwasi Peprah, 2021)

Outcome of the research shows that financial literary has an influence on investment and their decision making done by several investors. It was inferred by using quantitative methods and was performed on a sample from Indonesia. The paper uses a survey method for primary data and uses evidence from historical data to support it. It also states that the trend of relation between financial literacy and investment decision of developing nations is identical to that of developed nations. (Mochammad Rizaldy Insan Baihaqqy, Disman, Nugraha, Maya Sari, Sugiyanto Ikhsan, 2020)

An empirical study conducted on individual investors from the city Chennai, which uses a questionnaire along with usage of Likert scale for data collection, uses t-test and f-test to study the influence of several factors on investor decision making. Major findings include – self-employed investors prefer investment options which are more cash equivalent in nature, based on the usage and knowledge of internet; people who have been using it for 10years (or more) focus on capital gains and people with 6-8years of experience prefer financially secure investment options. (S.Hemalatha, 2019)

The research was conducted over stock market investors of Thailand, it is a descriptive study which uses a structured questionnaire to collect the data. It analyzes the investors based on demographic factors and their relation with investors trading behavior in the stock market. Statistical tools used include - logistic regression coefficients, Wald test, and odds ratio. Conclusion states that individual investors are irrational in nature which effects their decision making and the financial markets too. (Wilaiporn Paisarn, Nongnit Chancharat,Surachai Chancharat, 2021)

The survey was conducted among the staff of Usak University's, Turkey. They analyzed financial literacy level (on both a basic and advanced level) and demographic factors of the respondents and its impact on the risk tolerance of individual investors. It was done by using the data obtained through questionnaires and application of multinomial regression analysis. The findings include - financial literacy level and educational level influenced the financial risk tolerance positively through easing the complicated decision-making process, age negatively affects the individual risk tolerance, and income level directly affects the individual risk tolerance. (Yılmaz Bayar, H. Funda Sezgin, Ömer Faruk Öztürk, and Mahmut Ünsal Şaşmaz, 2020)

The research is one of the first ones in the field of green bonds market of India. Green bonds market provides a medium to the investors in order help drive the economy into a LCR (low carbon resilient) economy, which leads to environmentally sustainable country. It highlights the emergence of investments which support sustainability. The study analyzes key factors such as maturity date, investment objective, interest rate, greenness of the bond and their influence on retail investors. Snowball sampling technique was applied and data collection was done through a questionnaire. Application of statistical methods such as descriptive statistics, regression analysis and hypothesis formulation has been done. The study results include two main implications - that the Environmental, Social, and Governance (ESG) rating and credit rating of the green bond issuers are the key factors that influence an individual's investment decision, incentives such as tax exemptions and awareness also affect an investor's decision. (Dhaval Prajapat, Dipen Paul, Sushant Malik, Dharmesh K. Mishra, 2021)

This research studies the financial literacy and investment behavior with respect to few selected investment options among the IT professionals of Bangalore. Factors such as interest rates, return and risk, regular income, safety security and tax benefits were studied on the basis of demographic factors. The data was collected through a questionnaire, and the statistical tools used are ANOVA, T-test, Chi-square test and Correlation Analysis. The main findings include - IT Employees are aware of available investment options, risk perception for band deposits government security is low while mutual funds and equity have a higher risk perception. (Mahabub Basha

S, M. Kethan, T. Jaggaiah, Mohammed Khizerulla, 2022)

This piece of literature analyzes individual investors belonging from Haryana on the basis of various investment options. The main factors considered are demographic factors and psychological factors. Data collection was done using a structured questionnaire, using the method of purposive sampling. Non parametric tests were applied such as chi-square test and ANOVA (Kruskal Wallis test & Mann Whitney U-test). The results showed risk tolerance and convenience are the major key aspects that influence investment decisions, the investors are risk adverse and prefer traditional investment options, the awareness level is inferred to be moderate. (Esha Bansal, 2022)

This study was formulated with an intend to examine the factors that impact the investor decisions and behavior pattern exhibited with the aim of recognizing the attitude of the middle-class investors in India. It uses two main regions of India which includes middle-class investors of cities of Northern and Western regions. The data collection is carried out by survey method, done by circulating an online questionnaire. The statistical tools used were two sample t-test (independent), chi-square test, ANOVA, linear regression. The key factors used to determine the investment pattern of investors were age, annual income, occupation. The results showed that there is significant difference among the Northern and Western investors with respect to investment attitude and preference towards investment schemes. (Sheenam Gogia, 2022)

The study uses two samples taken from the Western part of India, taking responses from both Maharashtra and Gujarat. It is a comparative study which is done on the salaried employees and their investment patterns. Convenient sampling was done by using a questionnaire, basic statistical tools such as mean and standard deviation were used. Overall, the investors prefer risk free investment options, further the two samples show the following outcomes - the portfolio structure of salaried investors in Maharashtra shows that bank deposits and gold are more preferable investment avenues, also salaried investors in Gujarat show that real investment (tangible options) are more preferred compared to financial investment (intangible options). The conclusion also includes that the salaried investors of Gujarat have a comprehensive financial plan, while in Maharashtra they prefer to gather adequate information in order to choose an optimum investment option. (Ms. Priti Jaiswal, 2023)

The study analyzes individual investors from the state of Kerela, on the basis of these two aspects. One being the study of following three dimensions - planning of investment, investment execution practices, investment follow up practices with respect to investment management practices. The second aspect being the relation of investment management practices of individual investors with respect to five basic socio-demographic factors. The study is both descriptive and analytical in nature. Data was collected using an interview schedule, the statistical techniques applied were non parametric test specifically - chi-square test, Friedman test, Mann-Whitney U test, etc.

The study displays the following conclusions based on the first aspect – with respect to planning of investment: investors are risk adverse, they have a proper financial planning, tax benefits are usually planned beforehand, majority of investors invest with a precautionary objective, usage of mobile apps is present; coming to execution: preference of real investment over financial investment, past experience acts as major source of information, claiming of tax deductions, presence of professional assistance; with respect to follow up: regular monitoring is done, tendency to hold investment until they reach the expected return, presence of reinvestment can be seen. On the basis of second aspect that is socio-demographic factors the investors were classified and divided into five heads for policy makers and financial advisors, namely - reckless investors, naive investors, hesitant investors, prudent investors, far-sighted investors.

Limitation of most of the study indicated expansion of analysis of factors affecting individual investors to more sample groups. In order to bridge the gap between the past and current scenario of investment decisions this research has been conducted.

III. OBJECTIVE

- To study the various factors influencing investor decision-making in case of choosing an investment.
- To identify the current financial instruments popular among the investors.
- To check for any new emerging investor habits or trends in financial markets.

IV. METHODOLOGY

Research design: The nature of the study is descriptive which is further continued by collection and handling of quantitative data.
Data Collection: The study uses both sources of data collection that is primary data and secondary data.
Primary data: Accumulated the first-hand data using survey method for individual investors from the city of Hyderabad. The survey was conducted using a google form. The tool utilized for performing the survey was a questionnaire. The questionnaire consisted of a total of 20 questions. Questionnaire was designed using references from existing similar literature, the majority of the questions used were close-ended questions. It was formulated along with usage of scaling techniques. Particularly application of a 5-Point Likert scale is put forward.

Secondary data: Collection of historical data by gathering of insights from numerous research papers, thesis, articles, journals, periodicals and many more online sources of published and trusted databases. Largely the data was pooled from websites - Google Scholar and Shodhganga.

Sampling method:
Non-random sampling: The sample selection was done on the basis of non-probabilistic selection of sample from the population.

Convenience sampling: Individual investors and their responses were collected based on personal association of the authors.

Sample size: 40 respondents filled the circulated questionnaire.

Tool used for data analysis:
Statistical tools: Percentages, Bar charts.
Software tools: Microsoft Excel.

V. LIMITATIONS

Small sample group: Sample does not always represent the true nature of the population. Firstly, the small sample size may make it difficult to generalize the findings. However, if the sample is representative of the entire population, then it can be assumed that the results apply to everyone. But in our case the sample size is limited and will not depict the true investor behavior of the entire population.

Limited time frame: The timeline allotted for the research was limited due to several reasons such as academic requirements, prefixed deadlines for submission.

Limited financial literacy: Lack of knowledge of financial sector among the respondents of the survey might have led to recording of false responses. A lot of respondents usually do not keep a track of ongoing changes in the financial markets hence it might indicate an information gap between the questions and the understandability of the respondents.

Terminology: The questionnaire formulated might consist of terms/jargon which are difficult to be understood by common public.

VI. DATA ANALYSIS & FINDINGS

The study analyzes investment decision making on a number of limited factors which are – age, gender, occupation, financial literacy, source of information, investment objective, medium of access used, types of preferable investments and markets, level of income, time duration of investment, rate of return (per year, in %), rate of tax paid on return(per year, in %), reinvestment rate, preferable type of return, management of investments.

There is an application of statistical techniques such as percentages and bar graph for a better understanding and interpretation of collected quantitative data. The above listed factors are further categorized into four heads as follows:

1. Demographic factors
2. Investor's choice and preferences
3. Monetary factors
4. Other factors

Let us see each of them one by one.

1. Demographic factors

The analysis based on demographic factors shows the following results (as displayed in Table 1).

In terms of gender (1.1.Gender), the responses indicated dominance of males as they comprise of more than half of the observations. Whereas female respondents contributed to forty percent of the collected data. We can infer that the gender gap has been decreasing, that is the participation of females in investment decisions has been increasing over time.

With respect to age group (1.2.Age group), the majority of the responses that is more than fifty percent belonged to young adults consisting of people from the age group of 18-25 years, further one-fourth of the responses were from middle aged respondents. While the rest belonged to aged people. Indicating more participation and promotion of savings and investments among the youth.

Coming to education level (1.3.Education), almost half of the respondents have the education of graduation level, which is not surprising as most of the respondents belong from the young age group. Followed by secondary education, while post graduates comprised of 12% of the collected data. There were also people who had lower education qualification categorized as others.

On the basis of occupation (1.4.Occupation), more than half of the respondents were from student category, indicating that they are using their savings or income from other sources to yield a higher return by using the investment options. It supports the idea of mobilizing of funds from the household sector to the industrial sector. Further, private sector employees contributed by one-fifth of the responses, followed by self-employed respondents with a total of 15% of the observations. Inferring that the second major observations came from majority of private employees and self-employed respondents combined. Homemakers comprised of 10% of the responses, while private sector employees comprised of 2.5% of the collected data.

Table 1: Demographic factors

	Number	Percentage(%)
1.1.Gender		
Male	24	60
Female	16	40
	40	100
1.2.Age group		
18-25 Years	26	65
26-35 Years	5	12.5
36-45 Years	5	12.5
45-60 Years	4	10
	40	100
1.3.Education		
Graduate	19	47.5
Secondary education	13	32.5
Postgraduate	5	12.5
Others	3	7.5
	40	100
1.4.Occupation		
Student	21	52.5
Private sector employee	8	20
Self-employed	6	15
Homemaker	4	10
Public sector employee	1	2.5
	40	100

2. Investors choice and preferences

These are the factors which are individualistic in nature and vary from person to person based on their financial ability, access to investments and personal reasons and experiences.

It is responsible for constructing the demand side of the investment avenues of a financial market. The analysis on the basis of investor choice and preferences shows the following results (as displayed in Table 2).

Based on tangibility (2.1. Type of investment), 80% of the respondents prefer physical assets over paper assets. Physical assets (such as land, gold, building, etc.) show that investors prefer a longer money lock in period done using a larger amount which leads to capital gains and is suitable for long term benefits. While the paper assets (such as stocks, bonds, etc.) provide liquidity, the investors are hesitant to invest in it, might indicate a need to simplify the access and documentation of intangible investment options.

In terms of financial sectors (2.2. Sector of financial markets), 85% of the investors/respondents prefer to channelize their funds through a formal source over an informal source. Formal sources (such as banks, insurance companies) are guided under regulatory bodies like RBI (Reserve Bank of India) for financial institutions, SEBI (Securities and Exchange Board of India) for securities market, which provide safety of funds, alongside reduces the risk of fraud along with protection of investors rights. The investors can legally sue the investment providing organization in case of misconduct and/or malpractice and vice versa. While informal sources (such as chit funds, indigenous bankers) provide higher return, the risk of fraud is very likely to occur most of the times.

With respect to medium of access (2.3.Medium of access), three-forth of the investors prefer online modes over offline modes to access their investments. As the sample is collected from a metropolitan city of Hyderabad, there is a presence of ease of access to networks like high-speed Wi-fi, 5G mobile data for commencement of digital transactions. After the advent to digital payment solutions such as RTGS, NEFT, UPI, the investors have also shifted to online mediums.

Based on source of information(2.4.Source of information), 65% of respondents are more likely to investment options suggested by their family and friends, followed by around 28% trusting on self-search, and rest 7% relying on media/talk shows. Indicating word of mouth and digital marketing strategies are suitable to promote an investment option in the market.

Based on duration of investment (2.5.Investment tenure), it can be inferred that the majority of investors are interested in both short term and long-term investments. Followed by 30% of investors preferring long term benefits, indicating that they are looking for capital gains. Still 25% of investors are committed towards short term investments and prefer quicker returns.

Coming to type of bank (2.6.Type of bank) used to make the financial transactions for investments, more than half on the investors count on public sector banks, while 32% and 7% rely on private sector banks and payment banks respectively. Only as single investor relies on cash payments. By this we can infer, that public sector banks dominate the sector followed by private sector banks and payment banks, while cash payments are negligible.

On the basis of preference of return frequency (2.7.Return frequency), almost half of the investors prefer periodic returns that might range from daily, weekly, monthly, quarterly, semi-annual to annual. While equal number of investors prefer return on maturity date and access to return when in need. And only a single investor is into reinvestment. Indicating that most of the people like to keep money in hand for transactional purposes.

In terms of management (2.8.Managed by) of investments, 29 individual investors prefer to self-manage their investments, while almost 12% and 10% respondents get their investments managed by an intermediary and assistant respectively. While 2 investors depend on their family members for maintaining their investments. Indicating a lack of trust in financial management done by a third-party.

With respect to reinvestment rate (2.9.Reinvestment rate), majority of the investors have a neutral stand, while most of them never or rarely reinvest, only 5%

of investors always reinvest while 15% of them reinvest often times.

Table 2 : Investors choice and preference

	Number	Percentage(%)
2.1.Type of investment		
Physical assets	32	80
Paper assets	8	20
	40	100
2.2.Sector of financial markets		
Formal	34	85
Informal	6	15
	40	100
2.3.Medium of access		
Online	30	75
Offline	10	25
	40	100
2.4.Source of information		
Family and friends	26	65
Self-search	11	27.5
Media/Talk show	3	7.5
	40	100
2.5.Investment tenure		
Mix of both	18	45
1 yr - 10 yr	12	30
3 month - 1 yr	10	25
	40	100
2.6.Type of bank		
Public sector banks	23	57.5
Private sector banks	13	32.5
Payments bank	3	7.5
Cash	1	2.5
	40	100
2.7.Return frequency		
Periodic return	17	42.5
Maturity date	11	27.5
Accessible when in need	11	27.5
Reinvestment	1	2.5
	40	100
2.8.Managed by		
Self-managed	29	72.5
Intermediary	5	12.5
Managed by assistant	4	10
Family member	2	5
	40	100
2.9.Reinvestment rate		
Never	9	22.5
Rarely	9	22.5
Sometimes	14	35
Often	6	15
Always	2	5
	40	100

On the basis of investment options (2.10.Investment options) (as displayed in Figure 1), the respondents have ranked a total of 11 investment options on the basis of their preference using a 5-Point Likert scale. These investment avenues are displayed below through a clustered bar chart placed in an alphabetical order.

As compared to similar literature, in a overall picture there is still prevailing preference of traditional investment options, yet the growth potential of modern investment options seems to be improving among individual investors.

Insurance and share market have majority of the preference ranging from very preferable to preferable, indicating a possibility of growth as an investment option in the market.

Insurance Amendment Bill passed on 22 March 2021 raised the limits of FDI in the Insurance sector to 74% from 49% to appreciate extra overseas experts to India, it has been an effective strategy as Insurance has become a more preferable investment option over time. Coming to share market the awareness and ease of access through digital solutions has led to increase in its popularity as an investment option.

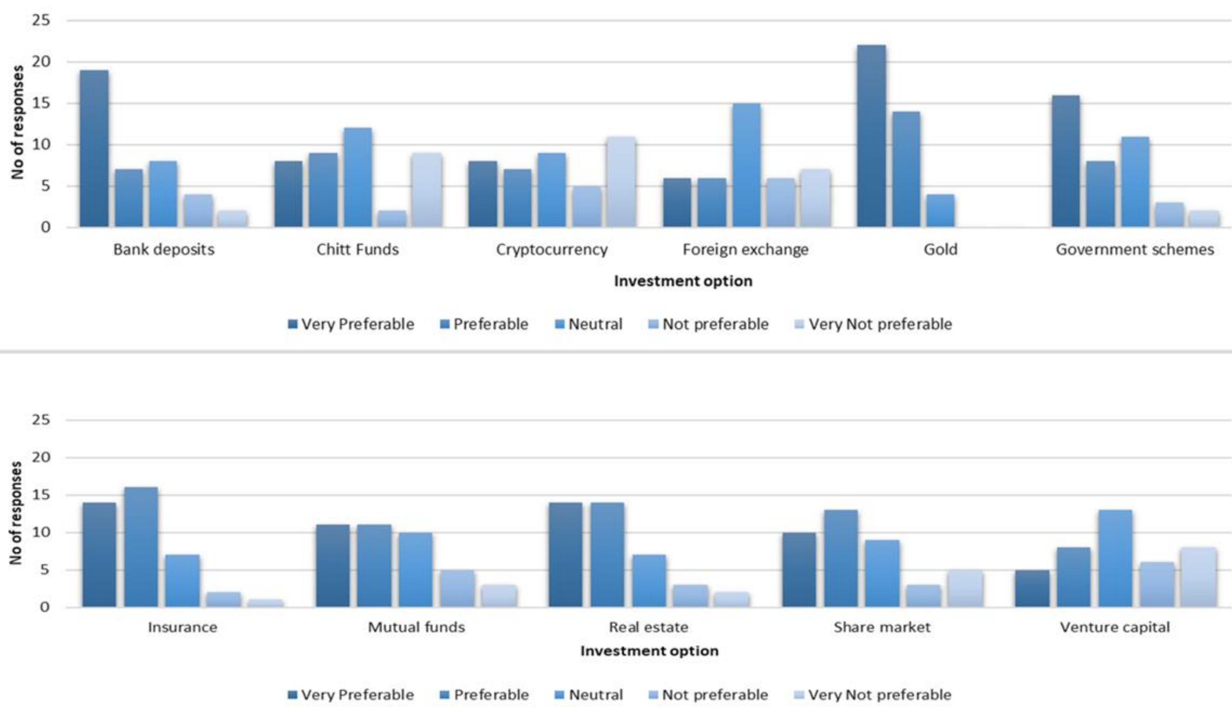

Figure 1: Investment options : Preference scale

Gold, bank deposits and government schemes are most preferred options by majority of the investors. Gold, being a traditional instrument for investment, has its preference ranging from very preferable to neutral only. While bank deposits such as Fixed Deposits ,Recurring Deposits etc., have a high preference along with a downward sloping trend indicating the decreasing preferability's. Government schemes also follow a similar trend as bank deposits, but consist of more neutral responses.

Mutual funds and real estate have high preference, the graphs indicate a rise from very not preferable to very preferable. Mutual funds have an ability to mitigate the risk using diversification, thus attracting a large pool of investors. The preference of real estate is not surprising as above physical assets were more preferred by the investors.

Chitt funds, foreign exchange, venture capital, have received an overall neutral response. Chitt funds being the only informal source, while foreign exchange helps take benefit of currency rate fluctuations, while venture capital funds the innovative start up ideas which are blooming in the initial stages. Indicating that its now in the hands of the industrial sector, how they cater to these investment options based on the limited demand from investors.

While cryptocurrency follows a similar trend as chitt funds, foreign exchange, venture capital, yet majority of the investors have rated it is as the very not preferable. This might indicate the lack of awareness, highly centralized, no legal protection is present with respect to cryptocurrency as an investment option.

On the basis of investment objective, the responses collected were as follows (2.10.Investment objective) (as displayed in Figure 2). Multiple responses were accepted from each respondent.

Majority of the responses include securing funds for future and earning a higher return on the idle funds of the investors.

While retirement planning, to keep up with inflation rate and venture capitalist received below 10 responses. And marriage/education and tax exemption received equal number of responses, lastly one other objective apart from the existing list was also stated.

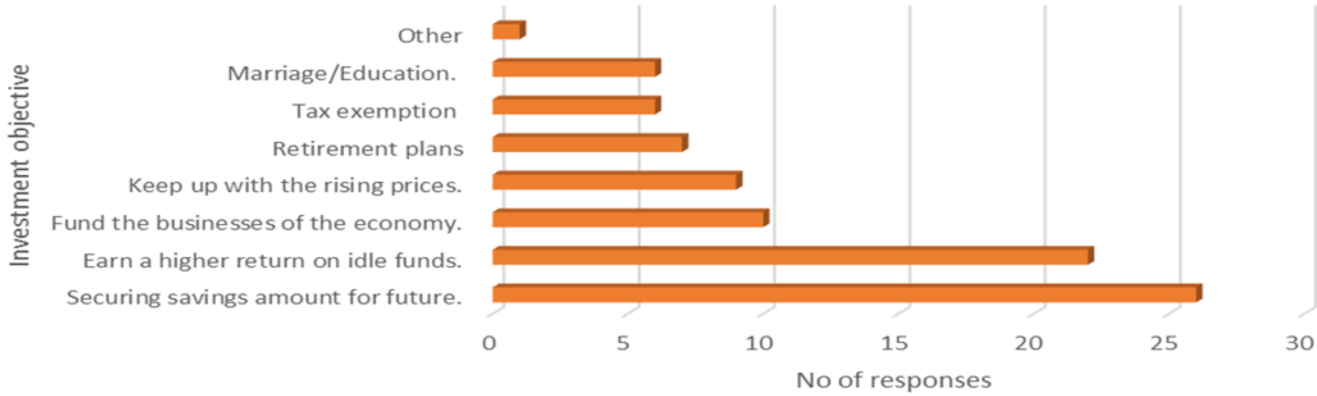

Figure 2: Investment objective

3. Monetary factors

The analysis based on monetary factors shows the following results (as displayed in Table 3).

On the basis of level of income (3.1.Level of income), the majority of the respondents had zero income as most of them are students and are looking for employment opportunities. They invest through their savings and income received from sources such as internships, family business and gifts. Followed by around 27% of respondents earning less than 3 lakhs, 20% respondents earned 3-7 lakhs, while 3 respondents earn above 10 lakhs, only one respondent earned between 7-10 lakhs.

With respect to tax paid on investment (3.2.Tax paid on investment), it is displayed in terms of % of funds invested, more than half of the investors have their investments tax exempted. These exemptions could be taken from The Income Tax Act and its several sections such as 80(C),10(10(D)), etc. Tailed by 13 investors who pay a tax of 1-8% on their investment, further followed by 3 investors paying a tax of 8-16% and16-30%. While no one is paying tax above 30%.

Coming to the highest returns(3.3.Highest return), it is also displayed in terms of % of funds invested, apart from the 5 investors who have earned no return (probably the student category) or faced a loss, 11 investors are yielding a moderate return of 8-16% from their investment. While 20% of respondents are gaining 1-8% on investment, range of 16-30% return and 30% above is earned by 3 individual investors each. Showing that only a selective number of individuals are able to earn a return of 16% and higher on their investment.

Table 3: Monetary factors

	Number	*Percentage (%)*
Nil/Savings	17	42.5
Less than 3 lakhs	11	27.5
3 lakhs to 7 lakhs	8	20
7 lakhs to 10 lakhs	1	2.5
10 lakhs and above	3	7.5
	40	100
3.2. Tax paid on investment (p.a, in terms of % of invested funds)		
Nil/Tax exemption	21	52.5
1% - Less than 8%	13	32.5
8% - Less than 16%	3	7.5
16% - Less than 30%	3	7.5
30% and above	0	0
	40	100
3.3. Highest return (p.a, in terms of % of invested funds)		
Nil/Loss	15	37.5

1% - Less than 8%	8	20
8% - Less than 16%	11	27.5
16% - Less than 30%	3	7.5
30% and above	3	7.5
	40	100

4. Other factors

These include the other external factors (as shown in the). All of these factors have been ranked on a Likert scale by the respondents. The result shows that all the listed factors were important. Thus, these factors are to be kept in mind apart from the above listed factors. It includes factors belonging from economic factors and financial statements of an organization. Easy withdrawal of return is the only factor which has been ranked from neutral to very important only.

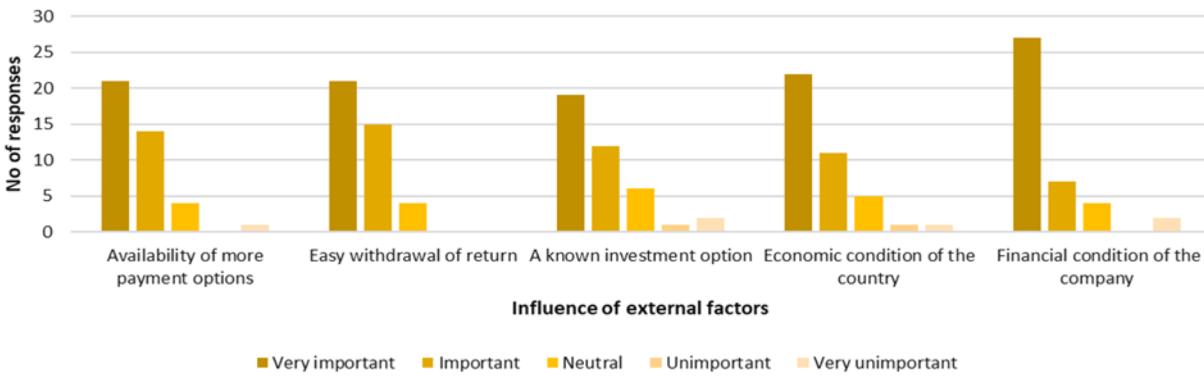

Figure 3: Influence of external factors

VII. SUGGESTIONS

India is known for its cultural richness worldwide and has its citizens carry the same deeply rooted culture in their everyday lives. Hence, we could research on how the cultural and festive seasons affect Indian investors decision making.

Sustainable investment option could be a new study topic as tangible options are limited in our country. Also due to generational wealth transfer, physical assets are not available as they were in the past times. Although the pandemic of COVID-19, has brought in a lot of grief to the people, but in terms of digitalization it has played a huge role. Under this area one could study about - How technological development has an influence on the investment rate in the past few years, and a time series analysis could be done between pre and post investment digitalization eras.

Literature showing the relationship between financial factors and investment decision making of investors is scarce. It would be beneficial to study the investors and market trends based on monetary aspects too.

CONCLUSION

The study shows that the gender divide between investors has been decreasing, the age group of investors include majority of youngster and middle-aged people. The education level comprised of majority of graduates and secondary education passed outs. Major part of the respondents belonged from the student category along with a mix of private sector employees and self-employed people.

The investors prefer tangible assets, which are accessible through a formal source of financial markets. The investors also prefer an online medium to access their investments. The most effective way to increase investors in an economy would be a suggestion from family members or a friend. Investors are both short term and long-term, depending upon their requirements. The type of bank preferred for payments is public sector banks. The investors prefer periodic return for their investments showing the need of recurring return for transactional motives. The reinvestment rate is neutral, and the management and control are preferred to be in the hands of the individual investor.

Based on the ranking of investors, most preferable investment options are - gold, bank deposits and government schemes; 2nd most preferable investment avenues include - mutual funds and real estate; 3rd most preferable options consist of - insurance and stocks which are likely to grow more in the near future and have a potential to sustain in the market, 4th most preferred option includes - chitt funds, foreign exchange, venture capital and the least preferred one is cryptocurrency.

Most investors have the objective of securing funds for future and earning a higher return on the idle funds. Coming to monetary aspects, major part of investors paid zero tax/tax exemption or tax ranging from 1-8% of invested amount. While the highest return earned is nil/loss(student category) and/or 8-16% return.

Other external factors also effect the decision making of investors. All of these above listed factors are analyzed and considered by an individual investor before making a decision to invest in an investment avenue/option of the financial market.

An effective investment decision making involves the right allocation, diversification and timely decisions. A study of investment decision making thus helps in building and managing the portfolio that is in line with your risk tolerance and other investment objectives.

Financial planners and advisors can use the implications from various factors to the prevent mistakes committed by the individual investors and help provide better financial planning to the investors.

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