

Factor influencing investment Decision of the individual Related to selected individual investor in Bhavnagar

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Abstract: In Bhavnagar City is experiencing investment landscapes driven by various factors that have an impact on the investment decisions of individual investors. The research paper lays out to determine some of the determinants of investment decisions by a group of selected individual investors across this region. This study employs a mixed-method approach and collects data from the respondents by administering questionnaires containing structured surveys that provide quantitative data as well as through interviews that intend to provide qualitative responses to reach a broader perspective of investment behaviour.

It shows that many factors influence an investment decision, including financial literacy, risk tolerance, socio-economic status, market trends, and access to information. Psychological factors like investor confidence and behavioural biases are not to be overlooked also. External economic conditions and local cultural attitudes about investment also receive attention from this research.

As such, offering the elaborated analysis of these determinants will empower this paper to further understand the specialized investment dynamics taking place in Bhavnagar City. This will thereby add on better financial planning and education measures suited to individual investors. Insights drawn from this research could help policymakers, financial advisors, and educational organizations as resources that may establish conscious investments within community parameters.

INTRODUCTION

Investment decisions are pivotal in shaping an individual's financial future and overall economic well-being. As the global economy continues to evolve, the factors influencing these decisions have garnered increasing scrutiny among researchers and financial experts alike. This study focuses on the individual investors in Bhavnagar City, India, aiming to identify and analyze the critical factors that affect their investment decisions. The

investigation will specifically delve into age, salary, democracy, and gender as influential variables in the decision-making process of individual investors.

Age

Age is a fundamental variable affecting investment behavior. Younger investors often exhibit a higher risk tolerance, driven by a longer investment horizon and a greater willingness to embrace volatility in pursuit of higher returns. Conversely, older individuals may prefer more conservative investment options, prioritizing capital preservation and income generation to support retirement needs. In the context of Bhavnagar City, where the demographic profile can vary widely, understanding age-related preferences and risk appetites is essential to grasp how age impacts investment choices among individual investors.

Salary

Income level, or salary, plays a crucial role in defining an individual's ability to invest. Higher income levels typically provide individuals with more disposable income, thereby expanding their investment opportunities. Conversely, lower income levels may limit investment choices, forcing individuals to prioritize immediate financial needs over future investments. In Bhavnagar, as the economic landscape evolves with increasing job opportunities and entrepreneurship, analyzing how salary influences investment decision-making will be key in understanding the spending and saving habits of local investors.

Democracy

The socio-political environment significantly influences investment behavior, particularly in a

democratic context. In a functioning democracy, individuals often feel more secure in their rights, leading to increased confidence in participating in financial markets. Furthermore, democratic governance can promote transparency, stability, and accountability, which are essential for fostering a conducive environment for investment. In Bhavnagar City, the impact of local governance and policies on investor confidence warrants investigation. Understanding how democratic values intersect with investment decisions can reveal insights into broader socio-economic trends affecting individual investors.

Gender

Gender disparities in financial literacy and investment behavior are well-documented internationally and are worth exploring within the context of Bhavnagar City. Research indicates that men and women may approach investing with different perspectives, risk appetites, and levels of confidence. Cultural norms, access to education, and societal expectations can shape these differences. Examining how gender influences investment decisions might reveal significant patterns among individual investors in Bhavnagar, enabling stakeholders to develop targeted financial education initiatives and products that cater to diverse needs.