
BEHAVIORAL FINANCE AND INVESTMENT DECISIONS IN INDIA

Vijay Kumar Goyal

Ph.D. Scholar

Department of Management

Malwanchal University Indore, (M.P.).

Reena Sharma

Supervisor

Department of Manguage

Malwanchal University Indore, (M.P.).

ABSTRACT

Factors like risk, return, financial literacy, and behavioural impacts on investing decisions are examined in this research of 86 investors in Uttar Pradesh. The study analyses the elements that impact investor decision-making using descriptive statistics and analytical techniques like Likert scales and frequency distributions. It uses a combination of primary and secondary data sources, such as financial reports and structured questionnaires, to draw its conclusions. Two major hypotheses are examined in the study: first, that behavioural finance has an effect on investment choices; and second, that social effects and herd behaviour play a role. Testing hypotheses using statistical methods like regression, analysis of variance, and correlation should show that social variables, herd mentality, emotions, and cognitive biases all play a role in people's investing decisions. The majority of those who have invested much in the past are middle-aged, college-educated, married, and have substantial monthly earnings, according to the statistics. Furthermore, the majority of respondents place a great deal of importance on aspects such as guaranteed return, minimal risk, tax advantages, and kid education when making investment selections. To further our understanding of how people, make investment decisions, this study sheds light on the social and psychological factors that influence investing behaviour in India.

Keywords: Investment Behavior, Behavioral Finance, Cognitive Biases etc.

INTRODUCTION

Behavioural finance is an interdisciplinary topic that goes beyond standard economic models by adding ideas from psychology, sociology, and neuroscience in order to gain a better understanding of how human behaviour impacts financial decisions. Traditional financial theories, such as the Efficient Market Hypothesis (EMH), make the assumption that markets are rational and that investors make decisions solely based on the information that is available to them. Behavioural finance, on the other hand, challenges this view by acknowledging that psychological factors, emotions, and cognitive biases frequently cloud judgement, which can lead to irrational behaviour. When it comes to making decisions, investors are influenced by a wide range of non-rational elements, rather than acting simply on logic and objective analysis. This departure from the "rational actor" paradigm has resulted in a more complex view of financial markets. It has brought to light the ways in which biases and emotions can contribute to market inefficiencies and lead to phenomena such as bubbles, crashes, and volatility. In today's globalised and linked financial landscape, where the actions of both institutional and ordinary investors may have a significant influence on the dynamics of the market, these principles are becoming increasingly relevant. When it comes to finding an explanation for why markets occasionally react in ways that standard financial models are unable to foresee, behavioural finance has shown to be an invaluable tool. For instance, when the economy is experiencing a time of optimism, investors may demonstrate an excessive amount of confidence, which can result in asset bubble production. Fear and panic, on the other hand, can cause market sell-offs during times of economic depression, which may not be warranted by the fundamentals of the economy that are

underlying the situation. It is essential for better financial planning, policy-making, and investment strategies to have a better understanding of these psychological foundations since it gives more accurate insights into the behaviour of individual investors as well as wider market patterns.

An Investigation on the Influence that Emotions and Cognitive Biases Have on Investment Behaviour. One of the most important areas of attention in the subject of behavioural finance is the study of the cognitive biases and emotional states that have an effect on the decision-making process, particularly in relation to financial matters. When investors are swayed by these biases, they frequently make decisions that are not logical, which ultimately has an effect on the financial repercussions that they face throughout their lives. Personal prejudice may be broken down into three categories: the overconfidence bias, the loss aversion bias, and the anchoring bias. These are the predominant forms of prejudice.

Bias of Overconfidence

The term "overconfidence bias" relates to the propensity of individuals to think that they are more capable, knowledgeable, or in control of uncertain circumstances than they actually are. This phenomenon is particularly prevalent among investors in India who are either new to the market or have little expertise. These individuals may have achieved some early success in stock trading or other kinds of investment. Because of this overconfidence, individuals may believe that their grasp of the market is greater to that of others, or that their actions will result in favourable results, even when the underlying data does not support such a perspective. This can lead to increased levels of risk-taking, which is a common consequence of this overconfidence. There is a correlation between overconfidence and a number of bad investment behaviours, such as frequent trading, increased portfolio turnover, and inadequate diversification. Lower returns, more transaction costs, and an increased probability of suffering losses are all potential outcomes that might result from these acts.

Reluctance to Lose

The term "loss aversion" refers to a psychological bias in which individuals feel the sorrow of a loss considerably more profoundly than the pleasure that is gained from an equivalent gain. Investors are prone to making irrational choices as a result of this bias. For example, they may continue to hang on to assets that are not doing well in the expectation that their value will increase, even when there is information that shows it would be more prudent to cut losses and invest elsewhere. Loss aversion can be especially prominent in the context of Indian culture because of the cultural norms that revolve on the preservation of riches and the avoidance of perceived failure. This propensity can lead to poor portfolio management and lost opportunities for profit, as investors are hesitant to take the required actions to preserve their investments or capitalise on prospective profits. This can result in poor portfolio management and financial losses.

Making Decisions Based on Emotions

The decisions that people make about their investments can be significantly influenced by feelings such as fear, greed, and anxiety, which frequently result in illogical behaviour. Fear can motivate investors to sell assets hurriedly during times of market uncertainty or downturns, which can result in investors locking in losses because of their actions. On the other hand, when the market is experiencing a boom, investors may be tempted to rush into assets without doing a thorough risk assessment due to the fear of missing out (FOMO). Emotional responses can result in rash choices that are not in line with an investor's long-term objectives or their level of comfort with risk in either scenario. Investment Decisions and the Influence of Herd Behaviour and Social Influences

One further fundamental idea in behavioural finance is the concept of herd behaviour, which has a substantial influence on decision-making, particularly in the context of developing international markets

such as India. Individuals are said to engage in herd behaviour when they imitate the acts of a bigger group, frequently following the crowd without fully comprehending the overarching logic for their actions. The activities of a small number of important investors or rumours can cause widespread panic or speculative purchasing in the financial markets, regardless of the real worth or fundamentals of the underlying assets. This behaviour is regularly witnessed in the financial markets. Herd behaviour is highly widespread in the stock market in India, particularly during times of high volatility or speculation. This is especially true during times of high volatility. For instance, if a well-known celebrity or a prominent investor endorses a specific company, a large number of retail investors may purchase that stock merely because others are doing so. Unfortunately, these investors sometimes neglect their own financial objectives or the larger market context when making their purchase decisions. When investments are driven by emotion and social pressure rather than good financial analysis, this behaviour can lead to severe pricing distortions and market inefficiencies. This is because investments are driven by investment decisions. When it comes to making judgements about investments in India, social effects are also a significant factor. When it comes to making decisions about their finances, investors may go to the guidance of family members in a culture that places a great value on the opinions of older people and has strong links to the local family. This dependence can occasionally result in choosing investments that are not ideal, particularly if the advice is not based on thorough financial expertise or a grasp of the markets. In addition, individuals may be influenced by the influence of their peers in their social circles to invest in assets that are fashionable or trendy, even if these investments do not correspond with their specific risk profiles or financial goals.

Impact of Societal and Cultural Factors on Business Investment Decisions

The one-of-a-kind cultural milieu of India has a significant impact on investing behaviour. Gold, real estate, and fixed deposits are examples of physical assets that have historically been preferred by Indian investors. Others include fixed deposits. As a way of conserving money and providing financial stability, these investment channels are frequently handed down from generation to generation since they are regarded as being secure, dependable, and culturally meaningful. Taking gold as an example, it is not only a representation of wealth but also a type of savings that can be quickly withdrawn in the event of a crisis. In a similar vein, real estate has been considered a reliable investment for a considerable amount of time. Furthermore, many Indians consider the ownership of property to be a status symbol and an essential component of family wealth. Despite the fact that contemporary financial instruments such as stocks, mutual funds, and bonds have the potential to yield better returns, their adoption has been slower than it would have been otherwise due to the cultural preference for physical assets. A further factor that contributes to this hesitation is the widespread belief that the stock market is a high-risk and speculative environment. A significant number of Indians continue to consider trading in the stock market to be a kind of gambling rather than a real method of accumulating money. As a result of the volatility of Indian equities markets and the media's presentation of stock trading as a high-stakes endeavour, this impression is frequently reinforced. It is necessary to make a concentrated effort to promote financial literacy and educate the general people on the benefits of diverse portfolios and long-term investment in order to overcome the cultural biases that exist. Financial products such as mutual funds, which give a lower risk through diversification, have the potential to be an appealing alternative to more conventional methods of saving money, provided that investors are aware of the advantages that these products provide.

REVIEW OF LITERATURE

Ajay Sharma et al., (2020) Since the beginning of time, people have been putting money aside for future costs, initially by storing it in the form of land, animals, and precious metals. Opportunities for investing were broadened as a result of the growth of banking and capital markets. Mutual funds have emerged as a prominent investing option in India, and their popularity continues to grow. The process by which fund managers arrive at investment selections is, however, still a mystery to a great number of investors. The vast

majority of scholarly study on this subject emphasises quantitative data and focusses on the market in the United States. The purpose of this survey is to explore the many elements that influence the investment decisions made by Indian mutual fund managers. The findings of this survey will assist in boosting investor comprehension and offering insights into the decision-making processes of these managers.

Muhammad Atif Sattar et al., (2020) By adding psychological considerations, behavioural finance contradicts the conventional view of finance, which holds that rational investors make decisions based on risk and return in order to maximise profits. The purpose of this study is to investigate the ways in which behavioural biases influence investing decisions when faced with uncertainty. Specifically, it focusses on biases like as overconfidence, representativeness, anchoring, regret aversion, hindsight, herding, and home bias. It investigates how human behaviour, both rational and irrational, impacts investment choices. With the help of the SPSS program, a survey was carried out, and regression analysis was used. Investing decisions are significantly influenced by heuristic behaviours, as opposed to other aspects, according to the research. The study is beneficial for investors and financial institutions since it highlights the need of taking psychological variables into consideration when making decisions.

Sarika Keswani et al., (2019) Market anomalies and irrational behaviour have changed the stock market, generating studies on behavioural biases and investor decision-making. This study analyses how heuristic, prospect, market, and herding affect NSE investor decisions. We used a Likert scale questionnaire and Cronbach's alpha (0.728) to measure reliability. Multiple regression and EFA were used. These four behavioural characteristics strongly affect investing decisions and returns, showing the role of behavioural biases in investors' decision-making.

Vinay Kandpal et al., (2018) This study examines investor behaviour and investing trends to see what variables impact their decisions. Uttara hand faculty were questioned via questionnaire to acquire data. Investor behaviour influences educated and sensible investing decisions, according to the study. Investors must examine their life objectives, spending patterns, costs, income, views of investment, lifestyle changes, time horizon, and investment type before choosing an investment. The study also stresses investor cognitive process, financial status, risk tolerance, liquidity demands, and projected returns. These factors affect investor decisions and investment plan performance.

Swati Prasad et al., (2018) This article uses stock broking management and structured questionnaire data from Indian retail investors to examine how behavioural characteristics affect investing success. The questionnaire covers demographics, behaviour, and investment performance. The study links behavioural aspects to investment success using PLS-SEM. Prior information has the greatest impact on investment success, followed by risk and return considerations. Ability bias, endowment bias, herding, loss aversion, mental accounting, overconfidence, personal characteristics, and regret bias are behavioural biases. The model explains 58% of investment performance variation, emphasising the relevance of these characteristics for investors and financial institutions seeking maximum value.

OBJECTIVE OF THE STUDY

1. To analyze the influence of behavioral finance on investment decision-making in India.
2. To investigate the impact of herd behavior and social influences on investment decisions in India.

HYPOTHESIS

H1: There is a significant influence of behavioral finance on investment decision-making in India.

H2: There is a significant impact of herd behavior and social influences on investment decisions in India.

METHODOLOGY

This research makes use of an exploratory and descriptive technique, with the primary focus being on the investing behaviour of 86 financial investors from the state of Uttar Pradesh. Primary data was gained through the use of a structured questionnaire, and secondary data was gathered from financial records and literature that was pertinent to the study. Statistical methods that are descriptive in nature and analytical tools, such as Likert scales and frequency distributions, were utilised in order to investigate the elements that influence investment decisions. These factors included risk, return, and financial literacy.

DATA ANALYSIS AND INTERPRETATION

HYPOTHESIS TESTING

Table: 1 Hypothesis Testing for Investment Decision-Making Factors

Hypothesis No.	Hypothesis Statement	Test Method	Expected Outcome	Decision Rule
H1	There is a significant influence of behavioral finance on investment decision-making in India.	Regression Analysis, ANOVA	Significant impact of cognitive biases, emotions, etc., on investment decisions.	Reject the null hypothesis if p-value < 0.05.
H2	There is a significant impact of herd behavior and social influences on investment decisions in India.	Correlation Analysis, Regression	Herd behavior and social factors significantly influence investment choices.	Reject the null hypothesis if p-value < 0.05.

H1 ("Behavioural finance has a significant impact on investment decision-making in India") will be investigated using Regression Analysis and ANOVA. These methodologies will compare behavioural finance aspects such cognitive biases, emotions, and psychological affects to investing decisions. The investigation should show that these factors strongly influence Indian investors' decisions. If the p-value is less than 0.05, the null hypothesis (no behavioural finance impact) is rejected. This would demonstrate that behavioural finance strongly impacts Indian investment decisions. H2 ("There is a significant impact of herd behaviour and social influences on investment decisions in India") will be assessed using Correlation Analysis and Regression to determine how peer pressure, family advice, and societal norms affect investment decisions. The investigation should show a strong link between social variables and investment decisions. Once the p-value is below 0.05, the null hypothesis (that herd behaviour and social effects have no significant effect) will be rejected, proving that social dynamics, including herd behaviour, affect investment decisions in India.

Table: 2 Age Group Distribution of Study Participants

Age Group	Frequency	Percentage
21-30	24	27.6%
31-40	43	50%
41-50	13	15.5%
Above 50	6	6.9%
Total	86	100%

Age distribution of research respondents is shown in the table. In the sample, 50% (43 people) are 31-40 years old, the most represented age group. The 21-30 age group follows closely with 27.6% (24 participants), reflecting moderate involvement from younger investors. 15.5% (13 people) are 41-50 years old, meaning fewer people from this category were studied. Finally, the Above 50 age group made up 6.9% (6 people), showing that senior investors were rare. The sample had a larger number of younger to middle-aged respondents, notably between 31-40 years, which may represent Indian financial decision-making and market involvement trends.

Table: 3 Marital Status Group Distribution of Study Participants

Marital Status	Frequency	Percentage
Single	24	27.6%
Married	62	72.4%
Total	86	100%

Marital status of research respondents is shown in the table. Most participants, 72.4% (62), are married, implying that married people are more likely to make financial decisions in the research. 27.6% (24 respondents) are single, a lower fraction of the sample. The survey features a larger representation of married persons, which may reflect their financial obligations, such as home bills and family security investments, which may impact their investing selections.

Table: 4 Qualification Group Distribution of Study Participants

Qualification	Frequency	Percentage
Doctorate	40	46.60%
M Ed	1	1.70%

Qualification	Frequency	Percentage
B Ed	0	0%
PG	38	44.80%
Graduate	7	6.90%
Total	86	100%

Study participants' educational qualifications are shown in the table. A large percentage of responders, 46.6% (40), had Doctorates, indicating high education levels. 44.8% (38 people) hold a postgraduate degree, indicating a well-educated responder pool. An M Ed is held by 1.7% (1 person) and a Graduate by 6.9% (7 people). B Ed-qualified responders are absent from the sample. The sample is predominantly highly educated, with a high percentage of PhD and PG holders. This suggests that research participants are well-informed, which may affect their investing decisions, financial literacy, and behavioural finance comprehension.

Table: 5 Monthly Income Group Distribution of Study Participants

Income Range	Frequency	Percentage
Less than 5,000	7	8.60%
5,000-10,000	0	0%
10,000-20,000	3	3.40%
20,000-30,000	13	15.50%
Above 30,000	62	72.40%
Total	86	100%

The table shows research participants' salary ranges. Most respondents, 72.4% (62 people), had incomes "Above 30,000". This shows that the research population is mostly wealthy, which may affect their investing decisions and financial behaviour. Only 15.5% (13 respondents) earn between "20,000-30,000" and 3.4% (3 respondents) earn between "10,000-20,000". Only 8.6% (7 responders) earn "Less than 5,000". There are no "5,000-10,000" income participants. This income distribution suggests that higher-income earners dominate the sample, which may affect investing behaviour, risk tolerance, and financial decision-making. Higher-income people may have more investment possibilities and financial market resources, making them more susceptible to biases and behavioural finance.

Table: 6 Years of Experience Group Distribution of Study Participants

Experience (in years)	Frequency	Percentage
Under 5 years	21	24.10%
5-10 years	21	24.10%
Above 10 years	44	51.70%
Total	86	100%

Experienced responders are included in the table. Many participants, 51.7% (44), had over 10 years of expertise. This suggests that most responders are seasoned, which may reflect a greater level of investment strategy and financial decision-making expertise. Due to financial market experience, this group may be more confident in their investment choices and less impacted by behavioural biases. However, 24.1% (21 respondents) have less than 5 years of experience, and the same number have 5-10 years. The two categories have a balanced percentage of new or somewhat experienced responders. Their financial judgements may be more susceptible to cognitive biases, emotions, and herd behaviour than those with over 10 years of expertise. Those with extensive investment decision-making expertise are over-represented in the research group, although overall the distribution is balanced. Experienced investors may be more reasonable or strategic in their financial market perceptions and reactions.

Table: 7 Assured Return Group Distribution of Study Participants

Importance Level	Frequency	Percentage
Highly Important	49	56.90%
Important	31	36.20%
Neutral	5	5.20%
Less Important	1	1.70%
Least Important	0	0%
Total	86	100%

The table shows how respondents rated a factor, likely relevant to investment decision-making. The majority of respondents, 56.9% (49 people), evaluated the aspect as "Highly Important," reflecting its importance in their decision-making. This indicates a significant knowledge and consideration of the factor's importance in financial decisions. 36.2% (31 people) also rated the item as "Important," suggesting that most respondents value it even if it is not as important as and "Highly Important" Only 5.2% (5 respondents) of respondents rated the aspect as "Neutral," indicating that it did not affect their decision-making. Just 1.7% (1 person) rated the issue "Less Important," and none did "Least Important." This shows that most participants value the factor. The majority of respondents rate the factor as extremely important or important,

showing it influences investment decisions. The modest number of respondents who rated it less or indifferent suggests a sample consensus on its relevance.

Table: 8 Low Risk Group Distribution of Study Participants

Importance Level	Frequency	Percentage
Highly Important	22	25.90%
Important	40	46.60%
Neutral	19	22.40%
Less Important	4	3.40%
Least Important	1	1.70%
Total	86	100%

Responses to a factor's relevance in investment decision-making reveal a clear trend. A large majority of respondents, 25.90%, regarded the element extremely significant, indicating that it influences their financial decisions. For the biggest group, 46.60%, the issue was important, meaning that almost half of respondents felt it has a significant impact, albeit not as decisive as those in the "highly important" category. A smaller fraction, 22.40%, stated neutrality, indicating that the element does not strongly impact their decision-making. Just 3.40% and 1.70% of investors judged the aspect unimportant, reflecting its low importance in their investing selections. Most respondents consider the factor important, with a tiny percentage finding it unimportant.

Table: 9 Tax benefits Group Distribution of Study Participants

Importance Level	Frequency	Percentage
Highly Important	27	31%
Important	49	56.90%
Neutral	9	10.30%
Less Important	1	1.70%
Least Important	0	0%
Total	86	100%

The table shows that most respondents value a certain investment decision-making element. 56.90% considered the element important, suggesting that it influences their investing decisions. It was also

extremely significant to 31% of respondents, highlighting its importance in financial decisions. A smaller group, 10.30%, was neutral, suggesting the element may be relevant but not crucial to their decision-making. The element was essential to most respondents, with only 1.70% rating it as less important. The majority of respondents consider this element critical or extremely important in their investing selections.

Table: 10 Child Education Group Distribution of Study Participants

Importance Level	Frequency	Percentage
Highly Important	24	27.60%
Important	21	24.10%
Neutral	18	22.40%
Less Important	5	12.10%
Least Important	7	13.80%
Total	86	100%

The investment decision-making factor important table displays a wide range of responses. Only 27.6% of respondents evaluated the aspect as extremely essential, suggesting that it is vital to their investing decisions. 24.1% thought the factor was important, indicating that a considerable but not dominating part of the sample did. As many as 22.4% were indifferent, suggesting this aspect does not affect their decisions. However, 12.1% and 13.8% saw it as less significant, indicating that many respondents do not prioritise this element in their investing decisions. This dispersion implies that this factor's relevance is not universally accepted.

DISCUSSION

Demographic and investment choice data reveal respondents' profiles and decision-making habits. The age distribution shows that 50% of responders are 31-40. This shows that early to mid-career investors are more engaged due to secure income, job growth, and financial responsibility. This age group tends to prioritise long-term financial planning and manage their personal finances and investments. The second-largest category is 21-30, with 27.6% of responders. This younger cohort, albeit under-represented, is nevertheless a major portion of the sample, suggesting a trend towards younger people recognising the need of financial planning and investing early in their careers. Only 15.5% of the sample is 41-50, while only 6.9% is beyond 50. This shows that elderly people may be less willing to invest or may already have well-established financial portfolios and prioritise preserving them over pursuing new chances. Most respondents, 72.4%, are married, indicating that family responsibilities greatly impact financial decision-making. Married people have additional long-term financial commitments including child support, housing, and retirement preparation. As they strive for financial security for their families, they invest in safer, more secure solutions. 27.6% of respondents are single, which may mean their investing decisions are less affected by family, giving them greater flexibility. The study's low proportion of single respondents suggests that financial decision-making in India, particularly investment decisions, is often seen as a family-oriented activity. Single people may be more likely to take risks or focus on personal financial goals. Respondent education illuminates the sample profile. Doctorates are held by 46.6% and postgraduate degrees by 44.8%. The sample appears to be highly educated, with several advanced degrees. Financial literacy is frequently higher in higher education, which may influence investing decisions. Advanced education may help people grasp

financial concepts, especially behavioural finance, and investing possibilities. This knowledge may also imply that respondents are more sceptical of their financial decisions, using reasoning and facts rather than emotion or bias. However, the small number of people with lower educational qualifications (6.9% with graduate degrees and 1.7% with an M.Ed.) emphasises that the study is focused on a highly educated demographic, which may limit its generalisability. Income also influences respondents' investing behaviour. 72.4% of respondents make over 30,000 per month, showing that most are high-earners. Their higher discretionary income may allow them to invest more and diversify their financial holdings. Higher earnings allow more investing options, including stocks, bonds, real estate, and mutual funds. Higher-income people may be more risk-tolerant and invest in financial markets. However, just 8.6% of respondents earn less than 5,000 per month, and none make 5,000–10,000. This distribution suggests that the study sample is biased towards higher-income individuals, which may affect their investing decisions because richer participants may have different risk tolerance and investment methods. A large number (51.7%) of respondents had more than 10 years of investment experience. This group may be well-versed in financial decision-making and have procedures to minimise cognitive biases, emotions, and other behavioural finance aspects in their investing decisions. With experience, they may be more cautious and less sensitive about market volatility. However, 24.1% have 5-10 years of experience and 24.1% have less than 5 years. Due to short-term market changes or societal variables like herd behaviour, these responders may make emotional decisions. Thus, while the sample contains both experienced and less experienced investors, individuals with more market expertise are likely to make more logical and strategic decisions, while fresher investors may be more subject to biases and external influences. Respondents favour low-risk, guaranteed-return investments. Most respondents valued secure returns (56.9%) or as significant (36.2%). Participants desire security and predictability in their investments. Low-risk investments (46.6% essential and 25.9% really important) reinforce this conservative attitude, which prioritises stability and risk reduction. These choices show that many respondents chose asset preservation over high-risk, high-reward options, which is consistent with the cautious investing behaviour of high-income, family-oriented individuals. Tax benefits also influence investment decisions, with 56.9% and 31% deeming them crucial. The respondents' concentration on tax-efficient investments shows an understanding of techniques to optimise their financial portfolios, decrease tax payments, and improve long-term wealth. This shows the increased relevance of tax preparation in investment decisions, especially for high-earners. Child education is vital to some responders, while many seem less concerned with it when investing. Although 27.6% of responders evaluated child education as extremely essential, 13.8% rated it least important. Some investors may view child education as a long-term goal that requires significant investment, while others may prioritise financial stability, tax benefits, or wealth preservation over future educational expenses.

CONCLUSION

Examining the investing habits of eighty-six individuals from the Indian state of Uttar Pradesh, this research highlights the ways in which cognitive biases, emotions, and herd mentality impact financial decision-making. The results show that middle-aged married people with high salaries and a lot of investing expertise are the most likely to make investment decisions. When making these selections, they evaluate elements including risk tolerance, guaranteed returns, tax benefits, and the education of their children. Investors are impacted by both internal and external forces and biases, as shown by the study, which emphasises the interaction between psychological and social aspects in financial decision-making. These findings have important ramifications for improving financial literacy programs and creating investing strategies that take behavioural and logical factors into consideration.

REFERENCES

1. Bajracharya Bilas Raja (Jun2018):” A Study Of Investors“ Awareness Owards Mutual Funds In Kathmandu Metropolitan City, Nepal,” Kaav International Journal Of Law, Finance & Industrial Relations, Kijlfir/Jan-Jun2018/ Vol-5/ Ss-1/Siiciktsd9page No.92-97issn: 2349 2589i.
2. BhayaniMital (2017) “A study of recent trends in Indian Mutual Fund Industry” International Research Journal of Engineering and Technology (IRJET) ,e-ISSN: 2395 -0056, Volume: 04 Issue: 04 , Apr -2017 p-ISSN: 2395-0072 .
3. Dr. Vechalekar N.M (2014), “Perception of Indian Investor towards Investment in Mutual Fund”, IOSR Journal of Economics and Finance (IOSR-JEF) e-ISSN: 2321- 5933, p-ISSN: 2321-5925 PP 66-74.
4. Hunjra, I, A., Rehman, K., & Qureshi, A, S. (2012). Factors Affecting Investment Decision Making of Equity Fund Managers. 19(10), 280-291.
5. Kandpal, Vinay & Mehrotra, Rajat. (2018). Role of Behavioral Finance in Investment Decision – A Study of Investment Behavior in India. International Journal of Management Studies. V. 39. 10.18843/ijms/v5i4(6)/06.
6. Keswani, Sarika & Dhingra, Vipra & Wadhwa, Bharti. (2019). Impact of Behavioral Factors in Making Investment Decisions and Performance: Study on Investors of National Stock Exchange. International Journal of Economics and Finance. 11. 80. 10.5539/ijef.v11n8p80.
7. Prasad, Swati & Kiran, Ravi & Sharma, Rakesh. (2018). Impact of Behavioural factor on Investment Performance: An Empirical Study of Indian Retail Investors’.
8. Qureshi, Salman Ali & Hunjra, Dr. Ahmed Imran. (2012). Factors Affecting Investment Decision Making of Equity Fund Managers. 19.
9. Sattar, Muhammad & Toseef, Muhammad & Sattar, Muhammad. (2020). Behavioral Finance Biases in Investment Decision Making. International Journal of Accounting, Finance and Risk Management. 5. 69. 10.11648/j.ijafm.20200502.11.
10. Sattar, Muhammad & Toseef, Muhammad & Sattar, Muhammad. (2020). Behavioral Finance Biases in Investment Decision Making. International Journal of Accounting, Finance and Risk Management. 5. 69. 10.11648/j.ijafm.20200502.11.

11. Shanmugham (2000) A Study of Investment Choice of Individual Investors. Tata McGraw-Hill Publishing Company Limited, New Delhi, 2000.
12. Sharma, Ajay. (2020). A Study on Factors Influencing Indian Equity Investment Managers' Decision-Making Process. TEST Engineering & Management. 83. 27555-27566. 10.52783/testmagzine.v83.14605.
13. Sharma, Ajay. (2020). A Study on Factors Influencing Indian Equity Investment Managers' Decision-Making Process. TEST Engineering & Management. 83. 27555-27566. 10.52783/testmagzine.v83.14605.
14. Singh. andJha, . (2009), “An empirical study on the awareness & acceptability of mutual fund”, 49-55, Regional Student’s Conference, An_empirical_study_on_awareness_acceptability_of_mutual_fund
15. Syed, Zahera & Bansal, Rohit. (2018). Do investors exhibit behavioral biases in investment decision making? A systematic review. Qualitative Research in Financial Markets. 10. 00-00. 10.1108/QRFM-04-2017-0028.