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DIMENSIONS OF INVESTORS BEHAVIOUR TOWARDS EQUITY INVESTMENT WITH REFERENCE TO INVESTORS OF ERODE

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Abstract
The stock market has the ability to deliver multiple returns in a short period of time, but in order to analyze the market effectively; you need to have both technical and fundamental abilities. It is necessary for the investors to have the abilities necessary to function independently, as this will provide them the ability to be independent of the assistance of others. The activities that take place in the stock market require mental fortitude in order to analyze the situation and make decisions that are suitable at the proper moment. The investors who have been successful in generating profits from the market will have a positive image of the market and attitude toward the market, and vice versa. The purpose of this article was to analyze the numerous elements that have an influence on the dimensions of investor behavior and that are causing investors to invest in the stock market. In the section on methodology, it is explained that the study is based on previous empirical research. The questionnaire is used to obtain the main data from individuals who invest in the stock market. In order to pick the sample for the investigation, the sampling method of snowball sampling was put into practice. The Z Sample size calculator was used to determine that a sample size of 173 would be appropriate for the investigation. The SPSS was used to do analysis on the information that was gathered. As statistical methods, the research used both factor analysis and percentage analysis. Percentage analysis was also utilized. According to the findings of the research, the elements that have an impact on different aspects of investor behavior include ***Safety of Financial Investment, User Friendly and Additional Revenue, Liquidity and Convertibility and Easy Assessment and Fair Settlement Policy.***

Keywords: Stock Market, Investor Behavior, Technical Analysis and Investors.

Introduction

A crucial contributor to the expansion of the country's manufacturing and service industries is the performance of such industries on the stock market. The extensive and well-liquidized stock markets have a significant and enduring influence on the overall performance of the economy. It directs the money that people have saved into investments in the stock market so that the economy can continue to grow. Changes in the price of stocks have a significant psychological effect not just on individual investors but also on businesses. The story of human behavior, which is responsible for overreaction in both directions, can be seen written all over the stock market. The stock market continued to be a crucial conduit for the long term fund destination for corporations after the advent of the financial reform process in the early 1990s. This led to tremendous economic progress in India. Both institutional and ordinary investors were drawn to the asset due to its liquidity as well as local and foreign, are the only type of investors that stand to benefit from the boom. Very few individual investors stand to prosper. The disappointment of retail investors with the market is reflected in the scant two percent of the Indian population that participates in the equities market.

The main market is the principal medium that helps in mobilizing savings from households to corporations for direct investment objectives. This is done for the goal of increasing the economy. It provides a platform that boosts industrial and financial operations by supplying the industries and the government with limited cash. It does this by putting new securities on the market, which contributes to an increase in the market's volatility and broadens the base of the secondary market. On the other hand, the secondary market acts as a barometer for the state of the economy as a whole and offers liquidity in the stock investing market. Equity and debt financing are the two primary forms of money that can be obtained through the capital market by businesses. Equity capital is included as a component of a company's net worth, whereas debt capital reflects the company's obligations to parties external to the company. When compared to the option of borrowing money through debt, investors and businesses alike place a higher value on the option of borrowing money through equity. This is due to the fact that it is easier for companies to approach banks for long term funding if they have recently completed an initial public offering (IPO) and successfully raised a significant amount of equity capital.

The success of the stock market is wholly dependent on the confidence of its investors, who will only put their money into stocks if they believe the market has a high probability of producing a high return on investment. On the stock market, there are two sorts of investors: retail investors (also known as individual investors), and institutional investors. Retail investors make up the majority of investors. Large investors who rely on the guidance of portfolio managers to make financial decisions are known as institutional investors. Portfolio Managers just rearrange the financial assets in their portfolio based on their own personal assessment of various stocks; however, they do not invest the most desirable risky money that is provided by forthcoming firms for the purpose of carrying out new business operations. In addition, Foreign Institutional Investors (FIIs) typically invest their money in any country in order to purchase shares of incredibly successful corporations. However, they do not provide risk capital to the organizations; rather, regular investors are the ones who provide this type of capital. They are responsible for market shifts going back many decades and offer risk money in the form of investments in equity shares or in the form of investments in mutual funds. These types of investments can be made either directly or indirectly. Numerous economists and prognosticators holding significant positions in a variety of government agencies and financial institutions were caught off guard by this, and as a result, events such as defaults and insolvencies transpired. Even while the crisis was picking up steam, many of them lacked the expertise to assess the severity of the situation or the degree to which it had escalated. However, there are certain investors who tend to make illogical choices because they either do not pay enough attention to the fundamentals or they lack the proper understanding to put the information at their disposal effectively. They came to a conclusion that is consistent with the amount of risk they are willing to take. In addition, the vast majority of investors have a feeling of insecurity regarding the management of their stock market investments. This is due to the fact that it is extremely difficult for an individual to determine whether companies have promising prospects for the future.

The integration of global markets has led to an increase in both the size of the market and the number of investors over the course of the past two decades as a result of the availability of a diverse array of investment opportunities. However, this makes the process of making decisions on investments even more difficult because investors have a wide range of possibilities from which to choose, which can include anything from bonds to options. These financial products are distinct from one another in terms of the level of risk and return that is connected with them, and investors typically favor those investment options whose level of risk and return corresponds to the level of risk and return that they are comfortable with. In addition to this, an investor's knowledge of the share market and their previous experience contribute a great deal to the evaluation of the risk level in the many different investment alternatives that are currently available. After determining their investment opportunity. An investor would typically choose to put their money into those investment alternatives that offer a return that is proportionate to the amount of risk associated with those investment options.

Review of Literature

Charles, M. A., & Kasilingam, D. R. (2013)[*]

Many investors make poor choices while investing. Some prejudices affect their judgment and cause problems. It could be anything from an emotional to a logical prejudice. Demographics can be a significant contributor to this sort of prejudice. Investors' investing choices are heavily influenced by their demographic characteristics, such as age, gender, education, occupation, profession, financial dependence, and income. One of the most important factors influencing people's behavioral biases and the quality of their investment choices is their age. In this research, the effect of age on investors' choices is examined. Data was collected from 742 individual investors using the Indian stock market using a multistage random sample technique. Quantitative analysis was performed on the data using several SPSS features, including cross tabulations, correspondence analysis, and others. The results of this study indicated that investors' age plays a crucial role in dictating their investment patterns.

Vijaya, E. (2014)[†]

Modern portfolio theory, the efficient market hypothesis, and the capital asset pricing model are all examples of classical financial theories that assume markets are efficient and that investors make rational decisions. However, recent research on individual investor behavior has demonstrated that people do not act rationally while making stock market investments. The purpose of this article is to examine what drives retail investors' decisions in India's stock market. Principal Component Analysis is used to determine what factors influence people's financial decisions. Five key aspects that can affect retail investors' decisions in the Indian stock market have been highlighted in this study. It includes things like: herd mentality, market forces, herd confidence, loss aversion, anchored beliefs, and overconfidence. The results will aid financial advisors in developing effective asset allocation strategies for their customers and will also be of benefit to investors in comprehending common behaviors to explain their reactions for higher returns.

Nurdina, N., Sidharta, R. Y., & Mochklas, M. (2021)[‡]

The purpose of this research is to analyze and comment on existing accounting literature that focuses on problems associated with inefficient marketplaces. This piece examines how anomalies influence investor actions and stock performance. The authors of this study start by distinguishing between two types of anomalies, seasonal and momentum. Three common patterns of investor behavior are highlighted in this article are extreme reactions, a fear of losses, and an excessive belief in their own abilities. The primary focus of this research is on determining the impact that anomalous effects have on the actions of investors in relation to stock returns. This page breaks down the findings of prior studies within each subfield. Investors can make better investment judgments and exhibit less irrational behavior regarding the impact of anomalies when they have access to evidence from inefficient market research. Possibilities and implications for future research in capital markets are explored.

Agrawal, S., & Singh, D. (2020)[§]

The growth of a nation's economy is bolstered by the contributions of its residents, in whatever capacity they may be, to the process of capital formation through savings and investment.

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[*] Charles, M. A., & Kasilingam, D. R. (2013). Does the investor's age influence their investment behaviour?. *Paradigm*, *17*(1-2), 11-24.

[†] Vijaya, E. (2014). An empirical analysis of influential factors on investment behaviour of retail investors' in Indian stock market: a behavioural perspective. *International Journal in Management and Social Science*, *2*(12), 296-308.

[‡] Nurdina, N., Sidharta, R. Y., & Mochklas, M. (2021). Inefficient markets, anomalies, and investor behavior: a literature review. *International Journal of Economics, Business and Accounting Research (IJEBAR)*, *5*(2).

[§] Agrawal, S., & Singh, D. (2020). Retail Investors Awareness Towards Equity Investment–With Reference to Bhopal

Investors in mutual funds and other retail investors play a role in making this happen. When compared to those who invest through other means of financial management, retail investors in India are a tiny minority. The authors of this research focus on the investing habits of average citizens in Bhopal. The knowledge and experience these investors have with financial assets can sometimes eclipse their investments. There is a lingering fear among retail investors that the stock market may not operate in accordance with fundamental analysis or even on the basis of technical analysis, which is extremely explicit but may not reflect the genuine picture, regardless of what the theories say. Retail investors tend to believe the market is driven by chance or that it is controlled by a small group of extremely wealthy individuals. With this in mind, the study incorporates five factors: the predictive abilities of retail investors, the stock's purchase price as a reference point for trading, participants' familiarity with the National Stock Exchange, the subjects' preference for making short-term investments, and their propensity for holding onto losing stocks while selling winning ones. The research backs up the factors mentioned, which depict the actions of these investors.

Kukreja, G. (2012)[**]

This research will focus on investors in India's National Capital Region (NCR) to gauge their opinion on the country's financial markets. This study employs a systematic sampling strategy to gather descriptive data. The sample size, validity, and reliability of the instrument can all be determined by conducting a trail survey. A total of 120 samples are taken for this investigation. Two of the study's most important conclusions are that investors' ages matter and that higher education levels confer tax benefits. This analysis measures investors' opinions across 119 different operational variables. These factors account for 72% of the total variance in gauging investor sentiment. Investors' perspectives are mediated by costs, liquidity, and other aspects of investments. The effects of investments and the returns on investments are becoming increasingly important.

Sharma, A., Kumar, A., & Vaish, A. K. (2022)[††]

There may be inefficiencies in the stock markets, as suggested by market oddities. Investor behavior is occasionally cited as a possible explanation for market abnormalities in the literature. This work makes a contribution to the literature by exploring the existence and likely origin of three important anomalies in Indian stock markets: the momentum anomaly, the size anomaly, and the value anomaly. In this study, methodology of Jegadeesh and Titman was used to discover the presence of a source, and the decomposition technique of Du and Watkin to go deeper into a given source. This study creates a number of methods for determining excess returns by exploiting these anomalies, and then dissects the resulting profit to look for its origins. The findings indicate to a variety of potential causes, including the role of investment behavior and risk variables. This paper's significance is twofold: first, it sheds light on the inefficiencies of the Indian stock markets; second, it indicates that investor behavior does have an impact on the Indian equity markets.

Mehta, K., & Sharma, R. (2015)[‡‡]

The current state of the Indian economy is highlighted by a time when banks are increasingly concerned with financial inclusion, capital markets are working to increase the number of individual investors, and financial market regulators are worrying excessively about the level of financial literacy among Indian households. Having a firm grasp on what motivates investors is crucial at this juncture. The current research sought to get an understanding of individual investors' investment behavior, investment methods, and outcomes, as well as their demographic characteristics. Between November 2014 and March 2015, a well-designed, structured questionnaire was used to collect data for the study. In India, a common investor's primary motivation for investing is to reduce their taxable income. Investors in the middle age range tend to be more adventurous than their younger

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[**] Kukreja, G. (2012). Investors' Perception for Stock Market: Evidences from National Capital Region of India. *Interdisciplinary journal of contemporary research in business*, *4*(8), 712-726.

[††] Sharma, A., Kumar, A., & Vaish, A. K. (2022). Market anomalies and investor behaviour. *Afro-Asian Journal of Finance and Accounting*, *12*(1), 62-81.

[‡‡] Mehta, K., & Sharma, R. (2015). Individual Investors' Behavior: In Demographical Backdrop. *SCMS Journal of Indian*

counterparts. To invest in the stock market with the expectation of a high rate of return is the core premise.

Venkatesan, S. (2022)[§§]

The stock market is important to an economy because it provides a means of funding investment, sends signals to stock brokers about investment decisions, and promotes good corporate governance. In addition to its role as an investment financing source, it also serves these other purposes. The marketing discipline has paid considerable attention to studies of consumer happiness. There was a rise in the number of brokers operating in the financial sector as laws governing the capital market were loosened. Brokers provide a one-stop shop where investors may acquire a wide range of services that can be adapted to their own needs. The primary aims are to investigate the criteria investors use to choose a broker and to assess the attitudes and experiences of those investors as they relate to their stock brokers' performance. This investigation is a qualitative one performed in the metropolitan area of Chennai. By utilizing a purposive sampling strategy, we can select a representative subset of stock market investors as respondents. We randomly chose 500 people to participate in the study. The bulk of the primary information came from responses to Google forms posted during the month of March 2022. The findings indicate that customers are pleased with the services provided by their stock brokers in terms of speed, reliability, accessibility, expertise, convenience, timeliness, and security. In general, traders are pleased with the services provided by their brokers.

Research Gap

Numerous studies have been conducted all over the globe with the purpose of capturing the behavior of investors and the influence that behavior has on the decisions they make about their investments. In the same vein, the Indian market is considered to be one that is emanating and is also susceptible to behavioral biases. This is evident from the multiple abnormal occurrences that the Indian market has encountered in the past, such as the dot-com boom and the financial crisis of 2008. It's possible that this is because the stock market had an apathetic stance toward the conduct of investors, which helped give rise to these crises and washed away all of the money that investors had invested. Because of this, it is becoming even more important as well as interesting to study the irrational behavior of investors, which is why the current study is being carried out. The research gap of the study is to gain an understanding of the investor behaviour towards the working of the stock market in the study area.

Statement of the Problem

Increasing a person's life expectancy, trying to plan for retirement income, high planning for added revenue due to high taxation rates and inflationary pressure in an economy, and the assumption of constant stable earnings in the form of regular dividends, interests, and other receipts are all reasons why investments are important. Investment capital is of the utmost importance to the economic development of the nation. The act of acquiring financial instruments such as equity shares, debentures/securities, common asset units, and assets is an example of investment. The investors are the most important part of the security market. There is not a constant pattern to the behavior of investors. It is different from person to person and from location to place. Acquiring and making use of one's own money and advantages is a personal act that is included into decision making. Over the course of a longer period of time, an investment of a lesser sum may provide a satisfactory return and substantial growth. For investors to be successful in reaching their monetary objectives, they need to practice prudent investing. In order to accomplish this goal, the investor has to have a comprehensive understanding of all potential routes for investment. However, since there are so many different financial products available, making an investment selection that will result in

[§§] Venkatesan, S. (2022). Investors Behaviour Towards Stock Broking Service. *Journal of Positive School Psychology* the highest possible return on investment may be rather challenging. In the process of putting their money into investments, the investors have a lack of awareness about the various investment options. When people make selections about investments, they need to make decisions that are more specific regarding the safety, liquidity, returns, risks, and tax advantages connected with the various investment possibilities. These problems are analysed to understand the dimensions that influence the investors behaviour to invest in the stock market.

Research Questions

a. What are the diverse factors that are influencing the investors towards investing in stock market in Erode district?

Significance of the Study

The involvement of retail investors has not been encouraging despite the regulatory framework that was introduced by the SEBI (Security exchange board of India) to discourage fraudulent activities and effective clearing through rolling settlement. The loss of investment was the primary factor for this. The fundamental tenets of the efficient market theory that investors behave rationally and take into account all of the information that is available when making financial decisions served as the foundation for the traditional financial theories. These theories were built on the framework that traditional markets are efficient. It also presupposes that the market is open and honest, and that there is no imbalance of knowledge between buyers and sellers. Since efficient market theory works on the assumption that investors always behave in a logical manner, it is unable to provide an explanation for the volatility seen in the stock market. The decline in the number of retail investors is highly concerning given that the necessity for money that is generated by savings made at home has the potential to slow the outflow of capital. Additionally, if domestic individual investors were to participate in greater numbers, artificial volatility might be reduced and brought under control. However, a large number of research studies have shown that retail investors behave irrationally when it comes to making choices about their finances owing to psychological elements including emotions and cognitive biases. The theory of behavior finance varies from the more conventional idea of rationality and instead takes into account psychological aspects. These psychological elements take into account personality qualities in addition to attitude bias.

Objectives of the Study

a. To assess the diverse factors those are influencing the investors towards investing in stock market in Erode district.

Research Methodology

For the purpose of this study, primary data was gathered by administering a structured questionnaire in the form of an online survey to individuals who choose to engage in online trading as well as in-person surveys to investors who trade through brokerage houses. The study was carried out in the area of Erode district to understand the behaviour of investors. Both types of investors participated in the research. In order to accomplish this goal, information pertaining to 173 investors was gathered from reputable brokerage companies and financial websites. Only questionnaires that had been fully filled out in every way possible were taken into consideration for the study. The investors were selected using a random number generator to guarantee that the sample size accurately reflects the whole population. In addition, between August 2021 and January 2022, the questionnaire was drafted and sent to those who were asked to answer to it. The data that were gathered with the assistance of questionnaires were separated into their respective bias categories before being analysed using SPSS 21.0 in order to determine whether or not there was any connection between them. In addition, the answers to all of the behavioral biases questions were collected, turned into binary variables, and then analyzed in conjunction with the replies to the demographic questions in order to determine whether or not there is a connection between the questions. An investigation of the many aspects that play a role in determining whether or not an individual would put money into the stock market was the purpose of the factor analysis.

Analysis and Interpretation

The collected data was coded and analysed for the purpose of extracting the opinions of the investors in analyzing the major factors that are influencing the investors' behaviour to make investment in stock market.

Table -1 : Demographic Profile of the Respondents

Factors	Category	Frequency	Percent
Gender	**Male**	**135**	**78.00**
	Female	38	22.00
	Total	173	100.00
Age Category	**Below 25 years**	44	25.40
	26-40 years	**109**	**63.00**
	Above 41 years	20	11.60
	Total	173	100.00
Level of Education	HSC	9	5.20
	Technical	19	11.00
	UG/PG	**110**	**63.60**
	Professional	35	20.20
	Total	173	100.00
Job status	Private employee	31	17.90
	Government Employee	51	29.50
	Professional	**70**	**40.50**
	Business	21	12.10
	Others	---	---
	Total	173	100.00
Income (Year)	**Below 2 Lakhs**	36	20.80
	2-5 Lakhs	**118**	**68.20**
	Above 6 Lakhs	19	11.00
	Total	173	100.00
Annual Savings	**Below 75, 000**	**115**	**66.50**
	75,001-1,50,00	42	24.30
	Above 1,50,001	16	9.20
	Total	173	100.00
Expenses for Family (Year)	**Below 75, 000**	**113**	**65.30**
	75,001-1,50,00	33	19.10
	Above 1,50,001	27	15.60
	Total	173	100.00
Awareness level about stock market	Aware	94	54.30
	Less bit aware	**79**	**45.70**
	Not aware	---	---
	Total	173	100.00
Mode of Trading	**Online Trading**	**124**	**71.70**
	Offline Trading	49	28.30
	Total	173	100.00

(Source: Primary Data)

The above table explains the results of the demographics of the investors involved in the study. The analysis reveals that majority are belonging to the male category which has got 78 percent of responses while female category has got only 22 percent of responses. The age categories of the respondents reveal that majority below to the middle age group which has got 63 percent of the responses. The level of education explains that the majority are well education which is revealed by 63.60 percent of responses in the UG/PG category. The job status of the investors reveals that majority belong to the professional group which has got 40.50 percent of responses. The income of the investors reveals that majority of responses is given in the category of Rs. 2 lakhs to 5 lakhs. The annual savings of the respondents reveal that majority tend to save low which is clear from 66.50 percent of responses in the below Rs. 75,000 category. The expenses of the family is elucidates that majority of responses is given in the category of Rs. 75,001 – Rs. 1,50,000 which has got 65.30 percent. The awareness level of the stock market is highly popular in the study area as all them know about the stock market. The online trading is most used trading technique among the investors which is clear from 71.70 percent of responses in that category.

Dimensions of Investors Behaviour influencing the Stock Market Investment

The diverse variables used for assessing the dimensions of the investment behaviour is given in likert scale which is examined using the factor analysis to identify the prominent areas of investment behaviour which influences the investors to invest in the stock market and its results are given below

Table – 2 : Normality Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.891
Bartlett's Test of Sphericity	Approx. Chi-Square	2405.961
	df	107
	Sig.	***<0.001*** **

*(**- reveals normality @ 1 % level and *- normality @ 5 % level)*

The testing of the normality reveals those opinions of the investors in measuring the investor behaviour is having normal distribution and various factors formed based on it are having reliability for generalization. The p-value suggests that opinions are following normal distribution which rejects the null hypothesis which says its non-normal. The results based on this factor analysis will be reliable. The following table explains the initial and extracted values based on the factor loadings.

Table – 3 : Communalities

	Initial	Extraction
Flexibility in Investment Pattern	1.000	0.858
Maximised Return	1.000	0.763
Multiplicity of Capital	1.000	0.706
High Liquidity	1.000	0.848
Financial Safety	1.000	0.792
Risk Diversification	1.000	0.675
Additional Revenue by Hedging	1.000	0.829
Information from Brokers	1.000	0.717
Investment time fixed by self	1.000	0.686
Margin Money are Low	1.000	0.805
Brokerage charges are fair	1.000	0.792
Historical Price Information	1.000	0.675
Returns can be assessed periodically	1.000	0.559
Operation friendly	1.000	0.471
Able to understand easily	1.000	0.614
Flowing with market movement	1.000	0.535
Fair settlement policy	1.000	0.506

Table – 4 : Variance

Component	Values of Eigen Calculated			Squared Loadings – Extracted			Squared Loadings – Rotated		
	Variance	Unit	Overall	Variance	Unit	Overall	Variance	Unit	Overall
1	***6.504***	***38.260***	***38.260***	***6.504***	***38.260***	***38.260***	***3.762***	***22.128***	***22.128***

3	***1.816***	***10.681***	***61.245***	***1.816***	***10.681***	***61.245***	***2.693***	***15.839***	***54.425***
4	***1.415***	***8.326***	***69.571***	***1.415***	***8.326***	***69.571***	***2.575***	***15.146***	***69.571***
5	1.354	7.964	77.535						
6	1.099	6.467	84.002						
7	.694	4.085	88.087						
8	.637	3.748	91.835						
9	.517	3.042	94.877						
10	.339	1.993	96.870						
11	.338	1.990	98.860						
12	.094	.552	99.412						
13	.054	.319	99.731						
14	.037	.220	99.951						
15	.008	.049	100.000						
16	-	-	100.000						
17	-	-	100.000						

The variance table explains the number of factors extracted for understanding the dimensions of the investors' behaviour towards making investment in the stock market. The factors extracted and associated variables are having variance based on the opinions given by the investors. The variance is explained by the above table which gives clear idea about the role of variables in the formation of the factors. The factors formed are reflecting 70 percent of opinions given by the investors involved.

Table – 5

Rotated Component Matrix

	Component			
	1	2	3	4
Financial Safety	0.817			
Brokerage charges are fair	0.817			
Historical Price Information	0.779			
Risk Diversification	0.779			
Multiplicity of Capital	0.625			
Flexibility in Investment Pattern		0.820		
Additional Revenue by Hedging		0.814		
Investment time fixed by self		0.624		
Operation friendly				
Margin Money are Low			0.831	
High Liquidity			0.820	
Information from Brokers			0.646	
Maximised Return			0.637	
Returns can be assessed periodically				0.729
Able to understand easily				0.665
Flowing with market movement				0.645
Fair settlement policy				0.625

Dimension – I- Safety of Financial Investment

The factor is dependent on the variables of Financial Safety (0.817), Brokerage charges are fair (0.817), Historical Price Information (0.779), Risk Diversification (0.779) and Multiplicity of Capital (0.625).

Dimension – II- User Friendly and Additional Revenue

The user friendly factor is derived from the variables of Flexibility in Investment Pattern (0.820), Additional Revenue by Hedging (0.814), Investment time fixed by self (0.624) and Operation friendly.

Dimension – III- Liquidity and Convertibility

The third dimensions is relevant to the variables of Margin Money are Low (0.831), High Liquidity (0.820), Information from Brokers (0.646) and Maximised Return (0.637).

Dimension – IV-Easy Assessment and Fair Settlement Policy

The fourth dimension is examined from the variables of Returns can be assessed periodically (0.729), Able to understand easily (0.665), Flowing with market movement (0.645) and Fair settlement policy (0.625).

Discussions

The equities market is fraught with unpredictability, and the way it moves has a significant psychological bearing not just on corporations but also on individual investors. The findings of the research indicate that investors' investing decisions are being influenced by elements from the outside environment. When making their investment choice, investors took into account many aspects of the companies they were investing in. The capital market is the source of long term equity, and the flourishing economy needs injections of capital at every stage of its economic growth. Individual investors are susceptible to numerous attitude biases and impacts of the personality characteristics, and as a result, they are more likely to make illogical judgments. This is because structural protection is not provided by the regulatory processes. The findings of this research, which was based on the theory of behavioral finance, provided investors with advice to help them control the irrational behavior that might arise from stock investments. It would seem that the findings of this research will make investors feel more confident about their contributions to the expansion of the national economy.

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