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Smarter With Money: Understanding The Purpose Of Investing

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ABSTRACT:

When the investor has a portfolio made up of a variety of quality asset classes and investment types, success is not attached to one particular company or one particular kind of investment. Both subjective assessments of risk during choice, as well as individual attitudes toward risk, play a significant role in modulating activity in neural networks recruited during investment decision-making. A proper investigation of the above issues is essential, revealing the subconscious factors and thus helping to understand the intense levels of anxiety and stress that many stock market participants experience while investing. The association between demographic factors of respondents and categories of purpose behind their Investments and to find the factors influencing to invest in particular stock is attempted in this present study.

Key words: *portfolio, individual attitudes, modulating activity, purpose behind their Investments…*

INTRODUCTION

The usual actuality for stock market investments is subject to not only in making investment decisions in high volatile market circumstances and informational haziness but also by the need to be meticulous in earning something on a consistent basis. Both subjective assessments of risk during choice, as well as individual attitudes toward risk, play a significant role in modulating activity in neural networks recruited during investment decision-making. Individually, increased relative behavioural risk led to increased activations in a system of structures previously implicated in risky decision. Risk attitude, on the other hand, modulated activations during risky choice in a separate, but the partially overlapping network that is typically associated with cognitive control processes, as well as caudate nucleus.

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STATEMENT OF THE PROBLEM:

The Indian Capital Market has witnessed fundamental transformation and structural reforms all through the past one decade. These changes have aimed at improving market competence, enhancing transparency, preventing discriminatory trade practices and bringing the Indian capital market to international standards.

In spite of the fact that the Indian capital market has made a rapid renovation in primary as well as secondary markets, there are significant issues which are faced by the market participants. They are disappearance of companies, stock scams, insider trading, lack of obligatory professional expertise, etc

REVIEW OF LITERATURE

Claude B. Erb et al., (1997) have studied about how population demographics impact both the time-series and cross-section of expected asset returns. This paper explored the role of population demographics in international equity investment. As investors get closer to retirement, they become more risk-averse and demand a higher premium for investing in the equity market. **Malena Johnsson et al.,(2002)** in this paper found the purpose of establishing the factors lie behind the speculative bubble and also further investigate whether the investment intention and factors determining investment decision-making are contrasting today than during the speculative bubble.

Haigh, M. and List J. (2005) in this paper examined the behavioural bias and the environmental and psychological factors leading to different behavioural reactions. Myopic loss aversion is used to suggest by fund managers to reveal information only rarely that leads investors to choose options with (on average) higher returns. **Manish Mittal and R K Vyas (2007)** in this research paper had the objective to check how the demographics of the investors affected by the investment choice. The insight of how demographic variable affects an investment choice helps the financial advisors to advise their clients better. The clients when notified regarding the investments that suit their profile, will not only rate such advice high but will also appreciate it.

OBJECTIVES OF THE STUDY

1. Association between demographic factors of respondents and categories of Purpose behind

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their Investments

2. To find the factors influencing to Invest in particular stock

RESEARCH DESIGN

Based on the research approach, the descriptive research design was preferred and applied for this study. An important distinctive trait of descriptive research compared to alternative types of studies relates to the fact that while descriptive research can use a number of variables, only one variable is required to conduct a descriptive study.

SOURCES OF DATA

The primary data required for the study was collected through a questionnaire (interview schedule) from the stock market investors of Coimbatore city who trade in both BSE and NSE exchanges. A schedule of the interview was conducted among the stock market investors in Coimbatore city concerning the objectives taken for the study.

SAMPLING DESIGN

Two-stage sampling undertaken in this study. In the first stage, purposive sampling design was designated to select 20 popular stockbroking firms based on Full-service brokers who have their operations in Coimbatore city for the study. In the second stage, the convenience-sampling technique was used to collect samples from the investors who trade through those broking firms.

HYPOTHESES

Based on the objectives stated above, to achieve the objectives, the following hypotheses were framed concerning the research problem. Likert's 5-point scaling technique is used to assign a scale value to each of the five responses.

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ANALYSIS AND INTERPRETATION

1.1.1 ASSOCIATION BETWEEN DEMOGRAPHIC FACTORS OF RESPONDENTS AND CATEGORIES OF PURPOSE BEHIND THEIR INVESTMENTS:

Table: 1.1.1(a)

Association between Gender and Categories of Purpose behind Investment

		the purpose behind investment								Total	
		Wealth creation		Tax saving		Earn returns		Future expenditure		No.	%
		No.	%	No.	%	No.	%	No.	%		
Gender	Male	53	13.2	98	24.4	222	55.4	28	7.0	401	100.0
	Female	39	32.8	10	8.4	29	24.4	41	34.5	119	100.0
Total		92	17.7	108	20.8	251	48.3	69	13.3	520	100.0

Among the respondents, 55.4% of male respondents' purpose behind the investments is ' to earn returns' which is the highest score found in the table. Whereas 7 % of the male respondents' whose purpose behind the investment is 'future expenditure' is the least. While among the female respondents, 34.5% of whose purpose is 'future expenditure' is the highest and the least is the purpose of' tax saving' with 8.4%. The association between gender of the respondents and different categories of the purpose behind investments is tested with the following hypothesis.

H0: There is no significant association between the gender and categories of the purpose behind the investment.

Table: 1.1.1(b)

Chi-Square Test for Gender and Categories of Purpose behind Investment

	Value	Df	Table value	Sig.
Chi-Square	101.650	3	11.345	**

** significant at 1% level

Result: Chi-square test was applied to verify the above hypothesis. The calculated value of chi-square is 101.650 which is greater than the table value of 11.345 at 1% level of significance.

It is inferred that gender is significantly associated with various purposes behind the investment.

Hence the hypothesis is rejected.

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1.1.2 ASSOCIATION BETWEEN AGE AND DIFFERENT CATEGORIES OF PURPOSE BEHIND INVESTMENT:

Table: 1.1.2 (a)
Association between Age and Different Categories of Purpose behind Investment

		the purpose behind investment								total	
		Wealth creation		Tax saving		Earn returns		Future expenditure		No.	%
		No.	%	No.	%	No.	%	No.	%		
Age	Below 20	12	54.5			9	40.9	1	4.5	22	100.0
	Between 20-30	14	15.2	21	22.8	31	33.7	26	28.3	92	100.0
	Between 30-40	49	18.6	48	18.2	147	55.7	20	7.6	264	100.0
	Above 40	17	12.0	39	27.5	64	45.1	22	15.5	142	100.0
total		92	17.7	108	20.8	251	48.3	69	13.3	520	100.0

Of about 264 respondents are in the age group of between 30-40 years and about 55.7% of the respondents who are in the age group between 30 and 40 years invest for the purpose to ‘earn returns.' The respondents whose age is below 20 years invest in the stock market, 54.5% of them invest for ‘wealth creation' and 40.9% of them to ‘earn returns’ and only 4.5% of them for ‘future expenditure.' And the respondents whose age is above 40 years invest for ‘tax-saving’ (27.5%) which is the highest among the respondents. The association between age and different categories of the purpose behind investment is tested with the following hypothesis.

H0: There is no significant association between the age and different categories of the purpose behind investments.

Table: 1.1.2(b)
Chi-Square Test for Age and Categories of Purpose behind Investment

	Value	df	Table value	Sig.
Chi-Square	60.043	9	21.666	**

** significant at 1% level

Result: Chi-square test was applied to verify the above hypothesis. The calculated value of chi-square is 60.043 which is higher than the table value of 21.666 at 1% level of significance.

It is inferred that age is significantly associated with various purposes behind the investment.

Hence the hypothesis is rejected.

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1.1.3 ASSOCIATION BETWEEN MARITAL STATUS AND CATEGORIES OF PURPOSE BEHIND INVESTMENT

TABLE: 1.1.3(a)
Association between Marital Status and Categories of Purpose behind Investment

		the purpose behind investment								Total	
		Wealth creation		Tax saving		Earn returns		Future expenditure		No.	%
		No.	%	No.	%	No.	%	No.	%		
Marital status	Single	19	16.7	25	21.9	61	53.5	9	7.9	114	100.0
	Married	73	18.0	83	20.4	190	46.8	60	14.8	406	100.0
total		92	17.7	108	20.8	251	48.3	69	13.3	520	100.0

About 53.5% of the respondents whose purpose behind investments is to earn returns are unmarried, and the respondents whose purpose is for future expenditure is the least with 7.9%. Of the married respondents about 46.8% of them opined that their purpose is to earn returns and 18% of them is the least with the purpose of wealth creation among the married respondents. The association between marital status and different categories of the purpose behind investment is tested with the following hypothesis.

H0: There is no significant association between the marital status and different categories of purpose behind investment

Table: 1.1.3(b)
Chi-Square Test for Marital Status and Categories of Purpose behind Investment

	Value	df	Table value	Sig.
Chi-Square	4.190	3	7.815	Ns

Ns Not significant

Result: Chi-square test was applied to verify the above hypothesis. The calculated value of chi-square is 4.190 which is less than the table value of 7.815 at 5% level of significance.

From the above table: 4.3.9(b) the calculated value is less than the table value, it is inferred that Marital Status is not significantly associated with various purposes behind the investment.

Hence the hypothesis is accepted.

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1.1.4 ASSOCIATION BETWEEN OCCUPATION AND CATEGORIES OF PURPOSE BEHIND INVESTMENT:

Table: 1.1.4(a)
Association between Occupation and Categories of Purpose behind Investment

		the purpose behind investment								Total	
		Wealth creation		Tax-saving		Earn returns		Future expenditure		No.	%
		No.	%	No.	%	No.	%	No.	%		
Occupation	Student			13	40.6	17	53.1	2	6.3	32	100.0
	Pvt.Sector employee	13	8.8	46	31.3	68	46.3	20	13.6	147	100.0
	Govt.Sector employee	24	20.5	32	27.4	53	45.3	8	6.8	117	100.0
	Professional	34	23.4	13	9.0	78	53.8	20	13.8	145	100.0
	Self-employed	18	27.7			34	52.3	13	20.0	65	100.0
	Housewife	3	33.3			1	11.1	5	55.6	9	100.0
	Retired person			4	80.0			1	20.0	5	100.0
total		92	17.7	108	20.8	251	48.3	69	13.3	520	100.0

About 53.1% and 40.6% of the respondents who are student's and their purpose of investing is to 'earn returns' and 'tax saving' respectively have higher scores. It is followed by 53.8% and 52.3% of the respondents who are professionals and self-employed respectively whose purpose is to 'earn returns.' 55.6 % and 33.3% of the respondents who are in housewife category, their purpose of investing is for 'future expenditure' and 'wealth creation' respectively. The association between occupation and categories of the purpose behind investment is tested with the following hypothesis.

H0: There is no significant association between the occupation and different categories of purpose behind investment

Table: 1.1.4(b) Chi-Square Test for Occupation and Categories of Purpose behind Investment

	Value	df	Table value	Sig.
Chi-Square	97.120	18	34.805	**

** significant at 1% level

Result: Chi-square test was applied to verify the above hypothesis. The calculated value of chi-square is 97.120 which is higher than the table value of 34.805 at 1% level of significance. From the above table: 4.3.10(b) the calculated value is greater than the table value, it is inferred that occupation is significantly associated with various purposes behind the investment. Hence the hypothesis is rejected.

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1.1.5 ASSOCIATION BETWEEN LEVEL OF EDUCATION AND CATEGORIES OF PURPOSE BEHIND INVESTMENT:

Table: 1.1.5(a)
Association between Level of Education and Categories of Purpose behind Investment

		the purpose behind investment								Total	
		Wealth creation		Tax saving		Earn returns		Future expenditure		No.	%
		No.	%	No.	%	No.	%	No.	%		
Level of Education	School education	3	33.3			2	22.2	4	44.4	9	100.0
	Diploma holder	1	3.1	16	50.0	1	3.1	14	43.8	32	100.0
	UG graduate	46	25.0	35	19.0	83	45.1	20	10.9	184	100.0
	PG graduate	8	6.1	40	30.3	74	56.1	10	7.6	132	100.0
	Professional education	34	20.9	17	10.4	91	55.8	21	12.9	163	100.0
total		92	17.7	108	20.8	251	48.3	69	13.3	520	100.0

About 44.4% of the respondents have only school education and their purpose to invest is for future expenditure which is the highest and the purpose of 7.6% of the respondents who are post- graduates is 'future expenditure' which is the lowest. Whereas 56.1% of the respondents whose purpose is to 'earn returns' are post-graduates. And it is followed by 50% of the respondents whose purpose is 'tax saving' are diploma holders. The 55.8% of the respondents who have the professional education have the purpose to 'earn returns.' The relationship between the level of education and different categories of the purpose behind investment is tested with the following hypothesis.

H0: There is no significant association between the level of education and different categories of the purpose behind the investment.

Table: 1.1.5(b)
Chi-Square Test for Level of Education and Categories of Purpose behind Investment

	Value	df	Table value	Sig.
Chi-Square	102.912	12	26.217	**

** significant at 1% level

Result: Chi-square test was applied to verify the above hypothesis. The calculated value of chi-square is 102.912 which is higher than the table value of 26.217 at 1% level of significance. From the above table: 4.3.11(b) the calculated value is higher than the table value, it is inferred that level of education is significantly associated with various purposes behind the investment. Hence the hypothesis is rejected.

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1.1.6 ASSOCIATION BETWEEN AVERAGE GROSS ANNUAL INCOME AND CATEGORIES OF PURPOSE BEHIND INVESTMENT

Table: 1.1.6(a)
Association between Average Gross Annual Income and Categories of Purpose behind Investment

		the purpose behind investment								Total	
		Wealth creation		Tax saving		Earn returns		Future expenditure		No.	%
		No.	%	No.	%	No.	%	No.	%		
Average gross annual income (In Lakhs)	Less than 2L	6	40.0	3	20.0	3	20.0	3	20.0	15	100.0
	2L-4L	25	14.0	42	23.5	94	52.5	18	10.1	179	100.0
	4L-6L	41	20.7	36	18.2	92	46.5	29	14.6	198	100.0
	Above 6L	20	15.6	27	21.1	62	48.4	19	14.8	128	100.0
total		92	17.7	108	20.8	251	48.3	69	13.3	520	100.0

In the study of 520 respondents, 198 respondents come under the category of respondents whose gross annual income is between 2L-4L. About 48.4% and 52.5% of the respondents whose average gross annual income is above 6L and between 2L-4L is to ‘earn returns’ whereas 40% of the respondents whose average gross annual income of less than 2L is ‘wealth creation.' And 10.1% of the respondents whose gross annual income is between 2L-4L is ‘future expenditure.' The association between average gross annual income and different categories of the purpose behind investment is tested with the following hypothesis.

H0: There is no significant association between the average gross annual income and different categories of purposes behind the investment.

Table: 1.1.6(b)
Chi-Square Test for Average Gross Annual Income and Categories of Purpose behind Investment

	Value	df	Table value	Sig.
Chi-Square	13.938	9	16.919	Ns

Ns: Not significant

Result: Chi-square test was applied to verify the above hypothesis. The calculated value of chi-square is 13.938 which is less than the table value of 16.919 at 5% level of significance. From the above table: 4.3.12(b) the calculated value is less than the table value, it is inferred that average gross annual income is not significantly associated with various purposes behind investments. Hence the hypothesis is accepted.

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1.1.7 ASSOCIATION BETWEEN VARIOUS INVESTMENT OBJECTIVES OF RESPONDENTS AND CATEGORIES OF PURPOSE BEHIND THEIR INVESTMENTS:

Table: 1.1.7(a)
Association between Short-term Profit-seeking and categories of Purpose behind Investment

		the purpose behind investment								total	
		Wealth creation		Tax-saving		Earn returns		Future expenditure		No.	%
		No.	%	No.	%	No.	%	No.	%		
Short-term Profit-seeking	Just a little	39	19.0	52	25.4	74	36.1	40	19.5	205	100.0
	Moderate	26	20.3	27	21.1	71	55.5	4	3.1	128	100.0
	Quite a lot	27	14.4	29	15.5	106	56.7	25	13.4	187	100.0
total		92	17.7	108	20.8	251	48.3	69	13.3	520	100.0

Among the respondents whose favoured short-term Profit-seeking investment objective to ‘quite a lot,' 56.7% of the respondent's purpose is to ‘earn returns.' The respondents whose opt this objective as ‘just a little,' 19% of the respondent's purpose is ‘wealth creation.' And the least is the respondents whose opt short-term profit-seeking as ‘moderate amount,' 3.1% of the respondent's purpose is for future expenditure. The association between Short-term profit-seeking and different categories of the purpose behind investment is tested with the following hypothesis.

H0: There is no significant association between the Short-term Profit-seeking and different categories of purpose behind investment

Table: 1.1.7(b)
Chi-Square Test for Short-term Profit-seeking and categories of Purpose behind Investment

	Value	df	Table value	Sig.
Chi-Square	32.765	6	16.812	**

** significant at 1% level

Result: Chi-square test was applied to verify the above hypothesis. The calculated value of chi-square is 32.765 which is higher than the table value of 16.812 at 1% level of significance. From the above table: 4.3.13(b), the calculated value is higher than the table value, it is inferred that the investment objective of Short-term Profit-seeking is significantly associated with various purposes behind the investment. Hence the hypothesis is rejected.

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1.1.8 ASSOCIATION BETWEEN STEADY INCOME AND CATEGORIES OF PURPOSE BEHIND INVESTMENTS:

Table: 1.1.8(a)
Association between Steady Income and Categories of Purpose behind Investments

		the purpose behind investment								Total	
		Wealth creation		Tax saving		Earn returns		Future expenditure		No.	%
		No.	%	No.	%	No.	%	No.	%		
Steady Income (Dividends/Interest)	Just a little	21	21.9	19	19.8	52	54.2	4	4.2	96	100.0
	Moderate	39	15.5	50	19.9	119	47.4	43	17.1	251	100.0
	Quite a lot	32	18.5	39	22.5	80	46.2	22	12.7	173	100.0
total		92	17.7	108	20.8	251	48.3	69	13.3	520	100.0

Among the respondents who have favoured steady income as their investment objective to ‘just a little,' 54.2% of those respondents purpose is to ‘earn returns.' The respondents who have favoured steady income to ‘moderate amount,' 19.9% of that purpose is ‘tax saving.' And the least is the respondents whose opt steady income as ‘just a little,' 4.2% of the respondent's purpose is for future expenditure. The association between Steady income and different categories of the purpose behind investment is tested with the following hypothesis.

H0: There is no significant association between the steady income and different categories of the purpose behind the investment.

Table: 1.1.8(b)
Chi-Square Test for Steady Income and Categories of Purpose behind Investments

	Value	df	Table value	Sig.
Chi-Square	11.798	6	12.592	Ns

Ns: not significant

Result: Chi-square test was applied to verify the above hypothesis. The calculated value of chi-square is 11.798 which is less than the table value of 12.592 at 5% level of significance. From the above table: 4.3.14(b), the calculated value is less than the table value, it is inferred that the investment objective of steady income is not significantly associated with categories of the purpose behind the investment. Hence the hypothesis is accepted.

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1.1.9 ASSOCIATION BETWEEN LONG-TERM PROFIT-SEEKING AND CATEGORIES OF PURPOSE BEHIND INVESTMENT:

Table: 1.1.9(a)
Association between Long-term Profit-seeking and Categories of Purpose behind Investment

		the purpose behind investment								Total	
		Wealth creation		Tax-saving		Earn returns		Future expenditure		No.	%
		No.	%	No.	%	No.	%	No.	%		
Long-term Profit-seeking	Just a little	31	17.9	39	22.5	79	45.7	24	13.9	173	100.0
	moderate	12	19.0	12	19.0	32	50.8	7	11.1	63	100.0
	Quite a lot	49	17.3	57	20.1	140	49.3	38	13.4	284	100.0
total		92	17.7	108	20.8	251	48.3	69	13.3	520	100.0

Among the respondents who opt long-term Profit-seeking as their investment objective to 'moderate amount' is 50.8% of whose purpose is to 'earn returns' and 19.0% of the respondents whose purpose is 'wealth creation.' The respondents who have favoured long-term Profit-seeking as 'quite a lot,' 20.1% of the respondent's purpose is 'tax saving.' The association between Long-term Profit-seeking and different categories of the purposes behind investment is tested with the following hypothesis.

H0: There is no significant association between the Long-term Profit-seeking and different categories of purposes behind investment

Table: 1.1.9(b)
Chi-Square Test for Long-term Profit-seeking and Categories of Purpose behind Investment

	Value	df	Table value	Sig.
Chi-Square	1.180	6	12.592	Ns

Ns not significant

Result: Chi-square test was applied to verify the above hypothesis. The calculated value of chi-square is 1.180, which is less than the table value of 12.592 at 5% level of significance. From the above table: 4.3.15(b), the calculated value is less than the table value, it is inferred that the investment objective of Long-term Profit-seeking is not significantly associated with various purposes behind the investment. Hence the hypothesis is accepted.

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1.1.10 ASSOCIATION BETWEEN CAPITAL GAINS AND CATEGORIES OF PURPOSE BEHIND INVESTMENT:

Table: 1.1.10(a)
Association between Capital Gains and categories of Purpose behind Investment

		the purpose behind investment								Total	
		Wealth creation		Tax saving		Earn returns		Future expenditure		No.	%
		No.	%	No.	%	No.	%	No.	%		
Capital gains	Just a little	37	18.2	42	20.7	94	46.3	30	14.8	203	100.0
	Moderate	31	20.7	29	19.3	63	42.0	27	18.0	150	100.0
	Quite a lot	24	14.4	37	22.2	94	56.3	12	7.2	167	100.0
total		92	17.7	108	20.8	251	48.3	69	13.3	520	100.0

Among the respondents who prefer capital gains as their investment objective 'quite a lot,' 56.3% of their purpose is to 'earn returns,' and the respondents whose opt capital gains to 'moderate amount,' 20.7% of their purpose is 'wealth creation.' And the least is the respondents whose opt capital gains as 'quite a lot,' 7.2% of their purpose is for 'future expenditure.' The association between Capital gains and different categories of the purpose behind investment is tested with the following hypothesis.

H0: There is no significant association between Capital gains and different categories of the purpose behind the investment.

Table: 1.1.10(b)
Chi-Square Test for Capital Gains and categories of Purpose behind Investment

	Value	df	Table value	Sig.
Chi-Square	13.272	6	12.592	*

* Significance at 5% level

Result: Chi-square test was applied to verify the above hypothesis. The calculated value of chi-square is 13.272 which is greater than the table value of 12.592 at 5% level of significance.

From the above table: 4.3.16(b) the calculated value is greater than the table value, it is inferred that the investment objective of Capital gains are significantly associated with various purposes behind the investment.

Hence the hypothesis is rejected.

1.2 FACTORS INFLUENCING TO INVEST IN PARTICULAR STOCK

The respondents were asked to rank the number of items in their order of importance

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which induces them to invest in a particular stock. The most important item was given a rank of 1, and the least essential items were given a rank of 4. Mean ranks were found for each item and are provided below:

Table 1.2(a)
Mean Rank for Factors Influence to Invest in Particular Stock

	Mean Rank
Tips	2.78
News	3.47
Research Report	2.84
Personal Homework	2.78
Broker firms recommendations	3.13

From the above table 1.2 (a), it is understood that the lowest mean rank is 2.78 for the item 'Tips' as well as 'Personal Homework,' which are found to be the most important items that influence the investment of the respondents in a particular stock. The least important item was 'News' with a highest mean rank of 3.47. So, Kendall's Coefficient of Concordance (W) was used to find the extent of similarity among the respondents in their order of ranking.

Table 1.2(b)
Kendall's Coefficient of Concordance

Kendall's W	.037

Result: Kendall's W will vary between zero and one. The higher the value of W the more will be the similarity in their order of ranking the items. The Kendall's W found for the five ranked items is 0.037 which shows that there is low similarity among the respondents in their order of preferred items for investment in stock.

FINDINGS AND SUGGESTIONS

The percentage of respondents coming under purpose behind investment to Earn returns is higher (48.3%) compared to other purpose behind investments. 20.8% of the respondents opined that their purpose behind investments is tax saving followed by 17.7% of the respondents whose purpose behind investments is wealth creation. The respondent whose purpose is future expenditure is the least with 13.3%.

- There is a significant association with the purpose behind investment with that of personal demographic factors of respondents like gender, age, occupation and level of

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education of the respondents. There is no significant association with the purpose of investment with that of marital status and average gross annual income of the respondents.

About 55.4% of the male respondents whose purpose is to 'earn returns' is significantly higher than female respondents. Most of about 264 respondents are in the age group of between 30-40 years invest for the purpose to 'earn returns'. 53.8% and 52.3% of the respondents who are professionals and self-employed respectively whose purpose is to 'earn returns' are significantly higher than another employment-based category of respondents

- There is a significant association with the purpose behind investment with that of 'short-term profit-seeking' and 'capital gains' investment objective of respondents. Moreover, there is no significant association with the purpose behind investment with that of 'long-term profit-seeking' and 'steady income' investment objective of respondents.

Among the respondents who opt for short-term profit-seeking 'quite a lot,' 56.7% of their purpose is to earn returns. The respondents who opt for steady income as their investment objective 'just a little', their purpose is to earn returns.

CONCLUSION

Investing judgments are made under the sway of dominant and potentially debilitating unconscious forces with the implications often not fully recognised. A proper investigation of the above issues is essential, revealing the subconscious factors and thus helping to understand the intense levels of anxiety and stress that many stock market participants experience while investing.

To have a diversified set of investments is more important, than trying to find the next best investment. When the investor has a portfolio made up of a variety of quality asset classes and investment types, success is not attached to one particular company or one particular kind of investment. While diversification of investments cannot guarantee a profit or protection against loss, but it can only help in smoothening ups and downs of the markets, paying the way for the potential for a better long-term experience. There is a significant association with the purpose behind investment with that of 'short-term profit-seeking' and 'capital gains' investment objective of respondents. Moreover, there is no significant

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association with the purpose behind investment with that of ‘long-term profit-seeking’ and ‘steady income’ investment objective of respondents.

It is recommended to review the portfolio with or without a financial advisor at least once a year to ensure that it is adequately diversified. The financial advisor can also help the investors to decide if a modern major lifestyle or goal change warrants a change to the investment strategy. Often the investors have to bear the advisory charges which may be a meager amount compared to the massive losses and adds value to the portfolio. True diversification across asset classes allows investors to rebalance in the wild moments when stock markets sharply diverge.

SCOPE FOR FUTURE RESEARCH

This research provides the basis for further research to substantiate the existing analysis and contribute to the augmentation of emotional finance research. The interdisciplinary research might be extended to the different geographical area and on a variety of instruments handling.

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