

Index

- Academic qualification of individual investor, 117
- Accounting information, 50, 54
 - factor, 50–51
 - and risk aversion, 47
- Actual investment, 1, 42
- Affect (Aff), 16, 72, 102, 123, 128
 - awareness, 93
 - component, 16, 140
- Affect infusion model (AIM), 31–32
- Age
 - effect on prospects bias and herding bias, 138
 - relationship with components of prospects bias, 133
- Analysis and findings of study, 83
 - awareness and investment behaviour, 135
 - awareness findings, 86–95
 - demographic factor findings, 83–85
 - demographic factors and investment behaviour, 132–135
 - findings of effect of demographic factors, awareness and perceived risk attitude, 128–131
 - findings of relationship between variables, 116–127
 - interpretation of key findings, 131–132
 - investment behaviour findings, 104–116
 - perceived risk attitude and investment behaviour, 136
 - perceived risk attitude findings, 95–104
 - reliability test findings, 86
- Analysis of variance (ANOVA), 45–46
- Analysts, 73
 - capital market, 38
 - financial, 18
 - stock, 14
- Analytic hierarchy process (AHP), 48
- Analytic network process (ANP), 35
- Anchoring, 17–18, 34, 44–45, 46, 47, 62, 73, 106, 118, 122–124, 126, 132–135, 138
 - bias, 37
 - distribution of sample respondents on basis of, 107
- Annual income (Ay), 70, 128, 133, 138
 - on heuristics bias, 118
 - of individual investors, 117
- Arbitrage-free pricing (AFP), 26
- Ashanti Goldfields Corporation (AGC), 21–22
- Assets, 3
- Athens Stock Exchange (ASE), 26
- Attention-based decision-making, 24

- Attention-grabbing
 - characteristics, 24
 - events, 25
- Availability bias, 17, 18, 73, 118, 119, 122–123, 124, 126, 132–135, 138
 - distribution of sample respondents, 108–109
- Aware investor, 13–14, 87
- Awareness, 3–4, 13–15, 49, 51, 55, 57, 58–59, 62, 67–68, 79, 81, 83, 86, 135, 138–139, 141–142
 - association with investment behaviour and, 118
 - association with investment behaviour component and, 124, 125
 - effect findings on investment behaviour, 128–130
 - findings, 86
 - findings of factor analysis, 93–95
 - findings of graphical representation of total responses, 86–92
 - of individual investor, 117
 - investor, 50, 59, 86
 - summary, 138–139
 - See also* Financial awareness (Fia)
- Behavioural biases, 45, 56
- Behavioural finance, 2–3, 5–6, 21, 26, 34, 36, 38, 48, 56, 61, 63, 75, 79, 142
- Behavioural processes, 5–6
- Bond market excess returns, 39–40
- Capital
 - appreciation, 1
 - market, 1–3
 - stocks, 1
- Charitable organisation, 3
- ‘Classic’, 51
- Cognition (Cog), 16–17, 72
 - component, 16, 102, 123, 139–140
- Colombo Stock Exchange, 46
- Communication, 69, 70
- Companies’ customer preference, 76, 112, 123, 134
- Confirmatory factor analysis (CFA), 43, 79
- Consultancy organisations, 5–6
- Conventional financial theory, 4
- Corporate governance factors, 52
- Corporate social responsibility (CSR), 52
- Correlation analysis, 53
- Correlation coefficient, 80–81, 137
 - analysis, 135
 - findings of relationship between variables by using, 116–127
- Cronbach’s α , 86, 141–142
 - method, 61
 - test, 78
 - value, 86
- Cross-Sectional Absolute Deviation approach (CSAD approach), 34
- Cross-sectional standard deviation (CSSD), 43
- Cultural factors, 26, 35
- Data, 67
 - description of selected variables, 70–77
 - sample design, 67–69
 - selection of variables, 69–70

- sources, 77
- study period, 77
- Debentures, 2
- Decision-making
 - factors, 52
 - principles, 3
 - process, 19, 21, 37–38, 51
- Decision-making trial and
 - evaluation laboratory (DEMATEL), 35
- Demographic factor(s), 3–5, 9–13, 32–33, 45, 54, 56, 59, 62, 65, 67, 70–71, 81, 132–135
 - association with and investment behaviour component, 119, 120, 121, 122
 - association with investment behaviour and, 117
 - effect, 4, 19–20, 128–131, 141
 - findings, 83–85
 - summary, 137–138
- Dependent variable, 6, 65, 80–81, 131
- Descriptive statistics, 139
 - through graphical presentation, 78
 - result, 137, 138–139
- Dhaka Stock Exchange (DSE), 41, 43
- Diversification of portfolio management for optimisation, 19, 75
- Dividend-paying investment, 10
- Earning factors, 52
- Econometric tests used in study, 78
 - correlation coefficient, 80
 - Cronbach's α test, 78–79
 - descriptive statistics through graphical presentation, 78
 - factor analysis, 79–80
 - probit regression model, 80–81
 - sample size calculation, 78
- Economic behaviour, 15, 29–30
- Economic growth and development, 1–2
- Economic investment, 1, 2
- Economist, 1
- Economy, 1–2, 23
 - economy-related factors, 38
 - economy/market sector, 38
- Education (Edu), 10, 11, 70
 - effect on heuristics bias, 118, 133
- Eigen value, 79, 93
- Emotions, 16, 71–72
- Evaluation, factor, 51
- Experience (Exp), 70–71, 128, 138
 - on heuristics bias, 122, 133
 - of individual investor, 117
- Exploratory factor analysis (EFA), 79
- Factor analysis, 79–80, 141–142
 - of awareness, 94–95
 - findings, 93–95, 102–104
 - of perceived risk attitude, 103
- Factor loadings, 79
- Financial
 - characteristics, 60
 - instruments, 2
 - investment, 1, 2
 - literacy, 12
 - risk, 72
- Financial awareness (Fia), 14, 25–26, 35–36, 71, 79, 81, 93–95, 124, 129, 135, 139
 - on different biases of investment behaviour, 128

- effect on markets bias and herding bias, 135
 - on heuristics bias, 123
 - See also* Awareness
- Firm sector, 38
- Foreign institutional investors (FIIs), 29, 63
- Foreign investors, 22, 28
- Friend/co-worker
 - recommendation factor, 51
- Gambler's fallacy, 17–19, 34, 37, 47, 74, 108–109, 135, 138, 139
- Genetic variation, 31
- Ghana Stock Exchange (GSE), 21–22, 27–28
- Goods and services, 1, 39
- Graphical representation
 - descriptive statistics through, 78
 - findings of total responses, 86–92, 95–102
- Great Internet Stock Bubble, 22
- Grievance redressal agencies, 51
- Guwahati Stock Exchange, 56–57
- Hedge funds, 3
- Herding (Hrd), 37, 76–77
 - attitude, 45
 - behaviour, 29
 - effect in financial market, 19–20
 - factor, 47, 62
 - investors, 76
- Herding bias, 17, 20, 72, 76–77, 115–118, 128–130, 133–136, 138–142
 - annual income, 118
 - effects of demographic factors, awareness and perceived risk attitude, 132
 - experience, 122
 - financial awareness, 123
 - objective, 122
 - social learning, 123
 - See also* Market bias (Mkt)
- Heuristic processes, 34
- Heuristics bias (Heu), 17, 47, 65, 69, 72–73, 116–118, 122, 128, 130, 133, 134, 136, 140–141
 - annual income affecting, 138
 - cognition component of perceived risk attitude, 123
 - education, 133
 - education effect, 118
 - effects of demographic factors, awareness and perceived risk attitude, 129
 - experience, 133
 - financial awareness, 123
 - objective of making investment, 135
 - social learning effect, 139
 - See also* Market bias (Mkt)
- High-income investors, 10
- High-tax-rate investors, 10, 134
- Ho Chi Minh City Stock Exchange (HOSE), 36–37
- Image-building factors, 52
- Income, 1, 10
 - income-producing investments, 10
- Independent variables, 6
- Indian context, studies in, 49
 - behavioural factors, 64
 - correlation analysis, 53
 - financial characteristics, 60

- MIP, 58
- NSE, 63
- psychological factors and
 - behavioural biases, 56
- risk and demographic factors, 54
- social relevance and image, 50–51
- socio-economic factors, 59
- socio-economic profile of stock market investors, 55
- SPSS, 57
- stock market, 62
- stock selection decision, 52
- See also* International context, studies in
- Indian stock market, 21
- Individual development function, 10
- Individual investors, 4, 23–24
- Individual/retail investors, 2–3
- Industry sector, 38
- Industry-related factors, 38, 52
- Institutional investor, 3, 25
- Insurance policies, 2
- Intelligence test (IQ test), 34
- Interest-paying investment, 10
- Internal consistency test, 86
- International context, studies in, 21
 - AHP, 48
 - ANOVA, 45–46
 - ASE, 26
 - attention-grabbing
 - characteristics, 24
 - behavioural factors, 47
 - Colombo Stock Exchange, 46
 - CSAD approach, 34
 - CSSD, 43
 - decision-making process, 37–38
 - DEMATEL, 35
 - demographic factors, 32–33
 - DSE, 41
 - equilibrium firm-level stock returns, 23
 - genetic variation, 31
 - Great Internet Stock Bubble, 22
 - GSE, 21–22, 27–28
 - herding behaviour, 29
 - HOSE, 36–37
 - individual investors' behaviour, 40
 - multiplier effect, 30
 - real per capita PPP-adjusted GDP growth, 39
 - risk-seeking investors, 33
 - social learning, 25–26
 - SPSS, 28
 - stock exchanges of Pakistan, 44
 - Tehran Stock Exchange, 38
 - See also* Indian context, studies in
- Investment, 1, 85
 - decision, 12, 142
 - decision-making process, 26, 34
 - information, 49–50
 - making objective, 133–134, 135, 138
- Investment behaviour, 3, 17–20, 21, 72–77, 132–136, 142
 - association with awareness and, 118
 - association with awareness and component, 124, 125
 - association with demographic factors and, 117
 - association with demographic factors and component, 119, 120, 121, 122

- association with perceived risk
 - attitude and, 118
- association with perceived risk attitude and component, 126, 127
- findings, 104–116
- findings of effect of
 - demographic factors, awareness and perceived risk attitude, 128–130
- research gap, 65
- studies in international context, 21–48
- studies in Indian context, 49–64
- Investment objective (Obj), 71
- Investor(s), 3, 9, 18–19, 23, 67–68, 73, 76, 141, 143
 - awareness, 50
 - education and investment decision, 50
 - psychology, 34
 - risk tolerance levels and perceptions, 141
 - sentiment, 22
- Islamabad Stock Exchange, 44
- Kaiser-Meyer Olkin Measure of Sampling Adequacy (KMO), 42, 79, 93, 102
- Karachi Stock Exchange, 44
- Kenyan Stock Market, 44
- Lahore Stock Exchange, 44
- Liquidity, 12
- ‘Logical’ cognitive assessment, 16
- Loss aversion, 19, 34, 45–48, 62, 74, 109–110, 117–118, 120, 123, 124, 126, 132–134, 138, 143
- Market(s), 37
 - factor, 47, 52, 62, 75–76
 - information, 75
 - market-related factors, 38
- Market bias (Mkt), 17, 19, 72, 74, 117, 128, 133, 134, 138–141
 - age, 132
 - annual income, 118
 - cognition component of perceived risk attitude, 123
 - effects of demographic factors, awareness and perceived risk attitude, 131
 - experience, 122
 - financial awareness, 123
 - herding bias, 134
 - objective, 122
 - social learning, 123
 - See also* Heuristics bias (Heu)
- Mental accounting, 19, 34, 45, 47, 74
- Momentum investors, 75
- Monthly Income Plan (MIP), 58
- Mood maintenance hypothesis (MMH), 31–32
- ‘Multiplier’ effect, 2, 15, 30
- Multistage sampling, 69
- Multivariate analysis, 61
- Mutual fund, 3
 - investors, 58
 - units, 2
- Nairobi Stock Exchange, 44, 46
- National Stock Exchange (NSE), 63
- Non-probability sampling, 65
- Non-rational investors, 22
- Non-tradable assets, 3
- Objective, 128, 140, 143
 - of individual investor, 117

- of making investment, 122, 133, 138
- Occupation (Occ), 10, 12, 70, 128, 133, 138
 - on heuristics bias, 118
 - of individual investor, 117
- Opportunity loss risk, 17, 72
- Over/under reaction, 75, 134
- Overconfidence, 17–18, 22–23, 34, 37, 46–47, 62, 73
- Overinvestment, 12, 71

- Past trends of stocks, 19, 75–76, 111–112, 135–136, 139
- Peer effects, 14–15, 71
- Pension fund, 3
- Perceived risk attitude, 3–5, 15–17, 19–20, 70, 71–72, 77–79, 81, 95, 123, 136, 141–143
 - affect component, 140
 - association with investment behaviour and, 118
 - association with investment behaviour component and, 126, 127
 - cognition component, 140
 - Cronbach's α value, 86
 - effect findings on investment behaviour, 128–131
 - effects on herding bias of investment behaviour, 132
 - effects on markets bias of investment behaviour, 131
 - factor analysis findings, 102–104
 - graphical representation
 - findings of total responses, 95–102
 - of individual investor, 117
 - summary, 139–140
- Policy recommendation, 142–143
- Positioning factors, 52
- Price changes, 19, 47, 74–75, 110, 123, 133, 135
- Pricing process, 11
- Primary data, 48, 56–57, 61–62, 77, 137, 141
- Principal component analysis (PCA), 79
- Principal component method, 61
- Probit regression analysis, 134, 138, 139, 140
- Probit regression model, 80–81, 83, 128–131, 137
- Prospect (Pros), 37, 74
 - factor, 47
- Prospects bias, 17, 72, 74, 128–130, 133–134, 138, 141
 - annual income, 118
 - cognition component of perceived risk attitude, 123
 - financial awareness, 123
 - objective, 117, 122
- Psychological, 64
 - factors, 56
 - foundation of human behaviour, 140, 142
 - principles, 3
 - processes, 23
 - variables, 63–64

- Questionnaires, 67–68

- Raosoft programme, 78, 81
- Rational trading strategies, 23
- Real estate, 3
- Real per capita PPP-adjusted GDP growth, 39
- Regression, 81
 - analysis and factor analysis, 51

- linear, 30
- probit regression model, 81
- Regret aversion, 19, 34, 37, 46, 47, 74, 118, 120, 123, 124, 126, 133–135, 138, 139, 143
 - age relationship with, 117
 - distribution of sample respondents, 109
- Reliability test findings, 86
- Representativeness, 17–19, 34, 45, 73, 104, 118, 119, 123, 124, 126, 133–134, 135, 138, 139
 - annual income affecting relationship with, 133
 - distribution of sample respondents, 104
- Research, reference of stock investment behaviour, 5–6
- Research design and methodology, 67
 - data, 67–77
 - research methodology, 78
 - scheme of investigation, 81
 - statistical and econometric tests used in study, 78–81
- Retail investors, 1–2, 13, 41, 52, 63–64
- Risk, 1, 30
 - aversion, 19
 - factor, 50
 - risk-seeking investors, 33
- ‘Rules of thumb’, 9, 15, 17, 72–73, 135
- Sample design, 67–69
- Sample respondent distribution, 87–92, 96–102, 104–116
 - of age, 83
 - of annual income of, 85
 - of experience, 85
 - of level of education, 84
 - of objective, 85
 - of occupation, 84
- Sample respondents, 83, 87, 95, 104
- Sample size, 69
 - calculation, 78
 - neglect, 18
- Shares, investment in financial instruments, 2
- ‘Sociable’ communities, 15, 29–30
- Social learning (Sol), 14–15, 25–26, 71, 79, 81, 93–95, 122–125, 128, 135, 139
 - factors, 93
- Social relevance and image factor, 50–51
- Socio-demographic variables, 30
- Socio-economic characteristics, 13
 - factors, 59
 - profile of stock market investors, 55
- Statistical analysis, 61
- Statistical package for social sciences (SPSS), 28
- Statistical tests used in study, 78
 - correlation coefficient, 80
 - Cronbach’s α test, 79
 - descriptive statistics through graphical presentation, 78
 - factor analysis, 79–80
 - probit regression model, 81
 - sample size calculation, 78–79
- Stock
 - analysis, 29
 - performance, 50–51
 - portfolio, 23
- Stock broker influence, 51
- Stock market, 3–4, 49
 - efficiency, 28

- excess returns, 39
- investment behaviour in, 21
- participation, 15, 29–30
- research gap, 65
- studies in international context, 21–48
- studies in Indian context, 49–64
- Structural equation modelling (SEM), 12
- Structured products, non-tradable assets, 3

- Tax-deferred assets, 10, 70, 134
- Tax-sheltered assets, 10, 70, 134
- Tehran Stock Exchange (TSE), 34, 38
- Time, 55
 - attributes, 1
 - time-varying individual and community characteristics, 15
- Total responses, findings of
 - graphical representation of, 86–92, 95–102
- Total variance, 79–80, 102
- Traditional economic theory, 4

- Unaware investor, 13–14, 71
- Underlying stocks fundamentals, 75–76, 113–114, 118, 133, 136

- Variables, findings of relationship
 - between, 116
 - association between awareness and investment behaviour, 118
 - association between awareness and investment behaviour component, 124, 125
 - association between demographic factors and investment behaviour, 117
 - association between demographic factors and investment behaviour component, 119, 120, 121, 122
 - association between perceived risk attitude and investment behaviour, 118
 - association between perceived risk attitude and investment behaviour component, 126, 127
- Variables selection, 69–70
 - demographic factors, 70–71
 - description, 70
 - investment behaviour, 72–77
 - perceived risk attitude, 71–72
- ‘Word-of-mouth’ interpretation, 15, 29–30