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Determinants of Investment Decision Making: An Empirical Study

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Abstract

India as a developing country is becoming economically more powerful and requires huge capital for various developmental activities. In order to boost the investment among individual investors, it is necessary to study the investment behaviour of individuals and identify the factors that motivate them to invest, so that idle savings can be channelised into investment. Investment decisions are influenced by many reasons. It is a tolerable fact that the financiers are the central position in the financial market. Behaviour of investors is not fixed. It changes from position to position and from security to security. Hence, it is necessary to identify the factors which influence the investment decisions. In order to increase investment and formulate appropriate theories and policies, it is necessary to understand how individuals invest in the securities and other financial options available.

Keywords: Investment, India, Investor Behaviour, Factor Analysis, Descriptive Analysis

Introduction

India has seen various financial reforms after year 1990; several reforms have also been initiated by the Government of India to regulate and develop the markets and to provide enough protection for the Indian investors. With this view in mind, the Securities and Exchange Board of India (SEBI) was set up in 1988. India has seen surprising growth in the sector of investment in volume terms as well as a number of investor's term over the past few decades due to deregulation of the Indian financial sector. Regional stock exchanges of India have shown an impressive growth in numbers. Equity shares are the option that came from a long way just for superior dividend expectations to the highest capital pleasure. Nowadays, investors are very much concerned about the money they are required to pay to make investment therefore book building is the new concept that has given a boost in price discovery to the initial public offers (IPO) and future public offers (FPO). This thing can be validated 'according to the data provided by NSE & BSE retail participation in the stock market, which has shown a few tremendous developments, like National Stock Exchange (NSE) has attracted around 6,50,000 new participants on its stand during the first six months of financial year 2012. In the same way, Bombay Stock Exchange (BSE) has also added 1.3 million participants in the same year (Shah, 2012).

As per SEBI, "A retail investor is an individual investor in the Indian securities market whose subscription to securities is of a value less than Rs. 2 lakh." It has been seen that retail investors in Indian equity market have very low proportion. Not more than 1.5 percent of Indian inhabitants invest in securities as compared to nearly 10 percent in China and 18 percent in the U.S. Just 2 percent of India's family savings are exposed to the equity portion whereas in the U.S. the long term average is 45 percent. The Indian society is changing and the individuals as per the changes need to manage their money so as to meet their financial goals like retirement, children education, health which can arise during the various stages of life (Sahi, 2009). With the emerging financial markets and variety of investment products, it becomes imperative to understand the Indian investors in a better way to target right financial product and their buying behaviour (Pompian, 2008; Diliberto, 2006; Mudholkar & Sadique, 2007; Slovic, 1972).

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There are different factors prevailing that influence the investment decision making of retail investors, since retail investors do not make large investments therefore they are more concerned for their money and make investment very wise. Different investor has varied parameters on which their decision is based. One of the major roles in investment making is seen through behavioural finance. Aruna and Rajashekar (2016) in their study discussed the term 'behavioural finance' which is an element of finance. It inspects and explains features of human being psychology and their effects on making on decisions for investment in financial markets. Some unusual information in psychology, sociology as well as in finance is also being used to clarify the rare behaviour of financiers which was missing in traditional finance. Behavioural finance assesses populace in the actual world because individual investors are common natives who are exaggerated by various features including factors of demography, psychology, economy, society, and organisation. It can be repudiated that financiers make decisions sensibly but also depend on various features. When these investors have positive feeling they become over optimistic while when they are in bad emotion, they tend to condemn, allege or become extremely distrustful.

Moreover, with rapid growth in the investment making activity of investors, it is required to study the varied behaviour of investors. This study includes the study of determinants of investment decision which would be followed by a survey conducted among the respondents by using factor analysis and descriptive statistics by exploring the most dominating factor affecting their investment decision.

Literature Review

Decisions of investment have gained significance due to the common growth in opportunities for employment and economic development of a nation. Awareness of investment avenues has led to the capability and readiness of working persons to save and capitalise their finances for returns in that perspective this study was conducted. A study was conducted by Bashir et al. (2013) to examine the association of investment preferences with the demographic variables and to analyse the major dissimilarities in investment preferences and risk level by considering the sample of 120 personalities. They concluded that women are more intimidation reluctant than men while undeveloped and sophisticated persons are fascinated further on the way to fresh precarious opportunities of investment and need to spend their money, but they are hesitant due to the resources that are limited and deficiency of opportunities of investment and absenteeism of trends of investment. In accumulation the occurrence of recurrent issues that are religious, non-conducive monetary surroundings and ethos are established to be the key factors while making the decisions of investment. Moreover, Jagongo and Mutswenje (2014) carried out a study with the objective to ascertain the reasons that influence the decisions of investment on the Stock Exchange of Nairobi. They investigate or establish that the utmost crucial reasons that effect the decisions of investment of individuals were firm's reputation, status of firm in the industry, the earnings of the corporate that are anticipated, gain and statement's condition, firm's stock performance in the past, particular share price, sensitivity of the economy, and predictable returns by financiers. Some studies also reflect that there is an association between knowledge of finance and investment decision (Abdeldayem, 2016). This research was conducted with 228 questionnaire surveys of investors where they examined the financial knowledge level based on the variables that were demographic. It was found that females had better financial skills as compared to males, the individuals aged 41-50 were more familiar with the skills as compared to other age groups, and the knowledge of finance is much associated with edification. Furthermore, contestants in a group of high financial knowledge have advanced accepting level for all the goods of finance excluding certificate of deposit and post office savings. Additionally, contestants in a group of low financial knowledge mostly choose to participate in safe and traditional goods of finance and did not participate more in difficult goods of finance that are relatively much reluctant and could give a high rate of return. The investment decision is also determined by the association between attitudes towards risk taking, personality traits, and attitude towards decisions of investment between prospective private financiers (Pak & Mahmood, 2013). The results exposed that the traits of personality have certain influence on an individual's risk-tolerance activities, which, in turn, influences investment decisions about stock, securities and bonds. Thus, the financial consultants must also consider individual attributes and risk forbearance, among other factors, when giving investment advice to private investors.

Islamoğlu1 et al. (2015) intended to explore the elements that manipulate behaviour of investors individually. The statistics applied in the research were gained from banks through survey method. As the outcome of the research,

it was recognised that six reasons inclined behaviour of investor individually. It was observed that the uppermost relationship was between "conscious investor behaviour" and "banking and payment behaviour". It was accomplished that it was having a statistically important association between the reasons upsetting financiers' behaviour for investment individually. Gender is one of the important demographic variables in investment decision making. Gaur et al. (2011) set an intention to study the differences in the process of making decisions for investment among feminine and masculine financiers. The conclusions of this study were advanced level of consciousness among men as compared to women for various possibilities of investment and women incline to show not as much of sureness in their decisions on investment and therefore have less fulfillment levels. The internal capital markets play a significant role in devolution of decision of investment (Fakhfakh et al., 2012). For this purpose, it highpoints the part of the internal capital market in allocation of control and rights of decisions as a reason clarifying the helpfulness of management of investment. The authors aspire to apply the theory of the organisational architecture to the decisions of investment to know its complexity and its efficiency. This research draws the conclusion that even if organisational complication has a direct and negative impact (opposite sign of what is expected) on the devolution of decision of investment, which generates worth, it appears that there is a positive relationship with the improbability of the situation, and a negative one with the shortage and sharing of financial resources between units on the internal capital market. Aruna and Rajashekar (2016) explored the theory of behavioural finance to look at the features influencing investment decisions of investors individually. From the extensive literature review, it was found that there is no single factor which influences the investment decisions of an individual. Moreover, factors influencing investment decision vary from person to person, time to time, securities to securities, place to place, etc. It was suggested that the policy makers of investment avenues must consider all the variables and its impact on the investor's investment decisions while introducing any investment avenues to the market. Kabra, Mishra, and Dash (2010) in their research aspire to increase information about key influential factors for investment behaviour and the ways these factors impact speculation risk forbearance and process of decision making between males and females and among various age groups. Their study signifies that age of investors and their gender mainly decide the capacity of investors for risk taking. In addition, Jain and Mandot (2012) in their study elaborate association among risk level and investor's demographic factors. It was observed there is a negative relationship between gender, age, nuptial status, educational qualification, and investor's knowledge. Also there is an optimistic association among cities, income level and investor's knowledge. Financial literacy plays a significant role in determining investor's behaviour. A well-informed investor will be able to take more appropriate decision than the less informed. A study done on UAE investors tested the literacy level of the investors and also the most influential factors that affect their investment decision making. The level of financial literacy is found to be exaggerated by level of income, workplace activity, and level of education. The outcome shows that there is an important association among decisions on investment and financial knowledge. The main influencing cause that affects the decisions of investment is the religious reason and the slightest affecting factors was rumor (Al-Tamimi & Kalli, 2009). Moreover, when it comes to portfolio diversification (Mouna & Jarboui, 2015), research was done for the reason to focus on the deficit of knowledge of finance as one credible feature clearing up the weak levels of portfolio diversification. The authors believe in different aspects of knowledge of finance and manage for socio-economic and behavioural distinctions among individual groups of investors. The outcome suggests that investors' experience, financial literacy level, familiarity bias, portfolio size, age, and use of the availability heuristic have a significant impact on the diversity of assets included their portfolios.

The intention of research by Farooq and Sajid, (2015) was to examine the collision of factors that are behavioural such as heuristics, risk loathing, financial tool uses and corporate governance at the firm's level of making decisions of investment. The research signifies that heuristics, financial tool uses, and corporate governance at the firm's level have optimistic and important force on making decisions on investment, while risk loathing has pessimistic and important effect on making investment-decisions. Furthermore, all factors that are behavioural, corporate at the firm's level and investment making of decisions of investment have an optimistic and important association with each other. In addition, another research by Hameed (2012) was conducted to analyse the factors that influence decisions of investment with context to investors individually. The research was held with 600 individual investors and the research came to know the major factors that influence the investors. The research depicts that there is an important differentiation

among respondent's investment period, investor's type, respondent's age, respondent's marital status, educational skill, profession, annual income and dwelling, and their overall factors that influence decisions of investment. But there is no important differentiation among respondent's gender and their overall factors that influence decisions of investment. Williams and Oumlil (2015) aspired in their research to come across the alternating approach in promoting knowledge of finance to control the immense private money owing saddle facing this significant section of the populace. The fundamental reason for the model is to provide a wide-ranging roadmap to direct universities and other organisations to conceptualise, set up, organise, implement, and assess systems and processes related to financial education planned to improve the long-term choices related to finance and student's behaviour. Throughout cautious deliberation of every phase of the model, decision-takers at every level and every type of organisation should have a strong hold of the depth and breadth of actions required to upshot the preferred changes in student's financial behaviour.

Objectives of Research

1. To identify the factors that influence the investment decisions of retail investors.
2. To identify the most dominating factor among them.

Methodology

The present study focused on Mathura region, a city of people with religious spirit. A structured questionnaire was developed and sent to 200 respondents on the basis of convenience sampling. The responses have been collected from January to March 2017. A total of 195 questionnaires was included in the study after eliminating the incomplete questionnaires. The data were collected from the retail investors. A questionnaire was partially adopted, on the basis of research by Al-Tamimi (2006), to measure the most influential factors that affect the investment decisions of individual investors on the basis of 37 factors. Here we are using various age groups since we consider that an individual starts earning after a particular age. The data were analysed using standard techniques of factor analysis.

The questionnaire is divided in two parts. The first part includes demographic and socio-economic variables, that is age, gender, work place activity, employment status, and education level. The second part includes 37 factors and shows the impact of these factors on investment decision of retail investors. We are using five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree) to mark their responses. These 37 factors were categorised in seven categories with 7 items corresponding to Firm's Image, 3 to Neutral Information, 3 to Gain/ Loss in Investment, 3 to Personal Opinion, 3 to Accounting Information, 3 to Expected gains, and 3 to Advocate Information. The questionnaire is primarily distributed among the retail investors, which include people who make investment for themselves and with a limit of Rs. 2 lakhs. Some questionnaires were sent through emails, some were manually distributed to the respondents of Mathura region, and some questionnaires were filled by households.

Data Analysis and Results

Profile of the Respondents

Respondents were asked to fill in the demographic and socio-economic information in the first part of the questionnaire. About 40% of the respondents were of age 18-25, 34% of age 26-35, 16% of age 36-45, and 2% respondents were of age 66 and above. With respect to gender, 72% were males and only 28% were females. About 59% of the respondents were into full time jobs and 15% were self-employed. Out of total respondents, 43% respondents had jobs in banking/ investment/ finance whereas 57% were in other jobs. 22% respondents were having salary more than Rs. 60,000 whereas 14% fell within an income bracket of Rs. 40,000-50,000, and only 5% respondents were in the salary bracket of Rs. 5000-10,000. With regard to education, 57% held master's degree, 35% were graduates, and only 1% of respondents had qualification below high school.

Reliability

The internal consistency of the questionnaire is tested through Cronbach's alpha. As per the rule, if the coefficient is greater than or is equal to 0.7 then it is considered a good indication (Nunnally, 1978). In our study, the alpha coefficient for the 37 items is .902, suggesting that the items have relatively high internal consistency.

Descriptive Statistics

Descriptive statistics is used to summarise data in the ways that are useful and conclude some meaning. For the purpose of analysis of Table 1, mean scores of all the 37 factors are considered. Mean and standard deviation of these variables are shown in Table 1. Mean or average is calculated by finding a sum of all the variables and

dividing it by total number of variables. By this, the above table shows that 'expected dividend' and 'reputation of the firm' has highest mean value i.e. 4.09, followed by 'firm's status in industry' with mean value 4.08. The factors which have lowest mean values are 'religious reason (2.22)' and 'rumors (2.72)', and so on. Standard deviation indicated that how far the individual responses to a particular question vary or deviate from the given mean.

Table 1: Descriptive Statistics

	Mean	Std. Deviation	Analysis N
Religious reasons	2.22	1.283	195
Feelings of a firm's product and service	3.67	1.038	195
Reputation of the firm's shareholders	3.8	1.082	195
Get rich quick	3.36	1.182	195
Firm's status in industry	4.08	0.925	195
Perceived ethics of firm	3.93	0.955	195
Past performance of the firm's stock	3.97	1.079	195
Reputation of the firm	4.09	0.978	195
Increase of the firm's involvement in solving community problems	3.66	1.045	195
Expected bonus shares	3.81	1.06	195
The results of technical analysis	3.85	1.141	195
Diversification purpose	3.96	1.123	195
Broker's recommendation	3.47	1.132	195
Family member opinion	3.24	1.178	195
Friend's recommendation	3.24	1.138	195
Opinions of the firm's majority stockholders	3.62	1.07	195
Stock market availability	3.69	1.103	195
Expected corporate earnings	3.95	0.912	195
Conditions of financial statements	4.05	0.91	195
Dividend paid	3.99	1.11	195
Affordable share price	3.75	0.997	195
Expected dividends	4.09	0.988	195
Government holdings	3.57	1.054	195
Information obtained from the internet	3.46	1.09	195
Fluctuations/ developments in the stock index	3.66	1.054	195
Coverage in the press	3.52	1.132	195
Statements from government officials	3.59	1.028	195
Current economic indicators	3.87	1.01	195
Recent price movement in a firm's stock	3.91	0.901	195
Financial advisors and analyst's recommendations	3.66	1.005	195
Ease of obtaining borrowed funds	3.52	0.986	195
Minimising risk	3.81	1.066	195
Expected losses in international financial market	3.76	1.025	195
Expected losses in other local investments	3.68	1.145	195
Insider's information	3.72	1.242	195
Rumors	2.72	1.294	195
Expected stock split or capital increased	3.75	1.117	195

Source: Author's calculations

Factor Analysis

Factors analysis is an interdependence technique in which the variables are not distinguished as independent and dependent variables, but their interrelationship is being studied. This process is also called identifying latent variables. The main purpose of this analysis is to describe the covariance relationships among different given variables in terms of a few underlying random quantities called factors (Buyukozturk, 2002). Those variables are highly correlated and are grouped together, but show small correlation with the variables of other groups. In that case, it is being conceived that each group of these variables represents a single underlying factor that is responsible for correlation (Polat, 2012).

KMO and Bartlett's Test

This test is used to check the sample adequacy to test the appropriateness of the factor analysis. The minimum required KMO is 0.5. Table 2 shows that the index of this data is 0.844 and the chi-square statistics are significant (<0.05). This means the principal component analysis is appropriate for this data.

Table 2: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.844
Bartlett's Test of Sphericity	Approx. Chi-Square	2798.445
	Df	666
	Sig.	.000

Source: Author's calculations

Communalities

Communalities are estimates of the variance in each variable accounted for by the components. The communalities shown in Table 3 are higher than 0.5 which indicates that the extracted components represents the variables well. If any communalities are very low in a principle component extraction, you may need to extract other components. We can say that 63.1 of the variance associated with question number 1 is common.

Table 3: Communalities

	Initial	Extraction
Religious reasons	1.000	.631
Feelings of a firm's product and service	1.000	.607
Reputation of the firm's shareholders	1.000	.609
Get rich quick	1.000	.549
Firm's status in industry	1.000	.651
Perceived ethics of firm	1.000	.550
Past performance of the firm;s stock	1.000	.663
Reputation of the firm	1.000	.528
Increase of the firm's involvement in solving community problems	1.000	.558
Expected bonus shares	1.000	.617
The results of technical analysis	1.000	.564
Diversification purpose	1.000	.598
Broker's recommendation	1.000	.641
Family member opinion	1.000	.706
Friend's recommendation	1.000	.708
Opinions of the firm's majority stockholders	1.000	.611
Stock market availability	1.000	.649
Expected corporate earnings	1.000	.538
Conditions of financial statements	1.000	.580

Dividend paid	1.000	.659
Affordable share price	1.000	.558
Expected dividends	1.000	.647
Government holdings	1.000	.586
Information obtained from the internet	1.000	.543
Fluctuations/ developments in the stock index	1.000	.629
Coverage in the press	1.000	.615
Statements from government officials	1.000	.647
Current economic indicators	1.000	.586
Recent price movement in a firm's stock	1.000	.463
Financial advisors and analyst's recommendations	1.000	.496
Ease of obtaining borrowed funds	1.000	.531
Minimising risk	1.000	.523
Expected losses in international financial market	1.000	.670
Expected losses in other local investments	1.000	.605
Insider's information	1.000	.708
Rumors	1.000	.767
Expected stock split or capital increased	1.000	.68

Source: Author's calculations

Total Variance Explained

Table 4 gives the total variance contributed by each component. We can see that the percentage of total variance contributed by first component is 24.775, by second component is 8.452, by third component is 5.499, by fourth component is 4.539, by fifth component is 4.040, by sixth component is 3.718, by seventh component is 3.539, by eighth component is 3.200, and by ninth component is 2.992. It is also clear from the table that there are total nine distinct components of the given certain variables.

Table 4: Principal Component Analysis

Compo-nent	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	9.167	24.775	24.775	9.167	24.775	24.775	3.580	9.677	9.677
2	3.127	8.452	33.226	3.127	8.452	33.226	2.810	7.594	17.271
3	2.035	5.499	38.725	2.035	5.499	38.725	2.709	7.320	24.592
4	1.680	4.539	43.264	1.680	4.539	43.264	2.669	7.214	31.806
5	1.495	4.040	47.305	1.495	4.040	47.305	2.370	6.404	38.210
6	1.376	3.718	51.023	1.376	3.718	51.023	2.347	6.343	44.553
7	1.309	3.539	54.562	1.309	3.539	54.562	2.173	5.873	50.426
8	1.184	3.200	57.762	1.184	3.200	57.762	2.166	5.855	56.281
9	1.107	2.992	60.754	1.107	2.992	60.754	1.655	4.473	60.754
10	.979	2.645	63.399						
11	.930	2.513	65.912						
12	.878	2.373	68.285						

13	.837	2.263	70.547						
14	.806	2.177	72.725						
15	.750	2.028	74.753						
16	.706	1.909	76.662						
17	.690	1.866	78.528						
18	.624	1.686	80.213						
19	.583	1.576	81.789						
20	.560	1.514	83.303						
21	.547	1.479	84.782						
22	.523	1.414	86.196						
23	.501	1.354	87.550						
24	.488	1.320	88.869						
25	.461	1.246	90.116						
26	.425	1.148	91.264						
27	.397	1.072	92.336						
28	.388	1.049	93.385						
29	.374	1.010	94.395						
30	.353	.955	95.350						
31	.316	.854	96.205						
32	.286	.773	96.978						
33	.257	.696	97.674						
34	.242	.654	98.327						
35	.225	.609	98.936						
36	.202	.546	99.482						
37	.192	.518	100.000						

Source: Author's calculations

Rotated Component Matrix

Table 5: Principal Component Analysis

	Compo-nent								
	1	2	3	4	5	6	7	8	9
Religious reasons									.677
Feelings of a firm's product and service	.595								
Reputation of the firm's shareholders	.628								
Get rich quick									.587
Firm's status in industry	.772								
Perceived ethics of firm	.565								
Past performance of the firm's stock	.678								
Reputation of the firm	.548								
Increase of the firm's involvement in solving community problems						.509			

Expected bonus shares									
The results of technical analysis	.501								
Diversification purpose								.672	
Broker's recommendation								.668	
Family member opinion							.753		
Friend's recommendation							.814		
Opinions of the firm's majority stockholders									
Stock market availability			.740						
Expected corporate earnings									
Conditions of financial statements			.628						
Dividend paid		.615							
Affordable share price									
Expected dividends									
Government holdings						.655			
Information obtained from the internet									
Fluctuations/ developments in the stock index				.610					
Coverage in the press					.533				
Statements from government officials					.728				
Current economic indicators			.640						
Recent price movement in a firm's stock									
Financial advisors and analyst's recommendations									
Ease of obtaining borrowed funds								.524	
Minimising risk						.604			
Expected losses in international financial market				.737					
Expected losses in other local investments				.614					
Insider's information		.792							
Rumors									.525
Expected stock split or capital increased		.716							
Extraction Method: Principal Component Analysis									
Rotation Method: Varimax with Kaiser Normalisation									

Source: Author's calculations

In Table 5, the factors that have component ranged above 0.5 are grouped together, and the same has been done for factors of each component. Hence, it has been found that of 9 components, 7 categories are made. Category 1 is named "Firm's Image" which includes factors Feelings of a firm's product and service (.595), Reputation of the firm's shareholders (.628), Firm's status in industry (.772), Perceived ethics of firm (.565), Past performance of firm's stock (.678), Reputation of the firm (.548), and Result of technical analysis (.501). Category 2 named "Accounting Information" includes factors Dividend paid (.615), Insider's information (.792), and Expected stock split or capital increased (.716).

Category 3 is named "Personal Opinion" which includes factors Stock market availability (.740), Conditions of financial statements (.628), and Current economic

indicators (.640). Category 4 is named "Stock Information" which includes factors Fluctuation/ development in the stock index (.610), Expected losses in the international financial market (.737), and Expected losses in the other local investments (.614). Category 5 is named "Gain / Loss in Investment" which includes factors Increase of the firm's involvement in solving community problems (.509), Government holdings (.655), and Minimising risk (.604). Category 6 is named "Advocate Information" which includes factors Ease of obtaining borrowed funds (.524), Broker's recommendation (.668), and Diversification purpose (.672) Category 7 is named "Neutral Information" which includes factors Religious reason (.677), Get rich quick (.587), and Rumors (.525).

From Table 5, we have found that among the given factors, the component that has the highest loading or say the most dominant component is "Firm's Image", followed by the component "Expected Gains". The third component is personal opinion with comparatively less loading from previous component, followed by "Accounting Information", followed by "Advocate Information" and "Neutral Information". The component that has the least loading is "Gains or Loss in investment.

Discussion, Limitation & Further Scope

Although there are various factors available that influence the investment decision of investors, but in order to avoid flooding of too many factors and ambiguity in this research, we had picked up 37 influencing factors among them. After going through various research papers, it has been found via one of the research papers the factors that influence an investor's decision. These factors are analysed through an adopted questionnaire (Al-Tamimi, 2006). With further proceedings of our research, after getting responses from desired respondents, it has been found that among 37 factors, only 25 factors are significant for the purpose our this research. With these factors categorised in 7 components, we found the most influential factors are under "Firm's Image" with the highest loading, which shows that even today people before making any investment do consider the firm's reputation and image. Also, people are concerned about the ethics that a particular firm follows. It obviously has a straight impact on society. This component is followed by "Expected Gains" which means people also consider what their returns would be, while they make investments. There are investors who analysis the market conditions and condition of financial statement of firm before making investments, which reflects that their personal opinion is also taken into consideration. It can be said that more significant decisions can be made if the people are provided with sufficient accounting information that would help them to make more rational decisions while making investments. Although personal opinion matters, but people also consider recommendations of their brokers, also they make investments for diversification purpose. And the least preference is being given to the component named "Neutral Information" and "Gains/ Loss in Investment.

It is worth mentioning that the results of this study are being affected by the social culture, nature and economic culture of Mathura region. If we see with the example of components 'Accounting Information' and 'Advocate Information'. It can be said that people would be more efficient and rational in providing their information if they are more financially literate. So, further research can be conducted in the context of financial literacy also. This would help to find out what measures could be adopted to include more people in investment making.

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