Study on Global Investors Investment Decisions, Risk Appetite and Influencing Factors in Selected Global Stock Markets

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By

Muzzamil Rehman

Registration Number: 12105378

Supervised By

Dr. Babli Dhiman (13532)

Management Professor

Lovely Professional University

LOVELY PROFESSIONAL UNIVERSITY, PUNJAB

2024

DECLARATION

I, Muzzamil Rehman, hereby declare that the thesis entitled " Study on Global Investors Investment Decisions, Risk Appetite and Influencing Factors in Selected Global Stock Markets" submitted to the Lovely Professional University for the award of Degree of Doctor of Philosophy in Commerce, is an original research work carried out by me at Mittal School of Business in the Lovely Professional University during the period of 2021-2024 under the supervision of Dr. Babli Dhiman (Professor), Mittal School of Business, Lovely Professional University. Any extract to this research in part or as a whole has not been included, incorporated or added to any other work or similar title by any scholar in any other university.

Muzzamil Rehman

12105378

Mittal school of Business

Lovely Professional University,

Punjab, India

Dated: 15/07/2024

CERTIFICATE

TO WHOM IT MAY CONCERN

I certify that Muzzamil Rehman has prepared his thesis entitled “Study on Global Investors Investment Decisions, Risk Appetite and Influencing Factors in Selected Global Stock Markets" for the award of PhD degree from Lovely Professional University under my guidance. He has carried out his work at Mittal School of Business, Lovely Professional University.

Dr. Babli Dhiman

Professor (Finance) Mittal School of Business

Lovely Professional University Phagwara

Date: 15/07/2024

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Abstract

The present research is an attempt to understand how behavioral finance has advanced in the context of global financial markets. At the outset, it explores what are the various avenues available and explored in the various global financial markets. Then, it explains whether Global investors are Rational or irrational based on several behavioral biases: Loss aversion, Overconfidence, Herd Bias, Regret, Cognitive Dissonance, and Sectorial bias. Further attempts have been made to understand and enumerate how personality traits and risk appetite affect the Decision-making of Global Investors and, finally, the influence of demographic factors on the investment decision-making of Global investors in selected financial markets. Investors may confidently navigate the global investment landscape by using research-supported information, increasing their chances of attaining sustainable financial development and reducing the effect of unforeseen obstacles. The need for a thorough and integrated framework that transcends the fragmented approach frequently found in existing literature explains the study gap in the impact of personality traits, Behavioral biases, risk appetite, and demographic factors on the investment decisions of global investors. Although these elements have each been the subject of separate studies in the past, there has not been much work done on how they interact and have an impact on investment decision-making as a whole, especially in a global environment. To gain a deeper understanding of investor behavior globally and to inform more individualized and successful investment strategies, risk management techniques, and financial advisory practices that take into account the complex nature of these influences on investment decisions, it is crucial to close this research gap. There is a glaring research deficit in the study of the complex interaction between personality characteristics and investment choices made by international investors. Although many studies have looked at the behavioral aspects of investing decisions, there is still a dearth of thorough research that explores the precise impact of personality factors on these choices in a global setting. In an increasingly interconnected global financial world, it is crucial to comprehend how personality traits like risk aversion, overconfidence, and impulsivity interact with cultural and demographic factors to form investing strategies. Research on international investors is essential for a number of reasons.it offers priceless insights on the conduct, preferences, and motives of these investors, which can help financial institutions, enterprises, and regulators modify their approaches to luring and retaining foreign capital. Additionally, by recognizing patterns and potential hazards in the

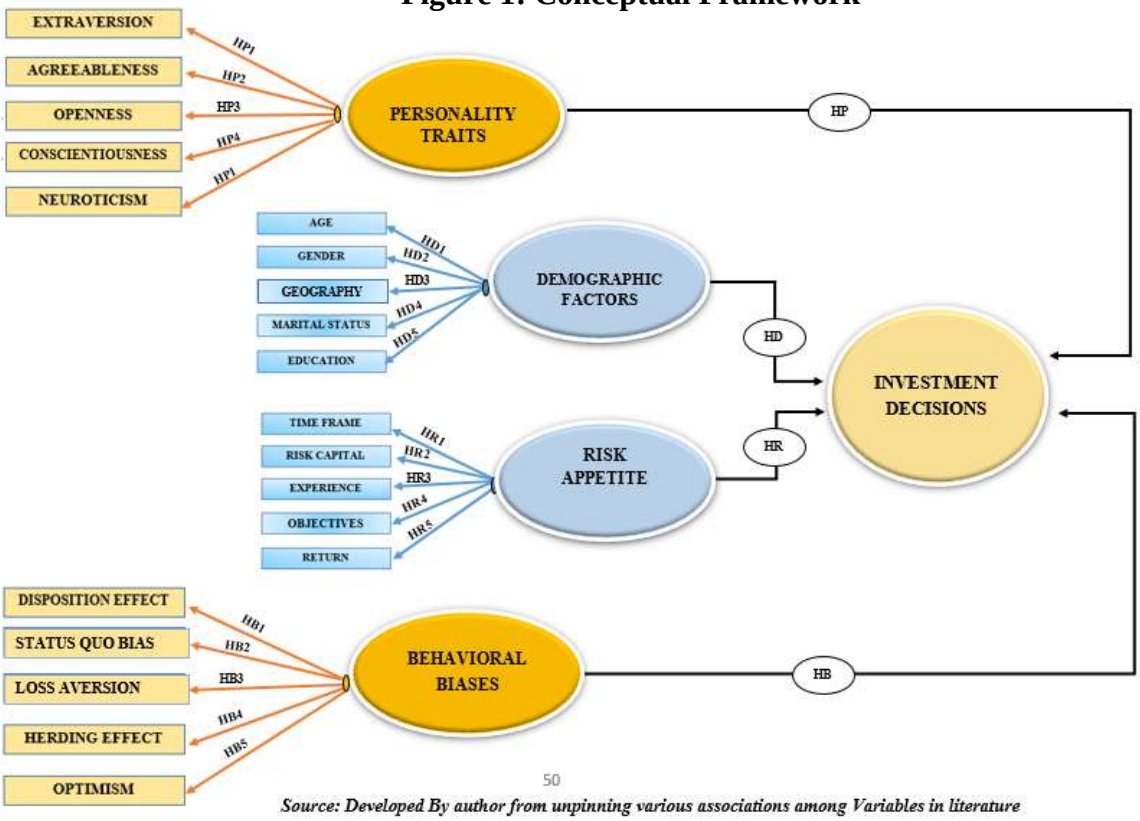
world's financial markets, comprehending international investors can help investors make well-informed choices. Such research also encourages international cooperation and transparency, helping countries build more secure and alluring investment environments. Ultimately, by permitting profitable cross-border capital flows and maintaining efficient financial regulation, understanding global investors is crucial for promoting economic growth, stability, and prosperity on a worldwide scale. Because it offers important insights into their decision-making processes and risk tolerance, understanding the personality features of global investors is essential because it can help create financial strategies and regulations that are more successful. These characteristics can have a substantial impact on investing decisions and market dynamics, such as risk aversion, impulsivity, or long-term orientation. Financial experts, policymakers, and companies can better predict market volatility, devise investment products that suit investors' tastes, and create more robust financial institutions by understanding the psychological variables driving investors around the world. The ability to traverse the complexity of the global financial landscape with better accuracy and agility, encouraging both individual and collective financial well-being, is ultimately made possible by acquiring insight into the personality features of global investors.

Objectives

The present research is an attempt to understand how behavioral finance has advanced in the context of global financial markets. At the outset, it explores what are the various avenues available and explored in the various global financial markets. Then, it explains whether Global investors are Rational or irrational based on several behavioral biases: Loss aversion, Disposition Effect, Status Quo Bias, Herding Bias and Optimism Bias. Further attempts have been made to understand and enumerate how personality traits and risk appetite affect the Decision-making of Global Investors and, finally, the influence of demographic factors on the investment decision-making of Global investors in selected financial markets.

1. To know the various financial avenues available and used by global investors in selected Global financial markets.
2. To explore the relation of demographic attributes, personality traits, and behavioral biases With the investment decisions of global investors in selected global financial markets.
3. To identify the relationship between risk appetite and investment decision-making of global investors in global financial markets

Figure 1: Conceptual Framework



Source: Developed By author from unpinning various associations among Variables in literature

The conceptual Framework was developed from the existing literature, relationship and hypothesis were designed accordingly. In this model, investment decision is the dependent variable, while as Demographic factors, personality Traits, behavioral biases, and risk appetite are independent variables identified in the literature. This conceptual Framework shows both first-order and higher-order relationships among variables. Personality traits are measured with five constructs: Extraversion, Agreeableness, openness, consciousness, and Neuroticism. The hypotheses developed are Hp1, Hp2, Hp3, Hp4 and Hp5, respectively, in relation to Investment Decisions of Global Investors. Demographic factors include age, gender, marital status, geography and education and HD1, HD2, HD3, HD4 and HD5 hypotheses were developed, respectively. In the case of behavioral biases disposition effect, herding bias, Loss Aversion, optimism and status Quo were taken into account and hypotheses HB1, HB2, HB3, HB4 & HB5 were developed respectively in relation to Investment Decisions and finally in risk appetite Time frame, risk capital, experience, objectives and return were considered in a single construct and hypothesis HR1, HR2, HR3, HR4 and HR5 respectively in relation to Investment Decisions. After the first order and conceptual Framework also represents the direct

relationship between a dependent variable and independent variables, Personality Traits, demographic factors, risk appetite and behavior biases in context to Investment Decisions of Global Investors and hypothesis HP, HD, HR & HB were developed accordingly.

Methodology

The current research is qualitative in nature as it deals with the measurement of behavioral biases, personality traits, risk appetite, and investment decisions. All these traits can't be directly measured and quantified. Ultimately, the nature of my research is rooted in the pursuit of truth, discovery, and the pursuit of excellence in contributing to the collective wisdom of humanity. The research begins with an evaluation of behavioral finance followed by personality traits, risk appetite, and demographic factors that influence the investment decision of global investors to get the theoretical and conceptual background, as well as the empirical results of prior studies, from which the proposed study model and hypotheses are derived. Then, the questionnaire was developed and distributed, and data was collected. The collected data was filtered and analyzed through several statistical methods to accept or reject the hypothesis. This method is fairly compatible with the deductive approach. The sample size was determined through various scientific and econometric approaches. Purposive sampling technique was used to collect the data from India, USA, China and Singapore. The standard scale was used for data collection and all the data was collected through online. After data collection, data filtration was done in Excel and all the necessary adjustments were made be that missing data, conversion and adding of dummy. After data filtration, Normality was tested through: (1) Shapiro-Wilk test in SPSS and Cramer-Von test in Smart PLS 4.After testing normality Herman Single Factor was applied to test Common Method Bias, After meeting all the assumptions PLS-SEM was applied to test the developed model fitness and testing of hypothesis. First of all factor loading of each item was tested that must be > 0.7, all the items were adjusted and items with lower loading were removed, then indicator Multicollinearity through VIF was tested. When all the items were find relevant and fit for the model. Now it was the time to go for measurement model was tested through reliability and discriminant validity. Reliability was tested through Cronbacch's Alpha and composite Reliability & Convergent Validity through AVE, Discriminant validity was done through Cross Loading,HTMT and Fronell-Larcker criterion, the R-square, F-square and Q-square through PLS-Predict. In structural model Hypothesis were tested accordingly by using Bootstrapping,

The bootstrapping approach was used to evaluate the structural model, using 5000 samples, a significance of 5%, two-tailed, and no significant changes. IPMA & CTA analysis were also used.

Summary of major findings

This section deals with the key findings derived from the data analysis and interpretation of the study.

1) There are multiple avenues available in the international market for global investors to invest in short and long-term terms like stock markets, real estate, precious metals, currency exchange, post office, Bank deposits, mutual funds, insurance, debentures and bonds.
2) It was observed that almost 74.08 % of Global Investors invest in stock for higher return and capital growth, followed by Real Estate and precious metals, and only 29% of Global Investors had shown interest in government bonds and other debt instruments.
3) The degree to which Global investors are willing to take on risk has a significant impact on their choice of investments. It plays a crucial role in determining how to diversify portfolios and devise asset allocation strategies. While more conservative investors may favour established markets and low-volatility investments, those with a higher risk appetite are frequently drawn to emerging markets and high-growth assets.
4) Age, as a demographic factor, does not always exert a significant impact on investment decisions among global investors. It was observed that age is not a factor that highly impacts global investors while framing portfolios in various financial markets.
5) Geographic location is not a big factor that influences the behavior and attitude of Global while selecting and exploring various financial options in selected markets. There was no statistical difference observed in taking financial decisions by global investors based on their country; almost all the four country investors, be then India, China, USA or Singapore they, have behaved and reacted in the same way; however, a slight difference was observed in terms of stock selection.
6) Gender doesn't have a significant impact on the investment decisions of Global Investors. In the financial sector, there is a rising understanding of the need to advance gender equality and diversity, which is slowly reducing long-standing biases based on gender. As a result,

the influence of gender on investment choices is waning, and the financial decision-making process is becoming more inclusive and egalitarian among international investors.

7) Most of the time, a person's marital status has little bearing on their choice of investments. The majority of the time, a person's investment decisions are influenced by a variety of characteristics that are not inherently related to their marital status, such as financial objectives, risk tolerance, personality, and income levels. Even though there may be some financial planning factors for married couples, such as joint investments or estate planning, these choices are highly individualized and based on unique situations.
8) Expertise holds a pivotal role in influencing global investors' decisions across various financial markets. In an increasingly complex and interconnected global economy, investors seek out experts who can provide insightful analysis, forecasts, and strategic guidance. Financial markets are dynamic and sensitive to numerous factors, such as geopolitical events, economic indicators, and technological advancements. Investors often rely on the expertise of financial analysts, economists, and industry specialists to make informed decisions and navigate market fluctuations.
9) Personality traits have a significant impact on the investment decisions of Global Investors. Conscientiousness tends to be more cautious and methodical in their investment choices, favoring long-term, low-risk options. Higher Extraversion might be more inclined to engage in active trading and seek riskier investment opportunities. The personality trait of "Openness" has a significant impact on investment decisions among global investors. Individuals who score high on Openness tend to be more receptive to new ideas, information, and experiences.
10) One of the Big Five personality qualities, agreeableness, did have a significant influence on international investors' investing choices. Higher agreeableness levels are associated with a preference for harmony and collaboration, which may affect investing decisions.
11) Global investors' decision-making is significantly influenced by the disposition effect, a psychological bias where investors tend to sell profitable investments too soon and hold onto lost investments for too long. This bias, which is motivated by an emotional attachment to gains and aversion to experiencing losses, can result in inferior portfolio performance.

12) Herding bias has a significant impact on the investment decisions of global investors. This psychological phenomenon involves people going with the flow and basing their investing decisions not on their own analysis but on that of others. Herding behavior in the world's financial markets can result in asset bubbles, market volatility, and occasionally illogical price changes.
13) Loss aversion significantly influences the investment decisions of global investors. This behavioral bias reflects the tendency to feel the pain of losses more acutely than the joy of gains, often leading investors to avoid selling losing positions even when it may be rational to do so. As a result, portfolios may become imbalanced with underperforming assets, ultimately impacting long-term returns.
14) Optimism bias has a substantial impact on the investment decisions of global investors. This cognitive bias makes individuals overestimate the likelihood of positive outcomes while underestimating potential risks. In the context of investing, it can result in overly optimistic expectations about the performance of assets, potentially leading to risky or speculative investment choices.
15) The status quo bias exerts a notable influence on the investment decisions of global investors. Investors may resist reallocating their portfolios, which can lead to missed opportunities and hinder adaptation to evolving market dynamics.
16) It was observed that Global investors are well-versed in a wide range of investment techniques and options. Their knowledge includes stocks, bonds, real estate, and alternative investments, among other asset types. They can efficiently diversify their portfolios, make well-informed decisions, and look for worldwide opportunities thanks to their high level of knowledge.

Conclusion

In conclusion, the investment decisions of global investors are shaped by a complex interplay of various factors, including risk appetite, personality traits, behavioral biases, and demographic factors. These influences, while distinct, are interconnected and collectively impact the way investors allocate their capital, construct portfolios, and react to market fluctuations. Understanding these dynamics is pivotal for investors and financial professionals alike, as they strive to optimize investment outcomes in the dynamic global financial landscape. A key factor in determining investment decisions is risk appetite, or the degree of

tolerance or aversion to risk. The range of risk appetites displayed by international investors has an impact on the asset allocations and investing approaches they use. In an effort to potentially earn better returns, those with a higher risk tolerance are more inclined to use aggressive investment methods, such as equity-heavy portfolios or alternative investments. To achieve a healthy balance between risk and profit, it is essential to identify one's risk tolerance and match investments accordingly. Agreeable individuals may seek collaborative investment partnerships, while conscientious investors may adopt structured and disciplined strategies. Openness to experience can lead to exploration of unconventional investments. These traits, when recognized and harnessed effectively, can lead to investment strategies that resonate with an investor's unique disposition and preferences. Investment decisions are significantly influenced by behavioral biases, which result from cognitive constraints and emotional responses. For logical decision-making, these biases must be understood and minimized. Investors can avoid these errors and make better decisions by using tactics like diversification, disciplined risk management, and behavioral finance techniques. Age, income, and education level are all demographic aspects that influence an investor's financial situation but have no direct and higher impact on the investments that an individual makes. Instead, these elements influence a person's individual financial objectives and living circumstances, which in turn influence investment decisions. To meet the needs of this particular group, financial professionals should modify their recommendations and investment strategies. Understanding the multifaceted influences on global investors' decisions carries significant practical implications for both investors and financial professionals. This customization can lead to more harmonious portfolios that resonate with an investor's psychological makeup, promoting discipline and rational decision-making. Investor education and awareness initiatives should address these influences to empower individuals to make informed choices and mitigate the impact of behavioral biases. Leveraging technology, such as robo-advisors, can also assist in aligning portfolios with an investor's psychological profile. Additionally, staying informed and adaptable is crucial; investors should continuously monitor global developments and be ready to adjust their strategies accordingly. Collaborative efforts, such as engaging with experts, utilizing data-driven models, and considering sustainability aspects, can further improve decision-making in the face of complex global challenges. Ultimately, a holistic and forward-thinking perspective is key to making better choices in today's ever-evolving global landscape.

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LIST OF ABBREVIATIONS

AG	Agreeableness
AVE	Average Variance Extracted
BB	Behavioral Biases
CAPM	Capital Asset Pricing Model
CMB	Common Method Bias
CTA	Confirmatory Tetrad Analysis
DE	Disposition Effect
EMH	Efficient Market Hypothesis
FFM	Five Factor Model
HB	Herding Bias
HOC	Higher Order Construct
HCMs	Hierarchical Component Models
HTMT	Heterotrait & Monotrait
ID	Investment Decisions
IMF	International Monetary Fund
IPMA	Importance Performance Map Analysis
LA	Loss Aversion
LOC	Lower Order Construct
MPT	Modern Portfolio Theory
PLS	Partial Least Square
RA	Risk Appetite
RCS	Risk Tolerance Questionnaire
SEM	Structural Equation Modeling
SQ	Status Quo
SWFs	Sovereign Wealth Funds
TDS	Tax Deducted at Source
VIF	Variance Inflation Factor

CHAPTER 1
INTRODUCTION

Chapter overview

The current section deals with the justification of the research and aims to provide valuable insights into the significance of this research in the context of behavioral biases, personality traits, risk appetite, Demographic attributes, and investment decisions of Global Investors.

There are nine sections in this chapter. The first section (1.1) deals with the introduction of the research, while section (1.2) provides valuable insights about the study background, section (1.3) defines the problem statement, followed by section (1.4), which is based on the research objectives. Section (1.5) explains the research questions, while Section (1.6) deals with the importance of the study, followed by Section (1.7), which explores more in-depth the definition of key terms, followed by Section (1.8) structure and an overview of the entire thesis for easy surfing.

1.1 Introduction

In today's dynamic and interconnected global economy, understanding the intricacies of investment decisions and risk appetite among international investors has become imperative for financial markets' sustainable growth and stability. This comprehensive study delves into the multifaceted world of global investors, focusing on their investment decisions, risk-taking behaviors, and the myriad of influencing factors that shape their strategies in selected global stock markets. This research project seeks to throw light on the fundamental motivations of investor behavior, using a wide range of qualitative and quantitative methodologies to disentangle the complexities that underlie the global financial landscape as economies continue to struggle with uncertainties and opportunities. This research aims to give valuable insights through a systematic analysis of many important markets that not only add to the body of knowledge but also have practical consequences for decision-makers, financial institutions, and investors globally. This research has the potential to strengthen the robustness of global financial systems, facilitating a more informed and prudent decision-making process for investors and fostering a sustainable path to global economic prosperity by revealing the intricate interplay between risk perceptions, market sentiments, and macroeconomic forces. The choices and behaviors' of investors have a significant impact on market dynamics, asset

prices, and general economic stability in the dynamic environment of the global financial markets. It is becoming more and more essential to comprehend the intricate interactions between investors' decision-making processes, risk appetites, and the wide variety of influencing factors in order to shape the future of financial institutions throughout the world. This in-depth research study sets out on an ambitious quest to investigate and analyze the subtleties of international investors' behavior, with a focus on their investment choices, risk-taking tendencies, and the myriad factors that affect their decisions in particular global stock markets. Financial markets have undergone remarkable globalization over the past several decades, allowing investors to engage and access a wide range of international investment possibilities(Harry Markowitz, 1952). This interconnection has become even more intense with the advent of technical and financial breakthroughs, creating a dynamic and complex investing environment. As a result, investors must make decisions in a decision-making environment that is becoming more and more complicated. This environment is characterized by a variety of risk exposures, choppy market circumstances, and an expanding number of influencing variables. This study's primary goal is to thoroughly evaluate and analyze worldwide investors' investment choices, risk tolerance, and the influences on those choices in a number of global stock markets. This study aims to explain the enigmas surrounding international investors' investment choices, risk tolerance, and the variables affecting their behavior in certain international stock markets. Our study aims to open the door for more educated and cautious investment decisions, promoting the overall stability and expansion of global financial systems by disentangling the complexity of this complicated connection. The study is motivated by the realization that a variety of psychological, social, and macroeconomic elements, in addition to rational economic theories, have an impact on how international stock market investors behave. Our research aims to fill the knowledge gap between theoretical understanding and practical implications by exploring this intricate amalgamation. As a result, we hope to offer insightful information to various stakeholders, including policymakers, financial institutions, and individual investors looking to better navigate the global financial landscape. Through a systematic examination of various key markets, this study seeks to provide valuable insights that not only contribute to the existing body of knowledge but also offer practical implications for policymakers, financial institutions, and investors worldwide.

1.2 Study Background

Behavioral finance, as an interdisciplinary field, examines the psychological and cognitive factors that influence financial decision-making and market outcomes(Massa & Simonov, 2005). This research article delves into the historical background of behavioral finance, tracing its origins, key contributors, and pivotal milestones that have shaped the field into what it is today. By understanding the evolution of behavioral finance, we can gain valuable insights into the progression of theories and the recognition of behavioral biases in financial markets. Traditional finance theories, such as the efficient market hypothesis (EMH) and rational choice theory, assume that individuals make sound decisions based on all available information and optimize their utility. However, the observations and experiences of market participants often contradict these assumptions, leading to the recognition that human behavior and psychology play a substantial role in financial decision-making. Behavioral finance emerged as a discipline in the late 20th century, bridging the gap between traditional finance theories and the actual behaviors' exhibited by investors. Pioneers in the field, such as Daniel Kahneman and Amos Tversky, challenged the prevailing notion of rationality and explored the systematic biases and heuristics that influence individuals' judgments and choices. Their research laid the foundation for understanding the psychological factors that shape financial decision-making. One of the central concepts in behavioral finance is the recognition that individuals are subject to various cognitive and emotional biases. These biases, such as overconfidence, loss aversion, confirmation bias, and herding behavior, influence how individuals process and interpret information, leading to deviations from rational decision-making. Behavioral finance aims to identify and understand these biases to explain why markets often exhibit patterns that defy traditional economic theories. Moreover, behavioral finance acknowledges that market participants are not always entirely rational and that their decisions can be influenced by psychological and social factors (Hu & Scott, 2007). Emotions, social norms, and the influence of others are all recognized as drivers of decision-making processes. This acknowledgement challenges the assumption of purely rational behavior and highlights the importance of considering human psychology and behavior in financial analysis. The significance of behavioral finance lies in its ability to provide a more accurate understanding of financial markets and investor behavior. By integrating insights from psychology, sociology, and economics, behavioral finance offers a more comprehensive framework for analyzing financial

decision-making. It has helped explain market anomalies, such as stock market bubbles and crashes, and shed light on why individuals often deviate from rational investment strategies. Furthermore, behavioral finance has practical implications for investors, policymakers, and financial professionals (Goetzmann & Kumar, 2008). Understanding behavioral biases and heuristics can help investors make better-informed decisions, manage risks, and avoid common pitfalls. Policymakers can utilize behavioral insights to design more effective regulations and policies that consider the behavioral tendencies of market participants. Financial professionals can incorporate behavioral finance principles into their advisory services to provide more tailored and psychologically-aware recommendations to clients. In summary, the field of behavioral finance emerged as a response to the limitations of traditional finance theories in explaining actual investor behavior (Oskamp, 1965). By integrating insights from psychology and sociology, behavioral finance provides a deeper understanding of how cognitive and emotional biases influence financial decision-making (Tversky & Kahneman, 1973). Recognizing the importance of human behavior and psychology in finance has significant implications for market analysis, investor behavior, and policy formulation (Simon, 1952). As a researcher, exploring and furthering the understanding of behavioral finance can contribute to the advancement of finance theory and the development of more effective strategies for investors and policymakers alike.

1.3 Problem statement

The study of behavioral finance and its impact on investment decisions presents a critical challenge in understanding and predicting market behavior, as investors are prone to cognitive biases and emotional influences that deviate from rational decision-making (Kelley & Stahelski, 1970). Despite the growing recognition of these behavioral factors, there remains a need to comprehensively analyze and quantify the extent to which cognitive biases, such as overconfidence, loss aversion, and herd behavior, affect investment choices, portfolio performance, and overall market efficiency (Tversky & Kahneman, 1973). At a global level, the intersection of behavioral finance and investment decisions presents a complex challenge in understanding the diverse behavioral biases and cultural influences that shape financial markets worldwide. With the increasing globalization of economies and the interconnectedness of economic systems, it is crucial to examine how behavioral factors, such as cultural norms, social networks, and cognitive biases, impact investment choices and market

outcomes across different countries and regions (Stone, 1994). This necessitates comprehensive research to identify and quantify the cross-cultural variations in behavioral biases, assess their implications for portfolio performance, risk management, and market efficiency, and develop strategies that account for these global behavioral dynamics. Addressing this problem is vital for promoting cross-border investment flows, facilitating informed decision-making by market participants, and fostering international financial stability (Jain et al., 2020). Understanding the relationship between personality traits and investment decisions globally poses a significant challenge, as individuals' unique personality characteristics can significantly influence their financial choices and behaviors. Given the cultural, economic, and societal diversity across countries, it is crucial to explore how different personality traits, such as risk aversion, impulsivity, and financial literacy, interact with cultural norms and societal factors to shape investment decisions on a global scale (Ullah et al., 2020). Comprehensive research is needed to identify the cross-cultural variations in personality traits and their impact on investment preferences, risk-taking behavior, and overall financial well-being in order to develop tailored strategies that cater to diverse investor personalities and promote informed decision-making across international financial markets. Addressing this problem is crucial for enhancing investor education, designing effective financial interventions, and fostering global financial inclusion and stability (X. Cheng et al., 2020). Examining risk appetite and its influence on investment decisions worldwide presents a significant challenge, as individuals and cultures worldwide exhibit diverse attitudes and tolerances towards risk. Understanding the factors that shape risk appetite, such as cultural, economic, and regulatory influences, is crucial for comprehending the variations in investment behavior and asset allocation across different countries and regions (Aren & Nayman Hamamci, 2020). In-depth research is needed to explore how risk perception, risk preferences, and risk-taking behavior interact with cultural norms, financial literacy levels, and market conditions to impact investment decisions on a global scale (Manocha, Bhullar, & Sachdeva, 2023). Addressing this problem is essential for developing effective risk management strategies, tailoring investment products to diverse risk appetites, and promoting financial stability and resilience in an interconnected global financial system (Darmayanti et al., 2023).

1.4 Research objectives

Since 2008, the stock market has been governed by only a single word, i.e. volatility, and no market in the world is an exception. The difficulty for a reasonable investor has risen due to the sharp changes in stock values brought on by fear and expectation. Financial market moves are so volatile that they frequently switch sides, showing good returns one week, then negative returns the next. The rapid price changes in stocks brought on by apprehension and anticipation have made it more difficult for a sensible investor. Because financial market movements are so unpredictable, they regularly change their minds, producing positive returns one week and negative ones the next. Their worldview is influenced by a variety of things, like wealth, dividends, the track record of well-known investors, internet trading, etc. Financial organizations may help their clients by developing effective strategies by having a thorough understanding of how investors often respond to market changes. In this context, questions that immediately reflect in our mind are: Are Global Investors trading in different financial markets rational? If not, what are the various forces that influence the process of decisions making of Global Investors? Does the personality of these individuals play a vital role in portfolio framing? Do demographic attributes have an effect on the decision Making of Global Investors? How does the risk appetite affect the financial decisions of Global investors in various financial markets while selecting the best opportunities available?

1.5 Objectives

The present research is an attempt to understand how behavioral finance has advanced in the context of global financial markets. At the outset, it explores what are the various avenues available and explored in the various global financial markets. Then, it explains whether Global investors are Rational or irrational based on several behavioral biases: Loss aversion, Overconfidence, Herd Bias, Regret, Cognitive Dissonance, and Sectorial bias. Further attempts have been made to understand and enumerate how personality traits and risk appetite affect the Decision-making of Global Investors and, finally, the influence of demographic factors on the investment decision-making of Global investors in selected financial markets.

1. To know the various financial avenues available and used by global investors in selected Global financial markets.

2. To explore the relation of demographic attributes, personality traits, and behavioral biases With the investment decisions of global investors in selected global financial markets.

3. To identify the relationship between risk appetite and investment decision-making of global investors in global financial markets

1.6 Research questions

RQ1: What are various financial opportunities explored by global investors in different financial markets?

RQ2: Whether demographic factors of Global Investors affect their investment decisions in available financial markets.

RQ3: Do personality traits of Global investors affect their investment decision-making ability?

RQ4: To what extent do behavioral biases impact the investment decisions of Global investors in various global financial markets?

RQ5: Does Global individuals' risk appetite significantly influence their asset allocation decisions in investment portfolios?

1.7 Study Significance

The investment decisions made by global investors are influenced by a multitude of factors, including behavioral biases, personality traits, and risk appetite. Understanding the impact of these psychological and behavioral factors on investment decision-making is of great significance for investors, financial professionals, and policymakers (Shehata et al., 2021). This study highlights the importance of comprehending the role of behavioral biases, personality traits, and risk appetite in shaping investment decisions and discusses their implications on portfolio performance, market dynamics, and financial stability(Manocha, Bhullar, & Gupta, 2023). Awareness of behavioral biases and personality traits, risk appetite and demographic factors enable financial professionals to tailor investment strategies to better meet the needs and preferences of individual investors (Awan & Sahar, 2021). By considering risk appetite, time horizons, and decision-making styles, financial advisors can provide personalized advice, optimize asset allocation, and improve client satisfaction. Moreover, incorporating behavioral finance principles into financial education programs enhances investor understanding and promotes responsible investment behavior (Akhtar & Das, 2019). Investors can lessen the detrimental effects of behavioral biases on decision-making by being aware of their own personality features and behavioral biases. Investors may overcome cognitive biases and make more logical financial decisions by implementing techniques like mindfulness, self-reflection, and diversification (Hafenstein & Bassen, 2016). Understanding

the influence of behavioral biases, personality traits, and risk appetite on the investment decisions of global investors is essential for various stakeholders in the financial ecosystem. By acknowledging these psychological factors, investors can make more informed decisions, financial professionals can provide tailored advice, and policymakers can create effective regulations (Aren & Nayman Hamamci, 2020). Recognizing the significance of these factors enables investors to navigate market complexities, enhance investment performance, and contribute to overall financial stability.

1.8 Definition of Key Terms

There are several important terms used in the thesis that are repetitively used, and it is essential to understand the operation value and meaning of these terms:

1.8.1 Global Investors: *Global investors are people and organizations that take part in global financial markets. They carry out cross-border investing operations, which may entail buying and selling different financial products in other nations or regions, including stocks, bonds, currencies, commodities, and real estate. The capacity to manage and take advantage of opportunities and dangers in a variety of linked global financial markets defines global investors.*

1.8.2 Investment Decisions: *Investment decisions are the selections made by individuals, organizations, or other entities when deciding how to invest their money over a range of assets or investment possibilities. In order to maximize earnings or meet specific financial goals, these decisions entail evaluating possible risks, rewards, and time horizons. Investment selections are essential in determining one's total investment portfolio since they might involve choosing individual stocks, bonds, real estate, mutual funds, or other financial instruments.*

1.8.3 According to Investopedia: *"Investment decisions related to the selections made by people or organizations when deciding how to allocate their capital among various financial assets or instruments. To achieve financial objectives like capital growth, income generation, or diversification, these decisions entail the appraisal of prospective risks, returns, and liquidity concerns."*

According to Richard A: *"Investment decisions in the corporate environment include deciding which initiatives or investment opportunities to fund financially. These choices are important because they affect the firm's total worth and long-term performance through determining the firm's future cash flows and profitability."*

According to Benjamin Graham and David Dodd: *'Investment decisions entail evaluating and choosing certain securities or assets based on their inherent worth and relative market attractiveness. To find undervalued or appealing investment prospects, the procedure involves fundamental analysis, financial statement analyses, and examination of market circumstances."*

1.8.4 Risk Appetite: *Risk appetite is the degree and kind of risk that an organization is prepared to accept in order to achieve its strategic goals. It shows the organization's general attitude towards risk and the capacity for risk that the organization possesses.*

According to the International Organization of Securities Commissions: *"Risk appetite" is the term used to describe the level of risk that a person or organization is prepared to take in connection to investing choices. It exhibits the investor's propensity for taking on risk and tolerance for potential losses in pursuit of particular financial goals."*

According to John C. Hull: *"Risk appetite is the amount of risk exposure that a company or person feels comfortable with. It is the equilibrium between the readiness to accept the potential of suffering losses and the desire for better rewards."*

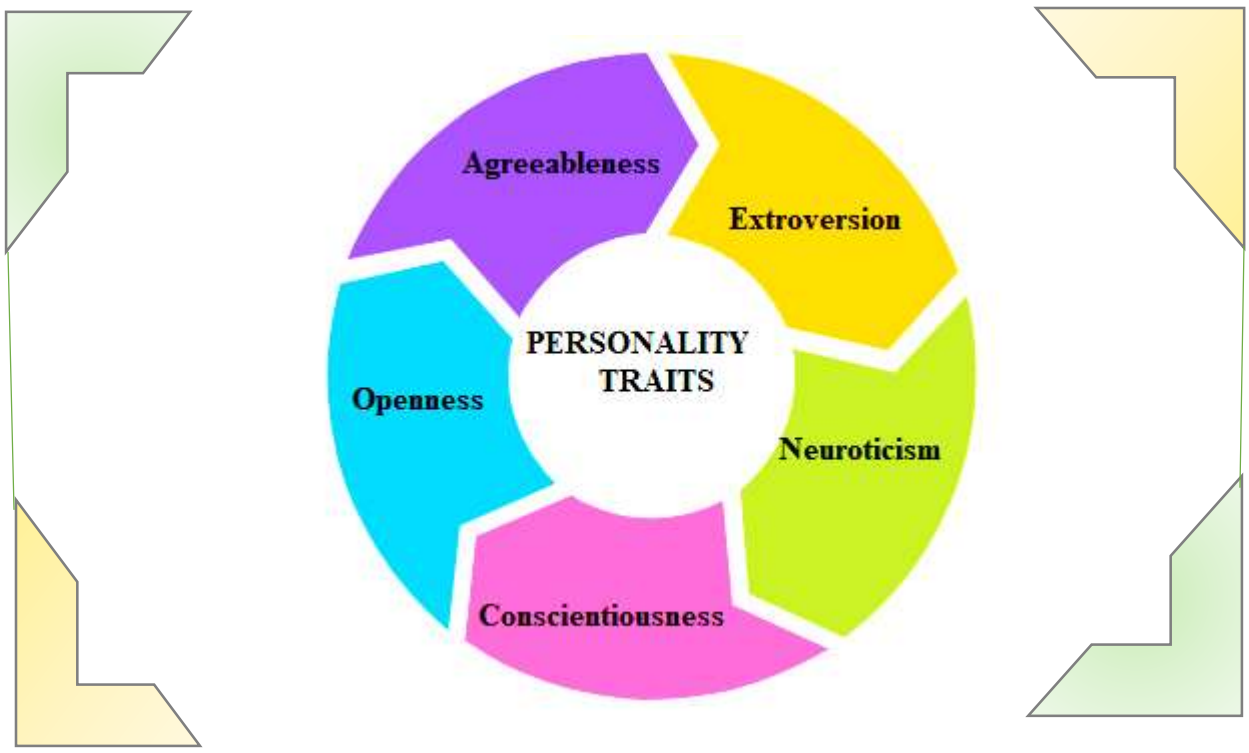
1.8.5 Demographic Factors: *These are those features that define and describe a person. A demographic profile includes the Characteristics of an Individual. These attributes include age, gender, income, education, occupation, region, religion, and many more. Actually, these factors help a researcher in many ways to reach a logical conclusion. The nature of an individual varies from person to person, so it is a must for every researcher to understand that varied nature. In this study, demographic attributes like gender, age, education, marital status, and Qualification will be taken into consideration.*

1.8.6 Personality traits: *Characteristic ways of interacting with the outside environment are shaped by permanent patterns of thoughts, feelings, and behaviors called personality characteristics. These characteristics offer a solid basis for comprehending and anticipating how individuals will react to diverse circumstances and affect their general behavior.*

Personality traits are separate dimensions that define recurring patterns of behaviors, feelings, and thought processes that people display in a variety of contexts. They are dependable predictors of behavior because they are comparatively constant across time and across many contexts.

The Five-Factor Model (FFM), commonly known as the Big Five personality qualities, is one of the most well-known models of personality features. This model includes the following five core aspects of personality:

Figure: 1.1 Big Five Personality Traits



Source: Author's Creation in Power BI

1.8.6.1 Openness to Experience: *This characteristic reflects how open-minded, creative, inquisitive, and eager someone is to accept new experiences and ideas. It describes a person's level of curiosity, open-mindedness, and willingness to accept new experiences and ideas. People that score well on openness are frequently daring, imaginative, and receptive to alternative views and ideals. Conversely, persons with low transparency tend to be more traditional, favour regularity, and be reluctant to change.*

1.8.6.2 Conscientiousness: *The degree of a person's organization, responsibility, dependability, and goal-directed behavior are all factors that fall under this category. It describes how well-organized, accountable, dependable, and goal-directed someone is in their behavior People with high conscientiousness tend to be trustworthy, self-disciplined, and*

motivated to accomplish their goals. People with low conscientiousness, on the other hand, could be impulsive, unorganized, and more spontaneous.

1.8.6.3 Extraversion: *The degree to which someone is outgoing, gregarious, active, and seeks stimulation from the outside world is measured by their extraversion. It describes a person's level of extroversion, sociability, vigour, and need for stimulation from the outside world. Extraverted individuals are typically gregarious, chatty, and love social interactions. Individuals with low extroversion, often known as introverts, on the other hand, are typically quieter, contemplative, and prefer solo pursuits.*

1.8.6.4 Agreeableness: *The degree of empathy, cooperation, compassion, and trust that a person exhibits while interacting with others is a key component of agreeableness. It describes how a person interacts with others and how warm, compassionate, empathic, and cooperative they are. People with high agreeableness tend to be amiable, kind, and helpful, frequently putting peace and preserving healthy relationships as top priorities. Individuals with low agreeableness, on the other hand, could be more forceful, skeptical, and competitive in their relationships.*

1.8.6.5 Neuroticism: *The predisposition to feel unfavorable emotions including anxiety, despair, and sensitivity to stress, is referred to as neuroticism. It describes a person's propensity to feel unfavorable emotions including worry, despair, impatience, and susceptibility to stress. People who score highly on the neuroticism scale frequently exhibit increased emotional reactivity and may be more likely to experience emotional discomfort in reaction to difficult or stressful circumstances. Individuals with low levels of neuroticism, on the other hand, are often more emotionally secure and robust, displaying a calmer and more composed demeanour.*

Personality characteristics are crucial components that mold human behavior and are essential for comprehending individual variances. One of the most well-known frameworks for studying and classifying personality characteristics is the Big Five model. From individual personal growth to organizational performance and mental health therapies, the study of personality characteristics is helpful in many different sectors.

1.8.7 Behavioral Biases: Behavioral biases show how our brains may stray from perfectly rational thought processes, in contrast to rational decision-making models, which presume people make decisions based on complete knowledge and logical reasoning. In many

disciplines, including economics, finance, psychology, and public policy, it is essential to comprehend these biases since they may have significant effects on both individual behavior and overall social results. Most of the prominent behavioral biases are as follows:

1.8.7.1 Overconfidence Bias: *A common cognitive bias is overconfidence, when people tend to think they are more accurate and skilled than they actually are in terms of their skills, knowledge, and judgment. This bias can cause individuals to make predictions and judgments with an excessive amount of confidence, frequently neglecting or downplaying relevant dangers or uncertainties.*

1.8.7.2 Herd Behavior: *Herd behavior, often referred to as herd mentality or herd instinct, is a psychological phenomenon in which members of a group or society have a tendency to adopt the behaviors, judgments, or beliefs of the majority without weighing the pros and disadvantages of such decisions. This behavior is frequently motivated by a need for conformity and a fear of exclusion or rejection. The phrase "herd behavior" refers to how animals in a herd, such as sheep or cattle, can often act in unison in response to a stimulus.*

1.8.7.3 Regret Aversion Bias: *A behavioral bias known as regret aversion bias describes people's propensity to refrain from taking actions that they could come to regret. People are frequently influenced by this tendency to maintain the status quo or refrain from taking chances, even when doing so might not be in their best interests. Decisions about money, careers, relationships, and other elements of life can be significantly influenced by the dread of regret. To reduce the chance of subsequently experiencing regret about their decisions, people may choose safer but less satisfying solutions.*

1.8.7.4 Cognitive Dissonance Bias: *Psychoanalyst Leon Festinger first proposed the psychological idea of cognitive dissonance bias in 1957. It is sometimes referred to as cognitive dissonance theory. This phrase describes the uneasy sensation or psychological tension that develops when a person has two or more opposing views, ideals, or values or when their beliefs and actions do not coincide. Because individuals frequently attempt to overcome this dissonance in ways that might result in biased perceptions and judgments, the word "bias" is employed here.*

1.8.7.5 Disposition effect: *The propensity of investors to sell winning investments (stocks or assets that have gained in value) too soon while holding onto losing investments (stocks or assets that have decreased in value) for an excessive amount of time is referred to as the "losing*

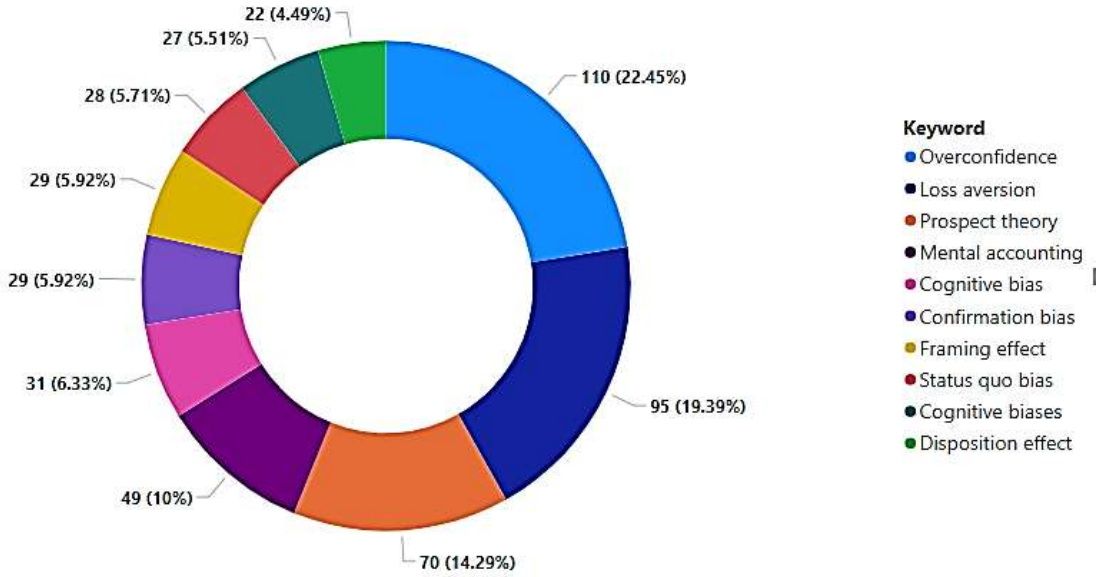
investment lag." To put it another way, investors frequently "dispose" of their profitable investments too soon while holding onto their lost investments in the hopes that they would ultimately turn a profit.

1.8.7.6 Anchoring Bias: *A cognitive bias that influences how people make decisions or judgments is anchoring bias. It happens when people base their future judgments or estimations unduly on the initial piece of information they receive (the "anchor"). Their mental process is influenced by the original knowledge, which acts as a reference point, causing them to center their judgments on that anchor. This bias may show up in a number of contexts, including price negotiations, pricing judgments, and even when developing views based on scant information. Instead of starting with a neutral assessment of the circumstance, people frequently make revisions once the anchor has been set. Financial markets and investors may be significantly impacted by anchoring bias. Investment choices, market values, and general market behavior may all be affected.*

1.8.7.7 Cognitive Dissonance Bias: *Psychoanalyst Leon Festinger first proposed the psychological idea of cognitive dissonance bias in 1957. It is sometimes referred to as cognitive dissonance theory. This phrase describes the uneasy sensation or psychological tension that develops when a person has two or more opposing views, ideals, or values or when their beliefs and actions do not coincide. Because individuals frequently attempt to overcome this dissonance in ways that might result in biased perceptions and judgments, the word "bias" is employed here. According to the hypothesis, when people suffer cognitive dissonance, they are driven to change their views, rationalize their behavior or look for evidence to reinforce their current beliefs (confirmation bias) in order to lessen the discomfort.*

These cognitive biases are ingrained in our thinking processes and can cause us to make poor decisions, frequently based on subjective judgments rather than rational considerations. In a variety of disciplines, including as psychology, economics, finance, and marketing, understanding these biases is crucial. It's critical to be aware of these biases in order to reduce their impact on judgment and make more logical, informed decisions. This information is frequently used by experts in sectors like banking, marketing, and government to create better plans and steer clear of typical problems brought on by behavioral biases.

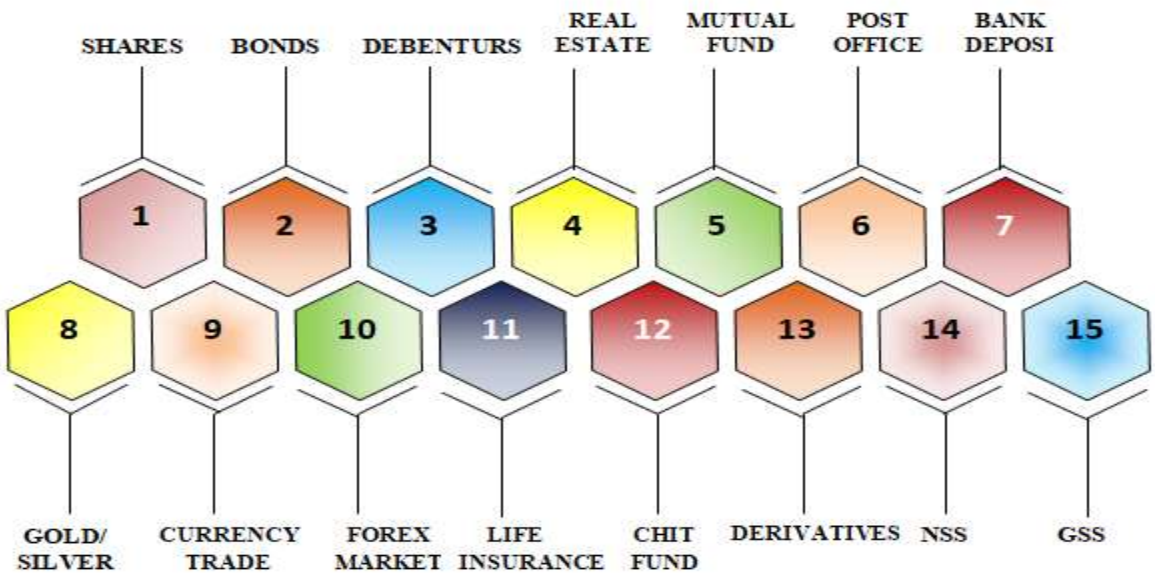
Figure 1.2 Occurrence of Behavioral Biases in Literature



Source:Author's Creation in Power BI

1.8.8 Investment Pathways: There are many investment opportunities available in the market for both national and international investors. There are many factors that are taken into consideration before investing by an investor, like age, gender, education, experience, and many more. It is general context investors select the investment avenue on the parameters like the risk involved, the return expected, and the capital required. Each and every individual will invest in any of the opportunities available on the basis of their capacity and using a trusted strategy. The various avenues available to invest are equity shares, Debentures, Bonds, Precious metals, Mutual funds, fixed deposits, Real estate, Life insurance policies, post office savings, etc.

Figure:1.3 Investment Avenues Available in Various Financial Markets.



Source: Author's Creation in Photoshop

There are many investment avenues which are available in the market. The investors select the investment avenue on the basis of risk, requirement, return, and many more. There are different factors like age, education, and much more that affect the decisions of investors. The investors invest in various investment avenues according to their profession also. Every investor has a strategy for investing in a particular Investment Avenue. There are different types of avenues, which are:

1.8.8.1 Equity shares: *These are also known as common shares. These are risky¬ investment avenues. In this, the investor can earn high returns. The dividend depends upon the profits of the company. Equity shares can be purchased from the market or through mutual funds, the investor purchases a mutual fund, and the fund further purchases the equity shares.*

1.8.8.2 Debentures: *A debenture is an acknowledgement of debt. The debentures are given¬ as floating charges. There is a fixed rate of return on debentures. There are various types of debentures, such as simple, secured, bearer, registered, redeemable, irredeemable, convertible, non-convertible, guaranteed, and collateral and others.*

1.8.8.3 Precious metals: *Investment in gold or silver is also done in India. The investors¬ make the investment in gold, silver, and other objects. There are various occasions in which gold is used. The gold and silver at the time of sale, the appreciation in the value of these ornaments will be the income. These type of investments is only made by people or high-income group people.*

1.8.8.4 Real estate: *Another investment avenue is real estate. These investments are made¬ in property, agricultural land, resorts, and others. The expected returns on this are 11, also very high. These are development plans for the future. There is a good appreciation for the value of the property in India. The rate of increase in the value of the property is different from place to place. There are also tax benefits on the investment in property. The investment in agricultural land is also used as an investment; the return is less on these investments, but the whole income is exempted from income tax. There is an appreciation in the prices also. These are a long-term investment and carries high risk.*

1.8.8.5 Mutual funds: *It is another type of Investment Avenue in which the investors pool¬ their money in a diversified portfolio; therefore, it reduces the risk and spreads the risk. Investors who invest in mutual funds get tax rebates under section 80C. There are two types of mutual fund schemes – open-ended and close-ended schemes. In an open-ended scheme, the period of maturity is not specified, and in a close-ended scheme, the period of maturity is specified.*

1.8.8.6 Fixed deposits: *These are also known as term deposits. Deposits in banks are safer¬ investment avenues. Fixed deposits are savings accounts with a fixed rate of interest, and the amount cannot be withdrawn before the maturity date.*

1.8.8.7 Life insurance policies: *There are many insurance policies available for investors. A life insurance policy is a contract between the insurer and the insured that the insurer will pay a certain amount at the time of the death of the insured. The insured person pays the premium amount regularly.*

1.8.8.8 Public Provident fund: *The public provident fund is opened with a minimum¬ of Rs. 500 and a maximum of Rs. 70000 annually. The rate of interest is 8% annually, and the scheme*

is for 15 years. Any person can open their PPF accounts in a bank or post office. There is no tax on interest on deposits, and it comes under section 80 C of income tax. This is the best form of Investment Avenue.

1.8.8.9 Post office saving schemes: *These avenues are very popular because they carry¬ higher returns. There is no TDS on this scheme. These include National saving certificates, National saving schemes, and others.*

1.8.8.10 Stock market: *The investment in the stock market is not a safer investment. Investment in the stock market may yield a higher profit, but the investor should be aware of the stock market regularly.*

1.9 Proposed structure

The thesis comprises five chapters with multiple appendixes. The abbreviations used in the thesis are mentioned at the initial of the thesis.

The First chapter provides insightful information about the background and explains the variables from all the dimensions under the set protocol. Chapter Two, the literature review, presents an analysis of the extant literature on investment decisions by Global Investors in the context of demographic factors, behavioral biases, personality traits, and risk appetite. The literature review was done systematically to paste the most relevant information associated with the topic. In the end, the Research gap has been identified, and a conceptual framework has been presented that insights and provides guidance in context to research questions and gives a specific direction to the Research. Chapter three will deal with the research methodology that is applied in the research. It not only provides a justification for the use of different research techniques, tools, and processes but also for the methods used. Additionally, the chapters present the picture of the data collection process, calculation of sample size, sampling technique used, data cleaning, and filtration. By the end, it also highlights the various themes that will emerge from the analysis based on qualitative data. Chapter four deals with analysis and the interpretation of the collected data based on set parameters. It deals with descriptive analysis followed by reliability and discriminant testing. Additionally, it deals with the analysis of structural model analysis in Smart PLS, followed by CTA and IPMA analysis. Chapter Five presents information on major findings, implications, recommendations followed by limitations, and Future scope. Additionally, it also enumerates the conclusion of the research.

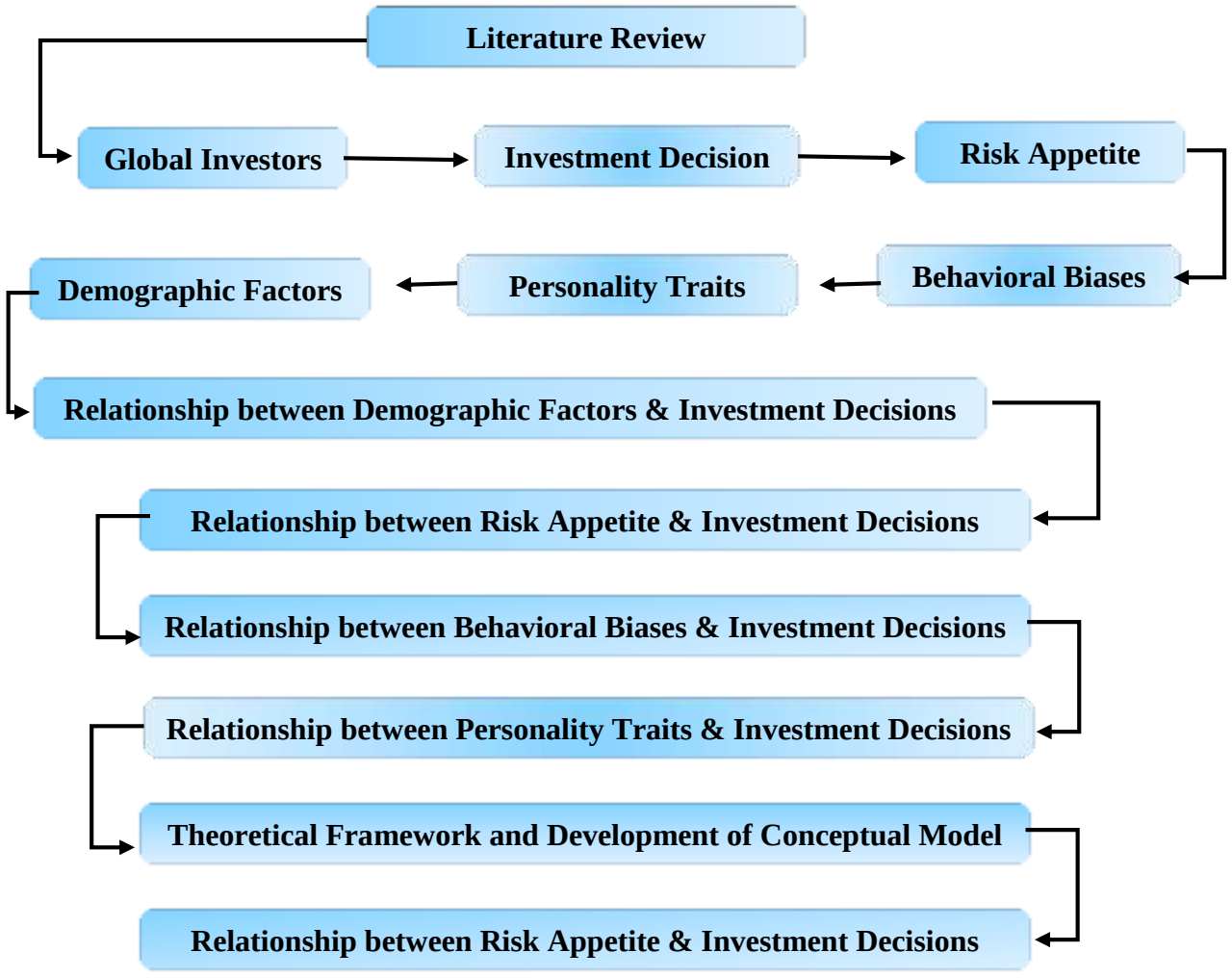
CHAPTER 2

REVIEW OF LITERATURE

Chapter overview

The current chapter deals with the unpinning of the literature related to the investment decisions of global investors in the context of behavioral biases, personality traits, risk appetite, and demographic factors. The current chapter is divided into fourteen sections. The initial section, 2.1, deals with the structure of the literature review, followed by individual variable literature mapping starting with Global Investor in 2.2, Investment Decisions in 2.3, Risk Appetite in 2.4, Behavioral Biases in 2.5, Personality Traits 2.6, and Demographic Factors in 2.7. Additionally, from section 2.8, the relationship-based literature has been explored, and hypotheses have been developed. Section 2.8 deals with the relationship between the

2.1 Structure of literature review



2.2 Global Investors

Global investors have a significant impact on how financial markets develop and how different countries' economies thrive. To understand the dynamics of international finance, one must first understand its history. The history of foreign investors can be connected to the expansion of commerce and colonies in the 15th and 16th centuries. In an effort to expand their economic influence, European countries like Spain, Portugal, and the Netherlands established colonies and trade routes around the world. Early investment institutions like merchant guilds and joint-stock companies were established because of the substantial financial resources required for these initiatives. International investment activity increased in the 19th century as a result of the Industrial Revolution, the expansion of railways, telegraphs, and steamships, and other factors. Investors from Europe and North America put money into infrastructure, mining, and industrial projects all over the world. Examples include British investors backing railway networks in India and American investors sponsoring mining operations in South America. Early in the 20th century, geopolitical developments and economic ideologies significantly altered global investment patterns. The World Wars and the Cold War that followed interrupted investment flows, resulting in the emergence of many economic sectors and multinational corporations. The 1944-established Bretton Woods system notably contributed to the ease of foreign investments by creating stable currency rates and financial institutions like the World Bank and the International Monetary Fund (IMF). In the latter decades of the 20th century, the financial markets underwent immense expansion and technical advancement, ushering in a new age of foreign investment (Amstad et al., 2016). The growth of multinational corporations and the opening of capital flows sparked a cross-border investment boom on a scale never previously witnessed (Samant, 1993). Investors have access to a greater variety of financial products, including stocks, bonds, derivatives, and foreign direct investment; the twenty-first century saw a continuation of the growth and diversification of global investors due to expanding economies, technological advancements, and changing regulatory frameworks (Lipsey, 2001). Global investment options grew when private equity firms and sovereign wealth funds (SWFs) came into existence. SWFs, which were often established by resource-rich countries, sought to diversify their portfolios and increase long-term returns, while private equity companies focused on buying and restructuring businesses throughout the world (Hwang, 2012; Wang et al., 2017). Sustainable and ethical investment has received more

attention in recent years. An increasing understanding of social inequality and climate change has led to the inclusion of environmental, social, and governance (ESG) aspects in investment strategies (Sweeney, 2017). Additionally, recent developments in financial technology, such as blockchain and virtual currencies, have presented new opportunities and difficulties for foreign investors (Gasparro & Monk, 2019). Foreign investors have a long history, which illustrates how constantly changing the world of international finance is. Global investors have had an influence on governments, economies, and innovation since the colonial era (Debata et al., 2020; Jang & Park, 2019). To fully appreciate the present dynamics and foresee future changes, one must first understand the historical background of international investing practices.

2.3 Investment decision

Financial performance is greatly influenced by investment decisions, and there has been a lot of study done to understand the complicated aspects that influence these decisions. This review of the literature tries to synthesize significant findings from earlier studies, illuminating the many factors that influence investment decisions. The influence of psychological elements on investing decision-making, such as risk perception, cognitive biases, and emotions, has been thoroughly researched by academics. According to empirical data, people frequently depart from reason because of cognitive constraints, which results in poor investment outcomes (Kalra Sahi & Pratap Arora, 2012; Keloharju et al., 2012). Additionally, studies on how demographic factors like age, gender, and education influence investing choices have shown that various investor groups make decisions differently (Koropp et al., 2014). Additionally, research has looked at how market circumstances, macroeconomic data, and regulatory frameworks affect investment choices, emphasizing the significance of outside influences in influencing investor behavior. Recent studies have also gone into the world of technical developments, looking at how digital platforms, Robo-advisors, and artificial intelligence affect the procedures used to make investment decisions.

2.4 Risk appetite

Risk appetite has a significant impact on investing decisions, asset allocations, and portfolio diversification methods made by both people and organizations (Grable et al., 2011). Understanding risk tolerance is essential for investors, financial advisers, and regulators as it guides the design of investment products and regulatory frameworks and assists in determining

people's willingness to accept financial risk (Korniotis & Kumar, 2011). This literature review explores the definition, measurement, drivers, and consequences of risk tolerance in finance research currently in the field. In numerous studies, risk tolerance is conceptualized differently, taking into account both subjective and objective factors (Chang & Wei, 2011). Individuals' views, preferences, and attitudes toward risk are referred to as subjective risk tolerance, and these characteristics are frequently assessed using self-report questionnaires and psychometric measures. The focus of objective risk tolerance, in contrast, is on people's actual risk-taking behavior (Özmen & Sümer, 2011). This is often assessed by looking at portfolio selections and trading activity. To measure risk tolerance, researchers have created a number of tools and frameworks, such as the Risk Tolerance Questionnaire (RTQ), the Risk Capacity Survey (RCS), and utility theory-based models (Keloharju et al., 2012; Viscusi et al., 2011). The complexity of human decision-making and the prevalence of individual variation, however, make it difficult to achieve an accurate and comprehensive assessment of risk tolerance (Kalra Sahi & Pratap Arora, 2012). There are various factors that affect people's risk tolerance, according to the research. Age, gender, income, education, and career are examples of personal attributes that have been thoroughly researched, with varying degrees of success (Koropp et al., 2014; Nga & Ken Yien, 2013). Better risk tolerance is frequently seen in younger people, men, better incomes, and those with more education. Cognitive biases, financial literacy, and personality characteristics are just a few examples of the psychological components that are significant (Kengatharan & Kengatharan, 2014). According to research, those who are prone to optimism, sensation-seeking, and overconfidence typically have higher risk tolerance. External factors that influence how people perceive risk and return include market (Adam & Shauki, 2014; Jariwala, 2015) Understanding risk tolerance has significant ramifications for numerous financial industry stakeholders. Individual investors may make more informed investing decisions by carefully evaluating their risk tolerance, ensuring that their risk preferences and investment strategy align (Sarwar & Afaf, 2016). Risk tolerance tests can be used by financial advisers to customize their recommendations and guidance to the risk profiles of their customers, encouraging acceptable investment options (Hafenstein & Bassen, 2016). Understanding risk tolerance may help regulators establish investor protection measures and make sure that financial goods and services are appropriately suited to investors' risk preferences (Madaan, 2016). Additionally, risk tolerance research has implications for asset

allocation, risk management, and portfolio management methods, allowing financial institutions to maximize risk-return trade-offs and improve investment performance (Raut & Kumar, 2018). Despite major advancements, there are still open questions in the literature on risk tolerance in finance. A deeper understanding of the dynamics and stability of risk tolerance over time, as well as how it relates to other psychological concepts like risk perception and risk aversion, is required (Pandey & Jessica, 2018). Further research into how cultural, societal, and environmental variables affect risk tolerance is also necessary since it might shed light on how risk-taking behavior varies between cultures (Zhou & Xiao, 2018). Furthermore, new opportunities for research into the function of automated advice and personalized algorithms in determining and accommodating risk tolerance are presented by technological breakthroughs, such as Robo-advisors and artificial intelligence (Akhtar & Das, 2019). The present research on risk tolerance in finance is thoroughly surveyed in this review of the literature. It emphasizes how important it is to comprehend risk tolerance as a key factor influencing investing behavior and financial judgment. This review adds to the body of knowledge by taking into account the conceptualization, assessment, determinants, and consequences of risk tolerance and by highlighting potential areas for additional study. Understanding risk tolerance may help to improve financial advice, investment strategies, and regulatory frameworks, which will eventually lead to better and more effective financial decision-making (Gopal Krishna et al., 2019).

2.4.1 Hypothesis Developed

HR: Risk appetite has a significant impact on the investment decisions of Global investors in Various financial markets.

2.5 Behavioral biases

In the study of behavioral finance, the consistent departures from rational decision-making shown in people are referred to as behavioral biases. Due to the effects these biases have on financial markets and investing choices, a great deal of research has been done on them(Simon, 1952). Confirmation bias is a well-known prejudice where people look for facts to support their preexisting views or opinions (Kahneman & Tversky, 1973). As a result of this bias, people may disregard or undervalue information that is contradictory in their decisions. Another common prejudice is availability bias, which happens when people make decisions based mostly on information that is easily accessible (Tversky & Kahneman, 1974). This bias

may cause recent or vivid events to be overemphasized while neglecting relevant but harder-to-access information. Another well-known prejudice is the framing bias, in which how information is presented affects how people make decisions (Tversky & Kahneman, 1973). When alternatives are provided in terms of earnings, people tend to be risk-averse, but when options are presented in terms of losses, people tend to be risk-seeking. In addition, those who suffer from the overconfidence bias overestimate their skills and the reliability of their judgments (Lichtenstein et al., 1982). This tendency may result in making poor decisions and taking unnecessary risks. Last but not least, the herding bias is a social prejudice in which people follow the beliefs or actions of the crowd even when there is no supporting data (Sen & Boe, 1991; Tague-Sutcliffe, 1992). This bias may be a factor in market bubble development and increased market volatility. Investors, financial experts, and politicians must comprehend these behavioral biases since they have an effect on asset pricing, portfolio allocation, and market efficiency (Daniel et al., 1998; Graham, 1999). Individuals and organisations may work towards better informed and rational decision-making, which will enhance financial results by incorporating behavioral insights into decision-making processes.

2.5.1 Hypothesis Developed

HB: Behavioral Biases have a significant impact on the investment decisions of Global investors in various financial markets.

2.6 Personality traits

Since personality characteristics have a significant influence on a variety of elements of an individual's life, including behavior, cognition, and well-being, they have been a major subject of psychological research (Nga & Ken Yien, 2013). The Five-Factor Model (FFM), which consists of the five broad characteristics of extraversion, agreeableness, conscientiousness, neuroticism, and openness to experience, is a well-known framework for analyzing personality (McCrae & Costa, 1997). Extraversion is the propensity to seek out good feelings and social stimulation, whereas agreeableness is the propensity for people to cooperate, show empathy, and be dependable (Jariwala, 2015). Organization, self-control, and goal-directedness are characteristics that are included in conscientiousness. On the other side, neuroticism is the propensity to feel unfavorable emotions, such as worry and mood swings (Sarwar & Afaf, 2016). Last but not least, being open to experience requires qualities like curiosity, creativity, and a readiness to accept novel concepts and experiences. Numerous studies have shown the

importance of these characteristics across a range of fields. According to studies by Judge et al. (2002) and Graziano et al. (2007), extraversion has been associated with greater levels of social engagement, positive affect, and leadership effectiveness. According to Costa et al. (2001) and Hudson et al. (2011), being agreeable has been linked to more positive interpersonal interactions, prosaically behavior, and overall life satisfaction. According to research by Roberts et al. (2007) and Barrick et al. (2001), conscientiousness is a predictor of improved health outcomes as well as academic and professional success. According to research by Lahey (2009) and Kotov et al. (2010), neuroticism shows a persistent link to negative consequences, including depression, anxiety, and ineffective coping strategies. Last but not least, it has been shown that openness to experience is linked to creativity, intellectual pursuits, and flexibility (Silvia, 2008; Soto & John, 2017). It is critical for professionals in a variety of fields, such as psychology, organizational behavior, and clinical practice, to comprehend these personality traits and their implications because they offer insightful information about individual differences and can guide interventions and strategies meant to enhance performance and well-being (Aren & Nayman Hamamci, 2020; Awan & Sahar, 2021).

2.6.1 Hypothesis Developed

HP: Personality traits have a significant impact on the investment decisions of Global investors in various financial markets.

2.7 Demographic attributes

Demographic factors, a significant area of study in social sciences, encompass a range of characteristics related to individuals' socio-demographic profiles (Chircop et al., 2019). These factors, such as age, gender, education, and income, have been extensively examined for their influence on various aspects of individuals' lives, including behavior, attitudes, and outcomes. According to Baltes and Baltes (1990), age is a significant demographic variable that has been connected to developmental milestones, cognitive capacities, and life transitions (Ghaemi Asl et al., 2022). For instance, studies have indicated that younger people are often more adventurous and receptive to new experiences, whereas elderly people may value stability and risk aversion (Löckenhoff et al., 2009; Henninger et al., 2010). In addition to social roles, stereotypes, and experiences, gender is a significant demographic component (Eagly & Wood, 2013). In areas including career decisions, leadership philosophies, and caregiving obligations, studies have shown gender-based differences. According to Mirowsky and Ross (2003),

education, a significant socioeconomic status factor, has a consistent impact on a number of outcomes, including income, employment opportunities, and health outcomes. Improved prospects and greater overall well-being are frequently associated with higher levels of education. Income is a crucial demographic variable that has a significant impact on people's access to resources, financial stability, and social mobility (Hacker, 2006). There are well-established socioeconomic differences in people's levels of health, education, and quality of life. Additionally, ethnicity and race, important demographic characteristics, have a considerable impact on how opportunities, experiences, and social identities are shaped for each individual (Phinney et al., 2006). Policymakers, academics, and practitioners must comprehend the effects of demographic characteristics because they help to explain gaps, guide policy choices, and direct initiatives meant to advance equality and social well-being(Keloharju et al., 2012; Liang et al., 2023).

2.7.1 Hypothesis Developed

H_D: Demographic Factors don't have a significant impact on the investment decisions of Global investors in various financial markets.

2.8 Demographic Factors and Investment Decisions

The purpose of this literature review is to investigate the connection between demographic variables and investing choices. It synthesizes and evaluates pertinent research articles to learn more about how demographic factors like age, gender, education level, and income affect people's investing decisions (Blum, 1976, 1977; Daniels, 1975). Researchers and practitioners may create focused methods to improve investor decision-making and financial well-being by comprehending the effects of these aspects. Investment choices are very important for a person's financial stability and wealth building. Investors, financial advisors, and legislators must all comprehend the issues that affect investing choices (Hallahan et al., 2003; Prowse, 1990). Long recognized as key influences of investment decision-making, demographic variables(Korniotis & Kumar, 2011; Lascu et al., 1997). Age is a significant demographic factor that has continuously been linked to investing choices(Yan & Warner, 2002). Younger investors have been shown to be more risk-tolerant and to have greater propensities for aggressive investment methods, such as stock investing, according to several research (e.g., Arkes, 2011; Lusardi, Mitchell, & Curto, 2014). On the other hand, older investors tend to be more cautious and favour secure investment choices like bonds or fixed-income assets. The

literature on investment decisions has looked at gender in great detail. According to research by Barber and Odean (2001), males are more prone than women to engage in active trading and incur excessive risks. Contrarily, women typically display more cautious and long-term investment behavior. It is crucial to remember that other characteristics, such as education and financial knowledge, may have an impact on these gender discrepancies. Investment choices are significantly influenced by education (Godfrey et al., 2011; Lee et al., 2013; Wen & Hao, 2013). Higher education has been linked to improved financial literacy and more informed investment decisions, according to several studies (Hastings & Tejeda-Ashton, 2008; van Rooij, Lusardi, & Alessie, 2012). Higher levels of education are linked to more financial understanding, which enhances risk management and investment decision-making. Another significant demographic aspect that affects investing preferences is income. According to Haliassos, Michaelides, and Zigrand (2013), higher income levels are often associated with higher levels of investment involvement and investment asset allocation. Higher earners frequently have more money available for investment and may also have access to superior financial tools and guidance(Bernard et al., 2015; J.Kannan, 2014; Velmurugan et al., 2015). While age, gender, education, and income are the demographic parameters that have received the most attention, other factors, including marital status, employment, and cultural background, can also have an impact on investment choices (Institutional et al., 2018; McCarthy et al., 2016; Schaltenbrand et al., 2015). For instance, it has been discovered that marital status affects investment behavior, with married people showing more risk aversion than their single counterparts (Becker & Ivkovi, 2018). Occupation might affect risk-taking behavior because those in safer occupations could be more open to taking financial risks. Several theoretical frameworks provide light on how demographic considerations and investment choices interact(Galstyan & Velic, 2018; Karpova & Panova, 2018) According to the life-cycle hypothesis, retirement planning, changing income, and financial obligations all have an impact on investing behavior as people become older (Gopal Krishna et al., 2019; Hussain Shah et al., 2018; Rodriguez & Lawrence, 2019). According to prospect theory, risk preferences can differ between various demographic groups and are impacted by psychological traits like loss aversion. The association between demographic characteristics and investing choices is highlighted in this research review. Age, gender, income, and education have been shown to be important factors in investment behavior (Dugar & Basant, 2021; Rekunenko et

al., 2022; Sungkhamanee, 2019). However, further study is required to examine the intricate interactions between these variables and to look into other demographic aspects that might influence investment choices (Oberoi et al., 2022; Ozili, 2022). Understanding these links can help people, financial advisers, and policymakers create specialized strategies to improve the performance of investments and financial well-being.

2.8.1 Hypothesis Developed

H_{d1}: Age doesn't have a significant impact on the investment decisions of Global investors in various financial markets.

H_{d2}: Income doesn't have a significant impact on the investment decisions of Global investors in various financial markets.

H_{d3}: Gender doesn't have a significant impact on the investment decisions of Global investors in various financial markets.

H_{d4}: Education doesn't have a significant impact on the investment decisions of Global investors in various financial markets.

H_{d5}: Geography doesn't have a significant impact on the investment decisions of Global investors in various financial markets.

2.9 Risk Appetite and investment decisions

This literature review investigates the connection between investing choices and risk appetite. To better understand how risk preferences affect people's investment behavior, it synthesizes and analyses pertinent research findings. Investors, financial advisers, and politicians must comprehend how risk appetite affects investment decisions in order to create successful methods for maximizing investment results (Ghaemi Asl et al., 2022; Prasad & Seetharaman, 2021; Shehata et al., 2021). Investment decisions include inherent hazards, and people's willingness to take such risks dramatically influences how they will behave when making investments(Aren & Nayman Hamamci, 2020; Sarkar & Zhang, 2020). In order to shed light on the variables influencing people's risk preferences and the consequent investment decisions they make, this literature review attempts to give an overview of the link between risk appetite and investment decisions (Darmayanti et al., 2023; Li et al., 2023; Liang et al., 2023). The propensity of a person to accept risk in search of prospective investment gains is referred to as risk appetite. Research has used a variety of measuring techniques, such as self-assessment questionnaires, financial risk tolerance scales, and experimental methodologies, to quantify

risk appet (Alam & Ansari, 2020; He & Choi, 2020; Oberoi & Kansra, 2020). Numerous research studies have investigated how risk appetite affects investing choices, providing insightful information on this link. A stronger desire to invest in riskier assets, such as stocks, commodities, or alt (Dugar & Basant, 2021; Han et al., 2021; Ozili, 2022). According to Campbell, Calvet, and Sodini (2009) and Fenton-O'Creevy, Nicholson, Soane, and Willman (2005), those with larger risk appetites may also trade more often and have a tendency to make short-term speculative investments. Risk appetite in investing decision-making is influenced by a number of factors. The psychological traits of overconfidence, loss aversion, and risk perception all have a significant impact on how risky people like to take risks (Akhtar & Das, 2019; Madaan, 2016; Raut & Kumar, 2018). It has also been shown that demographic parameters, including age, gender, education level, and income, affect risk appetite. Younger people and those with better incomes or educational levels, for instance, frequently have greater appetites for risk (Barber & Odean, 2001; Heimer & Sonsino, 2016). Many theoretical models have been put out to explain the connection between risk tolerance and investing choices. According to the prospect theory, which Kahneman and Tversky (1979) established, people's risk preferences are influenced by their subjective assessments of possible rewards and losses. Additional insights into how risk appetite might affect investing decisions are provided by behavioral finance theories like the disposition effect and herding behavior. Financial advisers and individual investors can both benefit from a practical understanding of how risk appetite affects investing choices (Awan & Sahar, 2021; Raut, 2020; Raut et al., 2020) By determining their level of risk tolerance and matching it with suitable investing techniques, individual investors can gain (Ghaemi Asl et al., 2022)(Manocha, Bhullar, & Gupta, 2023). In order to give customers individualized advice and create investment portfolios that fit their risk profiles, financial advisors might use information about their clients' risk tolerance. The significance of risk appetite in investing decision-making is highlighted in this literature review (Darmayanti et al., 2023; Manocha, Bhullar, & Sachdeva, 2023) Individuals' levels of comfort with risk and the sorts of investments they are prepared to make are influenced by their appetite for risk. Future studies should evaluate the relationship between risk appetite and long-term investing success as well as other variables influencing risk appetite, such as personality characteristics and cultural influences.

2.9.1Hypothesis Developed

H_{r1}: Time Frame has a significant impact on the investment decisions of Global investors in Various financial markets.

H_{r2}: Risk Capital has a significant impact on the investment decisions of Global investors in Various financial markets.

H_{r3}: Experience has a significant impact on the investment decisions of Global investors in Various financial markets.

H_{r4}: Objective has a significant impact on the investment decisions of Global investors in Various financial markets.

H_{r5}: Return has a significant impact on the investment decisions of Global investors in Various financial markets.

2.10 Behavioral Biases and investment decisions

To achieve financial goals, investment decisions are essential, but they are frequently impacted by psychological elements known as behavioral biases. Behavioral biases are systematic cognitive and emotional biases that induce investors to make poor decisions by systematically deviating from logical decision-making (Eric et al., 2009; Gurevich et al., 2009) To improve investment results and increase market efficiency, investors, financial advisors, and legislators must understand these biases (Hilary & Hsu, 2011; L. L. Zhang, 2010). One of the most pervasive behavioral biases in financial choices is overconfidence. Investors frequently overestimate their analytical and knowledge skills, which causes them to engage in excessive trading and make speculative bets (Fernández et al., 2011; Khanna et al., 2011; Zuo & Chen, 2011). Odean (1998) discovered that excessively confident investors engage in more trading, which lowers total profits. According to the concept of loss aversion bias put out by Kahneman and Tversky in 1979, people experience the pain of losses more intensely than the joy of wins. The disposition effect results from investors' propensity to stick to failing investments in the hopes of a turnaround (Schwind et al., 2012; Seiler et al., 2012). According to research by Barber and Odean from 2000, investors with significant loss aversion tendencies hang onto yielding equities for longer periods of time and sell winning stocks sooner, which has a detrimental impact on their results. Investors who copy other investors' behavior tend to exhibit herding behavior, especially when the market is unclear (Chu et al., 2012; Ngoc, 2013; Raddatz & Schmukler, 2013). Market bubbles and extreme volatility may result from this. Herding has

been shown to amplify price fluctuations and enhance the risk of information cascades in financial markets (Croonenbroeck & Matkovskyy, 2014; Remmerswaal et al., 2014). When investors make judgments based only on preliminary information, this is known as anchoring bias. According to Rabin and Schrag (1999), anchoring affects investor price expectations and can result in enduring mispricing in the financial markets. The propensity to base judgments on information that is easily accessible is known as availability bias, and it frequently results in an incorrect estimation of risk and return. Hirshleifer and Shumway's research from 2003 demonstrated how investors with availability bias had a propensity to overreact to recent news, leading to disproportionate price changes. Behavioral biases have a considerable negative influence on market dynamics and investment decisions, producing less-than-ideal results (Frino et al., 2015; S. Kumar & Goyal, 2015; Yüksel, 2015) Investors and governments must acknowledge the presence of these biases in order to create effective mitigation plans (Bo et al., 2016; Peón et al., 2016; Rau, 2015) Financial professionals may apply behavioral interventions and create investor education programs by understanding the psychological underpinnings of these biases in order to improve decision-making and foster long-term financial success(do Prado et al., 2016; Iram et al., 2023; Jain et al., 2022)

2.10.1Hypothesis Developed

H_{b1}: The disposition Effect has a significant impact on the investment decisions of Global investors in various financial markets.

H_{b2}: Herding Bias has a significant impact on the investment decisions of Global investors in various financial markets.

H_{b3}: Optimism Bias has a significant impact on the investment decisions of Global investors in various financial markets.

H_{b4}: Behavioral Biases have a significant impact on the investment decisions of Global investors in various financial markets.

H_{b5}: Regret Aversion Bias has a significant impact on the investment decisions of Global investors in various financial markets.

2.11 Personality Traits and Investment Decisions

This research review investigates the link between personality characteristics and financial decisions. It synthesizes and evaluates pertinent research findings to learn more about how personality variations affect investment behavior (Malaquias & De Abreu Pontes, 2018;

Zahera & Bansal, 2018). Investors, financial advisers, and policymakers may benefit significantly from understanding how personality factors affect investment decisions as they create specialized techniques for improving investment outcomes (Khilar & Singh, 2019; Odean, 2019; Raheja & Dhiman, 2019). Making judgments about vestments requires intricate cognitive and emotional processes that are impacted by several individual characteristics (Hermann et al., 2019; Madaan & Singh, 2019; Sabir et al., 2019). One of the main elements influencing how people make decisions is their personality. This review of the literature tries to give a broad overview of the connection between personality qualities and investing decisions, emphasizing the impact of certain features on investment behavior (González-Torres et al., 2020; Indārs et al., 2019; Jain et al., 2020). Personality study has frequently employed the Big Five model of personality characteristics, which includes openness, conscientiousness, extraversion, agreeableness, and neuroticism (sometimes referred to as emotional stability) (Akgul & Cetin, 2021; Darskuviene & Lisauskiene, 2021; Dopierała & Mosionek-Schweda, 2021). Numerous research studies have looked at the connection between these characteristics and financial choices, offering insightful information on how personality affects investment behavior (Boumda et al., 2021; Hens & Naebi, 2021; Singh, 2021) People's propensity for novelty, inventiveness, and curiosity are reflected in their openness to new experiences. According to research, those who are openly inclined are more likely to take chances and look at non-traditional financial options (Lüders, Schankin, & Hagenau, 2019). They could be more open to novel investing approaches and more inclined to put money into cutting-edge or developing markets. Conscientiousness is a reflection of a person's organizational, controlling, and disciplined characteristics (Iqbal et al., 2021; Jain et al., 2022; Rotaru et al., 2021). According to Furnham (2001), those with high conscientiousness exhibit more cautious and structured investing habits. Conscious people are more likely to practice long-term planning, meticulous study, and commitment to financial techniques, all of which may result in more steady and wise investment decisions. Individuals' degrees of friendliness, assertiveness, and excitement are referred to as extraversion. According to research, extroverted people may be more likely to engage in active investment behaviors such as frequent trading and consulting others for financial advice (Kim, Kim, & Kim, 2016). Additionally, they can be more inclined to make speculative investments and show greater levels of confidence in their financial judgments. Individuals' propensities for cooperation, empathy, and trust are reflected in their

level of agreeability (Ammer et al., 2023; Chache et al., 2022; Xia & Zhou, 2022). Despite receiving less investigation, some studies have found that those who are more pleasant may be more risk-averse and less inclined to use aggressive or competitive investing methods (Saxton, 1997). They could give preference to safe and ethical investing solutions.

2.11.1 Hypothesis Developed

H_{p1}: Openness has a significant impact on the investment decisions of Global investors in various financial markets.

H_{p2}: Conscientiousness has a significant impact on the investment decisions of Global investors in various financial markets.

H_{p3}: Extraversion has a significant impact on the investment decisions of Global investors in various financial markets.

H_{p4}: Agreeableness has a significant impact on the investment decisions of Global investors in various financial markets.

H_{p5}: Neuroticism has a significant impact on the investment decisions of Global investors in various financial markets.

2.12 Theoretical Framework and Development of Conceptual Model

The theoretical development concept explored in this literature review is the intersection of behavioral finance and investment decision-making. Traditional finance assumes that investors are rational and make decisions based on objective information, aiming to maximize utility or profit. However, behavioral finance challenges this assumption by recognizing that human decision-making is influenced by cognitive biases, emotions, and psychological factors. The idea of behavioral finance came into existence as a response to the traditional financial theories' shortcomings in describing actual market occurrences such as asset price bubbles, market crashes, and enduring mispricing. The field of behavioral finance studies how cognitive biases and emotional variables influence investors' decisions and sway them from making logical ones. Researchers want to shed light on why people frequently make poor financial judgments by comprehending these biases.

2.12.1 Classical Finance Theory (Late 17th to 19th century): Classical finance theory is where contemporary finance got its start. During this time, notable contributors were Sir Isaac Newton, David Hume, and Adam Smith. The idea of efficient markets was inspired by Newton's work on the law of universal gravitation, which postulates that asset prices accurately

represent all available information. The study of economics was founded on Adam Smith's "The Wealth of Nations" (1776), which covered the importance of free markets and self-interest in promoting economic prosperity. Early in the 20th century, pioneers like Harry Markowitz, Eugene Fama, and Robert Merton pioneered the development of classical finance theory. Through the introduction of the essential concepts of risk, return, and portfolio diversification it set the foundation for contemporary financial economics. The Great Depression served as the backdrop for the theory's development, which sought to rationally explain the actions of financial markets.

2.12.2 Random Walk Hypothesis (1900s): The random walk hypothesis first appeared in the early 20th century and was developed by French mathematician Louis Bachelier. His "The Theory of Speculation" thesis from 1900 asserted that stock values exhibit a random pattern, making it difficult to forecast future prices. The Efficient Market Hypothesis (EMH), which was further refined and popularized by later scholars like Maurice Kendall and Eugene Fama, was based on this concept. According to the random walk theory, prices on the stock market and other financial markets fluctuate erratically and inexplicably. It is predicated on the notion that past price movements or any other historical data cannot be used to forecast future price changes. The nature of financial markets and the difficulties of price prediction are clarified by the random walk theory. While it is not without its detractors, being aware of its consequences can help investors make better choices and approach investing with a balanced view of risk and reward. Although markets may be erratic in the near term, successful investing strategies may still be influenced by fundamental solid research and careful study of long-term patterns.

2.12.3 Modern Portfolio Theory (1952): Modern Portfolio Theory (MPT), which Harry Markowitz first proposed in his work "Portfolio Selection" (1952), is a revolutionary idea that transformed investment procedures. In order to maximize returns for a given degree of risk, MPT advises clients to diversify their holdings in their portfolios. The work of Harry Markowitz, who was awarded the Nobel Prize in Economics in 1990, continues to be a key component of investment management. The foundation of MPT is the idea that by effectively mixing different assets, investors may either increase their expected return for a given level of risk or decrease their risk for a given level of return. Despite its flaws, modern portfolio theory continues to be a key idea in finance and has an impact on how portfolios are constructed, and

risk management procedures are carried out. MPT is frequently used by investors as a starting point, and they may then customize their portfolios depending on their unique goals, risk appetite, and market forecast.

2.12.4 Capital Asset Pricing Model (CAPM) (1960s): A foundational theory in the area of finance is the Capital Asset Pricing Model (CAPM), which was put out by William F. Sharpe, John Lintner, and Jan Mossin in the 1960s. For many years, this model has served as a key tool for building portfolios, determining risk, and making investing decisions. The requirement for a strong framework to quantify the link between risk and anticipated returns of financial assets led to the development of the Capital Asset Pricing Model (CAPM). The key feature of the model is its capacity to help investors assess the proper compensation for assuming systematic risk while taking into account the asset's susceptibility to market fluctuations. Since its conception in the 1960s, the Capital Asset Pricing Model (CAPM) has been a key component of the financial industry. Despite critiques and advancements in finance theory, CAPM continues to be a valuable tool for investors and financial professionals in making choices and controlling risk in their investment portfolios due to its simplicity, elegance, and wide application. New models may appear as markets change, but the CAPM's legacy as a fundamental framework in finance endures.

2.12.5 Efficient Market Hypothesis (1970s): In the 1970s, Eugene Fama divided the EMH into three categories: weak, semi-strong, and strong efficiency. According to the notion, markets accurately reflect all information that is available, hence, it is impossible to continually outperform the market using knowledge that is readily accessible to the public. EMH is still widely used in the financial and investing worlds despite criticism and changes. Despite receiving significant criticism, the Efficient Market Hypothesis (EMH) has been a crucial financial concept for over four decades. Three different Efficient Market Hypotheses were developed by Fama.

(i) **Weak Form Efficiency:** According to the weak form of the efficient market hypothesis, the present price of securities incorporates all previously recorded information about market prices and returns. As a result, using historical data to identify inexpensive assets and generate returns above average is difficult. Additionally, it renders technical analysis useless because it is very difficult to profit from the information that is widely accessible.

(ii) **Semi-strong Form Efficiency:** The semi-strong form of market efficiency suggests that the current price of securities incorporates all information that is readily available to the general public. In addition to historical stock prices, publicly available information also includes information from financial statements (such as income statements, dividend announcements, mergers, and acquisitions), as well as the possibility of macroeconomic factors (inflation, employment, etc.).

(iii) **Strong Form Efficiency:** According to the strong form of market efficiency, the price of securities should take into account all information, both public and private (insider knowledge). Accordingly, the primary distinction between semi-strong and strong form efficiency is that in the former, one can increase profits by possessing insider information, but this is not feasible in the latter.

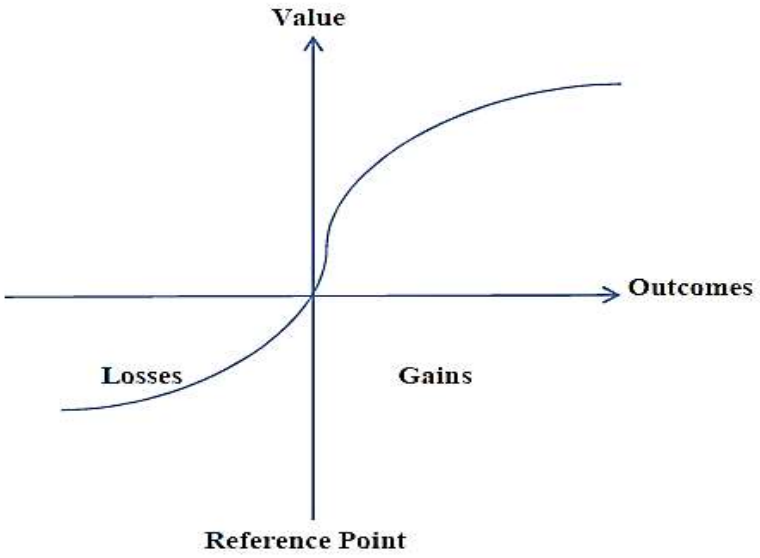
2.12.6 Behavioral Finance (1980s): As an alternative to conventional finance theories, behavioral finance first appeared in the 1980s. The field of behavioral finance, which was pioneered by academics like Daniel Kahneman and Amos Tversky, studies how cognitive biases and psychological prejudices affect financial decision-making. It offers a more complex explanation of market behavior by challenging the rationality presumptions in traditional finance. A subfield of finance called "behavioral finance" studies how psychological and emotional elements affect people's ability to make sound financial decisions. Behavioral finance acknowledges that people frequently display cognitive biases and emotions that can result in irrational behavior in financial markets, in contrast to classic finance theories that presume investors are rational and always behave in their best interests. Here are a few behavioral finance main theories.

2.12.7 Prospect Theory: The pioneering idea of prospect theory, first forward by Daniel Kahneman and Amos Tversky in 1979, revolutionized the study of behavioral economics. It questions the prevailing rationality presumptions in economic theory in an effort to explain how individuals make decisions in the face of risk and uncertainty. Prospect theory offers insightful explanations for why people frequently make decisions that appear illogical and behave in risk-seeking or risk-averse ways in diverse circumstances.

2.12.8 Value Function: The fundamental tenet of prospect theory is that people assess results in terms of a reference point rather than in absolute terms. This psychological viewpoint is shown by the value function, which demonstrates that losses and profits are not symmetrical.

The tendency for people to prioritize possible losses over comparable advantages is known as loss aversion.

Figure 2.1 Loss Aversion



1) Loss Aversion: The propensity for people to strongly favour avoiding losses over achieving similar benefits is known as loss aversion. According to studies, gains of equal size often have a psychological impact that is nearly twice as great as losses. This imbalance in the value function affects choices made in a variety of areas, such as finances, investments, and even routine consumer behavior.

2) Diminishing Sensitivity: According to prospect theory, people become less sensitive to changes in outcomes as the scale of those events rises. As a result, as one moves away from the reference point, one becomes less sensitive to little gains or losses. This waning sensitivity might cause risk-taking behavior that appears erratic.

3) Framing Effect: The framing effect is a psychological phenomenon where the way information is presented greatly affects how people make decisions. Even though the fundamental alternatives are the same, how options are presented can affect how individuals perceive and act. According to prospect theory, people are often risk-averse in gain-framed contexts but risk-seeking in loss-framed contexts.

4) Probability Weighting: The traditional economic theory makes the assumption that people assess probability in a logical manner. Prospect theory, on the other hand, adds the idea of probability weighting and contends that individuals slant probabilities in their favor when

making judgments. People often overestimate the possibility of unusual events in circumstances with low probability, which encourages risk-seeking behavior. A thorough framework for understanding human decision-making under risk and uncertainty is provided by prospect theory. The traditional economic paradigm of rational decision-making has been called into question by its insights, which have instead highlighted the complexity of the human mind. Prospect theory has changed how we understand and approach decision-making in a variety of domains by combining psychological biases and preferences into economic calculations, leading to more complex and accurate models of human behavior.

4) Mental Accounting: A well-known theory in behavioral economics called "mental accounting" explores the psychological mechanisms that underlie how people categorize, organize and assess their financial assets and transactions. By providing light on how people's subjective impressions and framing of financial activities impact their decision-making, Richard H. Thaler's 1985 theory questions the conventional economic premise of rationality. Understanding mental accounting may help understand consumer behavior, investment decisions, and the effects on economic policy. People frequently mentally divide their money into many accounts according to factors like the source, use, or timing of the acquisition. These mental accounts may consist of earnings, savings, emergency cash, spending plans for leisure, and more. As a result, depending on the mental account to which it belongs, people may perceive money differently. A key idea in behavioral economics, mental accounting provides useful insights into the psychological influences on financial decision-making. Researchers, decision-makers, and financial advisers may create more efficient ways to encourage sound financial practices and enhance overall economic results by recognizing the importance of mental accounting in people's decision-making. Understanding the biases and inclinations that come with mental accounting can help people make more educated financial decisions, which will eventually improve their financial well-being.

5) Heuristics: Heuristics are streamlined decision-making processes or mental shortcuts that people use to get by in the complicated environment around them. Heuristics, which were first used by Nobel laureate Herbert A. Simon in the 1950s, is a key component of human cognition that enables people to reach snap judgments and conclusions without delving deeply into analysis or information processing. Heuristics can aid in making decisions quickly and effectively, but they can also introduce prejudice and mistakes. To understand how people and

machines make decisions, it is essential to understand heuristics in a variety of domains, including psychology, economics, and artificial intelligence. Heuristics are helpful cognitive techniques that help people make judgments quickly and effectively. They function as crucial adaptive mechanisms in a quick-paced world, enabling people to move through challenging settings. To enhance decision-making processes, both for humans and in the design of intelligent systems, it is crucial to be aware of the potential biases and restrictions connected with heuristics. Heuristics research will advance our knowledge of human cognition and lead to better decision-making processes across various domains.

2.12.9 Behavioral Biases: Humans are prone to various cognitive and psychological biases that can have a significant impact on how we make decisions. All of these biases are referred to as "behavioral biases." Behavioral biases show how our brains may stray from perfectly rational thought processes, in contrast to rational decision-making models, which presume people make decisions based on complete knowledge and logical reasoning. In many disciplines, including economics, finance, psychology, and public policy, it is essential to comprehend these biases since they may have significant effects on both individual behavior and overall social results. Most of the prominent behavioral biases are as:

2.12.9.1 Overconfidence Bias: A common cognitive bias is overconfidence, when people tend to think they are more accurate and skilled than they are in terms of their skills, knowledge, and judgment. This bias can cause individuals to make predictions and judgments with an excessive amount of confidence, frequently neglecting or downplaying relevant dangers or uncertainties. Overconfidence bias thus has significant effects in various areas, including financial markets, company strategy, and individual decision-making. The basis of overconfidence bias is how our brains evaluate and interpret information. People frequently make decisions based on sketchy facts and personal experiences, which can result in exaggerated self-perceptions. The persistent cognitive bias known as overconfidence bias encourages excessive self-confidence and undue certainty, which affects decision-making. For people and organizations to make better informed and logical decisions, they must be aware that this bias exists. We may improve decision-making processes and outcomes across a range of areas, including personal life decisions, professional choices, and financial decisions, by putting mechanisms in place to lessen the effects of overconfidence bias.

2.12.9.2 Representativeness Bias: Representativeness bias is a cognitive bias that influences how people evaluate situations and people in light of their perceived similarities to larger groups or stereotypes. It results from our innate propensity to use mental shortcuts, or heuristics, to make complicated decision-making processes simpler. While heuristics can be helpful, representativeness bias, which results when we place too much weight on preconceived notions or prejudices about particular people or events, can cause systemic mistakes in judgment. When individuals make probabilistic assessments or draw conclusions based on how closely a person, event, or sample matches a typical or "representative" prototype from a given category, this is known as representativeness bias. In other words, representativeness bias is a tool that the brain has learned to use to quickly separate items. Even when two occurrences genuinely differ in reality, the brain assumes they are likely to be similar if they share a few similar characteristics. Despite the fact that representativeness helps the brain organize and comprehend huge amounts of data quickly, it is an alternative that leads to investors overreacting to current information. Representativeness results in bad financial market decision-making

2.12.9.3 Herd Behavior: Herd behavior, often referred to as herd mentality or herd instinct, is a psychological phenomenon in which members of a group or society have a tendency to adopt the behaviors, judgments, or beliefs of the majority without weighing the pros and disadvantages of such decisions. This behavior is frequently motivated by a need for conformity and a fear of exclusion or rejection. The phrase "herd behavior" refers to how animals in a herd, such as sheep or cattle, can often act in unison in response to a stimulus. Herd behavior may result in both good and bad things. In some circumstances, it can encourage harmony and collaboration within a group, resulting in effective decision-making and group action. However, it may also result in undesirable and illogical results like stock market collapses, financial bubbles, and widespread panic. Financial analysts and investors need to concentrate on performing their independent research and thinking about fundamentals, economic considerations, and market situations before making investment decisions in order to reduce the harmful impacts of herd behavior. To guard against the possible adverse effects of following the crowd, diversification and risk management methods are also crucial. To lessen the influence of herd behavior on financial markets, regulators and politicians may also put forth initiatives to support openness, information sharing, and investor education.

2.12.9.4 Anchoring Bias: A cognitive bias that influences how people make decisions or judgments is anchoring bias. It happens when people base their future judgments or estimations unduly on the initial piece of information they receive (the "anchor"). Their mental process is influenced by the original knowledge, which acts as a reference point, causing them to center their judgments on that anchor. This bias may appear in several contexts, including price negotiations, pricing judgments, and even when developing views based on scant information. Instead of starting with a neutral assessment of the circumstance, people frequently make revisions once the anchor has been set. Financial markets and investors may be significantly impacted by anchoring bias. Investment choices, market values, and general market behavior may all be affected.

2.12.9.5 Cognitive Dissonance Bias: Psychoanalyst Leon Festinger first proposed the psychological idea of cognitive dissonance bias in 1957. It is sometimes referred to as cognitive dissonance theory. This phrase describes the uneasy sensation or psychological tension that develops when a person has two or more opposing views, ideals, or values or when their beliefs and actions do not coincide. Because individuals frequently attempt to overcome this dissonance in ways that might result in biased perceptions and judgments, the word "bias" is employed here. According to the hypothesis, when people suffer cognitive dissonance, they are driven to change their views, rationalize their behavior or look for evidence to reinforce their current beliefs (confirmation bias) in order to lessen the discomfort. They do this in an effort to bring harmony and consistency into their mental structure. Investors often encounter situations where their beliefs, expectations, and actions are not entirely aligned, leading to cognitive dissonance. In order to avoid feeling uncomfortable, they can decide to keep holding onto lost assets rather than selling them. To lessen dissonance, they could persuade themselves that the investment would eventually make a profit even in the face of conflicting data.

2.12.9.6 Regret Aversion Bias: A behavioral bias known as regret aversion bias describes people's propensity to refrain from taking actions that they could come to regret. People are frequently influenced by this tendency to maintain the status quo or refrain from taking chances, even when doing so might not be in their best interests. Decisions about money, careers, relationships, and other elements of life can be significantly influenced by the dread of regret. To reduce the chance of subsequently experiencing regret about their decisions, people may choose safer but less satisfying solutions. Investors subject to the regret aversion

bias frequently prioritize preventing losses above realizing gains. Because of this, individuals could become unduly cautious and adhere to assets with low risk and returns, such as cash or bonds, even when their financial objectives would be better served by a more diversified and potentially higher-return portfolio.

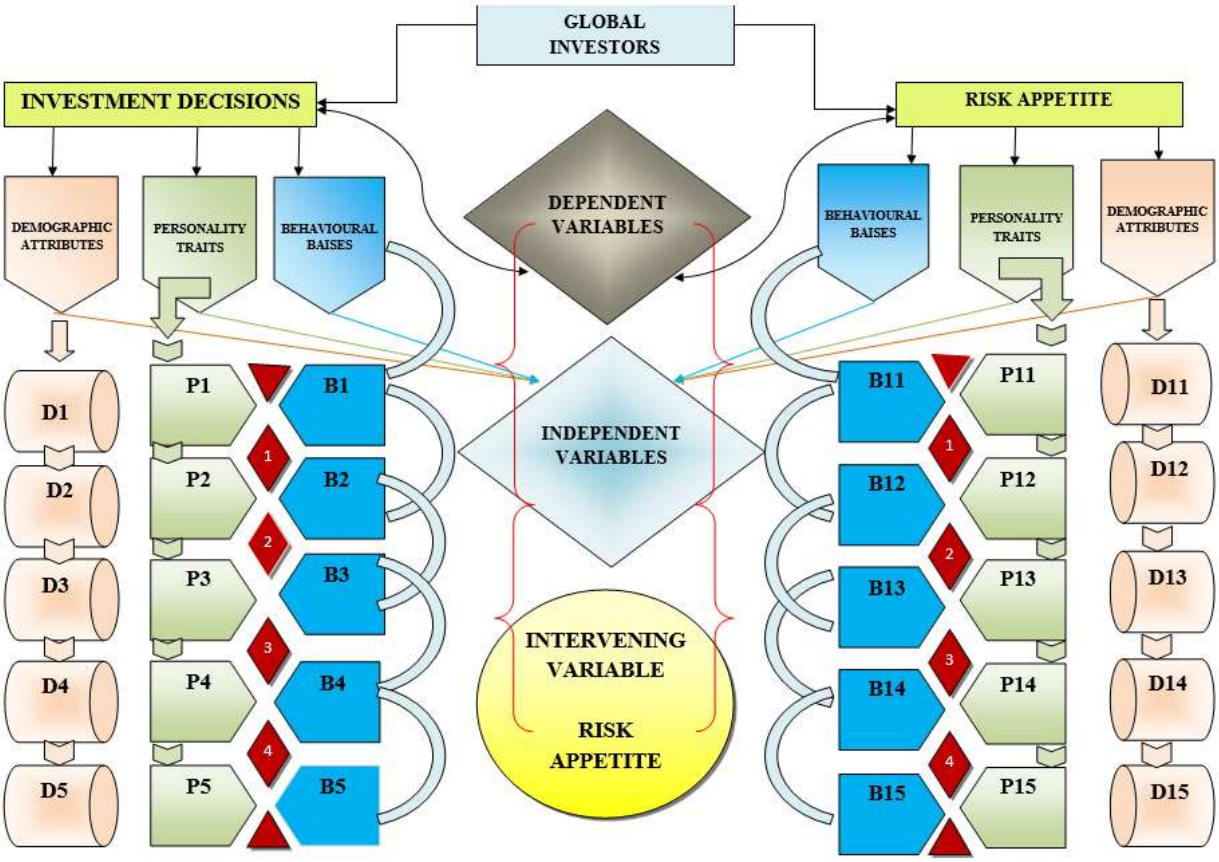
2.12.9.7 Loss Aversion: Loss aversion is a psychological concept that describes people's propensity to avoid losses over achieving comparable rewards. The psychologists Daniel Kahneman and Amos Tversky made the initial suggestion as part of their Prospect Theory, which won Kahneman the 2002 Nobel Prize in Economics. According to the loss aversion theory, the psychological impact of losing something is more significant than the psychological impact of acquiring something as valuable. In other words, avoiding losses is more motivating than pursuing equal benefits. In a number of disciplines, such as behavioral economics, finance, marketing, and decision-making research, loss aversion can have significant ramifications. Researchers and practitioners can more accurately forecast and explain human behavior when it comes to taking risks, making investment decisions, and other situations where there are possible profits and losses by having a better understanding of loss aversion.

Study on Global Investors Investment Decisions, Risk Appetite and Influencing Factors in Selected Global Stock Markets a General Conceptual Framework.

2.13 General Conceptual Model

This model explains the relationship between global investors and their variables, both dependent and independent. In this model, the dependent variables are investment decisions and risk appetite, while the independent variables are demographic attributes, personality traits and Behavioral biases. There is also one intervening variable in this study, i.e. risk appetite. In the independent variable demographic attribute, five factors have been found appropriate, i.e. age, gender, marital status, income and education represented by D1, D2, D3, D4 & D5, respectively, in connection with one dependent variable's investment decision. One more independent variable is personality traits, and the factors selected are Agreeableness, Extroversion, Consciousness, Openness and Neuroticism, represented by P1, P2, P3, and P4 & P5 in the model in connection with investment decisions. The last independent variable in connection with investment decisions is Behavioral biases, in which five biases are taken into account i.e. Heuristics, Overconfidence, Framing, Mental accounting, and represented by B1, B2, **B3, B4 & B5.**

Figure 2.2 General Conceptual Framework from existing Literature



Source: Authors Creation in Microsoft word

Now the right side of the model defines the relationship between the dependent variable risk appetite and the three independent variables i.e. demographic, personality traits and Behavioral biases. In the independent variable demographic attribute, five factors have been found appropriate i.e. age, gender, marital status, income and education represented by D11, D12, D13, D14 & D15 respectively in connection with one dependent variable's risk appetite One more independent variable is personality traits and the factors selected are Agreeableness, Extroversion, Consciousness, Openness and Neuroticism, represented by P11, P12, P13, P14 & P15 in the model in connection with risk appetite. Now the right side of the model defines the relationship between the dependent variable risk appetite and the three independent variables i.e. demographic, personality traits and Behavioral biases.

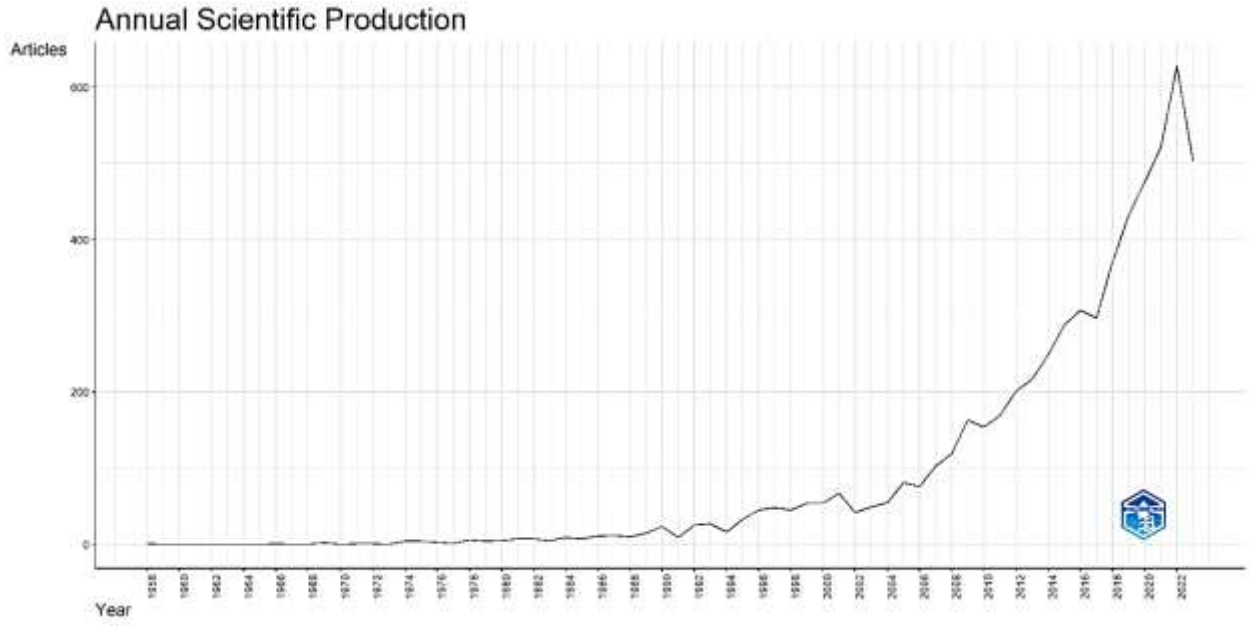
2.14 Research Gap

Research is an indispensable component of global investment as it provides investors with critical insights and data-driven information to make informed decisions in an increasingly complex and interconnected financial landscape. As Warren Buffett once famously said, "Risk comes from not knowing what you're doing." In the realm of global investment, this quote holds true, emphasizing the importance of conducting thorough research. Investors can analyze market trends, assess economic data, and closely monitor geopolitical developments through in-depth research, all of which are crucial for spotting lucrative possibilities and reducing potential hazards. Investors may confidently navigate the global investment landscape by using research-supported information, increasing their chances of attaining sustainable financial development and reducing the effect of unforeseen obstacles (Sweeney, 2017). The need for a thorough and integrated framework that transcends the fragmented approach frequently found in existing literature explains the study gap in the impact of personality traits, Behavioral biases, risk appetite, and demographic factors on the investment decisions of global investors. Although these elements have each been the subject of separate studies in the past, there has not been much work done on how they interact and have an impact on investment decision-making as a whole, especially in a global environment (Wang et al., 2017). To gain a deeper understanding of investor behavior globally and to inform more individualized and successful investment strategies, risk management techniques, and financial advisory practices that take into account the complex nature of these influences on investment decisions, it is crucial to close this research gap. There is a glaring research deficit in the study of the complex interaction between personality characteristics and investment choices made by international investors (Gasparro & Monk, 2019). Although many studies have looked at the behavioral aspects of investing decisions, there is still a dearth of thorough research that explores the precise impact of personality factors on these choices in a global setting. Research on international investors is essential for a number of reasons.it offers priceless insights on the conduct, preferences, and motives of these investors, which can help financial institutions, enterprises, and regulators modify their approaches to luring and retaining foreign capital. Additionally, by recognizing patterns and potential hazards in the world's financial markets, comprehending international investors can help investors make well-informed choices (Jang & Park, 2019). Such research also encourages international cooperation and transparency,

helping countries build more secure and alluring investment environments. Ultimately, by permitting profitable cross-border capital flows and maintaining efficient financial regulation, understanding global investors is crucial for promoting economic growth, stability, and prosperity on a worldwide scale. Because it offers important insights into their decision-making processes and risk tolerance, understanding the personality features of global investors is essential because it can help create financial strategies and regulations that are more successful (Debata et al., 2020). These characteristics can have a substantial impact on investing decisions and market dynamics, such as risk aversion, impulsivity, or long-term orientation. Financial experts, policymakers, and companies can better predict market volatility, devise investment products that suit investors' tastes, and create more robust financial institutions by understanding the psychological variables driving investors around the world (Darmayanti et al., 2023). The ability to traverse the complexity of the global financial landscape with better accuracy and agility, encouraging both individual and collective financial well-being, is ultimately made possible by acquiring insight into the personality features of global investors (Manocha, Bhullar, & Gupta, 2023). It is essential to comprehend the demographic characteristics of global investors, including age, gender, income, education, and marital status, as these characteristics are fundamental in determining investment behavior and preferences. Different demographic groups frequently have unique risk tolerances, investing objectives, and monetary demands. Financial institutions, decision-makers, and companies can better meet the different needs of investors around the world by customizing their products, services, and marketing tactics by analyzing these demographics (Tang et al., 2023). Additionally, demographic data support the development of a more inclusive and equitable global financial ecosystem by assisting in the identification of trends, forecasting market changes, and addressing inequities in financial access and literacy Because these biases have a considerable impact on financial markets and investment choices, it is imperative to comprehend the behavioral biases of international investors (Hii et al., 2023). Human psychology frequently causes investors to make irrational decisions as a result of feelings like fear and greed. These biases can lead to excessive volatility, asset bubbles, and market inefficiencies, all of which have an impact on the real economy. Understanding these behavioral biases will help governments, financial institutions, and individual investors come up with plans to lessen their negative consequences, make better investment choices, and

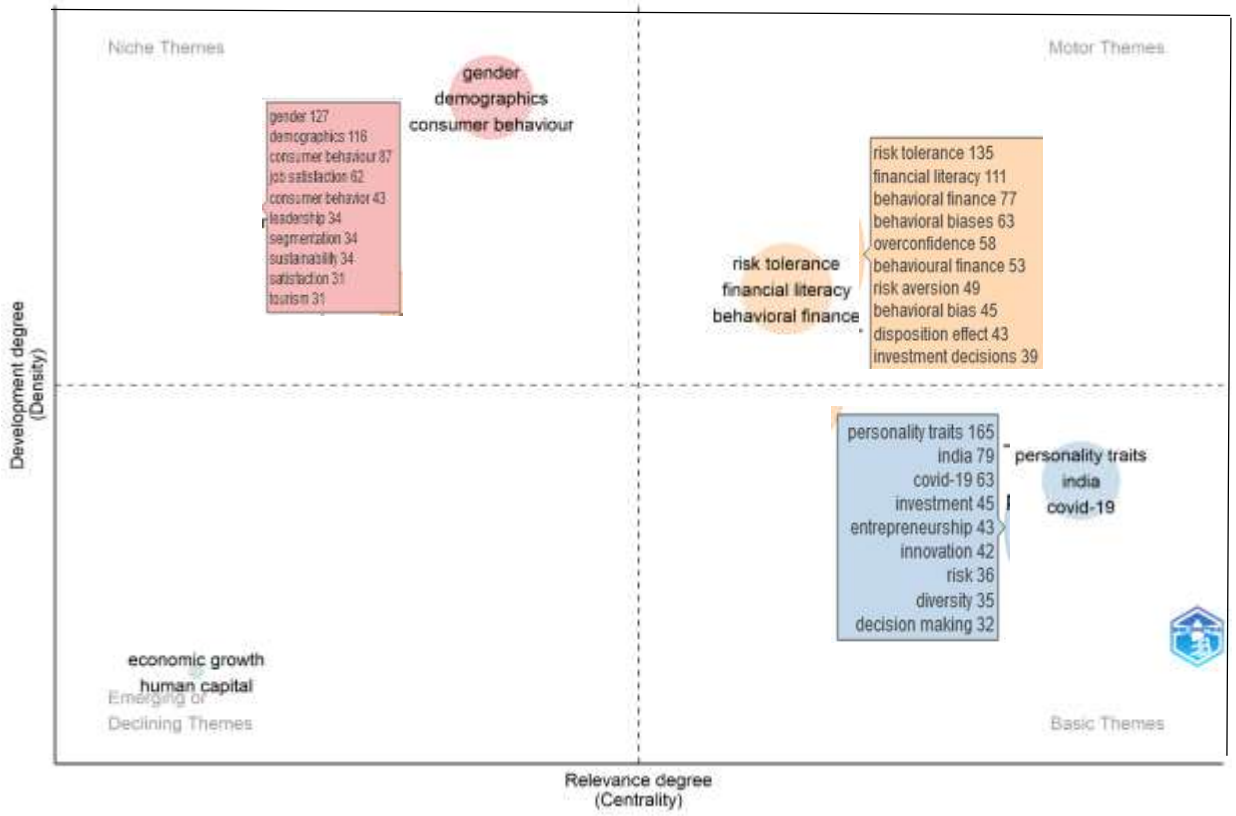
eventually help make the world's financial markets more efficient and stable. In order to protect financial stability and promote sustainable economic growth, this understanding is essential (Darmayanti et al., 2023). There were several other ways used to identify the research gap in the global context, i.e. bibliometric analysis was performed in order to understand the current position of the selected research project, data was collected from web of science and Scopus and then merged into a common CSV file. The analysis was done in VOSviewer and Biblioshiny.

Figure 2.3 Annual Publication per year



The above figure clearly that there is a continuous increase in publication and getting more and more popularity year after year. The annual publication was in stagnation till 2000 and started gaining more concentration from 2007 after Great Recession all over the world. Investors, financial institutions, authorities and Govt felt the need of under the behavior of investors based on several protocols, and persona finance, behavioral finance, Neuro finance and much more. It is a field that doesn't have an end and more needs to be explored and understood for better decision making and best return. This crisis prompted academics, practitioners, and policymakers to question the rationality assumptions underpinning traditional finance models, such as the Efficient Market Hypothesis (EMH), which posited that markets always incorporate all available information efficiently.

Figure 2.4 Thematic Analysis over period of Time



The above figure was developed to understand the thematic development over a period of time, it was developed in biblioshiny in R-Studio and the figure clearly demonstrates that the basics themes related to this field are are Personality traits,investment, Covid-19, Risk, innovation, diversity in assat allocation and decision making.Declining themes emerged from the data analysis are economic growth and human capital, niche themes had most of the themes based on gender and demographic themes like consumer behvaiour, gender, ledership and satisfication. The motor themes developed from the analysis were risk tolerance, finnacial literacy, behavioral finance, overconfidence.Another significant factor was the global financial crisis of 2008, which exposed the inadequacy of conventional risk management models and the widespread prevalence of irrational behavior among market participants. The crisis showcased how psychological biases, such as overconfidence and herd behavior, could lead to asset bubbles, excessive risk-taking, and systemic instability.So the thematic analysis insuinates that there is need to explore more about bahvioural finance, persona Finance and other related constructs for better understand of the investors behavior and attitude.

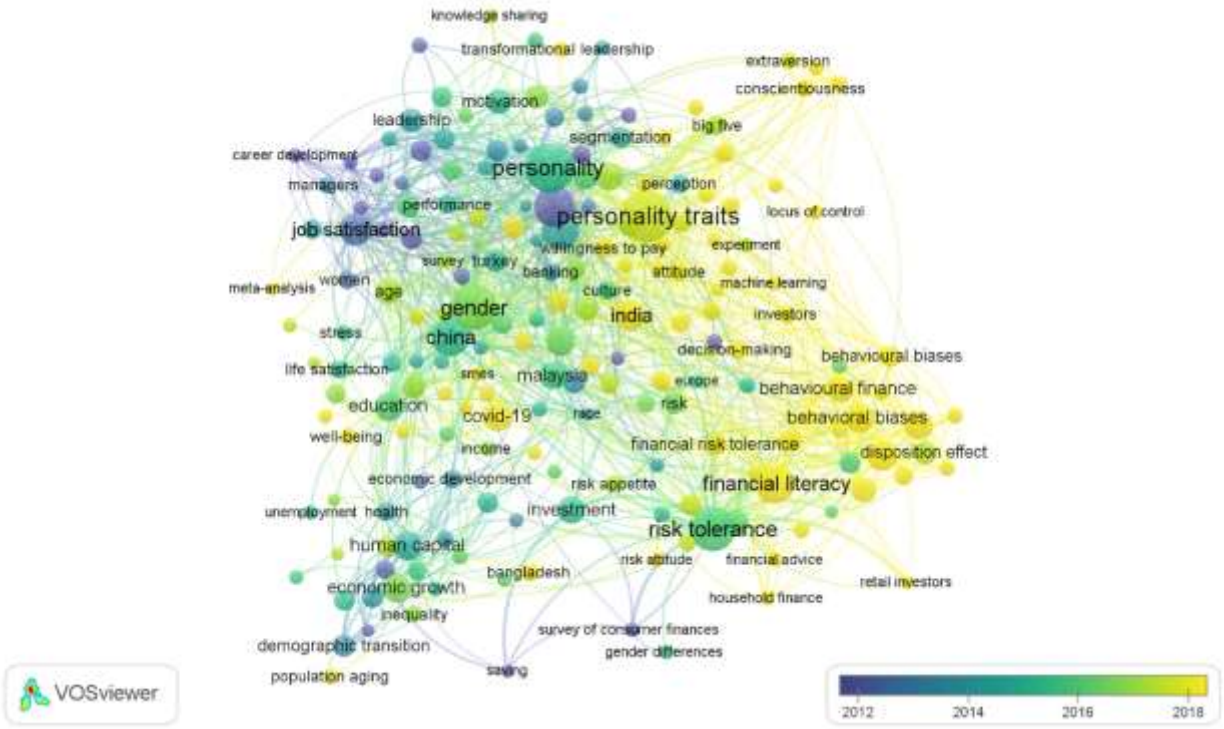
Figure 2.5 Word Cloud of the Key Terms Mined From Scopus.

The above figure is word cloud designed in Biblioshiny just to provide an overview on the most important keywords used in the existence literature. Personality traits had highest frequency 201 followed by Risk tolerance, Financial literacy and Behavioral with 153, 113 and 72 respectively. All these terms have been used as a major constructs in the model to understand the impact of behavioral biases, personality traits, risk appetite and demographic factors on the investment decisions of global investors. As a result, behavioral finance emerged as a valuable framework for explaining the irrational and often emotional aspects of financial markets, shedding light on the human factors that contribute to market anomalies and crashes. Only those keywords were taken into consideration that had minimum 20 occurrences.

Table 2.1 Keyword Occurrence in Persona Finance & Behavioral Finance

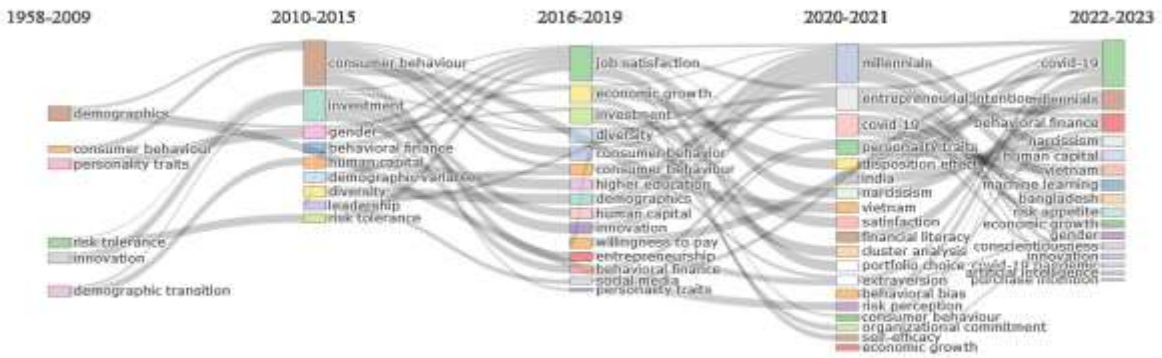
Keyword	Occurrences	Total link strength
Personality traits	201	202
Risk tolerance	153	189
Financial literacy	113	144
Behavioral finance	72	78
Behavioral biases	69	83
Economic growth	66	59
Human capital	65	76
Overconfidence	61	88
Risk aversion	51	67
Disposition effect	45	56

Figure 2.6 Author's Keywords Network in Existing Literature



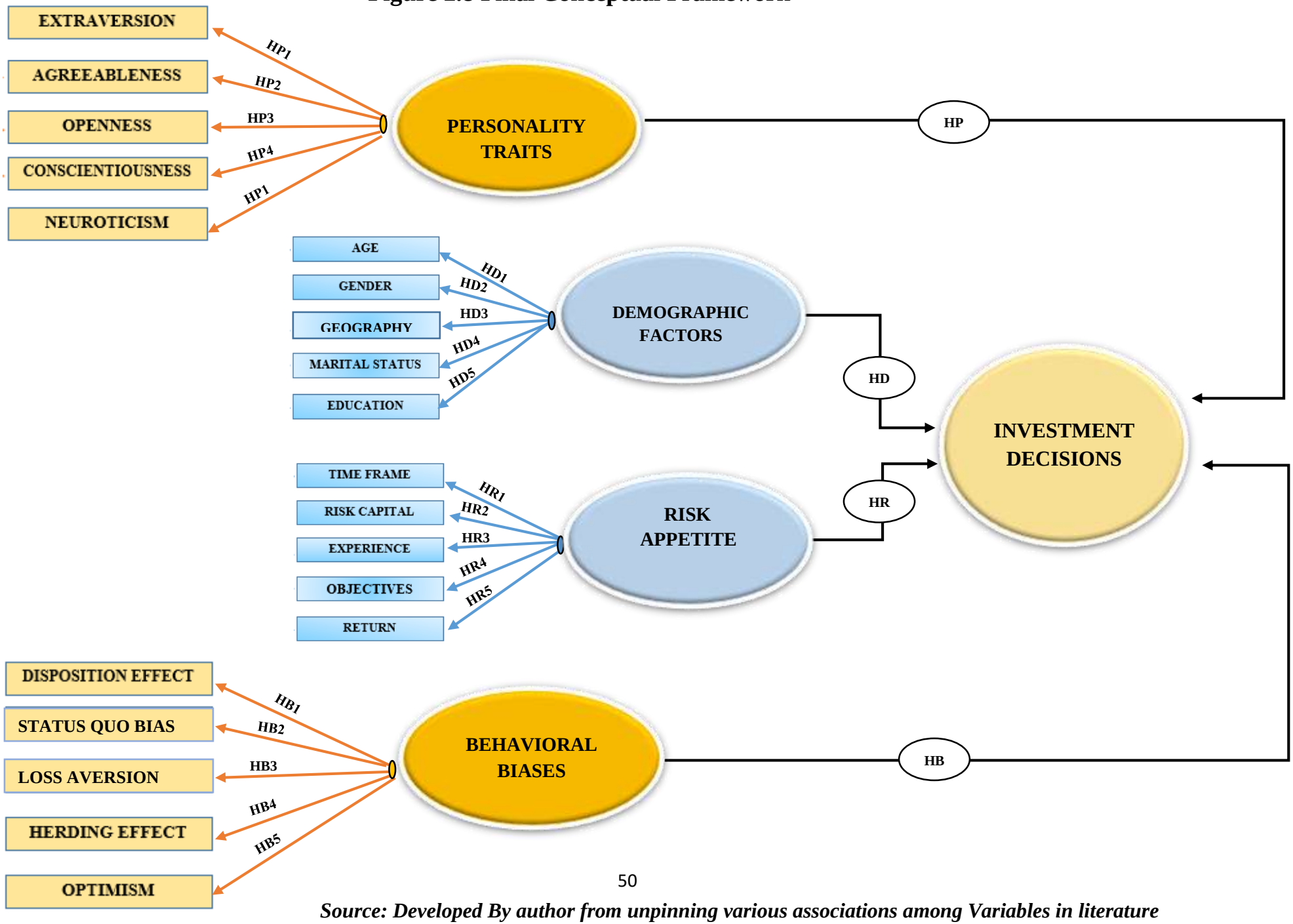
The above shows the author's keyword network developed in VOSviewer and it clearly shows the growth of keywords from 2010 to 2020. The network shows that from 2010 to 2015 words like job satisfaction, economic growth, human capital etc. and from 2015 works like decision making, machine learning, and financial literacy. Although many studies have looked at the behavioral aspects of investing decisions, there is still a dearth of thorough research that explores the precise impact of personality factors on these choices in a global setting. In an increasingly interconnected global financial world, it is crucial to comprehend how personality traits like risk aversion, overconfidence, and impulsivity interact with cultural and demographic factors to form investing strategies. As a result, behavioral finance emerged as a valuable framework for explaining the irrational and often emotional aspects of financial markets, shedding light on the human factors that contribute to market anomalies and crashes. So the thematic analysis insinuates that there is need to explore more about behavioral finance, persona Finance and other related constructs for better understand of the investors' behavior and attitude.

Figure 2.7 Thematic Evolution in Behavioral Finance



The above figure shows how new themes have emerged from time to time in the context of global investment and behavioral finance. At the beginning themes concentration on demographic factors, risk tolerance, personality traits during 1950-2010, for the next five years investment, consumer behavior, concentration on gender, behavioral finance, human capital and risk tolerance has been on focus, from 2016 – 2019 the quantum of concentration has been increased in which the most of the themes have been behavioral finance, innovation, social media and personality traits and the latest themes that has become talk of the table are risk perception, behavioral biases, financial literacy, extraversion, portfolio management etc. The recognition of research gaps is essential for increasing knowledge and tackling understudied areas of study in the quickly changing academic research landscape. This procedure heavily relies on bibliometric analysis, a quantitative method that looks at patterns of publishing, citation, and collaboration in the academic literature. Bibliometric analysis is a useful technique for researchers looking to gain knowledge (Madaan & Singh, 2020). It enables researchers to find regions that need more study, identify areas that are understudied, and evaluate the relevance of previous research (Vikram Arora & Arora, 2021). It can be used to decide where to focus their research by using this methodical examination of bibliographic data, which eventually improves our understanding of the world and fosters innovation in a variety of academic subjects. The future of research and knowledge creation depends heavily on bibliometric analysis in the context of an academic environment that is continually changing.

Figure 2.8 Final Conceptual Framework



Source: Developed By author from unpinning various associations among Variables in literature

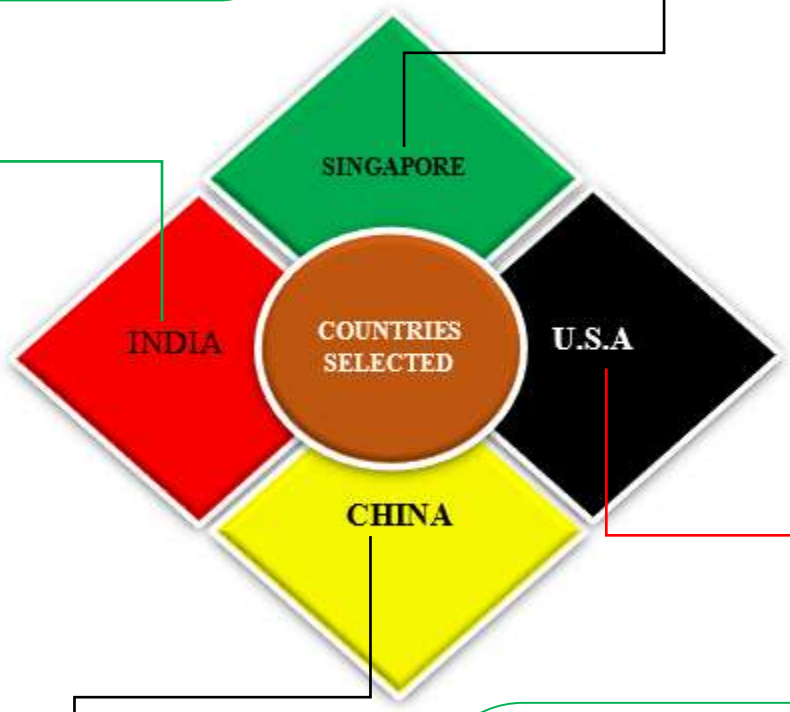
The conceptual Framework was developed from the existing literature, relationship and hypothesis were designed accordingly. In this model, investment decision is the dependent variable, while as Demographic factors, personality Traits, behavioral biases, and risk appetite are independent variables identified in the literature. This conceptual Framework shows both first-order and higher-order relationships among variables. Personality traits are measured with five constructs: Extraversion, Agreeableness, openness, consciousness, and Neuroticism. The hypotheses developed are Hp1, Hp2, Hp3, Hp4 and Hp5, respectively, in relation to Investment Decisions of Global Investors. Demographic factors include age, gender, marital status, geography and education and HD1, HD2, HD3, HD4 and HD5 hypotheses were developed, respectively. In the case of behavioral biases disposition effect, herding bias, Loss Aversion, optimism and status Quo were taken into account and hypotheses HB1, HB2, HB3, HB4 & HB5 were developed respectively in relation to Investment Decisions and finally in risk appetite Time frame, risk capital, experience, objectives and return were considered in a single construct and hypothesis HR1, HR2, HR3, HR4 and HR5 respectively in relation to Investment Decisions. After the first order and conceptual Framework also represents the direct relationship between a dependent variable and independent variables, Personality Traits, demographic factors, risk appetite and behavior biases in context to Investment Decisions of Global Investors and hypothesis HP, HD, HR & HB were developed accordingly.

Why India, China, Singapore and USA

Studying the behavior of investors from China, the USA, and Singapore in India is of paramount importance as it encompasses a diverse range of factors with far-reaching implications for India's economic development, global relations, and financial stability. Firstly, understanding the behavior of Chinese investors in India is crucial due to the sheer scale and significance of their investments. China is a global economic powerhouse, and its involvement in the Indian economy has been substantial. Analyzing their behavior can help Indian policymakers and regulators make informed decisions regarding foreign investment regulations, trade policies, and national security concerns (Yan & Warner, 2002). This understanding can ensure that Chinese investments align with India's developmental goals and strategic interests, particularly in areas like infrastructure, technology, and manufacturing. Similarly, studying the behavior of US investors in India is vital given the United States' economic clout and innovation capacity (li & Clarke-Hill, 2004). American investors often bring advanced technology and management expertise to India, fostering job creation and knowledge transfer. India's trade relations with the USA are also significant, and understanding American investors' behavior can assist in maintaining a healthy trade balance and aligning investment with mutual interests. Singapore, known for its financial and business acumen, is a major source of foreign investments in India (Godfrey et al., 2011). The behavior of Singaporean investors is essential to comprehend as it offers insights into the dynamics of finance, taxation, and investment structuring. Furthermore, Singapore serves as an important gateway for foreign investments into India, making it an interesting case study in how financial hubs can influence capital flows and investment patterns. Collectively, studying the behavior of investors from China, the USA, and Singapore in India contributes to a holistic understanding of the global investment landscape. It provides insights into how different countries and regions approach investment opportunities in India, their risk appetite, and their preferred sectors (Wen & Hao, 2013). This knowledge is indispensable for Indian businesses and entrepreneurs who may collaborate with or compete against these investors, as it allows them to adapt their strategies and tap into potential partnerships. Additionally, it sheds light on the evolving nature of geopolitics. These countries often have diverse political and strategic interests, and their investments in India can be influenced by geopolitical factors. Understanding these motivations and dynamics is crucial for India's foreign policy and for navigating the intricacies of international relations. Moreover, it helps maintain transparency and accountability in the global financial system.

The Indian economy is one of the world's largest, characterized by its vast and diverse population of over 1.3 billion people. India has experienced rapid economic growth, especially in sectors like information technology, services, and manufacturing. The Indian government has been implementing various reforms to foster economic development, attract foreign investment, and create a more business-friendly environment.

Singapore boasts a highly developed and dynamic economy known for its strategic location, world-class infrastructure, and a strong focus on international trade and finance. The city-state's economy thrives in sectors such as finance, logistics, shipping, and technology, with a robust financial services sector and a well-regarded business-friendly environment.

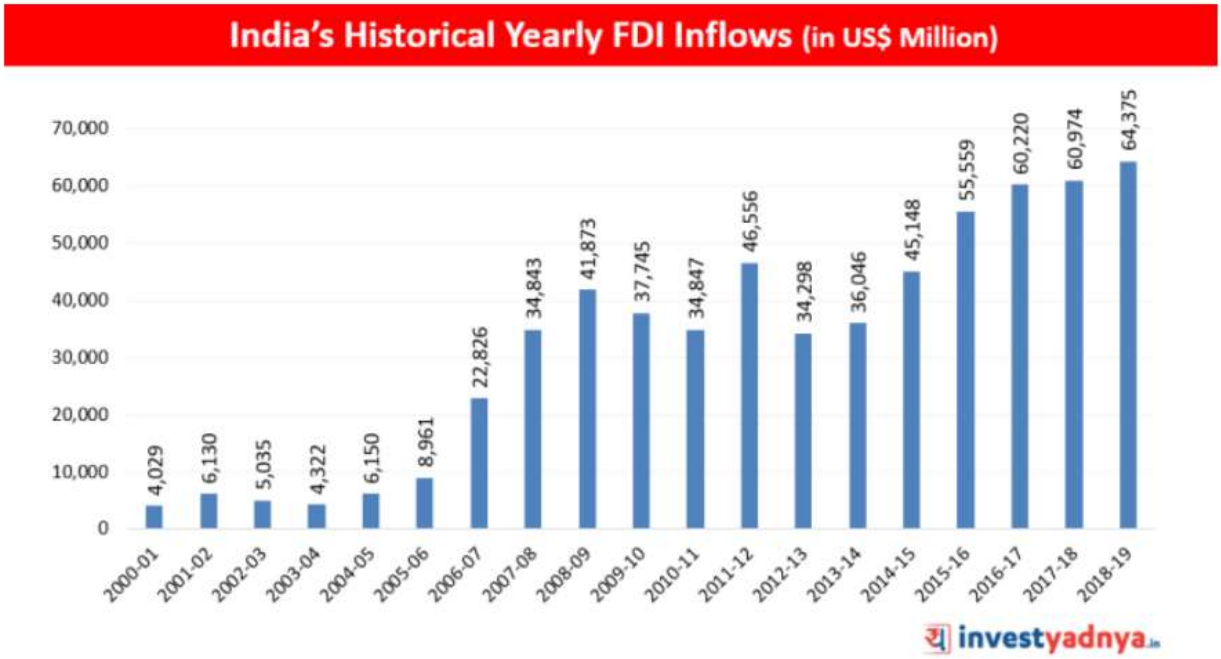


The United States has the world's largest and most diverse economy, characterized by its significant contributions to various sectors, including sectors like technology, finance, manufacturing, and agriculture. The U.S. economy is driven by innovation, entrepreneurial spirit, and a well-established financial system, making it a global leader in technology and innovation. As a major player in international trade and investment, the U.S. economy has a profound impact on the global economic landscape, with a wide range of multinational corporations and a dynamic labor force.

The Chinese economy is one of the world's largest and has experienced remarkable growth over the past few decades, transforming China into an economic powerhouse. China's economy is known for its manufacturing prowess, with a focus on exporting goods, and its burgeoning technology and e-commerce sectors. The Chinese government plays a significant role in economic planning and development, with a mix of state-owned and private enterprises.

Knowledge about the behavior of investors from different countries promotes trust and ensures that investments benefit the host nation without hidden agendas or negative consequences. In conclusion, studying the behavior of Chinese, American, and Singaporean investors in India is vital due to its multifaceted implications for India's economic growth, international relations, and the stability of the global financial system. This understanding empowers India to make informed policy decisions, fosters collaborations, and helps in building a robust and sustainable investment environment that aligns with the nation's development goals and strategic interests.

Figure 2.9 FDI Inflows in India

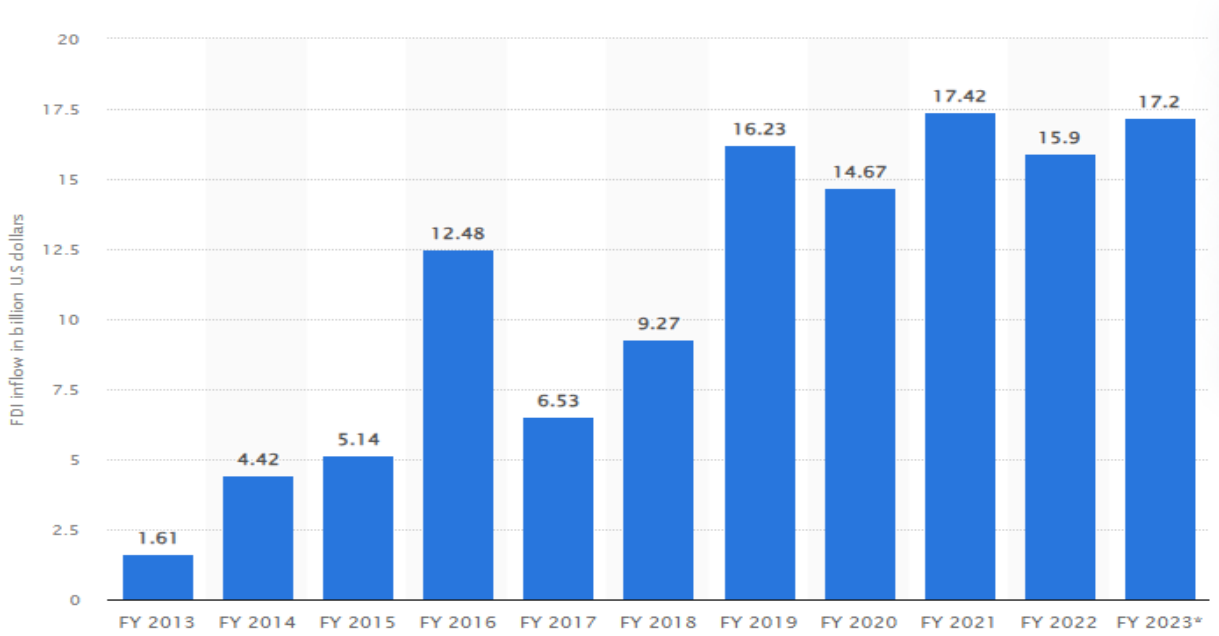


Historical Trend of India's Yearly FDI Inflows (in US$ Million)

Over the past decade, India has witnessed a substantial surge in Foreign Direct Investment (FDI), marking a significant economic transformation. The pro-business reforms and liberalization policies implemented by the Indian government have played a pivotal role in attracting foreign investors. Information technology, telecommunications, manufacturing, and renewable energy are among the industries that have seen significant FDI inflows, leading to the creation of jobs and breakthroughs in technology. Furthermore, India's demographic dividend and expanding consumer market have increased its allure for foreign investors looking for long-term returns. India's development as a major player in the global economy is highlighted by the continuous increase of FDI over the past ten years, which indicates confidence in the country's economic prospects and

potential for long-term prosperity. FDI is expected to continue on a good trajectory and support India's economic growth in the years to come as the country works to improve ease of doing business and improve its business climate. The landscape of foreign investment in India over the past decade has been characterized by diversity, with varying degrees of commitment from different countries. Notably, some nations have made substantial and strategic investments, reflecting a deep confidence in India's economic potential and market opportunities. These investors have capitalized on India's demographic dividend, burgeoning middle class, and the government's pro-business policies to channel significant funds into sectors such as technology, manufacturing, and renewable energy. On the flip side, there are countries that have opted for more cautious and measured investments, possibly influenced by factors such as geopolitical considerations, economic conditions, or sector-specific challenges. This divergence in investment amounts underscores the nuanced nature of global economic relations and the distinct strategies employed by different nations in navigating India's dynamic and complex business environment. Despite variations in investment levels, India remains an attractive destination for foreign capital, offering a diverse and rapidly evolving market that continues to capture the attention of investors worldwide.

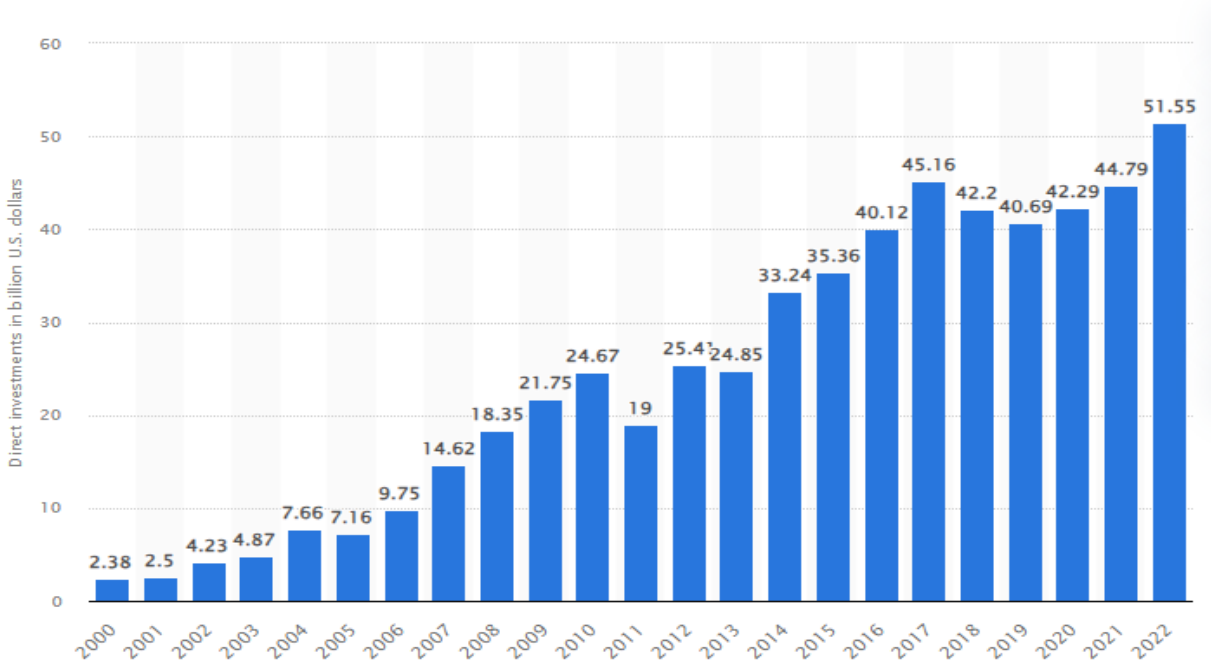
Figure 2.10 Foreign direct investment inflow from Singapore to India from 2013 to 2022, with an estimate for 2023



Source Statista

Singapore has emerged as a key player in expressing a keen interest in investing in India, forging a robust economic partnership between the two nations. The strategic collaboration between Singapore and India is underpinned by shared economic goals, strong diplomatic ties, and a mutual commitment to fostering growth. Singaporean investors have actively participated in various sectors within India, including finance, technology, and infrastructure, leveraging the nation's position as a financial hub and gateway to Southeast Asia. The bilateral cooperation is fortified by a comprehensive economic agreement and a conducive business environment, which has further incentivized Singaporean companies to explore and capitalize on the vast opportunities in the Indian market. As Singapore continues to demonstrate a proactive approach towards strengthening economic ties, the partnership signifies a symbiotic relationship that benefits both countries, fostering innovation, trade, and contributing to the overall economic dynamism in the region.

Figure 2.11 Foreign direct investment inflow from USA to India from 2000 to 2022, with an estimate for 2023



Source Statista

Following Singapore, the United States has emerged as a major contributor to foreign direct investment (FDI) in India, signaling a deepening economic collaboration between the two nations. The U.S. has significantly increased its investment in diverse sectors, including technology,

manufacturing, and services. The strategic partnership is bolstered by shared democratic values, a robust business environment, and the potential for mutual economic growth. The U.S. companies, attracted by India's large consumer base and skilled workforce, have made substantial investments, contributing to job creation and technological advancements. Additionally, diplomatic initiatives and trade agreements have further facilitated this economic integration, marking a positive trajectory in the bilateral relationship. The heavy investment from the United States underscores India's attractiveness as a strategic market and reaffirms the commitment to fostering strong economic ties between the two countries.

Table 2.2 Investment of China in Indian Unicorns

Indian unicorns	Chinese Investors	Estimated Investment ($mn)
Snapdeal	*Ali Baba Group,FIH Mobile Ltd*	*>700*
Swiggy	*HillHouse Capital, Tencent Holding*	*>500*
Ola	*Sailing Capital & China ,Tencent Holding*	*>500*
Paytm	*Ali Baba Group,SAIF Partners*	*>400*
Flipkart	*Steadview Capital,Tencent Holding*	*>300*
Bigbasket	*Alibaba Group,TR Capital*	*>250*
Zomato	*Ali Baba Group, Shionwa Capital*	*>250*
Hike	*Tencent Holdings and Foxconn*	*>150*
Dream11	*Steadview Capital,Tencent Holding*	*>150*
Udhaan	*Tencent Holdings*	*>150*
OYO	*DIDI Chuxing and China Lodging Group*	*>100*
Byju's	*Tencent Holding*	*>50*
Rivigo	*SAIF Partners*	*>25*

Source Times of India

China has demonstrated considerable interest in investing in Indian unicorns, reflecting a significant trend in cross-border investment dynamics. Chinese investors, particularly venture capital firms and technology giants, have shown a robust appetite for participating in the growth story of Indian startups. The strategic partnerships and investments from China in Indian unicorns have often focused on sectors such as e-commerce, Fintech, and technology, capitalizing on India's vibrant and rapidly expanding digital economy. This influx of Chinese capital has not only provided crucial funding for Indian startups but has also facilitated knowledge exchange and market access. However, it's important to note that this trend has also raised concerns regarding data security, regulatory compliance, and geopolitical implications, prompting both countries to navigate a complex regulatory landscape. Despite challenges, the interest from China in Indian

unicorns underscores the global appeal of India's startup ecosystem and the potential for collaborative growth in the technology and innovation space.

2.15 Summary of the chapter

This Chapter is considered with literature review and hypothesis development. Chapter two starts with the literature review of individual constructs starting with independent variable investment decision of global investors followed by risk appetite, Personality Traits, demographic factors and behavioral biases. After single constructs literature review on relationship among various was written starting with Demographic factors and investment decisions, relationship between risk appetite and investment decisions, behavioral biases and investment decisions, personality Traits and Investment Decisions, followed by underpinning of theories and development of hypothesis research gap followed by bibliometric analysis and development of Conceptual Framework.

CHAPTER 3
RESEARCH METHODOLOGY

Chapter overview

The chapter second is almost divided into fourteen different sections, starting from section 3.1 and ending at 3, 14. Section. The first section, i.e. 3.1, deals with the nature of the research, it enumerates whether the research is qualitative or quantitative. The other two sections, i.e. 3.2 and 3.3, deals with research philosophies and research approach used in the study. Section 3.4 Insights about the research design and its justification, followed by sections 3.5, 3.6, and 3.7, cover the population of the study along with the unit of analysis, followed by sample technique and determination of the sample size. Sections 3.8 and 3.9 highlights about Questionnaire source and structure. A summary of the respondents is mentioned in section 3.10, followed by sections 3.11, 3.12, 3.13, and 3.14, which deal with data collection, pilot testing, data analysis, and a summary of the chapter.

3.1 Nature of Research

Qualitative and quantitative research are two distinct but complementary approaches used in social science research. Qualitative research involves an in-depth exploration and understanding of phenomena through methods such as interviews, observations, and textual analysis (Creswell, 2013). It aims to capture rich, descriptive data that provides insights into the complexity and context of the research topic. On the other hand, quantitative research relies on numerical data collection and statistical analyses to measure and quantify variables, aiming for generalizability and causal relationships (Creswell, 2013). By employing large sample sizes and structured measurement instruments, quantitative research provides a more objective and systematic analysis of data. Together, these two approaches offer a comprehensive understanding of social phenomena, with qualitative research illuminating the "how" and "why" and quantitative research addressing the "what" and "how much" (Creswell, 2013). The current research is qualitative in nature as it deals with the measurement of behavioral biases, personality traits, risk appetite, and investment decisions. All these traits can’t be directly measured and quantified. Ultimately, the nature of my research is rooted in the pursuit of truth, discovery, and the pursuit of excellence in contributing to the collective wisdom of humanity.

3.2 Research Philosophies & Justification

Research philosophy encompasses the fundamental beliefs and assumptions that underpin the entire research process. It acts as the paradigm for the researcher's worldview, influencing how they generate knowledge and go about gathering, analyzing, and interpreting evidence (Blumberg, Cooper & Schindler, 2005). Research philosophy in the context of academic inquiry entails debating intricate ontological, epistemological, and methodological issues (Collis & Hussey, 2009). It tackles issues with the nature of reality and the presence of many subjective and objective realities from an ontological perspective. It explores the nature of knowledge as well as how it is gained, supported, and shared from an epistemological perspective (Gudergan et al., 2008). It navigates the choices and trade-offs between numerous research paradigms, techniques, and approaches from a methodology standpoint. Research philosophy demands a critical examination of these foundational aspects, as it informs the researcher's worldview, shapes their research design, and influences the overall rigour and validity of the study (Coltman et al., 2008).

3.2.1 Ontological Assumption

As the main aim of this research is to understand the impact of behavioral biases, personality traits, Risk appetite and demographic attributes on the investment decisions of Global Investors, so objectivism seems fit for the study. As objectivism determines that social reality is external and, hence, it is independent of the researcher’s mind. Additionally, social phenomena and their meanings exist without the involvement of social actors (Sarandakos, 1998, Bryman & Bell, 2007,). In this study, objectivism is used to explore factors that affect Global investors' investment decisions and are considered to occur outside of the researcher's control; hence, objectivism is considered better and preferred in this instance than constructionism. According to subjectivism or constructionism, social objects are constructed and malleable; as a result, it's critical to look into the subjective meanings that influence actors in order to understand their actions and the reasons behind them (Saunders et al., 2009). Examining all of the distinctive and actual "out there" features that influence investors' assessments is the goal of this research.

3.2.2 Epistemological Assumption

The term "epistemological assumption" refers to the underlying ideas and precepts that influence how we perceive knowledge, how it is gained, and what constitutes truth. It is a philosophical viewpoint that directs how academics go about generating new knowledge and exploring the nature of reality. There are several epistemological assumptions that researchers may hold, and these

assumptions influence the methods, approaches, and interpretations of research findings. This study tends more towards positivism in terms of epistemological premise since it aims to uncover the factors that influence investors' decisions and then synthesize its findings to get at a general principle that can be applied to the entire population.

Positivism aims to provide universal rules for behavior prediction (Fisher, 2010,) which is similar to the objective of understanding the behavior of Global investors for prediction and generalization. In order to encourage a value-free approach to data gathering and analysis, researchers are supposed to remain impartial toward the subject of the study (Saunders et al., 2009,; Blumberg et al., 2005,). For all the reasons outlined above, positivism is preferred in this research. The research is seen pretty objectively as a result of the use of a self-completion questionnaire with structured questions. Respondents are unaffected by researchers, and the reverse is also true. All of the assumptions and hypotheses are defined in line with the theories and previous research, as is the framework of the questions used in the questionnaire. In accordance with positivism's expectations, the hypotheses are next tested using the collected data.

3.3 Research Approach & Justification

In General, two approaches are used to test and build a theory, i.e. Induction and deduction approach. Whenever the deductive approach is used, most researcher’s initiative with existing theory and rational relationships among various variables or concepts and then continues to observe the empirical evidence (Ferreras-Garcia et al., 2021). While in the context of the induction approach, a theory is developed from the empirical results and realities, and the researcher infers the implications of observations for a given theory that prompted the research. In this study, the main aim is to explore how behavioral biases, personality traits, Risk appetite, and demographic attributes influence the decision-making of Global Investors, which are already available in the literature, instead of inferring and developing theory (Stensland et al., 2021). So, based on all these factors, the deducted approach seems to be the most effective approach to be implanted. The research begins with an evaluation of behavioral finance followed by personality traits, risk appetite, and demographic factors that influence the investment decision of global investors to get the theoretical and conceptual background, as well as the empirical results of prior studies, from which the proposed study model and hypotheses are derived. Then, the questionnaire was developed and distributed, and data was collected. The collected data was filtered and analyzed through several statistical methods to accept or reject the hypothesis. This method is fairly

compatible with the deductive approach, which emphasizes that researchers may have a good understanding of how the world functions. This strategy is then used to test these theories against "hard data." (Neuman & Kreuger, 2003,). As these two methods diverged, it is preferable to establish clearly which method is acceptable; however, occasionally, it is hard to draw a clear line at the boundary, leading to the mixture of both, or "abduction."

3.4 Research Design & Justification

Research design is a mechanism for developing a framework for the collection of the data as well as analysis (Ghauri & Gronhaug, 2010, Bryman & Bell, 2007,).In order to understand the impact of behavioral biases, personality traits, risk appetite, and demographic attributes on the investment decisions of Global investors, a case study or longitudinal or experimental design is not suitable. Instead, descriptive design seems appropriate. The descriptive research design encompasses a systematic approach that aims to vividly depict and comprehend the characteristics, behaviors, and patterns existing within a particular phenomenon or population.

It involves meticulous observation, measurement, and documentation of variables, seeking to provide an accurate portrayal of the subject under investigation. In light of this, the descriptive research methodology makes it easier to explore and explain occurrences, enabling insightful interpretations and sensible decision-making.

3.5 Population of the Study and Unit of Analysis

Population in qualitative research studies is often described as all elements, such as people, things, and affairs that satisfy the sample requirements for inclusion in order to design a research study. Every single global individual investor who participates in various financial instruments through investment makes up the research population. In this study, the population comprises Global investors from India, USA, China, and Singapore. The unit of analysis in this study includes all Global investors from the selected countries, male or female, young or old, full-time or part-time, and small or high net worth.

3.6 Sample Technique & Justification

In the field of research, several sampling techniques were available, but in this research, the purposive non-random sampling technique was used as it seems to be the most appropriate sampling that justifies the study. As Purposive sampling is frequently utilized in qualitative research, where the focus is on understanding the experiences, perspectives, or behaviors of specific groups or individuals. The basic purpose is to understand the impact of behavioral biases,

personality traits, risk appetite, and demographic factors on the investment decisions of global investors. So purposive sampling seems fit as the selection of the respondents is done by predetermined criteria to gather data that is highly relevant to the research questions and objectives.

3.7 Determination of the sample size

The determination of sample size is a crucial step in research design, and one popular method used is the Krejcie and Morgan formula. In this research, the sample was determined through both Krejcie and Morgan as well as Roa software. According to Krejcie and Morgan, the sample size calculated is 384, which will represent the entire population. Additionally, Rao Software was also used to determine the sample size, and it recommends a minimum sample size of 384. (www.Raosoft.com). the following is the sampling model formula:

$$n = \frac{x^2 Np(1-p)}{e^2(N-1)+x^2 p(1-p)}$$

Where n = sample size
N = Population Size
E = Acceptable Sampling Error
$x^2 = the$ Chi-square of the degree of freedom and confidence
95% = 3.841
P = Proportion of population

Table 3.1 Sample Distribution

Country	No. of Investors	No of Global Investors	Reachable Global Investors	Percentage	Sample Size
US	136654750	373675	1700	26%	121
China	158246000	434566	1400	28%	134
India	96897379	238045	2200	30%	142
Singapore	2592000	156342	800	15%	70

Proposed Sample Size = 384, the minimum sample for this study is 384 however an attempt and effort are made to increase it as much as possible so that the sample represents the true population and justifies the results of the study. It is important to note that the sample size was increased to 467 based on the recommendations received from the filed experts for much better results.

3.8 Questionnaire Sources

The questionnaire, in terms of primary research, is said to be the back of every study. In this study, a questionnaire was adopted rather than developed. However, it was verified by academic, subject,

and industrial experts so that the desired objectives were achieved. The questionnaire is based on several sections, and each section was taken from a different source.

Questionnaire Sources

Table 3.2 Questionnaire Sources

S/No	Section	Nature	No of Items	Reference
1	Demographic Factors	*Non Metric*	*8*	*Warren Thompson (1930)*
2	Investment Avenues	*Non Metric*	*15*	*Authors' Proposed (2022)*
3	Personality Traits	*Five Point Likert Scale*	*25*	*Mayfield et.al. (2008) Mike et.al.(2012), Liu et.al (2016)*
4	Behavioral Biases	*Five Point Likert Scale*	*25*	*Pandey & Jessica (2018), Ritika & Kishor (2020)*
5	Risk Appetite	*Five Point Likert Scale*	*10*	*Faward and Adil (2018)*
6	Investment Decisions	*Five Point Likert Scale*	*15*	*Herman et.al (2016)*
7	Covid19-Risk Appetite &Investment	*Non Metric*	*10*	*Kiruba & Vasantha (2021) & Authors' Proposed*

3.9 Questionnaire structure

The questionnaire is divided into seven sections. As the Questionnaire is based five-point Likert Scale starting from strongly agreed to strongly disagree. The first section of the questionnaire deals with the demographic attributes of Global Investors like age, gender, education, etc. The second section is concerned with Investment Avenues Explored by Global Investors. The third section deals with personality traits based on the OCEAN model. The fourth section covers all five behavioral biases stated with the disposition effect. The Fifth section deals with the risk appetite of Global Investors, followed by the sixth section, investment decisions of Global Investors and the last section involves investment decisions, risk appetite and the impact of COVID-19 on the investment decisions of Global Investors.

3.10 Summary of the Respondents

The study sample for this research comprised Global Investors from the selected four countries. Data was collected from March 2023 to September 2023 through personal visits and online distribution. Almost more than 1500 emails were sent and more than 2000 text messages. In China

data was collected with the help of Shabir Ahmad and Dr. Ajaz, in the USA it is only possible because of Dr Mike and in India is was possible Dr Adil and IIFL in Singapore it was through Tricia Tan. The sample Composed for this study was 467 respondents, out of which the highest number was from India i.e. 142 respondents 30.41 % followed by China with 134(28.69%), after China USA with 121, which is approximately 25.91%, and lastly Singapore with 70 Respondents and in percentage it is 14.99%. Out of the Total Respondents, male respondents were 300 i.e. 64.24%, Followed by female 156 (33.4%), and finally the third Gender 11 respondents (2.36 %).

3. 11 Data collection method

The choice of data collection method is crucial for obtaining reliable and valid data to address the research objectives. The selection of a data collection method depends on various factors, such as the research questions, the nature of the phenomenon under investigation, the available resources, and the epistemological stance of the researcher (Henseler et al., 2015). In this study, both primary data as well as secondary data have been used however, the study is based majorly based on the primary data, which was collected through a structured questionnaire. In this study, the data was collected from respondents through email or what's app and other electronic means, however, personal visits were also made in some of the states in India to get some connection or information about Global Investors. In this study, the respondents are the Global Investors from the selected four countries. The secondary data in this study has been used for basic and supplementary purposes which were collected from journals, magazines, annual reports, websites, and published books and articles.

3.13 Data analysis

Several econometric approaches are available for primary data analysis in order to identify important insights and thoroughly evaluate hypotheses. The primary instrument for enumerating and displaying the key features of the data is descriptive statistics. In order to make predictions and infer causal linkages, regression analysis enables researchers to investigate relationships between dependent and independent variables. Data that has been gathered over time is ideal for time series analysis, which may be used to spot trends and patterns. An examination of panel data accounts for both personal and temporal factors. For causal inference and dealing with endogeneity, additional methods, including difference-in-differences, instrumental variables, propensity score matching, and restricted dependent variable models are used. Structural Equation Modelling - Partial Least Squares is referred to as SEM-PLS. It is a statistical method for

investigating the connections among various variables in a structural model. Traditional Structural Equation Modelling (SEM) is a form that is suitable for dealing with complicated problems. When used in conjunction with these technologies, data visualization effectively communicates important discoveries. The research topic and the quality of the data will determine the instruments to be used. In this research, PLS-SEM has been used for Model and Hypothesis testing. Complete Least Squares A structural equation model's intricate interactions between many variables may be examined using the potent statistical technique known as structural equation modeling. When working with latent constructs (variables that are not immediately visible) and intricate interrelationships, PLS-SEM is very helpful. It is frequently used in studies designed to investigate and simulate the impact of different factors on particular outcomes or behaviors.

3.14 CB-SEM VS PLS-SEM

There are several factors on the basis of which the selection is made between CB-SEM and PLS-SEM, like objective, nature of data, specification of the measurement model, and Evaluation of the structural model (Hair et al., 2014).On the basis of observations of (Hair et al., 2014) selection between the PLS-SEM and CB-SEM, several thumb rules can also be employed. Mostly, CB-SEM is appropriate when the researcher is trying to test a theory developed from literature (Barclay et al., 1995). According to Barclay et al. (1995), it must be employed when the objective is to minimize the covariance of the matrix. However, PLS-SEM is appropriate when the objective is to predict or develop a model. It focuses on maximizing the amount of covariance between various latent variables (Sarstedt et al., 2016).CB-SEM is suitable only when the scale is reflective and values calculated for formative are difficult to interpret and analyze, while the PLS-SEM is appropriate for both scales, reflective or formative(Hair et al., 2019). So it enables the researcher to use either reflective, formative, or a combination of the two constructs at the same time. Lastly, the CB-SEM doesn't work if the construct is measured through only one item; however, in the case of PLS-SEM, even a single-item construct can be easily measured (Hair et al., 2019).

Here are some reasons why PLS-SEM might be used in the thesis:

1) **Complex relationships**: When the associations between the variables are complex and ambiguous, PLS-SEM is appropriate. Multiple influencing factors with links between them may be present when examining the investment choices and risk tolerance of international investors, making PLS-SEM an effective tool for modeling such interactions.

2) **Latent constructs**: In dealing with latent constructs, which are crucial for examining abstract notions like risk appetite, Personality Traits, Behavioral Biases, or investor mood, PLS-SEM is the most appropriate and helpful tool to use.
3) **Predictive capabilities**: PLS-SEM enables prediction and validation of the suggested models, which can be helpful in predicting market movements and investor behavior. Recognizing the significance of these factors enables investors to navigate market complexities, enhance investment performance, and contribute to overall financial stability.
4) **Exploratory analysis**: PLS-SEM can assist in discovering significant aspects and interactions that can direct more research when the study is exploratory in nature. So it is important to understand the relationship among all the selected variables.
5) **Model comparison:** PLS-SEM makes it easier to compare several models and determine which one fits the data better, offering insightful information about the mechanisms that underlie investment choices.

So on the basis of all these reasons, PLS-SEM has been used. It's crucial to remember that the choice of PLS-SEM or any other statistical approach relies on the goals of the study, the type of data used, and the specific model assumptions.

3.15 Evaluating Measurement and Structural Models Using Partial Least Square

Partial least squares structural equation modeling (PLS-SEM) has been employed to evaluate the measurement and structural models in this study. We assessed the indicator loadings, construct reliability, convergent validity (AVE), and discriminant validity for the measurement model in order to verify the consistency of the constructs and the dependability of the indicators. We analyzed the path coefficients, R-squared values, and predictive relevance (Q2) to assess the strength and importance of the relationships between latent constructs and the structural model's predictive power. Bootstrapping was employed to validate the validity of the results. This exhaustive evaluation process ensures the PLS-SEM model's reliability and validity, allowing for precise interpretations and insights into the research subjects and their relationships.

3.16 Measurement Model

The link between latent variables and the associated observable indicators or manifest variables is the focus of the measurement model. The construct validity and reliability of the latent variables—which cannot be tested directly but are inferred from the observable indicators—are assessed using

this method. Researchers can move on to the structural model in SEM when the measurement model has been constructed and validated. The structural model reflects the proposed causal pathways between the latent variables and deals with the connections between the latent variables themselves (Gębczyńska & Brajer-Marczak, 2020). The main goals of the measurement model are to calculate loading weights, assess construct reliability, and assess the convergent and discriminant validity of the latent constructs for each indicator (Leong et al., 2020). A measurement model is an essential component of SEM because it enables researchers to assess the accuracy of the observed indicators and the reliability of the latent variables in describing the relevant theoretical constructs (Ferreras-Garcia et al., 2021). It makes sure that the underlying constructs are accurately quantified and gives the subsequent structural model analysis a strong starting point.

3.16.1 Internal Consistency

Internal consistency, especially the latent constructs and their observable indicators, is a term used to describe the accuracy and stability of the measurement model in the context of structural equation modeling (SEM) using the partial least squares (PLS) method. To guarantee that the indicators accurately and consistently assess the latent constructs they are supposed to reflect, PLS-SEM must have internal consistency.

There are two main aspects of internal consistency in SEM-PLS:

3.16.2 Reliability of Indicators: This component is concerned with the accuracy and consistency with which the observable indicators measure the latent constructs. This is commonly evaluated in PLS-SEM utilizing construct reliability and indication loadings.

a) Indicator Loadings: The strength of the correlation between each indicator and its related latent construct is shown by the indicator loadings. A better indication of the underlying construct is one with higher loading values. To guarantee acceptable measurement reliability, loadings should be considerable and sufficiently high (usually over 0.7 or 0.6).

b) Construct Reliability: The latent concept's internal consistency and dependability are measured by construct reliability (Stensland et al., 2021). Measures like Cronbach's alpha or composite reliability are frequently used to evaluate it. High-reliability scores (often over 0.7 or 0.8) signify consistent and trustworthy measures of the construct for the indicators. The unlimited number of studies in the field of research in which the construct reliability is tested through these methods (Cronbach, 1971).

3.16.3 Convergent Validity

A fundamental concept in research is convergent validity, which measures how positively multiple measurements or indicators of the same construct are connected to one another(Rabar et al., 2022).It is a type of construct validity that makes sure the different approaches taken to gauge a certain notion are convergent and yield reliable findings. If a concept's indicators do not converge, this may point to issues with the measuring tools or reveal inconsistencies in the description of the construct, requiring researchers to make the appropriate corrections. When a construct's AVE value is at least 0.5, enough convergent validity is attained (Fornell and Larcker, 1981).

3.17 Discriminant Validity

According to Urbach and Ahlemann (2010), discriminant validity is employed to distinguish between measurements of a concept. As measured by (Hair et al., 2014), also examines how far overlapping ideas diverge from one another. In contrast to convergent validity, discriminant validity looks at whether the items unintentionally measure anything other than the intended construct. The three often used measures of discriminant validity in PLS are cross-loading, Fornell-Larcker's criterion (Fornell and Larcker, 1981), and HTMT Heterotrait-Monotrait.

3.17.1 Cross-Loading: Cross-loading is an important step in the evaluation of the measurement model in PLS-SEM. Cross-loadings can aid in the model development process by improving the measurement model. To enhance the model's fit and construct validity, researchers may think about eliminating or substituting some indicators that a latent variable has low or non-significant cross-loadings on (Chin, 1998).

3.17.2 Fornell-Larcker's criterion: In 1981, Fornell and Larcker put out the idea. The degree to which a latent variable is actually unique from other constructs in the model is known as discriminant validity. Fornell-Larcker’s criteria have a reasonably simple interpretation. A latent variable has discriminant validity if it satisfies the requirement, which means it is sufficiently different from other constructs in the model. However, if a latent variable does not match the requirement, it may indicate problems with discriminant validity, and more research is required to address any potential concept overlap or collinearity constructs (Hair et al., 2014).

3.17.3 Heterotrait-Monotrait Ratio: The HTMT ratio technique compares relationships between indicators of the same construct to determine how strong links are between various constructs. In PLS-SEM, the HTMT ratio is an effective method to supplement the evaluation of discriminant validity, particularly when constructs contain varied numbers of indicators (Henseler et al., 2015).

In this research, the validity of the measurement model is said to be satisfied only if.

1. The composite reliability is equal to or more than 0.7
2. Factor loading has to be equal to or more than 0.5
3. Value of AVE must be more than 0.5
4. The loading of each item on each indicator is highest for the corresponding construct.
5. The correlations between a construct and the other constructs in the mode are outweighed by the square root of the AVE of that construct.
6. The value of HTMT must be more than 0.8

3.18 Structural Model

A key element of structural equation modeling (SEM), which tries to comprehend the intricate connections between latent constructs, is the structural model. In this study, the causal relationships and interactions between the theoretical notions put out in our research framework were examined using the structural model (Fahad S. Almawishir & Benlaria, 2023; Gastaldello et al., 2023). We investigated the intensity and significance of the route coefficients using Partial Least Squares (PLS-SEM) to infer the direct and indirect effects between variables. We were able to investigate how modifications to one construct may affect others thanks to the structural model, which also gave us important insights into the underlying mechanics of the phenomena we were studying. Additionally, we assessed the model's goodness of fit by examining R-squared values, indicating the proportion of variance in endogenous constructs explained by their exogenous counterparts (Fedajev et al., 2023; Saedpanah et al., 2023; Ștefan et al., 2023). The predictive relevance (Q2) was also computed to evaluate the model's ability to predict out-of-sample. Furthermore, we employed bootstrapping to obtain confidence intervals for the path coefficients, ensuring the robustness and reliability of our findings (Al-Qudah et al., 2023; Magno & Dossena, 2023). By employing the Structural Model, we were able to uncover significant relationships, verify hypothesized patterns, and offer a comprehensive understanding of the complex interplay between constructs, contributing to the advancement of the theory and informing practical implications for various stakeholders (Abdel-Tawab et al., 2023; Saragih et al., 2023).

3.19 IPMA Analysis

Partial Least Squares Structural Equation Modelling (PLS-SEM) makes use of the effective method known as IPMA (Importance-Performance Map Analysis) to identify and rank the latent constructs according to their effectiveness and significance in attaining the study's goals (Aparisi-

Torrijo et al., 2023; H. Cheng, 2023). In this study, IPMA was used to evaluate each construct's relative influence on the overall model and identify the relevance of each construct's influence on the dependent variable. We depicted the relative positions of the components in the IPMA chart visually by graphing their performance against their relevance. Key drivers were thought to be high-performance, high-importance constructs that required immediate attention and strategic concentration. On the other hand, areas needing improvement were found for low-performance, high-importance constructs. We received meaningful insights from IPMA analysis to help us make wise decisions, manage resources effectively, and improve our overall strategy making.

3.20 CTA-Analysis

Confirmatory Tetrad Analysis (CTA) is a powerful tool to test whether the measurement used is formative or reflective in nature.it is quite important in every research while developing a model and testing the hypothesis to understand the nature of the scale used. So in this research CTA analysis was used to understand the nature of the measurement and the model was developed accordingly. Causal inference is a key goal in many research investigations, and PLS-SEM is typically employed to explore correlations among latent variables (de Souza Odaguiri Enes et al., 2023). CTA offers a rigorous methodology to assess and validate causal relationships between dimensions, enabling researchers to make reliable causal inferences from their data. It allows us to distinguish between the formative and reflective measurements in PLS-SEM (Ferreras-Garcia et al., 2021; Hair et al., 2019). The Null hypothesis developed was that the measurement is reflective in nature after testing almost all the values were less than 0.05 and the P-value was very high which indicates the scale used was reflective and the model was accordingly developed. So the Null hypothesis was accepted (Coltman et al., 2008)(Sarstedt & Moisescu, 2023).

3.21 Missing Data

It is important to note that while designing the questionnaire proper care was taken so that there is no missing frequency in the collected data. Hence when the files were downloaded there were no missing data.

3.22 Data Normality

To ascertain if a dataset follows a normal distribution, commonly referred to as a Gaussian distribution or a bell curve, a statistical process called normality testing is utilized. The bell-shaped, symmetrical curve of the normal distribution has a known mean and standard deviation. There are several ways of testing the normalcy of the data however, before testing the normalcy the nature

of the data is considered an important factor for applying the test, as in this research the data was primary, and hence two tests were applied to check the normality of the data: (1) Shapiro-Wilk test in SPSS and Cramer-Von test in Smart PLS 4.

3.23 Common Method Bias

The collected data was also evaluated for Common method bias. Herman's one factor was used to test the CMB that was initially used in the studies of (Koh & Kim, 2004; Leimeister et al., 2006). In particular, a factor analysis using the constructions was carried out, with the number of factors limited to one and no rotation technique used (de Souza Odaguiri Enes et al., 2023; A. Kumar et al., 2023; Ramzi et al., 2023; Silaban et al., 2023) The data is affected by CMB if a factor appears with more than 50% of the explained variation. According to the research, CMB was not significantly threatened by data. Using a single latent component, common method variance was also examined (Podsakoff and Organ, 1986). A confirmatory factor analysis was performed to assess whether the data were impacted by CMV, and the findings indicate that none of the apparent factors load on the latent component (Dhawan et al., 2023; Dogra et al., 2023; Stanimirović & Brinovec, 2023). Instead, it was possible to determine the loading on numerous manifest components, indicating that CMV is not a concern in this research.

CHAPTER 4

Data Analysis and Results

4.1 Chapter Overview

The current research is qualitative in nature as it deals with the measurement of behavioral biases, personality traits, risk appetite, and investment decisions. All these traits can't be directly measured and quantified. Ultimately, the nature of my research is rooted in the pursuit of truth, discovery, and the pursuit of excellence in contributing to the collective wisdom of humanity. The research begins with an evaluation of behavioral finance followed by personality traits, risk appetite, and demographic factors that influence the investment decision of global investors to get the theoretical and conceptual background, as well as the empirical results of prior studies, from which the proposed study model and hypotheses are derived. Then, the questionnaire was developed and distributed, and data was collected. The collected data was filtered and analyzed through several statistical methods to accept or reject the hypothesis. This method is fairly compatible with the deductive approach. The sample size was determined through various scientific and econometric approaches. Purposive sampling technique was used to collect the data from India, USA, China and Singapore. The standard scale was used for data collection and all the data was collected through online. After data collection, data filtration was done in Excel and all the necessary adjustments were made be that missing data, conversion and adding of dummy.

After data filtration, Normality was tested through: (1) Shapiro-Wilk test in SPSS and Cramer-Von test in Smart PLS 4.After testing normality Herman Single Factor was applied to test Common Method Bias, After meeting all the assumptions PLS-SEM was applied to test the developed model fitness and testing of hypothesis. First of all factor loading of each item was tested that must be > 0.7, all the items were adjusted and items with lower loading were removed, then indicator Multicollinearity through VIF was tested. When all the items were find relevant and fit for the model. Now it was the time to go for measurement model was tested through reliability and discriminant validity. Reliability was tested through Cronbacch's Alpha and composite Reliability & Convergent Validity through AVE , Discriminant validity was done through Cross Loading ,HTMT and Fronell-Larcker criterion, the R-square, F-square and Q-square through PLS-Predict. In structural model Hypothesis were tested accordingly by using Bootstrapping, The bootstrapping approach was used to evaluate the structural model, using 5000 samples, a significance of 5%, two-tailed, and no significant changes. IPMA & CTA analysis were also used.

Table 4.1 Demographic Descriptive

	Gender of Respondents		
S No	Gender	Respondents	Percentage
1	Male	300	64.24
2	Female	156	33.4
3	Third Gender	11	2.36
	Age of the respondents		
1	18-25	57	12.21
2	26-35	68	14.56
3	36-45	137	29.34
4	46-55	151	32.33
5	Above 55	54	11.56
	Material Status of Respondents		
1	Married	243	52.03
2	Unmarried	135	28.91
3	Divorced	26	5.57
4	Separated	63	13.49
	Education of Respondents		
1	School Level	21	4.5
2	Graduate	75	16.06
3	Post Graduate	156	35.55
4	Professional Degree	176	37.69
5	Any Other Degree	29	6.21
	Country of Respondents		
1	India	142	30.41
2	China	134	28.69
3	USA	121	25.91
4	Singapore	70	14.99
	Experience of Respondents		
1	0-2 years	40	8.57
2	2-5 Years	83	17.77
3	5-10 years	288	48.82
4	Above 10 Years	116	24.84

Source: Author's Calculation in Smart PLS 4

4.2 Demographic Descriptive

The sample Composed for this study was 467 respondents, out of which the highest number was from India i.e. 142 respondents 30.41 % followed by China with 134(28.69%), after China USA with 121, which is approximately 25.91%, and lastly Singapore with 70 Respondents and in percentage it is 14.99%. Out of the Total Respondents, male respondents were 300 i.e. 64.24%,

Followed by female 156 (33.4%), and finally the third Gender 11 respondents (2.36 %).On the basis of age highest number of respondents were within the age group of 46-55 years (32.33%), then 36-45 years 137(29.34%) followed by the 26-35 age group 68(14.56%), then 18-25 (12.21%) and finally above 55 years 54 i.e. (11.56%). Talking about the marital status of these respondents, 243 (52.03) were married, 135 (28.91%) were unmarried, 26(5.57%) Divorced and finally,, 63(13.49%) were separated. Now when it comes to education the highest number of respondents hold a professional degree 176(.55), Postgraduate 156(37%), Graduate 75 respondents i.e. 16.06%, followed by 29 respondents holding other degrees and diplomas and lastly the investors holding School level education were very few 21 (4.5%). Finally, it comes to experience in which highest investors fall in the category of 5-10 years of experience i.e.(48.82%), then 116 investors belong to above 10 years of experience i.e.(24.84%),followed by 2-5 years of experience (17.77%) and finally 0-2 years of experience investors were little in number 40(8.57%).

Figure 4.1 Demographics of the Respondents

Table 4.2 Investment Avenues Explored by Global Investors

Investment Decisions	Responses	Percentage
Share Market	346	74.0899
Real Estate	323	69.1649
Precious Metals	303	64.8822
Currency Exchange	277	59.3148
Bank Deposit	248	53.1049
Mutual Funds	162	34.6895
Insurance	158	33.8313
Debentures	138	29.5503
Govt Bonds	137	29.3362
Post Office	128	27.1049

Source: Author's Calculation in Tableau

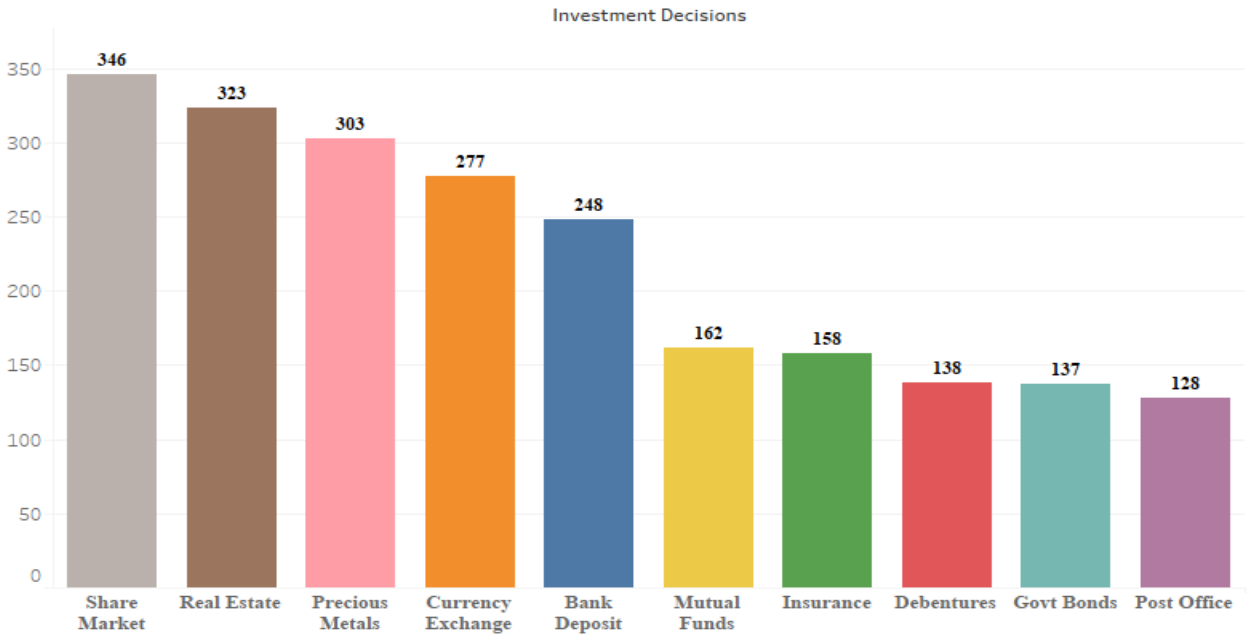


Figure 2 Investment Avenues Explored by Global Investors (Source Authors depiction in Tableau)

Part II deals with the investment avenues available and Explored by Global Investors in the world. Table 4.2 insinuates the investment avenues explored, it is clear that almost most of the investors prefer to invest in stocks which is clear from table 346 out of f 467 (74.08%) almost 3/4, followed by Real Estate 323 (69.16%), then Precious Metals Like Gold and silver 303 responses which are (64.88%), after it Currency exchange investment because of higher fluctuations S responses i.e. (59.31%), then Bank Deposit had a of response 248 (53.20%), followed by Mutual Fund and insurance with 162 and 158 i.e. almost (33.50%), and finally Debt instruments like Govt Bonds and Debentures had an equal response of 137 and 138 respectively i.e. (29.51%) and Finally Post office Savings with 128 responses and the last preference of Global Investors To invest.

4.3 Data Normality

There are several ways of testing the normalcy of the data however, before testing the normalcy the nature of the data is considered an important factor for applying the test, as in this research the data was primary, and hence two tests were applied to check the normality of the data: (1) Shapiro-Wilk test in SPSS and Cramer-Von test in Smart PLS 4.The results of both the tests show that all the constructs have a significant value of < 0.05, confirming the non-normality of the data and the same stated by Skewness and kurtosis almost 70 % of the data had shown a Skewness and kurtosis beyond the threshold of (-3 to +3). This clearly suggests that the normality assumption has been violated and hence supports the use of PLS-SEM.

Table 4.3 Shapiro-Wilk Test

Items	S			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
O1	.200	467	.000	.865	467	.000
O2	.277	467	.000	.869	467	.000
O3	.238	467	.000	.883	467	.000
O4	.232	467	.000	.891	467	.000
O5	.196	467	.000	.904	467	.000
C1	.167	467	.000	.900	467	.000
C2	.215	467	.000	.868	467	.000
C3	.217	467	.000	.901	467	.000
C4	.200	467	.000	.907	467	.000
E1	.207	467	.000	.872	467	.000
E2	.290	467	.000	.789	467	.000
E3	.207	467	.000	.890	467	.000
E4	.203	467	.000	.894	467	.000
E5	.214	467	.000	.853	467	.000
A1	.227	467	.000	.891	467	.000
A2	.250	467	.000	.851	467	.000
A3	.222	467	.000	.872	467	.000
A4	.202	467	.000	.874	467	.000
A5	.201	467	.000	.868	467	.000
N1	.204	467	.000	.899	467	.000
N2	.218	467	.000	.884	467	.000
N3	.206	467	.000	.892	467	.000
N4	.200	467	.000	.866	467	.000
N5	.272	467	.000	.808	467	.000

Source; Author's Calculation in SPSS

Table 4.4 Crammer-Von Mises

Name	Mean	Standard deviation	kurtosis	Skewness	C.M P value
Gender	1.381	0.532	-0.188	0.956	0.000
Age	3.165	1.18	-0.716	-0.346	0.000
MS	1.805	1.038	-0.005	1.123	0.000
Education	3.251	0.95	-0.232	-0.399	0.000
Country	2.255	1.048	-1.153	0.26	0.000
Experience	2.899	0.871	-0.217	-0.584	0.000
O	3.797	1.104	-0.556	-0.567	0.000
C	3.276	1.087	-0.828	0.037	0.000
E	3.782	1.055	-0.319	-0.576	0.000
A	3.784	1.076	-0.766	-0.47	0.000
N	3.469	1.097	-0.842	-0.238	0.000
DE	3.936	1.085	0.14	-0.87	0.000
HB	3.803	1.163	-0.193	-0.782	0.000
OB	3.792	1.006	-0.324	-0.561	0.000
LA	3.951	1.156	-0.245	-0.905	0.000
SQ	3.807	1.144	-0.204	-0.729	0.000
RA	3.694	1.071	0.345	-0.732	0.000
ID	3.764	1.029	-0.566	-0.523	0.000

Source: Author's Calculation in Smart PLS 4

4.3 Common Method Bias

The collected data was also evaluated for its potential common method bias. The study used Herman's single factor test as used in several previous studies (Koh and kim 2004, Leimeister et al..2006), to evaluate the results of un-rotated factor solutions and estimate the quantum of factors reasonable for variance in the variables (koh and kim 2004).It is important to note that Common method bias is filtered on two conditions: 1 when single factor emerges from the executed factor analysis; and 2 when one common factor accounts for a majority of co-variance in the independent and criterion constructs. The amount of variance accounted for by common method biasness (CMB) differs by research field (such as marketing, management, and psychology), according to Podsakoff et al. (2003). When the covariance accounted for by that one component is more than 40.7%, common method biasness exists for research that focus on behavioral issues. According to the Harman's one factor test, six components were provided in this study, and 31.42% of the covariance could be explained by just one factor (Panigrahi et al., 2023; Ringle et al., 2023) This suggests that typical method bias is not likely to taint research findings.

Table 4.5 Herman Single Factor

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	15.714	31.429	31.429	15.714	31.429	31.429
2	5.187	10.373	41.802			
3	4.822	9.643	51.445			
4	3.584	7.169	58.614			
5	3.198	6.395	65.009			
6	2.861	5.722	70.731			
7	2.471	4.942	75.673			
8	2.393	4.785	80.458			
9	1.729	3.459	83.917			
10	1.496	2.992	86.909			

Source: Author's Calculation in SPSS

4.4 Measurement Model

A measurement model is an essential part of SEM in SmartPLS 4 Since it enables to evaluate the reliability and validity of measurement indications or items used in the study. In this study, the measurement model was assessed through: 1) Factor Loading of each item. 2) Indicator Multicolinarity. 3) Convergent validity. 4) Indicator Reliability & 5) Discriminant Validity. The results of all these tests are shown from Table No 4.6 to Table No 4.13.

4.4.1 Factor Loading

In structural equation modelling (SEM), factor loading is the term used to describe the numerical values that express the intensity and direction of the link between the observed indicators (variables) and the corresponding latent constructs (factors). These loadings show how accurately each indicator measures the construct it is meant to measure (Pérez-Rave et al., 2023; Pînzaru et al., 2023). High factor loadings in SEM, which are often above 0.7, imply that an indicator accurately represents the underlying construct, and so exhibits good convergent validity. Table 4.6 reflects the factor loading of each item that measures the construct. The table shows almost all the items have loading more or equal to the benchmark however only three items were there in the entire scale with loading less than 0.7 but these were not removed from the scale because they don't impact much on VIF hence retained (Hair et al., 2014; Respondent, 2023).

Table 4.6 Factor Loading

Items	AG	CN	DE	EV	HB	ID	LA	NT	OP	OB	RA	SQ
A1	**0.684**											
A2	**0.775**											
A3	**0.862**											
A4	**0.778**											
A5	**0.853**											
C1		**0.829**										
C2		**0.792**										
C3		**0.796**										
C4		**0.873**										
C5		**0.861**										
DE1			**0.835**									
DE2			**0.815**									
DE3			**0.876**									
DE4			**0.681**									
DE5			**0.684**									
E1				**0.862**								
E2				**0.884**								
E3				**0.776**								
E4				**0.762**								
E5				**0.846**								
HB1					**0.847**							
HB2					**0.812**							
HB3					**0.783**							
HB4					**0.842**							
HB5					**0.719**							
ID1						**0.619**						
ID10						**0.665**						
ID2						**0.766**						
ID3						**0.709**						
ID4						**0.728**						
ID5						**0.765**						
ID6						**0.662**						
ID7						**0.789**						
ID8						**0.795**						
LA1							**0.758**					
LA2							**0.909**					
LA3							**0.853**					
LA4							**0.916**					
LA5							**0.865**					

N1	**0.692**				
N2	**0.734**				
N3	**0.754**				
N4	**0.793**				
N5	**0.822**				
O1		**0.862**			
O2		**0.859**			
O3		**0.829**			
O4		**0.878**			
O5		**0.791**			
OB1			**0.772**		
OB2			**0.733**		
OB3			**0.802**		
OB4			**0.682**		
OB5			**0.833**		
RA1				**0.619**	
RA10				**0.766**	
RA2				**0.626**	
RA3				**0.813**	
RA4				**0.821**	
RA5				**0.741**	
RA6				**0.756**	
RA7				**0.797**	
RA8				**0.777**	
RA9				**0.612**	
SQ1					**0.834**
SQ2					**0.864**
SQ3					**0.848**
SQ4					**0.781**
SQ5					**0.732**

Source: Author's Calculation in Smart PLS 4

Factor loadings are essential for determining the correctness and robustness of the SEM analysis since they enable researchers to analyze the validity and reliability of their constructs. They also aid in the evaluation of the measurement model's quality (Gamil & Abd Rahman, 2023; Qureshi et al., 2023; G. Zhang et al., 2023).

4.4.2 Indicator Multicolinarity.

Table 4.7 Indicator Multicollinearity

Item	VIF	Item	VIF
A1	1.381	LA1	1.679
A2	1.757	LA2	3.639
A3	2.37	LA3	2.761
A4	1.847	LA4	4.301
A5	2.327	LA5	2.945
C1	2.246	N1	1.614
C2	1.756	N2	1.653
C3	1.759	N3	1.609
C4	3.807	N4	2.17
C5	3.543	N5	2.196
DE1	2.838	O1	2.434
DE2	2.735	O2	2.623
DE3	3.256	O3	2.245
DE4	1.607	O4	2.913
DE5	1.683	O5	1.242
E1	2.461	OB1	1.862
E2	2.874	OB2	1.633
E3	1.892	OB3	2.011
E4	1.855	OB4	1.41
E5	2.564	OB5	2.108
HB1	2.376	RA1	3.605
HB2	2.266	RA10	1.62
HB3	2.115	RA2	3.615
HB4	2.573	RA3	2.566
HB5	1.377	RA4	2.927
ID1	1.437	RA5	2.352
ID10	1.61	RA6	2.15
ID2	2.43	RA7	2.681
ID3	2.078	RA8	2.527
ID4	2.046	RA9	1.666
ID5	2.217	SQ1	2.173
ID6	1.602	SQ2	2.295
ID7	2.369	SQ3	2.069
ID8	2.323	SQ4	1.298
ID9	1.662		

Source: Author's Calculation in Smart PLS 4

The Variance Inflation Factor (VIF), used in structural equation modelling (SEM), is a useful diagnostic tool for determining Multicollinearity among the exogenous variables in the model. It measures how much one variable is affected by linear combinations of other factors, assisting in spotting Multicollinearity issues that can arise (Hair et al., 2014). It gets harder to discern the individual effects of linked predictors as VIF values go over 5 or 10. Table 4.7 shows that all the items used in this study had a VIF of > 4 which is below than the benchmark of 5, hence there is no issue of Multicolinarity in the scale used (Hair et al., 2019; Henseler et al., 2009).

4.4.3 Reliability

Reliability is a crucial factor in determining the quality of the measurement model in Smart-PLS SEM. The links between latent constructs and their observed indicators are what it primarily refers to in terms of consistency and stability. Composite reliability (CR) is a crucial reliability indicator in Smart-PLS. A number above 0.7 is typically regarded as satisfactory when measuring the internal consistency of the indicators inside a construct using the CR method. A high CR value suggests that the measurement model's indicators accurately measure the latent construct, which adds to the structural equation model's overall resilience and validity. Along with Composite Reliability Cronbach's Alpha was also calculated to provide constrictive reliability. Table 4.8 shows that all the constructs had a Composite reliability and Cronbach's alpha > 0.7 and < 9.5, which is best as suggested by (Hair et al., 2014). It is important to note that composite reliability is accurate up to a certain a limit only beyond which is considered ill for the entire study (Henseler et al., 2015).

Table 4.8 Cronbach's alpha & Composite reliability

Construct	Cronbach's alpha	Composite reliability
Agreeableness	0.851	0.861
Conscientiousness	0.888	0.891
Disposition Effect	0.837	0.842
Extraversion	0.884	0.896
Herding Biases	0.862	0.867
Investment Decisions	0.896	0.899
Loss Aversion	0.912	0.913
Neuroticism	0.816	0.821
Openness	0.863	0.875
Optimism Bias	0.822	0.827
Risk Appetite	0.893	0.901
Status Quo	0.837	0.839

Source: Author's Calculation in Smart PLS 4

4.4.4 Convergent Validity

A key idea in partial least squares structural equation modelling (PLS-SEM) is convergent validity, which emphasizes the extent to which various indicators or items measuring the exact latent construct yield congruent and consistent answers. By evaluating the degree and significance of the loadings between the observable indicators and their corresponding latent variables, in PLS-SEM evaluate convergent validity. Strong convergent validity, demonstrated by high and statistically significant loadings, above 0.5, shows that the indicators accurately describe the underlying construct. This evaluation confirms that the measurement model faithfully captures the construct, hence improving the overall reliability and validity of the PLS-SEM analysis. Table 4.9 insinuates that none of the construct has AVE < 0.5 which clearly indicates that items perfectly measure the selected constructs.

Table 4.9 Convergent Validity Test

Construct	Average variance extracted (AVE)
Agreeableness	0.629
Conscientiousness	0.690
Disposition Effect	0.612
Extraversion	0.684
Herding Biases	0.643
Investment Decisions	0.519
Loss Aversion	0.743
Neuroticism	0.578
Openness	0.657
Optimism Bias	0.587
Risk Appetite	0.516
Status Quo	0.607

Source: Author's Calculation in Smart PLS 4

4.4.5 Discriminant Validity

The ability to differentiate between several latent constructs within a model is the focus of the Partial Least Squares Structural Equation Modelling (PLS-SEM) notion of discriminant validity. It makes sure that measurement is distinct across constructs and does not overlap. To test the discriminant validity three tests were applied HTMT, The Fronell-Larcker criterion and Cross-Loading. Discriminant validity is essential for valid and reliable interpretation of relationships in PLS-SEM and for ensuring that the model measures what it intends to measure. It is important to state that all the three tests have three different set protocols of testing discriminant validity.

4.4.5.1 Heterotrait-Monotrait

In Partial Least Squares Structural Equation Modelling (PLS-SEM), the Heterotrait-Monotrait (HTMT) ratio is a statistical metric used to evaluate the discriminant validity of components. It contrasts the correlations between constructs that are hypothetically predicted to be similar (monotraits) and those between those that are hypothetically expected to be different (heterotraits). Table 4.10 shows the results of Heterotrait-Monotrait ratio as the calculated value should be < 0.85 (Hair et al., 2019; Henseler et al., 2015) and table shows that none of the value is more than the benchmark value.

Table 4.10 Heterotrait-Monotrait

	AG	CN	DE	EV	HB	ID	LA	NT	OP	OB	RA	SQ
AG												
CN	0.793											
DE	0.719	0.693										
EV	0.748	0.661	0.727									
GB	0.646	0.576	0.623	0.662								
ID	0.717	0.742	0.711	0.735	0.741							
LA	0.732	0.704	0.719	0.717	0.785	0.777						
NT	0.754	0.732	0.791	0.758	0.714	0.699	0.705					
OP	0.711	0.786	0.779	0.747	0.648	0.762	0.753	0.769				
OB	0.702	0.695	0.746	0.737	0.763	0.607	0.712	0.737	0.746			
RA	0.793	0.742	0.705	0.655	0.731	0.794	0.722	0.707	0.731	0.791		
SQ	0.731	0.713	0.722	0.755	0.662	0.714	0.721	0.736	1.112	0.704	0.721	

Source: Author's Calculation in Smart PLS 4

4.4.5.2 Fronell-Larcker criterion

A crucial evaluation technique in partial least squares structural equation modelling (PLS-SEM) is the Fornell-Larcker criterion. In a PLS-SEM model it evaluates the discriminant validity of latent constructs. In order to satisfy this requirement, each construct's square root of the average variance extracted (AVE) must be higher than the correlations between that construct and every other construct in the model Fornel & Larcker 1981. To put it another way, the Fornell-Larcker criterion makes sure that a construct's variation explained by its indicators is greater than the variance that it shares with other constructs. Table 4.11 shows the results of Fornell-Larcker in which all the constructs, starting from agreeableness to status quo, have square root higher than the correlation of the associated constructs and hence confirm the discriminant validity.

Table 4.11 Fronell-Larcker criterion

	AG	CN	DE	EV	HB	ID	LA	NT	OP	OB	RA	SQ
AG	**0.793**											
CN	0.703	**0.831**										
DE	0.738	0.609	**0.882**									
EV	0.733	0.591	0.716	**0.827**								
GB	0.566	0.521	0.783	0.588	**0.802**							
ID	0.771	0.667	0.783	0.743	0.779	**0.721**						
LA	0.723	0.731	0.804	0.782	0.711	0.782	**0.862**					
NT	0.795	0.636	0.829	0.652	0.618	0.768	0.781	**0.761**				
OP	0.695	0.671	0.658	0.649	0.566	0.752	0.751	0.643	**0.811**			
OB	0.674	0.602	0.704	0.635	0.665	0.755	0.791	0.713	0.711	**0.766**		
RA	0.778	0.741	0.785	0.749	0.726	0.796	0.834	0.696	0.713	0.682	**0.719**	
SQ	0.723	0.698	0.681	0.646	0.571	0.781	0.793	0.682	0.742	0.741	0.701	**0.811**

Source: Author's Calculation in Smart PLS 4

4.4.5.3 Cross Loading

PLS-SEM (Partial Least Squares Structural Equation Modelling) uses the concept of cross-loading to evaluate the discriminant validity of measurement models. It describes a circumstance in which an indicator used to measure one latent construct in the model also has a disproportionately high loading on another latent construct. In other words the protocol set for cross-loading states that the item must have more loading with its main construct as compared to other latent constructs used in the model (Hair et al., 2014; Sarstedt et al., 2016). Table 4.12 represents the cross-loading of each item used to measure the latent constructs stated from A1, A2, A3, A4 and A5 with the loading of 0.784, 0.775, 0.862, 0.778 & 0.853, respectively, for Agreeableness Construct when compared with the cross Loading with other latent constructs and the cross loading ends with SQ1, SQ2, SQ3, SQ4 & SQ5 with a cross-loading of 0.834, 0.864, 0.848, 0.781 & 0.793. The cross-loading of these items is very high as compared with other items and latent constructs in the model SQ represents Status Quo Construct in the given model, and the loading stated all items starting from SQ1 to SQ5 belonged to this construct rather than others. Cross-loadings are a potential source of trouble because they imply that an indicator may not be as specific to its intended form as one would like redefinition constructs to increase their conceptual clarity in order to maintain the robustness of a PLS-SEM model. In order to make sure that each indicator largely represents

the latent construct it is intended to assess, managing cross-loadings is essential for assuring the accuracy and validity of PLS-SEM results.

Table 4.12 Cross Loading

	AG	CN	DE	EV	HB	ID	LA	NT	OP	OB	RA	SQ
A1	**0.784**	0.501	0.539	0.75	0.436	0.569	0.585	0.559	0.516	0.49	0.677	0.503
A2	**0.775**	0.482	0.511	0.493	0.384	0.571	0.57	0.653	0.431	0.501	0.506	0.476
A3	**0.862**	0.659	0.712	0.614	0.536	0.703	0.764	0.725	0.63	0.637	0.656	0.691
A4	**0.778**	0.532	0.551	0.49	0.409	0.522	0.624	0.556	0.515	0.465	0.538	0.522
A5	**0.853**	0.593	0.606	0.559	0.463	0.665	0.698	0.642	0.637	0.557	0.606	0.643
C1	0.581	**0.829**	0.429	0.462	0.418	0.545	0.602	0.48	0.558	0.477	0.592	0.573
C2	0.612	**0.792**	0.592	0.519	0.491	0.602	0.679	0.617	0.543	0.543	0.605	0.681
C3	0.671	**0.796**	0.564	0.536	0.461	0.615	0.623	0.581	0.558	0.573	0.623	0.571
C4	0.507	**0.873**	0.455	0.441	0.416	0.506	0.545	0.469	0.563	0.456	0.619	0.507
C5	0.521	**0.861**	0.449	0.466	0.344	0.458	0.551	0.451	0.546	0.408	0.626	0.529
DE1	0.638	0.513	**0.835**	0.651	0.511	0.595	0.645	0.721	0.527	0.513	0.661	0.557
DE2	0.609	0.523	**0.815**	0.601	0.531	0.645	0.653	0.737	0.561	0.601	0.629	0.563
DE3	0.661	0.514	**0.876**	0.607	0.553	0.644	0.701	0.822	0.563	0.599	0.637	0.585
DE4	0.472	0.442	**0.781**	0.448	0.761	0.622	0.609	0.461	0.48	0.574	0.571	0.531
DE5	0.491	0.374	**0.784**	0.482	0.716	0.542	0.512	0.468	0.424	0.427	0.561	0.429
E1	0.643	0.537	0.602	**0.862**	0.512	0.683	0.699	0.558	0.567	0.557	0.613	0.582
E2	0.617	0.463	0.688	**0.884**	0.556	0.695	0.611	0.601	0.561	0.626	0.621	0.576
E3	0.584	0.431	0.521	**0.776**	0.414	0.533	0.591	0.514	0.475	0.476	0.641	0.455
E4	0.574	0.521	0.511	**0.762**	0.446	0.513	0.598	0.42	0.511	0.394	0.656	0.476
E5	0.616	0.498	0.631	**0.846**	0.502	0.618	0.624	0.587	0.563	0.544	0.597	0.566
HB1	0.464	0.441	0.703	0.476	**0.847**	0.585	0.576	0.539	0.457	0.511	0.593	0.451
HB2	0.433	0.442	0.646	0.458	**0.812**	0.568	0.571	0.414	0.455	0.487	0.612	0.469
HB3	0.369	0.306	0.551	0.428	**0.883**	0.504	0.472	0.377	0.356	0.393	0.566	0.328
HB4	0.482	0.441	0.641	0.471	**0.842**	0.619	0.553	0.519	0.429	0.501	0.602	0.421
HB5	0.483	0.426	0.581	0.495	**0.819**	0.666	0.624	0.569	0.524	0.688	0.532	0.567
ID1	0.482	0.441	0.641	0.471	0.842	**0.719**	0.553	0.519	0.429	0.501	0.602	0.421
ID10	0.853	0.593	0.606	0.559	0.463	**0.665**	0.698	0.642	0.637	0.557	0.606	0.643
ID2	0.483	0.426	0.581	0.495	0.719	**0.766**	0.624	0.569	0.524	0.688	0.532	0.567
ID3	0.525	0.436	0.539	0.431	0.451	**0.709**	0.616	0.529	0.495	0.772	0.486	0.499
ID4	0.527	0.453	0.478	0.505	0.481	**0.728**	0.586	0.539	0.563	0.733	0.506	0.578
ID5	0.52	0.431	0.588	0.513	0.549	**0.765**	0.656	0.585	0.56	0.602	0.542	0.631
ID6	0.474	0.481	0.507	0.462	0.471	**0.762**	0.567	0.471	0.561	0.682	0.521	0.564
ID7	0.536	0.509	0.581	0.519	0.585	**0.789**	0.603	0.599	0.547	0.633	0.563	0.587
ID8	0.556	0.524	0.548	0.567	0.581	**0.795**	0.758	0.526	0.546	0.699	0.616	0.583
ID9	0.643	0.537	0.602	0.862	0.511	**0.783**	0.699	0.558	0.567	0.557	0.613	0.582

	AG	CN	DE	EV	HB	ID	LA	NT	OP	OB	RA	SQ
LA1	0.556	0.524	0.548	0.567	0.581	0.695	**0.758**	0.526	0.546	0.699	0.616	0.583
LA2	0.646	0.631	0.749	0.759	0.657	0.698	**0.909**	0.512	0.666	0.725	0.685	0.618
LA3	0.667	0.643	0.716	0.651	0.584	0.696	**0.853**	0.622	0.671	0.613	0.697	0.698
LA4	0.556	0.683	0.746	0.716	0.631	0.647	**0.916**	0.625	0.686	0.669	0.566	0.622
LA5	0.626	0.669	0.703	0.666	0.596	0.643	**0.865**	0.616	0.666	0.684	0.522	0.694
N1	0.625	0.393	0.503	0.412	0.349	0.495	0.521	**0.792**	0.443	0.453	0.416	0.488
N2	0.501	0.451	0.501	0.499	0.457	0.606	0.566	**0.734**	0.455	0.561	0.524	0.496
N3	0.569	0.588	0.612	0.438	0.492	0.591	0.609	**0.754**	0.521	0.535	0.523	0.551
N4	0.499	0.458	0.685	0.501	0.493	0.586	0.586	**0.793**	0.485	0.561	0.524	0.482
N5	0.634	0.518	0.827	0.622	0.538	0.631	0.675	**0.822**	0.533	0.592	0.639	0.573
O1	0.595	0.529	0.514	0.507	0.452	0.655	0.647	0.584	**0.862**	0.632	0.546	0.764
O2	0.561	0.503	0.556	0.533	0.461	0.644	0.617	0.542	**0.859**	0.632	0.564	0.748
O3	0.509	0.418	0.553	0.558	0.511	0.587	0.604	0.484	**0.829**	0.535	0.573	0.554
O4	0.607	0.455	0.551	0.555	0.456	0.638	0.609	0.504	**0.878**	0.611	0.582	0.779
O5	0.541	0.873	0.495	0.475	0.427	0.509	0.563	0.485	**0.892**	0.446	0.646	0.527
OB1	0.525	0.436	0.539	0.431	0.415	0.509	0.616	0.529	0.495	**0.772**	0.486	0.499
OB2	0.527	0.453	0.478	0.505	0.481	0.628	0.586	0.539	0.563	**0.733**	0.506	0.578
OB3	0.521	0.431	0.588	0.513	0.549	0.565	0.656	0.585	0.561	**0.802**	0.542	0.612
OB4	0.474	0.481	0.507	0.462	0.471	0.662	0.567	0.471	0.561	**0.782**	0.531	0.564
OB5	0.536	0.509	0.581	0.519	0.585	0.689	0.603	0.599	0.547	**0.833**	0.563	0.587
RA1	0.507	0.673	0.455	0.441	0.416	0.506	0.545	0.469	0.563	0.456	**0.719**	0.507
RA10	0.369	0.306	0.551	0.428	0.783	0.504	0.472	0.377	0.356	0.393	**0.766**	0.328
RA2	0.521	0.561	0.449	0.466	0.344	0.458	0.551	0.451	0.546	0.408	**0.626**	0.529
RA3	0.643	0.537	0.602	0.862	0.512	0.683	0.699	0.558	0.567	0.557	**0.813**	0.582
RA4	0.617	0.463	0.688	0.884	0.556	0.695	0.611	0.601	0.561	0.626	**0.821**	0.576
RA5	0.584	0.431	0.521	0.776	0.414	0.533	0.591	0.514	0.475	0.476	**0.741**	0.455
RA6	0.574	0.521	0.511	0.762	0.446	0.513	0.598	0.42	0.511	0.394	**0.756**	0.476
RA7	0.616	0.498	0.631	0.846	0.502	0.618	0.624	0.587	0.563	0.544	**0.797**	0.566
RA8	0.684	0.501	0.539	0.751	0.436	0.569	0.585	0.559	0.516	0.491	**0.777**	0.503
RA9	0.433	0.442	0.646	0.458	0.812	0.568	0.571	0.414	0.455	0.487	**0.712**	0.469
SQ1	0.585	0.445	0.545	0.531	0.446	0.624	0.627	0.466	0.767	0.587	0.655	**0.834**
SQ2	0.595	0.529	0.514	0.507	0.452	0.655	0.647	0.584	0.662	0.632	0.546	**0.864**
SQ3	0.561	0.503	0.556	0.533	0.461	0.644	0.617	0.542	0.759	0.632	0.564	**0.848**
SQ4	0.621	0.692	0.592	0.519	0.493	0.602	0.679	0.617	0.543	0.543	0.605	**0.781**
SQ5	0.432	0.654	0.534	0.478	0.445	0.512	0.623	0.612	0.456	0.453	0.611	**0.793**

Source: Author's Calculation in Smart PLS 4

AG = Agreeableness, CN =Conscientiousness, DE = Disposition Effect, EV = Extraversion, HB = Herding Bias, ID = Investment Decisions, LA = Loss Aversion, NT =Neuroticism, OP = Openness, OB = Optimism Bias, RA = Risk Appetite & SQ = Status Quo

4.4.6 R-Square

Coefficient of Determination (R^2)

The R-squared (R^2) is used in Partial Least Squares Structural Equation Modelling (PLS-SEM) to measure how well the model fits the data. It's crucial to remember that R-squared in PLS-SEM is interpreted slightly differently than it is in conventional linear regression. The amount of variance in a dependent variable that is explained by the independent variables is shown by the coefficient of determination (R^2) value. In other words, it is the percentage of data variability that the measurement model accounts for. A higher (R^2) value improves the structural model's capacity to predict outcomes because it is necessary for this value to be high in order to adequately explain the variation of the endogenous latent variable (Hair et al., 2014). The R^2 Calculated in this through bootstrapping shows that the exogenous variables altogether explain the 76.9% variance in the Endogenous variable Investment decisions of global investors. The R^2 criterion is met and the constructed structural model has adequate predictive ability (Chin, 1998).

Table 4.13 R-Square

Construct	R-square	R-square adjusted
Investment Decisions	0.769	0.768

4.4.7 F-Square

A structural model variable may be impacted/affected by various other variables. The dependent variable may change if an external variable is removed. When an exogenous variable is taken out of the model, the R-Square changes, known as the F-Square. Effect size, measured by the f-square, ranges from modest (>=0.02) to medium (>=0.15) to big (>=0.35) (Cohen, 1988). Table 4.14 shows the F-Square values of various exogenous variables, almost all the variables have a value which is > 0.02 and hence shows almost all the exogenous variables are equally important, however, some of the variables have very impact like herding bias, risk appetite followed by Extraversion and Agreeableness, on the other hand, exogenous variables with a low impact on R^2 are openness, Optimism Bias followed by Disposition Effect and Conscientiousness. It clearly shows that all the variables do have some role in the model and comprehensively and collectively define the R^2. Most of the selected exogenous variables had an impact from medium to high and none of the constructs had a low impact in the structural model as depicted by figure 4.14.

Table 4.14 F-Square

Construct	F-Square
Agreeableness	0.134
Conscientiousness	0.037
Disposition Effect	0.052
Extraversion	0.149
Herding Biases	0.264
Investment Decisions	
Loss Aversion	0.121
Neuroticism	0.119
Openness	0.034
Optimism Bias	0.033
Risk Appetite	0.183
Status Quo	0.103

Source: Author's Calculation in Smart PLS 4

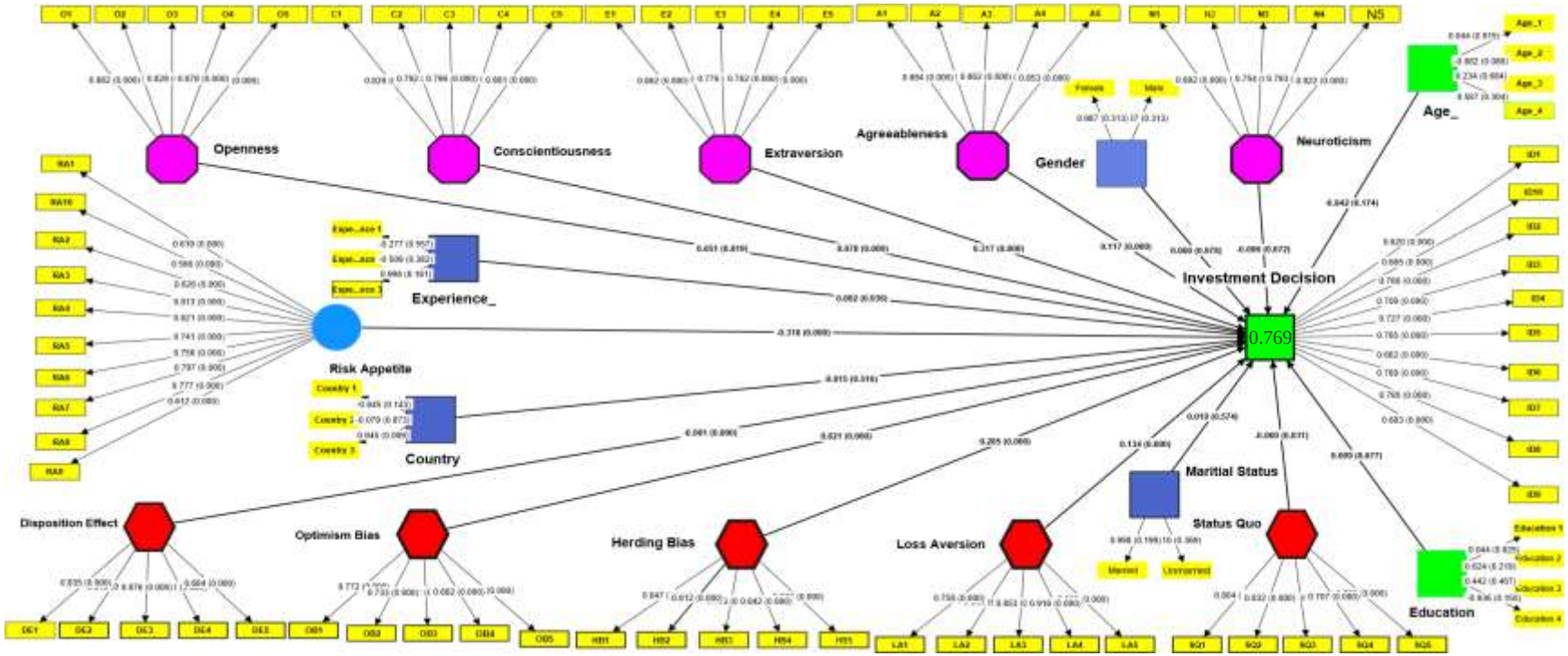
The predictive relevance metric Q-square determines if a model has predictive relevance or not (a score of > 0 is favourable).The predictive relevance of the endogenous constructs is further established by Q^2. When the Q-square is greater than zero, the model is predictively relevant, so in order to calculate the Q^2 blindfolding approach was used in Smart PLS table 4.15 shows the value calculated for each item of the construct investment decisions are more than 0.0, and hence, the model has the moderate to high predictive relevance and all the exogenous variables are fit for the model with varied relevance. As all the values calculated are > 0.0, it is to be concluded that the model has a predictive relevance.

Table 4.15 PLS Predict

Items	Q^2predict
ID1	0.443
ID10	0.443
ID2	0.515
ID3	0.442
ID4	0.423
ID5	0.534
ID6	0.399
ID7	0.536
ID8	0.517
ID9	0.436

Source: Author's Calculation in Smart PLS 4

Figure 4.1 Lower order Construct Model



Source: Author's Formation in Smart PLS 4

Figure 4.1 shows the Lower order model framed in Smart PLS 4 to test the relationship between exogenous variables and endogenous variables. The model has one endogenous variable, Investment Decisions, and four major exogenous variables: risk appetite, behavioral biases, personality Traits and demographic factors. These variables are further divided into sub-constructs like demographic factors into age, income, gender, education, geography and marital status; behavioral biases into disposition effect, herding bias, loss aversion, optimism bias and status quo, personality Traits into openness, consciousness, extraversion, agreeableness and Neuroticism and finally risk appetite. In this model the relationship between individual constructs was measured with investment decisions to test the set hypothesis.

Table 4.16 Hypothesis Testing

Hypothesis	Structural Path	Beta (β)	T-Value	P -value	Remark
Hd1	Age -> Investment Decisions	0.042	1.365	0.174	Rejected
Hd2	Geography -> Investment Decisions	0.015	0.651	0.516	Rejected
Hd3	Gender -> Investment Decisions	0.003	0.027	0.978	Rejected
Hd4	Education -> Investment Decisions	0.009	0.417	0.677	Rejected
Hd5	Marital Status -> Investment Decisions	0.011	0.563	0.574	Rejected
Hd6	Expertise -> Investment Decisions	0.202	5.081	0.036	Supported
Hr1	Risk Appetite -> Investment Decisions	0.318	6.032	0.000	Supported
Hb1	Disposition Effect -> Investment Decisions	0.079	4.913	0.000	Supported
Hb2	Herding Biases -> Investment Decisions	0.285	15.52	0.000	Supported
Hb3	Optimism Bias -> Investment Decisions	0.621	42.512	0.000	Supported
Hb4	Loss Aversion -> Investment Decisions	0.134	7.952	0.000	Supported
Hb5	Status Quo -> Investment Decisions	0.061	2.178	0.031	Supported
Hp1	Openness -> Investment Decisions	0.051	2.365	0.019	Supported
Hp2	Conscientiousness -> Investment Decisions	0.078	3.701	0.000	Supported
Hp3	Extraversion -> Investment Decisions	0.317	7.692	0.000	Supported
Hp4	Agreeableness -> Investment Decisions	0.117	7.521	0.000	Supported
Hp5	Neuroticism -> Investment Decisions	-0.006	0.425	0.672	Rejected

Source: Author's Calculation in Smart PLS 4

4.4.8 Hypothesis Testing

4.4.8.1 Demographic Attributes and Investment Decisions

The bootstrapping approach was used to evaluate the structural model, using 5000 samples, a significance of 5%, two-tailed, and no significant changes. Bootstrapping, in the words of (Hair et al., 2019), "may be regarded as a re-sampling strategy which pulls the routing model is repeatedly estimated using these samples under slightly different data configurations using random samples with replacement from the data. To assess the coefficient's statistical significance without relying on distribution assumptions, bootstrapping is also employed to determine standard errors of coefficient estimations, according to Vinzi et al. (2010). Table 4.16 represents the results of hypothesis testing; there is no significant impact of age on the investment decisions of global investors (*β=0.042, t-value= 1.365 & 0.174*); hence Hd1 has been rejected. There is no significant impact of Geographical Location on the investment decisions of global investors (*β =0.015,t-value=0.651 & p-value = 0.516*), hence Hd2 is rejected, Gender has no significant impact on investment decisions of global investors (*β = 0.003, t-value =0.027 & p-value= 0.978*)and hence

Hd3 is rejected, Education has no significant impact on investment decisions of global investors (*β =0.009,t-value=0.417 & p-value= 0.677*) hence Hd4 is also rejected, Marital status has no significant impact on investment decisions of global investors (*β = 0.011,t-value=0.563 & t-value= 0.574*), hence Hd5 is rejected, Experience has a significant impact on investment decisions (*β =0.202, t-value=5.081 & p-value = 0.036*); hence Hd6 accepted.

4.4.8.2 Behavioral Biases and Investment Decisions

Risk appetite has a significant impact on the investment decisions of global investors (*β = 0.0318, t-value =6.032 & p-value=0.000*); hence Hr1 has been accepted, disposition effect has a significant impact on investment decisions (*β =0.079,t-value=4.913 & p-value = 0.000*); hence Hb1 has been supported, herding bias has a significant impact on investment decisions (*β =0.285,t-value= 15.52, p-value = 0.000*) hence Hb2 is supposed, Optimum bias has a strong impact on investment decisions (*β =0.621,t-value=42.512& p-value = 0.000*);hence Hb3 is supported, loss aversion has a significant impact on investment decisions of global investors (*β =0.134,t-value= 7.9552 & p-value = 0.000*)hence Hb4 is supported and finally status Quo has a significant impact on investment decisions (*β =0.061,t-value=2.178 & p-value = 0.031*);hence Hd5 is accepted.

4.4.8.3 Personality Traits and Investment Decisions

Openness has a significant impact on investment decisions (*β =0.*051,*t-value=2.365 & p-value = 0.019*); hence, Hp1 is supported. Consciousness has a significant impact on the investment decisions of global investors (*β = 0.078,t-value= 3.701 & p-value= 0.000*); hence, Hp2 is supported, Extraversion has a significant impact on investment decisions (*β =0.317, t-value = 7.692 & p-value = 0.000*); hence Hp3 is supported, Agreeableness has a significant impact on investment decisions (*β =0.117, t-value= 7.52 & p-value = 0.000*),hence Hp4 is supposed and finally Neuroticism has no significant impact on investment decisions of global investors (*β = -0.006,t-value = 0.425 and p-value 0.672*); hence Hp5 is rejected.

4.4.9 Higher Order Construct Analysis

After the lower-order constructs were tested in a contest to investment decisions taken by global investors in various financial markets. The relationship between individual constructs and endogenous variables was tested through Path Analysis like agreeableness, Conscientiousness,

Disposition Effect, Extraversion, Herding Bias, Loss Aversion, Neuroticism, Openness, Optimism Bias, Risk Appetite & Status Quo against Investment Decision. But now it was a time to form higher-order constructs of Personality, Demographic Attributes, Behavioral Bias and Risk Appetite in the context of Investment Decisions. For this, Latent scores of each item of the parent construct were taken to Excel and the new sheet was formed and imported to Smart PLS4, and the new model was formed to test the hypothesis between the above constructs and investment decisions before doing path Analysis it was essential to test the reliability of the constructs.

4.4.10 Reliability Test

Reliability is a crucial factor in determining the quality of the measurement model in Smart-PLS SEM. The links between latent constructs and their observed indicators are what it primarily refers to in terms of consistency and stability. Composite reliability (CR) is a crucial reliability indicator in Smart-PLS. A number above 0.7 is typically regarded as satisfactory when measuring the internal consistency of the indicators inside a construct using the CR method. Reliability Cronbach's Alpha was also calculated to provide constrictive reliability. Table 4.17 shows that all the constructs had a Composite reliability and Cronbach's alpha > 0.7 and < 9.5, which is best as suggested by (Henseler et al., 2009). Strong convergent validity, demonstrated by high and statistically significant loadings above 0.5, shows that the indicators accurately describe the underlying construct. This evaluation confirms that the measurement model faithfully captures the construct, hence improving the overall reliability and validity of the PLS-SEM analysis. Table 4.17 insinuates that none of the constructs has AVE < 0.5, which indicates that items perfectly measure the selected constructs.

Table 4.17 Higher Order Reliability Test

	Cronbach's alpha	Composite reliability	Average variance extracted
Behavioral Biases	0.929	0.935	0.781
Personality Traits	0.913	0.915	0.742
Demographic	0.252	0.807	0.594
Investment	0.896	0.898	0.519
Risk Appetite	0.893	0.901	0.516

Source: Author's Calculation in Smart PLS 4

4.4.11 Hypothesis Testing of Higher Order Model

In order to test the hypothesis of higher-order constructs, the bootstrapping approach was used to evaluate the structural model, using 5000 samples, a significance of 5%, two-tailed, and no significant changes. Bootstrapping, in the words of (Henseler et al., 2015), "may be regarded as a re-sampling strategy which pulls the routing model is repeatedly estimated using these samples under slightly different data configurations using random samples with replacement from the data. In order to assess the coefficient's statistical significance without relying on distribution assumptions, bootstrapping is also employed to determine standard errors of coefficient estimations, according to (Panigrahi et al., 2023; Ringle et al., 2023) Behavioral Bias has a significant impact on the investment decisions of global investors ***(β = 0.668, t-value = 29.914 & p-value = 0.003);*** hence hypothesis HB has been accepted. Personality Traits have a significant impact on investment decisions ***(β =0.477, t-value = 2.257 and p-value = 0.002)***, so hypothesis HP has been accepted; demographic factors don't have a significant impact on investment decisions of global investors ***(β =0.006, t-value = 0.589 and p-value = 0.531)***, so hypothesis HD has been rejected, and finally Risk appetite has a significant impact on investment decisions of global investors ***(β = 0.317, t-value = 3.607 & p-value 0.005);*** hence hypothesis HR has been accepted. All the results are shown in Table 4.18, including the structural path, beta, t-value, and p-value of each hypothesis.

Table 4.18 Higher order Hypothesis testing

Hypothesis	Structural Path	Beta (β)	T-Value	P - value	Remarks
HB	Behavioral Biases -> Investment Decisions	0.668	29.91	0.003	Supported
HP	Personality Traits -> Investment Decisions	0.477	2.257	0.002	Supported
HD	Demographic Factors -> Investment Decisions	0.006	0.589	0.531	Rejected
HR	Risk Appetite -> Investment Decisions	0.317	2.607	0.005	Supported

Source: Author's Calculation in Smart PLS 4

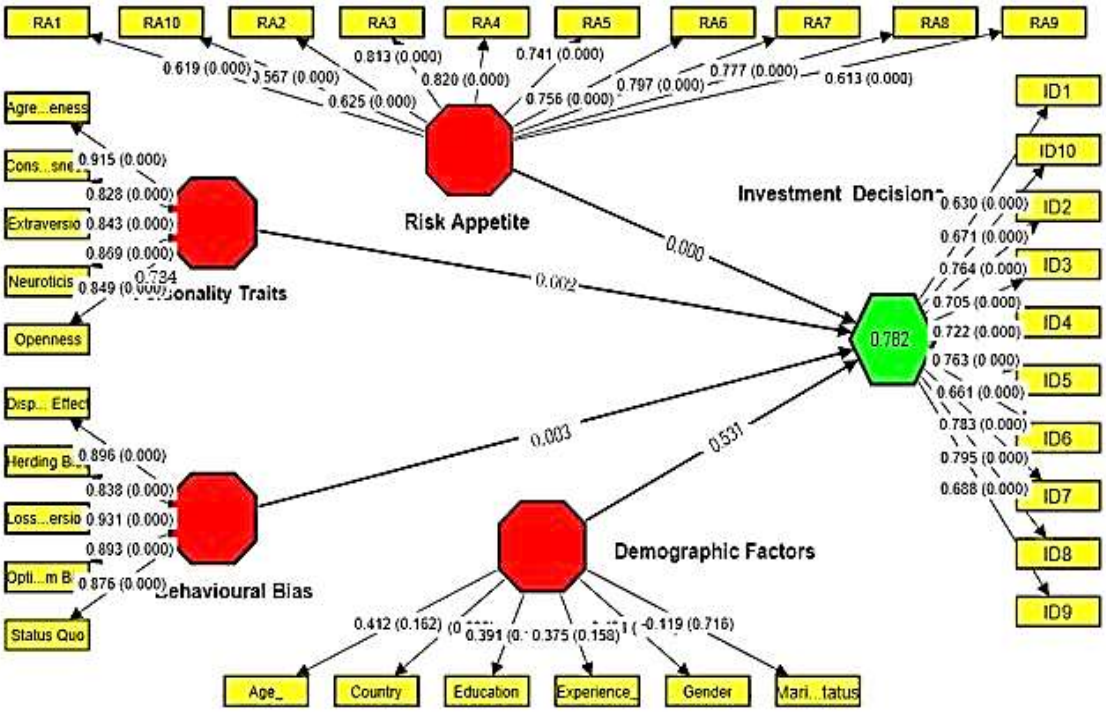
Figure 4.2 shows the higher-order model in which the relationship between endogenous and endogenous variables was directly tested. To form this model, first of all, the latent construct scores were taken to an Excel sheet, and then a model was developed in Smart PLS 4 in which there were four endogenous variables, i.e. Personality Traits, behavioral biases, Risk appetite and demographic factors in context to Investment Decisions of Global Investors and after that hypothesis was tested through bootstrapping. The endogenous variables are represented by red, while the exogenous variable is represented by green color. It is important to note out of the four

endogenous variables three has a significant impact on investment decision except one i.e. demographic factors.

4.4.12 Higher Order Reflective-Reflective Model

Testing second-order models with two-layer construct structures is typically required to establish higher-order models, also known as hierarchical component models (HCMs), in the context of PLS-SEM. An HCM incorporates a more general construct (the HOC), measured at a higher level of abstraction, as well as multiple subcomponents (the LOCs), which cover this construct's more specific characteristics. By lowering the number of structural model links, HCMs can increase the bandwidth of content each construct can protect while also improving the parsimony of the PLS route model. Figure 4.2 shows the higher-order construct model developed in Smart PLS 4, in which the direct relationship between exogenous variables was tested with endogenous variable Investment Decisions of Global Investors in various financial markets. The model shows that three exogenous variables, risk appetite, behavioral biases and personality Traits, had a significant impact on investment decisions, while Demographic factors like age, gender, education, Marital status, and geography don't have any significant effect on investment decisions of global investors while taking various financial decisions.

Figure 4.2 Higher Order Construct Model



Source: Author's Formation in Smart PLS 4

4.4.13 Importance-Performance Map Analysis (IPMA)

The relative importance of various constructs in explaining various components in the structural model is revealed by standard PLS-SEM studies. Conclusions can be drawn from knowledge of the significance of constructs. The results of PLS-SEM are expanded by the importance-performance map analysis (IPMA), which also considers how well each construct performs. In order to prioritize managerial operations, it is crucial to be able to make conclusions on two dimensions (i.e., importance and performance). As a result, it is desirable to concentrate largely on improving the performance of those constructions that demonstrate high significance for explaining a particular target construct while also performing poorly (Pérez-Rave et al., 2023); before executed IMPA analysis, few assumptions are to be fulfilled, 1) Metric scale must be used, 2) All the items should be on the same scale and 3) Coding should be done carefully. All these assumptions were fulfilled, and IPMA analysis was performed. The constructs were divided into four quadrants, shown in Figure 4.3. In the first quadrant with high performance and importance, there are two constructs: Extraversion and Herding Biases. II quadrant had many constructs: education, loss aversion, agreeableness, disposition effect, neuroticism, conscientiousness, openness, status quo, & optimism bias; these are those constructs that had very high performance but low importance, so these are those constructs over which more concentration is required, III quadrant deals with those constructs that are neither performing nor importance in the model so in this quadrant construct like marital status, gender, country and other demographic fall in this quadrant and finally the fourth quadrant deals high importance and low performance, but no construct fall in this quadrant. **Figure 4.3 IPMA Analysis**

Author's Formation in Smart PLS

4.5 Part VI deals with global investors and investment decisions and knowledge.

When asked about their knowledge of financial institutions and instruments, out of 467 investors, 165 (35.3%) had very high knowledge, 240 (48.6) investors had high knowledge, followed by moderate knowledge investors 40 in numbers with approximately (8.6%), then Low knowledge with a number of 26 (5.6%) and finally very low knowledge of 9 investors. Then, regarding changes and alterations in portfolios, out of 467 investors, only 9 made daily changes, which means a very low number, followed by 243 monthly (52.01%), then 138 investors made Quarterly changes, which are approximately (29.06%). Then half years changes in a portfolio with 51 (10.9%) investors, and finally, 26 investors made a yearly change in their portfolio. When it comes to the reasons for investment, 239 (51.02%) invest for capital growth, followed by investors who Invest for regular income 123 (26.03%), investors seeking tax benefits in several countries 26(5.57%) followed by investors who Invest for futures requirements they were 61 in number out of 467 and approximately 13.1% and finally investors who Invest for a cause of old age and after Retirement purposes they were 18 almost 3.91 %. When asked what they expect in terms of return, the highest number preferred almost 16-20 %, i.e. 215 investors, followed by 205(43.09 %) investors who preferred 11- 15 % return and then 5-10 % return with 27 investors and finally above 21% return they were 21 in number and approximately 4.31 %. When asked about where they want to invest in future, out of 467 investors, 143 mentioned India, which is around 30.41% of total investors, followed by investors who want to invest in other countries except these four countries were 116 (24.81%). Investors who wish to invest in USA in the coming Future were 95 (20.32%), then investors who want to invest in Singapore were 45 and finally, 64 global investors want to invest in China, which is almost 14.62 % of the total investors. When asked what attracts them more about global investment, out of 467 investors, 225 investors were looking for diversification of investment, almost 48.02%, followed by Higher Return 105 investors with 22.51% and then investors who were looking for Low-risk avenues 59(12.61%). Investors who invest in exploring new opportunities and markets were 56 (12.11%), and finally, investors who are looking for tax benefits were 22(4.71%). From the table below, it is clear that the investment decisions of global investors from the selected countries are based on several choices, be that knowledge about investment, Decisions related to Investment changes, or reason for investment in the global context.

Table 4.19 Global Investors and Investment Decisions

Investment Decisions Knowledge of Respondents			
S No		**Respondents**	**Percentage**
1	Very High Knowledge	165	35.3
2	High Knowledge	240	48.6
3	Moderate Knowledge	40	8.6
4	Low Knowledge	26	5.6
5	Very Low Knowledge	9	1.9
	Alteration In Portfolio		
1	Daily	9	1.9
2	Monthly	243	52.01
3	Quarterly	138	29.06
4	Half Yearly	51	10.9
5	Yearly	26	5.06
	Objective of Investment		
1	Capital Growth	239	51.02
2	Regular Income	123	26.3
3	Tax Benefits	26	5.57
4	Future Needs	61	13.1
5	Retirement	18	3.91
	Expected Return In Market		
1	5 - 10 %	27	5.81
2	11 -15 %	205	43.09
3	16 -20 %	215	46
4	Above 21 %	20	4.31
	Future investment Country		
1	India	143	30.41
2	China	64	14.61
3	USA	95	20.32
4	Singapore	45	9.63
5	Other Countries	116	24.81
	Global Investment Attraction		
1	Higher Return	105	22.51
2	Low Risk	59	12.61
3	Diversification	225	48.02
4	Tax Benefits	22	4.71
5	Explore New markets	56	12.11

Source: Author's Calculation in MS Power BI

4.6 Global Investors and the Impact of COVID-19.

Global investors faced unprecedented challenges during the COVID-19 pandemic. The initial shock to financial markets led to extreme volatility and uncertainty, prompting widespread panic selling. As the study was started when the whole world was suffering from a pandemic, it was essential to connect the study with COVID-19 and its impact on global investors. So when the question was asked about the changes made in the portfolio during a pandemic, almost out of 467 investors, 405 (86.69%) investors reported that the portfolio changes were made, and only 62 (13.31%) denied it. The second question was asked about the impact of a pandemic on risk tolerance, in which 317 had a positive effect, 81 investors had a negative impact, and 69 investors had no impact due to COVID-19, approximately 14.8%. When asked about the adjustments made during COVID-19 during the pandemic, 316 (67.7) investors said frequently, followed by investors who made occasional changes, they were 99(21.2%) and finally, investors who made no changes were 52 approximately (11.2%). When asked about the return during a pandemic, they responded out of 467 investors, 150(31.11%) investors had a significant loss,148 investors had minor losses, followed by investors who had no significant impact on their investment, 86(18.4%) and finally investors who had a positive return were 83(17.04%). When asked about the timeline during the pandemic, out of 467 investors, 70, i.e. (15%) investors had shortened the investment timeline, 352 investors had lengthened the investment period, which is approximately 75.4% and finally, investors who didn't change the timeline were just 45 in numbers about 17.4%. When asked whether need earning avenues were explored during COVID-19, out of 467 investors, 326, i.e. 77.9%, said yes, and only 130 investors stated no, which is almost 30% of the total sample taken. While new earning avenues were explored, the existing avenues were not less favorite in the context of global investment; out of 467 investors, 364 stated that the current avenues are more favorable, which is approximately 77.9%, while 35 had a change in perception and 68 investors had no change in perception about existing avenues which is 32.6%. As the pandemic evolved, specific sectors, such as technology and healthcare, thrived, while others, like travel and hospitality, suffered significant losses. The pandemic triggered unprecedented levels of uncertainty and market volatility, causing stock markets to experience steep declines in the early months of 2020. Investors faced difficult decisions as they grappled with rapidly changing economic conditions, shifting consumer behavior, and uncertainty about the duration and severity of the crisis.

Table 4.20 Covid-19 and Global Investors

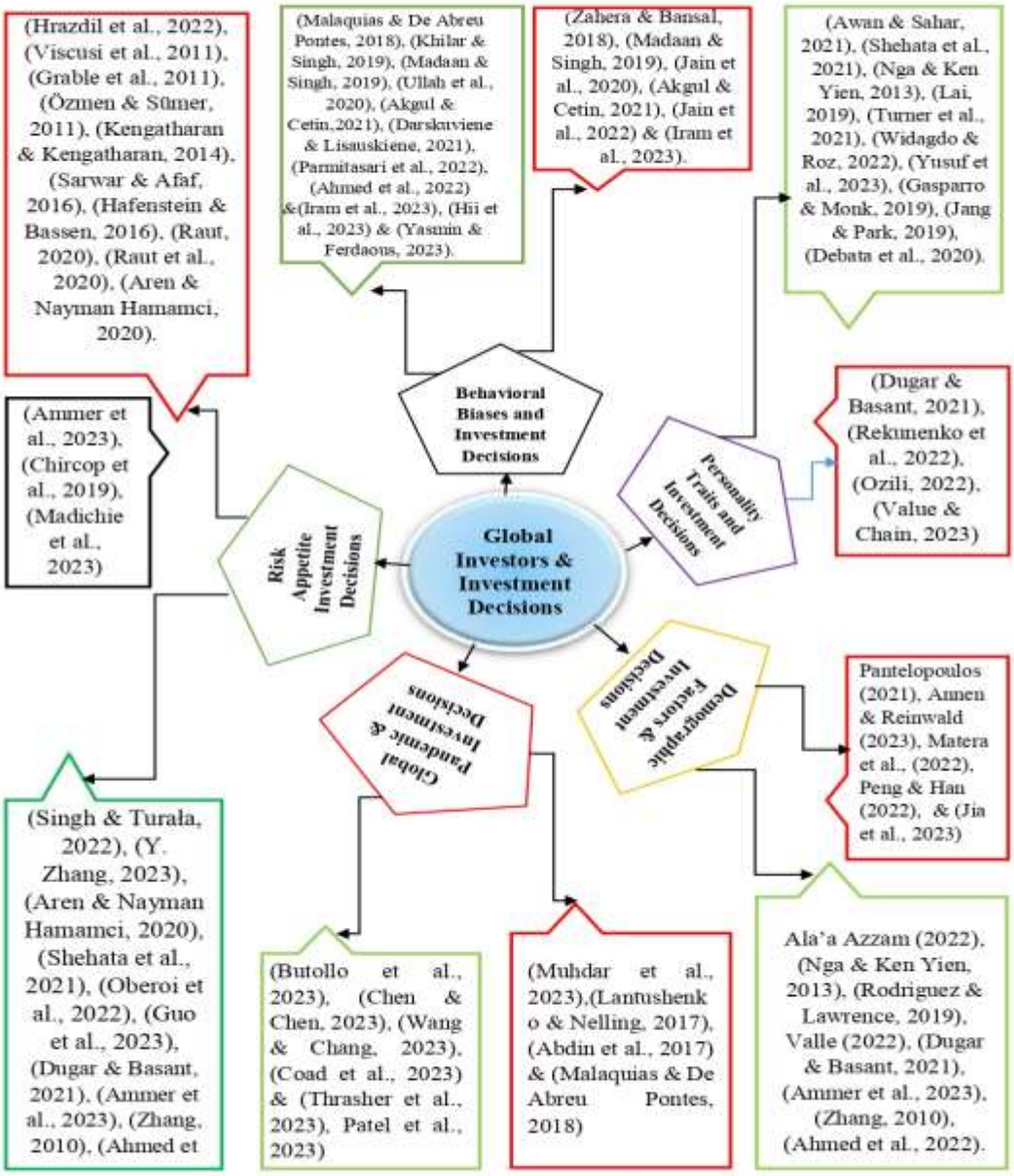
S.	*Parameters*	*Changes In Portfolio During Covid-19*	Respondents	Percentage
1	Yes		405	86.69
2	No		62	13.31
		Impact of Covid-19 on Risk Tolerance		
1	Increased Tolerance		317	67.91
2	Decreased Tolerance		81	17.29
3	No Change		69	14.8
		Adjust In Portfolio During Covid-19		
1	Frequently		316	67.7
2	Occasionally		99	21.2
3	No Change		52	11.1
		Impact of Covid-19 on Investment Returns		
1	Significant losses		150	31.11
2	Minor losses		148	31.7
3	No significant impact		86	18.4
4	Positive returns		83	17.4
		changes in investment horizon after Covid-19		
1	shortened		70	15
2	Lengthened		352	75.4
3	No change		45	9.6
		New Avenues Explored During Covid-19		
1	Yes		326	69.8
2	No		141	30.2
		Perception Towards Available Avenues		
1	More Favorable		364	77.9
2	Less Favorable		35	7.5
3	No Change		68	32.6

Source: Author's Calculation in MS Power BI

Mapping of Results with Existing Literature

The results of the theses were compared with the existing literature to draw well -structured and constructive conclusion. The results of each selected variable were taken into consideration and divided into two zones red and green, the red zone for each construct represents those papers that were against the results obtained through the hypothesis testing while as the Green denotes the literature that is in favor of the results obtained.

Atlas.ti software was employed to systematically map the literature for this thesis, offering a robust platform for qualitative data analysis. Through coding and thematic analysis, the software facilitated the identification of key themes, connections, and patterns within the literature



It was observed that majority of the findings were in favor of the existing literature, however some of the findings were contributed for the first time in the world of literature. Such divergences or consistencies underscore the dynamic nature of scientific inquiry and the need for nuanced interpretation. Research findings that go against existing literature may result from methodological differences, sample variations, or evolving contexts challenging prior assumptions.

CHAPTER 5

FINDINGS IMPLICATIONS CONCLUSIONS LIMITATIONS & FUTURE SCOPE

This chapter deals with key findings, suggestions to various stakeholders, theoretical and practical implications, conclusion, limitations and finally, the future scope. As the study was to investigate what are the various financial avenues available and explored by global investors in the selected financial market, followed by the impact of personality traits, behavioral biases and risk appetite on Global investors in various financial Markets. So, after data analysis and interpretation, the following new sections were developed to align the findings with the objectives of the study. So Chapter 5 is divided into five sections: 5.1 deals with key findings, , 5.2 recommendations, 5.3 connected with the conclusion, 5.4 is a section for limitations, followed by the last section, Future Scope 5.5.

5.1 Summary of major findings

This section deals with the key findings derived from the data analysis and interpretation of the study.

1) There are multiple avenues available in the international market for global investors to invest in short and long-term terms like stock markets, real estate, precious metals, currency exchange, post office, Bank deposits, mutual funds, insurance, debentures and bonds.

2) It was observed that almost 74.08 % of Global Investors invest in stock for higher return and capital growth, followed by Real Estate and precious metals, and only 29% of Global Investors had shown interest in government bonds and other debt instruments.

3) The degree to which Global investors are willing to take on risk has a significant impact on their choice of investments. It plays a crucial role in determining how to diversify portfolios and devise asset allocation strategies. While more conservative investors may favor established markets and low-volatility investments, those with a higher risk appetite are frequently drawn to emerging markets and high-growth assets.

4) Age, as a demographic factor, does not always exert a significant impact on investment decisions among global investors. It was observed that age is not a factor that highly impacts global investors while framing portfolios in various financial markets.

5) Geographic location is not a big factor that influences the behavior and attitude of Global while selecting and exploring various financial options in selected markets. There was no statistical difference observed in taking financial decisions by global investors based on their

country; almost all the four country investors, be then India, China, USA or Singapore they, have behaved and reacted in the same way; however, a slight difference was observed in terms of stock selection.

6) Gender doesn't have a significant impact on the investment decisions of Global Investors. In the financial sector, there is a rising understanding of the need to advance gender equality and diversity, which is slowly reducing long-standing biases based on gender. As a result, the influence of gender on investment choices is waning, and the financial decision-making process is becoming more inclusive and egalitarian among international investors.

7) Most of the time, a person's marital status has little bearing on their choice of investments. The majority of the time, a person's investment decisions are influenced by a variety of characteristics that are not inherently related to their marital status, such as financial objectives, risk tolerance, personality, and income levels. Even though there may be some financial planning factors for married couples, such as joint investments or estate planning, these choices are highly individualized and based on unique situations.

8) Expertise holds a pivotal role in influencing global investors' decisions across various financial markets. In an increasingly complex and interconnected global economy, investors seek out experts who can provide insightful analysis, forecasts, and strategic guidance. Financial markets are dynamic and sensitive to numerous factors, such as geopolitical events, economic indicators, and technological advancements. Investors often rely on the expertise of financial analysts, economists, and industry specialists to make informed decisions and navigate market fluctuations.

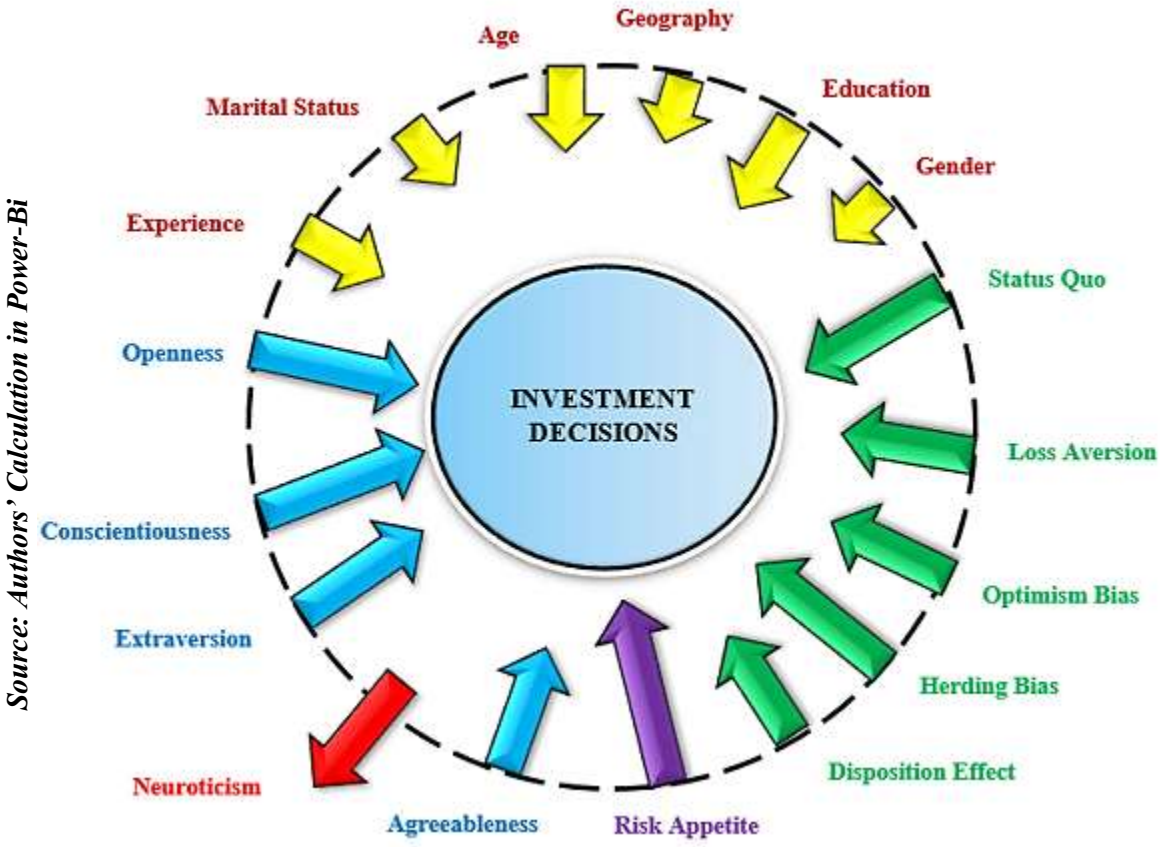
9) Personality traits have a significant impact on the investment decisions of Global Investors. Conscientiousness tends to be more cautious and methodical in their investment choices, favoring long-term, Low-risk options. Higher Extraversion might be more inclined to engage in active trading and seek riskier investment opportunities. The personality trait of "Openness" has a significant impact on investment decisions among global investors. Individuals who score high on Openness tend to be more receptive to new ideas, information, and experiences.

10) One of the Big Five personality qualities, agreeableness, has a significant influence on international investors' investing choices. Higher agreeableness levels are associated with a preference for harmony and collaboration, which may affect investing decisions.

11) Global investors' decision-making is significantly influenced by the disposition effect, a psychological bias where investors tend to sell profitable investments too soon and hold onto lost investments for too long. This bias, which is motivated by an emotional attachment to gains and aversion to experiencing losses, can result in inferior portfolio performance.

12) Herding bias has a significant impact on the investment decisions of global investors. This psychological phenomenon involves people going with the flow and basing their investing decisions not on their own analysis but on that of others. Herding behavior in the world's financial markets can result in asset bubbles, market volatility, and occasionally illogical price changes.

Figure 5.1 Impact of Variables on Investment Decisions



Source: Authors' Calculation in Power-Bi

13) Loss aversion significantly influences the investment decisions of global investors. This behavioral bias reflects the tendency to feel the pain of losses more acutely than the joy of gains, often leading investors to avoid selling losing positions even when it may be rational to do so. As a result, portfolios may become imbalanced with underperforming assets, ultimately impacting long-term returns.

14) Optimism bias has a substantial impact on the investment decisions of global investors. This cognitive bias makes individuals overestimate the likelihood of positive outcomes while underestimating potential risks. In the context of investing, it can result in overly optimistic expectations about the performance of assets, potentially leading to risky or speculative investment choices.

15) The status quo bias exerts a notable influence on the investment decisions of global investors. Investors may resist reallocating their portfolios, which can lead to missed opportunities and hinder adaptation to evolving market dynamics.

16) It was observed that Global investors are well-versed in a wide range of investment techniques and options. Their knowledge includes stocks, bonds, real estate, and alternative investments, among other asset types. They can efficiently diversify their portfolios, make well-informed decisions, and look for worldwide opportunities thanks to their high level of knowledge. Their skill in navigating the complex investment world comes from their commitment to lifelong learning and keeping up with market changes.

17) When making investment decisions, global investors often give higher return and capital growth priority. Maximizing the value of their investments over time is their primary goal. This strategy frequently entails being prepared to tolerate a certain amount of risk in the quest for increased profitability. Global investors aspire to achieve long-term financial growth and fulfil their investing objectives by looking for opportunities globally and diversifying their portfolios.

18) It was insinuated Global investors' preference for investing in India, compared to China, the USA, and Singapore, can vary depending on their investment objectives, risk tolerance, and market outlook. India's rapidly growing economy, diverse market sectors, and demographic advantages make it an attractive destination for long-term investors seeking high-growth opportunities.

19) It was observed that Global investors invest to diversify their investments. Diversification is a core strategy for most investors. By spreading their investments across different asset classes, industries, and geographic regions, they aim to reduce risk and enhance portfolio stability.

20) During the COVID-19 pandemic, a significant majority of global investors made substantial changes to their portfolios. The unprecedented market volatility and economic

uncertainty prompted a widespread shift in investment strategies. Many investors reduced exposure to high-risk assets and increased allocations to safer havens like bonds and cash.

21) Most of Global investors suffered a heavy loss during Covid-19 at the Initial stage because of unprecedented market volatility and economic uncertainty prompted a widespread shift in investment strategies.

22) After experiencing the market turmoil caused by the COVID-19 pandemic, many global investors chose to lengthen their time horizons for investments. This shift reflected a recognition of the need for resilience and patience in recovering from market setbacks. By extending their investment timelines, investors aimed to ride out short-term fluctuations and take advantage of potential long-term recovery and growth opportunities.

23) It was observed that the majority of global investors explored new investment avenues during the COVID-19 pandemic. The crisis prompted a search for alternative assets and opportunities beyond traditional markets. Many turned to digital assets like cryptocurrencies, as well as healthcare and technology sectors, which demonstrated resilience during the pandemic.

24) It was also observed that even though new avenues were explored and tested but yet, the existing avenues are still more favorable, like shares, real estate, precious metals, etc. Most international investors opt to stick with current strategies rather than concentrating just on new chances. In times of uncertainty like the COVID-19 outbreak, established investment methods and asset classes offer a feeling of security and familiarity that can be comforting.

So, in a short summary, Global investors' investing choices are heavily shaped by their personality, behavioral biases, and risk appetite, affecting how they allocate assets and manage risk. These psychological elements, which include characteristics like conscientiousness and agreeableness, can influence the selection of investing vehicles and tactics. Furthermore, if behavioral biases like overconfidence and loss aversion are not successfully controlled, they might result in less-than-ideal decision-making. Age, income, and education level are all demographic elements that influence an investor's financial status. Still, they do not have the same direct influence on investment choices as personality traits and behavioral biases. In order to make rational and logical judgments on global investments, it is crucial to comprehend and manage these psychological factors.

5.2 Recommendations

1) Focus on knowledge, diversification, and independent research to combat herding bias in investing. Before making judgments, investors must educate themselves on financial methods and market psychology, diversify their portfolios to mitigate risk, and do extensive research. Maintain discipline, refrain from spontaneous responses to market patterns, and think about consulting a professional when necessary. Ultimately, to make wiser investment decisions, put your long-term financial objectives ahead of short-term mob behavior.

2) Adopt a disciplined strategy for investing to combat the disposition effect. Review investments frequently, establish predetermined criteria for asset sales, and adhere to those standards despite of sentimental ties. Use stop-loss orders to reduce losses and avoid sticking to losing positions in anticipation of a recovery. To retain objectivity, take expert advice into consideration.

3) It's critical to have a systematic approach to combat loss aversion among global investors. To reduce the impact of particular losses, diversify portfolios over various assets and geographies. To combat emotional responses and make more thoughtful decisions in the face of market changes, implement stop-loss orders and stick to long-term investment methods.

4) Mitigating optimism bias in global investing requires a combination of cultural, analytical, and risk management measures to foster a more objective and realistic approach to decision-making. By acknowledging the bias and actively working to counter it, investors can make more informed and prudent investment choices.

5) Global investors can address the problem of status quo bias by implementing proactive measures. Setting precise standards for portfolio modifications and routine rebalancing might help combat the complacency brought on by status quo bias. Investors should also adopt a mindset that embraces change when it serves their goals rather than clinging to the tried-and-true. The negative consequences of status quo bias can be further mitigated by encouraging a culture of innovation and adaptation within investment teams, resulting in more efficient and responsive investment strategies.

6) Financial planners and advisors should consider the various investors' personality attributes, such as extroversion, agreeableness, and openness to new experiences, to determine the type of investment that will work best for the investors.

7) Global investors must use Robotics and Artificial intelligence along with their expertise to make global investment more accurate and error-free. AI-enabled algorithms can give investors more precise insights, maximize portfolio diversification, and even carry out trades more quickly. Robotics and AI work together to improve global investors' ability to make better-informed decisions and adapt to rapidly changing market conditions, which increases the likelihood of profitable and less biased investment outcomes.

8) Global investors can leverage financial institutions and professionals to enhance their investment strategies and outcomes. These experts offer valuable insights into market trends, risk assessment, and investment opportunities, helping investors make informed decisions aligned with their financial objectives. Global investors can benefit from their experience, get access to sophisticated financial instruments, and get personalized guidance by working together with financial professionals. This increases the possibility that the investments will be better and more successful.

9) Global investors should consider diversifying their portfolios and exploring new avenues of investment beyond traditional stocks. By exposing investors to a variety of asset classes and industries, these varied investment options may lessen their vulnerability to market swings. In a world economy that is undergoing rapid change, investors may stay ahead of the curve and adapt to new trends and possibilities by looking into new paths, which will ultimately result in a more robust and well-rounded investing strategy.

10) Global investors can interact with businesses to ensure that they give priority to ESG and ethical practices, perhaps changing how they behave. Global investors may contribute to the development of a more secure and resilient world by directing their influence and resources towards these important global concerns. But it's crucial to understand that tackling these complex problems calls for collaborative efforts from the public and private sectors as well as from governments, non-governmental organizations, and civil society.

11) Investing requires patience and time. Don't let brief market downturns demoralize you. Remain calm and concentrate on overall financial objectives. Global investors should maintain some liquidity in portfolios to cover unforeseen costs and potential investment possibilities.

12) Thoroughly research any investment opportunity before committing funds. Understand the company, industry, and potential risks involved. Global investors must consider employing a dollar-cost averaging technique rather than making a single large investment. This is investing

a certain sum on a regular basis, independent of the state of the market, which might lessen the effects of market volatility.

13) The Government should streamline procedures and lower administrative barriers to make it simpler for foreign investors to conduct business in the nation. To protect the rights of investors, make sure the legal and regulatory environment is stable and predictable.

14) To inspire investor confidence, the government must maintain political stability and uphold the rule of law. Give national security a priority to safeguard foreign investors' assets.

15) Ensure mechanisms for dispute resolution and investor protection through international arbitration or investment treaties. Engage in international forums, trade missions, and conferences to promote the country as an investment destination.

16) To promote innovation and defend the interests of foreign investors, IP protection should be strengthened. Building investor trust and lowering the risk of bribery and corruption requires the implementation of transparency initiatives and anti-corruption measures.

17) Governments should collaborate internationally to create a conducive environment for investment. Harmonizing regulations, tax policies, and trade agreements can attract global investors. Prioritize infrastructure development to enhance connectivity, productivity, and economic growth. Governments can facilitate public-private partnerships (PPPs) for large-scale projects.

18) Strengthen international financial institutions to provide emergency liquidity support during crises. Promote financial inclusion by expanding access to banking services, microfinance, and digital payment systems. Facilitate cross-border investments through regional economic cooperation and integration.

5.3 Conclusion

In conclusion, the investment decisions of global investors are shaped by a complex interplay of various factors, including risk appetite, personality traits, behavioral biases, and demographic factors. These influences, while distinct, are interconnected and collectively impact the way investors allocate their capital, construct portfolios, and react to market fluctuations. Understanding these dynamics is pivotal for investors and financial professionals alike, as they strive to optimize investment outcomes in the dynamic global financial landscape. A key factor in determining investment decisions is risk appetite, or the degree of tolerance or aversion to risk. The range of risk appetites displayed by international investors has an impact on the asset allocations and investing approaches they use. In an effort to potentially earn better returns, those with a higher risk tolerance are more inclined to use aggressive investment methods, such as equity-heavy portfolios or alternative investments. On the other hand, risk-averse investors can choose to invest in less volatile securities like bonds or conservative asset allocations. To achieve a healthy balance between risk and profit, it is essential to identify one's risk tolerance and match investments accordingly. The impact of personality traits on investment decisions is undeniable. Traits such as agreeableness, conscientiousness, and openness to experience shape an individual's approach to investing. Agreeable individuals may seek collaborative investment partnerships, while conscientious investors may adopt structured and disciplined strategies. Openness to experience can lead to exploration of unconventional investments. These traits, when recognized and harnessed effectively, can lead to investment strategies that resonate with an investor's unique disposition and preferences. Investment decisions are significantly influenced by behavioral biases, which result from cognitive constraints and emotional responses. Making poor decisions can be caused by biases including loss aversion, overconfidence, and herding. For logical decision-making, these biases must be understood and minimized. Investors can avoid these errors and make better decisions by using tactics like diversification, disciplined risk management, and behavioral finance techniques. Age, income, and education level are all demographic aspects that influence an investor's financial situation but have no direct and higher impact on the investments that an individual makes. Instead, these elements influence a person's individual financial objectives and living circumstances, which in turn influence investment decisions. To meet the needs of this particular group, financial professionals should modify their

recommendations and investment strategies. Understanding the multifaceted influences on global investors' decisions carries significant practical implications for both investors and financial professionals. Tailoring investment strategies to individual risk appetites, personality traits, and behavioral biases is paramount. This customization can lead to more harmonious portfolios that resonate with an investor's psychological makeup, promoting discipline and rational decision-making. Investor education and awareness initiatives should address these influences to empower individuals to make informed choices and mitigate the impact of behavioral biases. Leveraging technology, such as Robo-advisors, can also assist in aligning portfolios with an investor's psychological profile. In the post-COVID-19 world, global investors face unique challenges and opportunities, further underscoring the importance of understanding these influences. The pandemic has tested investors' risk tolerance, magnified behavioral biases, and prompted shifts in investment strategies. By recognizing and harnessing the influences of risk appetite, personality traits, behavioral biases, and demographic factors, investors can adapt to evolving market conditions and navigate the complexities of the global investment landscape more effectively. In doing so, they can strive to achieve their financial goals while minimizing the impact of emotional and cognitive biases on their investment decisions. Global investors can enhance their decision-making in challenging and intricate global scenarios by adopting a multifaceted approach. Firstly, they should prioritize thorough research and analysis, not only on financial metrics but also on geopolitical, social, and environmental factors that can impact their investments. Diversification across asset classes and regions can help mitigate risk and enhance resilience in uncertain times. Additionally, staying informed and adaptable is crucial; investors should continuously monitor global developments and be ready to adjust their strategies accordingly. Collaborative efforts, such as engaging with experts, utilizing data-driven models, and considering sustainability aspects, can further improve decision-making in the face of complex global challenges. Ultimately, a holistic and forward-thinking perspective is key to making better choices in today's ever-evolving global landscape.

5.4 Limitations of the study

While our study on global investors' investment decisions, risk appetite, and influencing factors in selected global stock markets has provided valuable insights, it is essential to acknowledge its limitations, which may impact the generalizability and depth of our findings.

1) Sample Bias: Because the study's results are based on a particular sample of global investors who actively participated, sample bias may exist. It's possible that these participants don't accurately reflect all investors around the world because they may have particular traits or incentives that affected their choice to participate.

2) Geographic Focus: Although we have concentrated on a few key international stock markets, the study does not cover all of the various global markets. Our findings might not be generalizable because investor behavior and influencing factors might vary significantly among areas and nations.

3) Timeframe: Data collection and analysis for the study were carried out over a predetermined timeframe. Investor attitudes, market conditions, and influencing variables are all subject to change throughout time. As a result, our results might not accurately reflect long-term trends or changing dynamics in international stock markets.

Future scope

4) External Factors: The study analysis does not fully account for all external factors, such as legislative changes, tax laws, or unexpected global events that may have an impact on investment decisions. These variables, which were outside the purview of our study, can have a significant impact on investor behavior.

5) Economic Situation: The study only skims the surface of the selected international stock markets' economic situation. A more thorough examination of these situations would offer a more comprehensive understanding. Economic issues can have a significant impact on the behavior and attitude on investment decisions of Global investors**.**

6) Data Collection: As the study was limited to selected markets and the collection of data was challenging that, leads to compromised and available data, the accuracy and reliability of such data can vary, potentially introducing measurement errors that affect the validity of our findings. In conclusion, while our study offers valuable insights into global investors' decision-making processes and risk appetite, these limitations should be taken into account when interpreting and applying our findings.

5.1 Future Scope

The study on global investors' investment decisions, risk appetite, and influencing factors in selected global stock markets has opened up several avenues for future research and exploration. Here are some critical areas of future scope:

1) Cross-Country Comparative Analysis: Future studies could broaden its focus by considering a larger selection of international stock markets, which would include both established and developing economies. This would make it possible to compare investor behavior, risk appetite, and impacting factors across countries in a more thorough manner. International investors can benefit from understanding how these features change across various markets and geographies.

2) Longitudinal Studies: Conducting longitudinal studies that track the same investors over an extended period could shed light on how investment decisions and risk appetite evolve in response to changing economic conditions, market trends, and personal circumstances. This longitudinal approach can provide a deeper understanding of the dynamics of investor behavior.

3) Impact of Technology: Given the quick development of financial technology (FinTech), it is essential to investigate how developments like algorithmic trading and robo-advisors affect risk management and investor decisions. A growing field of research is how blockchain, machine learning, and artificial intelligence influence financial methods.

4) Environmental, Social, and Governance (ESG) aspects: Future studies can concentrate on how investors incorporate ESG aspects into their portfolios, given the growing significance of ESG concerns in investing decisions. Sustainable finance and ethical investment practices can benefit from an understanding of the drivers and effects of responsible investing.

5) Policy and Regulatory Analysis: Research could explore the impact of policy changes, regulatory frameworks, and tax incentives on investor behavior and risk appetite. Analyzing the effectiveness of government policies in promoting investment and economic stability is of significant interest.

6) Crisis management and risk Mitigation: In light of recent global economic crises, future research can examine how investors modify their strategy during market volatility and economic turbulence. It can be especially pertinent to look into risk reduction strategies and the function of safe-haven assets in investment choices.

7) Globalization and Cultural Factors: In a globalized economy, it is crucial to comprehend how cultural and globalization-related issues affect investment choices. International investors can benefit from understanding how cultural norms, beliefs, and attitudes towards risk vary across different locations.

8) **Data analytics and machine learning:** Analyzing massive datasets using cutting-edge data analytics and machine learning techniques can offer deeper insights into investor behavior. Market movements and investor mood could be predicted using predictive modelling and sentiment analysis.

In summary, the future scope of research in the field of global investors' investment decisions, risk appetite, and influencing factors is vast and multifaceted. Addressing these areas of future research can enhance our understanding of the complex world of global finance and help investors make more informed decisions in an ever-changing economic landscape.

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QUESTIONNAIRE

Respected Sir/Madam,

I, Muzzamil Rehman, Ph.D scholar in Lovely Professional University, Phagwara, will be grateful if you could spare some time to assist in my research by completing the questionnaire given below. This schedule is intended to collect data for the research work being carried out on the topic ***"Study on Global Investors Investment Decisions, Risk Appetite and Influencing Factors in Selected Global Stock Markets".*** The data provided by you will be kept strictly confidential and will be used only for academic purposes.

PART 1: Demographical Profile

- Name of the respondent**:…… (Optional)**
- **Gender** :

a) Male ☐

b) Female ☐

c) Third Gender ☐

- **Age :**

a) 18 – 25 ☐

b) 26 – 35 ☐

c) 36 – 45 ☐

d) 46 – 55 ☐

e) Above 55 ☐

- **Marital Status :**

a) Married ☐

b) Unmarried ☐

c) Divorced ☐

d) Separated ☐

- **Education Level :**

a) School level ☐

b) Graduate ☐

c) Post graduate ☐

d) Professional degree ☐

e) Any Other Degree ☐

❖ **Occupation**

a) Government Employee ☐
b) Private Employees ☐
c) Own Business ☐
d) Any Other ☐

❖ **Country**

a) India ☐
b) USA ☐
c) China ☐
d) Singapore ☐

❖ **How Long Have You been Investing***

1) 0 – 2 Years
2) 2 – 5 Years
3) 5 – 10 Years
4) Above 10 Years

PART II: Tick the investment avenues that you are using for investment.

1) Post Office ☐
2) Bank Deposit ☐
3) Public Provident Fund ☐
4) National Savings Securities ☐
5) Government Savings Securities ☐
6) Mutual Fund ☐
7) Life Insurance ☐
8) Debt ☐
9) Bond ☐
10) Share Market ☐
11) Real Estate ☐
12) Gold/ Silver ☐
13) Forex Market ☐
14) Chit Funds ☐

Q: How much amount in your income is invested in your investment?

a) Below 10 % ☐
b) 11 – 20 % ☐
c) 21 – 30 % ☐
d) 31 – 40 % ☐
e) Above 40 % ☐

PART III: The below statements are related to personality traits. After reading each statement carefully, Kindly tick (√) the corresponding block out of 5 given alternatives. If you strongly agree with the statement tick the block '1', if you strongly disagree with the statement tick the block '5' and if you are undecided tick the block '3'.

Sr. No.	STATEMENTS (i see myself as one who...)	SA	A	N	DA	SD
01	I love trying new things.	SA	A	N	DA	SD
02	I'm interested in new ideas.	SA	A	N	DA	SD
03	I would like to be the first to try new products.	SA	A	N	DA	SD
04	I am always curious about many different things	SA	A	N	DA	SD
05	I'm open to new ideas	SA	A	N	DA	SD
C1	I fulfil my responsibilities on time	SA	A	N	DA	SD
C2	I'm careful about the details.	SA	A	N	DA	SD
C3	I take responsibility in my job	SA	A	N	DA	SD
C4	I don't run out of my responsibilities.	SA	A	N	DA	SD
C5	I enjoy fulfilling my responsibilities under all circumstances.	SA	A	N	DA	SD
E1	I feel very comfortable myself in the community	SA	A	N	DA	SD
E2	I like to talk to strangers.	SA	A	N	DA	SD
E3	I understand people's feelings and troubles.	SA	A	N	DA	SD
E4	I am more talkative	SA	A	N	DA	SD
E5	I always try to be quiet	SA	A	N	DA	SD
A1	I always care about the people	SA	A	N	DA	SD
A2	I make people feel better.	SA	A	N	DA	SD
A3	I understand people's feelings and troubles	SA	A	N	DA	SD
A4	Is sometimes rude to others	SA	A	N	DA	SD
A5	I always like to cooperate with others	SA	A	N	DA	SD
N1	I'm easily stressed.	SA	A	N	DA	SD
N2	I'm easily disturbed.	SA	A	N	DA	SD
N3	I worry a lot	SA	A	N	DA	SD
N4	I am always relaxed, handles stress well	SA	A	N	DA	SD
N5	I often feel sad	SA	A	N	DA	SD

PART IV: The below statements are related to behavioral biases. After reading each statement carefully, please tick (√) the corresponding block out of 5 given alternatives that affect your investment decisions. If you strongly agree with the statement tick the block '1', if you strongly disagree with the statement tick the block '5' and if you are undecided tick the block '3'.

Sr. No.	STATEMENTS	SA	A	N	DA	SD
1 DP	I prefer to quickly sell investments whose prices have recently increased.	SA	A	N	DA	SD
2 DP	I usually sell profitable investments to realize gains first when I am in need of money.	SA	A	N	DA	SD
3 DP	I sell profitable stocks because I am afraid that the stock price would fall again.	SA	A	N	DA	SD
4 DP	I will keep holding stocks even though they are losing and will never think about selling the stocks until they balance the losses.	SA	A	N	DA	SD
5 DP	I tend to keep holding an unprofitable stock because I believe that it is a blue-chip investment worthy of long-term preservation	SA	A	N	DA	SD
6 SQ	I am very open to changing my investment strategy and exploring new opportunities.	SA	A	N	DA	SD
7 SQ	While I may consider changes, I generally prefer sticking to my current investment approach.	SA	A	N	DA	SD
8 SQ	I am open to considering changes in my investment strategy, but I am not strongly inclined one way or the other.	SA	A	N	DA	SD
9 SQ	I am somewhat resistant to changing my current investment approach and prefer to maintain the status quo.	SA	A	N	DA	SD
10 SQ	I am strongly attached to my current investment strategy and find it difficult to consider alternative approaches.	SA	A	N	DA	SD
11 LA	I am not particularly concerned about potential losses in my investments, and it does not influence my decision-making.	SA	A	N	DA	SD
12 LA	While I consider potential losses, they do not significantly impact my investment decisions, and I am willing to take calculated risks.	SA	A	N	DA	SD
13 LA	I am somewhat concerned about potential losses, and it plays a moderate role in shaping my investment decisions.	SA	A	N	DA	SD
14 LA	I am quite cautious about potential losses, and the fear of loss influences my investment decisions to a noticeable extent.	SA	A	N	DA	SD
15 LA	I am highly averse to potential losses, and the fear of losing money strongly guides and sometimes hinders my investment decisions.	SA	A	N	DA	SD
16 Her	I generally follow the trend in the financial markets.	SA	A	N	DA	SD
17 Her	I prefer to sell stocks that witnessed many selling orders during the trading day	SA	A	N	DA	SD
18 Her	Other investors' decisions of buying and selling stocks have an impact on mine investment decisions.	SA	A	N	DA	SD
19 Her	For me my peers are as an important source of information	SA	A	N	DA	SD
20 Her	I usually react quickly to the changes of other investors' decisions and follow their reactions to the stock market.	SA	A	N	DA	SD
21 Opt	I hope to hold my investment in the financial markets	SA	A	N	DA	SD
22 Opt	I plan to increase my investment in the stock market in next 12 months.	SA	A	N	DA	SD
23 Opt	I believe the value of my investment will increase in the next 12 months.	SA	A	N	DA	SD
24 Opt	I hope my all decisions are right and will provide me better returns	SA	A	N	DA	SD
25 Opt	If the market falls I believe it will come to position with few days	SA	A	N	DA	SD

PART V: The following statements are related to investment decision-making. Kindly tick (√) the option that you find relevant in your investment decision-making. Strongly agree (SA) = 1; Agree (A) = 2; Neutral (N) = 3; Disagree (DA) = 4; Strongly Disagree (SD) = 5

Sr. No.	Investment Decision Making	SA	A	N	DA	SD
IDM1	I generally make investments that feel right to me.	SA	A	N	DA	SD
IDM2	When making investments, I rely upon my instincts	SA	A	N	DA	SD
IDM3	When I make an investment, it is more important for me to feel the investment is right than have a rational reason for it.	SA	A	N	DA	SD
IDM4	When I make Investment, I tend to rely on my intuition	SA	A	N	DA	SD
IDM5	When making an investment decision, I trust my inner feelings and reactions	SA	A	N	DA	SD
IDM6	I have good understanding of my own skills and calculations.	SA	A	N	DA	SD
IDM7	When taking an investment decision, my expertise helps a lot in decision making.	SA	A	N	DA	SD
IDM8	I am good observer of changes in returns in various investments.	SA	A	N	DA	SD
IDM9	I always set goals of myself and then try my best to achieve them.	SA	A	N	DA	SD
IDM10	I would always encourage myself to try my best.	SA	A	N	DA	SD

PART VI: The below statements are related to risk appetite. After reading each statement carefully, please tick the corresponding block out of 5 given alternatives, which you feel define your risk appetite. Strongly agree (SA) = 1; Agree (A) = 2; Neutral (N) = 3; Disagree (DA) = 4; Strongly Disagree (SD) = 5.

Sr. No	**STATEMENTS**	**SA**	**A**	**N**	**DA**	**SD**
R1.	When I think of the word "risk" in a financial context, the first word that comes to my mind is danger and loss.	SA	A	N	DA	SD
R2	In layman's terms of investing, safety is more important than returns.	SA	A	N	DA	SD
R3	I can tolerate sharp ups and downs in the short-term value ofmy investments in return for potential long-term gains	SA	A	N	DA	SD
R4	I believe risky investments attracts me more towards investment.	SA	A	N	DA	SD
R5	I am comfortable holding on toinvestment even though it drops sharply in value	SA	A	N	DA	SD
R6	I am willing to take the risks associated with Investments in order toearn a potential return of greater Than the rate of inflation.	SA	A	N	DA	SD
R7	I consider myself knowledgeable about risks and potential returns associated with investing In stocks and other types ofsecurities.	SA	A	N	DA	SD
R8	I am more comfortable putting my money in a bank account than in any risky investment.	SA	A	N	DA	SD
R9	I am willing to run the risk of losing money if there is also a chance that I will make money.	SA	A	N	DA	SD
R10	I believe, I need to take more financial risks if I want to improve my financial position	SA	A	N	DA	SD

1) Investment Decisions

	1	2	3	4	5	
Low Financial Knowledge	○	○	○	○	○	High Financial Knowledge

2) How often do you review/shuffle your portfolio?

- Monthly
- Quarterly
- Half Yearly
- Yearly
- Never

3) What is the objective of your investment (Tick the most important)? *

- Capital Growth
- Regular Income
- Tax Exemption
- Future Needs
- Retirement

4) What return do you expect from your investments per Year? *

- 5-10 %
- 11-15 %
- 16-20%
- 21% above

5) **Which country you are planning to invest in future ***

- India
- China
- USA
- Singapore
- Other Countries

6) **What attracts you more for Global Investment? ***

- Higher Return
- Low Risk
- Diversification
- Tax Benefits
- Just To explore new markets

7) **Please specify your source of information for investment.** *

- Print Media – Newspaper
- Electronic Media – TV
- Internet
- Financial Advisors
- Friends & Peer investors
- Own analysis

8) **Investment Horizon:** *

- Short Term Investment
- Medium Term Investment
- Long Term Investment

9) **Which approach do you usually make in deciding which investment is must?**

- Just select investment of companies with established reputation
- Just select particular investments that catch my attention in the media or financial market.
- Rely on others – tips/ recommendations of my own broker/ family friends
- Fundamental analysis
- Technical analysis
- Both fundamental and technical analysis

10) **Have you made any changes to your investment portfolio or investment Strategy due to the COVID-19 pandemic?**

- Yes
- No

11) **How has the COVID-19 pandemic affected your risk tolerance when it comes to investment decisions?**

- Increased risk tolerance
- Decreased risk tolerance
- No change in risk tolerance

12) **Did you actively monitor and adjust your investment portfolio during the COVID-19 Pandemic?**

- Yes, frequently
- Yes, occasionally
- No, I did not make any changes

13) **How did the COVID-19 pandemic impact your investment returns?**

- Significant losses
- Minor losses
- No significant impact
- Positive returns

14) **How has the pandemic influenced your perception of various investment options (e.g., Stocks, bonds, real estate, cryptocurrencies)?**

- More favorable
- Less favorable
- No change in perception
- I have not considered these investment options

15) **Did you explore any new investment opportunities or asset classes specifically in response To the COVID-19 pandemic?**

- Yes
- No

*** ***

THANK YOU