International Journal for Multidisciplinary Research (IJFMR)
E-ISSN: 2582-2160 ● Website: www.ijfmr.com ● Email: editor@ijfmr.com

A Study on Influence of Behavioural Biases on Investment Decision of Young Investors in Coimbatore City

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ABSTRACT
This study investigates the influences of cognitive biases on the investment behaviour of the youth of the city of Coimbatore. The main purpose of this study will be to explore the idea that individuals who engage in stock market activities and have different types of biases such as Overconfidence, Anchoring, Loss Aversion, Confirmation and Herding perceive to have the power to affect their investment choices. The study involved 120 investors aged 18-29. The study uncovered various behavioural biases that significantly affected the investment decision-making process among young investors. Anchoring Bias was proven the most significantly influencing bias of investment decisions, followed by Overconfidence Bias and Loss Aversion Bias. The information provided suggests that the effect of Confirmation Bias and Herding Bias on decision-making is insignificant.

Keywords: Overconfidence, Anchoring, Loss Aversion, Confirmation and Herding

1. INTRODUCTION

In the dynamic world of investing, wealth creation is the main objective of investors. Investment is an art of balancing risks and rewards, amidst the constant changes in the market trend and individual preferences. Traditional finance theory says that investors should make rational decisions by examining the risks and returns to make high profits. But in reality, psychological factors affect decision making by deviating investors from the rational path (Sattar, Toseef & Sattar, 2020). Emotions and cognitive shortcuts drive investors decision. Studies on behavioural finance in ASEAN, Middle East and Western countries reveals that psychological factors have an impact on investment decisions (Bakar, Chui Yi, 2016). The Behaviour of investors influenced their investment decisions while selecting a particular investment option in India (Kandpal, Mehrotra, 2018). The top five behavioural biases seen in investors are Overconfidence Bias, Anchoring Bias, Loss Aversion Bias, Confirmation Bias and Herding Bias (Rastogi, The Times of India, 2023).

Personal characteristics of an investor such as age, occupation, income has an impact on behavioural biases (Mushinada & Veluri, 2019). While making buying, selling or hold decisions individual investors from developing, emerging, or developed countries are influenced by psychological biases (Elhussein & Abdelgadir, 2020). A study conducted among young investors in Indonesia states that they get caught up in emotions, which makes them feel they have more control and confidence. This triggers them to invest in even riskier investments. Otherwise, overconfidence and risky decision making are not directly related

(Parmitasari, Syariati & Sumarlin, 2022). A study conducted in ten major cities in India state that demographic variables such as age, occupation and investment experience relate to the behavioural biases of individual investors (Baker, Kumar, Goyal & Gaur, 2019). Studies show that investors in Ahmedabad are not rational and the investment decisions of individuals are influenced by various behavioural biases (Shah & Upadhyay, 2019). According to the 2014 National Youth Policy, the Government of India, the term "youth" refers to people between the ages of 15 and 29. This study focus on investors aged between 18 to 29. There are no researches done in India focusing only on this segment of investors who invest in stock market. To address this lacuna this research paper aims to analyse the behavioural biases that influence the investment decisions of young investors investing in stock market in Coimbatore City.

1.2 OBJECTIVES OF THE STUDY

Based on the initial literature review, the study has the following objectives

- To find out which behavioural bias influences the young investors more while investing in stock market.
- To analyse the impact of Behavioural biases on the investment decisions of young investors who invest in stock market.

1.3 LIMITATIONS OF THE STUDY

- The survey sample size has been confined to only 120 respondents
- The study was limited to Coimbatore city
- The study has been carried out in Coimbatore, so the findings may vary accordingly, as in the other parts of the state or country there may be a different impact.

2. REVIEW OF LITERATURE

2.1 Behavioural biases

Investment decisions of retail investors are influenced by various behavioural biases. Many researches have been made on various behavioural biases including Overconfidence Bias, Anchoring Bias, Loss Aversion Bias, Confirmation Bias, and Herding Bias.

Overconfidence Bias

While investing in stock exchanges and firms, investors biases strongly affect their investment decisions. Confidence comes from approving one's own skills and abilities, but overconfidence occurs when someone excessively overestimates their knowledge and beliefs, showing more confidence than necessary in a situation. It is a biased way of approaching things. The overestimation results in the investors thinking that they are rational. Such a phenomenon can end up in the fault of the investors for each action of their trading plans without being concerned of the risks involved that lead to rapid trading and excessive risk exposure immediately. It should be added that developing a certain measure of self-confidence can also be a positive thing (Gill, Khurshid, Mahmood, & Ali, 2018). Over confidence is a stronger psychological characteristic that influences investors rationality compared to pessimism (Joo & Durri, 2017). Overconfidence contributes to making better decisions in terms of expected returns, risk, and satisfaction even though this statement deviates from the traditional theories. (Abdin, Qureshi, Iqbal & Sultana, 2022.). Overconfidence bias demonstrates variances among various income, occupation, and age groups, on average. Furthermore, no strong relationship is seen between demographic factors and overconfidence bias (Dev, Dahal, Shrestha, Shrestha & Sah, 2023). The study consisted of questionnaires given to 151 investors registered on the Indonesia Stock Exchange. The investors were at least 17 years old. The findings showed that gender and income determine the impact of overconfidence bias (Elizabeth,

Murhadi, & Sutejo, 2020).

Anchoring Bias

Anchoring bias has a significant impact on the investors irrespective of their individual characteristics (Yasseri & Reher, 2022). According to the opinion of Czerwonka (2017), anchoring, which is a psychological tendency, makes people cling on to an opinion or a piece of information they were exposed to very recently. In the world of investments, there is a tendency for people to make investment decisions based heavily on the initial information they see. Anchoring bias is affected by variable factors namely cognitive ability, financial literacy, state of mind, experience, and personality. Investors that possess this bias will tend to evaluate the value of their holdings as well as factor in future investment decisions based on the information they gotten initially. In the past, the relationship between anchoring and investment decisions has been investigated. Many studies showed that there are strong and positive relationship between the investment decisions and Anchoring (Donkor, Akohene, Acheampong, 2016). In this case, one of the most widely investigated cognitive biases is Anchoring bias (Shin & Park, 2018). Study done on the retail investors of Pakistan Stock Exchange showed that Anchoring bias has a negative impact on their investment decisions. It also impacts their perception on market efficiency (Shah, Ahmad & Mahmood, 2017).

Aversion Bias

Jacob and colleagues (Jacob, Niyoyita, & Mahina, 2017) examined the effect of loss aversion bias on investment decisions within the Rwanda Stock Exchange. The researchers ultimately determined that loss aversion bias is present among shareholders in the Rwanda Stock Exchange, and this bias profoundly influences the decision-making processes of individual investors. Investors' unconscious feeling of loss, which results from a tendency to sell shares at lower prices, will most likely intensify the Chinese listed companies' performance. This type of feeling is referred to as loss aversion and it contributes to the bullishness of the investors thinking that losses will recover over time, so they keep on their shares, anticipating the possibility of not missing gains (Yiwen, 2021). Loss aversion bias influences individual decisions and affects financial market (Liyan Yang, 2019). Individual investors with conservative mindset have low risk tolerance, therefore they prefer low risk options to avoid loss (Pompian, 2016). A study conducted by Bhatnagar and Aggarwal, (2021) reveals that investors investment decisions were significantly influenced by loss aversion bias, confidence bias, and familiarity bias and loss aversion bias disrupted investors from making sound investment decisions.

Confirmation Bias

Confirmation bias might arise because people tend to persist with things that support their preexisting opinions. This occurs because they may believe their identity is being challenged by new information that contradicts their beliefs. They may therefore choose to disregard facts or interpret it in a way that confirms their preconceptions to avoid discomfort. (Golman, Hagmann, & Loewenstein, 2017).

Decision making for investors in organisation and society at large can be difficult because of confirmation Bias (Gatlin, Hallock & Cooley, 2017). The less studied bias is Confirmation bias, and it has less influence on the behavioural finances field, further studies relating confirmation bias to behavioural finances and managerial and financial decision-making opens a promising research field in the area (Costa, Carvalho, Moreira & Prado, 2017).

Herding Bias

Herding bias has a significant positive impact on investors investment decision (Madaan & Singh, 2019). Bubble burst in the stock market happens because of lack of individuality in investment decision making,

this shows that herding behaviour causes bubbles and lead to bubble burst (Alrabadi, Al-Abdallah & Aljarayesh, 2018). Individual investors who invest in Equity share market in India give more importance to friends, colleagues, newspapers, and apps rather than relying more on the annual reports and audit reports of the company (Jain, 2021). Herding behaviour is exhibited by the investors when the market condition is uncertain and investors show this behaviour at the starting of the market crisis and this behaviour becomes insignificant at the ending of the crises (Bekiros, Lucey, Naoui, Uddin, 2012). Herding bias differs from one specific professional group to another. Nevertheless, this bias of herding is generally kept consistent regardless of the categories of income, age and gender. In addition, herding bias depends upon gender, but not on income, occupation, or age (Dev, Dahal, Shrestha, Shrestha and Sah, 2023). Skilled and experienced investors have gained years of expertise in leveraging different sources of information to make their investment decisions. Therefore, the study indicates a zero influence of herding behaviour among this group. In Bangladesh Individual investor decision-making is most significantly influenced by loss aversion and risk perception, with these biases having a greater impact compared to overconfidence and herding, which has a less impact (Hossain, Siddiqua, 2022).

Investment decisions of investors can be predicted by behavioural biases and more investment is done by investors who have high emotional intelligence. The study found that Behavioural bias, investment decisions of investors and emotional intelligence have a positive connection between them (Raheja, Dhiman, 2020)

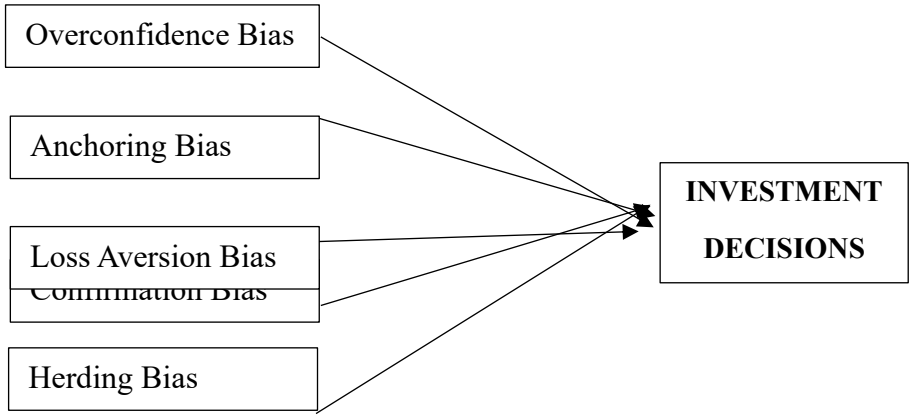
2.2 Demographic and Investment decisions

Several demographic factors such as Gender, age, occupation, earnings, ethnicity, geographic area, property ownership, and educational level also influence the investment decision of investors. Research conducted in Gujarat region reveals that market trend, return, risk and past performance affect investment decisions and some of the investment decisions of investors are influenced by demographic factors (Patel, Modi, 2017). Research conducted in Czech Republic tells us that age of investors who are entrepreneurs have a significant impact on their disposition towards risk taking. Young entrepreneurs invest in risky assets than older investors. Men are more likely to invest in risky projects compared to women (Egyetem, Zlin, Zilina, Dapkus, 2017). Behavioural biases have positive and negative influence on individuals, among Millennial Generation herding is the most influential bias (Pooja, Vidhya, 2022). Investors 60 and above, due to their maturity and experience gained over the years they make better investment decisions but compared to this age group younger age group are less prone to loss aversion (Sexena, 2020). Retail Investors aged between 28 and 37 are most active investors in stock market. Investors who are businessperson are more willing to take risks compared to investors with other professions. Investors whose occupation is related to finance have more understanding of the stock market than others who work in other occupations. Because of this they are more likely to invest in stock market. They are familiar with the market movements and the risks in investing (Vaarmets, Liivamagi, Talpsepp, 2019).

Age influences investors choice of stock and volume (Sarkar, Sahu, 2018). Based on the research conducted on Egyptian stock market, the findings emphasises that gender, age and education level have a positive influence on investment decision of investors and they also affect the investor sentiment and confidence. Investment experience does not have an impact on the behavioural factors or investment decisions, but this experience helps them to overlook the emotional influences (Metawa, Hassan, Metawa & Safa, 2018). Representative bias can be seen in investors of all age groups. Older investors aged between 35 and 49 have a low willingness for risk. Even though they have representative bias they are more

satisfied with their life compared to the young investors (Koekemoer, Ferreira, 2020). Higher rate of return is expected in long term investments, they have low liquidity and high risk. Compared to Female investors Male investors are more influenced towards short term investments among investment products. When compared between age categories 16-24 and 25 – 34. The latter are more likely to chose short term investment options. Short term investment decision was influenced by agreeableness, openness to experience, extraversion, and conscientiousness (Mankuroane, Heerden, Schenk, Koekemoer, 2022). Research conducted on 9000 retail investors in China reveal that demographic characteristics helps predict the investment decisions made by the investors. Investment instrument, trade frequency and investment scale are the most predictable variable as per the research (Lan, Xiong, He, 2018).

2.3 Based on the review of literature, the study arrived at the following framework



3. RESEARCH METHODOLOGY

3.1 Research design:

This research aims to investigate the impact of behavioural biases on the investment decisions of young investors in Coimbatore city, specifically focusing on those engaged in stock market activities through the National Stock Exchange (NSE) or Bombay Stock Exchange (BSE). The dependant variable is Investment Decision and the Independent variables are Overconfidence Bias, Anchoring Bias, Loss Aversion Bias, Confirmation Bias and Herding Bias.

3.2 Sampling Design:

This study used Snowball Sampling. Snowball sampling is a method where existing participants refer and recruit new participants, creating a chain or "snowball" effect for sampling in research. This sampling technique is used to find only specific participants with specific characteristics. In this research paper only investors from age 18 – 29 participated.

3.3 Sample size:

There are 120 respondents who are young investors. The demographics of the respondents is presented below

Table 3.1. Demographic profile of the sample

		No of respondents	Percent
Age	18-23	70	58.3
	24-29	50	41.7

	Total	120	100.0
Gender	Male	49	40.8
	Female	71	59.2
	Total	120	100
Educational Qualification	Undergraduate	39	32.5
	Postgraduate	81	67.5
	Total	120	100
Occupation	Student	66	55.0
	Self-employed	10	8.3
	Public sector employee	8	6.7
	Private sector employee	36	30.0
	Total	120	100.0
Location	Urban	75	62.5
	Semi-urban	37	30.8
	Rural	8	6.7
	Total	120	100
Economic status	Upper class	8	6.7
	Upper middle class	42	35.0
	Middle class	58	48.3
	Lower middle class	12	10.0
	Total	120	100.0

Table 3.1 shows the demographic profile of 120 respondents. The result shows that the majority of the respondents belong to the 18-23 age group (58.3 percent). While referring to the gender of the respondents, the majority are female (59.2 percent). The educational category reveals that majority have post graduate level qualification (67.5 percent). The occupation reveals that 55 percent of the respondents are students. Majority of the respondent's place of residence is urban (62.5 percent), and the majority of the respondents belong to a middle-class economic status group (48.3 percent).

3.4 Methods of data collection:

To obtain the necessary data, a google form was used. Data was collected from the young investors in Coimbatore city during the month of January and February, 2024. Primary data has been used for this research. Young investors from Coimbatore provided the source of data collection. Information was collected through online mode.

3.5 Statistical tools used:

The research utilized a combination of statistical tools, including SPSS for reliability and regression analysis, Python for word cloud creation and sentiment analysis, and Excel for data collection, organization, and tabulation. This comprehensive approach allowed for a thorough examination of the gathered data using diverse analytical techniques.

4. DATA ANALYSIS AND INTERPRETATION

As the questionnaire used was based on literature review a reliability analysis was done to ensure the reliability of the questionnaire.

4.1 RELIABILITY ANALYSIS

Table 4.1: Reliability Test

Variables	Cronbach's Alpha	Item
Overconfidence bias	0.825	3
Anchoring bias	0.761	3
Loss aversive bias	0.771	3
Confirmation bias	0.820	3
Herding bias	0.806	3
Investment decision	0.763	5

Table 4.1 displays the findings of Cronbach's alpha, a measure used for testing reliability. and it shows that the Cronbach's Alpha values for all the variables, including Overconfidence bias, Anchoring bias, Loss aversive bias, Confirmation bias, Herding bias, and Investment decisions, are above the widely accepted threshold of 0.7. This indicates that the items within each variable are measuring their respective constructs reliably and consistently. The internal consistency is considered good, indicating that the items are effectively capturing the underlying concepts they are intended to measure.

4.2 REGRESSION ANALYSIS

A regression analysis was done to test the framework of the study. The model summary is presented below.

Table 4.2: Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.866[a]	.750	.739	.31348
a. Predictors: (Constant), overconfidence bias, anchoring bias, loss aversion bias, confirmation bias, herding bias				

Source: Primary Data

Table 4.3: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	33.621	5	6.724	68.425	.000[b]
	Residual	11.203	114	.098		
	Total	44.824	119			
a. Dependent Variable: Investment decision						
b. Predictors: (Constant), overconfidence bias, loss aversion bias, anchoring bias, confirmation bias, herding bias						

Source: Primary Data

Significant at 5 per cent

Dependent variable is the Investment decision and five independent variables considered for the study are Overconfidence bias, Loss aversion bias, Anchoring bias, Confirmation bias, and Herding bias. The model summary results are examined to evaluate the fitness of the model. The model summary indicates that R Square shows that 74 percent of variations in investment decision making is explained by the behavioural biases. The independent variables of investment bias such as overconfidence bias, anchoring bias, loss aversion bias, confirmation bias, and herding bias explain the investment decisions by 73.9 percent

(0.739). The result shows an F value of 68.425 at a p-value of 0.000. Hence the model is statistically significant at a 5 percent level. The coefficients of the different independent variables are presented below.

Table 4.4: Co-efficient

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.876	.159		5.505	.000
	Overconfidence bias	.270	.071	.293	3.759	.000
	Anchoring bias	.415	.057	.533	7.296	.000
	Loss aversion bias	.389	.050	.509	7.835	.000
	Confirmation bias	-.090	.057	-.116	-1.574	.118
	Herding bias	.056	.051	.080	1.094	.276
A. Dependent variable: Investment decision						

Source: Primary Data

Significant at 5 percent

The results mentioned above (table 4.4) show individual significance test, which depicts that Anchoring bias, Overconfidence bias and Loss aversion bias have a significant influence on the investment decisions of an investor as their significance values are less than 0.05. Anchoring Bias has the highest influence on the investment decisions made by the investors. Confirmation bias and Herding bias shows significance values exceeding 0.05, indicating that these two biases have an insignificant impact on investors' decision-making in investment.

4.3 WORDCLOUD AND SENTIMENT ANALYSIS

The study also captured the perception of young investors about the current trends and the future prospects of the stock market. The results are presented below.

Perception about current trends

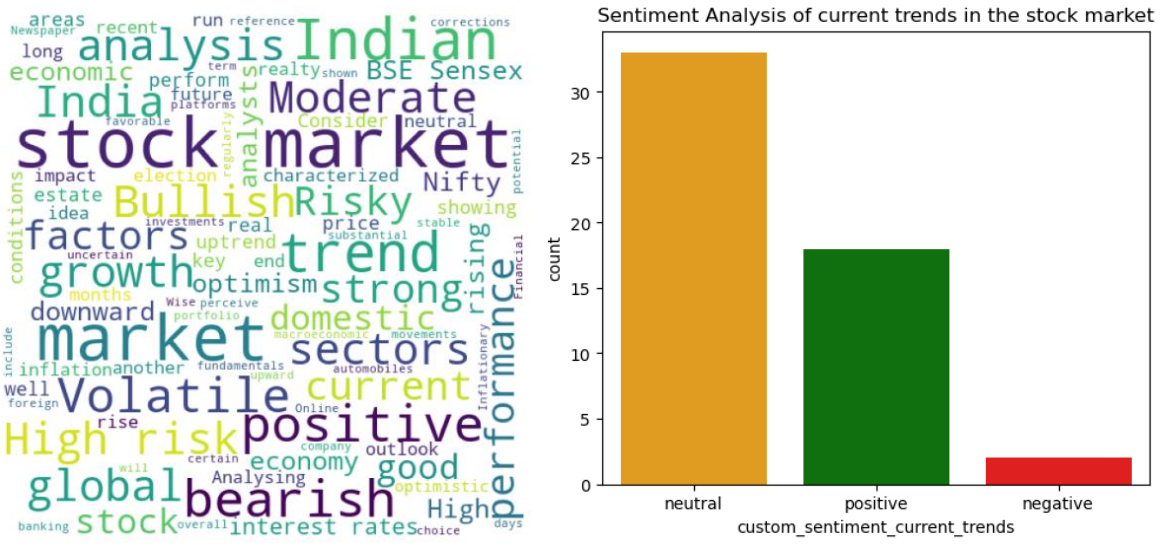


Figure 1 Word Cloud and Sentiment Analysis of Current Trends in the Stock Market

The word cloud shows that young traders are expressing a combination of optimism and uncertainty about the present-day trends in the Indian stock marketplace. Words like “bullish”, “boom” and “optimism”

recommend a fine outlook, even as phrases like “volatile”, “danger” and “uncertainty” imply a few cautions. The overall sentiment is neutral and there have been fluctuations in investors emotions. Investors are Bullish and Bearish about the current trends in the stock market. The investors are aware of the potential fluctuations in the market. The young investors are aware of broader economic factors that will influence the market's performance. Whenever the market crashes a little, it bounces back. Therefore, few are positive about the current trends as well. Stock market shows a wait- and-see attitude on the part of investors, while they stand neutrally in readiness as to how the situation will unfold. Investors tend to be cautious usually because of upcoming events like the Union Budget in India which may have an impact on regulations and spending. Besides, the global factors such as the hike in interest rates, volatility of the international political environment in some regions are causing uncertainty as well. It is the risks of both domestic policies adjustments and global problems that leads investors to wait for definite signals and therefore the market sentiment remains neutral.

Future performance of the stock market

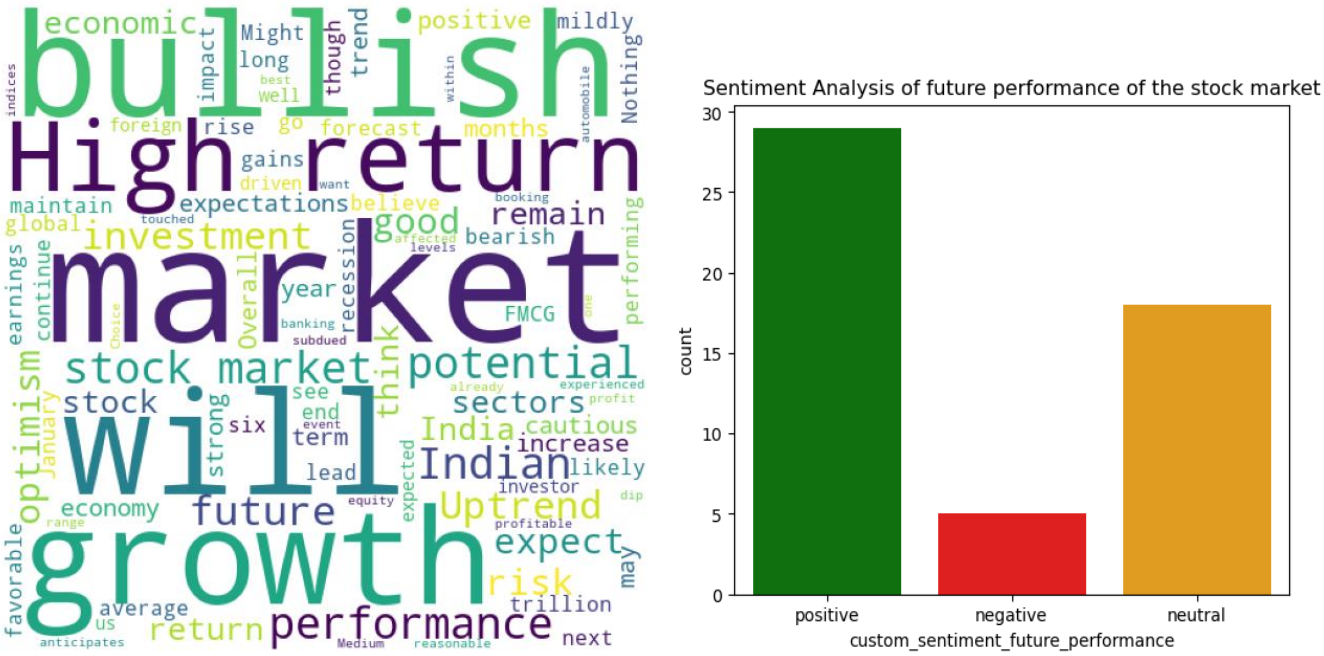


Figure 2 Word Cloud and Sentiment Analysis of Future Performance of the Stock Market

While the word cloud shows a mix of positive words like “bullish”, “high”, “growth” and “positive”, it also contains negative words like “bearish”, “subdued” and “risk”, though the negative words are less. This is reflected in the sentiment analysis, where the majority of responses are categorized as positive. The investors are cautiously optimistic about the future, but they are aware of potential risks. Several favourable variables are coming together to make the future of the Indian stock market bright. A growing middle class with more disposable income and a willingness to invest is fuelled by a young and growing population. This together with the growing digital economy makes the environment ideal for innovative businesses. A business-friendly climate is also promoted by the Indian government's emphasis on economic reforms and infrastructure development. When taken together, these factors set up the Indian stock market for long-term growth and profitable returns for investors. The Indian economy is projected to grow at a healthy pace, and corporate earnings are expected to remain strong. Additionally, government initiatives and reforms are viewed positively by investors.

FINDINGS AND SUGGESTIONS

The study on the influence of behavioral biases on investment decisions among young investors in Coimbatore City reveals a demographic profile characterized by a predominant age group of 18-23, with females comprising the majority. Majority of the respondents holds postgraduate qualifications, while a majority identifies as students. Most of the people in the study live in cities and belong to the middle-class. This gives us insights into the biases that impact how they decide to invest.

The result shows an F value of 68.425 at a p-value of 0.000. Hence the model is statistically significant at a 5 percent level. The independent variables of investment bias such as overconfidence bias, loss aversion bias, confirmation bias, anchoring bias and herding bias explain the investment decisions by 73.9 percent (0.739). Anchoring Bias has the predominant influence on the investment decisions made by the investors. Many studies showed that there are strong and positive relationship between the investment decisions and Anchoring (Donkor, Akohene, Acheampong, 2016). Overconfidence bias and Loss aversion bias also has a significant influence on the investment decisions of an investor as their significance values are less than 0.05. Previous studies state that over confidence is a stronger psychological characteristic that influences investors rationality compared to pessimism (Joo & Durri, 2017). Loss aversion bias influences individual decisions and affects financial market (Liyan Yang, 2019). Inexperienced investors in the stock market tend to rely heavily on initial information, such as stock prices, recent financial news about the company, without conducting thorough analysis. New investors get bombarded with financial info online, making it tough to sort good advice from bad. This can lead them to rely too heavily on the first thing they find. As young investors are new to investing, they might feel too sure of themselves even though they have not learned everything yet. Even though their knowledge is not super deep, having some financial knowledge helps reduce this overconfidence bias. One of the reasons for loss aversion bias is that investors feel the pain of losses more than the happiness of gains. They tend to hold onto losing stocks or sell winners too early because they are driven by emotions like fear and regret. Because of these reasons and inexperience, biases like anchoring, loss aversion and overconfidence influence their investment decisions.

The variables Confirmation bias and Herding bias shows significance values exceeding 0.05, indicating that Confirmation bias and Herding bias have an insignificant influence on investors investment decisions. Herding bias has an insignificant influence on investment decision-making of young investors in Coimbatore. Previously done research in Pakistan state that there is no significant relation between herding bias and investment decisions of investors in Pakistan (Rafique, Attari, Kalim, Sheikh, 2020). Loppies and colleagues (Loppies, Esomar, Janah, 2022) also found that herding behaviour doesn't impact investment decisions, while overconfidence has a significant effect. Costo and his colleagues (Costa, Carvalho, Moreira & Prado, 2017) research states that the less studied bias is Confirmation bias, and it has less influence on the behavioural finances field while this study also found that confirmation bias has no influence on young investors. Young investors, armed with online information and financial news, make smart choices. They avoid being too influenced by what others do or sticking only to what they believe. Their financial education, even though it is limited, helps them think carefully, staying away from just following the crowd as they know it creates a bubble resulting it crashing of the stock. They focus on long-term goals and can take more risks and not get influenced by quick market trends. Using online platforms, they rely on their own research, not just what others say, which helps them avoid following the crowd and believing only what confirms their ideas.

Finfluencers, also known as the financial influencers, play a critical role in the spreading of the basic financial knowledge and offering advice on the portfolio components that match the risk appetite and

expected returns for different investors. However, the finfluencers generally refrain from offering personalized financial products or stock recommendations as this practice is in violation of SEBI guidelines. The finfluencers can adhere to SEBI's rules and regulations and talk more about the fundamental concepts of finance, types of investing, risk measures, diversification of portfolios, and the significance of thorough research prior to taking investment decisions. They can play an important role in the financial literacy of retail investors by focusing on educational topics that will assist them in making informed decisions. Through this, they can help improve financial literacy of young investors while adhering to the regulatory standards provided by SEBI.
Investors when provided better education and being informed on different financial means, keep pace with the trends of the market and make rational decisions, as well as get rid of cognitive biases. In addition, financial institutions can offer financial products according to the risk appetite of investors. They can also conduct educational programs that helps investors understand the risks and opportunities associated with various types of investments. Government policies must prioritize safety ensuring protection for all investors' funds as well as their efforts to raise the national average of investment behaviour through focused financial education measures. Furthermore, understanding the peculiar investment tendencies among investors would enable financial institutions have services tailored towards them while compliance with regulatory framework and risk mitigation approaches may further improve investment climate particularly for young people investing.

CONCLUSION

This research analysis is based on the behavioural biases that affect investment decision making of young investors in Coimbatore city. This research analysis gives attention on the role of behaviour bias like overconfidence, the anchoring, loss aversion, confirmation and herding bias in investment decision making. The study resulted in Anchoring Bias being found to be the most essential problem among all investors when taking the investment decisions. Likewise, an analysis of the data revealed that overconfidence Bias and loss aversion Bias have a clear impact on investment decisions made by investors. It was observed that inexperienced investors tend to heavily rely on initial information, such as stock prices and recent financial news about the company, without conducting thorough analysis, which can lead them to make biased investment decisions. Factors like the increase of middle-class people with more money to spend, a growing young population, a rapid digital economy boom, government focus on economic reforms and infrastructure projects, and expected economic health, points to long-term profitability and growth for investors.
In order to promote a better environment for young investors, a number of suggestions have been made. For example, enhance the financial literacy through targeted educational initiatives; influencers should promote responsible financial advice; institutions must develop custom-made financial products to match the risk appetite and investment goals of young investors; and government policies can enforce investor protection with responsible investment practices. Stakeholders who address these aspects will help create an informed and empowered young investor base, promoting a healthier and stronger future investment climate.

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