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Impact of Behavioural Finance on Investment Decision of Housewife in Ranchi

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Abstract: Behavioural finance related to the psychology of investors and its impact in taking financial decision. As we all know that human are social animal and they have emotion which influence their decisions. The decision which are influenced from their behaviour leads to inefficient and irrational decision. It involves field that studies how psychological factors affect decision making under uncertain conditions. Through this research we came to know about the mentality of housewife while they invest in various investment avenues. Through this we also came to know that their investment decisions are not only get influenced from the traditional methods of the investment but also from the psychological factors. We used both primary and secondary method to know effects of behavioural finance on housewife and to study the impact and relevance of behavioural financing in investment decision of housewife.

Keywords: Behavioural Finance, Psychological Factors, Financial Decision, Investment Decision.

I. INTRODUCTION

We live in 21st century as a country we can proudly say that woman are gaetting more empowered but same time we can't deny the fact that a majority of women skill do not go at work. They work at home as housewife, here the researcher does not talking about talking about the entrepreneur or freelancers but only considering women who are housewife. Does the investment decision of housewife impacts the share markets and if so does their investment decision get influenced from the behavioural finance. To get the answer of the researcher has done a survey of 50 housewife who mainly belongs to district Ranchi, Jharkhand. The women belong to middle class family and the minimum qualification is 12th.

Whenever we think of investment mainly we think that there will be always a rational way in which investors invest but behavioural finance has given some surprised facts that not always rational methods of investment are used. Here we are mainly focusing on housewife. House wife as the manager of home and they mainly take the decision of spending money. So it is very important to know, that while making saving what effects them most. And also the importance of their behavioural/psychology on the savings and investments decision.

II. LITERATURE REVIEW

The research reflects that women entrepreneurs consider investment as a long-term instrument are risk avoider and little bit conservative. They are willing to take risks in business but not for making investment decisions. The reasons for this low-risk investment behaviour consist of lack of time and patience to understand investments and lack of knowledge about various products. The research asserts that if they spend time to be informed about the nuances of investment instruments, they are likely to take risks for their investments as well. The interviews also reflect that women entrepreneurs often mimic the investment behaviour of their parents. Jyoti M. Kappal (Symbiosis School of Banking and Finance (SSBF), Symbiosis International (Deemed University) (SIU), Pune, India) Shailesh Rastogi (Symbiosis Institute of Business Management, Symbiosis International (Deemed University) (SIU), Pune, India). ISSN: 1755-4179, Publication date: 10 June 2020

Kuntal Agrawal (1993) observed that the decision making power of women in India in economic field lies in the hands of their husbands irrespective of the wives' income, education and profession. Pandey Ranjana (2000) found that a majority of the woman were not engaged in savings and credit activities. Lack of ownership of resources was a reason for non-availability of loan. Deepa Mathur (2001) found that 54% of women take professional jobs for economic reasons, 30% for career, 7.5% work for their financial independence and 2.5% for other reasons. Kulwant Sing (2004) found that women working at the upper levels of job hierarchy carried out investment activities on their own. The ratio of the employed women who were reached during making investments was higher in public sector than in private sector. Anita (2004) found that the working women are more aware of the types of investments. While making an investment, working women are motivated by capital appreciation, safety, liquidity, speculation, tax benefits, and stability of income, transferability and prestige.

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Radha (2009) found that gold is one of the most popular investment options among women. The investments decision by the Indian women are mainly reliant on on her financial goals, employment status, age, time horizon and most importantly risk taking abilities. Amol Agrawal (2010) observed that women do not possess the requisite skills to make successful investment and financial decisions.

Neelambika Pattanshetti (2012) conducted a detailed study on impact of savings and investment policies on working women. The study reiterated that the involvement of women in investment and savings activities improves their social and economic status as well as increases their contribution to economic development. It, therefore, recommends that the women should be given education through short training courses in order to build up their confidence in investment activities.

III. OBJECTIVES OF THE STUDY VIS-À-VIS TO THE ABOVE STUDY

A. To know the impact of the behavioural finance on the behaviour of housewives of the Ranchi.
B. To find out the factors influencing the investment decision of the house wives.
C. To know the influence of investment of house wives in the investment market.

IV. SAMPLING SIZE

For the purpose of study I have collected data from 50 house wives respondents, who belongs to middle class oncome and having minimum education i.e eleventh pass out. This sample is the true representative of the universe.

V. SAMPLE UNIT

In this research the researcher has concluded only for the house wives.

VI. SAMPLING TECHNIQUE

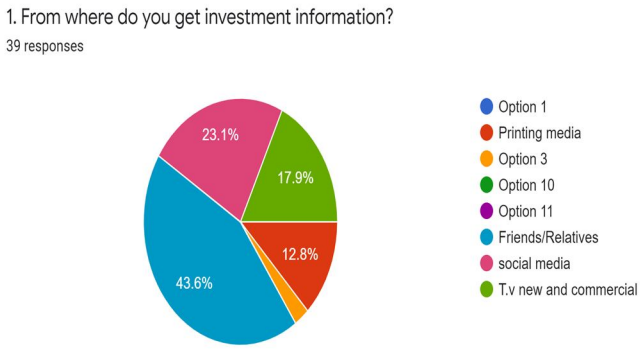
For the purpose of study the number of house wives selected from universe constitute a sample. The sample size is 50 and the researcher followed random sampling technique for selecting those sample. Since the researcher has taken only one town called Ranchi. District of Jharkhand, sample size is not beyond 50.

VII. METHOD OF DATA COLLECTION

The primary data are also known as fresh data. Which is collected by the researcher directly for his particular research, thus happen to be original in nature. In more simple words we can say it is something which is used first time by the researcher. There are many methods of collecting primary data for the research study. Researcher has taken the efforts to make questionnaire. The questionnaire consists of 16 questions. The questions are based on the knowledge about technical investment and the role of psychology in taking investment decision of house wives. The researcher also used secondary data for more clarification. The secondary data were collected from the journals, articles and the authentic papers which has been published. So researcher has used both the primary data and secondary data for his study.

VIII. DATA ANALYSIS

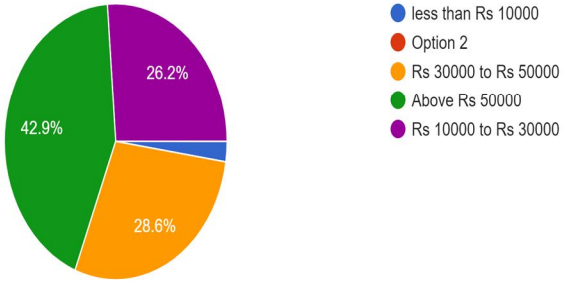
The researcher used chi-square test in this research work after making normal entering, coding and grouping etc. of the data.



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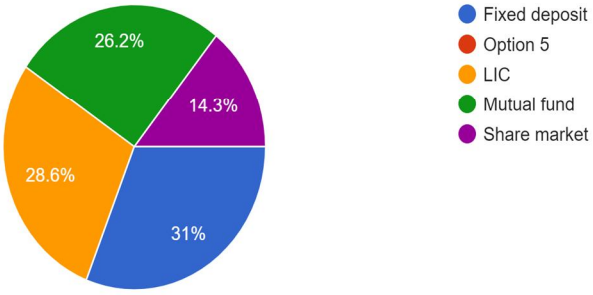
Q 2. Monthly income of your family .

42 responses



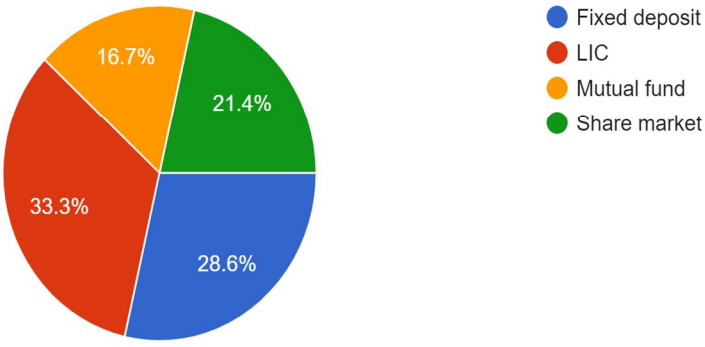
Q 3. Where would you like to invest

42 responses



Q 4. Your friends/Relatives invest mainly in ?

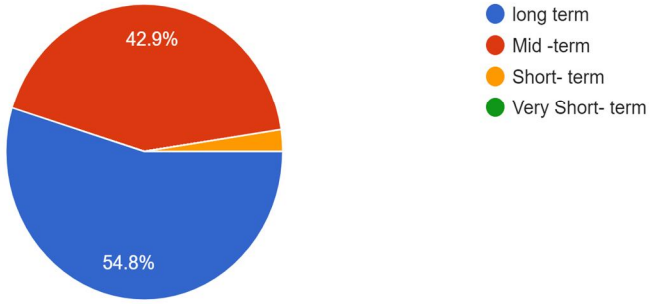
42 responses



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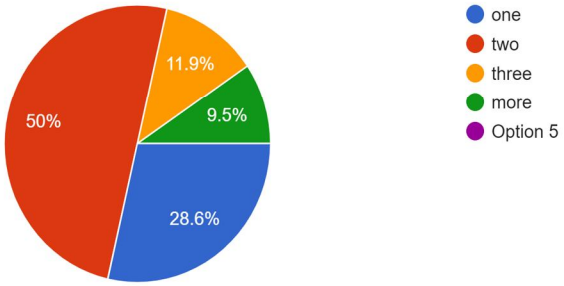
Q 5 Nature of your investment

42 responses



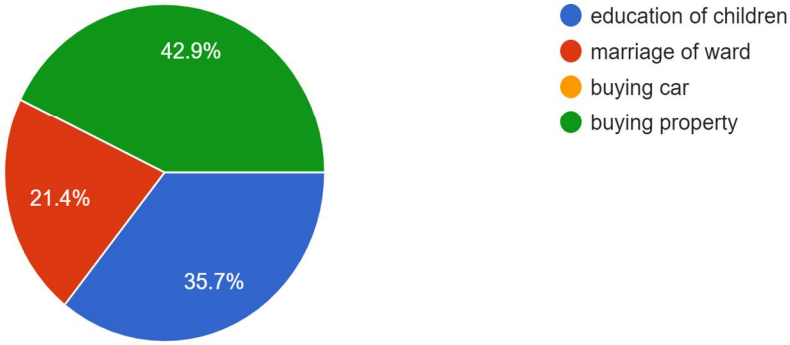
Q 6. No. of people earning in your family.

42 responses



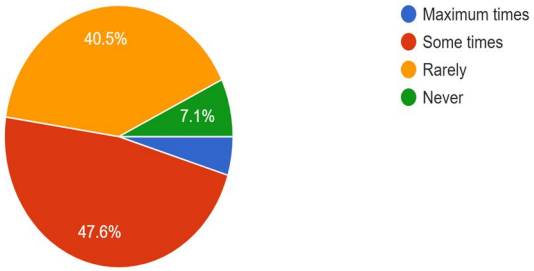
Q 7. Purpose of your investment

42 responses

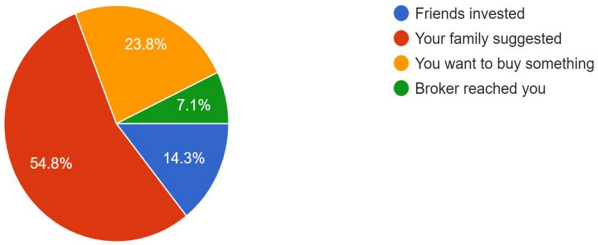


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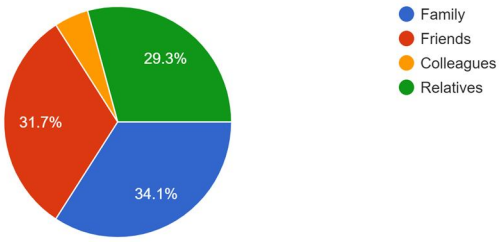
Q 8 While talking to your friends/family/colleagues, you talks include investment discussion.
42 responses



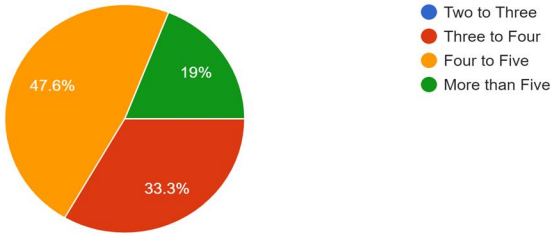
Q 9. The very first investment you started because your.
42 responses



Q 10. Have you suggested anyone to invest in particular investment.
41 responses



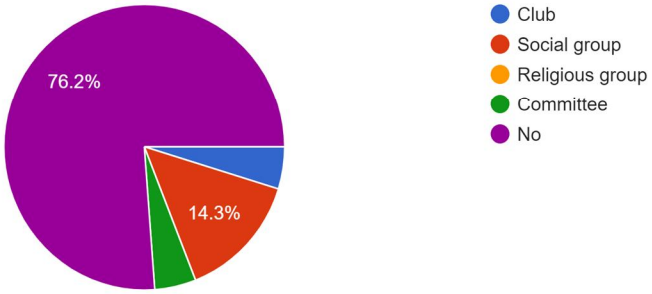
Q 11. No. of family members.
42 responses



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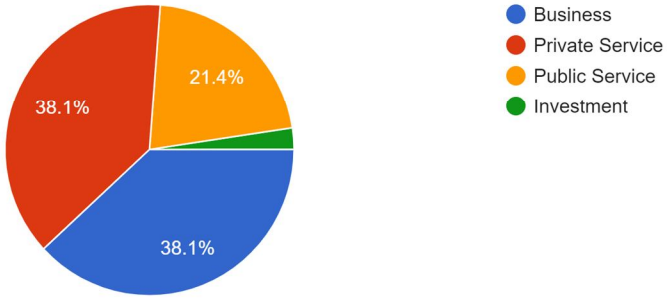
Q 12 Are you the member of any

42 responses



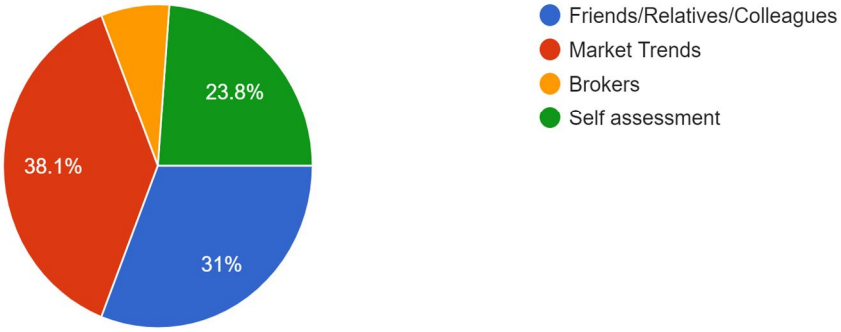
Q 13 Source of income in family come from

42 responses

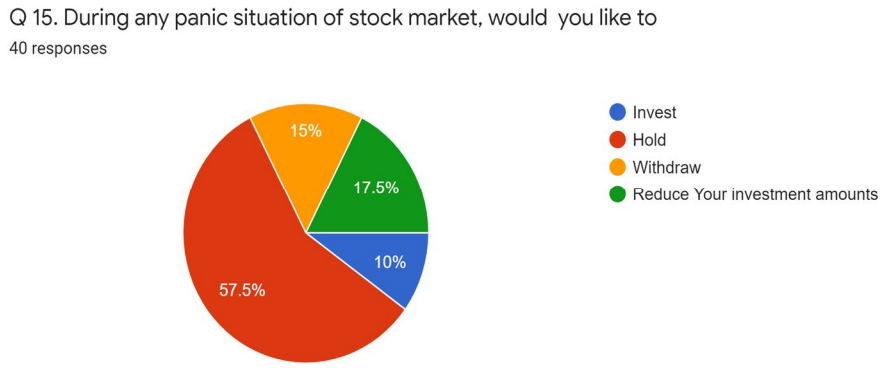


Q 14 According to you while making investment one should consult

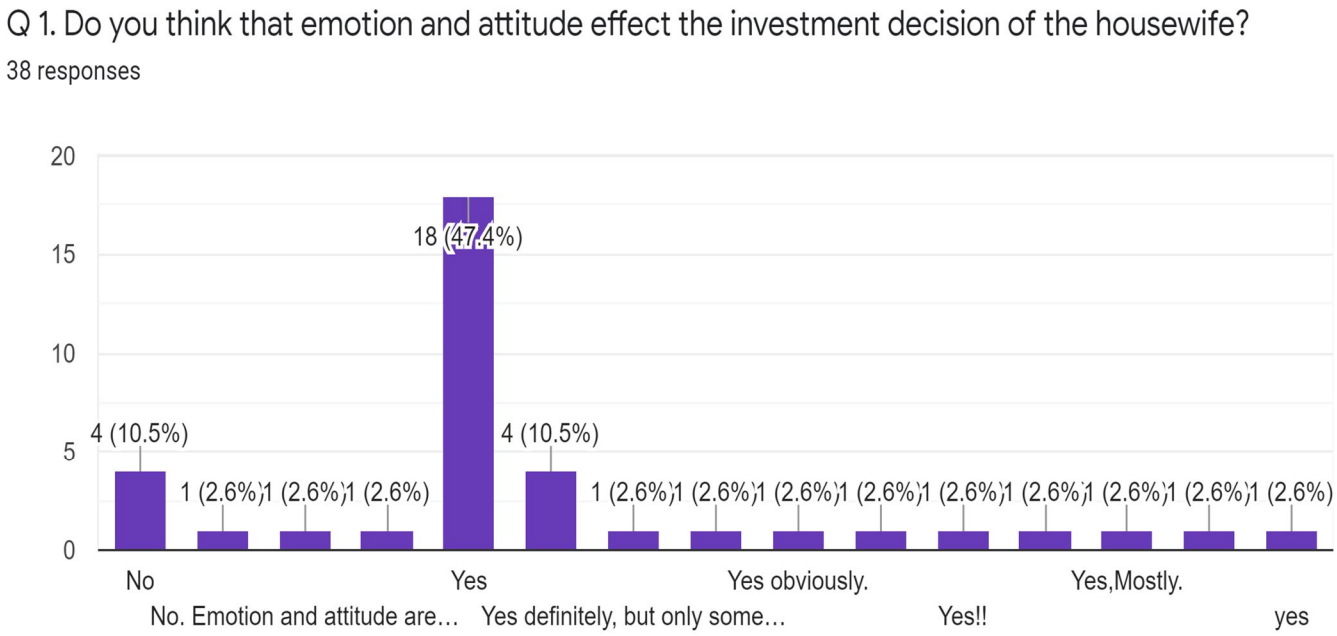
42 responses



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After questioning the above questions the last question the researcher asked to summarised the questioner.



IX. RESULT AND DISCUSSION

Here the researcher has asked 16 questions to know the factors which influence the investors behaviour and how that results in irrational decision making. From the above charts we can see that the house wives behaviour have been getting effected by the friends and relatives. Also the most of them started investment getting influence from their family members. Their attitude and emotions plays an important role in deciding the investment. During any pandemic or fall in stock market instead of following the rational decision they chose irrational decisions by getting influence from their relatives and friends and withdraws the fund instead of holding the funds and letting the market settlement. While having talks with their friends they rare discuss about the stock market, this shows they have low interest in knowing the market situations. The researcher also highlighted one very important point that most of them would prefer to invest in the LIC instead of choosing mutual fund, fixed deposit or others. One reason could be the tax benefit but they preferred LIC because of their relatives or friends have suggested. So these all things reflects that the behavioural finance impact the investment decision of house wives and many times they preferred to take irrational decision instead of rational decision.

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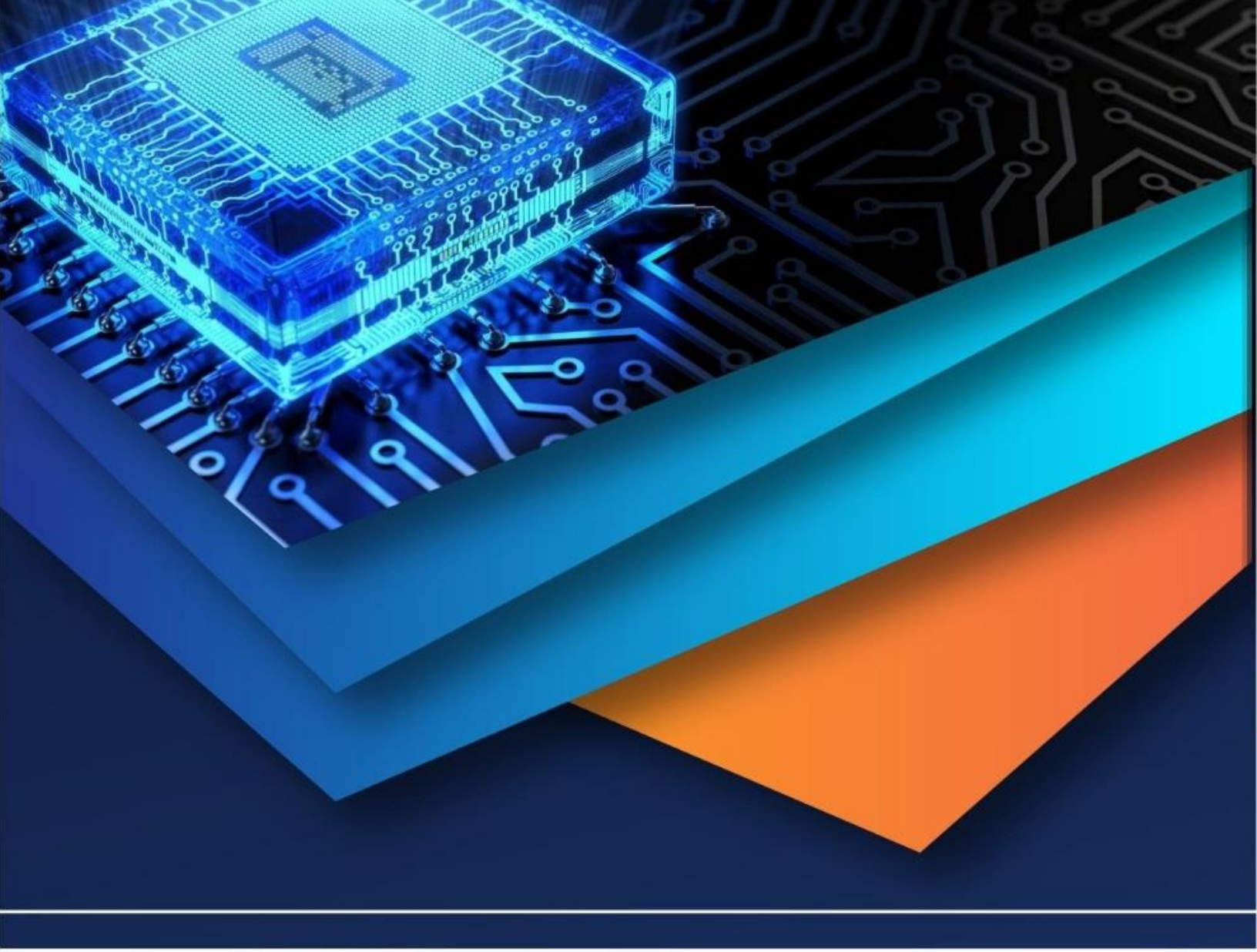
X. CONCLUSION

This research showcases that house wives are getting influenced from the behavioural finance. Therefore house wives prefer their friends and relatives opinions or irrational method instead of going with rational methods of investments. Though the minimum qualification of these house wives are twelfth but still they avoid the rational decision of investment and got more influenced from their family members, friends and relatives for investment related information and for taking investment decisions. Women do not want to take much risk while making financial investments and therefore opt for safer investments like LIC, bank deposits and gold rather than investing in shares and bonds. The government, Researcher and financial institutions must strive to promote financial literacy through its public policies, research papers, and journals so that women can have better financial planning skills. They take interest in the stock market and knowing the rationality decision of investment decision.

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[2] Senthamizhselvi.A, 2Vedantam Seetha Ram, 1Research Scholar, Vitbs, Vellore Institute Of Technology, Vellore. E-mail: senthamizhselvi.a2016@vitstudent.ac.in 2Asst. Professor (Sr.), Vitbs, Vellore Institute Of Technology, Vellore. E-mail: seetharam.v@vit.ac.in Received: 07.03.2020 Revised: 09.04.2020 Accepted: 10.05.2020
[3] Journal of Small Business and Entrepreneurship Development March 2014, Vol. 2, No. 1, pp. 31-48 ISSN: 2333-6374 (Print), 2333-6382 (Online) Copyright © the Author(s). 2014. All Rights Reserved. American Research Institute for Policy Development 42 Monticello Street, New York, NY 12701, USA. Phone: 1.347.757.4901 Website: www.aripd.org/jsbed Indian Women Investors: Emotional Decision Makers? Dev Prasad1 , M. R. Shollapur2 and Shridevi V. Patted
[4] Global Journal of Management and Business Research Finance Volume 13 Issue 3 Version 1.0 Year 2013 Type: Double Blind Peer Reviewed International Research Journal Publisher: Global Journals Inc. (USA) Online ISSN: 2249-4588 & Print ISSN: 0975-5853 Investment Attitude of Women towards Different Sources of Securities - A Factor Analysis Approach By Dr. R. Sellappan, Ms. S. Jamuna & Ms. Tnr. Kavitha Engineering College, Erode

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