



FACTORS INFLUENCING INDIVIDUAL INVERSTOR BEHAVIOR-THE CASE OF KSE

A Thesis submitted to Department of Management Sciences in
partial fulfillment of the requirement for the MBA degree

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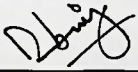
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Abstract:

Behavioral finance is quite a recent topic to be studied and given importance in finance which considers human behavior regarding investment decisions. There are various factors / variables that predict human behavior, influence individual's decision making and investment attempts. The main objective of this study was to explore the behavioral factors that influence individual investor decisions related to investments.

This study proceeded with the existing literature based on investor's behavior and then hypotheses were created to elaborate the study even further. Sample size of 80 was taken for the study. Hypotheses were transformed into form of questionnaire and data was collected from set sample size. Collected data was then analyzed by using SPSS software. T-test for one sample test was run to obtain statistical data. Interviews were also conducted with some managers to have better understanding of such behaviors.

It was observed from the results that investor makes decision on basis of critical thinking and by considering future obligations like growth rate, return on investments. It was also observed via results that religious thinking doesn't have any impact on investor's behavior. Most of the factors have medium impacts on investor's decision making.

Results from this study will benefit investment companies to identify the factors that most influence investor's behavior and hence put an impact on the future of investments.

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