

A study on Perception of Retail Investors towards Diversified Investment Avenues

SUBRATA MAHADANI

Research Scholar, Biju Patnaik University of Technology, Rourkela, Odisha

PROF. SHAKTI RANJAN MOHAPATRA

Dean, Faculty of Management, Biju Patnaik University of Technology, Rourkela, Odisha

Abstract

The objective of this study is to determine the association between the demographic profile of respondents and various factors influencing the diversified investment and to know the significant relationship among the factors Investor's perception towards diversified investment. The absence of diversification in an individual investor's investments one of the most crucial elements. An investor has a wide variety of options when it comes to making investments in the financial market. These many investing options are not equally effective and differ from one another. Based on the motivation for the investment, the anticipated period of withdrawal, and the investor's capacity for risk, the pattern of investments varies from investor to investor. A well-articulated strategy to assess and deal with the critical problems throughout the entire spectrum of investment risk management is required for successful execution. The analytical model chosen may have large data requirements, but setting implementation priorities will prevent stagnation on this front. The type of services provided and the rewards provided in the financial market influence an individual's decision to invest. The decision-making process for financial investments is influenced by financial expertise and knowledge. Investment diversification is the process of choosing several asset classes with a view to reducing risk and maximizing returns and profits. This study tries to identify and analyse many aspects that influence how individual investors decide what investments to make and how to assess the risk in their investment.

Key words: Individual Investor, Investment Perception, Investment Factors, Investment Portfolios

1. Introduction

Small and medium investors now have access to an enthusiastic environment because of economic globalisation and liberalisation. Lack of diversification is one of the most significant aspects of an individual investor's investing portfolio, which could be described as being made up of "eager amateurs in the investment world." Investors who are knowledgeable in the field of investing are numerous. During their lives, people are drawn to engaging tasks like investing in a broad financial sector. Any investment's primary goal is to increase capital so that it can be used to generate income.

The financial market offers investors a wide range of investment opportunities. Not all of these different investment options are equally successful. The pattern of investments differs from investor to investor depending on the reason for the investment, the timing of withdrawals, and the level of risk tolerance. Two crucial aspects of any venture are time and risk. The final result is predicted but uncertain. For some investments, like bonds, time is a critical feature, whereas risk is a key component for other investments, like stock market investments. For some investments, like those in stocks, time and risk are equally crucial, and investors find it difficult because they lack understanding (Vikram et al., 2022).

Our investment portfolios are almost universally present. Real estate, machinery, supplies, farmland, precious metals, and financial assets like bonds, shares, deposits, etc. are all included in the portfolio. It also includes financial assets like stocks, bonds, and other investments. In order to participate in the financial market, investors are lured there and driven by a number of things. On the modern portfolio theory, which Markowitz proposed in 1952, it was believed that individual investors based their decisions. Standard deviation, expected return, and correlation are the three main criteria used in modern portfolio theory. But it was determined that the small stock portfolios held by individual investors make it difficult for them to diversify their holdings.

In order to achieve desired financial goals, the ability of a person to accept risk must also be taken into consideration while making financial decisions. The objective of the investment, the make-up of the portfolio, risk tolerance, market knowledge, demography, and attitude are some of the factors that need to be considered in order to understand the behaviour of the individual investor (Mohapatra et al., 2024; Mohanty et al., 2023).

2. Review of Literature

Rani Subathra, Dr. S. Bulomine Regi, and G. Jabez Rajan (2020) conducted research on the investment strategy and investor behaviour of the IT sector with respect to Chennai City. The study, which included 150 salaried IT investors, was published in the Mukt Shabad Journal. A straightforward random sampling method was used. Descriptive statistics, the T-test, and the Chi-square have all been used to collect and analyse the data. The study's findings show that annual income and percentage of investment are closely associated, but that gender-based differences in investing awareness are not present.

Rao B.K. Surya Prakasha and G.C. Venkataiah (2018) The study's primary goals are to quantify the influence of demographic characteristics on investors' investment decisions and examine how investors decide between different investment paths. The study had 120 participants and was carried out in the Andhra Pradesh city of Vijayawada. According to the study's findings, investors made their investments in a variety of investment opportunities in the hope of receiving returns over the long and short term.

Amaraveni and M. Archana (2017) determine the numerous alternative investments and the things to consider while choosing the investment opportunities, as well as the association between saving and investing habits among preferred investor behaviours. The information was gathered using a standard questionnaire that was given to 100 respondents in Warangal City who worked in various industries. According to the data, there is a correlation between a person's annual savings and their age, income, employment status by industry, and level of education in Warangal. Numerous statistical approaches, including the Chi Square test, ranking, and simple percentages, have been used to do the analysis.

Nguyen et al. (2016) examined the influence of financial risk tolerance on investment decision-making in a financial advice context. 538 Australian investors' data were taken into account for the study. The study found a link between investors' risk tolerance levels and their ability to make investing decisions. Additionally, the researcher found no correlation between financial literacy and an investor's level of risk tolerance.

Hoffmann et al. (2015) examined how investor perceptions influence actual trading and risk-taking behaviour in their study, How Investor Perceptions Drive Actual Trading and RiskTaking Behaviour. They made use of information from Dutch investors. In order to demonstrate how changes in individual investors' perceptions impact the trading process and decision to take on risk, researchers linked monthly survey data with relevant brokerage records. They came to the conclusion that investors who

have higher levels and upward revisions actively participate in trading and get greater rewards. Additionally, a high level of risk tolerance is noted.

Ambrose et al. (2014) examined the behaviour of an individual investor and the elements influencing investment decisions in their study article An analysis of the elements affecting investment choices: the situation of individual investors and the reputation of the company in the market, predicted return, profit, historical performance of the company's stock, and stock price, according to the researcher, are the most important elements. The researcher came to the conclusion that there is some association between behavioural finance elements and already known empirical factors.

Kartasova et al. (2013) examined the investment behaviours of investors on the Lithuanian stock market in their paper, Factors shaping irrational Lithuanian Individual Investor Behaviour. The investors' information is gathered through a questionnaire. He noted that men tend to be less overconfident than women. Knowledgeable investors are considered to be good or even extremely good ones. Experience and expertise both affect one's degree of confidence.

According to Ebrahim (2012) in his article titled An empirical assessment of financial risk tolerance and demographic features of individual investors, financial risk tolerance is the amount of risk that a person is willing to bear. Tolerance for risk should be evaluated before making financial decisions. The author investigated how demographic characteristics affected risk tolerance, portfolio structure, and investment choices. The association between these characteristics is used to forecast a person's level of risk tolerance. Hoffmann et al. (2012) explored how an individual investor's view and capacity for risk-taking changed during the financial crisis in their study piece Individual investor perceptions and behaviour during the financial crisis They noticed that throughout the financial crisis, the attitudes of individual investors fluctuated significantly.

3. Research Design and Methodology

This study tries to identify and analyse many aspects that influence how individual investors decide what investments to make and how to assess the risk in their investment portfolio. The two components of the investment analysis questionnaire are as follows: Personal information is included in Section I, and portfolio composition and risk-bearing capability questions are covered in Section II. The basic data that the researcher obtained forms the basis for most data analysis. The current study analyses data from 442 respondents. Individual investors are the source of the primary data. Data collection involves using the questionnaire approach. The questionnaire asks about demographics and several fundamental issues relating to investments. Descriptive statistics, chi-squared analysis, and one sample statistical analysis are used to examine the data.

4. Objectives of the Study

- To ascertain the relationship between respondents' demographic profiles and different variables affecting their varied investment.
- To understand the important connections between the variables affecting an investor's view of a diverse investment.

5. Research Hypothesis

Hypothesis 1

- **H₁:** There is an association between the demographic variables and individual investors' perceptions of the various factors influencing a diversified investment. **Hypothesis 2**

- **H2:** There is a significant difference between individual investors' perceptions of various factors influencing their diversified investment.

6. Data Analysis

6.1. Reliability Analysis

Table 1: Reliability Statistics	
Cronbach's Alpha	N of Items
.738	38

6.2. Frequency Table for Demographic Factors

Table 2: Demographic Factors Frequency Table					
Factor		Frequency	Percent	Valid Percent	Cumulative Percent
Gender	Male	405	91.6	91.6	91.6
	Female	37	8.4	8.4	100.0
	Total	442	100.0	100.0	
Age	21-30	142	32.1	32.1	32.1
	31-40	198	44.8	44.8	76.9
	41-50	93	21.0	21.0	98.0
	Above 50	9	2.0	2.0	100.0
	Total	442	100.0	100.0	
Status	Married	113	25.6	25.6	25.6
	Single	329	74.4	74.4	100.0
	Total	442	100.0	100.0	
Qualification	Under Graduate	7	1.6	1.6	1.6
	Graduate	192	43.4	43.4	45.0
	Post Graduate	185	41.9	41.9	86.9
	Professional Graduate	58	13.1	13.1	100.0
	Total	442	100.0	100.0	
Occupation	Salaried	412	93.2	93.2	93.2
	Self Employed	24	5.4	5.4	98.6
	Professional	6	1.4	1.4	100.0
	Total	442	100.0	100.0	
Income	Less Than Rs300000.00	163	36.9	36.9	36.9
	Rs. 300001.00 to Rs. 500000.00	79	17.9	17.9	54.8

	Rs. 500001.00 to Rs. 100000.00	83	18.8	18.8	73.5
	Above Rs. 100000.00	117	26.5	26.5	100.0
	Total	442	100.0	100.0	
Saving	Less Than Rs. 100000.00	245	55.4	55.4	55.4
	Rs. 100001.00 to Rs. 300000.00	129	29.2	29.2	84.6
	Rs. 300001.00 to Rs. 600000.00	27	6.1	6.1	90.7
	Above Rs. 100000.00	41	9.3	9.3	100.0
	Total	442	100.0	100.0	

Source: Primary data

6.3. Descriptive Statistics for Individual Factors

Table 3: Descriptive Statistics			
Factors	N	Mean	Std. Deviation
Savings for children' s education	442	1.71	1.236
Savings for tax reduction	442	3.00	1.229
Savings for purchase of assets	442	2.90	1.020
Savings for meet contingencies	442	3.56	1.107
Savings for Retirement	442	3.57	1.121
Investment in due to Safety	442	4.33	.828
Investment in due to High Returns	442	3.83	.869
Investment in due to r Liquidity	442	3.67	.979
Investment in due to Less Risk	442	3.52	1.182
Investment in due to Flexibility	442	3.54	1.333
Investment in due to Capital appreciation	442	3.24	1.529
Investment in due to Tax Benefit	442	3.62	1.080
Investment in due to Professional Management	442	3.56	1.329
investment in due to Diversification Benefit	442	3.24	1.524
Selecting due to Funds reputation	442	4.51	.939
Selecting due to Entry & Exit load	442	3.81	.981
Selecting due to expense ratio	442	3.38	1.072
Selecting due to performance record	442	3.57	1.357
Selecting due to Withdrawal facilities	442	3.19	1.624
Selecting due to Minimum initial investment	442	3.47	1.350
Selecting Mutual due to portfolio of	442	3.54	1.281

Selecting due to Rating	442	3.53	1.244
Selecting Products with tax benefits	442	3.37	1.361
Selecting due to Innovativeness of the scheme	442	3.28	1.395
Investment for the benefits of stock Market	442	4.32	.812
Invest as advised by your advisor	442	3.80	.880
Invest by Bank Sponsored for positive return	442	3.63	.964
Invest for easy Entry and exit out	442	3.55	1.174
Invest for a definite positive return	442	3.33	1.341
Invest for a risky investment instrument	442	3.38	1.170
Invest for a basket of assets	442	3.60	1.147
Valid N (listwise)	442		

Source: Primary data

6.4. Chai Square Analysis for the Association

Hypothesis 1

H₁: There is an association between the demographic variables and individual investors' perceptions of the various factors influencing a diversified investment.

Table 4: Chi-square analysis on the association among demographics of respondents and factors influencing diversified investment

Factors	Test	Gender	Age	Status	Qualification	Occupation	Income	Saving
Savings for children's education	Chi-Square	8.918	26.785	46.825	11.709	10.972	10.059	16.208
	Sig.	0.075	0.008	0.000	0.469	0.203	0.611	0.182
Savings for tax reduction	Chi-Square	9.405	26.348	5.004	36.813	14.821	50.658	35.259
	Sig.	0.052	0.010	0.287	0.000	0.063	0.000	0.000
Savings for purchase of assets	Chi-Square	6.182	72.015	43.585	25.297	7.202	56.352	33.274
	Sig.	0.186	0.000	0.000	0.013	0.515	0.000	0.001
Savings for contingencies	Chi-Square	1.208	28.018	3.704	15.531	10.274	36.147	26.823
	Sig.	0.877	0.005	0.448	0.268	0.246	0.000	0.008
Savings for Retirement	Chi-Square	4.510	10.273	6.118	12.165	3.396	19.059	16.375
	Sig.	0.341	0.592	0.190	0.433	0.857	0.087	0.175
Investment in due to Safety	Chi-Square	3.794	6.795	0.440	12.918	5.607	14.431	12.226
	Sig.	0.435	0.871	0.979	0.375	0.691	0.274	0.428
Investment in due to	Chi-Square	1.578	5.508	2.550	12.925	16.274	7.978	14.558

High Returns	Sig.	0.813	0.956	0.636	0.375	0.039	0.787	0.266
Investment in due to r Liquidity	Chi-Square	1.740	11.970	3.134	13..958	12.090	9.523	9.241
	Sig.	0.783	0.448	0.536	0.303	0.147	0.658	0.682
Investment in due to Less Risk	Chi-Square	3.894	19.109	7.824	10.769	12.514	11.997	11.307
	Sig.	0.421	0.860	0.098	0.549	0.134	0.446	0.503
Investment in due to Flexibility	Chi-Square	8.166	12.544	9.350	14.636	5.935	6.703	15.733
	Sig.	0.086	0.403	0.053	0.262	0.655	0.877	0.204
Investment in due to Capital appreciation	Chi-Square	5.625	10.419	6.565	20.941	11.072	6.504	13.383
	Sig.	0.229	0.579	0.161	0.051	0.198	0.889	0.342
Investment in due to Tax Benefit	Chi-Square	2.743	14.102	5.483	8.498	4.315	13.614	21.390
	Sig.	0.602	0.294	0.241	0.752	0.828	0.326	0.045
Investment in due to Professional	Chi-Square	2.671	6.901	3.388	14.648	2.141	16.158	18.472
	Sig.	0.614	0.864	0.495	0.261	0.976	0.184	0.102
investment in due to Diversification	Chi-Square	1.208	14.338	4.135	10.565	6.955	20.914	6.128
	Sig.	0.877	0.280	0.388	0.567	0.542	0.052	0.910
Selecting due to Funds reputation	Chi-Square	1.523	26.435	7.340	6.145	5.643	28.639	17.970
	Sig.	0.823	0.024	0.119	0.909	0.687	0.004	0.117
Selecting due to Entry & Exit load	Chi-Square	0.732	24.139	3.704	9.184	7.164	28.068	23.363
	Sig.	0.947	0.019	0.448	0.687	0.519	0.005	0.025
Selecting due to expense ratio	Chi-Square	3.963	12.144	6.012	17.456	11.939	20.519	10.023
	Sig.	0.411	0.434	0.198	0.133	0.154	0.058	0.614
Selecting due to performance record	Chi-Square	8.366	29.113	7.160	19.002	8.857	44.558	27.077
	Sig.	0.080	0.004	0.128	0.008	0.355	0.000	0.008
Selecting due to Withdrawal facilities	Chi-Square	11.301	19.528	2.079	14.153	6.520	46.260	19.377
	Sig.	0.026	0.077	0.721	0.021	0.589	0.000	0.080
Selecting due to Minimum investment	Chi-Square	2.695	19.959	4.393	6.811	8.487	15.184	16.346
	Sig.	0.610	0.068	0.355	0.870	0.387	0.232	0.176

Selecting due to portfolio of	Chi-Square	2.853	10.462	0.031	13.501	5.513	18.921	16.584
	Sig.	0.583	0.575	1.000	0.334	0.702	0.090	0.166
Selecting due to Rating	Chi-Square	3.448	8.269	4.051	6.012	19.090	17.120	11.119
	Sig.	0.486	0.764	0.399	0.863	0.014	0.145	0.519
Selecting Products with tax benefits	Chi-Square	3.841	18.821	1976	7.477	6.735	10.673	33.046
	Sig.	0.428	0.093	0.740	0.825	0.565	0.557	0.001
Selecting due to Innovativeness	Chi-Square	3.145	18.260	6.969	11.487	3.466	8.866	9.550
	Sig.	0.534	0.108	0.138	0.488	0.902	0.714	0.655
Investment for the benefits of stock	Chi-Square	4.103	15.781	8.854	17.102	15.482	14.928	9.116
	Sig.	0.392	0.201	0.065	0.146	0.050	0.245	0.693
Invest as advised by your advisor	Chi-Square	0.989	9.994	4.428	7.937	3.945	6.668	10.865
	Sig.	0.911	0.617	0.328	0.790	0.862	0.879	0.540
Invest by Bank Sponsored for	Chi-Square	5.621	20.232	5.841	5.516	10.289	11.221	24.357
	Sig.	0.229	0.063	0.211	0.939	0.245	0.510	0.018
Invest for easy Entry and exit out	Chi-Square	5.563	32.757	5.557	13.501	5.578	29.581	12.580
	Sig.	0.234	0.001	0.235	0.334	0.694	0.003	0.400
Invest for a definite positive return	Chi-Square	3.109	23.414	8.886	8.457	6.150	34.707	23.047
	Sig.	0.540	0.024	0.064	0.747	0.630	0.001	0.027
Invest for a risky investment	Chi-Square	3.916	12.661	2.012	17.002	12.967	21.968	20.141
	Sig.	0.417	0.394	0.733	0.149	0.113	0.038	0.064
Invest for a basket of assets	Chi-Square	5.399	30.273	12.007	19.197	6.239	46.942	26.284
	Sig.	0.249	0.003	0.017	0.084	0.621	0.000	0.010
Valid N (list wise)								

Source: Primary data

Table 4 shows that some demographic factors' significance values are less than 0.05 while others are greater than 0.05. The null hypothesis is rejected if the significance value is less than 0.05, and accepted if it is more than 0.05. We draw the following conclusions from Table 4 when the significance level is 0.05:

- There is a significant association between the demographic variable gender and withdrawal facilities for investment.

- There is a significant association amongst the demographic variable age and savings for children's education, savings for the tax reduction, savings for retirement, savings for purchase of assets, savings for contingencies, Selecting due to fund reputation, selecting due to entry and exit load, selecting due to performance record, investing for easy entry and exit, investing for a definite positive return, and investing for a basket of assets towards an investment
- There is a significant association between the demographic variable Status and savings for children's education, savings for the purchase of assets, and investing for a basket of assets towards an investment.
- There is a significant association between the demographic variable Qualification and savings for tax reduction, savings for the purchase of assets, and withdrawal facilities towards an investment.
- There is a significant association between the demographic variable occupation and selecting due to the rating of an investment.
- There is a significant association between the demographic variable income and savings for tax reduction, savings for the purchase of assets, savings for contingencies, Selecting due to the fund's reputation, Selecting due to entry and exit loads, selecting due to performance records, selecting due to withdrawal facilities, Invest for easy entry and exit, for a definite positive return, for a risky investment, and for a basket of assets for your investment.
- There is a significant association between the demographic variable savings and savings for tax reduction, savings for the purchase of assets, savings for contingencies, Investment due to tax benefits Selecting due to performance record, selecting products with tax benefits, Invest by bank sponsorship for a positive return and invest in a basket of assets for your investment.
- The significance level for each of the additional components is greater than 0.05. As a result, we accept the null hypothesis and come to the conclusion that there is no correlation between the demographic data and the numerous deciding criteria for investing in mutual funds. Gender, age, status, qualification, occupation, income, and saving are among the variables that don't significantly correlate with the many influential elements listed in Table 4.

7. One Sample Statistics

Hypothesis 2

H2: There is a significant difference between individual investors' perceptions of various factors influencing their diversified investment.

Table 5: One Sample Statistics for significant difference between the Individual Investors Perception towards various factors influencing Diversified Investment						
	t Value	Mean	Std. Deviation	Sig. (2-tailed)	Mean Difference	Std. Error Mean
Mutual Fund Savings for children's education	1.71	1.71	1.236	.000	1.715	.059
Mutual Fund Savings for tax reduction	3.00	3.00	1.229	.000	2.995	.058
Mutual Fund Savings for purchase of assets	2.90	2.90	1.020	.000	2.898	.048

Mutual Fund Savings for meet contingencies	3.56	3.56	1.107	.000	3.563	.053
Mutual Fund Savings for provide for Retirement	3.57	3.57	1.121	.000	3.570	.053
Investment in Mutual Funds due to Safety	4.33	4.33	.828	.000	4.335	.039
Investment in Mutual Funds due to High Returns	3.83	3.83	.869	.000	3.835	.041
Investment in Mutual Funds due to r Liquidity	3.67	3.67	.979	.000	3.674	.047
Investment in Mutual Funds due to Less Risk	3.52	3.52	1.182	.000	3.525	.056
Investment in Mutual Funds due to Flexibility	3.54	3.54	1.333	.000	3.543	.063
Investment in Mutual Funds due to Capital appreciation	3.24	3.24	1.529	.000	3.240	.073
Investment in Mutual Funds due to Tax Benefit	3.62	3.62	1.080	.000	3.615	.051
Investment in Mutual Funds due to Professional Management	3.56	3.56	1.329	.000	3.559	.063
investment in Mutual Funds due to Diversification Benefit	3.24	3.24	1.524	.000	3.244	.072
Selecting Mutual Fund scheme due to Funds reputation or brand	4.51	4.51	.939	.000	4.509	.045
Selecting Mutual Fund scheme due to Funds reputation or brand	3.81	3.81	.981	.000	3.808	.047
Selecting Mutual Fund scheme due to Funds reputation or brand	3.38	3.38	1.072	.000	3.382	.051
Selecting Mutual Fund scheme due to Funds reputation or brand	3.57	3.57	1.357	.000	3.566	.065

Selecting Mutual Fund scheme due to Funds reputation or brand	3.19	3.19	1.624	.000	3.192	.077
Selecting Mutual Fund scheme due to Funds reputation or brand	3.47	3.47	1.350	.000	3.466	.064
Selecting Mutual Fund scheme due to Funds reputation or brand	3.54	3.54	1.281	.000	3.543	.061
Selecting Mutual Fund scheme due to Rating	3.53	3.53	1.244	.000	3.534	.059
Selecting Mutual Fund scheme due to Funds reputation or brand	3.37	3.37	1.361	.000	3.373	.065
Selecting Mutual Fund scheme due to Funds reputation or brand	3.28	3.28	1.395	.000	3.283	.066
Investment in Mutual Fund for the benefits of stock Market	4.32	4.32	.812	.000	4.324	.039
Invest in Mutual Fund as advised by your advisor	3.80	3.80	.880	.000	3.796	.042
Invest in Mutual Fund by Bank Sponsored give a definite	3.63	3.63	.964	.000	3.627	.046
Invest in Mutual Fund is easy for Entry and exit out	3.55	3.55	1.174	.000	3.548	.056
Invest in Mutual Fund gives a definite positive return	3.33	3.33	1.341	.000	3.328	.064
Invest in Mutual Fund is a risky investment instrument	3.38	3.38	1.170	.000	3.378	.056
Invest in Mutual Fund is a basket of assets	3.60	3.60	1.147	.000	3.597	.055

The table 5 shows that, for a one sample t-test, the p value [Sig. (2-tailed)] for investment components is less than 0.05 (p .05) at a 5% significant level, meaning that alternative hypothesis H1 is accepted

and null hypothesis H_0 is rejected. Because all of the significance values are less than 0.05 ($p < 0.05$), the analysis shows that all investment factors significantly influence investment decisions.

8. Findings, Suggestions & Conclusion

8.1. Findings

The demographic profile shows that the following are true:

- A maximum of 63.1% of respondents are in the 20–30 age range, with women making up the majority (52.4%).
- The majority of respondents (50%) are students, followed by those who are employed (32%), and have educational backgrounds that include both undergrad (34%) and postgrad (58%) degrees.
- The majority of respondents (68%) had monthly incomes of less than Rs. 50,000, while 18.4% had incomes between Rs. 50,000 and Rs. 100,000.

The chi-square test at the 5% level of significance shows:

- There is a relationship between demographic factors and investment factors that influence mutual fund investment, such as tax advantages and liquidity, and factors like gender and monthly income.
- There is no statistically significant correlation between the various influential factors, such as high return on investments, risk associated with investments, liquidity of the company, regular income from investments, tax benefits associated with investments, flexibility of investments, broker's advice, and the performance of investment schemes.

The one-sample statistical test shows that:

- All of the factors' significance levels fall between 0.01 and 0.05. Therefore, we draw the conclusion that there is a relationship between the variables that affect how an investor perceives the performance of a diversified investment.

8.2. Suggestions

- The investor should monitor the scheme's performance as well as that of other respectable plans that are readily available on the market for a closed comparison.
- Efforts should be made to promote or improve online mutual fund trading. This will save both money and time. Any time they choose, they can easily sell or buy any amount of money.
- In order for investors to save more money and generate further investments for both themselves and mutual fund firms, brokers should lower the brokerage fees for intraday and delivery-based trading.
- The mutual fund sector must also assist customers in maximising the use of their savings by helping them mobilise them. By emphasising the benefits and returns of such investments, businesses must work to increase the amount of money invested in moderately to highly risky investments.
- Some investors recommended informing investors through SMS once every two weeks of the fund values of their mutual fund investments. The investors will benefit from having access to the most recent information about various funds

8.3. Conclusion

This study examined the variables affecting the investor's perspective on investing in a diversified investment portfolio. It is noted that investors with middle-class incomes concur that consistent income and investment liquidity are crucial. It can appear that taking on more risk will result in higher investment returns. The investing flexibility would result in the funds performing well. There is

potential for investors from various age groups to look for many more elements than only those taken into account for the study that might entice them to invest in the diversified investment portfolio. To boost the investors' confidence and spirits, actions should be taken. This can be accomplished by having effective communication with investors and teaching them about mutual fund investing. They should be provided with sensible and accurate information via a variety of communication channels so that they are aware of the most recent market trends. As long as they exist, mutual funds will continue to be the only type of financial instrument in the nation.

References

1. L. Nguyen, G. Gallery, and C. Newton, "The influence of financial risk tolerance on investment decision- making in a financial advice context," *Australasia Accounting, Business and Finance Journal*, vol. 10, no. 3, pp. 3–22, 2016.
2. A. O. Hoffmann, T. Post, and J. M. Pennings, "How investor perceptions drive actual trading and risk- taking behavior," *Journal of Behavioral Finance*, vol. 16, no. 1, pp. 94–103, 2015.
3. M. Ballings, D. Van den Poel, N. Hespeels, and R. Gryp, "Evaluating multiple classifiers for stock price direction prediction," *Expert Systems with Applications*, vol. 42, no. 20, pp. 7046–7056, 2015.
4. S. Lodhi, "Factors influencing individual investor behavior: An empirical study of city karachi," *Journal of Business and Management*, vol. 16, no. 2, pp. 68–76, 2014.
5. M. Hood, J. R. Nofsinger, and A. Varma, "Conservation, discrimination, and salvation: Investors social concerns in the stock market," *Journal of Financial Services Research*, vol. 45, no. 1, pp. 5–37, 2014.
6. A. Jagongo and V. S. Mutswenje, "A survey of the factors influencing investment decisions: the case of individual investors at the nse," 2014.
7. T. M. Obamuyi et al., "Factors influencing investment decisions in capital market: A study of individual investors in Nigeria," *Organizations and markets in Emerging Economies*, vol. 4, no. 1, pp. 141–161, 2013.
8. J. Kartasova, "Factors forming irrational lithuanian individual investors" behaviour," *Verslo Sistemos ir Ekonomika*, vol. 3, no. 1, 2013.
9. E. K. Sulaiman, "An empirical analysis of financial risk tolerance and demographic features of individual investors," *Procedia Economics and Finance*, vol. 2, pp. 109–115, 2012.
10. A. O. Hoffmann, T. Post, and J. M. Pennings, "Individual investor perceptions and behavior during the financial crisis," *Journal of Banking & Finance*, vol. 37, no. 1, pp. 60–74, 2013.
11. D. Jain and N. Mandot, "Impact of demographic factors on investment decision of investors in Rajasthan," *Researchers World*, vol. 3, no. 2, p. 81, 2012.
12. A. A. Merikas, A. G. Merikas, G. S. Vozikis, and D. Prasad, "Economic factors and individual investor behavior: The case of the greek stock exchange," *Journal of Applied Business Research (JABR)*, vol. 20, no. 4, 2011.
13. N. Walia and R. Kiran, "An analysis of investors risk perception towards mutual funds services," *International Journal of business and Management*, vol. 4, no. 5, p. 106, 2009.
14. J. Sun and H. Li, "Data mining method for listed companies financial distress prediction," *Knowledge- Based Systems*, vol. 21, no. 1, pp. 1–5, 2008.
15. M. Kumar and M. Thenmozhi, "Forecasting stock index movement: A comparison of support vector machines and random forest," 2006.
- 17.

18. P. D. Dwyer, J. H. Gilkeson, and J. A. List, "Gender differences in revealed risk taking: evidence from mutual fund investors," *Economics Letters*, vol. 76, no. 2, pp.151–158, 2002.
19. K. R. Fachrudin and K. A. Fachrudin, "The influence of education and experience toward investment decision with moderated by financial literacy," *Polish Journal of Management Studies*, vol. 14, no. 2, 2016.
20. E. Bennet, M. Selvam, G. Indhumathi, R. R. Ramkumar, Karpagam et al., "Factors influencing retail investors „attitude towards investing in equity stocks: A study in Tamilnadu," *Journal of Modern Accounting and Auditing*, vol. 7, no. 3, p. 316, 2011.
21. R. A. Olsen and C. M. Cox, "The influence of gender on the perception and response to investment risk: The case of professional investors," *The Journal of Psychology and Financial Markets*, vol. 2, no. 1, pp. 29– 36, 2001.
22. L. Gupta, C. Gupta, and N. Jain, "Indian households „investment preferences," *FINANCE INDIA*, vol. 15, no. 2,pp. 719–719, 2001.
23. Vikram, I., Hotwan, A., & Mohanty, D. (2022). Comparison of International Stock Market Volatility: An Empirical Analysis During Economic Crisis 2008 and COVID-19. *ECS Transactions*, 107(1), 18593.
24. L. Feng and M. S. Seasholes, "Individual investors and gender similarities in an emerging stock market," *Pacific-Basin Finance Journal*, vol. 16, no. 1, pp. 44–60, 2008.
25. A. Kamesaka, J. R. Nofsinger, and H. Kawakita, "In-vestment patterns and performance of investor groups in japan," *Pacific-Basin Finance Journal*, vol. 11, no. 1, pp.1–22, 2003.
26. F. Pattarin, S. Paterlini, and T. Minerva, "Clustering financial time series: an application to mutual funds style analysis," *Computational Statistics & Data Analysis*, vol. 47, no. 2, pp. 353–372, 2004.
27. Mohapatra, A. K., Mohanty, D., Sardana, V., & Shrivastava, A. (2024). The ripple effect: Influence of exchange rate volatility on Indian sectoral indices. *Indian Journal of Finance*, 18(2), 8-24.
28. S.-H. Liao, H.-h. Ho, and H.-w. Lin, "Mining stock category association and cluster on Taiwan stock market" *Expert Systems with Applications*, vol. 35, no. 1, pp. 19–29, 2008.
29. J. de Dreu and J. A. Bikker, "Investor sophistication and risk taking," *Journal of Banking & Finance*, vol. 36,no. 7, pp. 2145–2156, 2012.
30. Mohanty, D., Mohapatra, A. K., Tripathy, S., & Matta, R. (2023). Nexus between foreign exchange rate and stock market: evidence from India. *Investment Management & Financial Innovations*, 20(3), 79.