

Name: Shuchita Singh
Supervisor: Dr. Saif Siddiqui

Department: Centre for Management Studies
Jamia Millia Islamia, New Delhi

Title of thesis: Behavioural Finance and Investment Patterns
- An Empirical Study of Investors in Delhi

Findings

As the responses of questionnaire have been collected and analyzed through graphical analysis, major findings of the survey are:

- Maximum respondents are males, who belong to age group of 26 to 35 years of age and are professionally qualified.
- Most of the respondents suffer from Overconfidence Bias, Cognitive Dissonance Bias, Self Attribution Bias and Conservatism Bias.
- Investors are only marginally affected by Illusion of Control Bias.
- Saving Pattern of investors depict that, they believe in saving first and then spending. This shows that there is very less effect of Self Control Bias.
- Influence of Optimism Bias is noticed.
- All the investors are inclined towards Loss Aversion mentality.
- Investors are deeply affected by “Regret Aversion” bias, as clear from their responses that investors would like to hold back the security, if there is optimism available in it.
- Deep effect of Herd Bias and Anchoring Bias is seen on the surveyed investors.
- Deep effect of Ambiguity Aversion bias and Endowment effect.
- Investor’s population surveyed has minor influence of the availability bias.
- Maximum no. of investors are willing to make investments at their home locations only.
- Investors are also affected by recency bias.

After applying the graphical analysis on the data of responses collected, the status of various hypotheses is checked after making the comparison with the final results collected.

Out of the data collected through survey, detailed analysis is performed and nine factors are created, which are under the influence of different biases and respond differently, causing anomalies in the market. **The factors are used in the model creation.**

Model

As different biases considered are grouped under different factors, which are actually representing the various types of investor's personalities. The model created below is the pictorial representation of these factors on the risk and return parameter, according to their characteristics.

MODEL

