IMPACT OF YOUNG INDIVIDUAL BEHAVIOR ON INVESTMENT DECISION - AN EMPIRICAL STUDY IN MUTUAL FUND INVESTMENT

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Abstract:

Investment plays a significant role in the economic growth of the Nation. Particularly shares, debentures, and mutual funds investment contributes the maximum towards capital stock and facilitates the utilization of funds for various project developments. Even though this type of investment involves high risk in getting the expected return, young individuals with extraversion nature take more risk in their life and preferred this investment. This study has attempted to analyze those investor behaviors on their savings decision towards mutual funds among 602 customers in India selected through a simple random sampling method. The researcher has applied various tools, and the result showed that awareness and investment objectives have a significant and positive impact on investment decisions. The researcher has given valuable insights to the investors of other types of investment, advisors, and professionals of this sector for their future investment decision.

Keywords: Awareness, Buying behavior, financial knowledge, Risk tolerance, Young Investor.

1. Introduction

Investment is an asset created by every individual on their own either directly or indirectly in anticipation of profit (Malik, 2008 in Azhar, Juliza, Azilah & Syafiq, 2017). But the mindset of those investors towards risk, safety, and easy liquidity made their choices constrained to a conventional type like gold and other bank investments available plenty in the market (Roopadarshini & Nagaraj, 2015); (Selvakumar & Mahesh, 2015). On the other side, some individuals prefer high risk-oriented schemes with an expectation of high returns in a minimum period. It witnessed that the financial behavior of every investor has a significant impact on the

investment decision besides risk tolerance. (Aima & Lutfi, 2019); (Nofsinger, 2017); (Mayfield, Perdue & Wooten, 2008). The role of behavioral finance through extraversion and conscientiousness through risk tolerance stimulating investment intentions (Sadiq & Khan, 2019), and this made the investor rely on their own decision despite loss aversion and proceeds with risk-oriented schemes (Areiqat et al., 2019).

This research is focusing on the young individual behavior on the investment decision towards the non-conventional market-based investment, particularly mutual funds. (Deo & Jagtap, 2017) explained that a mutual fund investment is not an alternative to shares, debentures, and bonds but investing the collected money from all the investors in a profit-oriented diversified portfolio. While analyzing the performance of these funds, the statistical report of the India Brand Equity Foundation (IBEF) informed that the equity market capitalization was Rs.94.75 trillion during 2015-16 has increased to Rs.113.48 trillion during 2019-20. The asset managed in the mutual fund itself reached Rs.23.52 trillion in April 2020. Another mutual fund report of Markets and Securities Services (Citi) pointed out that out of the total population of India (>1.36 billion), 66 million peoples have invested in mutual funds and out of which 30 million found as unique mutual fund investors and 26.2 million have enrolled as Systematic Investment Plan (SIP) investors in India.

Most of the investors who were as fiscal conservatives have well known that the diversified portfolio alone will reduce the risk, and they were gradually entering into the mutual fund schemes (Sindhu & Kumar, 2014). Many earlier studies available in the investment domain, but only a few research works are there on the impact of personality traits, risk tolerance, awareness towards investment, knowledge, and its effect on the decision-making process of the investor concerned. ((Deo & Jagtap, 2017); (Tapari & Babu, 2019); (Bhavani & Shetty,2017); (Lutfi,2010) But there was no title about the young investor behavior towards mutual fund investment as different age group investors track the same scheme in a varied manner. It is the gap identified for this study, and given the need for understanding the investor's opinion about the mutual fund investment, the following research questions have been put forth in this research.

1. How does the risk tolerance influence the individual investment decision towards mutual fund investment?

2. Whether the age of the investor has a significant impact on factors that influencing the investor's behavior?

3. Which factor of the investor's behavior has stimulated the mutual fund investment decision?

The researcher has developed a new theoretical framework based on a behavioral perspective of the investors through the mediating role of risk tolerance and with supportive determinants in the context.

This research has the following sequence of study: First with the review of literature on investors behavior and second with the methods comprising conceptual framework including objectives of the study and Hypotheses, third discussion with methodology, data collection, analysis and interpretation, Fourth with the result, discussion and conclusion, fifth with the Limitations and the scope of the future research and sixth dealt with the reference.

2. Review of Literature

As everyone knows review of literature is a comprehensive summary of the previous work done on the selected domain, and it is essential for all the research activities. An ample literature review is provided in view to realize the dimensions that stimulating the investment choice among the mutual fund investors.

(Ozer & Mutlu, 2019) studied the effect of personality traits on financial behavior and revealed that conscientiousness, agreeableness, and openness to experience have a positive impact on it and also highlighted that individuals with different personality traits have various levels of financial tolerance. (Shinde & Zanvar, 2015) studied the demographic traits investment pattern in Pune and found that there is a significant difference noticed between the investment pattern among the individuals and Age, Income, and Educational Qualification. (Patel & Modi, 2017) analyzed the impact of demographic factors on investment decisions among 100 respondents in South Gujarat and confirmed that there is a significant difference found between the gender and the return of investments and also concluded that there is no difference noticed in risk-taking ability with the age of the investors. (Boda & Sunitha, 2018) pointed out that

understanding investor behavior facilitates converting the psychological biases into financial benefits.

(Choudhary & Balasubramanian, 2019) studied the investment behavior through the personality of the investors among 113 respondents in India and found that the personality trait of the investors has a significant and positive relationship with risk-taking investment behavior in such a way that the investment decisions increase on the increase of risk-bearing capacity. (Athira & Kakkakunnan, 2020) analyzed the impact of demographic and personality traits on risk-bearing capability among the investors and the result revealed that risk-bearing ability was found highly dependent upon their gender, occupation, and monthly income. Regarding the impact of personality traits, those with an agreeable, extravert, and conscientiousness are ready to take more risks than others and have a positive relationship with the risk-bearing capacity. (Mishra, 2018) attempted to study the awareness level and the responsibility of the investors towards mutual fund among different profile investors and found that the awareness level was found very low among them. Besides, gender, income, and education have a significant influence on investor attitudes to investment in the mutual fund.

(Saxena & Sheikh, 2019) investigated the role of age, income, gender, and education on mutual fund investment and revealed that age, education, and income have a significant impact on the investment intention except for the gender of the respondents. And investors at an early age were ready to take the risk. (Anjum et al., 2019) attempted to study the influence of personality traits and the psychological biases on the investor's trading behavior in the Pakistan commodity market and identified that there is no significant relationship between the overconfidence bias, loss aversion bias, self-control bias, extraversion trait, openness to experience trait and agreeableness trait and the investor's trading behavior. (Mak & Ip, 2017) conducted exploratory research to study the investment behavior among mainland Chinese and Hong Kong investors and revealed that the characters found to differ between these two investors. It creates more difficulties for the service providers for providing preferences of schemes to them.

(Samsuri, Ismiyanti & Narsa, 2019) studied the effect of risk tolerance and financial literacy on investment intentions and found that financial literary people were willing to take the risk during the investment decision process and the risk tolerance always affecting the

investment intentions. (Sindhu & Kumar, 2014) analyzed the impact of risk perception of the investors on their investment decisions in Kerala and informed that the investment decision of every investor is very much influenced by the risk perception. (Sharma, Chalise & Dangol, 2017) examined the relationship between the risk tolerance and the demographic with 300 individual investors in the Kathmandu valley of Nepal and found that men investors were found more risk-taker than women and also age affects the risk tolerance significantly. (Nguyen, Gallery & Newton, 2016) examined the influence of risk tolerance determinants like clients financial literacy, trust, and the length of the service on investment decision and confirmed that the financial risk tolerance has a positive relationship with the client's investment decision but at the same time, trust and the length of the service have positively associated with the financial literacy. The findings also highlighted that many investors considered themselves as sophisticated investors which are not correct and lead to behavioral bias. This could be overcome only through the effective advisor-client relationship.

(Praba, 2016) examined the factors that influence the financial risk profile of the individual investors through the relationship and found that 45 percent of the total population found under the average risk tolerance category. Also, a significant relationship exists between gender and risk tolerance, and it is the male respondents found with high risk-tolerant than women. (Seetharaman et al., 2017) studied about the factors that affect the choice of investment portfolio by the individual investors of Singapore, and the result confirmed that the Asset familiarity and investment objective have strongly influenced the selection of a portfolio of the fund out of which the asset familiarity alone create confidence through various biases in getting guaranteed returns. (Mujahid et al., 2014) examined the different patterns of investment behavior during high-risk phenomena and identified that the demographic variables like age, gender, formal education, culture, marital status, homeownership, and employment status played a significant role and affecting the investment decision. In particular, unmarried investors were ready to take high risk in investment.

(Queen & Hassan, 2019) examined the factors that affect the investment risk tolerance towards retirement plans among the Malaysian investors, and the result confirmed that there is no significant relationship between gender and the educational level with the risk level. Also, the investment time horizon and the long-term investment goal of the investors have positively

related to risk tolerance. (Sudindra & Naidu, 2018) analyzed the financial behavior towards investment decisions among the 378 working women of the IT sector in Bengaluru and revealed that the behavior towards savings, spending and borrowing money and investment behavior has a significant impact on the financial behavior, and this has a positive effect on the decision making power of the women investors. (Goel & Khatik, 2017) attempted to study the investor's awareness and preference towards mutual funds and found that some of the individuals still not having awareness about the mutual fund investment and among the individuals who were aware of the mutual funds have preferred only the balance fund and Tax relief fund and they prefer only the offline investment against the availability of the online mode. (Sailaja, 2018) also confirmed that more awareness could be created among the individuals only when the organization enhance the classification of the venture and disseminating the focus in a various urban and semi-urban area. (Uddin, 2016) examined the strategy about the systematic investment plan (SIP) in the mutual fund to identify the motivation factor among the investors residing in Gujarat and found that they have informed that direct equity investment is riskier than the SIP mode, which is fulfilling their long term objectives like marriage, retirement, and children education. Moreover, there is an opportunity to invest a small month every month and getting a good profit in the long term mode. (Tanvir, Sufyan & Ahsan, 2016) analyzed the impact of investor's emotional intelligence on the investment decision among 225 individuals and found that the factors like self-management, motivation, and empathy were highlighted as a predictor for the investment decision.

In the investment decision making process, two rational behaviors that make those individuals to overcome the emerging biases or the cognitive errors (Nguyen, Gallery and Newton, 2016) towards the investment were 1) Awareness towards the scheme and 2) Risk tolerance among the investors, which make them to arrive for a satisfying investment decision. All the results of the above research works have discussed the impact of personality traits, risk tolerance, awareness towards investment, knowledge, and its effect on the decision-making process of the investor concerned. In this study, the researcher intended to analyze the young investor's behavior found under the age group between 18-40 years on their investment decision towards mutual funds and have not tried earlier universally, and this is the actual research gap identified for this study

3. Conceptual Framework

The research constructs have been identified from the various earlier literatures, and a research model is developed to explore the effect of the behavior of the individuals on the investment decision. Here the research has considered risk tolerance as a mediating role between the investor's behavior and the investment decision.
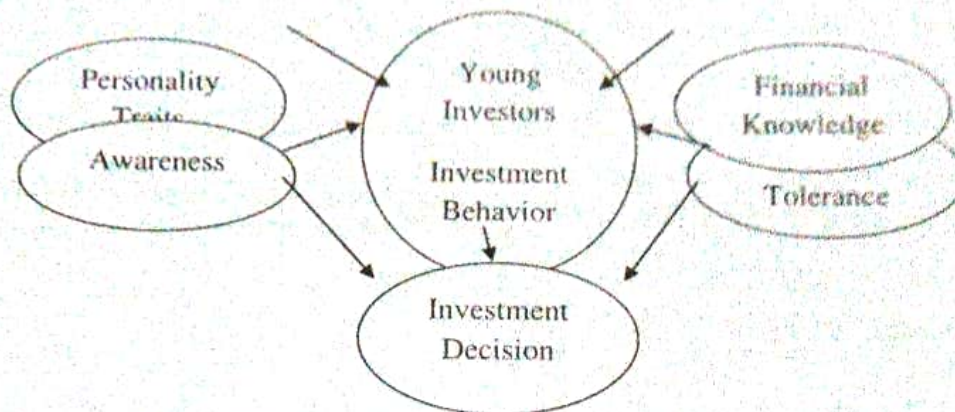
Figure 1: Conceptual Model

Accordingly, the primary hypothesis of the study is as follows:

H_1: There is a significant impact of investment behavior on the investment decision among the young investors towards the mutual fund.

The supportive hypotheses to the primary one are also detailed below:

H_2: Personality traits have a significant effect on investment behavior.

H_3: Awareness has a significant effect on investment behavior

H_4: Risk Tolerance has a significant effect on investment behavior

H_5: Financial Knowledge has a significant effect on investment behavior

H_6: Investment objectives have a significant effect on investment behavior.

H_7: Investment behavior has a significant effect on investment decision through risk tolerance

H₃ Demographic Variables of the investors are significantly associated with the factor influencing the investment behavior and decision.

The research focuses on analyzing the following objectives

- To examine the association between the investor's demographic variables and the factors of the investment behavior towards mutual fund investment.
- To determine the association between the constructs under investment behavior towards mutual fund investment.
- To examine the association between the behavioral factor and the investment decisions among the mutual fund investor.
- To determine the impact of the construct of investment behavior on the mutual fund investment decision.

4. Research Methodology

This quantitative research is descriptive in nature and, the data collected from the mutual fund investors between June 2020 and October 2020 The researcher has identified the research gap with the earlier work and other available theories on the subject and framed the objectives and the hypothesis. As this study depends on the primary data of the investors on a pan India basis, it is not possible to reach all the respondents personally. To cover the desired area, the researcher initially followed the stratified random sampling method in the six geographic divisions of the country (i.e.) Central India, East India, North India, Northeast India, South India, and Western India. The target group of respondents for this study is the young investor, and it is an unknown population. Hence the required sample as per the earlier theory is 384 only. To have a precise result, the researcher has considered 130 young investors who were aged between 18-40 years in each stratum selected through simple random sampling technique and finalized 780 as the total sample size for this study. Before commencing the survey process, a three-section questionnaire was administered among 100 investors to confirm the reliability and suitability and found with the value 0.895. Based on the suggestions and the opinion of the experts, it was corrected and distributed among the investors through e-mail and other possible ways. Among the 663 questionnaires received, 117 were found unfinished and missing with the required data. Hence the total number of questionnaires correctly received was 602 to a response rate of

77.17%. The result revealed through various analytical tools suitable for this study is discussed in the following sections.

4.1. Structural Equation Modeling

Confirmatory factor analysis (CFA) is applied to check the Uni-dimensionality of the model. Given assessing the various fit indices includes the goodness and badness indices, every research model has to confirm the range of fit prescribed (Chau, 1997) in (Bhat, Darzi & Parrey, 2018).) and (Sun, 2005). The structural equation modeling with the constructs considered in this study is depicted in Figure 2 below:
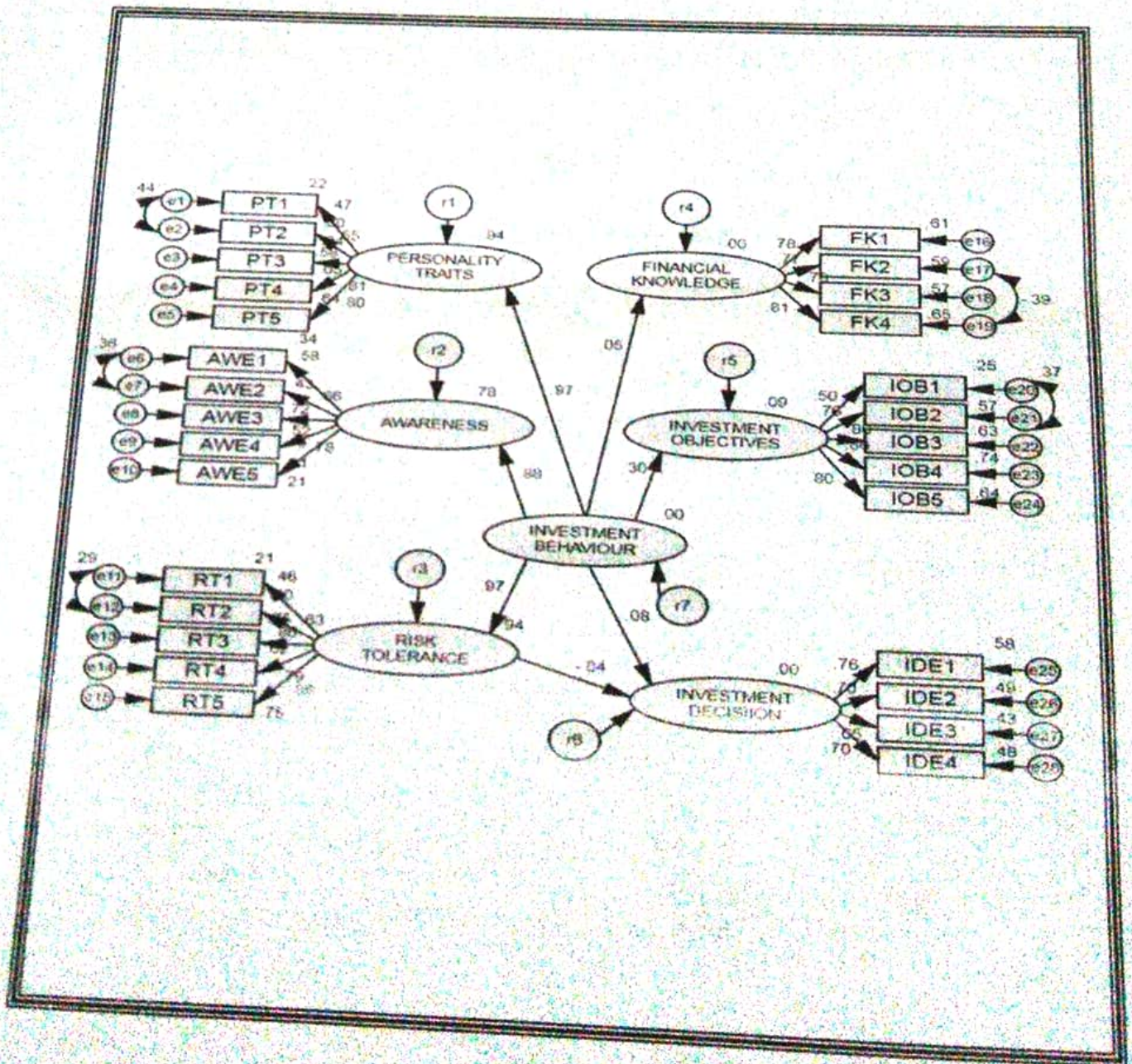
Figure 2: Structural Equation modeling

(Diamantopoulos & Sigpaw, 2000) in(Tsoukatos & Orabam K. Rand, 2006) informed that the chi-square test value along with the RMSEA, ECVI, standardized RMR, GFI, and CFI indices are sufficient to assess an overall model fit of every research. In this study, it is seen that all the goodness and badness indices are met by the measurement model (χ^2/ df = 2.678, GFI = 0.897, NFI =0.893 CFI = 0.930, IFI 0.930, RMR = 0.038 and RMSEA = 0.053, AGFI=0.876, P Ratio=0.894 and SRMR =0.468 confirmed the goodness of fit of the model considered with the constructs.

The internal consistency of the factors also confirmed through the factor loading, average variance extracted (AVE), and the composite reliability, and the result obtained is detailed in Table 1 below:

Table 1

Parameter estimates of the study

Latent Factors	Label	Standardized Factor Loading	Cronbach Alpha Value	Critical Ratio (CR)	R^2	AVE	CR
	PT1	0.469	0.793	11.270	0.220	0.430	0.782
	PT2	0.548		13.344	0.300		
Personality	PT3	0.581		14.339	0.338		
Traits	PT4	0.806		21.613	0.650		
	PT5	0.799		*	0.638		
	AWE1	0.582	0.787	9.435	0.339	0.421	0.779

	AWE2	0.692		10.034	0.412		
Assurance	AWE1	0.730		10.166	0.518		
	AWE4	0.778		10.545	0.605		
	AWE5	0.459		*	0.210		
	RT1	0.456	0.831	11.446	0.207	0.544	0.953
	RT2	0.633		17.186	0.401		
Risk Tolerance	RT3	0.863		27.381	0.745		
	RT4	0.786		23.611	0.618		
	RT5	0.865		*	0.748		
Financial Knowledge	FK1	0.781	0.846	*	0.610	0.601	0.862
	FK2	0.771		17.410	0.594		
	FK3	0.756		17.986	0.572		
	FK4	0.807		18.545	0.651		
Investment Objectives	IOB1	0.501	0.867	*	0.251	0.567	0.870
	IOB2	0.757		14.003	0.573		
	IOB3	0.796		11.813	0.634		
	IOB4	0.858		12.450	0.736		
	IOB5	0.801		11.843	0.642		

Investment Decision	IDE1	0.759	0.761	•	0.589	0.497	0.796
	IDE2	0.699		5.881	0.489		
	IDE3	0.653		5.621	0.426		
	IDE4	0.695		6.617	0.483		

Source: Primary data

The average variance extracted through this study ranges between 42% and 60%, against the recommended value of 0.5, (Fornell & Larcker, 1981) in (Lam, 2012) pointed out that the average variance extracted may be a more conventional estimate of the validity of the measurement model, and the researchers determined the internal consistency and the convergent validity based on the composite reliability that has the value of more than 50%. The composite reliability of this study found more than 0.50 for all the constructs, and hence the internal reliability of the measurement items is acceptable. The coefficient of determination (R^2) and the reliability value of this study found more than 0.70 (Nunnally, 1978) also confirmed the positive relationship between the constructs of this study.

4.2. Demographic Profile of the Investors

The demographic characteristics of the investors were analyzed and detailed below in Table 2:

Table 2
Demographic Characteristics of the Respondents

Sl. No.	Demographic Characteristics		Frequency (n)	%
01.	Gender	Male	553	91.9
		Female	49	8.1

No.	Category	Subcategory	Count	Percent
		Up to 20 Years	166	27.6
02.	Age	21-25 Years	156	25.9
		26-35 Years	166	27.6
		36-45 years	114	18.9
03.	Marital Status	Married	244	40.5
		Unmarried	337	56.0
		Widower	7	1.2
		Divorced	14	2.3
		Illiterate	11	1.8
		SSLC	39	6.5
		HSC	25	4.2
03.	Educational Qualification	Under Graduate	450	74.7
		Post Graduate	21	3.5
		Professional	50	8.3
		Others	6	1.0
		Public Sector	44	7.3
		Private Sector	325	54.0
		Business	152	25.3
04.	Occupation	Agriculture	26	4.3
		Housewife	35	5.8
		Others	20	3.3

05.	Monthly Income	Up to Rs. 25000/=	69	11.5
		Rs. 25001/= to Rs. 50000/=	278	46.2
		Rs. 50001/= to Rs. 100000/=	88	14.6
		>Rs. 100000/=	167	27.7
06.	Monthly Expenditure	Up to Rs. 10000/=	168	27.9
		Rs. 10001/= to Rs.15000/=	149	24.8
		Rs. 15001/= to Rs.20000/=	158	26.2
		Above Rs. 20000/=	127	21.1
07.	Experience	Less than 5 years	140	23.3
		5-10 years	123	20.4
		10-15 years	234	38.9
		16-20 years	105	17.4
08.	Type of the Family	Nuclear	250	41.5
		Joint	352	58.5
09.	Number of family members	Less than 3	152	25.2
		3-5 members	379	63.0
		Above 5	71	11.8
10.	Family Earning Status	Single Earning Family	327	54.3
		Double Earning Family	242	40.2
		> Double Earning Family	33	5.5
11.		High Return	126	20.9

	Reason for investing in Mutual Fund	Savings	53	8.8
		Tax Benefit	302	50.3
		Retirement benefit	65	10.8
		Others	56	9.3
12.	Reason for preferring mutual fund than other investment	Management of Funds	175	29.1
		Diversified portfolio	79	13.1
		Safe against market fluctuation	163	27.1
		Flexibility	44	7.3
		Having regulation body	16	2.7
		All the above	125	20.8
13.	Preferred category of fund	Open ended Growth	55	9.1
		Open ended Dividend	268	44.5
		Closed ended	268	44.5
		Others	11	1.8
14.	Opinion about high risk oriented fund	Equity Fund	477	79.2
		Debt Fund	23	3.8
		No Idea	102	16.9
15.	Your Tolerance level	High	140	23.3
		Medium	309	51.3

		Low	153	25.4
16	Source of information	Friends	84	14.0
		Relatives	100	16.6
		Mutual Fund Agents	'120	19.9
		Self	298	49.5

Source: Primary Data

The above result revealed that maximum investors are male (553 with 91.9 percent), and most of the respondents were under the age group of up to 20 years and 26-35 years with 27.6 percent each. Regarding the marital status, 337 respondents with 56 percent found unmarried and maximum were having an undergraduate degree as their educational qualification. While analyzing the occupation, 54 percent of the total investors have their profession in the private sector, and most of the investors were having a monthly income ranging from Rs.25000/= to Rs.50000/=. Regarding the monthly expenditure, maximum investors were spending up to Rs.10000/= per month. About their experience, 234 investors with 38.9 percent were having 10-15 years and a maximum of them living jointly with their family members. 63 % of the investors have 3-5 dependent on their family, and in most of the family, a single earning member is available.

Regarding the mutual fund investment, 302 investors (50.2%) have invested in the mutual fund for availing the tax benefit and preferring this mutual fund domain due to proper management of the fund. Investors have preferred the open-ended and closed-ended fund equally, and the maximum of 477 investors to 79.2 percent informed that more range of risk rested with the equity fund only. The risk tolerance among the investors confirmed that 51.3 percent of the total population was having a medium level of risk tolerance, and maximum investors have got the information about the mutual fund investment on their own only, and only 19.9 percent of the investors got the communication and information from the mutual fund agents.

4.3. Karl Pearson Correlation Method

Karl Pearson correlation method is a widely used technique for measuring the degree of relationship between the constructs. The result of the correlation analysis is detailed in Table 3 below:

Table 3

Karl Pearson's Correlation Analysis

| | Karl Pearson's Correlation | | | | | |
FACTORS	F1	F2	F3	F4	F5	F6
Personality Traits	1	0.692^{**}	0.774^{**}	0.029	0.175^{**}	0.041
Awareness		1	0.734^{**}	0.314^*	0.158^{**}	0.211^{**}
Risk Tolerance			1	0.053	0.243^{**}	0.019
Financial Knowledge				1	0.049	0.043
Investment Objectives					1	0.227^*
Investment Decision						1

**- 1% level of significance; * -5% level of Significance

Source: Primary Data

The result showed that there is a significant correlation found between the Personality traits with the awareness ($r=0.0692^{**}$) followed by Risk Tolerance (0.774^{**}) and with investment objectives ($r=0.175^{**}$). The factor "Awareness" significantly correlated with all the constructs of this study with the maximum correlation towards Risk Tolerance ($r=0.734^{**}$) followed by the investment objectives of the investor with the Investment decision ($r=0.227^*$) at a 5% level of significance. There is no negative correlation found between the constructs of this study. The correlation coefficient value corresponding to the constructs: Awareness (0.211) and

Investment Objectives (0.227) confirmed that 95% of the variability has to be explained by the other factors towards investment decision.

4.4. Multiple Regression Analysis

The multiple regression analysis was used in every research to analyze the relationship between one dependent construct with various independent factors. In this study, the impact of the independent factors like personality traits, awareness, risk tolerance, financial knowledge, and investment objectives among the investors on the investment decision has analyzed and, the result obtained is given in Table 4 below:

Table 4

Descriptive statistics through Multiple Regression Analysis

Dependent Factor	Independent Factor	Regression Co-efficient (β)	Standard Error	"t" value
Investment Decision	Constant	12.003	0.866	13.860**
	Personality Traits	2.077	0.182	11.412
	Awareness	0.403	0.088	4.556*
	Risk Tolerance	0.007	0.030	0.219
	Financial Knowledge	0.006	0.018	0.322

Investment Objectives	0.193	0.037	5.281*
R^2 Value	0.68		
Adjusted R^2	0.65		
F value	7.591*		
Durbin Watson Value	2.101		
Sample Size	602		

**- 1% level of significance ; *- 5 % level of significance

Regarding the antecedent of investment decision through investment behavior towards mutual funds investment, the model of the study is accepted as the F- ratio (7.591) is statistically significant at a 5% level of significance. The calculated beta coefficients (β) were found as (β= 0.403) and (β=0.193) towards the factors like awareness and the investment objectives and showed its strong effect on the dependent variable (i.e.) Investment decision.

The coefficient of determinant R^2 value is 0.68, and it revealed that the unit increase in the independent variable increases the individual decision to the tune of 68% towards mutual fund investment. Factors such as i) awareness and ii) investment objectives were highlighted as significant predictors and have a positive impact on investment decisions as the "p" value is statistically significant at a 5% level of significance. The Durbin Watson value also confirmed the absence of multi-co linearity among the factors in this study.

4.5. Compare Mean test

The researcher also analyzed the association between the demographic variables and the factors that influence the investment behavior and the decision through paired sample "t" test and the one way ANOVA and the result revealed is discussed below in Table 5:

Factors	Personality Traits	Awareness	Risk Tolerance	Financial Knowledge	Investment Objectives	Investment decision
ONE WAY ANOVA "F" TEST						
Age	0.356	1.840*	0.337	1.477	2.377*	0.939
Marital Status	0.404	0.262	0.351	0.310	0.676	0.996
Educational Qualification	0.892	0.943	0.573	0.643	1.072	1.968*
Occupation	1.254	0.771	0.901	2.277*	1.116	1.803*
Monthly Income	0.667	0.964	0.444	0.433	1.614*	0.916
Monthly Expenditure	0.221	0.886	0.846	0.961	0.537	0.335
Experience	0.970	0.640	0.762	2.233*	1.108	0.340
Dependent family members	1.287	0.913	2.464*	0.319	0.476	0.402
Earning members in the family	0.278	0.263	0.190	3.081*	2.384*	0.949
Reason for investment	1.458	1.138	0.968	2.071*	2.285*	1.941
Reason for investing	1.107	0.677	1.309	1.245	1.818*	3.721**

mutual fund						
Preferred category in mutual fund	1.126	1.414	1.937	0.190	0.846	1.829
Opinion about the risk	0.704	0.313	0.407	3.279*	13.092**	0.846
						0.801
Risk tolerance level	1.540	4.032*	4.275	0.572	3.897**	
Source of information	0.297	0.318	0.327	1.503	0.963	2.863*
PAIRED SAMPLE 'T' TEST						
Gender	107.094**	121.454**	102.097**	106.002**	106.448**	74.073**
Status of the family	102.163**	116.353**	98.123**	101.278**	102.402**	67.496**

Table 5

Compare mean test Statistics

The outcome of the analysis confirmed that there is a significant association found between the factor awareness with the variables like age and the level of risk tolerance; Risk tolerance level with the number of dependent family members in the investor family at a 5% level of significance.

In addition, occupation, experience, earning members in the family, the reason for investment, opinion about the risk were found significantly associated with the financial Knowledge at a 5% level of significance. Towards the factor investment Objectives, there is a significant association found with all the demographic variables except marital status, educational qualification, occupation, monthly expenditure, experience, dependent members, a preferred category in a mutual fund, and source of information at 1% and 5% level of significance. But at the same time, only the demographic variables like Educational qualification, occupation, the reason for preference, and the source of information were found statistically and significantly associated with 1% and 5% level of significance.

The paired sample "t" test result also confirmed the significant association between the age, type of family, and the factors of the investment behavior of the individual investor.

5. Results and Discussion

In this research, the impacts of the factors that influence the investment behavior on the investor's decision towards mutual funds have scrutinized. To set the hypothesis of the study, initially examined the suitability of the conceptual model with the six constructs through structural equation modeling. The CMIN value through the chi-square and the degree of freedom (χ^2/ df = 2.678) and the other factors have the acceptable fit rates as prescribed in the earlier research, and confirmed conceptual model for further study. The result of Composite Reliability, Karl Pearson correlation, and the Durbin Watson test of Regression analysis also confirmed the absence of multicollinearity among the constructs.

The casual relationships between the constructs with the result of the hypotheses framed are in Table 6 below:

Table 6

Result of the hypothesis based on the Structural Equation modeling results

	Path	Prediction	Result of

Hypothesis	Estimate value	directed	the Hypothesis
H₂: Personality traits have a significant effect on investment behavior.	0.97	Positive	Accepted
H₃: Awareness has a significant effect on investment behavior	0.88	Positive	Accepted
H₄: Risk Tolerance has a significant effect on investment behavior	0.97	Positive	Accepted
H₅: Financial Knowledge has a significant effect on investment behavior	0.05	Positive	Accepted
H₆: Investment objectives have a significant effect on investment behavior	0.30	Positive	Accepted
H₇: Investment behavior have a significant effect on investment decision through risk tolerance	-0.04	**Negative**	Rejected

From the above result, except for the mediating role of the risk tolerance between the investment behavior and the investment decision, the rest of the construct has a significant positive on the investment behavior and thereby accepted the alternative hypotheses H₂, H₃, H4, H₅, and H₆ and rejected the hypothesis H₇.

It has answered the research question (1) in such a way that risk tolerance has positively influenced the investment behavior but with the negative effect while mediating between the constructs. (-0.04) which has not found a parallel with the result of the study on the role of risk tolerance on investment decision, overconfidence and capital appreciation with pride of ownership (Nguyen, Gallery & Newton, 2016) (Malik, Hanif & Azhar, 2019) (Hymavathi, Anusha & Priya,2020) respectively.

As this is a young investor based study towards mutual fund investment, the influence of age on the investment behavior and the decision was also analyzed as highlighted in the research question (2). Compare means test findings highlighted that there is a significant association found between the demographic variables and the factors that influencing the investment behavior and the

decision at 1% and 5 % level of significance and thereby accepted the alternative hypothesis (H₁) and this found against the outcome of (Patel & Modi, 2017) who concluded that there is no difference between the Gender and age towards risk tolerance and the investment objectives and (Kumaravira & Kavitha, 2020) who have revealed that there is a significant association found between age and the investment behavior toward the mutual fund. (Tanvir, Sufyan & Aleem, 2016) informed about the negative impact of the self-awareness towards the investment decision.

Regarding the factor which stimulating the mutual fund investment among the investor, the multiple regression analysis results confirmed that awareness and the investment objectives are highlighted as a significant predictor towards investment decision 5% level of significance and accepted the alternative hypothesis (H₁), and the result has not parallel with the findings of (Goel & Khatik, 2017) who informed the existing under awareness among the mutual fund investors.

The results of direct and indirect path estimates are in Table 7:

Table 7

Direct, Indirect, and Total Effect between the factors and Mediation Results

Sl. No.	Relations	Direct Effect Estimate Value	Indirect Effect Estimate Value	Total Effect Estimate Value	Results
1.	IB -> RT	0.967	0.000	0.967	Positive effect
2.	IB -> ID	0.080	-0.041	0.039	Positive effect
3.	RT -> ID	-0.043	0.000	-0.043	Negative effect

IB- Investment Behavior ;RT-Risk Tolerance;ID –Investment Decision

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