A STUDY ON THE IMPACT OF BEHAVIORAL FINANCE AT ANGEL ONE LIMITED, ANANTAPUR

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ABSTRACT
Behavioral finance is a structure that complements some parts of conventional finance and replaces others. It describes the decision-making behavior of investors and management; it illustrates the results of interactions between investors and managers in financial and capital markets. Because decision making is the art of solving complex situations and investors make irrational decisions during their investments. Therefore, it is a unique art to choose a particular option from the many options available. While behavioral finance does not claim that every investor suffers from the same delusion, it does shed light on the necessary measures to prevent such delusions from influencing decision-making, especially when investing.The study is conducted on financial behavior of investors at Angel One Ltd, where the most of the investors are investing by making a self-decision and they are somewhat influenced by emotions and cognition while making investment decision. The investor's preference is analyzed and the investors are suggested to advertise their investing plans widely on all platforms, so that they can improvise their business.

INTRODUCTION
Behavioral finance studies the influence on investors and financial requirements in psychology. It focuses on illuminating why investors feel the need to constantly lose control, behave against their interests, and form conclusions based on certain impulses rather than facts. The tale of Reddit, GameStop, Robinhood, and Melvin Capital in the early years of 2021 serves as an example of current news regarding how erroneous, prejudiced, and emotional investors are pushing the demand. For better comprehension, this essay describes behavioral finance and deconstructs its components. The study of how the mind affects investors' decisions and borrowing patterns is known as behavioral finance. The study of inefficiencies and misunderstandings in financial requests is at the heart of behavioral finance. Through experiments and discourse, it is demonstrated that people are frequently mistaken in their beliefs and that financial requests and people are not always sensible. If you wish to understand how desires and impulses affect stock prices, behavioral finance provides solutions and justifications. In the 1970s and 1980s, psychologists Daniel Kahneman and Amos Tversky, as well as economist Robert J. Shiller, pioneered behavioral finance. People's financial opinions were subjected to pervasive, ingrained, unconscious urges and heuristics. The effective request thesis (EMH), the widely accepted idea that stock requests move in a reasonable and predictable manner, was first challenged around the same time by financial researchers. The proposal is actually rife with inefficiencies brought on by bad pricing and investors' fuzzy understanding. A branch of behavioral economics informed by successful psychology, behavioral finance was first introduced to the academic and financial communities throughout the previous ten years. Behavioral finance offers a method to assist everyone reach better, wiser decisions about their finances by demonstrating how, when, and why behavior departs from reasonable expectations.

Objectives of the Study
*   To study investors' risk aspects at Angel One Ltd, Anantapur.
*   To explore the influential factors of investor's decisions at Angel One Ltd, Anantapur.
*   To analyze investors' behavior towards investments at Angel One Ltd, Anantapur.

RESEARCH AND METHODOLOGY
Analyzing the data includes processing all the information collected from the survey through a questionnaire, converting it to a usable form, so that it is possible to extract the necessary information from the data and draw conclusions. Data collected through primary data sources

(survey method) were tabulated and calculated as percentages. The analysis was performed based on tabular data. Further analysis of the data was done using either a bar chart or a pie chart and interpretations were made based on these charts.

Behavioral Finance based on Age

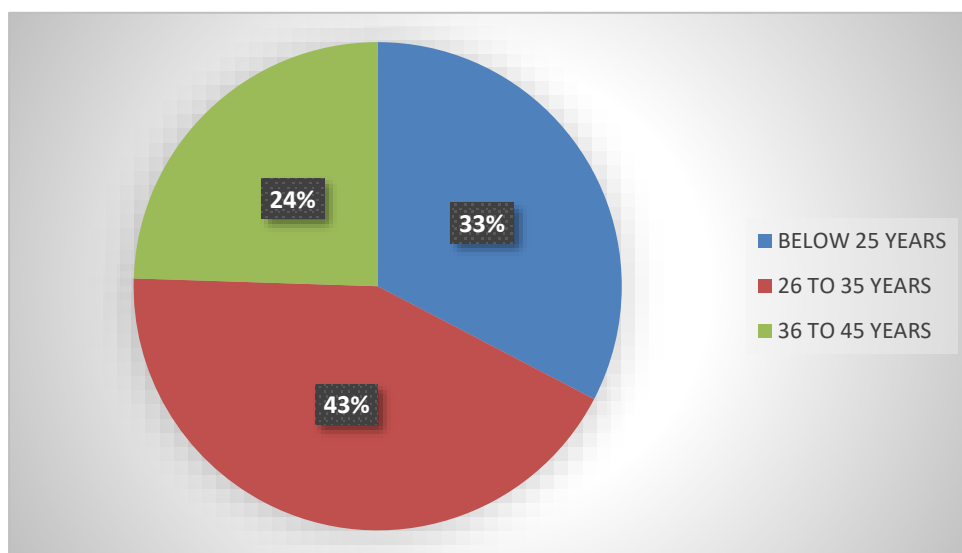| Sl.no	PATICULARS	NUMBER OF RESPONDENTS	PERCENTAGE
1.	BELOW 25 YEARS	32	32.65%
2.	26 TO 35 YEARS	42	42.86%
3.	36 TO 45 YEARS	24	24.49%

Table-4.1: Behavioral Finance based on Age

Chart-4.1: Behavioral Finance Based on Age

INTERPRETATION:

From the chart we can say that 42.86% of investors are between the age of 26 to 35, 32.65% of investors are below 25 years, and 24.49% of investors are between 36 to 45 years.

Behavioral Finance based on Gender

Sl.no	PARTICULARS	NUMBER OF RESPONDENTS	PERCENTAGE
1.	MALE	67	68.37%
2.	FEMALE	31	31.63%

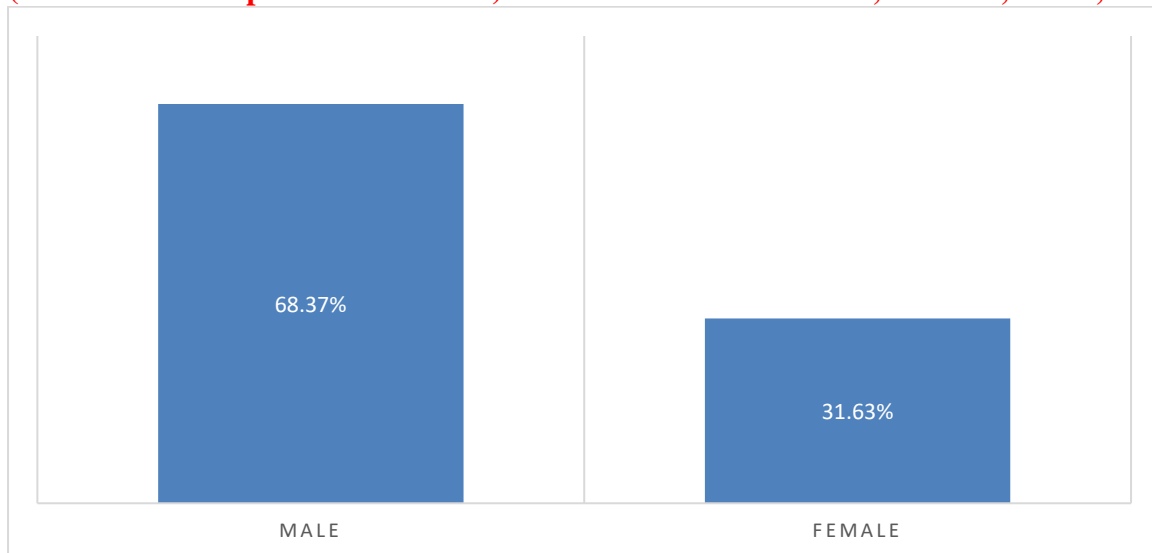Table-4.2: Behavioral Finance based on Gender

Chart-4.2: Behavioral Finance based on Gender

INTERPRETATION:

        From the graph we can say that 68.37% of investors are Male and other 31.63% of investors are Female.

Behavioral Finance based on Educational Qualification

Sl.no	PARTICULARS	NUMBER OF RESPONDENTS	PERCENTAGE
1.	UNDER GRADUATION	35	35.71%
2.	POST GRADUATION	63	64.29%

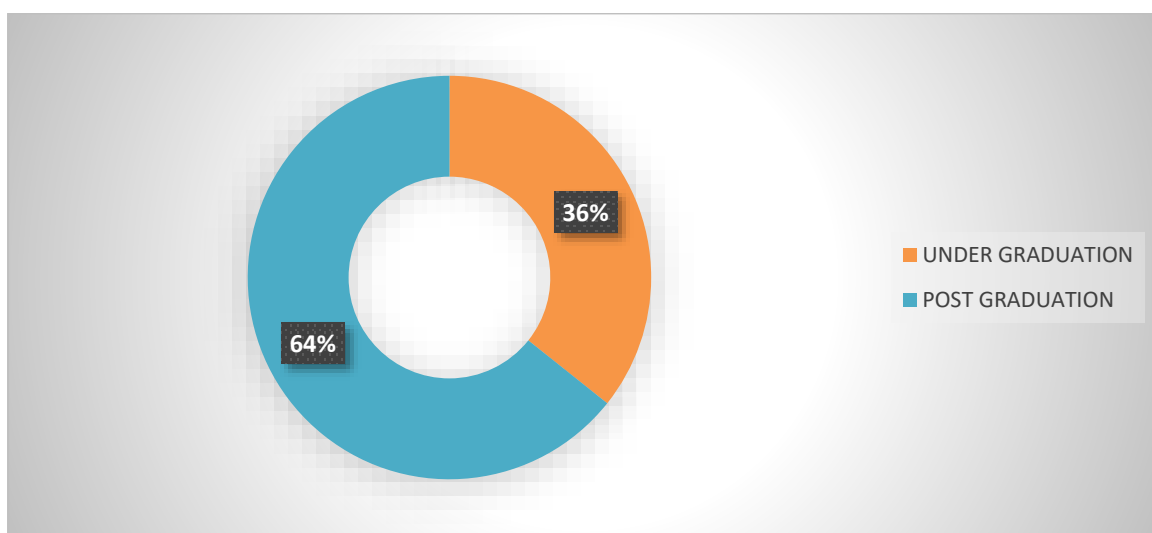Table-4.3: Behavioral Finance Based on Educational Qualification

Chart-4.3: Behavioral Finance Based on Educational Qualification

INTERPRETATION:

From the chart, we can say that 64.29% of investors are Post graduates and 35.71% of investors are Under graduates.

Comparing and calculating the risks before investing

Sl.no	PARTICULARS	NUMBER OF RESPONDENTS	PERCENTAGE
1.	STRONGLY AGREE	56	56.14%
2.	AGREE	41	41.84%
3.	NEUTRAL	1	1.02%
4.	DISAGREE	0	0%
5.	STRONGLY DISAGREE	0	0%

Table-4.4: Comparing and calculating the risks before investing
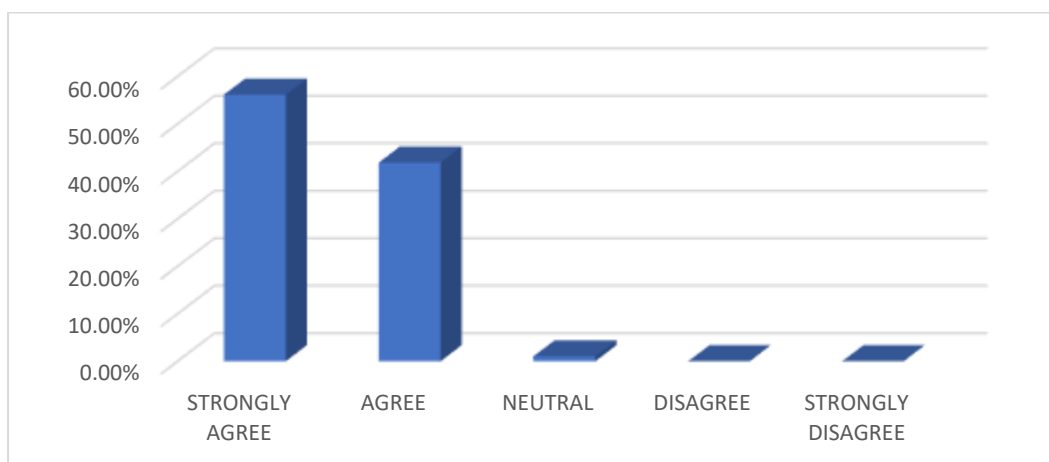

Chart-4.4: Comparing and calculating the risks before investing

INTERPRETATION:

From the graph we can say that 56.14% of investors Strongly agree that they compare and calculate the risk before investing, 41.84% of investors Agree, 1.02% of investors are Neutral, 0% of investors Disagree and also 0% of investors Strongly disagree.

Prepared to take substantial risk

Sl.no	PARTICULARS	NUMBER OF RESPONDENTS	PERCENTAGE
1.	STRONGLY AGREE	43	43.88%
2.	AGREE	33	33.69%

3.	NEUTRAL	3	3.06%
4.	DISAGREE	13	13.29%
5.	STRONGLY DISAGREE	6	6.12%

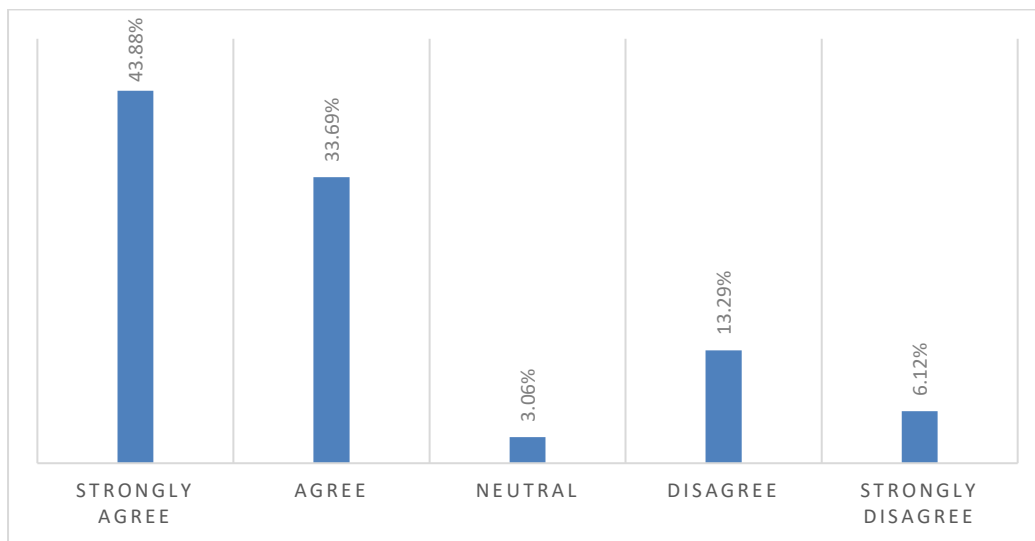Table-4.5: Prepared to take substantial risk

Chart-4.5: Prepared to take substantial risk

INTERPRETATION:
From the graph we can say that 43.88% of investors Strongly agree that they prepared to take substantial risk to make money, 33.67% of investors Agree, 13.29% of investors Disagree, 6.12% of investors Strongly disagree and remaining 3.06% are Neutral.

MEAN AND STANDARD DEVIATION TABLE

Descriptive Statistics

	Mean	Std. Deviation	N
investmentdecision	49.50	28.434	98
overconfidence	1.31	.506	98
familiarity	2.59	1.346	98
emotionaleffect	2.83	1.687	98
shadowofthepast	1.79	.966	98
heardinstincts	2.50	1.133	98
confirmationbias	1.38	.508	98

INTERPRETATION
overconfidence:
Mean: 1.31
Standard Deviation: 0.506
N: 98

The variable "overconfidence" appears to represent a score or measure related to overconfidence. The mean value of 1.31 suggests that, on average, the respondents or subjects scored around 1.31 on the overconfidence scale. The standard deviation of 0.506 indicates relatively low variability in the data points, implying that the responses were somewhat consistent. The sample size of 98 provides a reasonable amount of data to draw conclusions.

familiarity
Mean: 2.59
Standard Deviation: 1.346
N: 98
The variable "familiarity" likely represents a score measuring the level of familiarity with something (e.g., investment options, products, etc.).
The mean value of 2.59 suggests a moderate level of familiarity on average, while the standard deviation of 1.346 indicates a relatively wide range of responses, implying variability in the participants' levels of familiarity.

emotional effect:
Mean: 2.83
Standard Deviation: 1.687

N: 98 The variable "emotional effect" likely represents a score measuring the emotional impact on decision-making. The mean value of 2.83 indicates a moderate level of emotional effect on average, while the relatively high standard deviation of 1.687 suggests that emotions may have varied significantly among the respondents.

Shadow of the past:
Mean: 1.79
Standard Deviation: 0.966
N: 98
The variable "shadow of the past" seems to represent a score measuring the influence of past experiences on decision-making. The mean value of 1.79 indicates a relatively low impact on average, while the standard deviation of 0.966 suggests moderate variability in the responses.

heard instincts:
Mean: 2.5
Standard Deviation: 1.133
N: 98
The variable "heard instincts" appears to represent a score measuring the tendency to follow instincts or gut feelings in decision-making. The mean value of 2.5 suggests a moderate inclination to rely on instincts, while the standard deviation of 1.133 indicates some variability among the respondents.

Discussion with your friends and family before making an investment

Sl.no	PARTICULARS	NUMBER OF RESPONDENTS	PERCENTAGE
1.	STRONGLY AGREE	18	18.37%
2.	AGREE	42	42.86%
3.	NEUTRAL	11	11.22%
4.	DISAGREE	24	24.49%
5.	STRONGLY DISAGREE	3	3.06%

Table-4.6: Discussion with your friends and family before making an investment
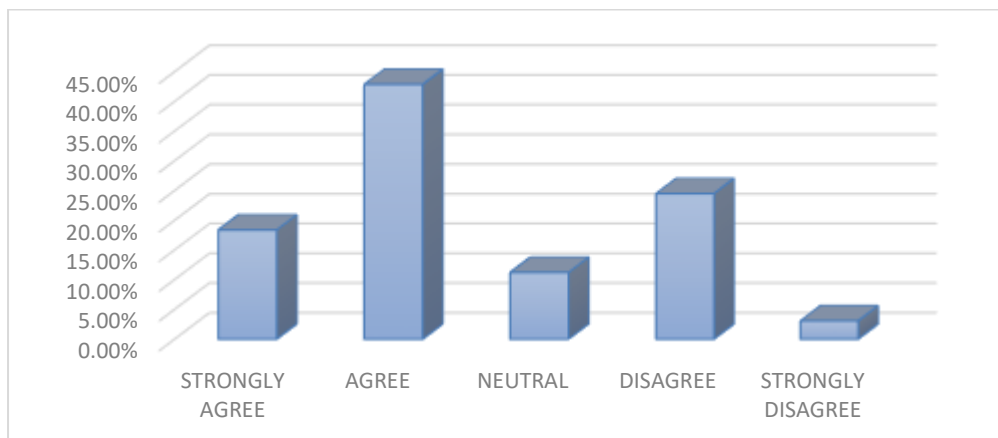
Chart-4.6: Discussion with your friends and family before making an investment

INTERPRETATION:
         From the graph we can say that 42.86% of investors Agree that they discuss with their friends and family before making an investment, 18.37% of investors Strongly agree, 24.49% of investors Disagree, 11.22% of investors are Neutral and 3.06% of investors Strongly disagree.
Preferred sources to gather information

Sl.no	PARTICULARS	NUMBER OF RESPONDENTS	PERCENTAGE
1.	FAMILY MEMBERS / RELATIVES	18	18.37%
2.	FRIENDS / COLLEAGUES	11	11.22%
3.	FINANCIAL REPORTS	13	13.26%
4.	NEWSPAPERS / MAGAZINES	0	0%
5.	INTERNET	15	15.31%
6.	ALL OF THE ABOVE	41	41.84%

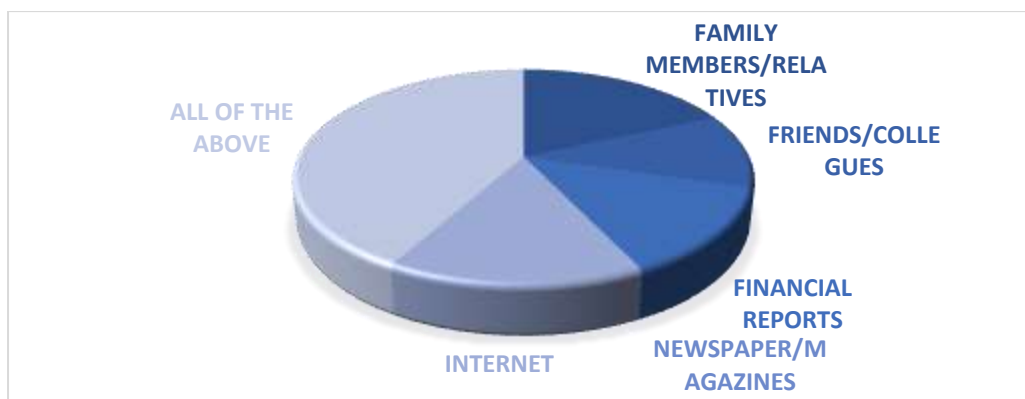Table-4.7: Preferred sources to gather information

Chart-4.7: Preferred sources to gather information

INTERPRETATION:

From the chart we can say that 41.84% of investors have selected all the options, 18.37% of investors have selected Family/relatives, 15.31% of investors have selected Internet, 13.26% of investors have selected financial reports, 11.22% of investors have selected Friends/colleagues and 0% of investors has selected Newspapers/magazines.

Checking the performance of your investment very frequently

Sl.no	PARTICULARS	NUMBER OF RESPONDENTS	PERCENTAGE
1.	STRONGLY AGREE	46	46.94%
2.	AGREE	32	32.65%
3.	NEUTRAL	13	13.27%
4.	DISAGREE	7	7.14%
5.	STRONGLY DISAGREE	0	0%

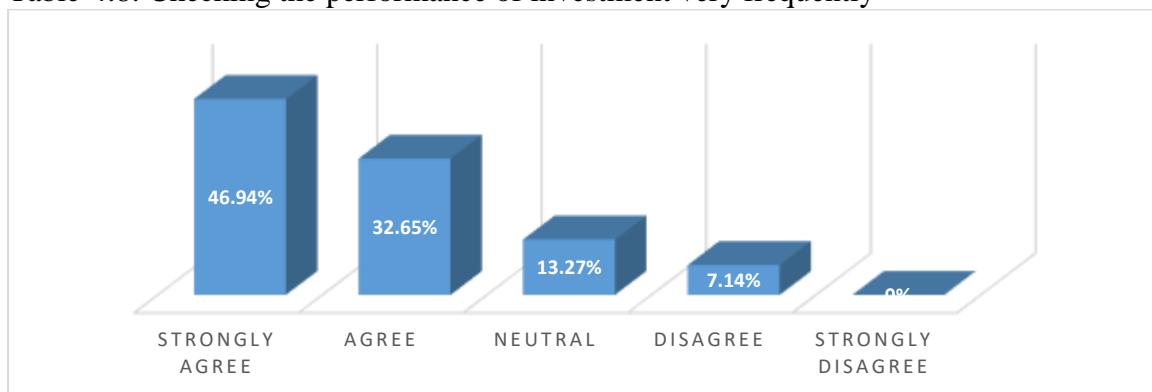Table-4.8: Checking the performance of investment very frequently

Chart-4.8: Checking the performance of investment very frequently

INTERPRETATION:

From the graph, we can say that 46.94% of investors Strongly agree that they frequently check their investment performance, 32.27% of investors Agree, 13.27% of investors are Neutral, 7.14% of investors Disagree and 0% of investors Strongly disagree.

Type of Investor

Sl.no	PARTICULARS	NUMBER OF RESPONDENTS	PERCENTAGE
1.	HIGH RISK TAKER	26	26.53%
2.	MODERATE RISK TAKER	61	62.24%

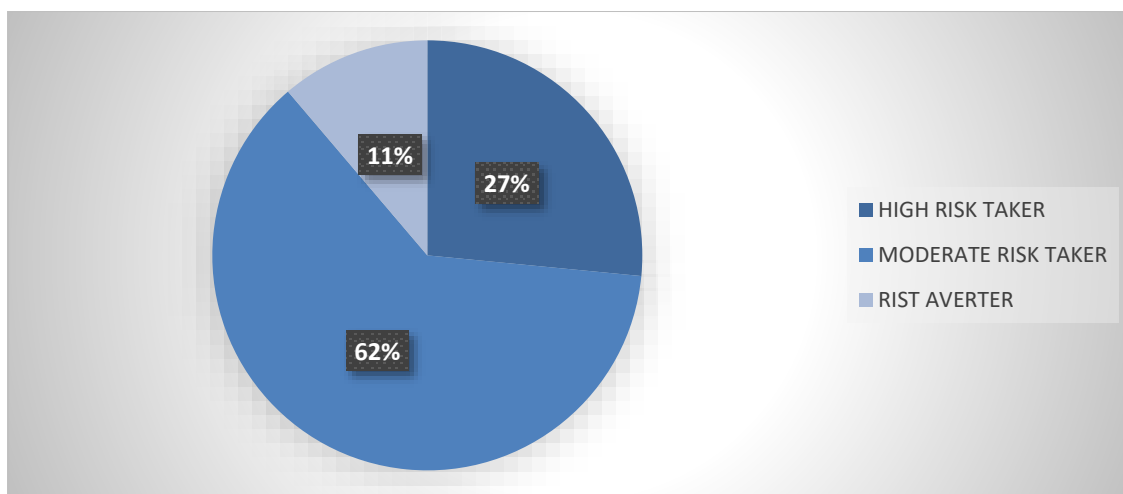| 3.	RISK AVERTER	11	11.22%

Table-4.9: Type of Investor

Chart-4.9: Type of Investor

INTERPRETATION:

From the chart, we can say that 62.24% of respondents are Moderate Risk Takers, 26.53% of respondents are High-Risk Takers and the remaining 11.22% are Risk Averters.

Influencing to make investment decision

Sl.no	PARTICULARS	NUMBER OF RESPONDENTS	PERCENTAGE
1.	SELF DECISION	30	30.61%
2.	FRIENDS & FAMILY	19	19.39%
3.	FINANCIAL ADVISOR	20	20.41%
4.	BROKERS	24	24.50%
5.	PEER GROUPS	5	5.10%

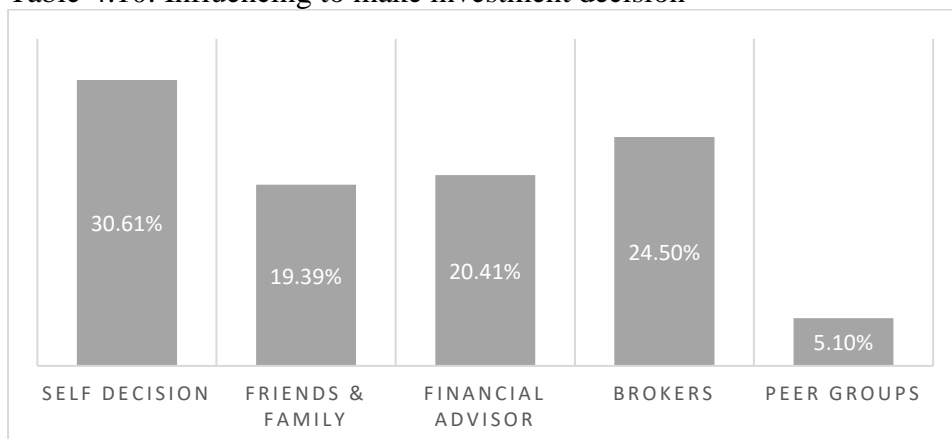Table-4.10: Influencing to make investment decision

Chart-4.10: Influencing to make an investment decision

INTERPRETATION:

From the graph we can say that 30.61% of investment decision is made by their own, 24.50% of investment decision is made with the influence of Brokers, 19.39% of investment decision is made with the influence of Friends& Family, 20.41% of investment decision is made with the influence of Financial Advisors and remaining 5.10% of investment decision is made with the influence of Peer groups.

Investing interval

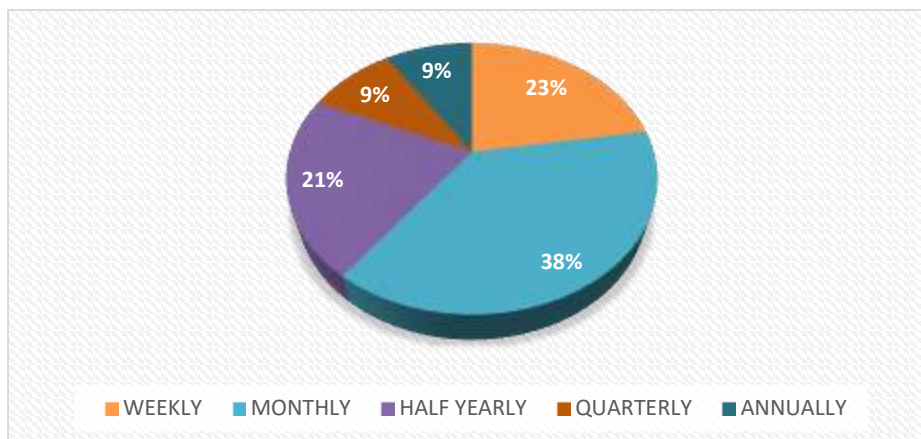| Sl.no	PARTICULARS	NUMBER OF RESPONDENTS	PERCENTAGE
1.	WEEKLY	22	22.44%
2.	MONTHLY	37	37.76%
3.	HALF YEARLY	21	21.43%
4.	QUARTERLY	9	9.18%
5.	ANNUALLY	9	9.18%

Table-4.11: Investing Interval

Chart-4.11: Investing Interval

INTERPRETATION:

From the chart we can say that 37.76% of investors invest in the fund on a monthly basis, 22.44% of investors invest in the fund on a weekly basis, 21.43% of investors invest in the fund on Half yearly basis, 9.18% of investors invest the fund on the Annually basis and the remaining 9.18% of investors invest the fund on Quarterly basis.

Findings

- The behavior of investors on investing is high in males than in females.
- The behavioral interest of investors between the age group of 26 to 35 years is more when compared to those below 25 years and 36 to 45 years.
- The behavioral knowledge of the investor is wide enough as they were using many channels like family/relatives, the internet, financial reports, etc.
- The behavioral investment decision of the investors is taken by their self.
- The investors prefer to invest monthly.

- The investors agree that they always discuss with peers, experts, and consultants.
- The investors strongly agree that they are influenced by emotions and cognition while making investment decisions.
- The educational qualification of investors is high in postgraduates than in undergraduates.

Suggestions

- The investors are suggested to provide more offers to male investors than female investors because the investment done by the male is more than females.
- The investors should be attracted by giving a good rate of interest.
- The investors suggest hiring proper brokers to guide them perfectly.
- The investors suggest creating interest towards long-term investments like quarterly and annually.
- The investors suggested advertising their investing plans widely on all platforms so that they can improvise their business.

Conclusions

Behavioral finance occupies a pivotal role in the development of the financial investing habit of the customer and the good business for the entrepreneur. To get a profit for the individual customer by selecting the proper channels for investing their [securities] finance by selecting the good financial organizations.In the collection of data from Angel One Ltd, data from the customers I found that the investors between the age group of 26 to 35 years showed a good interest in investing, they preferred to invest monthly.The investors urge the financial organizations to provide additional benefits in long-term investments like annually. The investors strongly agree that they will check the investment position regularly and also, they will compare the risk before investing.Behavioral finance hence proves that its role is very key in investing decisions.

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