INVESTMENT AWARENESS AMONG MASTERS' LEVEL STUDENTS OF TU IN KATHMANDU VALLEY

A Dissertation submitted to the Office of the Dean, Faculty of Management in partial fulfillment of the requirements for the Master's Degree

by

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Certification of Authorship

I hereby corroborate that I have researched and submitted the final draft of dissertation entitled “Investment Awareness Among Masters’ Level Students of TU in Kathmandu Valley”. The work of this dissertation has not been submitted previously for the purpose of conferral of any degrees nor it has been proposed and presented as part of requirement for any academic purposes.

The assistance and cooperation that I have received during this research work has been acknowledged. In addition, I declare that all sources and literature used are cited in the reference section of the dissertation.

………………………………

Shanti Sharma

Date :

Report of Research Committee

Ms. Shanti Sharma has defended research proposal entitled “Investment Awareness Among Masters’ Level Students of TU in Kathmandu Valley” successfully. The research committee has registered the dissertation for further progress. It is recommended to carry out the work as per suggestions and guidance of supervisor Indra Bahadur Bohara of Shanker Dev Campus, T.U. and submit the thesis for evaluation and viva voce examination.

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Approval Sheet

We have examined the dissertation entitled "Investment Awareness Among Masters' Level Students of TU in Kathmandu Valley" presented by Ms. Shanti Sharma for the degree of Master of Business Studies. We hereby certify that the dissertation is acceptable for the award of degree.

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Shanti Sharma

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Abbreviations

BOD	:	Board of Director
BVPS	:	Book Value per Share
CF	:	Company Related Factors
CV	:	Coefficient of Variation
GON	:	Government of Nepal
IA	:	Investment Awareness
IA	:	Investment Attitude
ID	:	Investment Decision
IPO	:	Initial Public Offering
IR	:	Investment Risk
NEPSE	:	Nepal Stock Exchange
NRB	:	Nepal Rastra Bank
ROI	:	Return on Investment
SD	:	Standard Deviation
SEBON	:	Security Board of Nepal
TU	:	Tribhuvan University
WI	:	Willingness to Invest

Abstract

This study attempts to analyze the factors influencing investment awareness of master’s level students of TU in Kathmandu Valley and analyze the effect of financial literacy, spending pattern, self-control, saving behavior and attitude towards risk on investment awareness of master’s level students of TU. To achieve the objective of this research, descriptive and causal research design has been used. Discussions and structured questionnaire interview with existing and potential investors of Nepalese stock market have been conducted to collect the primary data. Total of 400 potential investors are taken using purposive sampling methods to extract required information. This study found that the financial literacy, spending pattern, self-control, saving behavior and attitude towards risk of Nepalese master's level investors are all positively correlated with their investment awareness. Since, master's level students' investment awareness is significantly positively impacted by their financial literacy, spending pattern, self-control and saving behavior. Since master's level students' investing awareness is a psychological component which is influenced by their financial knowledge, attitude, saving, spending and self-control. The desire to make short-term gains and their active participation in the secondary market, is crucial. Usually, well regulated stock market, brokers’ advice and recommendation and information from successful investor influence investors to invest in particular stock. Thus, it may be inferred that master's level students have quite good understanding of financial market, investment opportunities and risk in the investment, need of fund for the investment and saving habit for accumulation of funds.

Keywords: Investment awareness, financial literacy, spending pattern, self-control, saving behavior and attitude towards risk

CHAPTER - I

INTRODUCTION

1.1 Background of the Study

The valuation of stock prices is established within the marketplace, where the supply provided by sellers intersects with the demand from buyers. However, it is regrettable that there exists no unequivocal formula that can predict the precise behavior of a stock price. Typically, three primary forces influence the fluctuations of a stock, which include: fundamental factors, technical factors, and market sentiment. Investments in financial instruments such as common stocks, bonds, debt securities, entitlements (rights), options, futures, and warrants, among others, are classified as financial investments. Conversely, real estate, gold, and precious metals serve as exemplars of real assets. The term "investment" can encompass both real investments and financial investments, with financial investments also being referred to as real investments. Engagement in tangible assets or real assets is designated as real investments, whereas investments in financial instruments are classified as financial investments. Real investments inherently possess productive capacity, whereas financial investments lack direct productive capacity (Rana & Thapa, 2014).

Due to the characteristics of divisibility, marketability, and information accessibility, financial investment has been experiencing a significant surge in popularity in contemporary society. Conversely, regardless of whether it pertains to financial assets or tangible assets, it is regarded as a form of investment. An investor possesses the autonomy to make selections; they are empowered to choose any of the available options at their own discretion. The investor's choices are invariably influenced by their individual preferences regarding investment instruments. The preferences exhibited by investors are instrumental in directing their decisions concerning where to allocate investments and where to refrain from doing so (Bhatta, 2012).

Financial assets, commonly referred to as securities, are essentially documents that symbolize the investor's entitlements to specific prospects or properties, as well as the stipulations under which such rights may be exercised. These rights are transferable to another investor, along with all associated rights and conditions. Thus, it constitutes merely a legal representation of the entitlement to obtain prospective future benefits under delineated conditions (Alexander et al., 2000).

The two primary types of financial assets or instruments are bonds and common stock. The money market and capital market, as well as the primary and secondary markets, are the two categories into which the financial or securities market can be divided. Without a doubt, the capital market contributes to a nation's economic growth by directing long-term investments into profitable industries. The productive sectors greatly depend on the efficient mobilization of capital resources. The foundation of the country's economic development may benefit more from the efficient mobilization of capital resources to the productive sectors. The capital market's primary function is to give investors the ability to purchase and sell financial assets at competitive prices. Therefore, it serves as a conduit for the mobilization of savings and limited resources into productive sectors, which are ultimately necessary for the nation's rapid economic growth. By mobilizing the long-term capital required for the productive sector, the capital market promotes economic development (Bhandari, 2017).

As a result, the capital market plays a huge role in the economic growth of developing nations like Nepal. A significant part of the financial sector is the capital market. It is crucial in bridging the gap between surplus and deficit funds. To put it another way, a capital market is a place where stocks and other securities are constantly purchased and traded. In order to increase a nation's productive potential, the capital market is crucial in generating a steady flow of savings and unused financial resources. It makes investing simpler for investors. Therefore, investors have the finest opportunity to invest in the stock market. Shares of publicly traded corporations are exchanged or moved from one person to another at a fair on the stock market. The stock market is where listed companies' shares are exchanged or moved between parties at a reasonable price via a structured brokerage system. The secondary market for securities is referred to as the stock market, whereas the market for fresh issues is referred to as the primary market. Brokers play a key role in transactions; they collect commissions from the exchange. As a result, they are essential to the expansion and seamless functioning of the stock market. The primary purpose of the stock market is to give people access to a ready and ongoing market for purchases, as well as future market skills and liquidity. It serves as a conduit for dispersed savings and limited resources to be moved into regions of production, which eventually promotes industrialization and economic growth (Ghimire et al., 2014).

The financial market where money is borrowed or leased for brief periods of time, typically less than a year, is known as the money market. Conversely, the capital market handles longer-term financial instruments. The primary market is the financial market, where businesses raise money by issuing new securities; the secondary market is where investors trade securities after they have been issued by businesses and government organizations (Clark & Francis, 2002).

A market is the place where goods and services are purchased and sold, either directly or through a middleman. In a similar vein, the financial market is the marketplace where money is exchanged, borrowed, or loaned in terms of various financial assets or instruments, such as stocks and bonds. The primary market is the marketplace where money is moved from saving to investors. As a result, securities that are issued for the first time are traded on the primary market. The secondary market is the place where pre-developed and existing securities are bought and traded. The secondary market offers liquidity for securities purchases. The secondary market can be thought of as the hub for instantly turning stocks, bonds, and other securities into cash (Tulsan, 2015).

Investors put their money down in the hopes of receiving a healthy return. An efficient market is one in which investors act sensibly. The market is nothing more than investor transactions. Therefore, investors should be able to identify the possibility of an excess return. The most crucial requirement for the market is to understand investor preferences. Therefore, it is essential to regularly provide recommendations to businesses and investors in order to strengthen the country's economy and guarantee that investors receive a reasonable projected return in order to make their investments worthwhile and profitable (Lorie, 2004).

The Nepalese economy is significantly impacted by the security market. It has an impact on the country's whole economic landscape. One of the main drivers of economic growth is the securities market. Therefore, the nation's greatest assets are its current and prospective investors. Therefore, the purpose of this study is to investigate the securities preferences of investors in the Nepalese securities market. Therefore, the primary goal of this study is to provide information on the current state of Nepalese investors' preferences while selecting securities (Clark & Francis, 2002).

The behavioral component of investors' financial instrument investing has been the main focus of this study. It is the investigation of the actions of independent, individual investors in the course of investing. Understanding investor preferences is the most crucial requirement for the market. Therefore, it is essential to regularly provide recommendations to businesses and investors in order to support the country's economic strength and guarantee that investors receive a reasonable projected return, which will make their investments worthwhile and profitable. The primary goal of this study is to give data on the current state of Nepalese investors' preferences while selecting securities.

The purpose of this study is to determine the variables affecting stock market awareness among investors. The goal of this research is to identify the elements that raise individual investors' knowledge of the stock market and investing environment. The basis for deciding which investments to make is the investors' degree of awareness. Although investors base their investment decisions on a variety of criteria, there are also a number of aspects that educate them about the market and the investment. We concentrate on the latter in our study paper. Therefore, financial literacy, spending pattern, self-control, saving behavior and attitude towards risk, and so forth are some of the elements that may influence investment awareness.

1.2 Problem Statement

In the Nepalese stock market, a number of institutional, behavioral, regulatory, and economic variables impact investment decisions. Numerous problems have been found by researchers to affect investors' capacity to make logical and well-informed financial decisions. Due to a lack of trustworthy financial data and opaque business disclosures, the Nepalese stock market is frequently accused for being ineffective (Shrestha, 2020).

Various businesses trade their stocks on the secondary market without their participation. Companies that issue securities do not receive liquidity from the secondary market. In addition to offering investors fair returns and immediate liquidity, the stock market facilitates the mobilization of funds for development project investments, which in turn supports the nation's economic growth (Bhatta, 2012).

The foundation of the nation's economic growth is its investor base. Therefore, a friendly investing environment should be created to attract investors to participate in security markets. Such an atmosphere may be produced by government policies pertaining to the growth of the security market and financial sector reforms (Gyanwali, 2017). Various businesses trade their stocks on the secondary market without their participation. Companies that issue securities do not receive liquidity from the secondary market. In addition to offering investors reasonable returns and immediate liquidity, the stock market facilitates the mobilization of funds for development project investments, which in turn supports the nation's economic growth (Bhandari, 2017).

The security market in Nepal is currently expanding. In order to grow the security market and attract investors to this sector, the government is still unable to provide an appropriate and advantageous investment climate (Shrestha, 2020). There are regulatory inefficiencies at the Nepal Stock Exchange (NEPSE), including slow settlement times and lax investor protection laws. Uncertainty is brought about by frequent policy changes and unclear long-term regulations. Investor trust is impacted by listed businesses' lax implementation of corporate governance (Bisht & Joshi, 2009). There are few alternatives for diversification because NEPSE is dominated by a small number of industries, namely banking and finance. A lot of investors lack access to up-to-date, reliable financial data. Investor trust is impacted by issues like insider trading and market manipulation. insufficient availability of trustworthy and impartial stock analysis services (Pathak, 2024).

In the context of Nepal, investor preferences and financial instrument preferences are the most pressing challenges. The preferences of the investors must be determined. Common stock has a very strong volume of securities issuance. Investors should have additional options if they would want to invest in financial instruments other than ordinary stock. Investor knowledge and preferences should be prioritized in the Nepalese financial industry (Shrestha, 2020).

This study examines the variables that influence securities investments and the preferred instruments used by investors.

- What is the level of investment awareness of master’s level students of TU?
- Is there is any relationship between investment awareness and the factors influencing investment awareness of masters’ level students of TU?
- How the investment awareness of masters’ level students of TU affected by financial literacy, spending pattern, self-control, saving behavior and attitude towards risk?

1.3 Objectives of the Study

Examining and analyzing the investment awareness of TU master's students in the Kathmandu Valley is the primary goal of this study. Nonetheless, the following are the precise goals.

- To assess the level of investment awareness of master’s level students of TU.
- To examine the relationship between investment awareness and the factors influencing investment awareness of masters’ level students of TU.
- To analyze the effect of financial literacy, spending pattern, self-control, saving behavior and attitude towards risk on investment awareness of masters’ level of TU students.

1.4 Research Hypothesis

The following hypotheses are developed for testing after data is processed using the regression analysis approach in order to meet the study objectives:

Hypothesis 1 (H_0): There is no significant effect of financial literacy on investment awareness of masters’ level students of TU.

Hypothesis 2 (H_0): There is no significant effect of spending pattern on investment awareness of masters’ level students of TU.

Hypothesis 3 (H_0): There is no significant effect of self-control on investment awareness of masters’ level students of TU.

Hypothesis 4 (H_0): There is no significant effect of saving behavior on investment awareness of masters’ level students of TU.

Hypothesis 5 (H_0): There is no significant effect of attitude towards risk on investment awareness of masters’ level students of TU.

1.5 Rationale of the Study

All parties participating in the stock market may find this study more beneficial. Undergraduates and recent graduates who are interested in learning more about the financial instruments and investor preferences will also find it extremely beneficial. The stock market and prospective investors use the research's recommendations to influence their investing decisions. Since this research is novel, it can serve as a source of literature for future studies in this field. Research on the preferences of the investors is required. In this context, earlier researchers conducted several studies on common stocks, but they were unable to determine investor preferences or compare other financial instruments, such as government securities, preferred stock, and debentures. Therefore, this study addresses topics such as the variables that influence investors' decision to purchase securities and the tools that they like to employ.

The importance of the security market to a nation's economic growth is well acknowledged. The nation's overall economic climate is impacted by securities investments. Investors are one of the securities market's most important assets. Because this study aims to give some information regarding the current level of investor preferences in the security market, it will thus be more meaningful.

1.6 Limitations of the Study

The limitations of the study are as follows:

- This research is primarily based on primary data.
- The major portions of analysis and interpretation have been done on set of questionnaires that are filled by the target investors'.
- The study is limited in the investors of masters’ level students of 5 government campus inside Kathmandu Valley only. And this study analyzes the responses of 400 students who are active in the stock market of Nepal.
- The reality of the study fully depends on questionnaires, which are duly filled up by the respondents.
- Only selected statistical tools such as; mean, standard deviation, rank, correlation analysis and regression analysis have been used in the study.

CHAPTER - II

LITERATURE REVIEW

2.1 Conceptual Review

Since conceptual reviews serve as the study's core theoretical framework and basis, several books, journals, and earlier theses on the subject have been examined.

2.1.1 Investment

An investment is a financial commitment with the hope of earning more. Every investment involves a certain amount of risk; it demands a sacrifice in the present for an uncertain reward in the future (Francis, 2015).

In its widest definition, investment is the exchange of present money for future cash. Usually, there are two distinct characteristics at play: danger and time. The sacrifice is definite and occurs in the present. The amount is typically unknown, and the incentive is received later, if at all (Ghimire, 2014).

In any event, expectations regarding the results of alternative investments are speculative and subjective, but the financial and environmental information that investors have access to must serve as their basis. These restrict not just the types of investments that may be made but also the consequences that can be reasonably anticipated. One may refer to the third and last category of components as valuation premises. These consist of the structure of subjective preferences for investors in general on the amount and consistency of income to be derived from, as well as the safety and negotiability of particular investments or combinations of assets, as these are periodically evaluated (Clark & Francis, 2002).

2.1.2 Investment Risk

Future investment returns are hazardous since every investment entails uncertainty. Investment risk is influenced by the following sources of uncertainty (Clark & Francis, 2002):

(i) Interest Rate Risk

It is described as the possible fluctuation in returns brought on by shifts in market interest rates. The present value of investments will fluctuate in tandem with changes in market interest rates. Variations in the market rate of interest have an inverse relationship with present value. Bond, stock, real estate, gold, puts, calls, future contracts, and various other investment values are all impacted by interest rate risk.

(ii) Purchasing Power Risk

An investor suffers from the volatility of return due to inflation. Economists use a price index to calculate the rate of inflation. One often used indicator of the rate of inflation is the percentage increase or decrease in the consumer price index.

(iii) Bull-Bear Market Risk

The term bull market refers to the fluctuation in market returns caused by alternating bull and bear market forces. A bull market is when a security index rises fairly consistently from a low point, known as a trough, for a period of time; a bull market ends when the market index reaches a peak and begins a downward trend; a bear market is when the market declines to the next trough; bull markets typically rise more than enough to offset the losses in a bear market; however, the alternating bull and bear market forces can be a source of investment risk.

(iv) Management Risk

Business managers' mistakes can hurt investors in their companies. Predicting management failures is a challenging task that might not be worthwhile, which leads to an unnecessarily pessimistic perspective. As investors work to assess subjective management risks, agency theory gives them the chance to replace skepticism with knowledgeable understanding.

(v) Default Risk

Default risk is the percentage of an investment's overall risk that arises from modifications to the investment's financial integrity. Default risk is the fluctuation in returns that investors encounter due to modifications in the creditworthiness of a company in which they have invested.

(vi) Political Risk

Political risk results from the exploitation of a politically weak group for the advantage of a politically strong group. Regardless of whether the charges that because political risk are pursued by political or economic interests, the effects of various measures to improve their relative position increase the variability of return from the affected asset. If this variability of return is achieved through the legislative, judicial, or administrative branches of the government, it is referred to as political risk. Both internal and foreign political danger are possible.

(vii) Industry Risk

Industry risk is the percentage of an investment's overall return variability brought on by occurrences that have an impact on the goods and businesses that comprise an industry. The period of the company's life cycle, global tariffs and/or quotas on the products manufactured by an industry, taxes related to products or the industry, labor union issues specific to an industry, environmental restrictions, the availability of raw materials, and other factors interact and have an impact on all of the companies in an industry at the same time. These similarities cause the prices of the shares issued by rival companies to fluctuate in tandem.

The main causes of investing risk are the uncertainties listed above. In addition, there may be a lot of little causes of investing risk. The aforementioned primary sources are cumulative in nature and contribute to overall risk, or variation.

2.1.3 Investment Process

The process by which an investor decides which marketable assets to purchase, how much to invest, and when to make the transaction is referred to as the investing process. The investment process is based on a five-step method for making these choices (Ghimire, 2014).

(i) Investment Policy

Establishing investment policy, the first phase, is figuring out the investor's goals and the size of his or her investable capital. It is inappropriate for an investor to state that their goal is to "make a lot of money" because there is a positive correlation between risk and return for prudent investing techniques. For an investor, what is appropriate?

It might be said that the goal in this case is to try to gain a lot of money while acknowledging that there is a possibility of suffering significant losses. As a result, investing goals must to be expressed in terms of both return and risk. The identification of the possible financial asset categories to be taken into account in the final portfolio marks the end of this phase in the investment process. Among other factors, this identification will be predicated on the investors' tax status, quantity of investable money, and investment goals.

(ii) Security Analysis

While there are many different approaches to security analysis, most of them fall into one of two categories: technical analysis and fundamental analysis. Those who use technical analysis and fundamental analysis are referred to as fundamentalists or fundamental analysts. The second step in the method of investing, security analysis, entails looking at a number of individual stocks (or group of securities) within the previously identified broad categories of financial assets. One goal of these examinations is to find securities that currently seem to be mispriced.

(iii) Portfolio Construction

Portfolio design is a phase in the investment process that entails figuring out which particular assets to invest in and how much of the investor's wealth should go into each one. In this case, the investor must deal with the problems of time, diversity, and selection. Selectively, often referred to as micro forecasting, which is a subset of security analysis and hence focused on forecasting, is predicting how the price of common stocks will move in relation to fixed-income instruments like corporate bonds. Subject to certain limitations, diversification entails building the investor's portfolio to reduce risk.

(iv) Portfolio Revision

Portfolio revision, the fourth phase in the investing process, involves repeating the first three steps on a regular basis. In other words, an investor may alter their investing goals over time, which would make the portfolio they presently own less than ideal. Perhaps the investor should sell some of the securities they already own in order to create a new portfolio. The fact that stock values fluctuate over time means that some securities that were formerly unappealing may no longer be so, and that other securities that were once appealing may no longer be so. This is another reason to update a particular portfolio. Thus, the investor may decide to remove the latter from their portfolio while adding the former, depending on a number of factors, including the extent of the perceived enhancement to the investment outlook for the updated portfolio and the size of the costs associated with transactions incurred in making these changes.

(v) Portfolio Performance Evaluation

Portfolio performance review, the fifth phase in the investing process, entails assessing the portfolio's performance on a regular basis, taking into account both the investor's risk and the return received. Therefore, suitable risk and return metrics are required, along with pertinent standards (sometimes known as "benchmarks").

2.1.4 Securities Market in Nepal

As the top watchdog over the securities markets, the Securities Board of Nepal (SEBON) was founded by the Nepali government on June 7, 1993. It has been using the Securities Act of 2006 to regulate the market.

Seven people make up the SEBON Governing Board, including a full-time chairman chosen by the government to serve a four-year term. The Board also includes representatives from Nepal Rastra Bank, the Institute of Chartered Accountants of Nepal, the Federation of Nepalese Chambers of Commerce and Industries, the joint secretary of the Ministry of Finance, the joint secretary of the Ministry of Law, Justice, and Parliamentary Affairs, and one government-appointed member chosen from among experts in the financial or economic sector, securities market management, or capital market development (Security Board of Nepal, 2023).

The secondary market is NEPSE, which was founded in 1994 A.D. On June 7, 1993, the Government of Nepal (GON) created SEBON as the country's top securities market regulator. In accordance with the Security Exchange Act of 2006, it has been overseeing the market. According to the statute, SEBON's responsibilities, authority, and function are as follows;

- To offer advice to government on matter concerned with the development of the capital market.

- To register the securities of corporate bodies, established with the authority to make a public issue of its structure.
- To regulate and systematize the issue, transfer, sale and exchange of registered securities
- To give permission to operate a stock exchange to any corporate body desirous of doing, so subject to this Act or the rules and bye-rules formed under this Act.

Money markets usually involve financial assets that expire within a year, while capital markets normally involve financial assets with life spans of more than a year. To put it simply, the financial market is the composition of both sellers and buyers that plays a fundamental role to determine the price to provide the information, to provide the liquidity as well as marketability for the securities according to their class. The security market is the system designed to facilitate buying and selling of securities; it acts as an important medium, to transfer the fund from the saver and user. The security market creates liquidity in the market, creates the appropriate mechanism for economy, and helps to reduce transaction costs (Alexander, 2000).

Securities markets are where securities are exchanged. Despite the fact that securities markets are concentrated in a small number of places, they refer more to mechanisms than to actual locations that are intended to promote the exchange of securities by connecting buyers and sellers. Price discovery, or getting security prices to reflect the information that is currently accessible, is one of the securities market's functions (Alexander, 2000).

One of the mechanisms that allows the effective transfer of savings from surplus-spending units to deficit-spending units that may utilize them to increase productivity and/or have loss/risk aversion is the growth of the securities market and the financial institutions that make it up (Brigham & Western, 1999).

i) Primary Market

The primary market is a type of market where only new financial securities are traded. Businesses, governments, and corporations issue securities like stocks and bonds when they need to raise capital, and investors can buy these securities. The primary market's main goal is to raise the necessary capital to make new large investments through initial public offerings (IPOs). Its primary function is to raise financial capital to support new investments in building equipment, inventories, and to meet "capital adequacy.".

One common way to issue securities in the primary market is through initial public offerings (IPOs), which are also known as the new issue market (NIM). The investment banker acts as an experienced issuer in the main market when it comes to the purchase and sale of securities. This market is referred to as the "primary market" when an issuer first sells securities to the general public. The primary market is used by the security market to move funds from savers to investors. As a result, this market is where the securities sold for the first time are traded. The issuer gets money that may be used to pay off debt or invest in useful assets. The primary market, which is the only financial market where the issuer is actively involved in transactions, is where securities are first issued (Gitman, 1988).

ii) Secondary Market

This form of market is known as a secondary market, where investors exchange existing assets that are already outstanding or securities that have previously been issued (second hand). In a secondary market, the issuer does not get fresh funds; instead, ownership of the securities is merely transferred between the parties. In other words, the investors merely transfer ownership.

Ensuring that investors have liquidity for their assets is the primary goal of the secondary market. In the main market, fresh securities are exchanged. After then, the secondary market is where all transactions take place. The secondary market is a dangerous place to purchase and sell securities because of market speculation and liquidity. Compared to the main market, there are more significant financial transactions in the secondary market.

The portion of a capital market that deals with securities that have previously been issued in the main market is known as the secondary market. The freshly issued securities are sold into the secondary market by the investors who bought them in the primary market. The value of a certain stock on the secondary market differs from its face value as well. Although supply and demand factors may cause stock price fluctuations, there is no infallible or ideal method that can pinpoint the precise movement of stock prices. There are three primary categories of factors that influence changes in the supply and demand of stock prices: technical, basic, and emotional aspects of the market (Rana & Thapa, 2014).

2.1.5 Financial Instruments/Securities

Securities are defined as shares, stock, bonds, debentures, and certificates of unit or group savings plans issued by corporate entities in compliance with applicable laws, as well as negotiable certificates of deposit or treasury bills issued by the Nepali government. It also includes securities issued under the full guarantee of the Nepali government by published notification in the Nepal Gazette, receipts pertaining to securities deposits, and rights and interests related to securities (Security Board of Nepal, 2023).

The financial market is where financial instruments are exchanged. Securities are instantly available for purchase or sale by investors at a price that is relatively close to the financial markets and speeds up the process of pricing discovery. The price of securities in the security market is set by buying and selling orders that originate from the supply and demand preferences of investors. It contributes significantly to closing the gap between society's surplus and deficit units. In Nepal, the most prevalent securities are government securities, debentures, preferred stock, and common stock. In Nepal, preferred stock and debentures are not frequently employed. In essence, NEPSE is used to trade common stock. The Nepal government issues government securities through Nepal Rastra Bank (NRB), which are also significant securities. The following are the main financial instruments:

(a) Common Stock

In the event of a liquidation, common stock holders will only be entitled to a company's assets after bondholders, preferred shareholders, and other debenture holders have received their full share of the proceeds. Common stock is the security that symbolizes ownership in a corporation. Its holders exercise control by choosing a board of directors and voting on corporate policy. Par value was declared as the minimum issue price for common stocks. In the United States, a business could sell shares for more than its par value. Stocks are referred to as watered if they are issued at a price greater than their par value. Preferred stock is usually issued at a price close to its par value, and preferred stock dividends are calculated as a percentage of par values. Depending on their features, the market offers a variety of common stock types, including blue chip stock, growth stock, incomes stock, cyclical and defensive stocks, speculative stocks, and small stock. Previously, purchasers of watered stock were liable to the corporation for the difference between the par value and the price they paid. Many jurisdictions no longer require par values for common stocks (Brigham & Western, 1999).

(b) Debt

Naturally, the people who own a company's long-term debt are its creditors. It was typically lack a voice in management and are unable to exert influence over the business. These debt holders could have some control on the company's course if the debt contracts. Long-term debt holders receive a set return rather than a share of the company's residual earnings. In contrast to a share of ordinary or preferred stock, their debt instrument has a set maturity. Preferred and ordinary investors have a lower claim than debt holders. However, the precedence of claims among a company's several creditors may vary depending on the kind of debt instrument (Lorie, 2004).

(c) Preferred Stock

At the event of liquidation, preferred stock has the opportunity to acquire principal before common stock and has a fixed dividend. Because preferred stock combines characteristics of bonds and common stock, it is referred regarded as a "hybrid" security. Preferred stock is favored in terms of dividends and assets. Preferred investors are entitled to accessible assets before common stockholders in the case of a liquidation. Additionally, common stockholders cannot receive any dividends before preferred investors have received their declared dividends (Gitman, 1988).

(d) Government Securities

To complete and carry out the development projects under the deficit budget, the government issues a variety of securities and collects sporadic public cash. When compared to external debt, these instruments are thought to be less hazardous. Securities are issued by the government both domestically and internationally. Government bonds are the primary source of domestic debt. In the nation, NRB has been actively issuing a range of government securities. It is among the government's most crucial decisions to preserve Nepal's deficit budgeting system (Rana & Thapa, 2014).

2.1.6 Types of Investors

The market is home to a variety of investor types. Individual and institutional investors are the most significant investors in the financial market, according to information (Tulsan, 2015).

(a) Individual Investors

Individual investors are those who make securities investments. They work at anything other than securities investment. Individual investors lose out on opportunities to learn about investments by reading publications, keeping track of equities, evaluating the performance of firms, and creating securities files. The time and money lost that could have been spent on other projects is known as the opportunity cost (Tulsan, 2015).

(b) Institutional Investors

Investors who are companies or organizations are known as institutional investors. Their base is too limited to effectively mobilize savings for individual savers who would not otherwise engage in stock market activities. Policymakers should support institutional purchasers in order to maintain market and price stability (Tulsan, 2015).

2.1.7 Factors to be considered in Investment in Securities

Investors should think about choosing stocks that are influenced by a number of aspects, including risk, dependable management of the firm's advantageous sectors, a greater growth rate of the organization, and favorable future prospects. Investors should analyze the price and value of shares or debt before making an investment in securities. The preferences of investors cannot be safeguarded by laws and regulations alone. Investors have to be aware of the performance of the firms and securities. The following elements should often be taken into account when making an investing decision:

- Risk of securities
- Liquidity
- Availability and Accessibility
- Investment Portfolio

- Stability of Income
- Strength
- Mobility
- Cash flow

Before investing in initial public offerings, investors should be aware of the following (Security Board of Nepal, 2023).

- Information from the company's prospectus, articles, memorandum, and promoters, as well as the company's size, environment, Board of Directors (BOD), and historical and projected financial statements (Performa Balance Sheet).
- To review the company's public announcements published in national daily newspapers prior to the share issuance opening, which is seven to fifteen days in advance.
- Before purchasing a share on the secondary market, investors must be aware of the following information:
- Maintain firm data, including earnings per share (EPS), book price of shares (BPS), price-earning ratio (P/E ratio), future plans, and company growth, as well as return on shareholders in the form of cash dividends, stock dividends, bonus shares, etc.
- Examine the information provided to investors regarding the listed firms on the SEBON and NEPSE notice boards.
- Examine the articles about share trading and economic issues that are published in various magazines and newspapers.
- Examine the NEPSE-published trading statements and financial analyses of listed firms.
- Examine SEBON's yearly reports and other material.

2.2 Theoretical Review

This section reviews the theories that each individual investor should consider before making an investing choice.

2.2.1 Efficient Financial Market Theory

When a security's market price reflects the market's assessment of its worth, it is said to be efficient. When the market is efficient, it sets the price based on all of the information at its disposal. When investors decide to hold a security, they are doing so because they believe it is worth at least its current market value based on their information. The information is seen as a reduced assessment by those who choose not to buy the stock. Security prices in an efficient financial market take into account all publicly accessible data on the economy, financial markets, and the particular firm in question. The consequence is that fresh knowledge causes the market values of individual assets to change very quickly. Therefore, it is argued that the price of securities fluctuates arbitrarily around their "intrinsic" values.

Formally speaking, market efficiency is the state in which the unexpected part of the return on a security is unpredictable and does not systematically deviate from zero over a significant number of observations. The actual return minus what was anticipated based on some basic analysis (such as its "intrinsic value") is the unexpected part. In other words, it's the element of surprise. According to the famous definition, weak-form market efficiency occurs when the unexpected return has no correlation with earlier unexpected returns. Stated differently, the market lacks memory. Gaining insight from the past does not translate into future profits. There is no correlation between semi-strong form market efficiency and any publicly accessible data. Lastly, due to market efficiency, the expected return is unrelated to any knowledge, whether it be insider or publicly available (Gitman, 1988).

2.2.2 Random Walk Theory

According to the random walk hypothesis, every future revenue stream from the equity investment is unaffected by previous earnings. Therefore, it is not possible to predict future common stock values based on part price behavior.

According to the random model, past price movements are not useful for forecasting future price or return changes. It implies that subsequent price changes are independent and that we will fail if we try to forecast future prices in absolute terms using just previous price change data. This independence suggests that prices at any given time will, on average, reflect the intrinsic value because, among other things, different investors have different perspectives on the firm's future prospects or how to evaluate the information that is currently available. Professional and astute nonprofessional investors will take advantage of short-term or random deviations from the intrinsic value and will actively buy and sell the stock in question to bring the price back to equilibrium. Lastly, the efficient market theory maintains that there is little benefit to any kind of analysis, whether fundamental or technical, because the price reflects all available information and information comes in a random fashion. It makes the assumption that all information has been gathered and processed by thousands of investors, and that all information, both new and old, is accurately reflected in the price. Analysis of historical data, whether fundamental or technical, cannot increase returns because it will not affect future prices (Rana & Thapa, 2014).

2.2.3 Fundamental Analysis

Analyzing several elements, including economic impacts, government auctions, firm information, rivals, etc., is the goal of fundamental analysis. The intrinsic value of the stock is ascertained by the fundamentalist fundamental analyst. According to fundamentalists, every stock has intrinsic value, which should, in theory, be equal to the present value of the stock's future income stream discounted at a suitable risk-related rate of interest (Tulsan, 2015). This is the true economic work of financial assets. Simply put, the present value of all future income that the share owner will get is what common stock is worth.

2.2.4 Technical Analysis

The technical analysis hypothesis is predicated on historical market data and makes the assumption that history tends to repeat itself. It is thought that understanding historical share price patterns would aid in forecasting future prices in like situations. In order to offer recommendations for the timing of buying and sells of either individual stocks, groups of stocks (such industrial stocks), or stocks in general, the technician typically tries to forecast short-term price moves. The "What" question is sometimes said to be the focus of basic analysis. and technical analysis to provide a response to the query "When"? (Subedi, 2020).

According to technical analysts, a share's current price is the equilibrium reached by buyers and sellers at a given moment. Price variations occur due to a variety of internal and external variables, including political conditions, earnings, forecasts, and the like. Once buyers and sellers have reached equilibrium, prices stabilize. They think that a historical record of price fluctuations throughout time is reliable. The idea that history repeats itself is the foundation of an entire ideology. that human nature is constant and that his historical movement patterns are likely to recur in the future (Brigham & Western, 1999).

2.3 Empirical Review

Dhungana et al. (2025) examined the stock market awareness among female investors: a study in Pokhara, Nepal. The main objective of the study explored the stock market awareness among female investors in Pokhara, Nepal, highlighting the key factors that influence their investment decisions. In this study descriptive statistics, correlation, and regression mode were employed to analyze the data. It was found that enhanced financial knowledge and inclusion can empower women to make informed investment choices and achieve better stock market returns. The study also stated that regulatory authorities and policymakers implement targeted financial literacy programs and improve financial inclusion to boost female participation in Nepal's capital market.

Poornima (2025) studied the investor awareness prevalent among college students on emerging investment avenues with special reference to Coimbatore City. The main objective of this study was to explore the depth of their awareness regarding emerging opportunities for investments such as hybrid mutual funds, Digital Gold Scheme, Crypto-currency, digital gold schemes and many others. In this study ANOVA and frequency analysis were used to analyses the collected responses. It was found there are no significant differences in investment awareness among the groups. This indicates a significant difference in awareness of tax-related benefits across the groups, suggesting that some groups are more informed about the tax advantages of certain investments.

Lama et al. (2024) examined the stock market participation awareness among university students in Nepal. The main objective of the study was to explore the awareness level of stock market investments in the Kathmandu valley. In this study both qualitative and quantitative methodologies used to students across various colleges in Nepal. It was found that there is moderate awareness about the stock market among students, actual participation remains limited. Furthermore, cultural attitudes towards saving and investing also play a significant role in shaping students' engagement with the stock market. This study emphasized the need for targeted interventions to enhance financial literacy and foster a more inclusive financial ecosystem.

Hossain and Siddiqua (2024) explored the influence of behavioral aspects on stock investment decision-making: a study on Bangladeshi individual investors. Examining how behavioral factors affect the stock market has considerable implications for investment decision making and portfolio management was the study's goal. The data in this study were analyzed using the chi-square test, one-way ANOVA, paired-samples t-test, and descriptive analysis. It was shown that the two most significant emotional factors influencing investors' choices were risk aversion and risk perception. The results supported the previous researchers' findings and showed that investors rarely follow the guidelines suggested by financial theories.

Luthviana et al. (2024) investigated the determinants of investment decisions in the capital market: a case study in public education participants. The study's objective was to identify the variables that affect capital market investing choices. The inner and outer models in this study were tested using partial least squares (PLS) analytic techniques to assess the quality of the hypotheses and the validity and reliability of the outer model, respectively. With the exception of the financial literacy variable, it was discovered that financial behavior, income level, and financial literacy all significantly influenced investment decisions. Conversely, indirect influence demonstrates that lifestyle factors have the capacity to moderate the choice to invest.

Pathak et al. (2024) analyzed the behavioral insights into investment decision-making: evidence from the Nepal stock exchange. The purpose of this study was to determine the variables influencing individual investors' stock investing decisions and examine how these variables relate to investment decisions. Regression analysis and correlation were used in this study to examine the connection between the variables. It was shown that the rationality of individual investors' investing decisions is greatly influenced by behavioral variables, such as the herding effect, information accessibility, stock affordability, and third-party judgments. The study comes to the conclusion that when people decide to participate in the stock market in a developing and growing environment, variables including discretionary income, market trends, and outside opinions significantly influence their choices.

Bhandari and Subedi (2024) studied on determinants of investment decisions of mutual fund in Nepal. The study's primary objective was to investigate the variables affecting mutual fund investment choices in Nepal, with a specific emphasis on peer group influence, financial literacy, risk perception, and investing behavior. This study used a structural regression model with Smart PLS to test the suggested theoretical model. It was discovered that while peer group has little bearing on investment decisions, financial literacy, risk perception, and investing behavior have a favorable and substantial impact on those of Nepalese mutual fund investors.

Quang et al. (2023) examined the behavioral factors influencing individual investors' decision making in Vietnam market. Examining the relationship between investor demographics (gender, age, experience, and educational attainment) and their investment choices was the aim of the study. Information from 400 Vietnamese local, foreign, institutional, and individual investors was gathered for this study using a structured questionnaire survey. 400 out of the 450 investors in the Vietnamese Stock Exchange who received the questionnaires responded, or 89 percent of the total. Using behavioral qualities as mediator variables, this study used partial multiple regression to investigate the relationship between investors' demographic characteristics and their investing decisions. It was discovered that herd behavior, investor emotion, overconfidence, and over/underreaction all significantly influence investment choices. Age, gender, and educational attainment also had a substantial and positive impact on investors' investment choices. Despite the fact that experience has no discernible impact on financial choices, as investors gain expertise, they begin to disregard emotional factors.

Kumar et al. (2023) analyzed the behavioural, psychological, and demographic determinants of financial decision making of household investors. Investigating how a variety of behavioral, psychological, and demographic characteristics affect financial decision-making was the aim of this study. 634 investors' opinions were gathered for this study utilizing a structured questionnaire that used snowball and random sampling methods. Hypotheses have been tested using partial least squares structural equation modeling. It was discovered that a number of psychological, behavioral, and demographic elements significantly influence financial decision-making, favoring the creation of a workable and profitable financial portfolio to guarantee households' long-term financial stability.

Moeinfar et al. (2023) analyzed in financial literacy model in the Iranian capital market. The study's goal was to introduce the idea of financial literacy and offer a suitable and thorough model based on the qualitative opinions of Iranian financial professionals. Twenty specialists and professors of accounting and finance were interviewed utilizing the snowball sampling approach and theoretical saturation criteria in order to get the necessary data. The contextual approach's open coding method was used to examine the study data. It was discovered that the degree of financial literacy was significantly impacted by the cause factors, which included demographic, economic, social, and educational components. In a similar vein, axial variables were found to have a considerable impact, particularly in the areas of finance and fundamental knowledge. It was discovered that a thorough overhaul of the present educational system was strongly advised in order to improve financial literacy and education.

Kaustia et al. (2023) examined that what drives stock market participation? The role of institutional, traditional, and behavioral factors. A composite picture of the interaction and relative significance of well-established participation drivers was provided by this study, which examined stock market involvement in 19 European nations. Descriptive and regression analytic models were used in this investigation. The information comes from the Survey of Health, Aging, and Retirement in Europe's first four major waves (SHARE). More than 100,000 people from 19 European nations were interviewed for the sample between 2004 and 2013. It was discovered that the impact of both novel behavioral factors and old variables vary depending on the amount of wealth, education, and regulatory quality. Variables representing values and attitudes have greater influence in settings with higher participation rates, such as nations with high regulatory quality and among the rich and well educated.

Ammer and Aldhyani (2022) investigated determinants of investment awareness: evidence from the Young Saudi Generation. The main objective of the study was to explore and examine the determinants of investment awareness. In this study partial least squares structural equation modeling (PLS-SEM) was applied for the data analysis. It was found that financial literacy, selfcontrol, saving behavior, and family financial socialization have positive and significant influences on investment awareness. Conversely, spending patterns and attitude toward risk are found to be positively but insignificantly related to investment awareness.

Adil et al. (2022) analyzed that how financial literacy moderate the association between behaviour biases and investment decision. The study attempted to investigate if a number of behavioral biases might influence gender-specific investing decisions and whether financial literacy can mitigate these relationships. A cross-sectional research design was taken into consideration. A systematic questionnaire was used to gather information from 253 individual investors in the Delhi-NCR area. Hierarchical regression analysis was employed in this work, and the Cronbach's alpha and Pearson correlation tests were considered, respectively. It was discovered that overconfidence had a favorable and statistically significant impact on investing decisions among male investors, but risk aversion and herding had a negative and statistically significant impact. Overconfidence and disposition had a statistically negligible impact on the choice to invest.

Shohiha et al. (2022) investigated the factors influencing muslim investors in Sharia stock investment during the Covid 19 pandemic. Finding the characteristics of financial literacy, influencers' impact, social media influence, social environment, and religion that affect investors' decision-making during pandemic circumstances was the aim of this study. A total of 100 Muslims, Sharia stock investors, and active participants in the COVID-19 epidemic were chosen as respondent samples using the purposive sampling technique. Descriptive statistics, regression analysis, and correlation analysis were used in this study to analyze the data. In this study, they discovered that the most important factor influencing investing decisions was financial literacy. Likewise, regardless of gender, financial knowledge affected investing choices. Additionally, it was disclosed that those with greater financial literacy were able to make better investment choices than those with less financial literacy.

Svoboda (2022) analyzed the behavioural factors influencing investment decisions: A literature review. The opinions of several writers who have connected their research endeavors to the subjects of behavioral finance, behavioral biases, and risk perceptions in financial markets were critically examined in this study. The approach of a systematic review was used in this study to aggregate qualitative data. Twenty-three publications and articles in all were found and examined. It was discovered that an investor's demographic traits—like age, marital status, or level of education—directly affect his actions. In a similar vein, when people base their judgments exclusively on financial disclosure, they see the same facts differently and come to different conclusions.

Chaudhary et al. (2021) studied on investors' interest towards mutual funds: a study of Kathmandu valley, Nepal. The study's objective was to evaluate the attitudes of investors in the Kathmandu Valley about mutual funds. A total of 230 possible respondents were purposefully chosen using a questionnaire in order to achieve the specified goals. Descriptive and correlational analysis were used to examine the gathered data. Regarding knowledge of the many financial securities that are presently offered on the Nepalese financial market. According to the survey, the majority of investors had a medium level of acquaintance with shares, a very low level with bonds, debentures, and money market instruments, and a very high level with fixed deposits. According to the report, mutual funds' flexibility, secure investing mechanism, and professional management services in Nepal are what draw investors to them.

Gnawali (2021) analyzed on behavioral biases and individual investor's decision making in Nepalese stock market: descriptive perspectives. The purpose of this study was to investigate how independent factors affected people's stock market investing decisions. This study examined the impact of independent factors on individual stock market decision-making behavior in Nepal using primary data. There were 250 responders in the study's sample. These respondents came from a variety of backgrounds, including students, retirees, service providers, private sector workers, and government personnel. The study's data, which was utilized to compute correlation and regression, was gathered from investors who were present at the broker house. Inferential as well as descriptive analyses were employed in this investigation. Regression analysis for novice investors revealed psychological factors, social interaction, regulatory policies, and firm image have significant effects on decision making behavior, while for experienced investors, only social interaction has important effects on decision making behavior. It was discovered that only social relationship and regulatory policies had a significant impact on investors' decision making behavior overall.

Nareswari et al. (2021) studied the impact of behavioral aspects on investment decision making. The purpose of this study was to examine how behavioral factors, such as sentiment investing, overconfidence, salience, overreaction, and herd behavior, affect the choice to invest. There were 413 individual investors in the sample. The data analysis method employed in this study was partial least square structural equation modeling, or PLS-SEM. It was discovered that herd mentality, overconfidence, salience, overreaction, and sentiment investors all had a beneficial impact on investing decision-making.

Sabir et al. (2021) explored the investment behaviour of individual investors of Pakistan stock market with moderating role of financial literacy. The study's objective was to investigate the factors that influence investors' actions in the Pakistani stock market while taking financial literacy into account as a moderator. The study also elucidated the mediation process between stock investing behavior, social influence, religious beliefs, and investment attitudes. A self-administrative questionnaire and survey methodology were used to get the data. A selected sample of 250 stock investors provided the data. The hypothesis was tested in this study using the partial least squares structural equation modeling approach (PLS-SEM). It was discovered that while religiosity had no effect on investing behavior, social influence and religiosity did influence investment intention. Additionally, they showed that financial literacy considerably affected the association between individual investors' stock market investment behavior and intention. Furthermore, the findings showed that there is a strong mediating effect of investing intentions between religiosity and stock investment. Likewise, social influence and stock investment were highly mediated by investment objectives. However, attitude toward investing and stock investment behavior were not substantially mediated by intention to invest.

Patil and Bagodi (2021) analyzed the factors affecting investment decisions in India: The KANO way. The study's objective was to determine if investors are sector-specific or seek for comparable information when making investments across all industries. A research tool with 14 characteristics was created for this study and distributed to 2100 respondents. Over the course of six months, only 467 answers were gathered, and a KANO model was created to categorize the data into "must be," "linear," and "pleasure" aspects. It was discovered that the status of financial accounts, current indicators of the economy, and the outcome of technical analysis and "insider information" are examples of "must be" qualities. One of these is "pleasure." The study found the elements influencing investors' decision-making.

Baral and Pokharel (2020) examined the behavioral factors and investment decision: a case of Nepal. The study's primary aim was to investigate the beliefs and actions of investors in the Nepalese stock market. Based on primary data gathered from 120 respondents who have invested in shares of NEPSE-listed businesses, this study is an empirical investigation. Based on several studies, this study employed the Nepal Stock Exchange's investment performance as a dependent variable and four independent variables: heuristic, prospect, market, and herding. It was found that the performance of investments is significantly impacted by market factors.

Shrestha (2020) studied on factors influencing investment decisions of Nepalese investors. With a sample size of 110 respondents, the study was carried out to examine the variables influencing Nepalese investors' stock market investing decisions. Likert scale questions and structured questionnaires are used to gather the data, and descriptive analytic methods are used to evaluate the results. Three primary variables—company related variable (CRV), risk and return related variable (RRV), and market related variable (MRV)—are used to categorize the elements that affect investment decisions. According to the report, the majority of investors prefer to purchase stock from the primary market, research companies before making decisions, periodically check their portfolios, and use their own funds to purchase stocks. It was discovered that all regression models show a positive substantial coefficient of the business related variable (CRV). It was determined that the Nepalese investor considers company-related factors while making investment decisions.

Baihaqqy et al. (2020) examined the correlation between education level with understanding of financial literacy and its effect on investment decisions in capital market. This study attempted to explain how investors' educational attainment affects their comprehension of financial literacy and how that knowledge affects their ability to make capital market investments. Investors who were members of PT Bursa Efek Indonesia were given questionnaires for data gathering; 108 investors made up the study's sample. This study employed a quantitative, descriptive methodology that made use of correlation analysis. It was discovered that investors have a high degree of financial literacy. Investors' degree of education and their comprehension of financial literacy are significantly correlated, which affects the financial decisions they make.

Hunguru et al. (2020) investigated the determinants of investment decisions: a study of individual investors on the Zimbabwe stock exchange. Finding and evaluating the impact of behavioral variables on individual investors' investing decisions was the primary objective. For this study's sample collection, 291 randomly chosen individual investors in the Zimbabwe Stock Exchange participated in a quantitative survey. The association between behavioral characteristics and investment decision-making was calculated using multiple regression analysis and correlation analysis. It was discovered that behavioral characteristics such as anchoring, availability, gambler's fallacy, overconfidence, herding, loss aversion, mental accounting, regret aversion, and representativeness all affect the decisions made by individual investors.

Huang and Yang (2018) analyzed on investors’ sentiment and enterprise's non-efficient investment: The intermediary effect of stock price volatility. This study used data from Chinese A-shares listed companies as the research object in order to investigate the impact of investors' irrational attitude on the enterprise's inefficient investment. It was discovered that irrational investor sentiment has a major impact on the enterprise's inefficient investment, and that stock price volatility acts as a mediating factor. Investor sentiment is one of the factors contributing to the market share price fluctuation, which deviates from the fundamental value, and that overpriced stocks encourage overinvestment while undervalued stocks sharpen underinvestment. The external economic environment of firm investment has been influenced indirectly by the irrational mood of investors and the volatility of stock prices.

Pokharel (2018) analyzed on investors preference on stock market: a case of Nepal Stock Exchange. The study's objectives were to investigate why investors choose to invest in NEPSE-listed firms, investigate the variables that impact investment preference, and understand why investors choose to invest in initial public offerings

(IPOs). The survey approach with a standardized questionnaire served as the foundation for the investigation. Fifty individual investors were chosen at random from a simple random sample of one brokerage business, each of whom was given a questionnaire. The findings showed that investors were interested in making investments in the secondary market. Liquidity and a high rate of return are the primary factors in the selection of shares. Investors believe that broker recommendations and index movement are the main determinants of investment decisions in the NEPSE secondary market. Market mood and daily newspaper articles are thought to have the least impact on investing decisions. Respondents ranked capital gains as the most important driving element, followed by liquidity, dividends, safety, and bonus shares. The respondents showed the least preference for motivational elements such as rights shares and tax benefits.

Yuniningsih et al. (2017) analyzed decision making in the stock investment. In terms of risk-taking behavior in relation to loss aversion, the study's objective was to determine how much risk investors were willing to take when making their investment. The study's independent variable was loss aversion, which was examined from both the gain and loss domains. Eleven students majoring in financial management from the previous semester participated in total. To ascertain the variations in risk-taking behavior between the two domains with regard to loss aversion, the ANOVA test was utilized. It was discovered that investors who exhibit loss aversion in the gain domain take less risks than those who exhibit loss aversion in the loss domain, and that loss aversion significantly affects investors' decisions to take risks when making investments, especially when it comes to equities.

Table 1
Summary of Empirical Review

Authors	Title	Objectives	Methodology	Findings
Dhungana et al. (2025)	Stock market awareness among female investors: a study in Pokhara, Nepal.	The main objective of the study explored the stock market awareness among female investors in Pokhara, highlighting the key factors that	In this study descriptive statistics, correlation, and regression mode were employed to analyze the data.	It was found that enhanced financial knowledge and inclusion can empower women to make informed investment choices and achieve better stock market returns.

		influence their investment decisions.		
Poornima (2025)	A study on investor awareness prevalent among college students on emerging investment avenues with special reference to Coimbatore City.	The main objective of this study was to explore the depth of their awareness regarding emerging opportunities for investments such as hybrid mutual funds, Digital Gold Scheme, Crypto-currency, digital gold schemes and many others.	In this study ANOVA and frequency analysis were used to analyses the collected responses.	It was found there are no significant differences in investment awareness among the groups. This indicates a significant difference in awareness of tax-related benefits across the groups, suggesting that some groups are more informed about the tax advantages of certain investments.
Lama et al. (2024)	Stock market participation awareness among university students in Nepal.	the study was to explore the awareness level of stock market investments in the Kathmandu valley.	In this study both qualitative and quantitative methodologies used to students across various colleges in Nepal.	It was found that there is moderate awareness about the stock market among students, actual participation remains limited. Furthermore, cultural attitudes towards saving and investing also play a significant role in shaping students' engagement with the stock market.
Hossain and Siddiqua (2024)	Exploring the influence of behavioral aspects on stock investment decision-making: a study on Bangladeshi individual investors.	The objective of the study was to examine the impact of behavioral influences on the stock market.	In this study chi-square test, one-way ANOVA, paired-samples t-test and descriptive analysis were used to analyze the data.	It was found that risk aversion and risk perception were the two most influential emotional dimensions that impact investors' decisions.
Luthviana et al. (2024)	Determinants of investment decisions in the capital market: a case study in	The objective of the study was to determine the factors that influence investment	In this study Partial Least Square (PLS) analysis techniques was used to test the inner model and outer model for	It was found that income level, financial literacy and financial behavior have significant direct influence on investment decision except for the

	public education participants.	decisions in the capital market.	testing the quality of hypotheses.	financial literacy variable. On the other hand, indirect influence shows that lifestyle variables were able to mediate on the investment decision.
Pathak et al. (2024)	Behavioral insights into investment decision-making: evidence from the Nepal stock exchange.	The objective of this study was to identify the factors shaping stock investment decisions among individual investors and analyze their relationships with investment choices.	In this study correlation and regression model were tested to analyze the relationship among the variables.	It was found that that behavioral factors, including stock affordability, information availability, third-party opinions, and herding effect, significantly influence individual investors' rationality in making investment decisions.
Bhandari and Subedi (2024)	Determinants of investment decisions of mutual fund in Nepal	The main objective of the study was to examine the factors influencing investment decisions in mutual funds in Nepal.	In this study the proposed theoretical model was rested using structural regression model using Smart PLS.	It was found that financial literacy, risk perception and investment behaviour have positive and significant effect on investment decisions among the investors in Nepalese mutual funds but the peer group has no any effect on investment decision.
Quang et al. (2023)	Behavioral factors influencing individual investors' decision making in Vietnam market	The objective of the study was to explore the link between investor demographics (gender, age, experience, and educational ability) and their investment decisions.	This study employed partial multiple regression to examine how investors' demographic variables affected their investment choices using behavioral traits as mediator variables.	It was found that investor emotion, overconfidence, over/under reaction, and herd behavior all have a large impact on investing decisions. Additionally, investors' investing selections were significantly and favorably influenced by their age, gender, and degree of education.
Kumar et al. (2023)	Behavioural, psychological, and demographic determinants of financial	The objective of this study was to investigate the impact of an array of behavioural, psychological, and	The partial least squares structural equation modelling has been used to test hypotheses.	It was found that various psychological, behavioural, and demographic factors have significant effect on financial decision

	decision making of household investors	demographic factors on financial decision making.		making, favoring the design of a feasible and lucrative financial portfolio to ensure financial well-being of households in the long run.
Moeinfar et al. (2023)	Financial literacy model in the Iranian capital market	The objective of the study was to present the concept of financial literacy and provide appropriate and comprehensive model using the Iranian financial experts' opinion in a qualitative manner.	The research data were analyzed by open coding method which is specific to the contextual approach.	It was found that the effect of causal factors (including demographic components, economic skills, social components and educational components) were significant on the level of financial literacy. Similarly, the effect of axial factors (especially in the fields of basic knowledge and finance) were found significant.
Kaustia et al. (2023)	What drives stock market participation? The role of institutional, traditional, and behavioral factors	This study analyzed stock market participation in 19 European countries, providing a composite view of the interplay and relative importance of established participation drivers.	In this study descriptive and regression analysis model were applied.	It was found that the effects of traditional variables and new behavioral variables change across levels of regulatory quality and across levels of wealth and education.
Ammer and Aldhyani (2022)	An investigation into determinants of investment awareness: evidence from the Young Saudi Generation.	The main objective of the study was to explore and examine the determinants of investment awareness.	In this study partial least squares structural equation modeling (PLS-SEM) was applied for the data analysis.	It was found that financial literacy, self-control, saving behavior, and family financial socialization have positive and significant influences on investment awareness. Conversely, spending patterns and attitude toward risk are found to be positively but insignificantly related to investment awareness.

Adil et al. (2022)	How financial literacy moderate the association between behaviour biases and investment decision	The study tried to explore whether several behavioural biases can affect investment decisions amongst gender and to examine whether these associations are moderated by financial literacy.	In this study Pearson correlation and Cronbach's alpha test have been taken into account respectively and hierarchical regression analysis has been used in the study.	It was found that that amongst male investors, the influence of risk-aversion and herding on investment decision was negative and statistically significant, while the influence of overconfidence on investment decision was positive and significant.
Shohiha et al. (2022)	Factors influencing Muslim investors in Sharia stock investment during the Covid 19 pandemic	The objective of this study was to find the factors that influence investors in making investment decisions amidst pandemic conditions.	In this study descriptive statistics, correlation analysis and regression model was applied for the data analysis.	It was found that financial literacy had the greatest influence and significance on investment decisions in this study. Similarly, financial literacy influenced investment decisions regardless of gender.
Svoboda (2022)	Behavioural factors influencing investment decisions: A literature review	This study critically analyzed the views of various authors who have linked their research activities to the topic of behavioural finance, behavioural biases, and risk perceptions in financial markets.	In this study Qualitative data were aggregated through the method of a systematic review.	It was found that investor's demographic characteristics, such as age, marital status or education, have a direct impact on his behaviour. Similarly, individuals perceived the same information differently when making decisions based solely on financial disclosure and make different decisions based on that.
Chaudhary et al. (2021)	Investors' interest towards mutual funds: A study of Kathmandu valley	The objective of this study was to assess the investor's Mind-set towards mutual funds in Kathmandu valley.	The collected data were analyzed with the help of descriptive and correlation analysis.	The study revealed that most of investors were familiar with fixed deposits, medium familiarity with shares and very low familiarity with bonds and debentures and money market instruments.
Gnawali (2021)	Behavioral biases and individual investor's decision	The objective of this study was to examine the effect of the independent variables on	This study used primary data to investigate the effect of the independent	The study found that only social interaction and regulatory policies had significant effect on investor's decision

	making in Nepalese stock market: descriptive perspectives	investment decision making behavior of individual in stock market.	variables on investment decision making behavior and used both descriptive and inferential analysis.	making behavior while beginner's investors showed psychological factor, social interaction, regulatory policies and firm's image has significant effect on decision making behavior and for experienced investors only social interaction has significant effect on decision making behavior.
Nareswari et al. (2021)	The impact of behavioral aspects on investment decision making	This study aimed to investigate the impact of behavioral aspects (sentiment investor, overconfidence, salience, overreaction, and herd behavior) on investment decision making.	This study used partial least square structural equation modeling (PLS-SEM) as a data analysis technique.	It was found that sentiment investors, overconfidence, salience, overreaction, and herd behavior positively affect investment decision making.
Sabir et al. (2021)	Investment behaviour of individual investors of Pakistan stock market with moderating role of financial literacy	The objective of the study was to examine the determinants of investors' behaviour in the Pakistan stock market with the moderating role of financial literacy.	This study used partial least squares structural equation modelling method (PLS-SEM) to test hypothesis.	It was found that social influence and religiosity influence investment intention while religiosity didn't affect investment behaviour. This study also indicated that relationship of investment intention and investment behaviour of individual investors in stock market was significantly moderated by financial literacy.
Patil and Bagodi (2021)	The factors affecting investment decisions in India: The KANO way.	The objective of the study was to analyze that whether investors look for the similar information while making investment in all sectors or	In this study KANO model was developed to classify the information into 'must be', 'linear', and 'delight' attributes.	It was found that 'must be' attributes include condition of financial statements, current economic indicators, and the result of technical analysis and 'insider information' is a 'delight' attribute.

		they are sector specific.		
Baral and Pokharel (2020)	Behavioral factors and investment decision: a case of Nepal	The main objective of the study was to examine the investors' opinions or behavior in Nepalese stock market.	This study is an empirical research based on primary data collected from 120 respondents who have made investment in shares of listed companies in NEPSE.	Based on many researches, this study used four independent variables heuristic, prospect, market, and herding and a dependent variable investment performance of Nepal Stock Exchange. It was revealed that market factor has significant impact on the investment performance.
Shrestha (2020)	Factors influencing investment decisions of Nepalese investors.	The study was conducted to analyze the factors influencing investment decisions of Nepalese investors in the stock market.	The data are collected using structured questionnaire and Likert scale questions and analyzed with the help of descriptive analysis tools.	It was found that Positive and significant coefficient of company related variable (CRV) is observed in all regression models. It was concluded that the Nepalese investor makes investment decision observing the company related variable of Nepalese companies.
Baihaqqy et al. (2020)	Correlation between education level with understanding of financial literacy and its effect on investment decisions in capital market	This study tried to describe how the educational level of investors influences their understanding of financial literacy and its effect on investment decision making in capital markets.	The method used in this research was quantitative and descriptive using correlation analysis.	It was found that the level of investor knowledge regarding financial literacy is high. There is a significant correlation between the investor education level and their understanding of financial literacy, thus influencing investors in the financial decisions they make.
Hunguru et al. (2020)	The determinants of investment decisions: a study of individual investors on the Zimbabwe stock exchange	The main objective was to identify and assess the effect of the behavioural factors on investment decisions of individual investors.	Multiple regression analysis and correlation analysis were used to calculate the relationship between behavioural factors and investment decision.	It was found that individual investor decisions are influenced by the behavioural factors which were; anchoring, availability, gambler's fallacy, overconfidence, herding, loss aversion, mental accounting, regret

				aversion and representativeness.
Huang and Yang (2018)	Investors' sentiment and enterprise's non-efficient investment: The intermediary effect of stock price volatility	This study aimed to explore the influence of investors' irrational sentiment on the enterprise's non-efficient investment.	This study used partial least square structural equation modeling (PLS-SEM) as a data analysis technique.	This study found that investors irrational sentiment is significantly affecting the enterprise's non-efficient investment, the stock price volatility plays a mediating role, the investors' sentiment is one of the reasons for the fluctuation of market share price, which deviates from the fundamental value and he over-valued stock promote the over-investment, the under-valued stock sharpen the under-investment seriously.
Pokharel (2018)	Investors preference on stock market: a case of Nepal Stock Exchange	The study aimed to study the investors choice of investment on the listed companies of NEPSE, examine the reasons for selecting the particular companies on NEPSE, find out the motivating factors that influence the investment preference, and the reasons for investment in IPOs.	The study was based on survey method using structured questionnaire.	The results demonstrated that investors were found to have investment interest in secondary market. The reasons for selecting shares are mostly liquidity and high rate of earning. The investors' perception regarding the influencing factors for the investment decision in secondary market of NEPSE is the advice of brokers and then movement of indices.
Yuniningsih et al. (2017)	Decision making in the stock investment	The objectives behind this study was to test how much risk investors were willing to take when making their investment	ANOVA test was applied to determine the risk taking behavioral differences in the two domains toward the loss aversion.	It was found that investors when in the loss aversion of the gain domain, have a lower risk taking than that of the loss aversion in the loss domain and the loss aversion has a

	associated with the loss aversion.	significant influence for the risk taking decision making in investment, particularly in that of the stocks.

2.4 Research Gap

There was not many specialist research on the financial instruments and preferences of NEPSE investors. While choosing an investment strategy, preferences and priorities can change. Investor awareness is in and of itself a behavioral and psychological activity. Its influence on the financial world is larger than that of other concerns. Therefore, this study examines the financial literacy, spending pattern, self-control, saving behavior and attitude towards risk of master's level students in the Kathmandu Valley today and provides fresh perspectives and recommendations. The researcher felt there was a research gap and made the decision to fill it because there hasn't been much work done to assess the preferences and capital market understanding of Nepalese investors. It is crucial to do research on NEPSE investors' expertise, paying special attention to masters-level students' recent actions and investment philosophies. The financial performance of equities such government securities, preferred stock, and debentures, as well as the flow of investment patterns in the capital market, are of concern. Consequently, this study looks at the traits of investors' financial literacy, their actions while purchasing securities, and the assets they choose. Assess investors' level of understanding on the decisions they make while choosing assets as well. Therefore, this study effectively fills the knowledge gap for individuals seeking more in-depth research on master's level students' of TU investing awareness and decision in NEPSE.

CHAPTER- III

RESEARCH METHODOLOGY

The several sequential processes that a researcher might take while examining an issue with specific goals in mind are referred to as research technique. study design, population and sample, data sources and nature, analytic techniques, study methodology, and variable definitions are all included in this section.

3.1 Research Design

This study aims to examine investor preferences and the variables affecting TU master's level students' investing awareness in NEPSE. Descriptive and causal comparative research designs are employed to accomplish the objective of this study. According to the nature of the study, the research objectives are determined using primary data, and the research is supported by secondary data. Causal comparative research design is used to examine the relationship between the variables utilized in the study, whereas descriptive research design is used to explain the data gathered from the survey and illustrate the distribution of respondents.

3.2 Population and Sample

The Nepalese stock market has a large number of investors, some of whom are passive and some of whom are very active. Since the goal of this study is to examine the level of investment knowledge among NEPSE master's level students, the study takes into account a sample of active investors who trade a variety of stocks on the Nepal Stock Exchange. The target population of this study was all Mero Share account holders in Nepal, which are approximately 4.395 million (SEBON, 2078/79). Since, the number population is very high the Slovin formula can be used for the sample size calculation (Salehudin, 2013). So. The sample for the study is 400 respondents who are currently studying masters' level in government campuses in Kathmandu Valley.

Calculations:

$$\text{Sample Size} = \frac{N}{(N\times d^2+1)} = \frac{4395000}{43950000\times 0.05^2+1} = 400$$

Where, N = no. of population

d = 1- degree of confidence or Significance level

3.3 Nature and Sources of Data

The major data used in this study was gathered via a questionnaire survey. To gather the primary data, organized questionnaire interviews and discussions are held with current TU master's level students who are actively investing in NEPSE.

3.4 Methods of Analysis

Using the proper statistical methods, the data and information gathered from primary sources are tallied, classified, and examined. The surveys contain fully organized questions on a five-point Likert scale. In the table's columns with observed and anticipated frequencies, the answers are arranged in accordance with question patterns. Tools for regression and correlation analysis are used to compute the relationship analysis between the variables.

3.4.1 Percentage

One of the best tools for comparing two numbers or variables is a percentage. The word "percentage" simply means "per hundred." Stated otherwise, a fraction that has 100 as its denominator is called a percent, and its numerator is called a rate of percent.

3.4.2 Mean

The average value of the replies is determined using the mean. The higher the mean, the more supportive the respondents are of the replies, and the lower the mean, the less supportive the respondents are (Sharma & Chaudhary, 2018).

$$\text{Mean } (\bar{X}) = \frac{\Sigma X}{n}$$

Where,

$\bar{x}$ = Mean

$\sum x$ = Sum of no. of observations

n = No. of observations

3.4.3 Standard Deviation

The difference of a value from the mean is computed using the standard deviation. A higher standard deviation indicates a greater degree of variation in the respondents' replies. But a low standard deviation is better (Sharma & Chaudhary, 2018).

Standard Deviation = $\sqrt{\frac{\Sigma(X - \bar{X})^2}{n-1}}$

Where,

$\bar{x}$ = Mean

n = No. of observations

3.4.4 Correlation Coefficient (r)

The relationship between an independent variable and another independent variable is known as the correlation coefficient. It is a technique for figuring out how these two variables relate to one another. The two variables are said to have a correlation coefficient if they are so closely associated that a change in the independent variable's value results in a change in the dependent variable's value.

Correlation Coefficient (r) = $\frac{n\Sigma XY - \Sigma X\Sigma Y}{\sqrt{n\Sigma X^2 - (\Sigma X)^2}\sqrt{n\Sigma Y^2 - (\Sigma Y)^2}}$

Where,

r = correlation coefficient

n= no. of observations

X and Y are the variables

3.4.5 Regression Analysis

Regression analysis is a collection of statistical procedures used in statistical modeling to estimate the connections between variables. When the focus is on the relationship between a dependent variable investment awareness (IA) and one or more independent variables, such as financial literacy (FL), spending pattern (SP), self-control (SC), saving behavior (SB) and attitude towards risk (ATR), it encompasses a variety of modeling and analysis techniques. Regression analysis explicitly explains how changing one of the independent variables, while holding the other independent variables constant, affects the dependent variable's (also known as the "criterion variable") typical value. The relationship's conceptual model is constructed as;

$IA = \beta + \beta_1 FL + \beta_2 SP + \beta_3 SC + \beta_4 SB + \beta_5 ATR + e$

Where,

IA = Investors' Awareness

β = Intercept

β_1 = Coefficient of Financial Literacy

β_2 = Coefficient of Spending Pattern

β_3 = Coefficient of Self-Control

β_4 = Coefficient of Saving Behavior

β_5 = Coefficient of Attitude Towards Risk

FL = Investment Attitude

SP = Spending Pattern

SC = Self-Control

SB = Saving Behavior

ATR = Attitude Towards Risk

e = Error term of regression equation

3.4.6 Paired t-Test

The following are frequently tested using the Paired Samples t-test: statistical distinction between two points in time. statistical distinction between two circumstances. Two measurements' statistical differences. The correlation between two separate groups that depend on the same continuous, dependent variable are compared using the independent-samples paired t-test, also known as the paired t-test (Sharma & Chaudhary, 2018).

3.4.7 One Way ANOVA

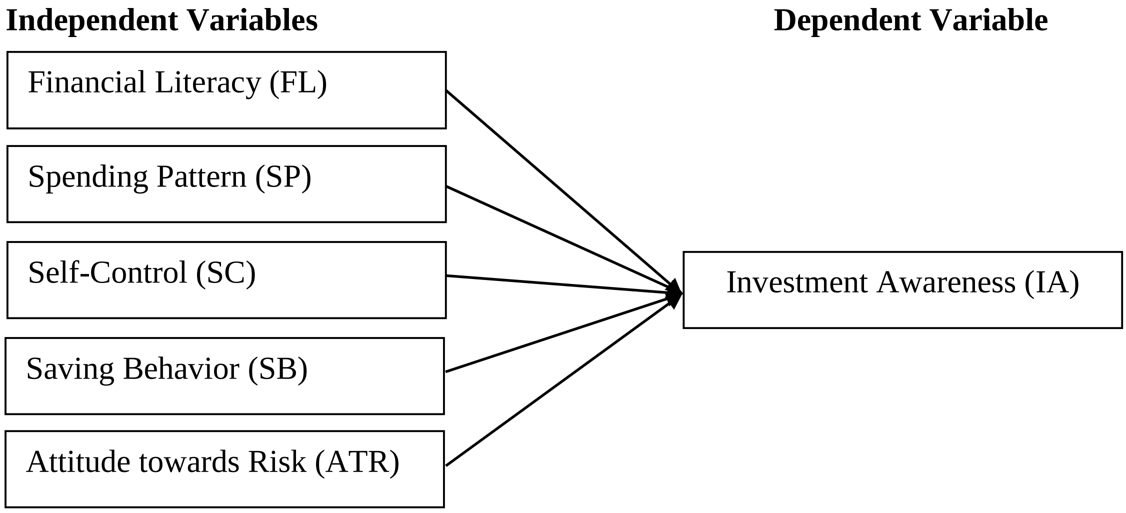
To ascertain if there are any statistically significant variations among the means of two or more independent (unrelated) groups, the one-way analysis of variance (ANOVA) is utilized; however, it is often only applied when there are at least three groups, not just two (Sharma & Chaudhary, 2018).

3.5 Research Framework and Definition of Variables

The research approach for this study is based on a review of other studies that examined the factors influencing investment awareness to invest in various stock markets using various variables. Using the following structure, this study examines investment awareness among NEPSE master's level students of TU;

Figure 1

Research Framework



Source: (Ammer & Aldhyani, 2022)

Definition of Variables

Investment Awareness

In order to determine the factors that influence Nepalese stock market investors' decisions, the study asks respondents whether they invest in initial public offerings (IPOs) or secondary markets, diversify their trading portfolios to spread risk, purchase shares of companies with better financial standing, buy shares when stock prices drop, favor companies with a strong dividend history, purchase shares when policy level changes occur, and so on. The financial awareness allows the investor to make sound financial and investment decisions, to realize their rights, and to manage the investment risk (Ammer & Aldhyani, 2022). In current years, variables influencing the investment awareness of individuals represent a topic that entices the consideration of financial researchers (Poornima, 2025).

Financial Literacy

Nowadays, financial literacy has turned out to be indispensable, since it can minimize the likelihood of being misinformed in making investment decisions (Ammer & Aldhyani, 2022). Financial literacy is defined by Mitchell and Lusardi as the capability of individuals to obtain, analyze, and interpret financial information and utilize it for making efficient and thorough financial decisions in terms of financial issues (i.e., planning, investment, and liabilities management). That is, if individuals or families want to be financially wealthy, an appropriate degree of financial literacy must be acquired (Dhungana, et al., 2025).

Spending Pattern

Spending awareness has a vital role in certifying that the spending of individuals will be along with their financial plan. Good spending patterns will inform individuals to prioritize requirements over desires. Thus, spending behavior affects the personality of individuals toward investments (Poornima, 2025). The enhancement of spending behavior will lead to better financial awareness. Spending patterns have an insignificant influence on investment decisions but have a negative association with individuals' wealth. Individuals should review their spending patterns, in addition to how much they should invest (Ammer & Aldhyani, 2022). This will actually lead to enhancing the awareness of investors.

Self-Control

Self-control represents the capability of individuals to control their requirements, estimations, and actions toward realizing particular aims, such as decreasing bad purchasing habits and developing a proper plan for retirement (Ammer & Aldhyani, 2022). To expand our knowledge of how individuals, undertake financial decisions such as investment decisions, it is important to examine the psychological features that affect the positive financial well-being and financial behavior of individuals (Lama et al., 2024). That is, there is a need to explore the link between self-control and investment awareness.

Saving Behavior

In real-world life, investment is related to saving and delaying consumption. To invest, savings represent an indispensable basis, which in the end results in the development and expansion of the economy (Ammer & Aldhyani, 2022). Likewise, saving activity is a requirement for making investment decisions. Individuals sometimes need external sources of finance to conduct investment; however, savings enable them to reduce their dependence on such sources (Dhungana, et al., 2025). Lack of self-control significantly and negatively moderated the relationship between financial literacy, saving behavior, and investment awareness (Ammer & Aldhyani, 2022). Indeed, the behavior of saving needs individuals to have important abilities, which involve the skill to make calculations and build a saving policy.

Attitude towards Risk

The attitude of investors toward risk is significantly related to the allocation of investments between risky and safe assets (Ammer & Aldhyani, 2022). Financial risk attitude refers to the level to which the person is encouraged to hold risky financial opportunities with unidentified outcomes (Ammer & Aldhyani, 2022). That is, individuals preferring low risk are more inclined to invest in saving accounts, whereas individuals with the ability to take more risk prefer investments in risky assets such as stocks. A negative connection between risk aversion of investors and investment intention (Dhungana, et al., 2025). Individuals with high investment awareness should have the abilities needed to manage the risk.

CHAPTER- IV

RESULTS AND DISCUSSION

This chapter comprises the data presentation and analysis, with the primary goal being the analysis of the survey data. The chapter is split into two sections: the first offers the analysis's findings, and the second discusses them.

4.1 Results

The examination of the information gathered via surveys is the major basis of this part. Four sections have been created from this section. The respondent's profile is covered in the first sections. It provides specific details on the respondent's age, gender, marital status, occupation, income level, and preferred market. The acquired data is analyzed and interpreted in the second portion using descriptive analysis, and in the third part using regression analysis and correlation between dependent and independent variables. The fourth and final part discusses the study's findings.

4.1.1 Gender-wise Distribution of Respondents

The table 2 presents the gender wise distribution of the respondents of the study.

Table 2

Gender-wise Distribution of Respondents

Gender	Frequency	Percent
Male	240	60
Female	160	40
Total	400	100

Source: Field Survey, 2025

Table 2 shows the gender-wise no. of respondents and the percentage of male and female respondents who are participated in the survey. It is clear that male is more actively involved in investment in shares. Total number of male respondents are 240 (60 percent) whereas the total number of female respondents are 160 (40 percent).

4.1.2 Age-wise Distribution of Respondents

Age-wise distribution of respondents participated in the survey are tabulated and presented in the table 3.

Table 3
Age-wise Distribution of Respondents

Age	Frequency	Percent
Below 25 years	50	12.5
25-35 years	125	31.25
35-45 years	115	28.75
Above 45 years	110	27.5
Total	400	100

Source: Field Survey, 2025

Table 3 shows the age-wise no. of respondents and the respective percentage of age group who are participated in the survey. It is clear that there maximum i.e. 125 respondents (31.25 percent) are from 25-35 years' age group who are actively involved in investment in stock market followed by 115 respondents (28.75 percent) are from 35-45 years' age group. Only 50 respondents (12.5 percent) among the total of 400 are active in stock from below 25 years' age group.

4.1.3 Marital Status-wise Distribution of Respondents

The respondent's marital status has been presented in the table 4.

Table 4
Marital Status-wise Distribution of Respondents

Marital Status	Frequency	Percent
Married	265	66.25
Unmarried	130	32.5
Other	5	1.25
Total	400	100

Source: Field Survey, 2025

Table 4 presents the marital status-wise distribution of respondents participated in the survey. It is clear that there maximum i.e. 265 respondents (66.25 percent) who are actively involved in investment in stock market are married followed by 130 respondents (32.50 percent) are unmarried. Among the respondents 5 are divorced.

4.1.4 Occupation-wise Distribution of Respondents

Respondents are asked that which occupation they belong from and their responses are presented in table 5.

Table 5

Occupation-wise Distribution of Respondents

Occupation	Frequency	Percent
Govt. Employee	50	12.5
Private Employee	85	21.25
Business	120	30
Student	100	25
Retired Employee	30	7.5
Professional Service	15	3.75
Total	400	100

Source: Field Survey, 2025

Table 5 presents the occupation of the respondents who are participated in the survey. It is clear that majority of respondents are from business sectors i.e. 120 respondents (30 percent) followed by 100 respondents (25 percent) from student background. Only 15 respondents (3.75 percent) are involved in professional services who are participated in this survey.

4.1.5 Income Level-wise Distribution of Respondents

Respondents are asked that how much they earn annually and the responses are categorized into three income level i.e. up to 5 lakhs, up to 10 lakhs and more than 10 lakhs group and presented in table 6.

Table 6

Income Level-wise Distribution of Respondents

Income per year	Frequency	Percent
up to 5 Lakhs	165	41.25
up to 10 Lakhs	145	36.25
More than 10 Lakhs	90	22.5
Total	400	100

Source: Field Survey, 2025

Table 6 depicts the income level of the respondents which is categorized in three level i.e. up to 5 lakhs, up to 10 lakhs and more than 10 lakhs group. It is clear that there is maximum no. of respondents who are earning up 5 lakhs annually i.e. 41.25 percent which consist of 165 respondents. On the other hand, only 22.5 percent of the respondents have earning more than 10 lakhs per year, this leads to conclude that most of the investors in the survey are earning less than 10 lakhs annually.

4.1.6 Market Preference of Masters' Level Students

Students are asked that from which market they usually buy stocks and the responses are collected in term of primary market, secondary market and both. The responses from the respondents are presented in table 7.

Table 7
Market Preferred by Masters' Level Students in NEPSE

Market	Frequency	Percent
Primary	100	25
Secondary	80	20
Both	220	55
Total	400	100

Source: Field Survey, 2025

Table 7 shows the masters' level students' preference in the stock market to invest. It can be observed that investors are more interested to invest in primary market and secondary market both i.e. 220 (55 percent). In comparison to secondary market there is slightly more respondents who are interested in the primary market for the investment {i.e. 100 (25 percent) > 80 (20 percent)}.

4.1.7 Stock Preference of Masters' Level Students

Student's choices are different regarding the investment in different securities available for the investment in Nepal. Stock-wise preference of the investors has been ranked and presented in the table 8.

Table 8
Securities Preferred by Masters' Level Students for Investment

Security	Frequency	Percent
Ordinary Share	175	43.75
Preferred Stock	35	8.75
Debenture	70	17.5
Mutual Fund	120	30
Total	400	100

Source: Field Survey, 2025

Table 8 depicts the of masters' level students' preference on different stocks available i.e. ordinary share, preferred stock, debenture and mutual fund for this survey. The results found that investment in ordinary share are most preferred by investors i.e. 43.75 percent in NEPSE followed by mutual fund 30 percent, debenture 17.5 percent and preferred stock 8.75 percent in second, third and fourth. It is clear that the investors have less knowledge on investment in preferred stock in Nepal.

4.1.8 Descriptive Analysis

There are various factors which influence on investment awareness of masters' level students of TU in NEPSE. The responses in this regard are analyzed using SPSS software and result is presented below;

4.1.8.1 Investment Awareness

Investment awareness is the dependent variables of the research. Six factors related to investor attitude were analyzed to find its relationship with investment decision. The rating of the responses is scaled from 1(Strongly Disagree), 2(Disagree), 3(Neutral), 4(Agree), 5(Strongly Agree). The collected responses are analyzed through SPSS and presented in table 9.

Table 9

Descriptive Statistics of Investment Awareness

Code	Statements	N	Mean	Std. Deviation
IA1	I understand the workings of the stock market quite well.	400	4.115	0.964
IA2	I understand the various securities that are traded on the stock market, such as stocks, bonds, and mutual funds.	400	4.213	0.877
IA3	I keep checks on market movements and stock prices via applications or internet platforms.	400	4.208	0.912
IA4	I am aware that a diverse portfolio lowers the risk associated with investments.	400	4.040	0.922
IA5	I am aware of the duties performed by the Securities Board of Nepal (SEBON).	400	4.223	0.863
IA6	I believe that schools and universities should start offering courses on stock investing.	400	4.225	0.898
IA	Average	400	4.170	0.686

Source: Field Survey, 2025

Table 9 presents descriptive statistics of the investment awareness of masters' level students in NEPSE. All mean values are higher than 3 which means that investors agree that they consider their all the factors before investing in stock market. IA6 has the highest mean of 4.225 and standard deviation 0.898 which means that investors agreed that schools and universities should start offering courses on stock investing. The standard deviation of all the factors range between from 0.863 to 0.964, which indicates that all the investors have nearly almost same opinion. Similarly, the overall mean value for investment awareness is 4.170 with standard deviation of 0.686, this indicates that all six dimension of investment awareness are highly considered by masters' level students before making investment decision.

4.1.8.2 Financial Literacy

Financial literacy is one of the independent variables of the research. Six factors related to financial literacy were analyzed to find its relationship with investment awareness. The rating of the responses is scaled from 1(Strongly Disagree), 2(Disagree), 3(Neutral), 4(Agree), 5(Strongly Agree). The collected responses are analyzed through SPSS and presented in table 10.

Table 10

Descriptive Statistics of Financial Literacy

Code	Statements	N	Mean	SD
FL1	I am aware of the distinction between investing and saving.	400	3.363	0.905
FL2	I am aware of risks associated with investing in the stock market.	400	3.463	0.878
FL3	I have faith in my ability to make my own investing and financial decisions.	400	3.878	0.959
FL4	I can find appropriate investment possibilities using my financial skills.	400	3.818	0.963
FL5	I am aware of institutional and governmental initiatives to promote investing knowledge and financial literacy.	400	3.858	0.940
FL6	My financial expertise allows me to make investment decisions on my own.	400	3.828	0.959
FL	Average	400	3.702	0.793

Source: Appendix- II

Table 10 shows descriptive statistics of the financial literacy that investor considers while making investment decision on stock market. All mean values are higher than 3 which means that investors agree that they consider financial literacy while investing in stock market. FL3 has the highest mean of 3.878 and standard deviation 0.959 which means that investors agreed that they trust in their ability to make my own investing and financial decisions. The standard deviation of all the factors range between from 0.878 to 0.963, which indicates that all the investors have nearly almost same opinion. Similarly, the overall mean value for financial literacy is 3.703 with standard deviation of 0.793. This indicates that the financial literacy is highly considerable factor by masters' level students while investing in the stock market.

4.1.8.3 Spending Pattern

Spending pattern is one of the independent variables of the research. Five factors related to spending pattern were analyzed to find its relationship with investment awareness. The rating of the responses is scaled from 1(Strongly Disagree), 2(Disagree), 3(Neutral), 4(Agree), 5(Strongly Agree). The collected responses are analyzed through SPSS and presented in table 11.

Table 11

Descriptive Statistics of Spending Pattern

Code	Statements	N	Mean	SD
SP1	To improve my ability to invest, I attempt to reduce impulsive purchases.	400	4.068	0.839
SP2	I make sure to make consistent investing contributions while balancing my lifestyle demands.	400	4.110	0.857
SP3	I budget my money such that it doesn't interfere with my investing objectives.	400	4.173	0.916
SP4	I frequently assess my spending patterns to make sure I'm sticking to my investing goals.	400	3.948	0.923
SP5	I understand that in order to safeguard my savings during market downturns, I must limit my expenditures.	400	4.168	0.928
SP	Average	400	4.093	0.743

Source: Appendix- II

Table 11 presents descriptive statistics of the spending pattern that investor considers while making investment decision on stock market. All mean values are higher than 3 which means that investors agree that they consider spending pattern while investing in stock market. SP3 has the highest mean of 4.173 and standard deviation 0.916 which means that investors agreed that they plan funds in such way that it doesn't interfere with my investing objectives. The standard deviation of all the factors range between from 0.839 to 0.928, which indicates that all the investors have nearly almost same opinion. Similarly, the overall mean value for spending pattern is 4.093 with standard deviation of 0.743. This indicates that the spending pattern of masters' level students is highly considerable factor while investing in the stock market.

4.1.8.4 Self-Control

Self-control to invest is one of the independent variables of the research. Seven factors related to self-control were analyzed to find its relationship with investment awareness. The rating of the responses is scaled from 1(Strongly Disagree), 2(Disagree), 3(Neutral), 4(Agree), 5(Strongly Agree). The collected responses are analyzed through SPSS and presented in table 12.

Table 12
Descriptive Statistics of Self-Control

Code	Statements	N	Mean	SD
SC1	I try not to make quick financial decision-making.	400	4.050	0.987
SC2	In order to maintain money for investments, I avoid the want to buy unnecessary things.	400	4.133	0.942
SC3	I'm disciplined enough to follow a budget or financial plan.	400	4.008	0.987
SC4	I avoid investing in trends without conducting adequate investigation.	400	3.913	0.912
SC5	I sacrifice satisfaction now in order to have more financial stability later.	400	3.915	1.127
SC6	During market swings, I can maintain discipline and prevent from panic selling.	400	3.655	1.083
SC7	When it comes to investing, I remain clear of emotional decisions.	400	3.570	1.187
SC	Average	400	3.892	0.777

Source: Appendix- II

Table 12 depicts descriptive statistics of the self-control of investors while making investment decision on stock market. All mean values are higher than 3 which means that investors agree that they consider their self-control while investing in stock market. SC2 has the highest mean of 4.133 and standard deviation 0.942 which means that investors agreed that they avoid the want to buy unnecessary things. The standard deviation of all the factors range between from 0.912 to 1.187, which indicates that all the investors have nearly almost same opinion. Similarly, the overall mean value for self-control is 3.892 with standard deviation of 0.777. This indicates that the self-control of masters' level students is highly considerable factor while investing in the stock market.

4.1.8.5 Saving Behavior

Saving behavior is one of the independent variables of the research. Five factors related to saving behavior were analyzed to find its relationship with investment awareness. The rating of the responses is scaled from 1(Strongly Disagree), 2(Disagree), 3(Neutral), 4(Agree), 5(Strongly Agree). The collected responses are analyzed through SPSS and presented in table 13.

Table 13
Descriptive Statistics of Saving Behavior

Code	Statements	N	Mean	SD
SB1	I am more aware of various investing alternatives as they improve my saving habits.	400	4.048	1.006
SB2	I understand that developing a solid investing portfolio requires regular saving.	400	4.003	0.914
SB3	I know how to convert my funds into profitable businesses.	400	4.043	0.994
SB4	Financial knowledge, in my opinion, enhances the results of investments and savings.	400	3.928	0.967
SB5	My knowledge of investing alternatives motivates me to increase my savings.	400	4.063	0.936
SB	Average	400	4.017	0.853

Source: Appendix- II

Table 13 shows descriptive statistics of saving behavior by investors while making investment decision on stock market. All mean values are higher than 3 which means that investors agree that they consider their saving behavior while investing in stock market. SB5 has the highest mean of 4.063 and standard deviation 0.936 which means that investors agreed that their knowledge of investing alternatives motivates them to increase my savings. The standard deviation of all the factors range between from 0.936

to 1.006, which indicates that all the investors have nearly almost same opinion. Similarly, the overall mean value for saving behavior is 4.017 with standard deviation of 0.853. This indicates that the saving behavior of investors is highly considerable factor by masters' level students while investing in the stock market.

4.1.8.6 Attitude towards Risk

Attitude towards risk is one of the independent variables of the research. Six factors related to attitude towards risk were analyzed to find its relationship with investment awareness. The rating of the responses is scaled from 1(Strongly Disagree), 2(Disagree), 3(Neutral), 4(Agree), 5(Strongly Agree). The collected responses are analyzed through SPSS and presented in table 14.

Table 14

Descriptive Statistics of Attitude towards Risk

Code	Statements	N	Mean	SD
ATR1	I know how much risk I can tolerate when selecting investments.	400	3.950	1.107
ATR2	Before I make any investments, I do research to determine the degree of risk.	400	3.695	1.068
ATR3	I am aware of how diversity lowers investment risk.	400	3.570	1.187
ATR4	Better decision-making, in my opinion, results from increased understanding of investing risks.	400	3.905	1.131
ATR5	I am aware of the methods and resources available to reduce investing risk.	400	3.880	0.968
ATR6	In order to assess the risk of my investment portfolio, I keep an eye on market patterns.	400	3.955	0.938
ATR	Average	400	3.826	0.856

Source: Appendix- II

Table 14 presents descriptive statistics of the Attitude towards risk of masters' level students in NEPSE. All mean values are higher than 3 which means that investors agree that they consider their attitude towards risk before investing in stock market. ATR6 has the highest mean of 3.955 and standard deviation 0.938 which means that investors agreed that in order to assess the risk of their investment portfolio, they keep an eye on market patterns. The standard deviation of all the factors range between from 0.938 to 1.187, which indicates that all the investors have nearly almost same opinion. Similarly, the overall mean value for attitude towards risk is 3.826 with standard deviation of

0.938. This indicates that all six dimension of attitude towards risk are highly considered by masters' level students before making investment decision.

4.1.9 Correlation Analysis

The factors influencing investment awareness of masters' level students of Nepalese stock market has been analyzed using correlation analysis. For this purpose, bivariate correlation analysis is used. The following section presents the result of correlation analysis results from SPSS.

Table 15

Correlation Analysis

Variables	IA	FL	SP	SC	SB	ATR
IA	1					
FL	.524**	1				
SP	.505**	.287**	1			
SC	.680**	.545**	.430**	1		
SB	.716**	.531**	.502**	.679**	1	
ATR	.563**	.462**	.297**	.865**	.520**	1

Source: Appendix- II

**. Correlation is significant at the 0.01 level (2-tailed)

Table 15 presents the relationship analysis between factors influencing investment awareness and investment awareness of masters' level students in NEPSE. It is observed there is positive relation between financial literacy and investment awareness of masters' level students i.e. 0.524, which implies that financial literacy and investment awareness of masters' level students are positively correlated. The result shows that financial literacy has positive correlation with investment awareness of masters' level students which is significant at 1 percent level of significance. Similarly, there is positive relation between spending pattern and investment awareness of masters' level students i.e. 0.505, which implies that spending pattern and investment awareness of masters' level students are positively correlated. The result shows that spending pattern has positive association with investment awareness of masters' level students which is significant at 1 percent level of significance. Likewise, there is positive relation between self-control and investment awareness of masters' level students i.e. 0.680, which implies that self-control and investment awareness of masters' level students are positively correlated. The result shows that self-control has positive relation with investment awareness of masters' level students which is significant at 1 percent level of significance. In the same way, there is positive relation between saving behavior and investment awareness of masters' level students i.e. 0.716, which implies that saving behavior and investment awareness of masters' level students are positively correlated. The result shows that saving behavior has positive association with investment awareness of masters' level students which is significant at 1 percent level of significance. Furthermore, there is positive relation between attitude towards risk and investment awareness of masters' level students i.e. 0.563, which implies that attitude towards risk and investment awareness of masters' level students are positively correlated. The result shows that attitude towards risk has positive relation with investment awareness of masters' level students which is significant at 1 percent level of significance.

4.1.10 Regression Analysis

The factors influencing investment awareness of individual awareness of masters' level students of Nepalese stock market has been analyzed using regression analysis. For this purpose, multiple regression analysis is used. The following section presents the result of multiple regression analysis calculated form SPSS.

Table 16

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.781	0.611	0.606	0.431

Source: Appendix - II

a. Predictors: (Constant), ATR, SP, FL, SB, SC

b. Dependent Variable: IA

Table 16 shows the multiple regression coefficient of independent variables financial literacy (FL), spending pattern (SP), self-control (SC), saving behavior (SB) and attitude towards risk (ATR) to affect the investment awareness of masters' level students. The R-square value in the table is 0.611 which shows that 61.10 percent variation in investment awareness of masters' level students is explained by these five factors of included in this study and remaining 38.90 percent variation in not explained by these variables.

Table 17

Analysis of ANOVA (Dependent Variable Investment Awareness)

Model	Statistics	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	114.521	5	22.904	123.522	0.000
	Residual	73.058	394	0.185		
	Total	187.58	399			

Source: Appendix - II

a. Dependent Variable: IA

b. Predictors: (Constant), ATR, SP, FL, SB, SC

Table 17 shows the ANOVA analysis result for the regression coefficient calculated in the table 16. It is found that F-statistics of the regression coefficient is 123.522 which is significant at 1 percent since the significance statistics i.e. 0.000 is less than 1 percent.

Table 18

Regression Coefficient (Dependent Variable Investment Awareness)

Variables	Coefficients	t	Sig.	Collinearity Statistics	
				Tolerance	VIF
(Constant)	0.961	6.637	0.000		
Financial Literacy	0.103	3.065	0.002	0.655	1.528
Spending Pattern	0.148	4.330	0.000	0.723	1.383
Self-Control	0.216	3.210	0.001	0.170	4.876
Saving Behavior	0.306	8.056	0.000	0.444	2.250
Attitude towards Risk	0.041	0.794	0.427	0.240	4.168

Source: Appendix - II

Table 18 presents the regression coefficient of each independent variable included in the analysis i.e. independent variables financial literacy, spending pattern, self-control, saving behavior and attitude towards risk to effect investment awareness of masters' level students. Since, the VIF value of the coefficients are all less than 5 there is no problem of multicollinearity among the variables. The coefficient of financial literacy is 0.103 which is significant at 1 percent, since the significance statistics i.e. 0.002 is less than 1 percent, meaning that financial literacy has significant positive effect on awareness of masters' level students. Similarly, the coefficient of spending pattern is 0.148 which is significant, since the significance statistics i.e. 0.0.000 is less than 1 percent, meaning that spending pattern has significant effect on investment awareness of masters' level students. Likewise, coefficient of self-control is 0.216 which is significant at 1 percent, since the significance statistics i.e. 0.001 is less than 1 percent, meaning that self-control has significant positive effect on investment awareness of masters' level students. In the same way, coefficient of saving behavior is 0.306 which is significant at 1 percent, since the significance statistics i.e. 0.000 is less than 1 percent, meaning that saving behavior has significant positive effect on investment awareness of masters' level students. In contrast, coefficient of attitude towards risk is 0.041 which is not significant at 5 percent, since the significance statistics i.e. 0.240 is higher than 5 percent, meaning that attitude towards risk has no significant positive effect on investment awareness of masters' level students.

4.2 Discussion

This study is focused on investment awareness of masters' level students in Nepalese stock market considering the investment attitude, investment risk, willingness to invest and return on investment. The analysis of primary data on 400 respondents revealed that there are 60 percent male respondents and 40 percent female respondents involve in the survey. Most of the respondents (41.25 percent) earn up to 5 lakhs per year. It is observed that investors are more interested to invest in primary market than secondary market.

The relationship analysis found that there is positive relation between financial literacy and investment awareness of masters' level students i.e. 0.524, which implies that investors attitude and investment awareness are positively correlated. The result is consistent with the study of Ammer and Aldhyani (2022), who found that financial literacy of investors has significant effect on investment awareness which is significant at 1 percent level of significance which is consistent but the result is inconsistent with the result of Baral and Pokharel (2020) who revealed insignificant association between financial literacy and awareness of investors.

Similarly, there is positive relation between spending pattern and investment awareness of masters' level students i.e. 0.505, which implies that spending pattern of investors and investment awareness are positively correlated. The result is similar with the findings of Ammer and Aldhyani (2022) and Dhungana et al. (2025) who found that there is positive relation between spending pattern and investment awareness of investors. The result shows that spending pattern of investors has significant association with on investment awareness which is significant at 1 percent level of significance. But the result is not consistent with the finding of Sabir et al. (2021). Hence there is positive relationship between spending pattern and investment awareness of masters' level students in Nepalese capital market.

Likewise, there is positive relation between self-control and investment awareness of masters' level students i.e. 0.680, which implies that self-control of investors and investment awareness are positively correlated. This result is consistent with the findings of Ammer and Aldhyani (2022) and Poornima (2025) who revelaed positive association between self-control and investment awareness of investors in stock market. The result shows that self-control has significant relation with investment awareness which is significant at 1 percent level of significance. But the result is not consistent with the finding of Hunguru et al. (2020). Hence there is positive relationship between self-control and investment awareness of masters' level students in NEPSE.

In the same way, there is positive relation between saving behavior and investment awareness of masters' level students i.e. 0.716, which implies that saving behavior of investors and investment awareness are positively correlated and the results is consistent with the finding of Ammer and Aldhyani (2022) and Lama et al. (2024) who stated that there was positive association between saving behavior and investment awareness of investors. The result shows that saving behavior has significant relation with investment awareness which is significant at 1 percent level of significance. But the result is not consistent with the finding of Patil and Bagodi (2021). Hence there is positive relationship between return on investment and investment awareness of masters' level students in NEPSE.

furthermore, there is positive relation between attitude towards risk and investment awareness of masters' level students i.e. 0.563, which implies that attitude towards risk of investors and investment awareness are positively correlated and the results is consistent with the finding of Poornima (2025) and Lama et al. (2024) who stated that there was positive association between attitude towards risk and investment awareness of investors. But the result is not consistent with the finding of Patil and Bagodi (2021). Hence there is positive relationship between attitude towards risk and investment awareness of masters' level students in NEPSE.

The multiple regression in this study revealed that financial literacy has significant positive effect i.e. 0.103 on investment awareness of masters' level students. Similarly, spending pattern has significant positive effect i.e. 0.148 on investment awareness of masters' level students. Likewise, self-control to invest in the stock has significant positive effect i.e. 0.216 on investment awareness of masters' level students. In the same way, saving behavior of investors has significant positive effect i.e. 0.306 on investment awareness of masters' level students. In contrast, attitude towards risk of investors has insignificant positive effect i.e. 0.041 on investment awareness of masters' level students. The regression findings are consistent with the findings of Ammer and Aldhyani (2022); Lama et al. (2024); Dhungana et al. (2025) and Poornima (2025) who have found that investment awareness of the individual investors was mainly relay on their level of financial literacy, which was measured on the basis of financial skill, information and behavior of individuals. Investors were influenced to invest in stock by their spending, saving habits and their knowledge towards risk in investing in stock market. So, SEBON should make good rules and regulation so that they increase the confidence of investors in stock market, which benefits the stock market as investment increases with increase in confidence level.

CHAPTER- V

SUMMARY AND CONCLUSION

This is the last chapter that provides a summary of the findings. The three subheadings of summary, conclusion, and implication apply to this chapter.

5.1 Summary

Finding the factors impacting master's level students' decisions prior to investing in the Nepalese stock market is the main goal of this study. The security market in Nepal is currently expanding. The government is still unable to provide favorable and adequate investment environment to build the security market as well as to encourage investors to invest in this industry. Examining the various kinds of TU master's level students on the Nepal stock exchange, analyzing the relationship between investment decisions and the factors influencing TU master's level students, and examining the impact of financial literacy, spending pattern, self-control, saving behavior and attitude towards risk on TU master's level students' investment decisions are the goals of this study. The study made the assumption that master's level students' knowledge was significantly impacted by their financial literacy, spending pattern, self-control, saving behavior and attitude towards risk.

According to the study's literature evaluation, the primary market is where freshly issued securities are traded. The term "secondary market" refers to a market where investors exchange securities that have previously been issued (second hand) or when such securities are already outstanding. Simply put, the parties exchange ownership of the securities in the secondary market, but the issuer does not get any further funding. To put it another way, the investors merely transfer ownership. The majority of investors in Nepal base their investing decisions on the use of technical and fundamental analytical tools. In general, long-term investors choose fundamental analysis, whereas short-term investors favor technical analysis.

Descriptive and causal research designs were employed in order to accomplish the goal of this study. According to the nature of the study, the research objectives were determined using primary data. Data and information for this study were gathered via survey. The core data is gathered through organized questionnaire interviews and discussions with current TU master's level students in NEPSE. Purposive sampling techniques are used to gather the necessary data from 400 prospective investors enrolled in master's programs at government universities in the Kathmandu Valley.

5.2 Conclusion

According to the study's respondent profile, the majority of investors make investments in both primary and secondary markets, and TU master's degree students are more inclined to make primary market investments than secondary market ones. The majority of respondents said they would rather invest in the hydropower industry.

According to the relationship analysis, the financial literacy, spending pattern, self-control, saving behavior and attitude towards risk of Nepalese master's level investors are all positively correlated with their investment awareness. Due to their active trading and desire for short-term market profit, TU master's level students are making their investing decisions. Students at the master's level are wary of their spending pattern and saving behavior that are aware of financial crisis for the investment in growing stock market. The capacity and desire to take on risk are the deciding elements for investment decisions, and master's level students seek to receive a bonus from their investment. As they anticipate a financial stability and good stock investment portfolio, investors purchase shares of businesses with stronger financial standing, favor those with a solid dividend record, and purchase shares when policy changes occur.

According to the study's regression analysis, master's level students' investment awareness is significantly positively impacted by their financial literacy, spending pattern, self-control and saving behavior. Since master's level students' investing awareness is a psychological component which is influenced by their financial knowledge, attitude, saving, spending and self-control. The desire to make short-term gains and their active participation in the secondary market, is crucial. When they intend to trade in the near future, some investors do not hesitate to purchase companies that have previously performed poorly. Investors are typically influenced to purchase a specific stock by a well-regulated stock market, brokers' recommendations, and information from profitable investors. Thus, it may be inferred that master's level students have quite good understanding of financial market, investment opportunities and risk in the investment, need of fund for the investment and saving habit for accumulation of funds. Investors may make quick decisions when changes at the policy level occur.

5.3 Implications

The major implication of this study are as follows;

- Securities with exceptional overall business performance are preferred by investors. This implies that the growth of the security market is influenced by both company performance and investor knowledge. This necessitates that Nepalese businesses take new steps to improve their performance.
- Because investors appear to be less knowledgeable about the security market and how it operates, the awareness program's goal is to thoroughly inform and educate potential investors about the security market.
- The market and stock traders appear to be lacking in professionalism at the moment, thus it is necessary to trade stocks professionally. Similarly, security services are limited to the capital city. This requirement on the periphery of that encourages everyone in the nation to engage in investment activities that might lead to a more advanced security market.
- The results of this study are restricted, and a more thorough investigation of the investment choices made by TU master's level students in NEPSE can be conducted in the days ahead to examine individual investment choices and their contributing variables.
- Similar research using a new model may be carried out with reference to this in other studies on the personality factor that influences behavioral bias and decision making; using other parameters and a different sample can yield better findings. Financial decisions are influenced by security prices, which may be a significant research topic in the future.

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