PAST BEHAVIOUR, FINANCIAL LITERACY AND INVESTMENT DECISION AMONG INDIVIDUAL INVESTORS IN NEPAL

BY

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Exam Roll No:853/20

T.U Registration No. 7-2-297-589-2015

A Graduate Research report submitted in partial fulfillment of the requirements for the degree of

MASTER OF BUSINESS ADMINISTRATION

at the

School of Management

Faculty of Management

Tribhuvan University

Kirtipur, Kathmandu

Jan, 2023

RECOMMENDATION

CERTIFICATION

DECLERATION OF AUTHENTICITY

I, **SUJAN TIWARI**, declare that this GRP is my own original work and that it had fully and specifically acknowledged wherever adapted from other sources. I also understand that if at any time it is shown that I have significantly misinterpreted material presented to SOMTU, any credits awarded to me on the basis of that material may be revoked.

Sujan Tiwari

Jan, 2023

ACKNOWLEDGEMENT

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ABBREVIATIONS

ATT   : Attitude

AVE   : Average Variance Extracted

FL   : Financial Literacy

FSE   : Financial Self Efficacy

HTMT   : Heterotrait-Monotrait Ratio (HTMT)

II   : Intention to Investment

NEPSE   : Nepal Stock Market

PBB/PB   : Past Behaviour Bias

PBC   : Perceived Behavioural Control

SEBON   : Security Exchange Board of Nepal

SEM   : Structural Equation Model

SN   : Subjective Norms

SRMR   : Standardized Root Mean Square Residual Index

TPB   : Theory of Planned Behaviour

TRA   : Theory of Reasoned Action

Executive Summary

The main goal of this study was to investigate the factors that influence an individual's investment decision-making by using the component of the Theory of Planned Behavior, namely attitude, subjective norms, and perceived behavioral control. The model was extended with the two new variables i.e., Financial Literacy and the Past Behaviour Bias.

In this research the descriptive research design and the causal research design have been adopted where the data were collected form the individual investors who are engaging in the stock investing activities and have at least 3 years of the investing experience. For the collection of the data the structured questionnaire was adopted and the data were collected in both the offline and online mode. The data were collected from 454 respondents and out of them the valid respondents were 396 which has been considered in this study. To ensure the representation of all kind of respondents the questionnaire was distributed on both the English and the Nepali language. In this research the non-probability sampling technique have been adopted and the respondents were identified using the snow ball technique of the sampling. In this research the measurement scale was adopted from the various study that have conducted the study in the related. For the ATT and PBC the scale used by the Nugraha & Rahadi (2021) have been adopted. For the SN and II scale used by the Raut (2020); Raut, Das & Kumar (2018) has been adopted and partially modified. For the PBB the scale adopted by the Raut (2020); Raut, Das & Kumar (2018) has been fully adopted. For the FL the scale developed by VanRooij & Alessie (2011) has been partially adopted.

For the analysis of the data Smart PLS and SPSS has been used. The model validity and reliability were assessed using the Smart PLS. The SEM path analysis and the mediation analysis has been conducted using the Smart PLS. The descriptive analysis has been conducted using the SPSS.

The study findings indicate that all three TPB components—ATT, SN, and PBC had a considerable impact on investment intention. It was further reported that attitude and subjective norms have the most significant influence on an individual investor's investment decision. It is found that the Past Behaviour Bias do not have significant impact on the intention to investment. Further, this research concluded that the attitude plays the role of mediating in the relationship between the Past Behaviour Bias and the intention to investment. Similarly, this research also concluded that the Financial Literacy have the

significant impact on the attitude and the perceived behavioural control of the individual investors.

The research finding of this paper provides the valuable theoretical and practical implications for the various stakeholders of the society. The finding of this research provides the evidence that there are various factors that affect the investment decision making of an individual investor which have not been incorporated in this study. This research can be used by the research scholars interested in similar issue as a reference and this research provides the evidence to adopt the new variable past experience in the model. Similarly, this research has identified various issues faced by the Nepalese investors like lack of resources, Lack of information to the investors. This paper provides the evidence and the action implication to solve the issue which can be used by the government, policy maker and the concern authority of the stock market. This research can be used as a reference by the individual to understand about the biases that exist in their investment decision making process. By being aware about the bias investors will be able to take more rational and the well calculated investing decisions.

CHAPTER I

INTRODUCTION

In this chapter the detail background of the study has been discussed along with the limitation and the significance of the study. In this chapter the problem statement and the objective of the study has been mentioned along with the 9 different hypothesis that have been formed based on the previous literatures.

1.1 Background of the Study

There is various reason for the participation in the stock market by the individual investors. Financial market provides opportunity to make unprecedented profit, financial assets are easily liquid able and financial market provide the diversity option for the individual investors from which the investor can choose the assets as per their investment objectives (Akhtar & Das, 2019). According to financial theory, individual investors tend to be rational and risk-averse. (Ainia & Lutfi, 2019). But the behaviour finance opposes the financial theory by advocating that the individual does not always act rationally, individual financial decision is guided by the cognitive and emotional behaviour that leads to deviation from the rational decision. (Xiao & Porto, 2017).

Theory of reasoned action states that the individual behaviour is guided by the attitude towards the behaviour and by the subjective norms. Theory of action research mainly stress that the individual behaviour is the outcome of the belief, attitude, subjective norms and the intention (Ajzen, 2002). Later, on the basis of the Theory of reasoned action another theory, theory of planned behaviour was coined. Theory of planned behaviour expanded the reasoned action theory with the variable Perceived behaviour control. Finally, according to the Theory of Planned Behavior, a person's behavior is determined by their attitude toward it, their perception of behavioural control, and their subjective norms. People's attitudes (AT) about a behavior can be categorized into positive and negative perceptions of the behavior of their interests. Societal norms (SN) refer to the perceived social pressure an individual feels to engage in a specific behavior or refrain from engaging in it. Similarly, Perceived Behaviour Control (PBC) refers to people's perceptions of how easy or difficult engaging in a certain behavior is in relation to the availability or limitations of resources and opportunities. (Ajzen,2002)

The behaviour of the individual is guided by different psychological variables, social variables and the personal ability (Raut, 2020; Raut, Das & Kumar, 2018). The intention/behaviour of the individual can be determined using the component of the Theory of the planned Behaviour i.e., Attitude, social norms and Perceived Behaviour Control (Ajzen, 2011). Further Ajzen (2011) adds that the Theory of Planned Behaviour may not determine the individual intention/behaviour fully and suggest to add more variables and forward past behaviour as the additional variable to measure the intention or the behaviour of the individual.

Raut (2020); Raut, Das and Kumar (2018) have studied the intention to participate in the stock market of the individual investor in the India by using the model of TPB. Raut (2020) have added past behaviour and financial literature as an additional construct to the model. Study conducted by the Raut (2020) by adopting the extended model i.e., Past behaviour and Financial Literacy along with the Attitude, Subjective norms and the Perceived Behavioural Control concluded that the attitude, subjective norms, perceived behavioural control have the significant impact in the investment intention. Study further concluded that the past behaviour does not have the significant impact on the investment intention and further adds that the past behaviour have the significant impact while mediated by the attitude of the investor. Regarding financial literacy Raut (2020) concluded that the financial literacy has the positive impact on the attitude and perceived behavioural control. Similar conclusion was made by Raut, Das and Kumar (2018).

Different scholars have conducted the research on the individual investment decision making. Dangol and Manandhar (2020) concluded that the Nepalese investor decision making is influenced by the heurist bias. Similarly, Shrestha (2020) reported that the Nepalese investors investment decision are influenced by the family & friends. Further Dangol and Shakya (2017) reported that when it comes to making investing decisions, those with high financial literacy differ significantly from those with low financial literacy. From this it can be concluded that the investment decision making of the Nepalese investors are influenced by various factors. Some studies have reported that the gender, risk tolerance plays an influencing role in investment decision making and some have reported that the market related variable, company related variable and other plays an important role in the investment decision making of the individual investor.

This study aims to study the investment decision making process of Nepalese individual investors in the stock market by extending the Theory of Planned behaviour with the past

behaviour bias and the financial literacy as adopted by Raut (2020) in the research paper conducted in the Indian Perspectives. In this study psychological variable include Attitude, Perceived Behavioural Control and Past behaviour. Social Variable includes subjective norms and personal ability includes the financial literacy.

1.2 Statement of the Problem

In the context of Nepal various study have been conducted to study the investors decision making process. Karmacharya et al. (2022) concluded that the Nepalese investors decision are influenced by the advice and the suggestion of other. Similarly, Shrestha (2020) also concluded similar to Karmacharya et. al (2022) and reported that the Nepalese investor decision are influenced by the family and friends and explored that the Nepalese investor individual investment decision are guided and influenced by the company related and the market related variables along with the risk and return related variables. Further Vaidya (2021) concluded that the Nepalese investors decision are heavily influenced by the fundamentals of the company and individual involves in the technical and the market trend for the short-term trading.

On the other research conducted by the Dangol and Manandhar (2020) found that the investor decision making is influenced by the heuristic biases. Further, Dangol and Shakya (2017) reported a significant difference in the investment pattern of the individual with the high financial literacy and the individual with the low financial literacy. Additionally, Sharma, Chalise, and Dangol (2017) came to the conclusion that the individual investor's risk tolerance and investing decision-making have significant impact. Similar to these research Karki and Kafle (2020), Vaidya (2021), Pandey, Risal and Chauhan (2020) have conducted the research to explore the investment decision making process of the Nepalese investors. These studies have considered different variables for the study. The variables used by the Dangol and Manandhar (2020), Karmacharya et al. (2022) can be categorized under the bias variables of the behavioural finance. Further the study of Dangol and Shakya (2017); Sharma, Chalise and Dangol (2017); Karki and Kafle (2020) have the variables that can be categorized under the demographic factors and the personality traits. This study basically focuses on how various factors like age, gender, financial literacy, Risk tolerance have the impact on the investment decision making of the individual investor.

Therefore, while looking at the various study that have been conducted in the Nepalese perspective in the investment decision making of the individual investor various study can be found and these studies are more concentrated with the Biases variables, demographic

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variables market related variables and other similar variables. There is no any study that have incorporated the Theory of Planned Behaviour Component to study the individual investor investment decision making. According to the Theory of Planned Behavior, a person's behavior is influenced by their attitude, subjective norms, and perceived behavior control. Various study such as Raut (2020); Akhtar and Das (2019); Raut, Das and Kumar (2018) have conducted the study in Indian perspective incorporating the component of Theory of Planned behaviour. Similarly, Cuong and Jian (2014) conducted research in Vietnam, Nugraha and Rahadi (2021) in Indonesia incorporating the component of the Theory of Planned Behaviour. Hence this research aims on exploring the individual investment decision making in the stock market by incorporating the component of Theory of planned behaviour. This study will replicate the model adopted by the Raut (2020). In the study the model adopted by Raut (2020) extended the component of the theory of Planned behaviour with the Past behaviour bias and the financial literacy has been adopted.

1.3 Research Questions

The research question for the research is:

- What is the effect of attitude, subjective norms, perceived behaviour control, past behaviour bias and financial literacy on the investment decision making process of the individual investor?
- Is there any effect of the financial literacy on the attitude towards the investment of the individual investors?
- How does financial literacy affect the perceived behaviour control of the individual investor?
- Does attitude mediate the relationship between the past behaviour and the intention to invest in the stock market?

1.4 Research Objectives

The general objective of the study is to determine how the various TPB components i.e. Attitude, Subjective Norms, and Perceived Behavioural Control, affect Nepalese investors' behavior intentions to participate in the stock market. The model has been expanded to include additional variables such as Past Behavior Bias and Financial Literacy. The specific objective of the study is:

- To evaluate the effect of attitude, subjective norms, perceived behaviour control, past behaviour bias and financial literacy on the investment decision making process of the individual investor.
- To analyze the effect of financial literacy on the attitude towards the investment of the individual investors.
- To assess the effect of financial literacy on the perceived behaviour control.
- To examine the mediation effect of the attitude on the relationship between the past behaviour bias and intention to investment.

1.5 Research Hypotheses

Cuong and Jian (2014) has shown that the investment intention among the investors is significantly affected by the attitude towards the behaviour of the investor. The study Phan Cuong and Jian (2014) concluded that the attitude of the investor significantly affects the investment intention followed by the PBC and the subjective norms respectively Similar to this, Jayasena, Sonani, and Ajward (2022) revealed that attitudes have a considerable influence on people's behavioral intentions in terms of making financial decisions by individual investors.

H1: *Individual attitude towards the investment decision have the positive influences in intention to invest in the stock market.*

Subjective norms refer to the individual belief that the particular behaviour of an individual is accepted and supported by their important person or group (Ham, Jeger & Frajman Ivkovic, 2015). Subjective norms play an important role in intention to purchase green food items by the individual as concluded by Ham, Jeger and Frajman Ivkovic (2015). This result suggests that the subjective norms have a significant impact on an individual's behavior intention. Further, Akhtar and Das (2019) and Raut (2020) both came to the same conclusion that social pressure and norms have a major impact on the stock market behavior of individual investors. Based on this study assumption that the subjective norms influence the Nepalese individual investor financial decision/intention hypothesis is formed as:

H2: *Subjective norms have the positive influence in the individual intention to invest in the stock market.*

Perceived Behaviour Control (PBC) is component of the Theory of the Planned behaviour which fall under the category of psychological variable. PBC is the state of ease or difficulty in doing a specific activity, indicating an anticipated barrier (Ajzen, 2011). As mentioned by

the Ajzen,2011 the individual behaviour or the intention is influenced by the Perceived behaviour Control. Raut (2020); Raut, Das and Kumar (2018) have adopted the Perceived behaviour control variable that influence in the financial decision making. Based on the literature the Perceived behaviour control hypothesis is formulated as:

H3: Perceived behavioural control of the individuals has the positive influence in the intention to invest in the stock market.

The future behaviour of the human being is guided and can be predicted by the past behaviour and it has been supported by the many empirical evidences (Ajzen, 2011). Furthermore, Ajzen (2011) argued that the AT, SN, and PBC components of the Theory of Planned Behavior (TPB) may not be able to predict an individual's intention. He suggested adding one or more additional variables and proposed past behavior as an additional variable in the TPB to measure an individual's intention or behavior.

Raut (2020); Raut, Das and Kumar (2018) have conducted the research on individual investment decision on stock market and have considered the Past behaviour as the independent variable that influence the individual investment decision maling in the stock market in the framework and have further expanded the model by introducing the attitude as a mediating variable in the relationship between the Past Behaviour and intention to invest in the stock market. Based on this evidence the hypothesis 4, 5 and 6 have been incorporated to test the impact of the past behaviour in the intention to invest in the stock market by the Nepalese individual investor.

H4: Past behaviour have the positive influence in the individual's intention to invest in the stock market.

H5: Past behaviour have the positive influence in the individual's attitude towards investment in the stock market.

H6: The relationship between the past behaviour and intention to invest in the stock market is mediated by the attitude of an investor.

The individual's decision-making or the intention for the certain behaviour is significantly affected by the subjective knowledge, objective knowledge and usage experience (Raju et al., 1995). It can be generalized that the knowledge about the product or anything is required for the information processing and decision making about the certain product or anything

else. In this study the product is the financial product and knowledge is represented by financial literacy as indicated by the Huhman and McQuitly (2009).

Various study has been conducted on the variable financial literacy such as Sadiq and Khan (2019); Aren and Aydemir (2015) reported that the higher financial knowledge of the individual investors results on improved financial behaviour. Similarly, Raut (2020) concluded that financial literacy significantly contributes on Attitude and perceived behaviour control of the individual investor and further adds that Financial Literacy supports the individual investors on thinking for investment decision and make the investor confident to perform the rational and the well-calculated judgement. Based on the literature and replicating the model followed by the Raut (2020), the following hypothesis related to financial literacy has been formulated to test the theory in the Nepalese context as:

H7: Investor's Financial literacy have positive influence in the attitude to invest in the stock market.

H8: Investor's financial literacy have the positive influence on the perceived behavioural control to invest in the stock market.

H9: Investor's financial literacy have positive influence on the investment decision making.

1.6 Significance of the Study

As mentioned by the Ajzen (2011) the behaviour of the individual can be determined using the component of theory of planned behaviour. This component consists of the Attitude, Social norms and Perceived behaviour control. Further, Ajzen (2011) had added that the theory of the planned behaviour may not fully determine the individual intention/behaviour and have forwarded Past behaviour as a additional variable on the model. Different researcher such as Das and Kumar (2018); Akhtar and Das (2019); Cuong and Jian (2014); Rahadjeng & Fiandari (2020); and Jayasena, Sonani & Ajwad (2022) adopted the component of the theory of the planned behaviour to assess the individual investors intention to participate in the stock market. But this research has failed to adopt the variable PBB as suggested by the Ajzen (2011). This research has adopted the PBB as an additional variable and have concluded that individual investors form a certain belief based on the past experience and tends to behave accordingly. The discovery that an individual investor's behavioural belief is influenced by their prior behavior before having an impact on their behavioural intention can give researchers new insights into the subject of behavioral

decision-making. Similar finding was revealed by the Raut (2020) that have adopted the PBB as this study provide the strong support for the finding of the Raut (2020).

The research finding of this study can also be useful to the government, policy makers and the different players of the market such as broker regulatory bodies. The study founded that the Nepalese investors are not getting the enough information and they lack the knowledge to overcome the obstacles while engaging in the stock investing. Similarly found that Nepalese investor decision maling is guided by the suggestion from other as they lack the confident in their own analysis. In this regard the government and policy maker can facilitate the transparent and easy access of the information to the investors by taking the measure against the insider information, developing the effective infrastructure for information flow to the investors. Similarly, to build the confident among the investors in their analysis various stakeholders can organize the campaigns that enhance the financial literacy, financial knowledge of the investors.

Similarly, this research can also be helpful to the individual investor to be aware about the factor that influence their investing decision. From the finding of this study the individual investors can evaluate the biases that exist in their decision-making process and can help them to take the rational and the well calculated investment decision.

The finding of this study provides the research gap for the future research. Therefore, this research might also be useful for the researcher interested to conduct the research in the similar field.

1.7 Limitations of the Study

This study has some limitations that can be pointed out as:

- This study has adopted the component of the TPB along with the additional variables FL and PBB to measure the factor influencing the investment intention. Hence, other factor that influence the individual intention to invest in the stock market have not been included in this research.
- The data for this survey were gathered both in online and offline mode, and the conclusions were drawn based on the data provided by the respondents. Because the researcher did not closely monitor the respondent while they filled out the questionnaire, the data collected from online mode may contain potential respondent biases.

- The data has been collected only from the city area and because of which all the potential respondents might not have been included in this study.
- For the measurement of the variables used in this study the questionnaire that have been used by different previous researcher in different country have been adopted. There might arise the question whether these items measure the particular variable in the Nepalese context or not.

1.8 Structure of the Study

This study is divided into five chapters as follows:

- The first chapter consists of background of the study, statement of the problem, research questions, purpose of the study, hypothesis, rational of the study and the limitation of the study.
- The second chapter consists of the review of literature, related studies in the context of Nepal, theoretical framework and the research gap.
- The third chapter consists of the research design, population and sample, sampling method, sample size, data collection strategy and data analysis technique.
- The fourth chapter consists of the data analysis and presentation. It consists of demographic profile of the respondents, descriptive statistics, normality test, measurement model assessment, SRMR index, correlation matrix, SEM path analysis, mediation analysis, R-square, f-square analysis and major findings.
- The chapter five consists of the discussion of major finds, conclusion of the study and the implication of the study.

CHAPTER II

RELATED LITERATURE AND THEORITICAL FRAMEWORK

This chapter includes the literature review on Attitude, Subjective norms, Perceived behavioural control, Past behaviour bias, financial literacy and the Intention to Investment. This chapter presents the theory related to this study along with the empirical review from the past related study. The conceptual framework for this study has also been presented in this chapter.

2.1 Review of the Literature

The theory related to this study along with conceptual review and empirical review has been presented as:

2.1.1 Theory of Reasoned Action

Fishbein and Azjen created the theory of reasoned action in 1975. According to the theory of reasoned action, a person's behavior is governed by their purpose to carry out that goal, and that intention is a result of that person's attitude toward that behavior and of the subjective norms (Fishbein & Ajzen, 1975). As mentioned by the Fishbein & Ajzen (1975) there are mainly four main terms of the Theory of Reasoned Action. It includes Belief, Attitude, Subjective norms and the Intention. As mentioned by the Fishbein & Ajzen (1975) the TRA theory holds that when behavior is conscious and deliberate, attitudes and subjective norms will have an impact on the behavior intention. In other words, before acting, people will think about the effects of their actions and decide whether or not to take them. The behavioral intention has the greatest direct impact on a person's actions. The key determinants of behavioral intention are attitude and the subjective norm (SN). An individual's intention to behave positively increases as they demonstrate more positive conduct, and vice versa.

Further, Fishbein and Ajzen (1975) explains that the main goal of the TRA is to comprehend a person's voluntary conduct by looking at the fundamental driving force behind their behavior. According to TRA, a person's desire to engage in a behavior is the primary indicator of whether or not they really do so. In addition, whether or not the person will actually engage in the activity depends on the normative component (i.e., societal norms surrounding the act). The theory holds that the intention to engage in a particular conduct comes before the actual behavior. The assumption that engaging in the behavior will produce

a particular consequence gives rise to this intention, which is referred to as behavioral intention.

Therefore, Theory of reasoned action states that the individual behaviour is the influenced by the pre-existing attitude and subjective norms. An individual will have a strong intention or motivation and will be more likely to engage in the behavior if they view the behavior as positive (attitude) and believe others around them desire to engage in it (subjective norms).

2.1.2 Theory of Planned Behaviour

Theory of planned behaviour is one of the most popular and influential models used in different research paper to predict the human social behaviour (Ajzen, 2011). Theory of planned behaviour is still in a work in a progress model as different researcher are contributing on redefining the model with the introduction of moderating effect of different variables to address the human behaviour complexity (Bosnjak, 2020).

The Theory of Planned Behavior (TPB), developed by Ajzen and Fishbein in 1980, was derived from the Theory of Reasoned Action (TRA) by the expansion of the Planned Behavior Control Variable in the Model (Sommer, 2011). The theory of planned behaviour consists of the three components: Attitude towards the behaviour, Social Norms and Planned behaviour control which contribute to the individual's behavioural intention (Ajzen, 2002). People's attitudes (AT) about a behavior can be categorized into positive and negative perceptions of the behavior of their interests. Societal norms (SN) refer to the perceived social pressure an individual feels to engage in a specific behavior or refrain from engaging in it. Similarly, Perceived Behaviour Control (PBC) refers to people's perceptions of how easy or difficult engaging in a certain behavior is in relation to the availability or limitations of resources and opportunities (Ajzen,2002).

Numerous research has confirmed and empirically validated the theory of planned behavior but the use of the Theory of Planned behaviour model in studying the financial decision making is very limited (Raut, 2020). In context of Nepal various researcher such as Gyanwali and Neupane (2021); Adhikari (2020); Rana (2019); Vaidya (2021) have conducted research in the individual investors' decision making but have not incorporated the Theory of Planned behaviour model in studying the financial decision making.

Therefore, this research report aims to assess the Nepalese investor investment intention by incorporating the component of Theory of Planned Behaviour i.e., Attitude, Subjective

norms, Perceived Behaviour Control with extending model with Past Behavioural Bias and the Financial Literacy.

2.1.3 Attitude and Investment Intention

Ajzen and Fishbein (1975) describes the attitude as a general feeling about the favorableness and unfavourableness about a certain concept. It is clear that the likelihood of receiving a favorable or unfavorable benefit from decision might have an impact on one's intention to engage in the stock market. Additionally, according to Cuong and Jian (2014), psychological factors, which include overconfidence, excessive optimism, herd behavior, and the psychology of risk, have a direct impact on an individual's behavior intention.

Similar to this, Aizen (2005) claims that an individual's attitude is determined by how they feel about a certain action or thing. The formative component of conduct is attitude. As an expression of the knowledge, one has of one's perception, attitude plays a function in directing action. Individuals behave in accordance with their attitude about a conduct. Individuals will later choose to behave in ways that he regards as favorable attitudes about behavior. If others who are deemed essential in his life can accept his behavior, then that person will engage in such activity.

Cuong and Jian (2014) has shown that the investment intention among the investors is significantly affected by the attitude towards the behaviour of the investor. The study Phan Cuong and Jian (2014) concluded that the attitude of the investor significantly affects the investment intention followed by the PBC and the subjective norms respectively. Similarly, according to Borden, Lee, Serido, and Collins (2008), an individual investor's financial decision-making is significantly impacted by their attitude toward the behavioral intentions.

Raut, Das and Kumar (2018) conducted the research among the Indian investor to examine the Investors Intention to participate in the Stock market using the Theory of Planned Behaviour and concluded that the attitude plays a significant impact in individuals' behavioural intention. Similarly, Akhtar and Das (2019) also concluded that the attitude has a significant impact on the investment intention and further adds that, in contrast to the other elements of the Theory of Planned Behavior, attitude has the greatest influence on investment intention. Further Raut (2020) also reported that the attitude has the significant and the most influencing factor among other variables of the Theory of Planned behaviour in the investment intention.

Additionally, Rahadjeng and Fiandari (2020) performed research among 110 students at Malang University adopting the TPB component and came to the conclusion that all factors, including attitude, had a substantial impact on investment intention. and further adds that the individual with the financial literacy will have a good knowledge and an individual with a good knowledge will lead to form a good attitude for the investment. From this it can be generalized that the individual with the higher financial literacy will have a positive attitude towards the investment and involves more on investing activities.

Similarly, to Rahadjeng and Fiandai (2020), Lim et al. (2020) also conclude that the positive attitude is associated with the more intention towards financial investment and further adds that a stronger inclination to make financial investments is highly correlated with a good risk assessment. The study was conducted using purposive sampling in Peninsula, Malaysia, Sabah and Sarawark where the Subjective norms, peer influence, internet influence ad risk propensity were considered for the study and found that all these variables have the significant relationship with the perception.

According to Cuong and Jina (2014), the attitude, followed by the PBC and the SN, has the greatest influence on the intention to invest. Further author adds that the individuals' attitude towards the investment is significantly affected by the individual's psychological factors such as overconfidence, excessive optimism, psychology of risk and herd behaviour. Furthermore, according to Cuong and Jina (2014), gender has a moderating influence in the relationships between psychological factors and attitudes, between attitudes and behavioural intentions, and between the PBC and behavioral intentions of Vietnamese people. Further, Nugraha and Rahadi (2021) also concluded that Indonesian youth generation's stock market investing decision-making is heavily influenced by attitude and further concluded that education plays a moderating role in influencing the stock market investment intention.

Further, Jayasena, Sonani and Ajward (2022) also concluded that the attitude plays a significant role in the investment intention and concluded that the association between the investors' subjective norms and their attitude is strongly moderated by psychological risk. Similarly, Akhtar and Hoque (2022) also reported that the behavioral intention to participate in the stock market is significantly influenced by attitude. The study was conducted by collecting the data from the potential and the active investors from the Dhaka stock exchange. According to Akhtar and Hoque (2022), major elements that affect the decision to participate in the stock market investment include attitude, financial planning skills, and perceptions of financial risk and benefit and further adds that the relationship between the

attitude and the behavioral intention to participate in the stock market is moderated by financial planning, financial satisfaction, and perceived financial risk.

Similar to the above-mentioned research the study conducted by the Pahlevi and Oktaviani (2018), Study conducted by the Sathiyamurti, Devi and Raj (2021) in Indian perspective also reported that the decision to invest was significantly impacted by attitude.

2.1.4 Subjective Norms and Behavioural Intention to invest

Subjective norms refer to the individual belief that the particular behaviour of an individual is accepted and supported by their important person or group (Ham, Jeger & Frajman Ivkovic, 2015). Subjective norms play an important role in intention to purchase green food items by the individual as concluded by Ham, Jeger and Frajman Ivkovic (2015). From this finding it can be concluded that the individual's behavior purpose is greatly influenced by the subjective norms. Further, Akhtar and Das (2019) followed by Raut (2020) also concluded that the stock market behavior of individual investors is significantly influenced by social pressure and social norms. As explained by the theory of the planned behaviour the individuals are more likely to engage in the stock market and involves in the investing activities if the people close to them give advice or if the close people think that they should participate in the stock market (Cuong & Jian, 2014).

Ajzen (2005) asserts that the presence of normative views and the desire to fit in are what determine subjective norms (motivation to comply). Normative views are convictions about social norms that encourage people to live up to these standards (normative belief and motivation to comply). Normative beliefs are indicators that cause arbitrary norms to be created (subjective norm). As a result, subjective norms refer to an individual's sense of the social effect on particular behaviors. Subjective norms are influenced by incentive to comply with rules as well as to the referents. People will typically feel under social pressure to behave in a certain way if they think that the majority of their referents will find them to be admirable. On the contradiction if the individual believes that the referents will not accept the behaviour that they show and further if the individual do not find anu motivation to follow certain behaviour, then it creates the pressure to the individuals to not to perform the particular behaviour. It can be concluded that the if individual perceives that his/her social referral do not recommends the particular behaviour then the individual will not tend to perform a particular social behaviour (Cuong & Jian, 2014)

The study conducted by the Yoopetch and Chaithanapat (2021) in 348 Thai experienced investors concluded that the subjective norms play a significant impact on the stock

investment intention of an individual and further explained that the people around the investor can have a significant impact on how the individual investor manage their financial activities. Similar to the finding of the Yoopetch and Chaithanapat (2021), according to Sadiq and Khan (2019), individuals who are driven, empathetic, dedicated, and well-organized are more likely to make investments.

Various research such as Raut (2020); Pahlevi and Oktaviani (2018); Cuong and Jian (2014) and Yoopetch and Chaithanapat (2021) and Mahardhika and Zakiyah (2020) concluded that the Subjective norms have a big impact on how people decide what investments to make. Akhtar and Das (2019) reported weak positive impact of the subjective norms on the investment intention. Similarly, Cuong and Jian (2014) reported that the subjective norms have the last rank among the variables i.e., Attitude and Perceived behaviour control based on the impact the variable have on the intention to investment.

On the contradiction it is reported that the subjective norms do not significantly affect the intention to invest in the stock market, according to a study by Jayasena, Sonani, and Ajward (2022) in Sri Lanka with current and potential investors using the variables Attitude, Subjective Norms, Perceived Behavioural Control, Psychological Risk, Perceived Knowledge of the Covid-19, and Intention to Invest in the Stock Market. Similarly, it was found that psychological risk considerably modifies the association between investors' subjective norms and attitude. Similarly, it is concluded that the subjective norms do not significantly influence the Indonesian generation Y and Z's decision to make an investment, according to a study by Nugraha and Rahadi (2021) using 64 members of this generation.

In the Nepalese perspective Karmacharya et. al (2022) have conducted research among the 350 Nepalese investor with the variables Heuristics variable, Prospect variables, Market variables and herding variable and the Investment performance and reported that when making investing decisions, Nepalese investors rely more on market-related considerations. Further adds that the Nepalese investors heavily depends on the other advice and suggestion while making the investment decision without making the proper market analysis.

2.1.5 Perceived Behavioural Control and Investment Intention
To overcome the limitation of the Theory of the reasoned action new theory i.e., Theory of Planned Behaviour was coined. Theory of planned behaviour consists of the additional construct in the model. The additional construct is the Perceived Behavioural Control. (Phan & Zhou, 2014). Perceived Behavioural Control can be defined as the individual's perception about whether it is easy or difficult on conducting a particular behaviour in the given

situation (Ajzen, 2005). Further Ajzen (2005) explains that the performance of the particular behaviour has the correlation with the confidence level of an individual to conduct the particular behaviour. Further it is explained that the part of the perceived behavioural control is developed from the individuals past personal experiences and the old information's that are acquired from the communication with the family, friend and relatives (Ajzen, 1991). Ajzen (1991) came to the additional conclusion that the availability of time, money, and opportunities will also boost the perception of behavioral control and, hence, the likelihood of engaging in the behavior.

Perceived Behaviour Control (PBC) is the component of the Theory of the Planned behaviour which fall under the category of psychological variable. PBC refers to how easy or hard it is to do a specific task, based on what problems or opportunities are expected. (Ajzen, 2011). As mentioned by the Ajzen,2011 the individual behaviour or the intention is influenced by the Perceived behaviour Control. Raut (2020); Raut and Das (2017) have adopted the Perceived behaviour control variable that influence in the financial decision making.

In a study involving 1347 participants from diverse regions of India, Akhtar and Das (2019) modified a component of the Theory of Planned Behavior. Financial Self-Efficacy (FSE) has been used in the study to replace the variable perceived behavioral control, and two other variables, namely financial knowledge and investor personality traits, have been included to the model to further analyze investment decision-making in the stock market. In the study the author claims that the FSE is the best predictor of both investment intention and the personality traits and hence have incorporated Financial Self Efficacy (FSE) in place of PBC. The study found that the FSE had a considerable influence on investment intentions, and it also found that the FSE had a dual influence—both moderating and mediating—on the relationship between personality traits and investment intentions.

Mahastanti and Hariady (2014) conducted research with the sample of the female lecturer in the Indonesia with the variable consisting of component of TPB along with the financial literacy and Risk preference. The outcome demonstrates that although subjective norms and attitudes were not related to the decision to purchase a financial product, perceived behavioral control and risk preference did have a substantial impact. Further adds that the Indonesian women assume the investing in a stock market as a terrible thing to do as it possesses high risk. Similarly, it is found that the people and family members do not support them to invest in capital market.

Similarly, Mahardhika and Zakiyah (2020) reported that the intention is significantly impacted by the perceived behavior control and adds that the millennials investors in Kebumen are found not considering the risk while investing in the stock market. The finding of Mahardhika and Zakiyah (2020) has been supported by the Jayasena, Sonani and Ajward (2022) which states that the PBC have the significant impact on the investment intention. Various other studies like Pahlevi and Oktaviani (2018); Raut (2020) have concluded that the inclination to invest in the stock market is significantly impacted by perceived behavioral control. However, in the research of young Indonesians from generations Y and Z, Nugraha and Rahadi (2021) found no evidence of a substantial impact of PBC on the inclination to buy in stocks.

2.1.6 Incorporation of Past Behaviour on attitude and intention for investment decision
The future behaviour of the human being is guided and can be predicted by the past behaviour and it has been supported by the many empirical evidences (Ajzen, 2011). Furthermore, Ajzen (2011) advocated that the component of Theory of the planned behaviour (AT, SN and PBC) may not determine the intention and to measure an individual's intention or behavior, it was suggested to include one or more extra variables and forward previous behavior as one of them in the Theory of Planned Behavior.

Raut (2020); Raut, Das and Kumar (2018) have conducted the research on individual investment decision on stock market and have considered the Past behaviour as the independent variable that influence the individual investment decision making and by include attitude as a mediating variable in the association between past behavior and investment decision making in the stock market, the model was further expanded. In the study Raut (2020) reported the insignificant direct relationship between the past behaviour and the intention to invest and further when Attitude was used as the model's mediating variable, it was further reported that there was a positive indirect relationship in predicting the intention. The conclusion is that the investor's assessment of the qualities of the present stock selection is influenced by heuristics, which are reflections of prior stock price trend experience or other similar information.

On the contradiction Raut, Das and Kumar (2020) concluded that the past behaviour bias has the significant role in the investment intention and further adds that a person who bases their decisions on past behavior is more prone to suffer from cognitive bias, which permits their normal past behavior to influence their judgment about the future.

2.1.7 Impact of Financial Literacy (FL) on Investment Intention, Attitude and Perceived behaviour Control

The individual's decision-making or the intention for the certain behaviour is significantly affected by the subjective knowledge, objective knowledge and usage experience (Raju et al., 1995). It can be generalized that the knowledge about the product or anything is required for the information processing and decision making about the certain product or anything else. In this study the product is the financial product and knowledge is represented by financial literacy as indicated by the Huhman and McQuitly (2009).

The term "financial literacy" has been defined in a variety of ways by different scholars. The ability of a person to comprehend and apply numerous financial concepts is what Servon and Kaestner (2008) define as financial literacy. Additionally, Agrawalla et al. (2012) emphasized that people with financial literacy will comprehend the ideas of time value of money, and in this regard Lusardi and Mitchell (2011) adds that people who are financially literate are more inclined to engage in the stock market and the formal financial market.

Numerous studies have discovered a considerable influence of financial literacy on an individual investor's investing decision-making process. In this regards, Jureviciene and Jermakova (2012) have concluded that a person's lack of financial awareness is the main factor keeping them away from investments. Similarly, Sabri and Afiqah (2016) concluded that the individuals who are financially literate are ready to take the risks associated with the stock market investment and in the opposition people with a lower level of financial literacy regarding the stock market do not want to accept the risk.

Various study has been conducted on the variable financial literacy such as Lyons et al. (2006) reported that the higher financial knowledge of the individual investors results on improved financial behaviour. Similarly, Raut (2020) concluded that financial literacy significantly contributes on Attitude and perceived behaviour control of the individual investor and further adds that Financial Literacy supports the individual investors on thinking for investment decision and make the investor confident to perform the rational and the well-calculated judgement.

Raut (2020) have extended the model of the TPB with the financial literacy and past behaviour. According to the study of Raut (2020), financial literacy has a favorable effect on attitudes and perceived behavioral control. According to the study's findings, financial literacy not only gives investors the confidence to make well-informed investment decisions, but it also helps them develop a stable way of thinking about investment. and further adds

that the investor with the more knowledge about the financial terms and the stock market and those investors who have access to the information tends to be motivated in different manner and are found to be dependent on the fundamentals of the stock rather than social influences. The finding of the Raut (2020) was in line with the finding of the Akhtar and Das (2017) which stated that the attitude serves as a partial mediator in the association between financial knowledge and investment intention.

Similar to Raut (2020); Asandimitra et al. (2021) conducted a research with the purposive sample from the Indonesia with the variables attitude, Subjective norms, perceived behavioural control, perceived risk, saving intention and the financial literacy and the study also reported that among the Indonesian millennial generation, financial literacy moderates the impact of attitude, subjective norms, and perceived behavioral control on saving intention; however, it does not moderate the influence of perceived risk.

Sadiq and Khan (2019) conducted research with 284 students having a finance background from the selected university from Pakistan. Personality traits, risk-taking behavior, financial knowledge, and investing intention were the factors used in the study. The study came to the conclusion that those who are motivated, considerate of others, determined, and well-organized are more likely to invest, and that financial literacy has a significant influence on investment intention. Similarly, Aren and Aydemir (2015) conducted an exploratory factor analysis using 112 students from turkey with the variable financial literacy, Risk averseness, Risky investment intention. The study came to the conclusion that financial literacy modifies and alters the relationship between locus of control, risk aversion, and desire to make hazardous investments. It concluded that risk averse people avoid the risky investment more if they had higher advance financial literacy.

Similarly, Tanuwijaya and Setyawan (2021) reported that the financial socialization affects the financial literacy and further adds that the level of financial literacy is enhanced with the more financial experience. The study concluded that the higher financial literacy of an individual's leads to the higher investment interest. Tanuwijaya and Setyawan (2021) study was based on the 130 University student where the variables such as Financial Socialization, Financial Experience, Financial Literacy and Investment Intention was adopted.

On the contradiction to finding financial literacy have the significant impact on the investment decision Arianti (2018) conducted research with the 100 students of Pamulang and the data was analyzed using the descriptive analysis. The variable used in the research was Financial Literacy, Financial Behavior, Income and the Investment decision. The study

found a substantial association between financial and income behavior and investment decision, but no significant relationship between financial literacy and investment decision. The study advocated that there is a significant influence between the behavioural variable (attitude) finance to investment decision making, it further adds that the better the individual's attitude or mental finance then the financial behaviour of the individual is better in the investment decision and concluded that the income have a significant effect on the investment decision.

2.2 Related Studies in Nepalese Context

In the Nepalese perspective Karmacharya et. al (2022) have conducted research among the 350 Nepalese investor with the variables Heuristics variable, Prospect variables, Market variables and herding variable and the Investment performance and reported that the When making an investment decision, Nepalese investors rely more on market-related considerations. Further adds that the Nepalese investors heavily depends on the other advice and suggestion while making the investment decision without making the proper market analysis.

Shrestha (2020) reported that the Nepalese investor investment decision are influenced by the Company related variables. Shrestha (2020) conducted the study with the 110 Nepalese investor from the Surkhet valley where the data was collected using the structured questionnaire. Shrestha (2020) reported that Nepalese investor prefer to buy stocks from primary market and found that the Nepalese investor use information that are available in the electronic media and found that the decisions are heavily influenced by the family and the friends. Further, it is found that when deciding whether to invest, Nepalese investors take the company's financial performance into account. Hence, the study concluded that the Nepalese investors evaluate potential investments by looking at factors linked to the company, such as the management team, financial performance, historical return, company risk, and liquid securities. Nepalese investors decision is influenced more by the company related variables than the market related variable and risk and return related variables.

Similar to the Shrestha (2020) the study conducted by the Dangol and Manandhar (2020) also concluded that the Nepalese investor rely heavily on the easily available information to make the investment decision making and Nepalese investors are found to heavily depend on the information provided to them by their close people and it is found that the individual investing decision is guided by the suggestion and information provided to them by the person close to them without any further analysis on the information received. Further

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Dangol and Manandhar (2020) adds that the investor feels that they have access to every piece of data that are needed to make the good investment decision and investors thinks that they have ability to make the correct investment decision with their own skills and competency and further adds that individuals with high degree of locus of control attributes the result of positive outcome from investing decision to their own's ability.

Dangol and Shakya (2017) found that the financial literacy level influences the individual investment preference, objective, preference, advice sources and the investment horizon. The study was conducted among the 314 investors in Nepal and concluded that the financially literate people prefer to invest in the risky investment with the assumption that high risk will generate the high return. Similarly, it was discovered that those with high levels of financial literacy favor capital growth, which is regarded as one of the most important elements in determining investment decisions. Further, it was reported that the higher financially literate people involve in self-analysis whereas the low financially literate people rely on the family and friends for the investment and reported that the financially literate individual looks for the longer investment horizon in comparison to low financially literate individual.

Similarly, the study was conducted by the Sharma, Chalise and Dangol (2017) to examine the impact of the demographic characteristic in the risk tolerance of the individual investor. From the study it was concluded that the Nepalese men are more risk-seeker in comparison to the women. Similarly, it was reported that the educated investor takes more risk. Further it was noted that the age and the wealth position of the investor have the significant impact on the risk tolerance of the individual investor. Individual with higher wealth position is found taking higher risk in comparison to individual with low level of wealth. On the contradiction to the Sharma, Chalise and Dangol (2017) the study conducted by the Karki and Kafle (2020) shows the investor's risk-taking behavior and education do not significantly correlate. The finding of Karki and Kafle (2020) that the financial literacy has the significant impact on the risk level was in line with the finding of Sharma, Chalise and Dangol (2017). The study further adds that the prior profit and loss experience of the investor have the significant impact on the risk level.

Vaidya (2021) examined the investment decision making process of the Nepalese individual investors and concluded that Nepalese investor make investment decision based on the fundamentals of the company that regularly provide the information related to the company's fundamentals and further concluded that the Nepalese investor first choice for the investment

is the Bank and Financial institutions and the insurance company as they regularly disseminate the information regarding the fundamental of the company. Further it is found that for short-term trading on the market, investors were found to be relying on market trends or technical analysis in addition to the company's fundamentals. These investors believe that insider trading and Nepal's unstable political climate provide the country with its biggest challenges.

Similar to the Vaidya (2021); Pandey, Risal and Chauhan (2020) also conducted a study on how individual investors make investment decisions, using a sample of active investors from the Kathmandu valley. The finding suggested that the self-image/ firm image co-incident have the high positive correlation with investment decision. Similarly, accounting information, advocate recommendation, personal financial need was moderately correlated with the investment decision and the neutral information was found to have positive correlation with the investment decision making. According to Study of Pandey, Risal and Chauhan (2020) the psychology of the Nepalese investor when making investment decisions in the stock market is significantly influenced by self-image and corporate image coincidence, accounting knowledge, advocate suggestion, and personal financial necessity. It is also noted that the factors such as reputation, goodwill of the company, market analysis, word of mouth also have the significant impact on the investment decision making of individual investors.

Table 2.1

Summary of Literature Review

Study	Variables	Methodology	Findings
Raut (2020)	-Attitude -Subjective norms -Perceived Behavioural Control -Past Behaviour -Financial Literacy -Intention to invest	Data collected through the structured questionnaire using convenient sampling technique followed by snowball sampling. Data analyzed using two step structural equation modelling (SEM) and for reliability and validity CFA was performed.	AT, SN and PBC have the significant impact in the investment intention. While Past behaviour do not have direct impact on investment intention. Among the variables AT found to be most influencing factor. Past Behaviour have indirect significant impact while mediated by the attitude of investors. Moreover, Financial literacy have positive impact on AT and PBC.
Akhtar & Das (2019)	-Attitude -Subjective norms -Financial Self Efficacy -Financial Knowledge -Prospective Investor's Personal Investment Intention	Data collected through structured questionnaire. Use of quantitative and cross-sectional approach where data were analyzed using SEM, CFA.	AT, SN and FSE have the significant impact on investment intention. Among these AT have the most significant impact. SN have the weak positive impact on investment intention. AT plays a partial mediation role between the financial knowledge and the investment intention. Further concluded if FSE is used as a dual variable, acting as both a moderator and a mediating factor, the influence of personality traits can be better understood.
Raut, Das & Kumar (2018)	-Attitude -Subjective Norms -Perceived Behavioural Control	Data collected through the structured	All the variables have the significant impact in individual's behavioural intentions. Further

	-Past Behavioural Biases	questionnaire. Model is tested using SEM.	adds that the PBB improves the predictive power of the model.
Pahlevi & Oktaviani (2018)	-Attitude -Subjective norms -Overconfidence -Behavioural Control Perception -Excessive Optimism -Herd Behaviour	Data collected from individual using structured questionnaire and data was analyzed using SEM with the help of PLS software	All the variables have the significant positive effect on the investor's intention in investing.
Cuong & Jian (2014)	-Attitude -Subjective norms -Perceived Behaviour Control -Behavioural Intention	Structured Questionnaire data analyzed using SEM with support of AMOS 20.0	Individuals' investment intention is significantly affected by AT followed by PBC and lastly by SN. A person's attitude toward investing can be significantly influenced by psychological characteristics as overconfidence, excessive optimism, risk psychology, and herd behavior. Further concluded that the gender has strong moderation effect in relation between psychological factor and attitude, as well as between PBC and behavioral intention, between attitude and behavioural aim of Vietnamese individuals.
Shehata et al. (2021)	-Financial knowledge -Perceived Risk -Intention to Invest	Data collected through structured questionnaire and data analyzed using SEM through the Smart PLS	Financial knowledge and perceived risk are positively correlated, as are financial knowledge and intention to invest. It was further determined that perceived risk has a negative impact on the association between financial knowledge and investment decision making in the stock market.

Jayasena, Sonani & Ajward (2022)	-Attitude -Subjective norms -PBC -Psychological Risk -Perceived Knowledge of Covid-19 -Intention to invest	Questionnaire survey was conducted where data was analyzed in Quantitative approach using the SEM	Investor's attitude and PBC had a significant influence on the investment intention whereas subjective norms found not to be significant dimension. In a similar vein, it was determined that psychological risk moderates the relationship between investors' subjective norms and attitudes.
Nugraha & Rahadi (2021)	-Demographic Characteristics -Attitude -Subjective Norms -Perceived Behaviour Control -Investment Intention	Data Collected Using Structured questionnaire from 64 Indonesian generation Y and Z where data was analyzed using the PLS- SEM. Multi group analysis was also conducted to evaluate the group differences.	Only AT have the significant role on investment decision making among the Indonesian young generation and further concluded that the education level plays a moderating role in influencing stock investment intention.
Lim et al. (2020)	-Attitude -Family Influence -Subjective Knowledge -Peer Influence -Internet Influence -Risk Propensity -Risk Perception -Behaviour Intention	Purposive Sampling method was adopted where data was collected from 492 respondent from Peninsula Malaysia, Sabah and Sarawak and the hypothesis was tested using AMOS software	A positive risk perception was significantly correlated with one's risk propensity, subjective knowledge, peer influence, internet influence, and peer pressure. Similarly, the positive attitude is associated with more intention towards financial investment and finally concluded that favorable risk perception is significantly related to higher intention towards financial investment.
Sadiq & Khan (2019)	Personality Traits -Risk Behaviour	Data Collected from 284 student with	Active, sympathetic, determined, and well-organized people are

	-Financial Literacy -Investment Intention	finance background from the selected university from Pakistan. For the analysis of data regression analysis has been conducted in the study.	more likely to invest than others. Financial literacy significantly affects investment intention, and it has also been found that it does not moderate the relationship between risky behavior and investment intention.
Yoopetch & Chaithanapat (2021)	-Financial Attitude -Financial Behaviour -Subjective norm -Investment Intention	Data Collected from 348 Thai Stock investors having at least 1 year experience through the questionnaire and the data was analyzed using the SEM	Financial Behaviour, Financial attitude and subjective norms has a positive impact on the stock investment intention. Similarly, Financial behavior and subjective norms are positively impacted by financial attitude. Finally concluded that the people around the investor can have a significant impact on how the investors manage their financial activities.
Rahadjeng & Fiandari (2020)	-Attitude -Subjective norms -Perceived Behaviour Control -Intention to invest in Stock	Explanatory research method was adopted where data was collected from 110 scholars who understand the investment and risk of capital market of Malang University thro. Data was analyzed using the PLS	The investing intention is significantly positively impacted by all the factors. and further adds that the individuals who have financial literacy will have a good knowledge and good knowledge will lead to form a good attitude for investment.
Sathiyamurti, Devi & Nirmal Raj (2021)	-Investment Intention (IV) -Investor Knowledge (MV)	Quantitative research method was adopted where data was collected using convenience	The investor's investment purpose and behavior are significantly correlated, and investment knowledge

	-Investor Behaviour (DV)	sampling technique from the 98 investors in Chennai, India. Data analyzed using the PLS technique.	effectively mediates this relationship.
Aren & Aydemir (2015)	-Financial Literacy -Risk Averseness in General -Risky Investment Intention	Data collected from 112 convenient sample in Turkey consisting of the University Student where data analyzed using Exploratory Factor Analysis	The link between risk aversion in general, locus of control, and risky investment intention was significantly and negatively impacted by risk aversion in general. Financial literacy further moderates and changes the association. Meaning that risk averse people avoid risky investment more if they had higher advance financial literacy.
Mahardhika & Zakiyah (2020)	Attitude Subjective norms Perceived Behaviour Control Risk Tolerance Investment Intention Investment Behavior	Data collected from 148 experienced investors of age between 20-35 yrs. from Kebumen Regency and data is analyzed using SEM through WarpPLS	AT, SN and PBC are the predictor of the intention and further concluded that the actual stock investment behavior of millennial investors is positively influenced by intention. Millennial investor in Kebumen is found not considering the risk while investing in the stock.
Tanuwijaya & Setyawan (2021)	Financial Socialization Financial Experience Financial Literacy Investment Intention	Purposive Sampling method adopted where data collected from 130 university students. Collected data were analyzed using PLS-SEM	Financial Socialization affects the financial literacy and the level of financial literacy is enhanced with the more financial experience. Higher Financial Literacy of an individual leads to the higher investment interest.
Akhter & Hoque (2022)	Attitude Financial Planning Financial Literacy Financial Satisfaction	Data collected from the active and the potential investors of Dhaka stock Exchange and the	ATT, Financial Planning and Perception of financial risk and benefit influence the individual decision in the stock market participation and concluded that

	Perceived Financial Risk Perceived Financial Benefit Behavioural Intention towards stock market participation	data was analyzed using the PLS to examine the relationship	the association between attitude and behavioral intention to trade stocks is moderated by financial planning, financial satisfaction, and perceived financial risk.
Mahastanti & Hariady (2014)	Attitude Subjective norms Financial Literacy Risk Preference	Data Collected form women who have knowledge of financial product and data was analyzed using the multiple regression technique.	The stock investment decision is influence by the perceived behavioural control and risk preference and the attitude and the SN have no significant impact.
Arianti (2018)	Financial Literacy Financial Behavior Income Investment Decision	Data collected from 100 Pamulang University student where Data was analyzed using descriptive analysis tools	Financial illiteracy has no noticeable impact on the choice of investments, whereas financial and income behavior has a significant influence.
Asandimitra et al (2021)	Attitude Subjective norms Perceived Behavioral Control Perceived Risk Saving Intention Financial Literacy	Purposive sampling from Indonesian millennial generation where data analyzed using Moderated Regression analysis	The link of attitude, subjective norms, and PBC on saving intention is moderated by financial literacy; furthermore, FL has no moderating effect on the association between perceived risk and saving intention.
Karmacharya et al. (2022)	Heuristics variable Prospect Variable Market Variable Herding Variable Investment Performance	Data collected randomly from 350 samples and data analyzed using SEM.	Concluded that the Nepalese investors heavily depends upon the other advice and suggestion while making the investment decision without proper market analysis.

Shrestha (2020)	Investment Decision Company related Variables Risk and Return Market Related Variable	Data collected using structured questionnaire from 110 stock investor from surkhet where descriptive research design was adopted	Nepalese Investors investing decision are influenced by the family and friends where the company-related variables have a greater impact on investment decisions than market-related, risk- and return-related variables.
Dangol & Manandhar (2020)	-Availability Bias -Representative Bias -Anchoring and Adjustment Bias -Overconfident Bias -Locus of Control Investment Decision Making	Causal- Comparative research design. Data collected from 391 investors	The study concluded that the individual investment decision has the correlation with the heuristic biases and further concluded that the locus of control plays the of moderating role in the relationship between investment decision and availability bias, representative & anchoring bias.
Dangol & Shakya (2017)	Financial Knowledge Financial Behaviour Financial Attitude Financial Literacy Investment pattern	Data collected from 314 investors. Fir analysis mean, ANOVA and logistic regression	The investment choices of people with high and low financial literacy differ significantly. In terms of investment preferences, objectives, guidance sources, and investment horizon, there is a difference.
Sharma, Chalise & Dangol (2017)	Gender Education Age Wealth Type of Work Risk Tolerance of Individual Investor	Data collected from 390 individual investor and descriptive statistics has been used for the data analysis	Concluded that the demographic characteristics have the significant impact on the risk tolerance of the individual. Where men and educated individual are found to be risk taker and concluded that the age and wealth position also have significant impact on risk tolerance.

Karki & Kafle (2020)	Education Gender Financial Literacy Years in Trading Prior Loss Margin Lending Risk Tolerance	Data collected using structured questionnaire and data analyzed using Ordinal Logistic Regression	concluded that there is a significant correlation between investor education and risk-taking behavior further and concluded that financial literacy significantly affects the risk level along with the prior profit and loss experience.
Vaidya (2021)	Qualitative Research	Qualitative research was conducted using the Grounded Theory approach	Investors are found having a mix opinion about investment decision have a influence of the macroeconomics factor.
Pandey, Risal & Chauhan (2020)	Investment Decision Accounting Information Self-image/ Firm image Coincident Advocate Recommendation Financial Need Neutral Information	Descriptive and analytical research design adopted where data collected from active investor around Kathmandu valley	The psychology of the Nepalese investor when making investment decisions is significantly influenced by self-image, firm image, accounting knowledge, advocate advice, and personal financial necessity.

2.3 Research Gap

In Nepalese context various research have been conducted in the individual investors' decision-making. Different researcher such as Gyanwali and Neupane (2021); Adhikari (2020); Dhungana et al. (2018); Vaidya (2021) have conducted research in the individual investors' decision making. However, all this research has the different dimension and different focus and have not considered the past behaviour of the investor to study the individual investors 'decision making. Similarly, Silwal and Bajracharya (2021) have conducted research on investment decision of individuals under the variable prospect theory adding up other variables like heuristics, Market variables and herding Behaviour. The overall components of Theory of the planned behaviour, have not been considered for the study of the individual investors' decision making in the Nepalese context. Hence this research aims to understand the individual decision-making process of the individual investors by linking it to psychological variable (Attitude), Perceived Behavioural Control

(PCB) and the Past Behaviour (PB), Social variable (Subjective norms) and the personal ability (Financial literacy (FL)) replicating the framework used by the Raut (2020).

2.4 Conceptual Framework

In this study the component of theory of planned behaviour have been adopted to assess the impact of attitude, subjective norms and perceived behaviour control. Further the Theory of planned behaviour has been extended using the past behaviour and the financial literacy. In this research the impact of the component of the TPB along with the impact of FL on ATT, PBC and II has been examined. Further, the attitude's mediating function in the association between past behavior and investment decision-making has been evaluated.

 This study has adopted the model adopted by the Raut (2020) and Raut, Das and Kumar (2018) and a modification has been done in the model where the role of financial literacy on the individual investment decision making has also been assessed as previous research of Sadiq and Khan (2019), Dangol and Shakya (2017) has shown the relationship between the FL and the II. The conceptual framework for this study has been presented in the figure 2.1

Figure 2.1

Conceptual Framework
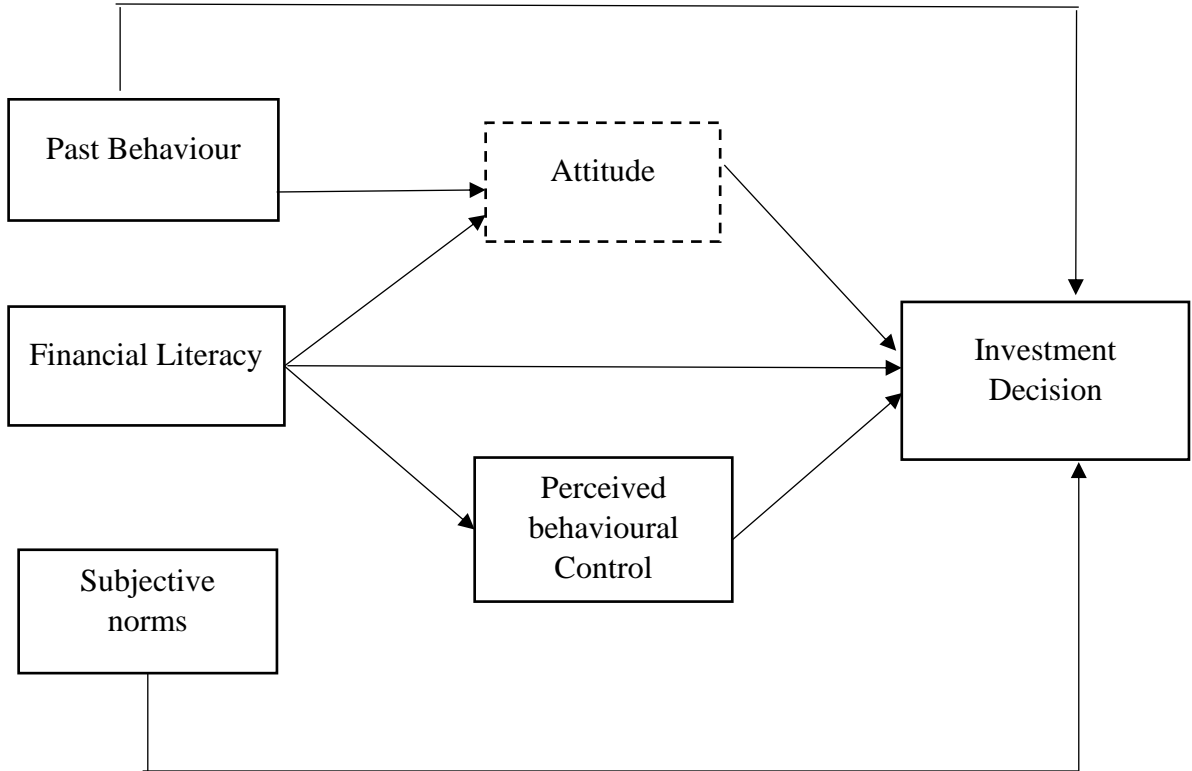
Source: Raut (2020) and Raut, Das and Kumar (2018)

2.5 Operational Definition of Variables

2.5.1 Attitude

Attitude refers to the general feeling about a certain concept that can be favorable or unfavorable (Ajzen & Fishbein, 1980). In this research the term attitude is used to indicate the attitude of an individual towards the investment in the stock market. In this research the term attitude refers to the individual view towards investing in the stock market which can be favorable or unfavorable. The individual behavioural intention depends upon how the individual assess the particular behaviour. If an individual has the positive attitude towards the behaviour, then the individual has the strong behavioural inclination towards the behaviour and vice versa.

2.5.2 Subjective norms

Subjective norms refer to the individual belief that the particular behaviour of an individual is accepted and supported by their importance person or group (Ham, Jeger and Frajman Ivkovic, 2015). According to Theory of the Planned behaviour individual are more probable to engage in the stock market if the individual receives the suggestion from the people close to them or if the people close to the investors think that they should invest in the stock market (Phan & Zhou, 2014). In this study the social norms refer to how an individual investors investing decision is affected by the people around and relates to the power of of the social pressure on the investment decision making of an individual investor.

2.5.3 Perceived Behavioural Control

PBC can be defined as a person's perception about whether performing a particular activity is easy or difficult (Ajzen, 2005). It simply words it refers to an individuals perceived ability to perform the particular task (Ajzen, 2002). In this research the term Perceived Behaviour Control indicates to the perceived ease or difficulty felt by an individual to invest in the stock market. In this study PBC refers to an individual investor feeling towards investing in a stock market is easy or difficult in the current scenario/situation and evaluation of their perceived ability to participate in the stock market.

2.5.4 Past Behavioural Bias

The present behaviour of an individual is guided by the previous experience of that behaviour (Raut, Das & Kumar,2018). Individual tends to evaluate the outcome of the particular behaviour in the past and decides whether to repeat the particular behaviour in the future. In this study the past behaviour bias refers to an individual bias towards the past investing experience.

2.5.5 Financial Literacy

Financial literacy refers to an individual ability to take effective money management and uses decision through an informed judgement. Financial literacy can be classified as the basic financial literacy and the advance financial literacy. Here the financial literacy refers to the advance financial literacy. Advance financial literacy refers to an individual awareness about market mechanism, stocks, bonds, interest rate (Van Rooij et al. ,2012).

2.5.6 Investment Intention

The behavioural intention of an individual is influenced by the ATT, SN, PBC (Ajzen,2002). In this study the investment intention refers to the individual investors decision making. It refers to an individual investor's decision of whether or not to invest in the stock market of Nepal.

CHAPTER III

RESEARCH METHODS

This chapter describes the procedures that have been adopted for the collection and analysis of the data to fulfill the objective of this research. In this section the research design, population, sample size, sources of the data, instruments used for data collection and the tools and techniques used for the data analysis have been presented.

3.1 Research Design

In this research descriptive and causal research design has been used as Raut (2020) have adopted the explanatory research design. Descriptive research design and causal research design has been used to find the effect of the independent variable (ATT, SN, PBC, PBB, FL &) directly on the dependent variable (Intention to invest in the stock market). Similarly, Through the mediating variable attitude, the relationship between Past behavior and investing choices in the stock market is evaluated.

3.2 Population and sample

As per the data provided on the khabarhub.com as per the July 26, 2022 the total number of the Demat account holders in Nepal is 53,009,31 and out of them only 44,010,57 of them uses the Mero share i.e., online portal. This study is related with the intention to investment in the stock market and also involves on studying the past behaviour bias of the investors. So, the individuals who are already involved in the stock market investment have been considered as a sample for this study. With this assumption all the Nepalese Demat holder i.e., 53,009,31 are consider to be the population for the study.

Raut (2020) have studied about the individual investment decision making in the stock market extending TPB model with the Past behaviour taking the experienced investor as a sample. Similarly, Raut, Das and Kumar (2018) have also conducted the similar study with the experienced investor as a sample. As the variable that are to be measured demands the experience of the investors for the effective measurement, this study also assumes the experience investor who have more than three years of investment experience in the stock market of Nepal i.e., NEPSE as the sample for the study. Similar study conducted by the Rahadjeng and Fiandari (2020); Mahardhika and Zakiyah (2020) have also considered the experienced investors as the sample. So, to fulfill the objective of this study the individual who have experience of 3 years and more have been considered as the sample for this study.

3.3 Sampling Method

This study has adopted the non-probability sampling technique. The study has adopted the convenience and the snowball technique of sampling to collect the data. In the study the data have been collected with the help from friend, family and peer group circle who have the experience in the stock market investment in the first phase and later other experienced investors have been identified based on the recommendation provided by the friends and the family circle and the questionnaire were forwarded to these potential respondents for this survey. The similar technique has been adopted by Akhtar and Das (2019); Raut (2020) and the Raut, Das and Kumar (2018).

3.4 Sample Size

Similar study conducted by Mahardhika and Zakiyah (2020) have collected data from 148 investors. Similarly, Aren and Aydemir (2015) have collected data from the 112 students in the University. The study conducted in the Indian perspective by Raut (2020) have collected the data from a total 0f 448. Similarly, Study conducted by the Dangol and Manandhar (2020) on the investment decision making have considered the 391 sample. So being around this sample size this study has collect the data from more than 454 respondent out of these 396 respondents were valid for this study.

3.5 Data Collection Strategy

Data has been collected using the questionnaire adopted from the past literatures. The data has been collected adopting the Online and offline mode as per the convenient of the respondent. In the first step the questionnaire was mailed to the close friend and family circle who have been involved on the stock market. Further the questionnaire was provided to experienced investors identified based on the recommendation provided by the close friend and family circle in both the online and offline mode as per the convenient of the respondents.

In this study to ensure the participation of the respondents from different age group and from different education level the questionnaire was prepared and was distributed on both the English and the Nepali Language. The questionnaire was first prepared on English language as per the suggestion received on the pilot survey the questionnaire was translated on the Nepali language and the face validity was confirm on it.

The questionnaire was mailed to the potential sample of the study and only the respondent fulfilling the criteria (minimum experience 3 yrs.) has been considered for the study. The

similar data collection strategy has been applied in the similar study conducted by the Raut (2020) and have adopted the convenience and the snowball sampling technique.

3.6 Instrumentation

Scale for the attitude, Perceived Behaviour Control have been adopted from the Nugraha and Rahadi (2021). Similarly, the scale for the subjective norms, Past behaviour bias and for Intention to investment have been adopted from Raut (2020) and additional statement in the Subjective norms (SN4 and SN5) and on intention to investment (II4) have been added by the researcher as the variables have less items. Items have been added to increase the reliability and validity of the scale. Similarly, the scale forwarded by the VanRooij and Alessie (2011) have been partially adopted to measure the financial literacy of the individual investors. In this literature Nugraha and Rahadi (2021) has adopted the six-point likert scale. But the study conducted by Raut (2020) and the study conducted by Raut, Das and Kumar (2018) have adopted the five-point liker scale. Since majority of the items have been adopted from Raut (2020) and Raut, Das and Kumar (2018) this study also adopts the five-point rating scale.

3.7 Data Analysis Technique

For the analysis of the Data the software SPSS and Smart PLS has been used in this study. In the first outlier in the data were tested using the Mahalanobis test and the 6 extreme outliers were removed from the data set. After that the normality test has been performed using the Shapiro-wilk test using the SPSS. For the descriptive statistics the SPSS has been used. Further, the Mann-Whitney Test and Kruskal Wallis test has been performed to test the difference in distribution of ATT, SN, PBC, PBB, FL and II across the different demographic categories of the respondents.

For the reliability and validity of the measurement model Smart PLS have been used. The convergent validity and discriminant validity of the measurement model has been conducted in the Smart PLS. For the convergent validity the value of the composite reliability has a threshold value of 0.50 has been adopted as suggested by the Henseler et at. (2014). In the case of the Discriminant validity the Fornell-Larcker criterion, Cross loadings and HTMT has been calculated. In the Fornell-Larcker criterion the square root of the AVE of each construct should be greater than its highest correlation with any other construct (Fornell & Larcker, 1981). For the cross loading the outer loading on the associated construct should be greater than that of any of its cross loadings on the construct. For the HTMT the value of HTMT should be < 0.85 as suggested by Kline (2012). All the criteria for the validity and reliability have been fulfilled by the measurement model after removing the item coded as

FL7, PB3, PBC1 and SN4. For the structure validity the SRMR index has been adopted. The threshold value for the SRMR index is SRMR index should be < 0.085 which indicates the good fit model (Henseler,2016).

Similarly, the correlation analysis has been conducted to assess the degree of relationship between the dependent and independent variable. The SEM path analysis has been conducted to assess the impact of the independent variable in the dependent variable. The mediation analysis has been also conducted in smart PLS to verify the mediating role of ATT in between the PBB and the II.

The model used in this study consists of the:

Model-1

The impact of the ATT, SN, PBC, PBB and Financial literacy on the investment decision has been assessed using the model:

$$ID = \beta_0 + \beta_1\ ATT + \beta_2\ SN + \beta_3\ PBC + \beta_4\ PBB + \beta_5\ FL + \varepsilon$$

Model-2

The impact of the financial literacy on the perceived behaviour control has been examined using the model:

$$PBC = \beta_0 + \beta_1\ FL + \varepsilon$$

Model -3

The impact of the financial literacy and past behaviour on the attitude towards the investment is examined using the model:

$$ATT = \beta_0 + \beta_1\ FL + \beta_2\ PBB + \varepsilon$$

Model-4

For the mediation analysis the specific indirect effect using PLS has been used. However, the model can be expressed as:

Direct Effect = ID1= $\beta + \beta_1 PBB + \varepsilon$ (A) (Impact of PBB on ID)

B= ATT = $\beta + \beta_2\ PBB + \varepsilon$

C= ID2 = $\beta + \beta_3\ ATT + \varepsilon$ (Impact of ATT on ID)

Total Effect = Direct Effect(A) + Indirect Effect (B*C)

$$= ID1 + (ATT * ID2)$$

In the above all equations β, β_0 = Constant

$\beta_1, \beta_2, \beta_3, \beta_4, \beta_5$ = Regression coefficient for the respective independent variables.

ε = error term

CHAPTER IV

ANALYSIS & RESULT

In this chapter the data collected by using the structural questionnaire from the valid 396 respondents have been presented the result have in discussed in this section. In this chapter the data have been evaluated by the use of the SPSS for the descriptive statistics and the smart PLs have been used to test the model reliability and validity. The hypotheses that have been formulated have been also tested by using the Smart PLS.

4.1 Demographic Profile of the Respondents

The demographic profile of the respondent that have participated in this study has been presented in Table 4.1.

Table 4.1

Demographic profile of the respondent

		Frequency	Percentage
Gender	Female	143	36.1
	Male	253	63.9
Age	18-28	216	54.5
	29-39	124	31.3
	40-50	44	11.1
	more than 50	12	3
Marital Status	Married	145	36.6
	Unmarried	249	62.9
	Others	2	0.5
Highest Education	up to Intermediate	26	6.6
	Bachelor	151	38.1
	Masters	212	53.5
	PHD or Equivalent	7	1.8
Annual Income	Less than 2 lakhs	112	28.3

	2-3 Lakh	59	14.9
	3-5 Lakh	125	31.6
	5 Lakh and Above	100	25.3
Current Occupation	Student	124	31.3
	Job in Private Company	114	28.8
	Government Job Holders	56	14.1
	Own Business	84	21.2
	Others	18	4.5
Involvement	YES	396	100
Experience	3 years and more	396	100
	Total	396	100

Table 4.1 shows the demographic profile of the respondents. The total respondent has been categorized into seven broad categories. The category consists of Gender, Age, Marital status, Education level, Annual income, current occupation, involvement in stock investment and the experience in the stock investment. Out of the 396 valid respondent 63.9 percent are male and 36.1 percent are female. It can be observed that there is a greater number of the male respondent than the female respondents.

Similarly, 54.5 percent of the respondents are in the age category of 18-28, 31.3 percent of the total respondent are in the age category of 29-39 years, 11.1 percent of the total respondent are in the age category of 40-50 a few respondents are in the age category of more than 50 yrs. Majority of the respondent are in the age category of 18-28 years followed by the 29-39 years and very few in age category more than 50 years.

Majority of the respondents are unmarried i.e.; 62.9 percent and 36.6 percent of the respondents are married. Only 0.5 percent of the respondents are from the others category.

Respondents were also categorized based on the level of the education. Majority of the respondents were having the Maters level certificate i.e., 53.5 percent followed by the Bachelor level i.e., 38.1 percent. Only 6.6 percent of the respondents have the education level up to intermediate and 1.8 percent of the respondents are the individual having the education level of PHD or equivalent. From this it is concluded that the most of the respondents are educated.

Majority of the respondents are the individuals having the annual income of 3-5 lakh i.e., 31.6 percent followed by 28.3 percent on less than 2 lakhs. 25.3 percent of the respondents have the income above 5 lakh and 14.9 percent of the individual have the income level of 2-3 lakh annually.

Majority of the respondents are students i.e., 31.3 percent followed by the Private company job holders i.e., 28.8 percent. 21.2 percent of the respondents are engaged in their own business, 14.1 percent of the total respondent are government job holders and 4.5 percent of the respondent are in others category.

As per the requirement of the study only the responses from the respondent who are engaged in the stock market have been taken for the study by eliminating the responses by the individuals who are not engage in the stock market. Similarly, the individual who have the experience for more than 3 years in the stock investment have been taken for the study. So, total number of the valid respondents considered for this study is 396 fulfilling all the sampling criteria.

4.2 Descriptive Statistics

The overall descriptive analysis for the responses provided by the respondent in the items ATT, SN, PBC, PBB, FL and II has been presented and analyzed in this section.

Table 4.2

Descriptive Statistics for Attitude

Code	Item	N	Minimum	Maximum	Mean	Std. Deviation
ATT1	I think that investing in the stock market can enhance the financial knowledge of the individuals.	396	1	5	4.15	.829
ATT2	I think that the stock investment is meaningful.	396	1	5	4.05	.833
ATT3	I think that it is wise for me to engage in Stock investment.	396	1	5	3.95	.828
ATT4	I think that engaging with stock investment is interesting.	396	1	5	4.07	.790
ATT5	I think that stock investment is a good idea.	396	1	5	4.11	.847

Table 4.2 shows the mean and the standard deviation score of each item of the Attitude towards the investment. The overall mean for the attitude towards the investment is 4.066 which indicates that the respondent has the positive attitude towards the investment in the stock market in the Nepal.

Majority of the respondent agreed on the items under the Attitude that are coded as ATT1, ATT2, ATT3, ATT4, and ATT 5 as indicated by the respective mean value of 4.15, 4.05, 3.95, 4.07 and 4.11 respectively. It indicates that the respondent agreed that stock market investment can increase a person's financial literacy. Similarly, they agreed on the statement that the engaging on the stock investing is interesting, wise and meaningful to them and further agreed that engaging in the investing activities is a good idea to them. 4.15. From

this it can be concluded that the Nepalese individual investor has a positive attitude towards the investment.

Table 4.3

Descriptive Statistics for Subjective norms

Code	Items	N	Minimum	Maximum	Mean	Std. Deviation
SN1	My colleagues and friends are investing in stock market	396	1	5	4.11	.891
SN2	Those have the important influence on me think that I should invest in stock market	396	1	5	3.70	.918
SN3	People whose opinion I value would prefer that I should invest in stock market	396	1	5	3.73	.855
SN4	My participation in stock market is influenced by the support from the family.	396	1	5	3.40	1.124
SN5	My participation in stock market is influenced by the suggestion provided by the person close to me.	396	1	5	3.62	1.088

Table 4.3 exhibits the descriptive statistics of the subjective norms. The mean value for the subjective norm is 3.712 which shows that the respondent agreed that their investment decision is influenced by the people around them.

Majority of the respondent agreed on the statement that their colleagues and friends are investing on the stock market indicated by mean value of 4.11. Similarly, respondent agreed that people who have important influence on them think that they should invest in the stock market indicated by mean value of 3.70. Similarly, respondent agreed on the statement "People whose opinion I value would prefer that I should invest in the stock market" and on the statement "My participation in the stock market is influenced by the suggestion provided

by the person close to me indicated by the mean value of the 3.73 and 3.62 respectively. On the other hand, investor is neutral on the statement that their participation in the stock market is influenced by the support from the family which is indicated by the mean score of 3.40. In the items under the subjective norms item coded as SN1 have the highest mean of 4.11 and the item coded as the SN4 have the lowest mean of 3.40.

It can be concluded that majority of the respondent friends and colleagues are involving in the stock market investment. The surrounding people of the respondents think that they should also be engage in the stock investment and can be concluded that the investment decision of the individual investors is affected by the person close to them. However, respondent is neutral on the statement that their participation on the stock market is influenced by the support from the family. From this it can be concluded that the individual investors base their investment decision based on the information and the suggestion provided by the people who are not their family members but are close to them. It indicates that Nepalese investors decision are guided by the information and suggestion provided by the outsider as compare to the suggestion provided by their family members.

Table 4.4

Descriptive Statistics for Perceived Behavioural Control

	Items	N	Minimum	Maximum	Mean	Std. Deviation
PBC1	I have enough money for stock investment.	396	1	5	2.51	.953
PBC2	I have enough energy for stock investment.	396	1	5	3.41	.973
PBC3	I have enough information for stock investment.	396	1	5	3.06	.992
PBC4	I have enough time for stock investment.	396	1	5	3.04	1.056
PBC5	I have enough knowledge to overcome obstacles or problems while engaging in stock investment.	396	1	5	2.98	1.002

Table 4.4 exhibits the descriptive statistics for the perceived behavioural control. The overall mean for the perceived behavioural control is 3.0. It shows that the respondent is neutral on the PBC items. It indicates that the respondent has the indifference perception on whether it is easy or difficult to participate in the stock market under the current scenario of the stock market of the Nepal.

The range of the mean for the PBC is between the 2.51 to 3.41. The item PBC 2 that is I have enough energy for stock investment have the highest mean of 3.41. Similarly, the item PBC1 that is I have enough money for stock investment have the lowest mean score of the 2.51.

Majority of the respondent agreed on the statement that they have enough energy for the stock investment indicated by the mean value of 3.41. Similarly, respondent is neutral on the statements PBC3- I have enough information for stock investment, PBC4- I have enough time for stock investment and PBC-5 I have enough knowledge to overcome obstacles or problem while engaging in the stock investment indicated by the mean value of 3.06, 3.04 and 2.98 respectively. Majority of the respondent disagreed that they have enough money for the stock investment.

It can be concluded that the Nepalese respondent have the enough energy and are motivated towards the stock investment activities in Nepal. However, it can be highlighted that they feel they do not have the enough resources that are required for the engagement in the stock investment. As indicated by neutral response to statement that they have enough time, enough information and enough knowledge to overcome the obstacles and a disagree responses to the statement they have enough money.

Table 4.5

Descriptive Statistics for Past Behaviour Bias

Code	Item	N	Minimum	Maximum	Mean	Std. Deviation
PB1	Past Performance of stock affects present investment decision	396	1	5	3.90	.947
PB2	For an investment, whose historical performance has been consistently excellent, I will treat it important	396	1	5	3.81	.885
PB3	Available information is enough for making current investment decision	396	1	5	3.13	1.105
PB4	Investing in the companies with poor earnings history should be avoided	396	1	5	3.53	1.092
PB5	Good Stocks usually have the consistent past earning growth.	396	1	5	3.76	.916

Table 4.5 shows the descriptive statistics of the past behavioural bias. The range of the mean for the Past behaviour bias is 3.13 to 3.90 and the overall mean value is 3.626 which indicates that the respondent agreed on the statements under the Past behaviour bias.

Among the items under the Past behaviour bias the item PB1- Past Performance of the stock affects the present investment decision have the highest mean score of the 3.90. Similarly, the PB3- Available information is enough for the making the current investment decision have the lowest mean value of the 3.13. From this it can be concluded that the majority of the Nepalese investor select the stock for the investment based on the Past performance of the stock followed by the stock having the consistent historical performance and by the stock having the consistent past earning growth rate. Further, the investor agreed that the investing in the company with the poor earning should be avoided indicated by the mean value of the 3.53. Respondent are neutral on the statement that the available information is enough to make the current investment decision indicated by the mean score of 3.13.

From this it can be concluded that the Nepalese investor make the stock selection decision based on the criteria: Past performance of the stock, stock having the consistent historical performance, stock having the consistent past growth rate and avoiding the stock that have the poor earning history.

Table 4.6

Descriptive statistics for Financial Literacy

Code	Items	N	Minimum	Maximum	Mean	Std. Deviation
FL1	Stock market brings the people who want to buy stocks together with those who want to sell the stocks.	396	1	5	3.85	.933
FL2	If Someone buys the stock of Company XYZ from a stock market, he owns a part of company XYZ.	396	1	5	3.95	.973
FL3	If someone buys a bond of firm XYZ than he has lent money to firm XYZ.	396	1	5	3.77	1.003
FL4	Considering a long time period (e.g., 10 0r 20 yrs.) common stock gives the highest return in comparison to saving account and Bonds.	396	1	5	3.92	.933
FL5	Normally common stock display highest fluctuation over time in comparison to Bonds.	396	1	5	3.89	.922
FL6	Stocks are normally riskier than Bonds.	396	1	5	3.86	1.059
FL7	If the interest rate falls the price of Bond usually rises.	396	1	5	3.70	1.005

Table 4.6 shows the mean score and standard deviation of each item under the financial literacy. The overall mean value for the financial literacy is 3.848 indicating that the respondent agreed on the items under the financial literacy.

Respondent agreed on the statement that the stock market brings the people who want to buy the stock together with those who want to sell the stock indicated by the mean value of 3.85. Similarly, respondent agreed on the statement that If someone buys the stock of company XYZ from a stock market, he owns a part of company XYZ indicated by the mean value of 3.95. Respondent also agreed on the statement If someone buys a bond of firm XYZ than he has lent money to firm XYZ indicated by the mean value of 3.77. Further respondent agreed on the statement considering a long time period (e.g., 10 or 20 yrs.) common stock gives the highest return in comparison to saving account and Bonds as indicated by the mean value of 3.92. Respondent agreed on the statements that Normally common stock display highest fluctuation over time in comparison to Bonds, stocks are normally riskier than Bonds and If the interest rate falls the price of bond usually rises indicated by the mean value of the 3.89, 3.86, 3.70 respectively.

The range of the mean for the financial literacy is between 3.70 to 3.92 indicating that the respondent agreed on the statements of the financial literacy. From this it can be concluded that the majority of the respondent are financially literate and have a sound financial knowledge about the market.

Table 4.7

Descriptive Statistics for Investment Intention

Code	Items	N	Minimum	Maximum	Mean	Std. Deviation
II1	I will invest in stock market frequently	396	1	5	3.69	.949
II2	I will encourage my friends and family to invest in stock market	396	1	5	3.94	.838
II3	I will invest in the stock market in near future	396	1	5	4.10	.836
II4	I will recommend other to invest in the stock market.	396	1	5	4.08	.833

Table 4.7 exhibits the descriptive statistics for the Investment Intention of the individual Nepalese stock investors. The range of mean value for the investment intention is between the 3.69 and 3.94 indicating the respondent agreed on the items under the investment intention. Further the overall mean for the investment intention is 3.952 which indicates that the Nepalese investor have the positive attitude towards the investment in the Nepalese stock market.

Majority of the respondent agreed on the statement that they will invest in the stock market frequently. Respondent also agreed on the statements that they will encourage their friends and family to invest in stock market and they will recommend others to invest in the stock market indicated by the mean value of 3.94 and 4.08 respectively. Similarly, the statement I will invest in the stock market in near future have the highest mean of 4.10.

From this it can be concluded that the Nepalese investors have the positive sentiments towards the investment in the market and are encouraged and motivated to involve in investment activities in the NEPSE. Further, they are encouraging their friends, family and the people around them to invest in the stock market.

4.3 Normality Test

For the normality test of the likert scale data the Shapiro-Wilk Test has been conducted.

Table 4.8

Shapiro-Wilk Test

	Statistic	df	Sig.
ATT	.936	396	.000
SN	.972	396	.000
PBC	.987	396	.002
PB	.983	396	.000
FL	.979	396	.000
II	.948	396	.000

Since, the P-value is lower than the 0.05 in all the variables i.e., Attitude, Subjective norms, perceived behavioural control, Financial Literacy and Intention to invest in the stock market it can be concluded that their respective data set are not normally distributed. Hence, S-W statistic gives the evidence of departure from normality in all the variables. Data are not normally distributed.

4.4 Measurement Model

The measurement model reliability and validity has been confirmed by using the AVE, composite reliability and Cronbach's alpha.

4.4.1 Reliability and Validity

The rho_a value is above the threshold value of 0.7 and the rho_c value is also above the threshold value of 0.7. However, initially the AVE value in FL, PBB, PBC and SN are below the 0.5 so items need to be deleted.

FL 7, PB3, PBC 1 AND SN4 have the lowest outer loading value in the model. So, it has been dropout. After dropping the items, the AVE of all the variables is >0.50 with rho_a and rho_c < the threshold value of 0.70.

Table 4.9

Construct Reliability and Validity

Items	Loadings	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
ATT1	0.725	0.815	0.821	0.871	0.576
ATT2	0.806				
ATT3	0.714				
ATT4	0.737				
ATT5	0.807				
FL1	0.735	0.804	0.811	0.859	0.503
FL2	0.708				
FL3	0.656				
FL4	0.737				
FL5	0.731				
FL6	0.687				
II1	0.749	0.814	0.816	0.878	0.642
II2	0.847				
II3	0.819				
II4	0.787				
PB1	0.713	0.682	0.707	0.805	0.512
PB2	0.83				
PB4	0.603				
PB5	0.697				
PBC2	0.781	0.719	0.736	0.824	0.541
PBC3	0.771				
PBC4	0.643				
PBC5	0.738				
SN1	0.681	0.689	0.71	0.809	0.518
SN2	0.797				
SN3	0.79				
SN5	0.592				

Table 4.9 shows the construct reliability and validity. The convergent validity has been evaluated using the three criteria i.e., composite reliability, Average Variance Extracted (AVE) and outer loadings of the items. Hair et al. (2016) have recommended the threshold for the AVE, CR AND outer loadings of the items as AVE > 0.50, CR > 0.70 and outer

loadings > 0.70. In this study the item PB3, SN4, PBC1 and FL7 have been removed as the initial value of AVE was less than the threshold of 0.50. The items with the low outer loading value were deleted. The final result shown in the table indicates that the AVE value of all the item is above the threshold value of 0.50. Similarly, composite reliability rho_a and rho_c is above the threshold value of 0.70. In the case of outer loading the items with less than 0.70 outer loading have also included in the study as the value of AVE is above the 0.50 and composite reliability value is above the 0.70. Hence the convergent validity has been proven based on the rho_a, rho_c, AVE and the factor loading.

4.4.2 Discriminant Validity

The discriminant validity has been confirmed by using the Fornell-Larcker Criterion, Cross loadings, and by *Heterotrait-Monotrait Ratio (HTMT)*

Table 4.10

Fornell- Larcker Criterion

	ATT	FL	II	PB	PBC	SN
ATT	**0.759**					
FL	0.582	**0.71**				
II	0.568	0.519	**0.802**			
PB	0.477	0.557	0.467	**0.715**		
PBC	0.453	0.49	0.461	0.41	**0.735**	
SN	0.498	0.422	0.519	0.467	0.293	**0.72**

The discriminant validity has been evaluated using the Fornell-Larcker criterion. The Fornell-Larcker criterion shows the correlation between the constructs. The square root of each construct's AVE is indicated on the diagonal of the table 4.10. For the discriminant validity the square root of the AVE of each construct should be greater than its highest correlation with any other construct (Fornell & Larcker, 1981). As indicated by the table the square root of the AVE is greater than its correlation with any other construct. Hence it can be concluded that the construct meets the threshold for the discriminant validity.

Table 4.11

Cross Loadings

	ATT	FL	II	PB	PBC	SN
ATT1	**0.725**	0.449	0.412	0.312	0.347	0.4
ATT2	**0.806**	0.477	0.442	0.365	0.324	0.383
ATT3	**0.714**	0.365	0.366	0.334	0.369	0.378
ATT4	**0.737**	0.373	0.427	0.365	0.345	0.327
ATT5	**0.807**	0.526	0.498	0.426	0.341	0.401
FL1	0.505	**0.735**	0.473	0.447	0.357	0.434
FL2	0.442	**0.708**	0.342	0.325	0.277	0.327
FL3	0.306	**0.656**	0.237	0.315	0.305	0.225
FL4	0.398	**0.737**	0.388	0.439	0.363	0.21
FL5	0.387	**0.731**	0.378	0.412	0.415	0.298
FL6	0.404	**0.687**	0.342	0.411	0.362	0.253
II1	0.472	0.46	**0.749**	0.377	0.406	0.365
II2	0.439	0.399	**0.847**	0.401	0.383	0.444
II3	0.508	0.463	**0.819**	0.388	0.365	0.425
II4	0.394	0.329	**0.787**	0.325	0.319	0.43
PB1	0.377	0.447	0.35	**0.713**	0.301	0.367
PB2	0.399	0.484	0.436	**0.83**	0.318	0.425
PB4	0.282	0.322	0.206	**0.603**	0.282	0.19
PB5	0.29	0.312	0.303	**0.697**	0.278	0.31
PBC2	0.431	0.446	0.439	0.336	**0.781**	0.308
PBC3	0.294	0.342	0.303	0.303	**0.771**	0.147
PBC4	0.27	0.268	0.334	0.274	**0.643**	0.182
PBC5	0.302	0.354	0.247	0.285	**0.738**	0.192
SN1	0.353	0.346	0.404	0.337	0.242	**0.681**
SN2	0.401	0.318	0.437	0.376	0.224	**0.797**
SN3	0.406	0.313	0.385	0.382	0.242	**0.79**
SN5	0.244	0.218	0.225	0.215	0.105	**0.592**

Table 4.11 shows the cross-loadings of the items with the constructs of each other. For the discriminant validity under the cross-loadings the outer loading on the associated construct should be greater than that of any of its cross-loadings on other constructs. In this study there

is no issue of cross-loadings as indicated by the item's primary loading is greater than the cross loading of the item with different construct (secondary loading). Further, it has a minimum difference of 0.10 in between the primary and secondary loading of each item. Hence it can be concluded that all the items properly reflect their respective construct.

Table 4.12

Heterotrait-Monotrait Ratio (HTMT)

	ATT	FL	II	PB	PBC	SN
ATT						
FL	0.702					
II	0.692	0.622				
PB	0.629	0.73	0.605			
PBC	0.579	0.627	0.585	0.585		
SN	0.651	0.542	0.674	0.641	0.386	

The discriminant validity of the measurement model can be evaluated by using the HTMT ratio. HTMT ratio is the technique developed by the Henseler, Ringer and sarstedt (2015). HTMT ratio are used to evaluate whether there is the difference between the constructs or not. The acceptance level of discriminant validity under the HTMT ratio is that the value of HTMT ratio should be <0.85 as suggested by Kline (2011). From the table 4.12 it can be observed that the HTMT ratio value of each variable with the other is <0.85. From this it can be concluded that the measurement model used in this research fulfill the criterion for the discriminant validity.

4.5 Structural Model Assessment

The structure model for this study is assessed using the *Collinearity Statistics and SRMR Index.*

Figure 4.1

Graphical output for Structure Model
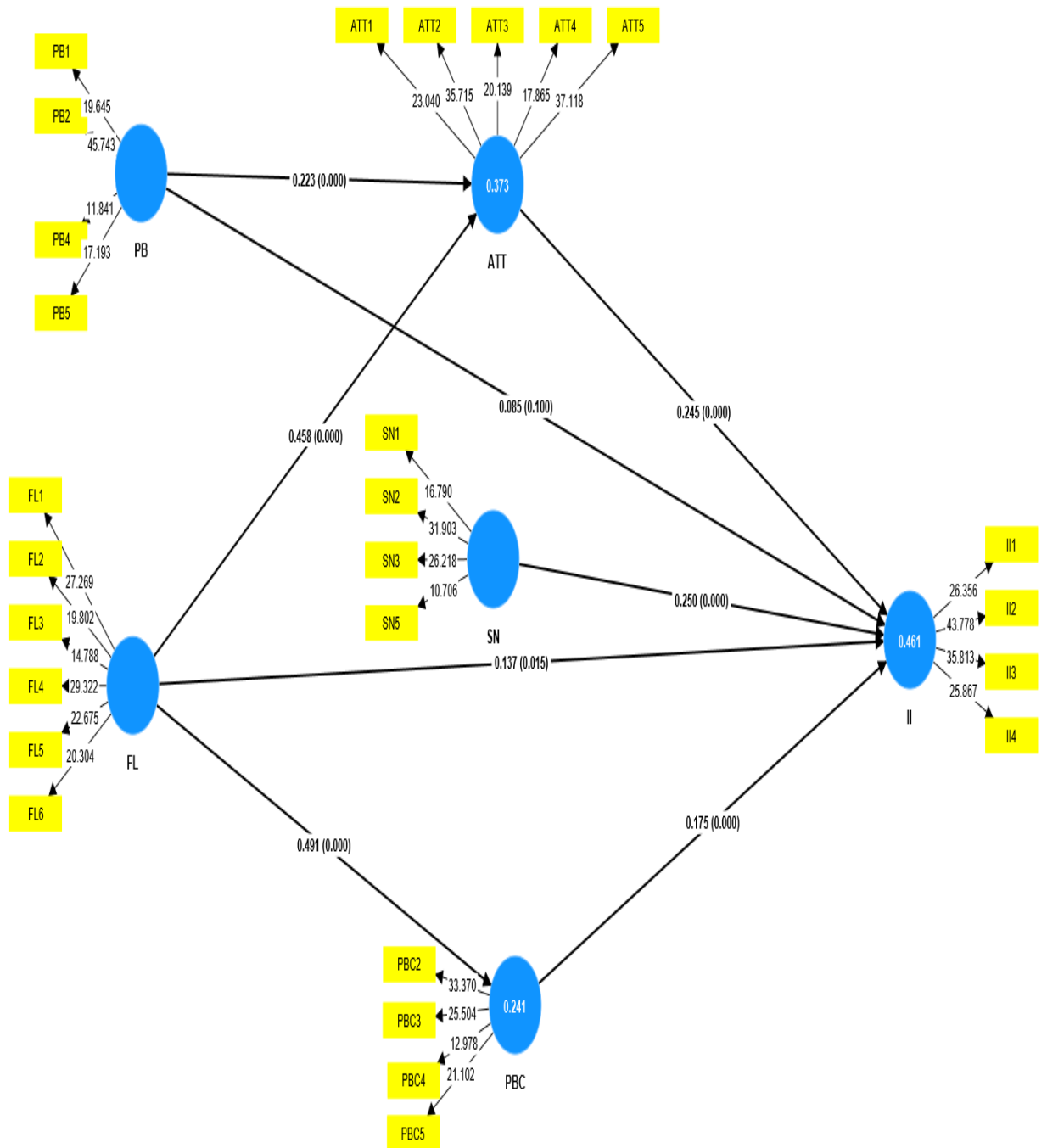
Table 4.13

Collinearity Statistics

	VIF
ATT1	1.521
ATT2	1.898
ATT3	1.517
ATT4	1.608
ATT5	1.807
FL1	1.48
FL2	1.596
FL3	1.479
FL4	1.611
FL5	1.576
FL6	1.485
II1	1.576
II2	2.344
II3	1.763
II4	2.156
PB1	1.342
PB2	1.562
PB4	1.278
PB5	1.392
PBC2	1.314
PBC3	1.626
PBC4	1.206
PBC5	1.549
SN1	1.196
SN2	1.488
SN3	1.542
SN5	1.233

Table 4.13 shows the Variance Inflation Factor (VIF) of each item. As mentioned by the Diamantopoulos & Siguaw (2006) if the value of the VIF is < 3.3 then there is no issue of

the multicollinearity. As in the table 1.6 it can be observed that the value of all the VIF< 3.3 it can be concluded that there is no issue of collinearity.

Table 4.14

SRMR Index

	Original sample (O)	Sample mean (M)	95%	99%
Saturated model	0.071	0.05	0.054	0.056
Estimated model	0.081	0.053	0.057	0.059

In this study the goodness of fit of the model is assessed by using the Standardized root mean square residual index (SRMR). SRMR index shows the differences between the observed correlation and the model implied correlations about the variables. The value of SRMR index less than 0.085 indicates the good fit model as suggested by the Henseler (2016). From table 4.14 it can be observed that the SRMR index for both the saturated model and the estimated model is less than 0.085. Hence it can be concluded that the model is fit for the study.

4.6 Correlation Matrix

The relationship between the variables used in this study has been presented in table 4.15.

Table 4.15

Correlation matrix

	II	ATT	SN	PBC	PB	FL
Investment Intention	1					
Attitude	0.569*	1				
Subjective Norms	0.521*	0.498*	1			
Perceived Behavioural Control	0.462*	0.452*	0.295*	1		
Past Behavior Bias	0.468*	0.478*	0.469*	0.41*	1	
Financial Literacy	0.518*	0.582*	0.42*	0.491*	0.559*	1

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

Table 4.15 shows the degree of correlation and significance level of Attitude, Subjective Norms, Perceived Behavior Control, Past Behavior Bias and Financial Literacy on the Investment Intention.

4.6.1 Correlation between the Attitude and the Investment Intention
The correlation coefficient between the attitude and the investment intention is 0.569 which indicates the moderate degree of positive relationship. Similarly, the P value for the attitude to investment intention is less than 0.01 level of significance which indicates there is significant relationship between the attitude and the investment intention. It can be concluded that when the degree/level of individuals' attitude towards the stock market increases than the individual is more likely to engage in the investing activities.

4.6.2 Correlation between the Subjective Norms and Investment Intention
The correlation coefficient between the Subjective norms and the Investment Intention is 0.521 which indicates the moderate degree of positive relationship between the variables. Similarly, the P-value for the Subjective norms to the investment intention is less than 0.01 level of significance which indicates that there is significant relationship between the subjective norms and the investment intention. It can be concluded that when the degree of subjective norms increases the investment decision making increases.

4.6.3 Correlation between the Perceived Behavioural Control and Investment Intention
The correlation coefficient between the Past Behaviour and the intention to investment is 0.462 which indicates the moderate degree of positive relationship between the variables. The P-value for the Perceived behaviour control to Investment Intention is less than 0.01 level of significance which indicates that there is significant relationship between the Perceived behavioural control and the Investment Intention. It can be concluded that when the level of Perceived Behaviour increases it leads to increase in the investment decision making of the individual.

4.6.4 Correlation between the Past behaviour and Investment Intention
There is the moderate positive relationship degree of correlation (r=0.468) between the Past behaviour and the investment intention and the P-value is also less than the level of significance of 0.01 which indicates that there is a significant relationship between the Past behaviour and the investment intention. It indicates that the investment decision making of the individual is also influenced by the Past Behaviour Bias.

4.6.5 Correlation between the Past behaviour bias and the Attitude

The correlation coefficient between the Past behaviour and the attitude is 0.478 and the P-value is less than the level of significance of 0.01 which also indicates that there is the significant moderate relationship between the past behaviour bias and the attitude. It indicates that the degree of past behaviour bias influences the attitude of an individual towards the investment.

4.6.6 Correlation between the Financial Literacy and the Investment Intention

There is the moderate positive degree of correlation (r=0.518) between the financial literacy and the investment intention and the P-value is also less than the level of significance of 0.01 which indicates that there is a significant relationship between the financial literacy and the investment intention. It indicates that the individual who are financially literate tends to make the investment in the stock market.

4.6.7 Correlation between the Financial literacy and the Attitude

There is the significant moderate relationship between the Financial Literacy and the attitude as indicate by the correlation coefficient of 0.582 and the P-value less than the level of significance 0.01. From this it can be concluded that the individual who have a sound financial knowledge tends to build the positive attitude towards the investment.

4.6.8 Correlation between the Financial Literacy and the Perceived Behaviour Control

The correlation between the financial literacy and the perceived behaviour control is 0.491 which indicates the moderate positive relationship between the variables. It indicates that when the level of financial literacy increases the level of Perceived Behaviour control also increases meaning that the financially literate individual investor finds the investment activity to be easy to them.

4.7 SEM-Path Analysis

The impact of the ATT, SN, PBC and PBB on the II and the impact of FL on the ATT and PBC of an individual investor has been assessed using the SEM-Path analysis.

Table 4.16

SEM Path Analysis

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (|O/STDEV|)	P values	CI 2.5%	CI 97.5%
ATT -> II	0.245	0.245	0.055	4.467	0.000	0.139	0.351
FL -> ATT	0.458	0.458	0.048	9.454	0.000	0.362	0.552
FL -> II	0.137	0.136	0.056	2.436	0.015	0.026	0.245
FL -> PBC	0.491	0.494	0.037	13.216	0.000	0.419	0.565
PB -> ATT	0.223	0.226	0.053	4.238	0.000	0.121	0.325
PB -> II	0.085	0.085	0.052	1.644	0.100	-0.017	0.185
PBC -> II	0.175	0.175	0.045	3.891	0.000	0.087	0.265
SN -> II	0.25	0.253	0.05	5.011	0.000	0.153	0.349

Table 4.16 shows the Path coefficient (β), standard deviation, T-statistics, P-value and the confidence interval to examine the significance of the relationship of the path. In the table the path coefficient between the independent and the dependent variables are indicated by the value under the original sample. Based on the existing literature researcher have created the path between the variables and based on the literature, 8 different hypotheses were formed. By the use of the β, P value and the CI the hypothesis will be tested.

As indicated in the table it can be concluded that all the component of the Theory of Planned behaviour i.e., Attitude (β=0.245), Subjective Norms (β=0.25) and PBC (β=0.175), have the significant impact on the investment decision making as indicated by the P-value less than 0.05 and the β value lies in between the upper limit confidence level of 97.5% and the lower-level confidence level of 2.5% in each of the component of the Theory of Planned Behaviour. From this it can be concluded that investors with the positive attitude, social influence and the ease of investing in the stock market positively motivate the individual investors to invest in the stock market.

Similarly, the two new variables were incorporated in the model based on the support from the existing literature in the TPB i.e., Past Behaviour and the Financial literacy. From table 1.6 it can be concluded that the Financial Literacy (β=0.1370) have the significant impact on the investment decision making of the individual and the result is further supported by the P-value less than 0.05 and the β value lies in between the upper confidence level of 97.5% and lower confidence level of 2.5%. However, it can be observed that the Past Behavioural Bias (β=0.085) do not have the significant impact on the investment decision making of the individual investor as indicated by the P-value 0.10 which is greater than the level of significance of 0.05.

Further the path analysis between the financial literacy and the Attitude and the financial literacy and the PBC has been examined and the result shows that financial literacy to the attitude have the β value of 0.458 and the β value of financial literacy to the Perceived behavioural control is 0.491 and the P-value for both are less than 0.05 level of significance which indicates that, there is significant impact of financial literacy to the attitude and the Perceived behaviour. It can be concluded that the financially literate investor has a more positive attitude towards the investment and the investor consider the financial literacy as a factor that help them to make the investment decision.

4.7.1 Mediation Analysis

To evaluate the mediating effect of the attitude on the relationship between the past behaviour bias and investment intention mediation analysis has been conducted using the Smart PLS.

Table 4.17

Mediation Analysis

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (|O/STDEV|)	P values	CI 2.5%	CI 97.5%
PB -> ATT -> II	0.055	0.055	0.018	3.011	0.003	0.025	0.097
FL -> ATT -> II	0.112	0.112	0.028	4.059	0.000	0.063	0.172
FL -> PBC -> II	0.086	0.086	0.023	3.807	0.000	0.044	0.133

From the SEM Path Analysis table (4.16) it is concluded that there is no direct significant impact of the Past Behaviour Bias in the intention to investment. However, it is found that the attitude has the significant impact in investment intention. Further it was also found that the PB also have the significant impact in the investment intention. From this it is clear that PB -> ATT -> II is the case of full mediation (indirect effect only). To verify the impact mediation analysis have been executed and from the table 4.17 it can be observed that the indirect effect (PB -> ATT -> II) is significant as indicated by the P-value of 0.003 which is less than the level of significance of 0.05. So, it can be claimed that PB does not have the direct impact in the intention to investment. Past behaviour plays a significant role on shaping the attitude of the individual and based on the attitude formed individual investors are motivated for the investment decision making. Hence, it can be concluded that Attitude plays a role of mediation in between the Past Behaviour and the intention to investment.

4.7.2 Coefficient of Determinant

The coefficient of the determinant R^2 has been presented in table 4.18.

Table 4.18

Coefficient of Determinant of Structural Model

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (|O/STDEV|)	P values
II	0.461	0.472	0.042	11.024	0.000
ATT	0.373	0.379	0.042	8.905	0.000
PBC	0.241	0.246	0.037	6.585	0.000

Table 4.18 shows the R^2- value i.e., coefficient of determination. R^2 measures the predictive capability of model through the square correlation of actual and predicted value of all data that have been included in the model estimation. As per the Hair et al. (2011); Henseler et al. (2009) the value of R^2 above the 0.20 are considered as satisfactory in the management research and the R^2 value of 0.75, 0.50 0r 0.25 for endogenous latent variable can be describes as substantial, moderate or weak respectively (Hair et al.,2011; Henseler et al., 2009). In this study the R^2 for investment decision making is 0.461. So, it can be concluded that this model can predict the 46.10% of all the variance of the investment decision making of the individual investors. The remaining variances can be explained by other remaining variables which are not included in the model.

Similarly, 37.3 % of the variance in attitude towards the investment is explained by the Past Behaviour Bias and financial literacy level of the individual. Similarly, the 24.1% of variance in the Perceived Behaviour Control is explained by the financial literacy level of the individual investors.

4.7.3 Effect size of the Exogenous latent variables

The effect of the exogeneous latent variables has been presented in table 4.19.

Table 4.19

F-Square

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (|O/STDEV|)	P values
ATT -> II	0.061	0.066	0.03	2.052	0.04
FL -> ATT	0.23	0.236	0.057	4.002	0
FL -> II	0.018	0.021	0.016	1.171	0.241
FL -> PBC	0.317	0.329	0.065	4.864	0
PB -> ATT	0.054	0.06	0.028	1.948	0.051
PB -> II	0.008	0.011	0.011	0.748	0.455
PBC -> II	0.04	0.043	0.022	1.84	0.066
SN -> II	0.079	0.086	0.036	2.225	0.026

As mentioned by the Cohen,1988 the f^2 value of 0.02, 0.15 and 0.35 represents small, medium and large effect respectively of the exogeneous latent variable. Further explained that the effect size of variable with the f^2 value of less than 0.02 indicate that there is no effect of the exogeneous variable. From the table 4.19 it can be observed that the exogeneous latent variable Attitude, Subjective Norms, Perceived Behaviour Control have small effect on the endogenous variable indicated by the f^2 value of 0.061, 0.079,0.040 respectively. On the other hand, Past behaviour the financial literacy has no effect on the endogenous variable indicated by the f^2 value of PB and FL as 0.008 and 0.018 respectively.

4.8 Summary of Hypothesis Testing

The summary of the hypothesis testing has been presented in table 4.20.

Table 4.20

Summary of Hypothesis

Hypothesis	Coefficient (β)	P-value	Result
H1: Individual attitude towards the investment decision have the positive influences in intention to invest in the stock market.	0.245	0.000	Accepted
H2: Subjective norms have the positive influence in the individual intention to invest in the stock market.	0.25	0.000	Accepted
H3: Perceived behavioural control of the individuals has the positive influence in the intention to invest in the stock market.	0.175	0.000	Accepted
H4: Past behaviour have the positive influence in the individual's intention to invest in the stock market.	0.085	0.100	Not Accepted
H5: Past behaviour have the positive influence in the individual's attitude towards investment in the stock market.	0.223	0.000	Accepted
H6: The relationship between the past behaviour and intention to invest in the stock market is mediated by the attitude of an investor.	0.055	0.003	Accepted
H7: Investor's Financial literacy have positive influence in the attitude to invest in the stock market.	0.458	0.000	Accepted
H8: Investor's financial literacy have the positive influence on the perceived behavioural control to invest in the stock market.	0.491	0.000	Accepted
H9: Investor's financial literacy have the positive influence on the investment decision making.	0.137	0.015	Accepted

4.9 Comparison across the demographic characteristics

The comparison of the ATT, SN, PBC, PBB, FL and II has been conducted across the various demographic characteristics i.e., Gender, Age, Marital status, education level, occupation level and income level.

4.9.1 Comparison Across the Gender

The comparison on ATT, SN, PBC, PBB and FL across the gender has been presented in table 4.21.

Table 4.21

Comparison Across Gender

| S. N	Null Hypothesis	Sig.	Decision
1.	The distribution of ATT is the same across category of Gender	0.251	Retain the null hypothesis.
2.	The distribution of SN is the same across category of Gender.	.215	Retain the null hypothesis.
3.	The distribution of PBC is the same across category of Gender	0.00	Reject the null hypothesis.
4.	The distribution of PBB is the same across category of Gender	0.009	Reject the null hypothesis.
5.	The distribution of FL is the same across category of Gender	0.009	Reject the null hypothesis.
6.	The distribution of II is the same across category of Gender	0.340	Retain the null hypothesis.

From the table 4.21 it is found that there is no difference in attitude, subjective norms and investment intention in comparison between the Male and the Female. However, there is significant difference in the Perceived Behaviour Control, Past Behaviour Bias and Financial Literacy among the Male and Female.

Figure 4.2

Mean Rank for Gender
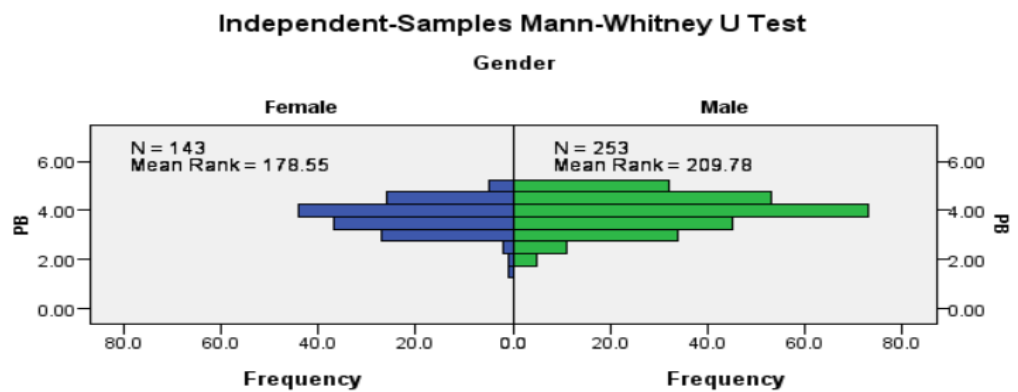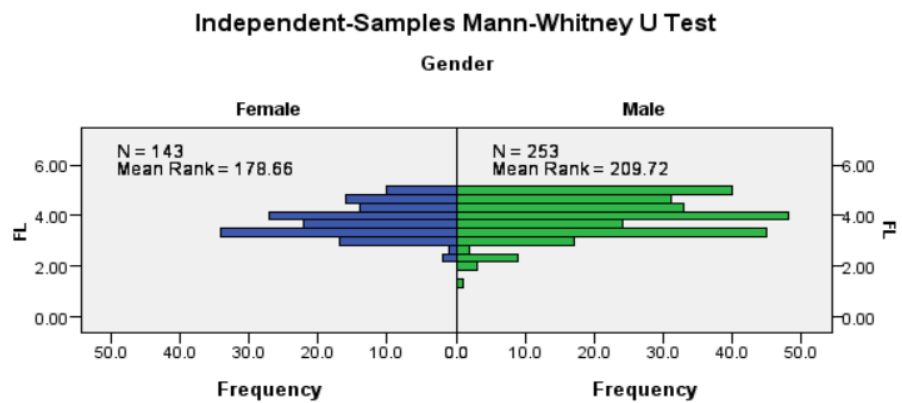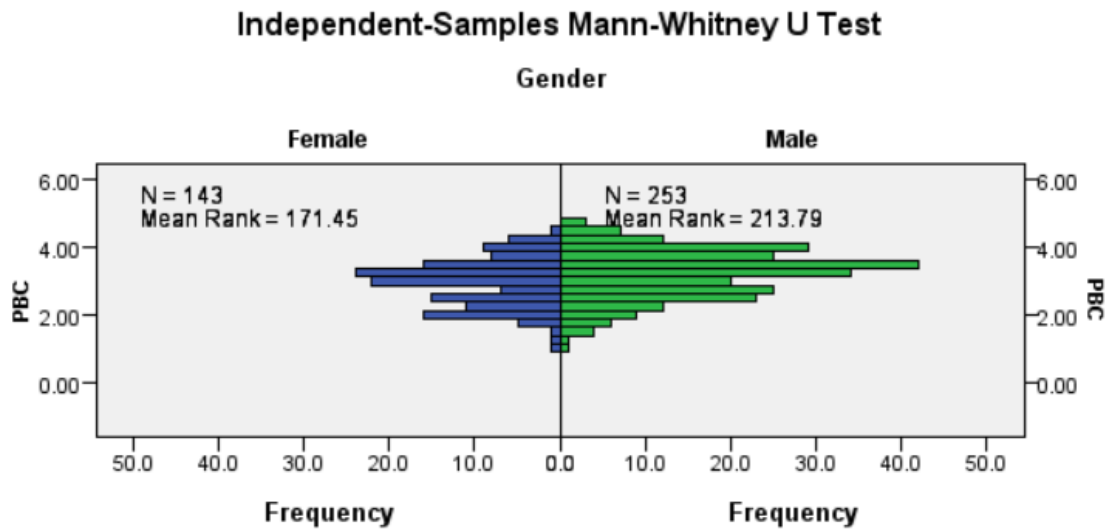
For the Perceived Behaviour Control the mean rank of Male is greater than Female which indicates that the female feels more difficult to make the investment decision and have the greater feeling that they lack the resources like money, time, knowledge to overcome the obstacles in comparison to the Male respondents.

Similarly, for the financial literacy the mean rank indicates that the female has the low financial literacy level in comparison to male and found that Male have the more Past behaviour bias in investment decision making in comparison to female.

4.9.2 Comparison Across the Age category

The comparison on ATT, SN, PBC, PBB, FL and II across the age category has been presented in table 4.22.

Table 4.22

Comparison Across the Age

	ATT	SN	PBC	PB	FL	II
Kruskal-Wallis H	3.044	2.058	7.345	11.479	9.612	1.178
df	3	3	3	3	3	3
Asymp. Sig.	.385	.561	.062	.009	.022	.758

a. Kruskal Wallis Test

b. Grouping Variable: Age

Since the P-value for Attitude, Subjective norms. Perceived Behaviour control and Investment Intention is greater than the level of significance of 0.05 it can be concluded that there is no significant difference in the distribution of Attitude, Subjective norms, Perceived Behaviour Control and the investment intention across the categories of Age.

PB and financial literacy have the P-value of 0.09 and 0.022 which is less than the level of significance of 0.05 it indicates that the distribution of Past Behaviour and Financial Literacy is not same across the categories of Age.

Table 4.23

Mean Rank for the Age category

	Age	N	Mean Rank
PB	18-28	216	192.91
	29-39	124	193.06
	40-50	44	213.07
	More than 50	12	302.00
	Total	396	
FL	18-28	216	191.39
	29-39	124	199.75
	40-50	44	203.43
	More than 50	12	295.50

From the data it can be observed that the past behaviour bias is seen in the investment decision making by the elder investors as compared to the younger investor. The mean range is increasing when the age is also increasing. So, it can be concluded that when the age of the individual investors increases it tends to increase the Past behaviour bias in the decision making of the individual.

Similarly, as indicated by the mean range of 191.39 for 18-28, 199.75 for 29-39, 203.43 for 40-50 and 295.50 for more than 50 it can be concluded that the level of the financial literacy increases along with the increase in the age of the individual investors.

Since the P-value for Attitude, Subjective norms. Perceived Behaviour control and Investment Intention is greater than the level of significance of 0.05 it can be concluded that there is no significant difference in the distribution of Attitude, Subjective norms, Perceived Behaviour Control and the investment intention across the categories of Age.

PB and financial literacy have the P-value of 0.09 and 0.022 which is less than the level of significance of 0.05 it indicates that the distribution of Past Behaviour and Financial Literacy is not same across the categories of Age.

4.9.3 Comparison Across the Marital Status

The comparison on ATT, SN, PBC, PBB, FL and II across the marital status has been presented in table 4.24.

Table 4.24

Comparison Across the Marital Status

	ATT	SN	PBC	PB	FL	II
Kruskal-Wallis H	1.715	.992	.204	2.544	2.111	1.149
df	2	2	2	2	2	2
Asymp. Sig.	.424	.609	.903	.280	.348	.563

a. Kruskal Wallis Test

b. Grouping Variable: Marital Status

Since the P-value for all the variables i.e., ATT, SN, PBC, PB, FL and II is greater than the level of significance of 0.05 the null hypothesis has been retained meaning that There is no difference in attitude, subjective norms, PBC, PB, FL and Investment intention among the married, unmarried and others group individual investors.

4.9.4 Comparison across the Education Level

The comparison on ATT, SN, PBC, PBB, FL and II across the education level has been presented in table 4.25.

Table 4.25

Comparison across the Education Level

	ATT	SN	PBC	PB	FL	II
Kruskal-Wallis H	14.737	13.606	6.638	12.432	17.947	11.111
df	3	3	3	3	3	3
Asymp. Sig.	.002	.003	.084	.006	.000	.011

a. Kruskal Wallis Test

b. Grouping Variable: Highest Education

Since the P- Value for Attitude, Subjective norms, PB, Financial Literacy, Investment intention less than the level of significance of the 0.05 it can be concluded that there is significant difference in the attitude, subjective norms and financial literacy, PB and

Investment Intention among the individuals with the different education level. However, there is no significant difference in PBC.

Table 4.26

Mean Rank for Education Level

	Highest Education	N	Mean Rank
ATT	Up to Intermediate	26	168.13
	Bachelor	151	175.83
	Masters	212	218.74
	PHD or Equivalent	7	187.36
	Total	396	
SN	Up to Intermediate	26	129.29
	Bachelor	151	190.81
	Masters	212	211.50
	PHD or Equivalent	7	227.64
	Total	396	
PB	Up to Intermediate	26	158.29
	Bachelor	151	182.13
	Masters	212	212.75
	PHD or Equivalent	7	269.29
	Total	396	
FL	Up to Intermediate	26	177.04
	Bachelor	151	171.14
	Masters	212	218.80
	PHD or Equivalent	7	253.50
	Total	396	
II	Up to Intermediate	26	148.54
	Bachelor	151	185.19
	Masters	212	213.31
	PHD or Equivalent	7	222.71
	Total	396	

Maters level individuals are found to be have a positive attitude towards the investment in stock market followed by the PHD, Bachelor and Up to intermediate. The mean score for the Masters is greater than the PHD but the value is close so it can be concluded that the people tend to form a positive attitude when the level of education increases as indicated by the mean rank score of Masters followed by Bachelor a by the education level up to intermediate.

From the mean rank of SN, it indicates that more the people are educated they more think about the people around them. It indicates that educated people tends to analyze his/her behaviour is suitable or not based on how the people around them take it. Further indicates that the educated people tend to seek suggestion and guidelines from the people around them while making the investment decision.

Table also indicates that more the individual is educated he/she tends to have a more Past behaviour Bias in his/her investment decision making. Individuals with the PHD have the highest PBB followed by Masters level.

Similarly, the Individual with the higher level of education is found to have a higher level of literacy about the market. It indicates that the when the education level of an individual increases it tends to increase the knowledge of the market and the stock investment among the Nepalese investors. Further investment intention shows that people having higher education level are more motivated for the investment in the stock market. When the level of education increases the individual is more motivated towards the investment in the stock market.

4.9.5 Comparison across the Current occupation

The comparison on ATT, SN, PBC, PBB, FL and II across the current occupation has been presented in table 4.27.

Table 4.27

Comparison across the Current Occupation

	ATT	SN	PBC	PB	FL	II
Kruskal-Wallis H	9.035	1.755	6.166	13.409	6.903	4.535
df	4	4	4	4	4	4
Asymp. Sig.	.060	.781	.187	.009	.141	.338

a. Kruskal Wallis Test

b. Grouping Variable: Current Occupation

The P-value for the Attitude, Subjective norms, Financial Literacy and Investment Intention to investment is greater than the P-value of 0.05 i.e., 0.60, 0.781,0.187, 0.141 and 0.338 respectively. From this it can be concluded that the distribution of the ATT, SN, FL, II are same across the category occupation.

However, Past Behaviour have p-value of 0.009 which indicates that the distribution of the PB is not same across the category occupation.

Table 4.28

Mean Rank for Current Occupation

	Current Occupation	N	Mean Rank
PB	Student	124	204.95
	Job in Private Company	114	173.96
	Government Job Holders	56	185.71
	Own Business	84	231.27
	Others	18	196.36
	Total	396	

From the table 4.28 it can be observed that the individual with the occupation own business is found to have more Past Behaviour Bias followed by student, Government Job holders and Job in private company individuals.

4.9.6 Comparison across the Income Level

The comparison on ATT, SN, PBC, PBB, FL and II across the current occupation has been presented in table 4.29.

Table 4.29

Comparison across the Income Level

	ATT	SN	PBC	PB	FL	II
Kruskal-Wallis H	4.845	2.696	4.051	1.192	2.856	9.034
df	3	3	3	3	3	3
Asymp. Sig.	.184	.441	.256	.755	.414	.029

a. Kruskal Wallis Test

b. Grouping Variable: Annual Income

Since the P-value for Attitude, Subjective norms, Perceived behaviour control, Past Behavior and Financial Literacy is greater than the level of significance of the 0.05 it can be concluded that the distribution of ATT, SN, PBC, PB and FL have the same distribution across the income level. The P-value of the II is less than the 0.05 which indicates that the distribution of the II is not same across the category income level.

Table 4.30

Mean Rank for Income Level

	Income	N	Mean Rank
II	Less than 2 Lakh	112	213.29
	2-3 Lakh	59	161.22
	3-5 Lakh	125	206.19
	5lakh and above	100	194.32
	Total	396	

Individuals with the low income are found to have the positive attitude towards the investment and are more willing to invest in the stock market.

4.10 Major Findings

The major findings of the research are:

- Then mean score for the attitude is 4.066 which indicates that the majority of the respondent agreed on the statement that measures the attitude of the individual toward the investment in stock market. It indicates that the Nepalese individual investors have the positive attitude towards the stock market investment.

- The mean score for the subjective norms is 3.712 which indicates that the respondent agreed that their investment decision is influenced by the people around them. This indicates that the Nepalese individuals value the suggestion and opinion of the people around them and found that the they give more value to the suggestion provided by the people who are not their family members but are close to them as indicates by the mean score of 3.62 and neutral score on the suggestion by the family. Similarly, the majority of the respondent's friend and colleagues are involved in the stock market which reflect the growing number of the individual in the Nepalese stock market in the past 3 years.

- The mean score for the Perceived Behaviour control is 3.0 which shows that the respondents are neutral on the statements that measures the PBC. This indicates that the investors have the indifference perception about whether participating in the stock market is easy or difficult. However, the result shows that the Nepalese respondents have the enough energy and are motivated for the stock investment but they feel that they do not have enough resources required for the stock investment i.e., lack of money, time, information and a knowledge to overcome the obstacles.

- The mean score for the Past Behaviour Bias is 3.626 which indicates that the majority of the respondent agreed on the statement that measures the Past behaviour bias. From the result it can be concluded that the Nepalese individual investors base their stock selection decision based on the criteria like Past Performance, stock with the consistent historical performance, stock having the consistent growth rate an avoid the investing in the stock having the poor earning history.

- The overall mean score for the financial literacy is 3.848 which indicates that the respondent agreed on the statement that measures the financial literacy level. The result shows that the majority of the respondent have the sound financial knowledge about the market.

- The Nepalese individual investors have the positive sentiments towards the investment on the stock. Nepalese investors are encouraged and are motivated towards the stock investment activities. They are also encouraging their friends, family and the people around them to invest in the stock market.

- From the correlation matrix it is concluded that there exists the moderate degree of positive relationship between: Attitude and Investment Intention (r=0.569), Subjective norms and investment intention(r=0.521), Perceive behaviour control and investment intention(r=0.462), Past behaviour bias and investment intention(0.468), Past behaviour and attitude (r=0.478), Financial literacy and investment intention (r=0.518), Financial literacy and the attitude(r=0.582) and Financial literacy and the Perceived behaviour control (r=0.491).

- The P-value (0.000) of the Attitude, subjective norms and Perceived Behaviour control is less than the level of significance of 0.05 which indicates that all the component of the Theory of Planned behaviour have the significant impact on the investment intention. Similarly, the financial literacy has the significant impact on the investment intention, attitude and the PBC indicated by the P-value 0f 0.015, 0.00 and 0.00 respectively which is less than the level of significance of 0.05. On the other hand, there is no significant impact of Past Behaviour Bias on the investment intention as indicated by the P-value of 0.10 which is greater than the level of significance i.e., 0.05.

- Past behaviour bias does not have the direct impact on the investment decision making but when the attitude is introduced as a mediating variable there exist an indirect impact of Past behaviour in the intention to investment. It can be concluded that attitude plays a role of mediator between the past behaviour and the intention to investment.

- From the path analysis it can be concluded that the model can explain only the 46.1% of all the variance in investment decision making of the individual Nepalese investor.

- There is no significant difference in the ATT, SN and II between the male and female. However, the difference is observed in PBC, PBB and Financial Literacy while comparing between male and female.

- Female find more difficult to make the investment related decision and they feel that they have lack of resources such as money, time, knowledge in comparison to male.

- It is found that the Nepalese female investors have the low financial literacy level in comparison to male. However, in the context of PBB the male is found to have more PBB in their investment decision in comparison to female.

- There is no significant difference in ATT, SN, PBC and II across the category of Age.

- More PBB is seen in the investment decision of the older investors in comparison to the decision of the younger investors. It means that as age increases the PBB also increases along with age in the investment decision making.

- The FL level also increases as the age of the individuals increases. Higher level of the FL is found in the age category more than 50 followed by 40-50 and 29-39 and 18-28 age category.

- There is no significant difference in attitude, SN, PBB, FL and II among the individuals based on the marital status i.e., married, Unmarried or others.

- There is significant difference in the ATT, SN, PB, FL AND II among the individuals with different education level. However, there is no difference in the PBC based on the education Level.

- When Education level increases the people tends to firm a positive attitude towards the stock investment.

- Individuals with the higher degree i.e., PHD, Master and Bachelor are found that their investment decision making is more influenced by the factor SN. The individuals holding PHD level have the highest influence of SN in their investment decision making followed by the master, bachelor and up to intermediate level.

- The PBB is seen more on the individual who have higher level of education. Individual with the PHD have the highest PBB followed by the master's level.

- Individual with the higher level of the education have the higher level of financial literacy. In the study individual with the PHD have the highest FL followed by masters. It indicates that when the level of education increases the level of financial literacy also increases. Further when the level of FL increases the individuals are more motivated towards the investment in the stock market.

- The distribution of ATT, SN, FL and II are same across the category occupation. Only the PB distribution is not same across the category occupation.

- It is found that the individual with the occupation own business is found to have more Past Behaviour Bias followed by student, Government Job holders and Job in private company.

CHAPTER V
DISCUSSION, CONCLUSION & IMPLICATIONS

This chapter has been divided into the three sections. Firstly, it presents the discussion about the major findings of the study and the confirmation of the major findings of this study with the previous study conducted in the related field. Secondly, the conclusion of the study has been presented based on the discussion and at the last the implication of the study has been presented.

5.1 Discussion

The main objective of this study is to examine the impact of component of Theory of Planned Behaviour (Attitude, Subjective norms, Perceived Behaviour Control) in the investment decision making of the individual investor along with expanding the model with the additional variable Financial Literacy and the Past Behaviour Bias.

In this study the impact of Attitude, Subjective norms, Perceived behaviour control, Past Behaviour Bias and Financial literacy on the investment decision making of the individual Nepalese investor were hypothesized and carefully examined. In study the effect of the Past behaviour Bias was examined by establishing the relationship directly and further indirectly by considering the attitude as the mediating variable on the relationship between the Past behaviour bias and the investment decision making of the individual investor.

The study concluded that the all the original component of the Theory of the Planned behaviour i.e., Attitude, Subjective norms, Perceived Behaviour Control have the significant impact on the investment decision making. This finding is consistent with the finding of the study conducted by the Raut (2020) in context of India taking 448 investors who have more than three years of experience in the stock market. From this it can be inference that the investment decision making criteria of the Indian Investors and the Nepalese investors are more or less similar as indicated by both the countries investors' investment decision making is guided by the Attitude, Subjective norms and the Perceived Behaviour Control.

The study concluded that the among the component of the Theory of Planned behaviour the Subjective norms have the highest influence in the investment decision making of the individual followed by the Attitude and the Perceived Behaviour Control. Raut (2020) and Cuong & Jian (2014) concluded the slightly different result from the result this study. Both the research found that the ATT to be the most influencing factor followed by the Subjective

norms and the Perceived Behaviour control. In this study the difference in β coefficient in between the Attitude and subjective norms are not that significantly different i.e., β for attitude is 0.245 and β for subjective norms is 0.25. From this it can be concluded that the both the Attitude and the Subjective norms have the most influencing impact on the investment decision and the difference in the previous study might have been seen as the Nepalese investors' investment decision heavily depends upon the other advice and suggestion while making investment decision as shown by the study of the Karmacharya et al. (2022) and Shrestha (2020). So, because of this behaviour of the Nepalese investors the Subjective norms have come in the first rank followed by the attitude and the Perceived behaviour control. More or less the finding can comply with the findings of the Raut (2020) and Cuong & Jain (2014) as in the β there is no significant difference between the Attitude and the Subjective norms. So, it can be concluded that the attitude and the subjective norms have the most influencing impact on the decision making of the individual investors followed by the Perceived Behaviour control.

This study concluded that the Nepalese investors investment decision is highly influenced by the people around them. Nepalese people are found giving more priority to the suggestion and information provided by the people around them and base the investment decision on it rather that making a proper market analysis. This finding is similar to the findings of the Karmacharya et al. 2022 and Shrestha 2020 where Karmacharya et al., 2022 concluded that Nepalese investors heavily depends upon the other advice and suggestion while making the investment decision without proper market analysis and Shrestha (2020) also concluded that Nepalese investors investing decision are influenced by the family and friends. Further, the Da Coasta et al., 2019 also concluded that the developed market investors based their investment decision based on the fundamental driven investment strategies whereas the emerging market investor make the investment decision based on the information guided behaviour. Nepalese stock market is also the emerging market and this study found that the Nepalese investors' investment decision is highly influenced by the information provided by the people around them.

In the study it was found that the Nepalese investor feel that they lack the resources that are need for the stock investment. Investors feel that they have lack of money, time, information and lack of knowledge to overcome to obstacles that might arises while engaging in the stock market. The majority of the respondents in this research have the low-income level because of which they might have feel lack of money to invest in the stock market. While talking

about the lack of information there is the problem of lack of proper information to the investor in the Nepalese investors this finding is in the line of findings of kadariya et. al, 2016 which stated that the Nepalese capital market is characterize with limited sources of the information and the rational fact is that the Nepalese investors are facing the problem on accessing the information that are required for making the investment related decision.

It is reported that the financial literacy has the positive influence in the investment decision making and also concluded that the financial literacy have a positive influence on both the Attitude and the Perceived Behaviour control. The finding is similar to the finding of the Rahadjeng & Fiandari (2020) that concluded that the individual who are financial literate will have a knowledge about the market and a good knowledge will lead to form a good attitude. The study complies with the findings of Tanuwijaya and Setyawan (2021) that higher financial literacy of an individual leads to the higher investment interest. From this it can be concluded that the FL helps an individual investor in building a settled way of thinking for the investment decision making and further make them confident to perform the rational and well calculated judgement. Further, if Nepalese investor will have more knowledge about the market and other investment related terms and if they will have easy and timely access to the information, they will be more motivated for the investment in the stock market and their decision might be based on more in-depth analysis rather than decision based on social influences.

In this study it was found that the past behaviour bias does not have the significant impact on the investment intention directly but it was found a positive indirect relation in the predicting the investment intention when Attitude was taken as a mediating variable. This finding was similar to the finding of Raut (2020). From this it can be concluded that the stock selection decision of the Nepalese investor is significantly affected by the previous experience. Nepalese investor future investment decision is found to be bias towards the anchor or any attribution. This study concluded that the experience of the investor first shapes the belief i.e., can be negative or positive and then motivate the investors to invest in a particular stock.

Similarly, no significant difference has been observed in the ATT, SN, II between the Male and Female investors. However, the difference was observed in PBC, PB and FL where it is concluded that the female finds more difficult to make investment related decision and further found that the in context of Nepal female have the less literacy rate than the male. The reason that female find it more difficult to invest might be due to lack of confident and

lack of financial knowledge to them in comparison to male. This finding was in line of the finding of Barker *et al*. 2019 that concluded that male investors are more confident than the female about their knowledge of the stock market. Similarly, the finding of this study was also similar to the finding of Arti, Sunita and Julee (2011) that the male have more awareness about various investment avenues and found that female investors tends to have less confident in their investment decision in comparison to male and female are found to have lower satisfaction level in their investment decision.

More PBB is found in the investment decision of the older investor in comparison to the younger investors. It might be the result of the past experience. It might be because older investor has more experience in investing in comparison to the younger investors and because of which more past behaviour bias might have seen in the older while comparing with the younger investors. Further, in the study it was found that the PBB was found more on the people who own their own business. It might be the reason that the business people tend to give more importance to books of account and they have the tendency to evaluate the failure or success of the business based on the past profit, sales of the business. Because of this practice and belief of business personal more past behaviour might have been seen in their stock investment activities.

Similarly, it was found that the financial literacy increases with the increase in the age. This indicates that when individual engage in the stock investment and continuously practices the stock investment activities, he/she gets an opportunity to learn by doing as a result the financial literacy of an individual increases as the experience in the stock market increases. Further, it was found that when education level increases individual tends to form a positive attitude towards the investment. It might be the reason that when the education level increases the financial literacy level of an individual increases and ultimately it encourages an individual to become aware about the financial markets and motivates individuals towards the stock investment.

This study also concluded that more the individual is educated his/her decision is more guided by the suggestion provided by the people around them. This shows that educated investors seeks lots of information and suggestion to process it and to take a final decision. It also shows that individual requires confident in their analysis to make the investment decision and the confident in own analysis is gain only from the experience and continuous practice. Education level is not solely sufficient to gain the confident in the stock market investment decision making.

5.2 Conclusion

The aim of this study was to investigate the impact of the ATT, SN, PBC, FL and PBB in the investment intention of the Nepalese individual investors. From the study it is concluded that the Nepalese investors investment decision making is significantly influenced by the attitude of the individual towards the stock market, people around them (SN), Perceived behaviour control, level of the financial literacy. It is concluded that there is no direct impact of the Past behaviour bias in the investment intention. Further, it is concluded that the PBB have the significant indirect impact when attitude mediated the relationship between the PBB and the investment intention.

From the study it is concluded that the Nepalese individuals have the positive attitude towards the stock market investment and people are encouraging their family, friends and peer groups to engage in the stock market. As a result, growing number of investors in the Nepalese stock market can be observed in last few years. Further, it can be concluded that the Nepalese investors lack the confident on the publicly available information and lack the confident in their own analysis as a result, they are found making the investment decisions based on the information provided by their friends, family and other peer groups.

Nepalese investor has some shots of bias that can be indicated as an anchoring or attribution bias in their investment decision making. There is no direct impact of the PBB in the investment intention but found the indirect significant impact when the attitude mediates the relationship between the PBB and the investment intention. From this it can be concluded that the Nepalese intention to investment is significantly influenced by the previous sunk results where the investment decision for the future may be bias towards the anchor or any attribution. Nepalese individual investors shape the belief that can be positive or negative based on their previous experience and if the previous experience is found to be favorable to them they tends to repeat the particular investment decision and on the contradiction if previous experience on investing on a particular type of stock is found to be unfavorable to them they ignore the investment in that stock or in that type of stocks without considering the future prospect of that particular stock/company.

Similarly, the findings indicate that the individual investors are not getting easy access to the information and lack the knowledge to overcome the obstacles that might arise while engaging in the stock market. In this regards the regulatory body (SEBON), NEPSE along with the broker should conduct various campaign related to the stock market so that the Nepalese investors will get more information and knowledge. It might help the individual

investors to make the more rational investment decision. Further, this study also found that the level of the financial literacy among the Nepalese investors are increasing. It might be due to the growing number of medias disseminating the information focusing on the stock market of Nepal.

5.3 Implications

This study mainly highlights the behaviour dimensions of the Nepalese individual investors in stock market investing. The finding of this study has been meaningful as there is significant impact of independent variable i.e., ATT, SN, PBC, FL in the investment intention of the Nepalese individual investors and PBB have the significant indirect impact when the relationship between PBB and II is mediated by the attitude of an individual towards the stock market. Thus, this research finding provides the valuable theoretical and practical implications for the various stakeholders of the society.

This study provides the evidence that how well the component of the Theory of the Planned behaviour along with PBB and FL are able to explain the Nepalese individual investors intention to participate in the stock market. In this study it is found that the model can explain only 46.1% of the variance in the investment intention. The future researcher is suggested to expand the model with the more other variables that can increase the predicting power of the model. As in this research it is found the sign that the individuals investment decision is bias as they based their investment decision based on the past experience on investing in particular stock/company. From this future research can be done by incorporating the new variable past experience in this model

This study also provides the practical implication for the government and different policymakers and other concern body of the stock market in the Nepal. It is found that the individual investor feel that they have lack of information and feel that they lack the knowledge to overcome the obstacles to overcome the problem that arise while involving in the stock market. In this regards the government and concern authority should make the easy and transparent access of information to the individual investors. Further the concern authority should organize more investor awareness programs in different part of the country so that they would be more aware about the capital market which might help them to overcome the obstacles in investing the stock market.

This study also provides the practical implication for the individual Nepalese investors. This study found that the individual is found making the investment decision based on the information provided by the people around them and lack the confident in their own analysis.

So, the individual Nepalese investors are suggested to based their investment decision on their own analysis. For this they are suggested to uplift their confident on their analysis by taking various fundamental and technical analysis classes with the experts of the stock market.

Similarly, the Nepalese investors' investing decision are found to be guided by some sorts of bias like anchoring bias or the attribution bias. They are found to form a belief that can be positive or negative based on the experience regarding past stock performance, price trend or any similar information and they found to make the biased investment decision based on the belief without considering the future prospects, current scenario and other measures. So, the investors are suggested to analyze each and every aspect of the company, economic condition of the country and other measures rather than taking an investing decision based on past experience. By doing this they will be able to take the more rational and well calculated investing decision.

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QUESTIONNAIRE

Dear Respondent,

I am Sujan Tiwari, an MBA pursuant at the school of Management, TU. I am conducting a study entitled "**Past Behaviour, Financial Literacy and Intention to Invest in the Stock market: Extending the Theory of the Planned Behaviour**". It would be of great help if you spare few minutes of time to respond to the questionnaire. The information will be kept highly confidential and the information provided will be used only for the academic purpose.

Question with mark (*) are compulsory.

SECTION A

1. **Name**

   _____

2. **Address**

   _____

3. **Gender** *
   - ⬭ Male -1
   - ⬭ Female -0
   - ⬭ Others -2

4. **Age** *
   - ⬭ Less than 18 -1
   - ⬭ 18-28 -2
   - ⬭ 29-39 -3
   - ⬭ 40-50 -4
   - ⬭ More than 50 -5

5. **Marital Status** *
   - ⬭ Married -1
   - ⬭ Unmarried -2
   - ⬭ Others -3

6. **Highest Education***
   - ⬭ Up to Intermediate -1
   - ⬭ Bachelor -2

○ Master -3

○ Phd or equivalent -4

7. Current Occupation*

○ Student -1

○ Job in Private Company -2

○ Government Job Holder -3

○ Own Business -4

○ Other: _____-5

8. Income level

○ Less than 2 Lakh -1

○ 2-3 Lakh -2

○ 3-5 Lakh -3

○ 5 Lakh and Above -4

9. Are you involved in investment and trading of the share in the NEPSE?*

○ Yes -1

○ No -2

10. How long have you been engaged in the investment and trading of the stock in NEPSE? *

○ Less than 3 years -1

○ 3 years and more -2

SECTION B

Please read each question carefully and select your level of agreement for the following statement and tick (✓) mark to the appropriate number from 1 to 5.

1= Strongly Disagree, 2 = Disagree, 3= Neutral, 4= Agree and 5= Strongly Agree.

Attitude towards Behaviour Adopted from Nugraha & Rahadi (2021)					
1= Strongly Disagree, 2 =Disagree, 3= Neutral, 4= Agree and 5= Strongly Agree.					
Measurement of Attitude*	**1**	**2**	**3**	**4**	**5**
I think that investing in the stock market can enhance the financial knowledge of the individuals. (ATT1)					
I think that the stock investment is meaningful. (ATT2)					
I think that it is wise for me to engage in Stock investment. (ATT3)					
I think that engaging with stock investment is interesting. (ATT4)					
I think that stock investment is a good idea. (ATT5)					

Subjective Norms- Adopted from Raut (2020); Raut, Das & Kumar (2018) and partially modified					
1= Strongly Disagree, 2- Disagree, 3= Neutral, 4= Agree and 5= Strongly Agree.					
Measurement of Subjective norms*	**1**	**2**	**3**	**4**	**5**
My colleagues and friends are investing in stock market. (SN1)					
Those have the important influence on me think that I should invest in stock market. (SN2)					
People whose opinion I value would prefer that I should invest in stock market. (SN3)					
My participation in stock market is influenced by the support from the family. (SN4)					
My participation in stock market is influenced by the suggestion provided by the person close to me. (SN5)					

Perceived Behavioural Control Adopted from Nugraha & Rahadi (2021)					
1= Strongly Disagree, 2- Disagree, 3= Neutral, 4= Agree and 5= Strongly Agree.					
Measurement for Perceived Behavioral Control*	**1**	**2**	**3**	**4**	**5**
I have enough money for stock investment. (PBC1)					
I have enough energy for stock investment. (PBC2)					
I have enough information for stock investment. (PBC3)					
I have enough time for stock investment. (PBC4)					
I have enough knowledge to overcome obstacles or problems while engaging in stock investment. (PBC5)					

Past Behavioural Bias Adopted from Raut (2020); Raut, Das & Kumar (2018)					
1= Strongly Disagree, 2- Disagree, 3= Neutral, 4= Agree and 5= Strongly Agree.					
Measurement for Past Behavioural Bias*	**1**	**2**	**3**	**4**	**5**
Past Performance of stock affects present investment decision (PBB1)					
For an investment, whose historical performance has been consistently excellent, I will treat it important. (PBB2)					
Available information is enough for making current investment decision. (PBB3)					
Investing in the companies with poor earnings history should be avoided. (PBB4)					
Good Stocks usually have the consistent past earning growth. (PBB5)					

Financial Literacy partially adopted from VanRooji & Alessie (2011)					
1= Strongly Disagree, 2- Disagree, 3= Neutral, 4= Agree and 5= Strongly Agree.					
Measurement for Financial Literacy*	**1**	**2**	**3**	**4**	**5**
Stock market brings the people who want to buy stocks together with those who want to sell the stocks. (FL1)					
If Someone buys the stock of Company XYZ from a stock market, he owns a part of company XYZ. (FL2)					
If someone buys a bond of firm XYZ than he has lent money to firm XYZ. (FL3)					
Considering a long time period (e.g., 10 0r 20 yrs.) common stock gives the highest return in comparison to saving account and Bonds. (FL4)					
Normally common stock display highest fluctuation over time in comparison to Bonds. (FL5)					
Stocks are normally riskier than Bonds. (FL6)					
If the interest rate falls the price of Bond usually rises. (FL7)					

Intention towards Investment Adopted from Raut (2020); Raut, Das & Kumar (2018)					
1= Strongly Disagree, 2- Disagree, 3= Neutral, 4= Agree and 5= Strongly Agree.					
Measurement for the Intention towards Investment *	**1**	**2**	**3**	**4**	**5**
I will invest in stock market frequently. (II1)					
I will encourage my friends and family to invest in stock market. (II2)					
I will invest in the stock market in near future. (II3)					
I will recommend other to invest in the stock market. (II4)					

THANK YOU!!!!

APPENDIX II

QUESTIONNAIRE IN NEPALI

प्रिय उत्तरदाता,

म सुजन तिवारी , स्कुल अफ म्यानेजमेन्ट, TU मा MBA गर्दैछ ु। मैले " **Past Behaviour, Financial Literacy and Investment Decision Making Process of Individual Investors : Extending the Theory of Planned Behaviour** " शीर्षकको अध्ययन सञ्चालन गरिरहेको छ । यदि तपाईंले प्रश्नावलीको जवाफ दिन केही मिनेट समय दिनुभयो भने यो ठूलो मद्दत हुनेछ । जानकारी अत्यधिक गोप्य राखिनेछ र प्रदान गरिएको जानकारी शैक्षिक उद्देश्यको लागि मात्र प्रयोग गरिनेछ ।

(*) सहितको प्रश्न अनिवार्य छ ।

खण्ड "क"

नामः _____

ठेगानाः _____

लिङ्ग *

◯ पुरुष
◯ महिला
◯ अन्य

उमेर *

◯ १८ देखि २८ सम्म
◯ २९ देखि -३९ सम्म
◯ ४० देखि -५० सम्म
◯ ५० भन्दा बढी

वैवाहिक स्थिति*

◯ विवाहित
◯ अविवाहित
◯ अन्य

शैक्षिक योग्यता*

◯ Up to Intermediate
◯ Bachelor

○ Master

○ Phd or Equivalent

वर्तमान पेशा*

○ विद्यार्थी

○ आफ्नै व्यवसाय

○ सरकारी जागिर

○ निजी जागिर

○ गृहिणी

○ अन्य: _____

के तपाई नेप्सेमा शेयरको लगानी र कारोबारमा संलग्न हुनुहुन्छ ?*

○ छु

○ छैन

NEPSE मा सेयरको लगानी र कारोबारमा तपाई कति समयदेखि संलग्न हुनुहुन्छ ?*

○ ३ वर्षभन्दा कम

○ ३ वर्ष र अधिक

खण्ड "ख"

कृपया प्रत्येक प्रश्नलाई ध्यानपूर्वक पढ्नुहोस् र निम्न कथनका लागि आफ्नो सहमती स्तर अनुसार यसमा १ देखि ५ सम्म उपयुक्त सङ्ख्यामा (✓) चिन्ह लगाउनुहोस् ।

यसमा १= दृढतापूर्वक असहमत, २ = असहमत, ३= तटस्थ, ४= सहमत र ५= दृढतापूर्वक सहमत संकेत गर्दछ ।

१= दृढतापूर्वक असहमत, २- असहमत, ३= तटस्थ, ४= सहमत र ५= दृढतापूर्वक सहमत संकेत गर्दछ ।					
मनोवृत्तिको मापन *	१	२	३	४	५
शेयर बजारमा लगानी गर्नाले व्यक्तिको वित्तीय ज्ञान बढाउन सकिन्छ भन्ने मलाई लाग्छ ।					
स्टक लगानी अर्थपूर्ण छ भन्ने मलाई लाग्छ ।					
स्टक लगानीमा संलग्न हुनु मेरो लागि बुद्धिमानी हो भन्ने मलाई लाग्छ ।					
शेयर बजार लगानीमा संलग्न हुनु मेरो लागि रोचक गतिविधि हो ।					
मलाई लाग्छ कि स्टक लगानी राम्रो विचार हो ।					

१= दृढतापूर्वक असहमत, २- असहमत, ३= तटस्थ, ४= सहमत र ५= दृढतापूर्वक सहमत संकेत गर्दछ।					
व्यक्तिपरक मापदण्डहरू *	१	२	३	४	५
मेरा सहकर्मी र साथीहरूले शेयर बजारमा लगानी गरिरहेका छन्।					
ममा महत्वपूर्ण प्रभाव पार्ने व्यक्तिहरूलाई लाग्छ कि मैले शेयर बजारमा लगानी गर्नुपर्छ।					
जसको विचारलाई म कदर गर्छु, उनीहरूले मैले सेयर बजारमा लगानी गर्नुपर्छ भन्ने चाहन्छन्।					
शेयर बजारमा मेरो सहभागिता परिवारको सहयोगबाट प्रभावित छ।					
शेयर बजारमा मेरो सहभागिता मेरो नजिकको व्यक्तिले दिएको सुझावबाट प्रभावित छ।					

१= दृढतापूर्वक असहमत, २ = असहमत, ३= तटस्थ, ४= सहमत र ५= दृढतापूर्वक सहमत संकेत गर्दछ।					
कथित व्यवहार नियन्त्रणको लागि मापन *	१	२	३	४	५
मसँग स्टक लगानीका लागि पर्याप्त पैसा छ।					
मसँग स्टक लगानीका लागि पर्याप्त ऊर्जा छ।					
मसँग स्टक लगानीका लागि पर्याप्त जानकारी छ।					
मसँग स्टक लगानीका लागि पर्याप्त समय छ।					
मसँग स्टक लगानीमा संलग्न हुँदा आउने बाधाहरू वा समस्याहरू पार गर्न पर्याप्त ज्ञान छ।					

१= दृढतापूर्वक असहमत, २ = असहमत, ३= तटस्थ, ४= सहमत र ५= दृढतापूर्वक सहमत संकेत गर्दछ।					
विगतको व्यवहार पूर्वाग्रहको लागि मापन*	१	२	३	४	५
स्टकको विगतको प्रदर्शनले हालको लगानी निर्णयलाई प्रभावित गर्दछ।					
जुन कम्पनीको ऐतिहासिक प्रदर्शन लगातार उत्कृष्ट भएको छ, म त्यस कम्पनीमा लगानीका लागि धेरै महत्त्व दिनेछु।					
हालको लगानी निर्णय लिनका लागि उपलब्ध जानकारी पर्याप्त छ।					
न्यून आय भएका कम्पनीमा लगानी गर्नबाट बच्नुपर्छ।					

राम्रो स्टकहरूमा सामान्यतया विगतको कमाइमा लगातार वृद्धि हुन्छ ।					

१= दृढतापूर्वक असहमत, २- असहमत, ३= तटस्थ, ४= सहमत र ५= दृढतापूर्वक सहमत संकेत गर्दछ ।					
वित्तीय साक्षरताको मापन *	१	२	३	४	५
स्टक मार्केटले स्टक किन्न चाहनेलाई स्टक बेच्न चाहनेसँग सँगै ल्याउँछ ।					
यदि कसैले XYZ कम्पनीको शेयर, शेयर बजारबाट खरीद गर्दछ भने, उसले कम्पनी XYZ को केही भागको स्वामित्व राख्छ ।					
यदि कसैले XYZ कम्पनीको ऋणपत्र किन्छ भने उसले XYZ कम्पनीलाइ पैसा उधारो दिएको छ ।					
लामो समयावधिलाई ध्यानमा राख्दै (उदाहरणका लागि, १० -२० वर्ष) साधारण शेयरले बचत खाता र ऋणपत्रको तुलनामा उच्चतम प्रतिफल दिन्छ।					
साधारणतया साधारण स्टकले ऋणपत्रका तुलनामा समयको साथ मूल्यमा उच्चतम उतार-चढाव प्रदर्शन गर्दछ ।					
साधारणतया ऋणपत्रको तुलनामा स्टक बढी जोखिमपूर्ण हुन्छ ।					
यदि ब्याज दर घट्यो भने ऋणपत्रको मूल्य सामान्यतया बढ्छ।					

१= दृढतापूर्वक असहमत, २- असहमत, ३= तटस्थ, ४= सहमत र ५= दृढतापूर्वक सहमत संकेत गर्दछ ।					
लगानीको लागि अभिप्रायको लागि मापन ।	१	२	३	४	५
म बारम्बार शेयर बजारमा लगानी गर्नेछु ।					
म मेरा साथीहरू र परिवारलाई शेयर बजारमा लगानी गर्न प्रोत्साहित गर्नेछु ।					
निकट भविष्यमा शेयर बजारमा लगानी गर्नेछु ।					
म अरूलाई पनि सेयर बजारमा लगानी गर्न सुझाव दिन्छु ।					

धन्यवाद !!!