INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE, IT & MANAGEMENT

IJRCM

IJRCM

CONTENTS

INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE, IT & MANAGEMENT ii

A Monthly Double-Blind Peer Reviewed (Refereed/Juried) Open Access International e-Journal - Included in the International Serial Directories

www.ijrcm.org.in

INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE, IT & MANAGEMENT iii

A Monthly Double-Blind Peer Reviewed (Refereed/Juried) Open Access International e-Journal - Included in the International Serial Directories

www.ijrcm.org.in

INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE, IT & MANAGEMENT   iv
A Monthly Double-Blind Peer Reviewed (Refereed/Juried) Open Access International e-Journal - Included in the International Serial Directories
www.ijrcm.org.in

CALL FOR MANUSCRIPTS

We invite unpublished novel, original, empirical and high quality research work pertaining to recent developments & practices in the area of Computer, Business, Finance, Marketing, Human Resource Management, General Management, Banking, Insurance, Corporate Governance and emerging paradigms in allied subjects like Accounting Education; Accounting Information Systems; Accounting Theory & Practice; Auditing; Behavioral Accounting; Behavioral Economics; Corporate Finance; Cost Accounting; Econometrics; Economic Development; Economic History; Financial Institutions & Markets; Financial Services; Fiscal Policy; Government & Non Profit Accounting; Industrial Organization; International Economics & Trade; International Finance; Macro Economics; Micro Economics; Monetary Policy; Portfolio & Security Analysis; Public Policy Economics; Real Estate; Regional Economics; Tax Accounting; Advertising & Promotion Management; Business Education; Management Information Systems (MIS); Business Law, Public Responsibility & Ethics; Communication; Direct Marketing; E-Commerce; Global Business; Health Care Administration; Labor Relations & Human Resource Management; Marketing Research; Marketing Theory & Applications; Non-Profit Organizations; Office Administration/Management; Operations Research/Statistics; Organizational Behavior & Theory; Organizational Development; Production/Operations; Public Administration; Purchasing/Materials Management; Retailing; Sales/Selling; Services; Small Business Entrepreneurship; Strategic Management Policy; Technology/Innovation; Tourism, Hospitality & Leisure; Transportation/Physical Distribution; Algorithms; Artificial Intelligence; Compilers & Translation; Computer Aided Design (CAD); Computer Aided Manufacturing; Computer Graphics; Computer Organization & Architecture; Database Structures & Systems; Digital Logic; Discrete Structures; Internet; Management Information Systems; Modeling & Simulation; Multimedia; Neural Systems/Neural Networks; Numerical Analysis/Scientific Computing; Object Oriented Programming; Operating Systems; Programming Languages; Robotics; Symbolic & Formal Logic and Web Design. The above mentioned tracks are only indicative, and not exhaustive.

Anybody can submit the soft copy of his/her manuscript **anytime** in M.S. Word format after preparing the same as per our submission guidelines duly available on our website under the heading guidelines for submission, at the email address: **infoijrcm@gmail.com**.

GUIDELINES FOR SUBMISSION OF MANUSCRIPT

1. **COVERING LETTER FOR SUBMISSION**:

   DATED: _____

   THE EDITOR
   IJRCM

   Subject: **SUBMISSION OF MANUSCRIPT IN THE AREA OF _____.**

   (e.g. Finance/Marketing/HRM/General Management/Economics/Psychology/Law/Computer/IT/Engineering/Mathematics/other, please specify)

   DEAR SIR/MADAM

   Please find my submission of manuscript entitled '_____' for possible publication in your journals.

   I hereby affirm that the contents of this manuscript are original. Furthermore, it has neither been published elsewhere in any language fully or partly, nor is it under review for publication elsewhere.

   I affirm that all the author (s) have seen and agreed to the submitted version of the manuscript and their inclusion of name (s) as co-author (s).

   Also, if my/our manuscript is accepted, I/We agree to comply with the formalities as given on the website of the journal & you are free to publish our contribution in any of your journals.

   NAME OF CORRESPONDING AUTHOR:
   Designation:
   Affiliation with full address, contact numbers & Pin Code:
   Residential address with Pin Code:
   Mobile Number (s):
   Landline Number (s):
   E-mail Address:
   Alternate E-mail Address:

   NOTES:
   a) The whole manuscript is required to be in *ONE MS WORD FILE* only (pdf. version is liable to be rejected without any consideration), which will start from the covering letter, inside the manuscript.
   b) The sender is required to mention the following in the **SUBJECT COLUMN** of the mail:
      New Manuscript for Review in the area of (Finance/Marketing/HRM/General Management/Economics/Psychology/Law/Computer/IT/Engineering/Mathematics/other, please specify)
   c) There is no need to give any text in the body of mail, except the cases where the author wishes to give any specific message w.r.t. to the manuscript.
   d) The total size of the file containing the manuscript is required to be below **500 KB**.
   e) Abstract alone will not be considered for review, and the author is required to submit the complete manuscript in the first instance.
   f) The journal gives acknowledgement w.r.t. the receipt of every email and in case of non-receipt of acknowledgment from the journal, w.r.t. the submission of manuscript, within two days of submission, the corresponding author is required to demand for the same by sending separate mail to the journal.

2. **MANUSCRIPT TITLE**: The title of the paper should be in a 12 point Calibri Font. It should be bold typed, centered and fully capitalised.

3. **AUTHOR NAME (S) & AFFILIATIONS**: The author (s) **full name**, **designation**, **affiliation** (s), **address**, **mobile/landline numbers**, and **email/alternate email address** should be in italic & 11-point Calibri Font. It must be centered underneath the title.

4. **ABSTRACT**: Abstract should be in fully italicized text, not exceeding 250 words. The abstract must be informative and explain the background, aims, methods, results & conclusion in a single para. Abbreviations must be mentioned in full.

INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE, IT & MANAGEMENT
A Monthly Double-Blind Peer Reviewed (Refereed/Juried) Open Access International e-Journal - Included in the International Serial Directories
www.ijrcm.org.in

v

5.   **KEYWORDS:** Abstract must be followed by a list of keywords, subject to the maximum of five. These should be arranged in alphabetic order separated by commas and full stops at the end.

6.   **MANUSCRIPT:** Manuscript must be in **_BRITISH ENGLISH_** prepared on a standard A4 size **_PORTRAIT SETTING PAPER_**. It must be prepared on a single space and single column with 1" margin set for top, bottom, left and right. It should be typed in 8 point Calibri Font with page numbers at the bottom and centre of every page. It should be free from grammatical, spelling and punctuation errors and must be thoroughly edited.

7.   **HEADINGS:** All the headings should be in a 10 point Calibri Font. These must be bold-faced, aligned left and fully capitalised. Leave a blank line before each heading.

8.   **SUB-HEADINGS:** All the sub-headings should be in a 8 point Calibri Font. These must be bold-faced, aligned left and fully capitalised.

9.   **MAIN TEXT:** The main text should follow the following sequence:

INTRODUCTION

REVIEW OF LITERATURE

NEED/IMPORTANCE OF THE STUDY

STATEMENT OF THE PROBLEM

OBJECTIVES

HYPOTHESES

RESEARCH METHODOLOGY

RESULTS & DISCUSSION

FINDINGS

RECOMMENDATIONS/SUGGESTIONS

CONCLUSIONS

SCOPE FOR FURTHER RESEARCH

ACKNOWLEDGMENTS

REFERENCES

APPENDIX/ANNEXURE

It should be in a 8 point Calibri Font, single spaced and justified. The manuscript should preferably not exceed **_5000 WORDS_**.

10. **FIGURES & TABLES:** These should be simple, crystal clear, centered, separately numbered & self explained, and **titles must be above the table/figure**. **Sources of data should be mentioned below the table/figure**. It should be ensured that the tables/figures are referred to from the main text.

11. **EQUATIONS:** These should be consecutively numbered in parentheses, horizontally centered with equation number placed at the right.

12. **REFERENCES:** The list of all references should be alphabetically arranged. The author (s) should mention only the actually utilised references in the preparation of manuscript and they are supposed to follow **Harvard Style of Referencing**. The author (s) are supposed to follow the references as per the following:

●   All works cited in the text (including sources for tables and figures) should be listed alphabetically.

●   Use (**ed.**) for one editor, and (**ed.s**) for multiple editors.

●   When listing two or more works by one author, use --- (20xx), such as after Kohl (1997), use --- (2001), etc, in chronologically ascending order.

●   Indicate (opening and closing) page numbers for articles in journals and for chapters in books.

●   The title of books and journals should be in italics. Double quotation marks are used for titles of journal articles, book chapters, dissertations, reports, working papers, unpublished material, etc.

●   For titles in a language other than English, provide an English translation in parentheses.

●   The location of endnotes within the text should be indicated by superscript numbers.

PLEASE USE THE FOLLOWING FOR STYLE AND PUNCTUATION IN REFERENCES:

BOOKS

●   Bowersox, Donald J., Closs, David J., (1996), "Logistical Management." Tata McGraw, Hill, New Delhi.

●   Hunker, H.L. and A.J. Wright (1963), "Factors of Industrial Location in Ohio" Ohio State University, Nigeria.

CONTRIBUTIONS TO BOOKS

●   Sharma T., Kwatra, G. (2008) Effectiveness of Social Advertising: A Study of Selected Campaigns, Corporate Social Responsibility, Edited by David Crowther & Nicholas Capaldi, Ashgate Research Companion to Corporate Social Responsibility, Chapter 15, pp 287-303.

JOURNAL AND OTHER ARTICLES

●   Schemenner, R.W., Huber, J.C. and Cook, R.L. (1987), "Geographic Differences and the Location of New Manufacturing Facilities," Journal of Urban Economics, Vol. 21, No. 1, pp. 83-104.

CONFERENCE PAPERS

●   Garg, Sambhav (2011): "Business Ethics" Paper presented at the Annual International Conference for the All India Management Association, New Delhi, India, 19–22 June.

UNPUBLISHED DISSERTATIONS AND THESES

●   Kumar S. (2011): "Customer Value: A Comparative Study of Rural and Urban Customers," Thesis, Kurukshetra University, Kurukshetra.

ONLINE RESOURCES

●   Always indicate the date that the source was accessed, as online resources are frequently updated or removed.

WEBSITES

●   Garg, Bhavet (2011): Towards a New Natural Gas Policy, Political Weekly, Viewed on January 01, 2012 http://epw.in/user/viewabstract.jsp

INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE, IT & MANAGEMENT
vi

A Monthly Double-Blind Peer Reviewed (Refereed/Juried) Open Access International e-Journal - Included in the International Serial Directories

www.ijrcm.org.in

A STUDY ON THE FACTORS INFLUENCING INDIVIDUAL INVESTOR BEHAVIOR IN IT SECTOR

SINDU KOPPA
LECTURER
JSS CENTRE FOR MANAGEMENT STUDIES
SRI JAYACHAMARAJENDRA COLLEGE OF ENGINEERING
MYSORE

SHALINI .P
STUDENT
JSS CENTRE FOR MANAGEMENT STUDIES
SRI JAYACHAMARAJENDRA COLLEGE OF ENGINEERING
MYSORE

ABSTRACT

This study investigated factors influencing on individual investors behaviour in IT sectors and the most predominant and least factors that influence the individual investor to invest in IT sector. The study evidenced showing to understand how investors make their investment decisions in IT stocks. The study methodologically may be nested as a quantitative exploratory research wherein cross-sectional design with survey method using face to face personal interview with structured questionnaire was utilized to understand the proposed relationship. The study revealed that four factors that seem to be influencing the investor behaviour. They are Classical wealth maximisation, Firm Status, Neutral information and Commitment and recommendation. According to the respondents One factor was found the most influencing factor, where it was more than 50% of i.e. reputation of the it firm. Two factors were found the least influencing factors, where less than 20% of total respondents consider these factors as the least affecting factors on their behaviour. The least influencing factor was by order of importance: expected losses in other local investments, minimizing risk, expected losses in international financial markets, , family member opinions and gut feeling on the economy. The study mainly centred to understand the behaviour of investors while purchasing IT stocks. and therefore is limited to investors who are aware and competent to understand financial news and information.

KEYWORDS
Investor Behaviour, Stocks, IT.

1.0 INTRODUCTION

Research in behavioural finance is relatively new. Within behavioural finance it is assumed that information structure and the characteristics of market participants systematically influence individuals' investment decisions as well as market outcomes. According to behavioural finance, investor market behaviour derives from psychological principles of decision making, to explain why people buy or sell the stocks.

Behavioural finance focuses upon how investors interpret and act on information to make investment decisions. In addition, the behavioural finance places an emphasis upon investor behaviour leading to various market anomalies and in recent theoretical research suggests that psychological biases affect individual investors, causing them to make non-optimal decisions. While much behaviour have been identified in a rising stock price environment henceforth a *bull market,* could these behaviours be exhibited in a declining price environment, i.e., a *bear market.*

Behavioural finance is defined by Shefrin (1999)[1] as " a rapidly growing area that deals with the influence of Psychology on the behaviour of financial practitioners". Behavioural finance research is developing rapidly and now beginning to answer such questions as(see Taffler[2] 2002):
• Why, when all the evidence shows investors cannot beat the market on any systematic basis, they still resolutely do?
• How can we explain the stock market "bubbles"?
• Why is the volume of trading in financial markets so excessive and why is the stock market so volatile?
• Why do investment analysts have so much difficulty in identifying under-and overvalued stocks?
• Why do stock prices appear to under-react to bad news?

A better understanding of behavioural processes and outcomes is important for financial planners because an understanding of how investors generally respond to market movements should help investment advisors in devising appropriate asset allocation strategies for their clients.

This study aims at exploring the individual investor's behaviour investing in IT sector. The study is important for individual investor, IT companies listed, Market and Government. For investors as decision makers, the most influencing factor/ factors on their investment decision is crucial because this would affect their future financial plans. For companies, identifying the most influencing factors on their investors' behaviour would affect their future policies and strategies. Finally, for government, identifying the most influencing factors on investors' behaviour would affect the required legislations and the additional procedures needed in order to satisfy investors' desires and also to give more support to market efficiency.

Trading volume of the Market is highly fluctuating. Fluctuations in trading volume indicate somehow the abnormal behaviour of the investor, which needs to be studied and this is the motivation behind the current study.

1.1   OBJECTIVE OF THE STUDY:
• To study the factors influencing individual investors behaviour in IT sectors".
• To know the most predominant factor that influences the individual investor to invest in IT sector.

2.0 LITERATURE REVIEW

2.1 LITERATURE REVIEW
In this study a comprehensive literature review about behavioural finance in general is beyond the scope of the paper. Instead, the results of some studies about individual investor behaviour will be highlighted in the base paper more attention had been given to institutional investors. It should be noted here in this study that a substantial amount of attention has been given to the individual investor behaviour.

i. Kadiyala and Rau (2004)[3] investigated investor reaction to corporate event announcements. They concluded that investors appear to under react to prior information as well as to information conveyed by the event, leading to the different patterns: return continuations and return reveals, both documented in long-horizon return. They found no support for the overreaction hypothesis.

ii. Merikas et.al.,(2003)[4] adopted a modified questionnaire to analyze factors influencing Greek investor behaviour on the Athens Stock Exchange.   The results indicate that individual's base their stock purchase decisions on economic criteria combined with diverse other variables. They do not rely on a single integrated approach, but rather on many categories of factors. The results also revealed that there is a certain degree of correlation between the factors that behavioural

INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE, IT & MANAGEMENT 145
A Monthly Double-Blind Peer Reviewed (Refereed/Juried) Open Access International e-Journal - Included in the International Serial Directories
www.ijrcm.org.in

finance theory and previous empirical evidence identify as the influencing factors for the average equity investor, and the individual behaviour of active investors in the Athens Stock Exchange (ASE) influencing by the overall trends prevailing at the time of the survey in the ASE.

iii.Malmendier and Shanthikumar (2003)[5] tried to answer the question: Are small investor naïve? They found that large investors generate abnormal volumes of buyer-initiated trades after a positive recommendation only if the analyst is unaffiliated. Small traders exert abnormal buy pressure after all positive recommendations, including those of affiliated analysts. Hodge(2003) analyzed investors' perceptions of earnings quality, auditor independence, and the usefulness of audited financial information. He concluded that lower perceptions of earnings quality are associated with greater reliance on a firm's audited financial statements and fundamental analysis of those statements when making investment decisions.

iv. Krishnan and Booker (2002)[6] analyzed the factors influencing the decisions of investor who use analysts' recommendations to arrive at a short-term decision to hold or to sell a stock. The results indicate that a strong form of the analyst summary recommendation report, i.e., one with additional information supporting the analysts' position further, reduces the disposition error for gains and also reduces the disposition error for losses

v. Nagy and Obenberger (1994)[7] examined factors influencing investor behaviour. They developed a questionnaire includes (34) questions. Their findings suggested that classical wealth – maximization criteria are important to investors, even though investors employ diverse criteria when choosing stocks. Contemporary concerns such as local or international operations, environmental track record and the firm's ethical posture appear to be given only cursory consideration. The recommendations of brokerage house, individual stock brokers, family members and co-workers go largely unheeded. Many individual investors discount the benefits of valuation models when evaluating stocks.

vi. Epstein (1994)[8] examined the demand for social information by individual investors. The results indicate the usefulness of annual reports to corporate shareholders. The results also indicate a strong demand for information about product safety and quality, and about the company's environmental activities. Furthermore, a majority of the shareholders surveyed also want the company to report on corporate ethics, employee relations and community involvement.

vii. De Bondt et al.,(1985)[9] published a paper about behavioural finance in which they asked the following question: " Does the stock market overreact?", the article gave evidence to support the hypothesis that cognitive bias (investor overreaction to a long series of bad news could produce predictable mispricing of stocks traded on the NYSE.

The main findings of the above studies can be summarized as follows:
1. There is no support for the overreaction hypothesis.
2. Investor over-reaction to a long series of bad news could produce predictable mispricing of stocks
3. Classical wealth – maximization criteria are important to investors.
4. The recommendations of brokerage house, individual stock brokers, family members and co-workers go largely unheeded
5. A strong demand for information about product safety and quality, and about the company's environmental activities

3.0 RESEARCH METHODOLOGY
3.1 METHODOLOGY
Considering the dearth of studies in the a foresaid area in the Indian context, the study methodologically may be nested as an quantitative exploratory research wherein cross-sectional design with survey method using face to face personal interview with structured questionnaire was utilized to understand the proposed relationship.

Primary Data was collected through Survey method through questionnaire. The questionnaire consisted of 32 questions related to different factors that could affect individual investors decision in IT sector . Respondents were asked to indicate their degree of agreement with each of the items on five-point Likertscale . Respondents were asked to mark appropriate number on the scale from 1(strongly disagree) to 5 (strongly agree) which indicate to what extent their investment decisions are affected by factors.

The pilot study was conducted with sample of 60 investors and the actual sample size of 140 was statistically determined using the formulae. The Questionnaire was administered to 140 investors using convenient sampling method.

Factor Analysis was done to know the most influencing factors which affected investment decisions in IT. Kurtosis and skewness checks the reliability. Frequency distribution was conducted for every question to know which are predominant factors and least factors that influence individual investors in IT sector.

3.2 VARIABLES
The variables considered in the study are as follows:
1. Self-Image/Firm-Image Coincidence
- Religious reasons
- Feelings for a firm's products and services
- Reputation of the firm's shareholders
- "Get rich quick"
- Firm status in industry
- Perceived ethics of firm
- Gut feeling on the economy
- Reputation of the firm
- Increase of the firm's involvement in solving community problems

2. Accounting Information
- Stock Marketability
- Expected corporate earnings
- Condition of financial statements
- Dividends paid
- Affordable share price
- Expected Dividends
- Past performance of the firm's stock

3. Neutral Information
- Government holdings
- Information obtained from the internet
- Fluctuation/developments in the stock index
- Coverage in the press
- Statements from government officials
- Current economic indicators
- Recent price movement in a firm's stock

4. Advocate Recommendation
- Broker recommendation
- Family member opinions
- Friend or co-worker recommendations
- Opinions of the firm's majority stockholders

INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE, IT & MANAGEMENT 146
A Monthly Double-Blind Peer Reviewed (Refereed/Juried) Open Access International e-Journal - Included in the International Serial Directories
www.ijrcm.org.in

5. Personal Financial Needs

- Attractiveness of non-stock investment
- Diversification needs
- Ease of obtaining borrowed funds
- Minimizing risk
- Expected Losses in international financial markets
- Expected Losses in other local investment

4.0 ANALYSIS AND INTERPRETATION

4.1 ANALYSIS

The data has been collected as per the requirement of the study .The data is analyzed only based on primary sources by giving questionnaire to individual IT investors. In order to analyze the factors that influence behaviour of IT investors while investing in shares and to analyse which are the predominant factors that influence investor's behaviour.

4.1.1 DESCRIPTIVE ANALYSIS

The data collected was subjected to preliminary descriptive analysis to adjourn the normality assumptions. The descriptive statistics are shown in table-1 through table-5, and the statistics of each measurement item reveals that none of the skewness statistic exceeds 3 points and kurtosis 10 points. Therefore by generally accepted criteria the data meets the assumptions of normality.

Descriptive Statistics for Firm Image			
Variables	**Mean**	**Skewness**	**Kurtosis**
Religious reasons	3.5643	-0.743	-0.34
Feelings for a firm's products and services	2.9286	0.261	-1.171
Reputation of the firm's shareholders	3.2143	-0.784	0.071
Get rich quick	3.1	-0.297	-0.712
Firm status in industry	2.8357	0.271	-0.967
Perceived ethics of firm	3.2071	-0.481	-0.78
Gut feeling on the economy	3.45	-0.778	-0.337
Reputation of the firm	3.1571	-0.456	-0.643
Increase of the firm's involvement in solvingcommunity problems	2.2857	0.642	-0.966
Descriptive statistics for Accounting Information			
Stock Marketability	3.4214	-0.556	-0.97
Expected Corporate Earnings	3.4714	-0.648	-0.376
Condition of financial statements	3.3071	-0.066	-0.44
Dividends paid	3.3857	-0.361	-0.754
Affordable share price	3.3714	-0.405	-0.945
Expected Dividends	3.8429	-1.307	2.119
Past Performance of the firm's stock	3.6929	-0.843	0.165
Descriptive statistics for Neutral Information			
government holdings	2.9643	0.025	-1.112
information obtained from internet	3.4857	-0.392	-0.707
fluctuation in the stock market	3.2714	-0.527	-0.263
coverage in press	3.5143	-0.345	-0.767
statements from government	3.4857	-0.6	-0.62
current economic indicators	3.4643	-0.87	0.093
Descriptive statistics for Personal Financial Needs			
attractiveness of non stock investment	3.15	-0.358	-0.8
diversification needs	3.4643	-0.629	-0.088
ease of obtaining borrowing funds	2.7786	0.049	-0.899
expected losses in other local investments	2.9786	0.043	-0.775
minimising risk	3.1214	-0.006	-1.084
expected losses in international financial markets	3.2214	0.097	-1.416
Descriptive statistics for Advocate Recommendation			
broker recommendation	2.75	-0.017	-1.097
family or friend recommendation	3.2357	-0.24	-0.811
opinion's of the firm's majority stockholders	3.3071	-0.306	-0.792

4.1.2 FACTOR ANALYSIS

The data collected were subjected to factor analytic procedure using principal component method of extraction and varimax rotation for uncovering the underlying dimensions. KMO statistic was obtained to measure sampling adequacy and Bartletts test of sphericity for establishing the significance of factor analytic process.

INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE, IT & MANAGEMENT   147
A Monthly Double-Blind Peer Reviewed (Refereed/Juried) Open Access International e-Journal - Included in the International Serial Directories
www.ijrcm.org.in

The results of the factor analysis and KMO statistic of 0.535 is above the norm 0.50, Bartlet test of Sphericityis significant of .0000 at 55 degrees of freedom and explains 63.55 percentage of variance with 4 factor solution.

The measurement items that loaded together were subjected to interpretation based on the meaning of the statement of measurement, the four factors that seem to influence investor decision are

1. Classical wealth maximization.
2. Firm status.
3. Neutralinformation.
4. Commitment and recommendation.

This means that for investor, these four factors are the major reasons influence his investment decision.

5.0 CONCLUSION

This study identified the factors influencing individual investor's behaviour in IT sector. The study was conducted using a modified questionnaire. The questionnaire included thirty two items that belongs to five categories, namely self-image/ firm-image coincidence; accounting information; neutral information; advocate recommendation; and personal financial needs.

One factor was found the most influencing factor, where it was more than 50% of total respondents consider these factor as the most affecting factors on their behaviour based on frequency distribution i.e. **REPUTATION OF THE IT FIRM.** The most influencing factor was by order of importance: reputation of the IT firm, Reputation of IT firms shareholders, Perceived ethics of the firm, Get rich quick.

Two factors were found the least influencing factors, where less than 20% of total respondents consider these factors as the least affecting factors on their behaviour. The least influencing factor was by order of importance: expected losses in other local investments, minimizing risk, expected losses in international financial markets, family member opinions and gut feeling on the economy. As there did not appear to be a single set of variables investors used consistently to make stock purchase decisions, we employed factor analysis to determine whether there are underlying constructs that represent a synthesis of investor concerns like ,

1. Classical wealth maximisation
2. Firm status
3. Neutral information.

Clearly The manager of IT companies listed require to give more attention to most influence factors in order to satisfy the desires of their investors and also to attract more investors to deal with their stocks. A better understanding of behavioural processes and outcomes of individual investors is important for financial planners because an understanding of how investors generally respond to market movements should help investment advisors in devising appropriate asset allocation strategies for their clients. For investors as decision makers, the most influencing factor/ factors on their investment decision is crucial because this would affect their future financial plans. For companies, identifying the most influencing factors on their investors' behaviour would affect their future policies and strategies and also would help in generation of revenue of the company.

REFERENCES

1. Shefrin (1999) Behavioral finance.
2. Taffler 2002 Research questions of behavioral finance.
3. Kadiyala and Rau (2004) investigated investor reaction to corporate event announcements.
4. Merikas et.al., (2003) adopted a modified questionnaire to analyze factors influencing Greek investor behavior on the Athens Stock Exchange.
5. Malmendier and Shanthikumar (2003) tried to answer the question: Are small investor naïve?
6. Krishnan and Booker (2002) analyzed the factors influencing the decisions of investor who use analysts'.
7. Nagy and Obenberger (1994) examined factors influencing investor behaviour.
8. Epstein (1994) examined the demand for social information by individual investors.
9. De Bondt et al., (1985) "Does the stock market overreact?"

ANNEXURE

QUESTIONNAIRE: STUDY ON FACTORS INFLUENCING INDIVIDUAL INVESTOR BEHAVIOR IN IT STOCKS DEMOGRAPHIC PROFILE

NAME:

Please place a TICK "√" box you feel appropriate for your feedback

1. Gender:

☐ Male   ☐ Female

2. Age

☐ 18-25   ☐ 26-35   ☐ 36-45   ☐ above 45

3. Marital status

☐ Single   ☐ Married

4. Highest education completed:

☐ High School ☐ Diploma ☐ Degree ☐ Masters ☐ Professional Qualifications

5. Occupational Level:

☐ Non-professional (eg Cashier, Clerk, Electrician, Casual worker)
☐ Professional (eg, Accountant, Doctor, Lawyer, Lecturer/professor)
☐ Others

6. Employment Sector:

☐ Public   ☐ Private

7. Share investment experience

☐ 0-2 years   ☐ 3-5years   ☐ 6-10years   ☐ more than 10years

8. On average, how many IT companies' shares do you hold in your share account?

☐ 1-2 companies   ☐ 3-5 companies

☐ 6-10 companies   ☐ More than 10 companies

INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE, IT & MANAGEMENT 148

A Monthly Double-Blind Peer Reviewed (Refereed/Juried) Open Access International e-Journal - Included in the International Serial Directories

www.ijrcm.org.in

PLEASE TICK [√] ONE ANSWER TO EACH STATEMENT BASED ON THE FOLLOWING 5-POINT LIKERT SCALE

Sl. No	FIRM IMAGE	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
	FIRM IMAGE					
1	**The Reputation of the IT firm** influences me to invest in IT stocks.	1	2	3	4	5
2	**'Get rich quick**' motto influences my decision to invest in IT stocks.	1	2	3	4	5
3	**Perceived Ethics of the IT firm** influences me to invest in IT stocks.	1	2	3	4	5
4	**The Loyalty towards an IT firm's products and services** influence me to buy IT Stocks.	1	2	3	4	5
5	Increase of IT **Firm's social responsibility** [solving community problems] influence me to invest in IT stocks.	1	2	3	4	5
6	**Reputation of the IT firms shareholders** influence my decision to invest towards IT stocks.	1	2	3	4	5
7	**Reliability on the economy of the nation** will influence my decision to invest in IT stocks.	1	2	3	4	5
8	**The creation of organised financial Markets** influence my decision to invest in IT stocks.	1	2	3	4	5
9	**Religious reasons** influence me to invest in IT stocks.(religion of investor or firm)	1	2	3	4	5
10	**Firm status in industry** influences me to invest in IT stock.	1	2	3	4	5
	ACCOUNTING INFORMATION					
11	**The Stock marketability** (ABILITY TO SELL AND BUY) influences my decision to invest in IT stock.	1	2	3	4	5
12	**Expected earnings/profit** of the IT firm influences my decision to invest in IT stock.	1	2	3	4	5
13	**Dividends paid (annually/half yearly/quarterly....)** by IT firm 'influence me to invest in IT stocks.	1	2	3	4	5
14	**The share price Affordable by me** influence investment in IT stock.	1	2	3	4	5
15	I consider **Past performance of the IT firm's stock** when investing in IT stocks.	1	2	3	4	5
16	I will see **Condition of financial statement** (sales revenue, acc. receivables, acc. payable, expenses etc.) before investing in IT stocks.	1	2	3	4	5
17	**Expected dividends** of IT firm motivate me to invest in IT stock**.**	1	2	3	4	5
	NEUTRAL INFORMATION					
18	**Government holdings (as a security) in IT** firms influence me to invest in IT stock.	1	2	3	4	5
19	Information obtained from **the internet** (IT firm's website) will influence me to invest in IT stock.	1	2	3	4	5
20	**Fluctuation/developments in the stock index** influence me to invest in IT stock.	1	2	3	4	5
21	Information covered in the **press** relate to the IT FIRM influence me to invest in IT stock.	1	2	3	4	5
22	I consider **Current economic indicators opinion** to invest in IT stocks.	1	2	3	4	5
23	**Recent price movement (variation**) in a IT firm's stock influence me to invest in IT stocks.	1	2	3	4	5
	ADVOCATE RECOMMENDATION					
24	I take **Brokers recommendation** to invest in IT stocks.	1	2	3	4	5
25	**Family members, friends, colleagues** opinion influence me to invest in IT stocks.	1	2	3	4	5
26	Opinions of the **firm's majority and existing shareholders** helps me to take decision on investment in IT stocks.	1	2	3	4	5
	PERSONAL FINANCIAL NEEDS					
27	**Attractiveness of non stock investment (mutual funds, bonds, real estate**) will these influence my investment decision in IT stocks.	1	2	3	4	5
28	**Need for diversification** influences me to invest in IT stocks.	1	2	3	4	5
29	**Ease of obtaining borrowed funds** influences me to invest in IT stocks.	1	2	3	4	5
30	**Provision for Minimizing risk involved 'influences** my decision in investing in IT stocks.	1	2	3	4	5
31	**Expected losses in international financial market influence** my decision in investing in IT Stocks.	1	2	3	4	5
32	**Expected losses in other local investments** influence my decision in investing in IT stocks.	1	2	3	4	5

INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE, IT & MANAGEMENT 149
A Monthly Double-Blind Peer Reviewed (Refereed/Juried) Open Access International e-Journal - Included in the International Serial Directories
www.ijrcm.org.in

REQUEST FOR FEEDBACK

Dear Readers

At the very outset, International Journal of Research in Commerce, IT and Management (IJRCM) acknowledges & appreciates your efforts in showing interest in our present issue under your kind perusal.

I would like to request you to supply your critical comments and suggestions about the material published in this issue as well as on the journal as a whole, on our E-mail i.e. **infoijrcm@gmail.com** for further improvements in the interest of research.

If you have any queries please feel free to contact us on our E-mail **infoijrcm@gmail.com**.

I am sure that your feedback and deliberations would make future issues better – a result of our joint effort.

Looking forward an appropriate consideration.

With sincere regards

Thanking you profoundly

Academically yours

Sd/-

Co-ordinator

INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE, IT & MANAGEMENT 150
A Monthly Double-Blind Peer Reviewed (Refereed/Juried) Open Access International e-Journal - Included in the International Serial Directories
www.ijrcm.org.in

ABOUT THE JOURNAL

In this age of Commerce, Economics, Computer, I.T. & Management and cut throat competition, a group of intellectuals felt the need to have some platform, where young and budding managers and academicians could express their views and discuss the problems among their peers. This journal was conceived with this noble intention in view. This journal has been introduced to give an opportunity for expressing refined and innovative ideas in this field. It is our humble endeavour to provide a springboard to the upcoming specialists and give a chance to know about the latest in the sphere of research and knowledge. We have taken a small step and we hope that with the active co-operation of like-minded scholars, we shall be able to serve the society with our humble efforts.

Our Other Journals

INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE, IT & MANAGEMENT IV
A Monthly Double-Blind Peer Reviewed (Refereed/Juried) Open Access International e-Journal - Included in the International Serial Directories
www.ijrcm.org.in