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Factors Preventing Undergraduate Students in Mumbai, Maharashtra from Investing

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ABSTRACT

The broad objective of this research paper is to ascertain the factors preventing undergraduate students in Mumbai, Maharashtra, from investing. The specific objectives under this include determining the impact of age, gender, and annual income of the student's family, on the factors preventing these undergraduate students from investing. The survey technique of research was used, and the primary tool for gathering data was the questionnaire. The study design is "Explanatory" in nature. It can serve as a starting point for more in-depth studies. The Chi-square test was used for analysing the data. Out of the sample population for the survey, a sample size of 215 respondents has been taken into consideration. Chi-square test was used to determine whether a difference between observed data and expected data is due to chance, or if it is due to a relationship between the variables you are studying. It was observed that age played a factor in the market volatility and influence on peers while gender affected the risk and market volatility. It was also found annual income does not affect risk appetite and age does not impact the complexity of the market as a factor preventing investment. Investing is an important part of financial literacy that undergraduate students should consider, but there are several factors that deter them from doing so. This paper explores these factors in detail, including limited financial resources, a lack of knowledge about investment, fear of risk and uncertainty, gender influences, and the impact of peers on decision-making. It is crucial to understand these factors to help students overcome the barriers to investing and achieve financial success in the long run.

***Key Words** - investment, risk, peers, risk appetite, complexity of the market, market volatility, age, gender, family's annual income, undergraduate students, Mumbai*

I. INTRODUCTION

Investing entails allocating money in order to earn future profits. In India, there are various money market and capital market investment choices that require preliminary research before investing. When making investing decisions, undergraduate students confront impediments such as ambiguity, age, gender, risk aversion, and market complexity. The danger of losing money is a major issue when investing in equity assets such as stocks or mutual funds, which are vulnerable to market volatility and company-specific risks. To limit risks, it is critical to conduct thorough research, estimate prospective returns, and align the investment with financial objectives and risk tolerance. Investment has the ability to diversify a portfolio and produce considerable returns, but investors should carefully consider their options before making an investment decision.

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Despite quite some research already conducted, there are still certain gaps in the literature, particularly on the topic of undergraduate students and the complex interaction of factors that may influence investment behaviour. While most of the research conducted is based on how an individual's behaviour affects his/her investment decisions, there is a lack of research regarding the particular factors that prevent the student base, more so, the undergraduate students from investing. With this research paper, we wish to address such gaps while ascertaining the factors preventing undergraduate students from investing and to what degree. Such a study is also important in a city like Mumbai where the student population is growing at a fast pace.

II. SCOPE OF THE LITERATURE REVIEW

- **(Febrian Satria Hidayat, 2022)** aims to determine the variables that influence undergraduate students' investment choices. According to their research, investing decisions are significantly influenced by financial knowledge, risk perception, financial attitudes, peer pressure, trust, and financial literacy. The results of the study state how students should increase their knowledge about investments appropriately and adequately, especially knowledge of financial literacy and attitude.
- **(Herawati et al., 2018)** have worked on determining the variables that affect financial decision-making among accounting students in Bali. The study's conclusions emphasise the significance of financial education and parental influence in fostering sound financial behaviour by accounting students.
- **(Ramesh & Daga, 2019)** conducted a study where the purpose is to investigate the characteristics that influence investment behaviour among undergraduate students in Bangalore, India. Financial literacy, perceived risk, investing knowledge, and personal finance management were revealed to be important predictors of investment behaviour in a survey of 200 college students.
- **(Azhar et al., 2017)** In their study, they conducted an examination of the students' investment awareness. According to the findings, financial literacy and personal interest have a direct impact on investing awareness, while the environment has no meaningful impact on the investment decisions of students between the ages of 18 and 25 from the city of Selangor, Malaysia.
- **(Pastor et al., 2022)** In a research paper studying the factors affecting the behaviour of young professionals towards savings and investment, it was observed that most of the investment and savings decisions are heavily influenced by their socio-demographic profile, age, gender, and level of education.
- **(Ahinful, 2021)** This study studies the elements that affect university students' propensity to invest in stocks as well as their opinions regarding stock market investing. The findings show that two aspects of the money attitude construct—obsession and seeing money positively—are significant predictors of a person's propensity to invest in stocks. The findings also demonstrate that a person's attitude towards financial risk and their level of financial knowledge has a significant impact on their propensity to invest in equities.
- **(Hietanen, 2017)** In this work, the attitudes of college students toward investing are examined. The theoretical portion focuses on risk and returns as well as the most popular investment classes accessible to college students. By incorporating behavioural finance and considering what past research has said about investing and attitudes towards it, it also explains investment behaviour.
- **(Ozkale, n.d.)** This study examines the impact of undergraduate education on university students' financial literacy (FL) levels in Turkey. The findings show that senior students' FL levels are much greater than those of first-year students. Additionally, the studies carried out separately for each of the science subjects provide further evidence of senior students' greater FL level. It has been determined that this discrepancy could be influenced by elements like understanding the notion.
- **(Gainau, 2020) This** study confirms that students' attitudes toward stock investments are influenced by employment opportunities. In the context of students in the North Sulawesi and Gorontalo Regions, subjective norms have no bearing on students' intentions. In order to promote student investing ambitions, the Indonesian Stock Exchange (Representative Office) and Exchange Members must additionally raise the internship quota.
- **(Astuti, 2018) This** study aims to examine how risk perception, which is mediated by student financial education and promotion, affects investment decisions. The study's findings revealed that while finance education cannot considerably influence students' investment decisions, advertising and perception of investment goods have a major impact on students' investment decisions.
- **(Dong et al., 2022,)** They investigate whether business school education promotes students' stock market engagement in this paper. They leverage unique stock ownership data from business school students. They discover a considerable rise in stock ownership during and after their study at the institution when compared to before they enrolled.
- **(Halim et al., 2021)** Since the inception of the InvestSmartTM initiative in 2014, Malaysian government agencies have actively engaged community and university students through outreach programmes to improve investing literacy. Given this context, the level of Malaysian undergraduates' investment literacy and willingness to invest is intriguing.
- **(Wang et al., 2017)** In this study, they provide a novel method for pricing European options in the presence of Student's t noise with jumps. Under the incomplete information case, a closed-form solution of the European option value is produced using the conditional delta hedging method and the least mean-square-error hedging.
- **(Efendi & Trisnawati, 2023)** The goal of this study was to see how investment knowledge, perceived return on investment, investment risk, and investment motive affected interest in participating in the capital market. As a research tool, this study used a quantitative technique and data was collected via a questionnaire.

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- **(Susanti et al., 2019, 7-14)** The study on factors affecting students' financial literacy at Widyatama University in Indonesia looks at the impact of education, demographic factors, and socio-economic status on financial literacy. The results showed that gender, pocket money, lifestyle, parent income, and financial learning had a significant effect on students' financial literacy.
- **(Hidayat et al., 2019,)** In May-July 2019, 200 students registered as members of the Investment Gallery participated in the study. Investment Profit Levels Knowledge and Stock Rating Knowledge were found to have a positive and significant effect on student investment interests.
- **(Saputro & Lestari, 2019)** This study aims to determine the effect of financial literacy and risk perception on student investment decisions in Jakarta. Based on the t-test result, which reveals that the t-count is greater than the table (8,433>1,98045), the findings of this study show that the financial literacy variable has a substantial impact on investment decisions. Like the previous example, the risk perception variable significantly influences investment decisions, as seen by the greater t-count than the t-table (2,319>1,98045).
- **(Rana, 2019)** The study aims to examine the relative importance of investment decision factors as perceived by investors based on their demographic characteristics. The author concluded that several factors affected the investment decisions of the individuals including market conditions, investment experience, and risk tolerance. It was also noted that among the factors, market factors had significant importance as perceived by the participants.
- **(Huber et al., 2022)** Through this study, the authors are trying to understand how volatility shocks affect investors, risk-taking, and risk perception. They concluded that students tend to invest less in risky stocks in general.
- **(Singal & Manrai, 2018)** The article by Dr. Rishi Manrai and Varun Sagar Singal examines the variables influencing mutual fund investment. They name five key variables: the investor's understanding of mutual funds, their risk tolerance, the performance of the funds, their fees and costs, and their investment purpose. The article emphasises how critical it is to comprehend investors' viewpoints and preferences while developing successful mutual fund investment strategies.
- **(Owusu et al., 2021)** on the factors influencing university students' willingness to invest in stocks provides valuable insights into the topic. The authors' review of existing literature helps to identify gaps in the research and areas where further investigation is needed. Overall, the paper provides a comprehensive overview of the factors that influence university students' investment behaviour, and it could serve as a useful resource for researchers and educators looking to understand this important topic.
- **(Ratnadi et al., 2020)** aims to examine the behavioural factors that influence investment decision-making by college students in Bali Province, Indonesia. The research found that factors such as risk aversion, overconfidence, financial knowledge, and social influence play significant roles in the investment decision-making process of college students.
- **(Singh & Yadav, 2016)** on the factors influencing investors' decision in investing in equity shares in Jaipur and Moradabad with special reference to gender provides valuable insights into the investment behaviour of individuals in these cities. The study focuses on the impact of various factors such as risk, return, liquidity, and investor education on the investment decision of male and female investors.
- **(Patidar et al., 2022)** The topic of behavioural factors affecting investment decisions among investors is a significant area of research, as it seeks to understand the psychological and emotional factors that influence investment decisions. By highlighting these factors, the study provided insights that can be used to improve investor decision-making and help investors achieve their financial goals.
- **(Kusumaningrum et al., 2019)** on factors affecting investment decisions among young investors highlights the need for targeted interventions aimed at increasing financial literacy and knowledge among young investors to make informed investment decisions

III. RESEARCH QUESTIONS

1. What are the factors preventing undergraduate students in Mumbai from investing?
2. What is the impact of age on factors preventing undergraduate students from investing?
3. What is the impact of gender on factors preventing undergraduate students from investing?
4. What is the impact of annual income of the students' families on factors preventing undergraduate students from investing?

IV. RESEARCH OBJECTIVES

1. To ascertain the factors preventing investment by undergraduate students in Mumbai
2. To determine the impact of age on factors preventing undergraduate students from investing
3. To determine the impact of gender on factors preventing undergraduate students from investing
4. To determine the impact of annual income of the students' families on factors preventing undergraduate students from investing

V. RESEARCH HYPOTHESIS

H01 refers to a Null Hypothesis; where there is no significant relationship between the dependent and the independent variables. Any observed change in the data is considered as a result of chance or random error.

H02 refers to an Alternative Hypothesis; wherein there is a significant relationship between the dependent and the independent variables and any observed difference in the data is considered a result of a specific factor or cause.

1. H01 = The variables do not have any significant preventive effect on the investment decisions of undergraduate students.
2. H02 = The variables significantly prevent undergraduate students from investing.
3. Dependent Variables - Peers, Risk appetite, Complexity of the Market, and Market Volatility (Factors influencing investment decision of undergraduate students)
4. Independent Variables - Age, Gender, and Family's Annual Income (Preventive factors)

VI. CONCEPTUAL FRAMEWORK

Based on the prior discussion and literature reviews, the variables in this study can be formed into the following conceptual framework:

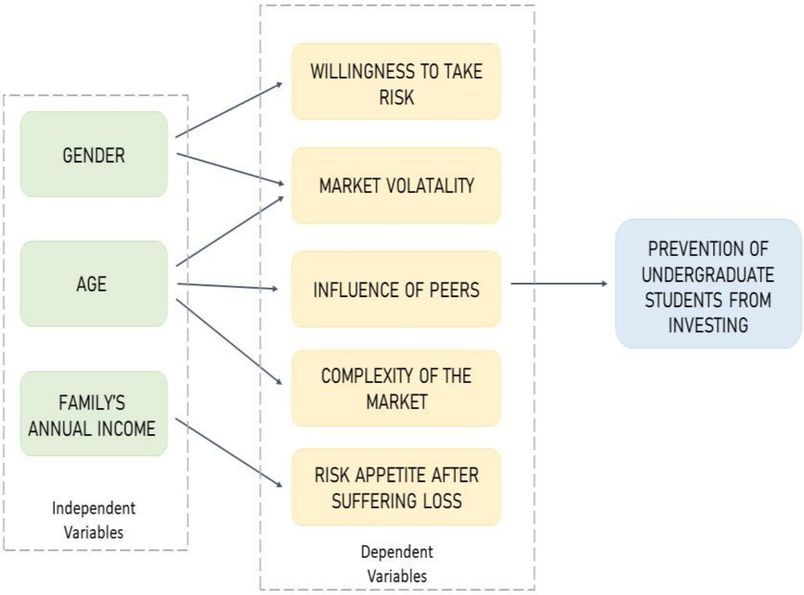

Fig. 1 Conceptual framework of the research paper

VII. DATA SOURCES

The main objective of the research paper is to study the factors that prevent undergraduate students from investing. To study this, the sample population targeted through this survey covers the following sample points-

- The students should be studying an undergraduate degree
- The students should be studying in Mumbai
- Age of the students must range from 18 to 21

VIII. RESEARCH METHODOLOGY

This paper is an attempt to study the factors affecting investment choices of youth. In today's world, there are a plethora of investment options available to people, but which option is the best for them, is the major tickling question for the youth. There is a need to study the factors carefully and then decide which investment avenue best suits their investment needs.

According to traditional nance considerations, individual investors who make their personal investments rationally usually cannot prevent behavioural and psychological factors from affecting their investment preference. Within this scope, this study aimed to identify the factor.

In this Chapter, the methodology associated with each of the research objectives has been discussed in detail, covering areas like questionnaire development, validity and reliability, respondents of the study, increasing response- quality and quantity, data analysis, and limitations that influence attitudes of individual investors.

IX. DESIGN OF THE STUDY

The research design refers to the overall strategy that we choose to integrate the different components of the study in a coherent and logical way. The structure of a study's plan that directs the data gathering and analysis is called a research design. The goal of the study is to identify the variables influencing young people's investment choices.

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The study design is “Explanatory” in nature. It can serve as a starting point for more in-depth studies. Understanding this kind of study can make it easier for you to identify the underlying causes of certain problems and complete information gaps.

Explanatory Research methodology involves choosing a logical procedure for the topic to be studied. That is the research problem, how specific objectives and research hypothesis of the study will be identified/or formulated.

X. Data Collection Instrument

The survey technique of research was used, and the primary tool for gathering data was the questionnaire. The demographic details of the respondents were covered in the first section of the questionnaire, and the main study components were covered in the second.

Primary research will be used to obtain the data, and it will take the form of an online questionnaire. Most questions will all have closed-ended answer possibilities, and some of them will also have an "other" option that will let you specify the answer if it is not one of the pre-selected options.

The questionnaire was designed to be relatively brief in order to maintain its relevance and respondents' attention. When the research is analysed, the findings may indicate whether more research should be done or whether new issues should be raised.

The survey participants were asked to answer multiple-choice questions, including 4 questions about demographic data, and 6 questions regarding students’ financial opinions and choices. Personal characteristics, attitudes towards risks, incomes, and the tendency of saving money differ among people.

XI. Test Used for Analysis

This research paper uses the chi-square test for analysing the data. This test aims to determine whether a discrepancy between actual and projected data is caused by chance or by a connection between the variables being examined. The chi-square test is a great option for helping us comprehend and evaluate the relationship between our two category variables as a result.

$\chi^2 = \sum (O_i - E_i)^2/E_i$, where O_i = observed value (actual value) and E_i = expected value.

XII. Sample Size

Out of the sample population for the survey, a sample size of 215 respondents has been taken into consideration. So, the study is done on a sample size of 215 only. Since the main objective of the research paper is to study the investment habits of youth (undergraduate students), the sample consists of people in the age group of 18-21.

XIII. Descriptive Statistics and Analysis

TABLE I

1. GENDER	
Mean	1.42325581
Standard Error	0.03377429
Median	1
Mode	1
Standard Deviation	0.49522826
Sample Variance	0.24525103
Kurtosis	-1.920077
Skewness	0.31284478
Range	1
Minimum	1
Maximum	2
Sum	306
Count	215
Confidence Level (95.0%)	0.06657288

With a sample size of 215, this data set measures the gender of a group of individuals. The mean score of 1.423 implies that the group contains somewhat more females than males. The mode and median values are both 1, indicating that the majority of people in the group are likely female.

The standard deviation of 0.495 suggests that the data is variable, but not significantly so. The sample variance of 0.245 indicates that the data points are generally close to the mean value, but there is considerable variation.

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TABLE II

2. Is investing risky according to you?	
Mean	2.36744186
Standard Error	0.05396113
Median	3
Mode	3
Standard Deviation	0.79122552
Sample Variance	0.62603782
Kurtosis	-0.9926278
Skewness	-0.7555694
Range	2
Minimum	1
Maximum	3
Sum	509
Count	215
Confidence Level (95.0%)	0.1063634

Based on the statistics supplied, it appears that the group members do not consider investing to be extremely dangerous. The mean value of 2.36744186 indicates that the group perceives investing as a fairly low-risk activity, while the median and mode values of 3 indicate that the majority of individuals in the group regard investing as relatively low-risk.

The sample variance of 0.626037818 and the standard deviation of 0.791225516 indicate that there is considerable variation in the group's perceptions of investment risk, although the values are quite near to the mean value.

TABLE III

3. How much does a loss affect your investment decision the next time?	
Mean	3.19534884
Standard Error	0.06523416
Median	3
Mode	4
Standard Deviation	0.95652054
Sample Variance	0.91493154
Kurtosis	-0.3954606
Skewness	-0.5947391
Range	4
Minimum	1
Maximum	5
Sum	687
Count	215
Confidence Level (95.0%)	0.12858379

Based on the data supplied, the mean value of 3.195348837 indicates that the group considers losses to have a moderate impact on their investment decisions. The median value of 3 and the mode value of 4 indicate that the majority of people in the group believe losses have a moderate or minor impact on their investment decisions.

The sample variance of 0.914931537 and the standard deviation of 0.956520536 indicate that there is considerable variation in the group's opinions of how much a loss influences their investing decisions, although the values are quite close to the mean value.

TABLE IV

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4. *How much does the risk factor and market volatility affect your investment decisions?*	
Mean	3.49302326
Standard Error	0.06250226
Median	4
Mode	4
Standard Deviation	0.91646297
Sample Variance	0.83990437
Kurtosis	0.16424641
Skewness	-0.3652926
Range	4
Minimum	1
Maximum	5
Sum	751
Count	215
Confidence Level (95.0%)	0.1231989

Based on the statistics presented, it appears that respondents had a neutral attitude towards the impact of risk factors and market volatility on their investment decisions, as the mean score is 3.49, which is quite near to the neutral threshold of 3. The median and mean scores of 4 also indicate that the response distribution is substantially symmetrical around the neutral point.

The standard deviation of 0.92 suggests that there is some variation in the responses, but not a lot.

TABLE V

5. *To what degree do your peers influence your investing decisions?*	
Mean	3.10697674
Standard Error	0.07349734
Median	3
Mode	3
Standard Deviation	1.07768256
Sample Variance	1.1613997
Kurtosis	-0.4273371
Skewness	-0.2827421
Range	4
Minimum	1
Maximum	5
Sum	668
Count	215
Confidence Level (95.0%)	0.14487144

Based on the data presented, it appears that respondents have a somewhat less-than-neutral attitude towards the influence of their peers on their investment decisions since the mean score is 3.11, which is slightly less than the neutral point of 3. The median and mean scores of 3 also indicate that the response distribution is fairly symmetrical around the somewhat below-neutral point.

The standard deviation of 1.08 indicates that there is a modest level of diversity in the replies, implying that the influence of peers on investing decisions may be large for some individuals but low for others.

XIV. INTERPRETATION AND ANALYSIS

Hypothesis:

H01= The variables do not have any significant preventive effect on the investment decisions of undergraduate students.

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H02= The variables significantly prevent undergraduate students from investing.

Dependent Variables - Factors influencing investment decision of undergraduate students (peers, risk appetite, complexity of market and market volatility)
Independent Variables - Preventive factors (age, gender, and annual income)

A. Risk

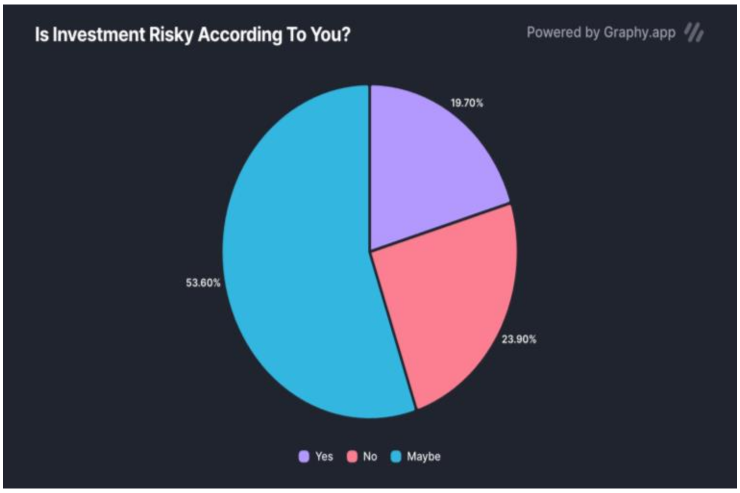

Fig. 2 Pie Chart of responses to the question – 'Is investment risky according to you?'

From the primary data collected, it has been observed that the majority of the students (56.3%) find that investment may be risky and are not entirely confident about their investment decisions. We further wanted to understand whether gender played a role in determining the willingness of taking risks while making investment decisions. Research has suggested that gender can have some influence on investment decision-making. Some studies have found that women tend to be more risk-averse than men when it comes to investing. To prove this hypothesis, we did the chi-square test to understand if risk willingness was affected by gender. A chi-square test is a statistical test used to compare observed results with expected results.

In our case, the expected result would be that risk willingness is affected by gender.

TABLE VI

	maybe	no	yes
female	57.14285714	13.1868132	29.6703297
male	55.64516129	32.2580645	12.0967742

This table shows the percentage of males and females answering the question "Is investment risky according to you?" According to the table, 32% of the male respondents answered that they do not think investment is risky compared to 13% of female respondents. On the other hand, 30% of the female respondents answered that they find investment risky compared to 12% of the male respondents. Thus, it was concluded that gender affects the willingness of risk among the participants which was further proved by the chi-square test.

TABLE VII

Chi-Square Test					
SUMMARY		Alpha	0.05		
Count	*Rows*	*Cols*	*df*		
215	2	3	2		
CHI-SQUARE					
	chi-sq	*p-value*	*x-crit*	*sig*	*Cramer V*
Pearson's	16.21071094	0.000301918	5.991464547	yes	0.274588156
Max likelihood	16.69404402	0.000237102	5.991464547	yes	0.278651604

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Our assumption, i.e., the expected data matches the observed result as highlighted by the yes in the significance column.

Conclusion: Null hypothesis is rejected; gender impacts the opinion market risk preventing undergraduate students from investing.

B. Risk Appetite After Suffering Loss

The term risk appetite is generally understood to be the willingness of investors to bear the financial risk with the expectation of generating a potential profit. It reflects an individual's willingness to take on investment risks, based on their personal financial goals, time horizon, and overall risk tolerance.

Investors with a high-risk appetite are willing to take on higher levels of investment risk, potentially yielding higher returns. On the other hand, investors with a low-risk appetite may prefer investments that offer lower returns but are less risky.

Risk aversion is the tendency of people to prefer outcomes with low uncertainty to those outcomes with high uncertainty, even if the average outcome of the latter is equal to or higher in monetary value than the more certain outcome.

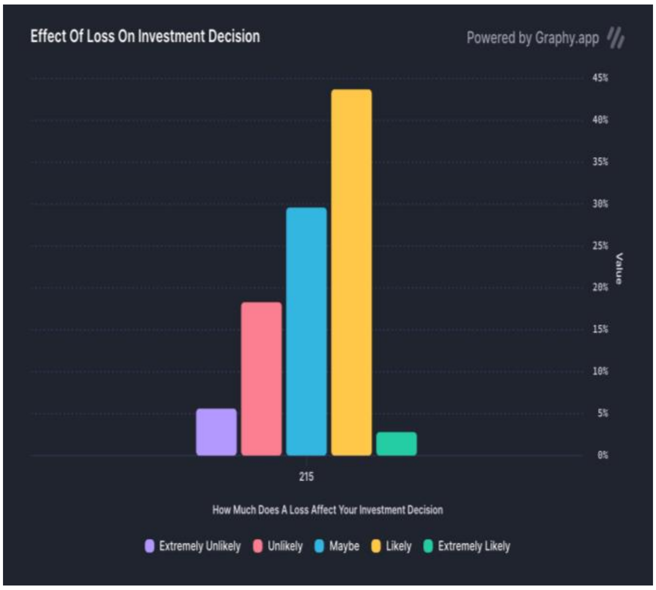

Fig. 3 Pie Chart of responses to the question regarding effect of loss on investment decision

These are the responses that were collected from the population. The respondents were asked to answer the question "How much does a loss affect your investment decision the next time?" on a scale of 1 to 5 with 1 being extremely unlikely and 5 being very likely. As observed above the maximum number of respondents said that a loss would likely affect their investment decision indicating that the population has a low-risk appetite. We further wanted to test if the annual income of the respondents affected their risk appetite.

TABLE VIII

Chi-Square Test					
SUMMARY		Alpha	0.05		
Count	*Rows*	*Cols*	*df*		
215	6	5	20		
CHI-SQUARE					
	chi-sq	*p-value*	*x-crit*	*sig*	*Cramer V*
Pearson's	27.7646271	0.11508928	31.4104328	no	0.17967874
Max likelihood	24.688384	0.21361372	31.4104328	no	0.16943265

This clearly indicates that since the p-value is higher than 0.05; annual income does not affect the risk appetite of the participants.

Conclusion: Null hypothesis is accepted; annual income does not impact the opinion about loss while investing preventing the undergraduate students from investing.

C. Market Volatility

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Market volatility refers to the tendency of financial markets to experience large and sudden fluctuations in prices over a short period. It is a measure of the rate and magnitude of price changes in an asset, market, or portfolio over time. Market volatility and risk are related concepts, but they are not the same thing. Volatility is a measure of the magnitude and frequency of price movements in financial markets, while risk refers to the potential for loss or uncertainty associated with an investment.

For analysis, we compared the age and gender of the participants with their opinion towards the market volatility and its impact on their investment decisions.

1) Gender:

TABLE IX

Chi-Square Test					
SUMMARY		Alpha	0.05		
Count	*Rows*	*Cols*	*df*		
215	2	5	4		
CHI-SQUARE					
	chi-sq	*p-value*	*x-crit*	*sig*	*Cramer V*
Pearson's	12.0005196	0.0173474	9.48772904	yes	0.23625488
Max likelihood	13.4133036	0.00942332	9.48772904	yes	0.24977482

A p-value of 0.0173474 in a chi-square test suggests that there is a statistically significant association between the variables being tested.

The p-value represents the probability of obtaining the observed results or more extreme results if there were no true association between the variables. Typically, a p-value less than 0.05 is considered significant, indicating that the observed results are unlikely to have occurred by chance alone. It can be concluded that there is a statistically significant relationship between the variables being tested.

2) Age:

TABLE X

Chi-Square Test					
SUMMARY		Alpha	0.05		
Count	*Rows*	*Cols*	*df*		
215	4	5	12		
CHI-SQUARE					
	chi-sq	*p-value*	*x-crit*	*sig*	*Cramer V*
Pearson's	27.2766469	0.00704862	21.0260698	yes	0.20564381
Max likelihood	29.4209601	0.00341042	21.0260698	yes	0.21357409

Overall, we can see that the majority of respondents rated their peers' influence as a 3 or 4, indicating that their peers do have some level of influence on their investing decisions. A p-value of 0.00704862 indicates that there is a very low probability of obtaining the observed result by chance if the null hypothesis is true.

Conclusion: Null hypothesis is rejected; age and gender impact the opinion about market volatility preventing undergraduate students from investing.

D. Influence of peers

The herding effect is a phenomenon where investors tend to follow the actions of other investors instead of making independent decisions. In other words, investors may make decisions based on the actions of their peers rather than their own analysis of market data and economic trends. This is our assumption which is later proven with the help of the chi-square test.

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Fig. 4 Pie Chart of responses to the question regarding influence of peers on investment decision

TABLE XI

Chi-Square Test					
SUMMARY		Alpha	0.05		
Count	*Rows*	*Cols*	*df*		
215	4	5	12		
CHI-SQUARE					
	chi-sq	*p-value*	*x-crit*	*sig*	*Cramer V*
Pearson's	24.5597548	0.01705249	21.0260698	yes	0.19513364
Max likelihood	25.1526781	0.01411572	21.0260698	yes	0.19747506

A p-value of 0.01705249 in a chi-square test indicates strong evidence against the null hypothesis. In statistical hypothesis testing, the null hypothesis assumes that there is no significant difference between the observed and expected frequencies, while the alternative hypothesis assumes that there is a significant difference.

In this case, the extremely small p-value indicates that the observed data is highly unlikely to have occurred by chance alone, and therefore, provides strong evidence to reject the null hypothesis.

Conclusion: Null hypothesis is rejected; age impacts the opinion about the influence of peers preventing undergraduate students from investing.

E. Complexity of the Market

One key factor that affects the complexity of the market's impact on investment decisions is the type of investment. For example, investing in individual stocks can be more complex than investing in index funds or mutual funds, as individual stocks can be more volatile and subject to greater market fluctuations.

Through the questionnaire, we were able to better understand the investment patterns of the respondents with a majority (84.5%) of the students saying that they would prefer investing in equity markets.

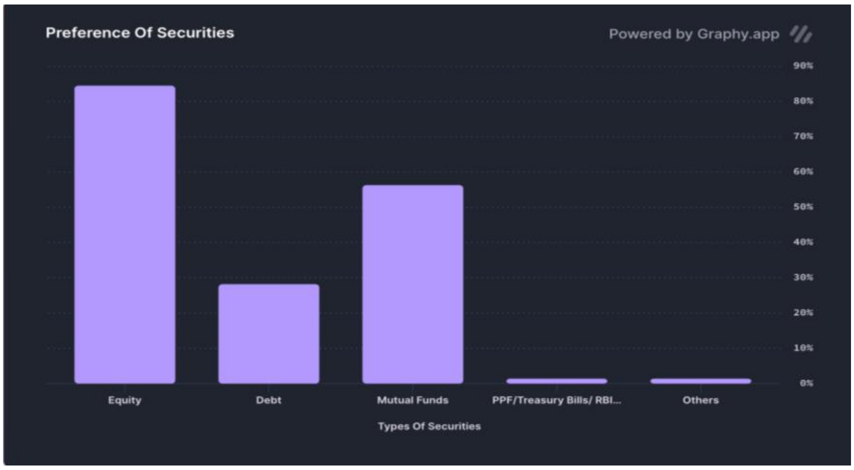

Fig. 5 Pie Chart of responses to the question regarding preference of securities

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It was also noted that while most of the respondents prefer to invest in equity markets which are more volatile, they are also of the opinion that very few people are able to make profits while investing. 62% of the respondents believe that only a small number of individuals can generate profits and 43.7% of the respondents also feel that dealing with the markets is extremely complex and overwhelming.

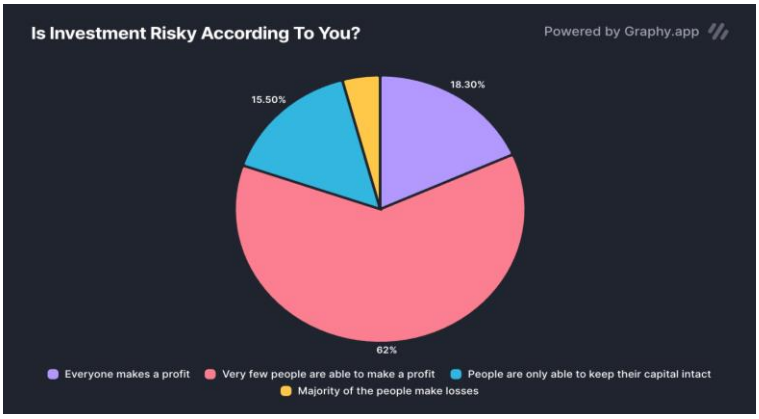

Fig. 6 Pie Chart of responses to the question regarding the reasons why investment is risky to the respondents

TABLE XII

Chi-Square Test					
SUMMARY		Alpha	0.05		
Count	*Rows*	*Cols*	*df*		
215	4	5	12		
CHI-SQUARE					
	chi-sq	*p-value*	*x-crit*	*sig*	*Cramer V*
Pearson's	7.51747644	0.82161101	21.0260698	no	0.10795834
Max likelihood	8.08011845	0.77883846	21.0260698	no	0.11192549

In this case, a p-value of 0.82161101 indicates that there is a high probability (82.16%) that the observed effect is due to random chance, rather than being a statistically significant result. Therefore, the null hypothesis cannot be rejected based on this p-value, and the observed effect is not considered to be statistically significant.

Conclusion: Null hypothesis is accepted; age does not impact the opinion about the complexity of the market preventing undergraduate students from investing.

XV. DISCUSSION OF RESULTS

In our study, we conducted several analyses to understand the factors that prevent undergraduate students from investing. The first analysis focused on the relationship between gender and risk willingness. Through the chi-square test, we found that gender does impact investing attitudes and risk willingness, suggesting that gender plays a role in shaping people's meanings and values when it comes to taking risks and investing.

We also conducted an analysis to understand the risk appetite of the sample size and how annual income affects it. While the initial analysis showed a low-risk appetite among respondents, the chi-square test showed that annual income and risk appetite are not dependent.

Another analysis compared gender with opinions about market volatility and its impact on investment decisions. The results showed that market volatility does prevent students from investing, but one gender was less influenced by it than the other.

The increased influence of others in one's own decision-making is common these days. Keeping this in mind a test was done to show how investors may make decisions based on the actions of their peers rather than their own analysis of market data and economic trends. This assumption was later proven with the help of the chi-square test.

We also assumed that the complexity of the investing platform could prevent students from investing, especially those with less knowledge. However, the chi-square test showed that age does not impact opinions about market complexity or prevent undergraduate students from investing.

Overall, our study identified various factors that prevent undergraduate students from investing. These findings can help investors and policymakers understand the challenges faced by students and develop strategies to encourage them to invest.

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XVI. CONCLUSION AND RECOMMENDATIONS

This study examines the factors that prevent undergraduate students from investing and suggests strategies to overcome these barriers. The research was conducted through a structured questionnaire administered to undergraduate students. In this study, data was analysed using frequencies, chi-square test, percentages, and Factor analysis techniques. Lack of knowledge, limited financial resources, fear of risk and uncertainty, gender influence, and peer pressure are among the reasons why students avoid investing. To encourage investment, universities, and financial institutions can offer financial literacy programs, create affordable investment options, and provide mentorship programs that pair experienced investors with undergraduates. Investing at a young age can equip students with valuable financial skills and knowledge for their future careers. Encouraging students to invest requires a comprehensive strategy that addresses their concerns and provides support. The benefits of an educated population are clear, including greater economic stability and increased individual wealth. Providing mentorship and accessible investment products can empower future generations to make sound investment decisions. Overall, it is important to prioritise financial literacy among undergraduate students to prepare them for a financially secure future.

XVII. LIMITATIONS OF THE STUDY

There are a few limitations to the study, the study was only confined to one city, investment decisions depended on various factors and only some of them were taken into consideration and the sample size was restricted to only 215 undergraduate students.

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APPENDIX

A. What is the approximate range of your annual family income?	
Mean	5.1627907
Standard Error	0.08536742
Median	6
Mode	6
Standard Deviation	1.25173212
Sample Variance	1.5668333
Kurtosis	3.21037077
Skewness	-1.8270124
Range	5
Minimum	1
Maximum	6
Sum	1110

Count	215
Confidence Level (95.0%)	0.16826869

The minimum and highest numbers in the dataset suggest that the approximate range of yearly family income based on this data is from 1 to 6. It should be noted, however, that the dataset does not offer particular income values for each of these numbers.

The mean value of 5.162790698 indicates that the average yearly family income for this group is around 5.16, with a standard deviation of 1.251732119 indicating that income levels vary within the group.

The median number of 6 indicates that more than half of the group has an annual family income of $6 or less. The mean value of 6 indicates that 6 is the most common yearly family income value in the group.

B. How much do companies with unethical business practices/ companies that do 2t align with your values prevent you from investing in them?	
Mean	3.44651163
Standard Error	0.08249728
Median	3
Mode	3
Standard Deviation	1.20964752
Sample Variance	1.46324712
Kurtosis	-0.8153534
Skewness	-0.3213641
Range	4
Minimum	1
Maximum	5
Sum	741
Count	215
Confidence Level (95.0%)	0.16261131

Based on the data provided, it appears that respondents have a slightly above-neutral attitude towards the impact of companies with unethical business practises or those that do not align with their values on their investment decisions, as the mean score is 3.45, which is slightly higher than the neutral point of 3. The median and mean scores of 3 also indicate that the response distribution is fairly symmetrical around the somewhat above-neutral point.

The standard deviation of 1.21 indicates that there is a moderate level of heterogeneity in the replies, implying that ethical issues may be essential in some investors' investment decisions but not in others.

C. How complex or overwhelming does dealing with markets as a task feel to you?	
Mean	3.35813953
Standard Error	0.06905819
Median	3
Mode	3
Standard Deviation	1.01259188
Sample Variance	1.02534232
Kurtosis	-0.2830707
Skewness	-0.193662
Range	4
Minimum	1
Maximum	5

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Sum	722
Count	215
Confidence Level (95.0%)	0.13612138

Based on the statistics presented, it appears that respondents had a somewhat above-neutral attitude towards the complexity or overwhelming nature of dealing with markets as a task, since the mean score is 3.36, which is slightly higher than the neutral point of 3. The median and mean scores of 3 also indicate that the response distribution is fairly symmetrical around the somewhat above-neutral point.

The standard deviation of 1.01 indicates that there is a moderate level of variety in the replies, implying that dealing with markets may be viewed as a more complex and intimidating process for some investors, while it may be less so for others.

D. Questionnaire:

1) What age range do you belong to?
2) Please mention your gender.
3) Please provide the range of annual income of your family
4) What percentage of income do you invest?
5) Is investing risky according to you?
6) How much does a loss affect your investment decision the next time?
7) How much does the risk factor and market volatility affect your investment decisions?
8) To what degree do your peers influence your investing decisions?
9) How much do companies with unethical business practices/ companies that do not align with your values prevent you from investing in them?
10) How complex or overwhelming does dealing with markets as a task feel to you?
11) What securities do you prefer investing in?
12) What are your views on investing?

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