

## CHAPTER 2

### REVIEW OF LITERATURE

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#### Preview

*This section provides a comprehensive literature review on the topic of investment intention of agrarian class. In order to gain a thorough understanding of investment intention of agrarian investors, this chapter seeks to identify the most significant and knowledgeably valuable academic and practical studies. The research gap that prompted the necessity for this study is presented after the examination of the relevant prior literature.*

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#### **2.1 Introduction**

A thorough and in-depth review of the relevant literature is an essential part of every research project. The literature that has come before is not only useful for its own sake but also because it might point a researcher in the right direction for how their own research should go. Generally speaking, a "literature review" is a methodical approach to compiling and summarizing previously conducted studies (Baumeister & Leary, 1997; Tranfield, Denyer, & Smart, 2003). A well-executed review is a crucial step in every research project, as it allows for the dissemination of new findings and the development of new hypotheses (Webster & Watson, 2002). In order to establish the aims and methodology of the current study, the researcher has made an effort to peruse all relevant literature. Although, a significant attempt was made to keep the literature review focused on the investment intentions of agrarian people, the present chapter does include brief references to other studies where significant findings concerning the investment behavior of rural people were made. To identify the gaps in the literature on investment behavior, a large body of previous research has been evaluated to better comprehend the research methodology and conclusions. While many studies have looked at various factors that may have an impact on retail investors' investment intentions, few have focused on the agrarian class. Furthermore, most previous research sampled a wide variety of parameters linked to urban and semi-urban investors only, whereas the present study focuses solely on the most important factors associated with the farmers or

agricultural class from rural Punjab. No research has looked into the factors that determine the investment intentions of the farming class. In addition to the foregoing, no research has been conducted on the agrarian class of Punjab, India's most agriculturally based state. In light of these considerations, a comprehensive literature review was conducted. The literature is reviewed in chronological order, beginning with the latest studies.

**Adil et al. (2021)** examined how gender differences in herding, propensity, overconfidence, and risk aversion influence investment decisions. They also looked at how biases in behavior and gender inequalities in investment decisions are mitigated by financial knowledge. The information for this survey was gathered from 253 individual investors in the Delhi-NCR area who answered a standardized questionnaire. Overconfidence had a positive and statistically significant effect on the decision to invest made by male investors, while herding behavior and risk aversion had a negative and statistically significant effect. However, it was demonstrated that disposition had no statistically significant effect. According to the findings, female investors' investment decisions were influenced in a negative and statistically significant way by risk aversion and herd behavior. However, the influence of arrogance and overconfidence on the investment decision was statistically insignificant.

**Akbarov (2021)** examined six product categories in relation to consumer ethnocentrism, in order to ascertain how consumer ethnocentrism affects actual consumer behavior. He also looked at how demographic factors swayed the relationship between ethnocentric attitudes and actions. Four hundred and seventy-seven completed surveys were gathered using snowball sampling and convenience. SPSS-24 and AMOS-23 were used to analyze the data. According to the findings, consumer ethnocentrism has distinct effects on consumer behavior in various product categories. Gender, marital status, and net worth are other factors that have an impact on this connection.

**Nugraha and Rahadi (2021)** looked at how Indonesia's younger generations, specifically millennials (generation Y) and generation Z, felt about their plans to invest in stocks. The study proposed the Theory of Planned Behavior (TPB)

perceptual variables and additional demographic parameters as table moderating variables. It was discovered that only attitudes toward behavior had a significant impact on the stock investing intentions of young Indonesian generations; There was no significant difference between the perception variables from TPB. Additionally, the level of education of Indonesia's younger generations dampened their desire to invest in stocks.

**Shehata et al. (2021)** investigated how financial literacy and the intention to invest on the Saudi Stock Exchange were influenced by risk perceptions. The results showed that financial knowledge and the intention to invest in the Saudi Arabian Stock Market are positively correlated with perceived risks, while financial knowledge and perceived risks are negatively correlated with perceived risks.

**Azizah and Mulyono (2020)** investigated three factors that influence the investment behavior of young Indonesian millennials: financial knowledge, self-control, and peer influence. A non-probability sample survey was carried out on 265 young millennials who were attending seminars and workshops hosted by Investment Gallery in Jakarta, Indonesia. The Partial Least Square Structural Equation Model (PLS-SEM) was utilized for the reflection measurement on the filtered survey data (N = 213). As part of the measurement, internal reliability, convergent reliability, and external loading are all evaluated. The final equation model was evaluated and estimated using the Smart-PLS v3.3.2 application. Businesses looking for young millennial investors can benefit from the dataset. Additionally, the Indonesian Ministry of Education and Culture (MoEC) and colleges can use the data to better prepare their students for financial literacy and investment knowledge.

**Ejigu (2020)** discovered through research that among business college students in the East Gojjam Zone, financial literacy, perceived behavioral control, perceived return, attitude, perceived trust, and perceived risk were significant predictors of student intention to participate in micro and small enterprises (MSE). Although there was a negative correlation between subjective norm and investment intention, it did not significantly alter intention.

**Melany and Wijayanti (2020)** investigated how the demographics of Indonesian consumers influenced the opinions of creative customers regarding risk and the adoption of new products. The data were provided by a representative sample of 1,000 customers from 31 provinces. The results showed that the demographic variable had no effect on how consumers' perceptions of credit-purchase risk changed, but that it was a moderating factor for how innovative consumers were and how readily they accepted new products. When it comes to the impact of consumer innovation on the perception of credit-purchase risk, only socioeconomic status has a significant moderating effect. A new product's success is significantly influenced by factors like marital status, occupation, income, and social class.

**Abdillah et al. (2019)** investigated the influence of financial literacy and the moderating effects of emotional quotient, locus of control, and risk aversion on the intention to invest in digitally risky investments. 98 investors in digitally risky assets were used in this study. The partial least squares (PLS) method was utilized for the analysis of the data. The findings demonstrated that emotional intelligence and locus of control had a positive effect on intention to make a risky investment, whereas risk aversion and financial literacy had a negative effect. This study looked at the factors that influence people's intentions to make risky investments in information technology. Emotional intelligence, locus of control, and risk aversion all have an effect on people's intentions to make digitally risky investments, and financial literacy did not help.

**Aren and Hamamci (2019)** looked at the effects of subjective and financial literacy as well as the big five personality traits (fear, hope, anger, and sorrow) on risk aversion, investment choices, and risky investment intention. Also looked at were risk aversion, the desire to make risky investments, and investment preferences, as well as their interactions. Neuroticism and openness, two personality traits, and fear and melancholy, two emotions, were found to be predictive of risk aversion. Along with two personality traits (neuroticism and openness), one of the same two emotions (fear), and one additional emotion (anger), the tendency to make risky investments and resistance to taking risks were also found.

**Baker et al. (2019)** analysed the influence of financial literacy and demographic factors (gender, income level, age, occupation, education, investment experience and marital status) on investor behavioral biases in India. 500 Indian investors were used in the study. The results show that Indian investors exhibit a variety of behavioral biases, including self-attribution, anchoring bias, overconfidence, mental accounting, representativeness, herding and emotional biases. The findings support the hypothesis that individual investors might not always make reasonable choices. Additionally, the results show that financial literacy is positively connected to mental accounting bias, negatively related to the disposition effect and herding bias, and not significantly related to overconfidence or emotional biases. Age, occupation, and level of financial experience all strongly predict an investor's behavioral biases. Men are more inclined to overestimate their stock market knowledge when comparing the sexes.

**Dewan et al. (2019)** discovered the variables influencing both corporate and individual investors' investment behavior. Researchers found that elements connected to investors, the market or environment, investments, and companies have an impact on investors' behavior. It was discovered that the corporate and individual investors from Southern India behave very differently when it comes to investing. Additionally, it was found that corporate investors are more eager to learn about the market, the outside world, SEBI regulations, etc. Additionally, personal aspects associated to investors such as level of expertise, pattern of saving or consumption, influence of friends or family, attitude toward risk, etc. have an impact on how each investor behaves when making investments. For both the corporate and individual investors, the investment-related elements are crucial.

**Hudson et al. (2019)** studied how African American women manage home finances and their financial skills and investment behavior. We looked at a sample of African American women's views regarding investing using three logistic regression models. The findings indicated that these women were more likely to invest if they felt in control of their financial circumstances. Younger African American women made more investments than older African American women did. Additionally, compared to them

more senior counterparts, younger African American women reported being more confident in their ability to manage money.

**Ngadino, Fahreza, (2019)** examined the effect on Indonesian stock investment intention of investment knowledge, risk perception, and perceived behavioral control. Information was gathered from people who had independent incomes, lived in a certain area of Jakarta, and had never invested in shares. The findings demonstrated that financial knowledge, perceived risk, and behavioral control perception all had a favorable impact on stock investment intention.

**Rossi et al. (2019)** examined family preferences for socially responsible company (SRI) investments. A questionnaire was given to a Dutch representative household panel, and they looked into the latent and actual demand for SRI products. The rationale given by respondents for selecting SRI products was provided. The findings demonstrated that social investors are willing to pay a price in order to be socially responsible, and that those who consider themselves financially literate are less interested in SR products than others.

**Sadiq and Khan (2019)** investigated the effects of risk behavior on the relationship between personality variables and investment intention as well as the effects of financial literacy on the link between risk behavior and investment intention. The study found that people are more likely to invest if they are proactive, understanding of other people, persistent, and well-organized. Scholars claim that financial literacy has a significant effect on both STII and LTII. However, the relationship between risky behavior and investment intention is largely unaffected by financial literacy. When it comes to advising people to invest, the findings of the study may have implications for governments, financial institutions, and financial managers by assisting them in understanding the significance of risk-taking behavior and financial literacy.

**Akhtar and Das (2018)** conducted research on the factors that lead individual investors to invest in developing countries (i.e., India). The researcher (TPB) used the "Theory of Planned Behavior." A questionnaire-based survey of individual

investors were carried out, and a quantitative, cross-sectional strategy was utilized. According to the findings, there is a partial arbitrage between the relationship between financial knowledge and investment motivation due to various attitudes. Financial self-adequacy has a significant impact on the correlation between personality traits and investing motivation. Subjective norms had a slight positive effect on investment intention.

**Gopi et al. (2018)** looked at how a group of paid people working in the private shipping industry in the Ernakulam district invested. Numerous statistical techniques, including the T test, Chi Square analysis, correlation analysis, and percentage analysis, were used to examine the data that was collected in an organized manner. The majority of employee savings are used to pay for personal expenses like a child's education or wedding, according to the authors. They frequently invest without taking any risks. In order to avoid becoming involved in any other attractive or fashionable costs, the paid workforce has begun developing their own financial plans for the anticipated costs and comparing them to the actual costs they have incurred.

**Ihlia et al. (2018)** examined the investing habits of central Ugandan small-scale coffee growers. Farmers' decision-making behavior was found to be better predicted using the Real Options Approach than the Net Present Value Approach. The behavior of investors is unaffected by the existence of a price floor. It was determined that investment is preferred by Ugandan small-scale farmers to the ROA strategy. Even though there were no negative returns on investments in our experiment, the data show that farmers were extremely cautious when investing in uncertain circumstances.

**Raut (2018)** investigated the role of prior behavior and financial literacy in individual investors' investment decision-making as well as the applicability of the theory of planned behavior. Surveys, convenience sampling, and snowball sampling were used to collect the data. Two-step structural equation modeling with AMOS 20.0 was used to analyze the data. SEM). The outcomes showed that each expected predictor had a significant impact. Although the investor's attitude had a significant impact on the investor's intent, prior behavior had little direct impact. Financial literacy was found to be

able to lessen the pressure from society, which was found to be the main factor that had a big impact on Indian investors.

**Raut et al. (2018)** investigated the accuracy with which the Theory of Planned Behavior (TPB) predicts individuals' likelihood of investing in the stock market. Prior behavioral biases (PBB) as a factor influencing people's behavioral investment intentions are considered in this study, which extends the TPB model. The construction of deductive hypotheses was used. 396 people in Eastern India participated in a survey that yielded data that was analyzed. It was found that a person's behavioral intentions are strongly correlated with their behavioral attitude, subjective standards, and perceptions of behavioral control. The findings suggest that increasing the predictive power of the model by including historical PBB is possible.

**Sarkar and Sahu (2018)** studied how one dependent variable, investment behavior, is affected by three independent variables: demographic variables, perceived risk attitude and awareness. Primary data was collected from 400 randomly selected individual stock market investors from various West Bengal districts using a structured questionnaire. It was discovered that individual investors possess moderate levels of financial awareness that go beyond social learning. The primary driver of perceived risk attitude is affected, not cognition. The investigation showed that individual stock market investors' investment behavior is highly influenced by demographic factors, awareness, and perceived risk attitude.

**Sashikala and Chitramani (2018)** found that the investor's motivation and efforts influence their choice of investments. The author examined how behavioral factors affected investors' intentions, specifically their short- and long-term intents. 200 equity investors from the city of Coimbatore participated in the data collection using questionnaires, and regression was utilized to analyze the data. This study's objective was to ascertain how the behavioral factors (Heuristics factors, Market factors, Prospect factors, and Herding factors) affected participants' intentions to make short- and long-term investments. Intention to invest in the short term was found to be more influenced



by prospect factors and herding factors, whereas intent to invest in the long term was found to be more influenced by prospect factors and market forces.

**Vembu et al. (2018)** examined the attitudes of Kodavasal residents concerning the post office savings programme. The majority of rural ladies were found to be interested in putting their savings in the post office because one is located close to where they live. Due to ignorance and other associated circumstances, illiterate people invest their money in the post office. Due to the low interest rate, higher income groups were never interested in investing their money in the post office. The largest benefit for investing in a post office savings plan is tax relief.

**Gasti (2017)** examined the variables influencing rural Dharwad district residents' savings and degree of knowledge. He also noted that various people have diverse savings and investment habits as a result of their varied motivations. Saving and investing are done for a variety of reasons, including dependable income, capital appreciation, child education and marriage, tax preparation, house development, etc. According to an analysis, rural residents choose to invest in bank accounts rather than save for their retirement needs and unforeseen contingencies.

**Ibrahim and Arshad (2017)** explored how product participation, arbitrary norms, and perceived behavioral control had an impact on Pakistani individual investors' motivations to invest. The information was provided by 548 individual Pakistani investors. Product engagement and subjective norm were found to have a significant impact on individual investors' intentions to invest in Pakistan. On the other hand, individual investors' intentions to invest appear to be little affected by the perceived behavioral control. Individual investors' plans to invest are influenced by important variables such as product engagement and subjective norm. Conclusion: Investment intention is influenced more strongly by subjective norm than by product knowledge, and subjective norm also has a greater influence than product knowledge.

**Jonsson et al. (2017)** an investor's financial knowledge, tolerance for risk, and desire to save may lessen their disposition bias when purchasing mutual funds. In

2013, 1,564 Swedish households completed questionnaires, which served as the basis for the study. The authors say that a person's level of financial knowledge affects how much of an impact it has on their disposition. Understanding mutual funds and the market is linked to a reduction in the disposition effect, but the authors do not find any evidence for "technical financial knowledge," such as the ability to calculate compound interest rates. In addition, the authors do not find any evidence to support the idea that taking risks and having savings goals can counteract dispositional bias.

**Pfeifer and Leon (2017)** looked into how personal religiosity affected decisions about private investments, financial risk, and risk preferences in general. Individual decisions regarding risk-taking have a significant impact on financial economic behavior and, by extension, financial markets. Microdata from Germany were looked at, and the results showed that religion affects risk preferences and private financial behavior. Muslims in Germany generally take fewer risks than Catholics, Protestants, and nonreligious individuals, according to research. Additionally, our findings lend credence to the idea that people's investment habits can be influenced by their religious affiliations.

**Saravanan and Satish (2017)** developed a model to comprehend the relationships between various constructs in order to comprehend how retail investors perceive initial public offerings. The Theory of Planned Behavior (TPB) was utilized in the creation of the proposed model. Data were gathered from 253 respondents. The economic, industrial, and corporate (EIC) traits that serve as a foundation for control were reframed in this paradigm as perceived behavioral control. It was demonstrated that investor and EIC attitudes were positively correlated with information. Subjective norms and behavioral intention, investor attitude and behavioral intention, and EIC attribute, investor attitude, and behavioral intention are positively correlated, according to the findings. The study found that an individual's intention to act is more influenced by their investor mindset.

**Sivaramakrishnan et al. (2017)** looked at how people's decisions about investments, particularly in the stock market, were influenced by their level of financial

literacy. It was determined that investment intention can predict real stock market investments. It was discovered that investment intention is influenced by both objective and behavioral financial literacy. While financial success has a positive correlation with behavior, it has a negative correlation with intention.

**Trang and Nguyen (2017)** investigated how individual investors' intentions and performance were affected by their perception of risk. The findings indicated that investors' intentions and investment success were directly influenced by their perception of risk. Through the performance of assets, perceived risk had an indirect effect on investment intentions as well. The dangers of purchasing stocks that have been "warned," "restricted, or halted trade" as a result of managerial decisions should be emphasized by investors. The more satisfied investors are with their investment decisions, the recent rate of return realized, and the amount they want to invest the following time, the more negatively investors perceive the risks associated with particular stock types.

**Bhayani and Patankar (2016)** conducted a survey to compare the investment strategies of urban and rural investors in Nasik (Maharashtra, India). Different investment options were chosen based on their liquidity, profitability, returns, risk, and procedural clarity. The investment behavior was compared to the best investment opportunities that were available at the time. The survey's structure was sound. It was discovered that rural and urban individual investors behave very differently when making investments.

**Jamil and Khan (2016)** investigated the range of available investment options. The purpose of the study was to analyze how gender affects investment decision-making and to pinpoint areas where men and women differ in terms of their susceptibility to specific behavioral biases in the quest of potential financial gains. Using a structured questionnaire and a probabilistic sample technique that carefully balanced convenience and judgmental sampling, the primary data was gathered from salaried investors (the respondents). The final sample, made up of 225 people, was a wide cross-section of the Omani population. In statistical analysis, chi-square analysis has been employed. In

statistical analysis, chi-square analysis has been employed. Five of the main cities in Oman served as the sampling locations in December 2014. The goal of the study was to comprehend how cultural norms and herd instincts influence women in Oman. The study discovered that gender behavior varies when it comes to making financial decisions.

**Kapoor (2016)** examined the perspectives of urban and rural investors on various investment opportunities. From the Moradabad region, 50 urban and 50 rural investors were chosen. Conclusion: Investors are strongly oriented toward real estate investing, regardless of the region to which they belong. Although real estate always displays an increasing tendency, investors feel that there may be fluctuations or ups and downs in the investment amount owing to changes in the economic environment. Villagers had a tendency to buy agricultural farms. Urban regions are where most people seek to buy lots and apartments. They have included gold and silver in their investing portfolio.

**Kaur and Kaushik (2016)** researchers looked at how an investor's awareness, attitude (perception of the outcome) and socioeconomic situation affected his investment behavior in mutual funds, using the TPB model. The initial poll in Delhi- NCR generated 450 valid replies, on which the results are based. According to the research, perception, awareness, and socioeconomic factors of individual investors can all be used to explain investment behavior. Investment in mutual funds will benefit from increased knowledge about the many components of mutual funds. Contrary to popular opinion, the choice to invest was unaffected by risk perception for mutual funds. Additionally, socioeconomic traits of investors like age, occupation, gender, education and income had an effect on their level of knowledge about mutual funds.

**Mohammadi and Shafi (2016)** studied investor behavior in relation to gender inequalities in businesses seeking equity finance. According to statistics acquired from the Swedish equity crowd financing platform, female investors are more willing to invest in projects if the number of male investors is higher. Female investors don't want to invest in the stock of businesses. According to the findings, female investors exhibit a higher level of risk aversion than male investors.

**Praba (2016)** research was done on the variables affecting the financial risk tolerance profile. In this paper, we investigate the association between socio demographic characteristics and the degree of risk tolerance among individual investors. For information, the staffs of banks, NBFCs, mutual funds, insurance companies, educational institutions, and IT and IT-enabled businesses were consulted. The respondents are divided into five groups based on their responses and evaluations: low risk tolerance, medium/high risk tolerance, below average risk tolerance, above average risk tolerance. It goes without saying that men are more inclined than women to tolerate excessive risk. Out of the six independent variables, it is evident that three of them— investor age, investor gender, and investor yearly individual income—have an impact on an investor's risk profile. Family type, marital status, and life cycle of the investor have no bearing on their level of financial risk tolerance.

**Prithviraj and Gokul (2016)** analysed the behavior of individual investors from Coimbatore city toward the financial markets' available investment opportunities, as well as the factors influencing investment choice and determining the level of risk tolerance of individual investors in relation to demographic characteristics. In terms of fixed income and investments, safety was discovered to be the most popular feature. The primary characteristic of the long-term investment that was selected was capital growth. The advantage of higher returns on liquidity investments was the one that was most sought. The proportion of real estate investors and gender both affect investment behavior. The MOF, GOI, RBI, SEBI, and other decision-makers ought to create rules that prioritize safety over all other factors. All socioeconomic groups—rural or urban, married or single, male or female, elderly or young, low class or high class— were found to be more prone to develop saving habits.

**Viswanadham (2016)** determined the stockholders' and investors' investment behavior. A sample of 100 investors, including 20 DSE employees and 80 consumers who had defaulted, was taken. The methods utilized to get information from the many respondents were questionnaires, interviews, and documentary evidence approaches. Using a questionnaire, demographic factors and investment preferences, such as equity shares, fixed income instruments, real estate, and gold, were assessed. It was

determined that personal characteristics directly influence investment patterns and behavior. The study's findings showed that self-employed investors prefer to invest for shorter periods of time and are risk-averse as opposed to those who take more risks and want to invest for longer periods of time.

**Warsame and Ileri (2016)** investigated the use of Sukuk in Qatar using the TPB model. The study found that attitude has a significant and positive effect on behavior intention to use a sukuk. The study also found that perceived religiosity and behavioral characteristics improve people's perceptions of sukuk. The study asserts that raising awareness of Sukuk usage among Muslims and non-Muslims will result in an increase. The study concluded that attitude has a positive and significant impact on behavior-related intention to use sukuk. However, compared to the impact on Sukuk usage intention, the impact of perceived behavioral control on actual Sukuk usage is less significant. The actual use of Sukuk is not significantly, directly, or favorably influenced by the intention to use Sukuk.

**Aydemir (2015)** examined the impact of individual factors like locus of control on the propensity to make risky investments and risk aversion in general. They looked at whether financial knowledge affects the intention to make risky investments, locus of control, and general risk aversion. Through the use of surveys, 112 individuals' data were collected. In light of this, the findings demonstrated that risk aversion in general had a large and detrimental effect on hazardous investment behavior. It was discovered that these correlations were mediated by financial literacy. In other words, the relationship between risk aversion generally, locus of control, and intention to make hazardous investments changed as a result of financial literacy. The level of financial literacy and general risk aversion both had an effect on the hazardous investment behavior described by behavior intention. The negative link between risk aversion and intention to make risky investments is stronger when financial literacy is higher. Less risk-averse individuals are more inclined to refrain from risky investments in general.

**Borgers et al. (2015)** examined to see if preferences for socially conscious stocks had an impact on the stocks that U.S. equity mutual funds hold.

Comparing conventional funds and socially responsible investment funds, it was discovered that conventional funds held "more socially responsible" assets than SRI-labeled funds. The author also investigated the potential impact of socially conscious stocks on mutual fund performance. It was discovered that exposure to socially conscious companies had a detrimental impact on performance, whereas investments in the tobacco, alcohol, and gambling industries have the potential to have a beneficial impact on risk adjusted fund returns.

**Osondu et.al (2015)** discovered that, at various risk levels, a combination of factors including household size, age, income, principal occupation, education level, farm size, education level and access to finance all had a substantial beneficial impact on small-holder farmers' income. At various risk levels, the farmers' savings volume was positively impacted by parameters like household size, educational attainment, income, age, and loan availability. In addition, it was shown that, with the exception of farm size, age, farming experience, farm income, and educational attainment all had a significantly beneficial impact on small-holder farmers' farm investment at various risk levels. Inadequate income (74.17%) and income loss concern (55.83%) are the main barriers preventing small-holder farmers from saving money. Incentives like better technology, appropriate agricultural support services, and short- and medium-term funding should be provided by the government and other players to farmers in order to raise their income levels.

**Adam and Shauki (2014)** investigated the attitudes, perceived behavioral control, subjective norms, and moral norms that drive SRI investor behavior in Malaysia. Moral standards were incorporated into the Theory of Planned Behavior as an extra explanatory component (TPB). According to the results, attitude, subjective norms, and moral standards all have a favorable influence on intention, which in turn influences action toward SRI. It has been found that investors' personal criteria have an impact on both their intention to engage in SRI and their actual behavior.

**Jani and Jain (2014)** studied how demographic factors affect the decision-making process of investors and the mutual fund buying behavior of rural investors. The decision to purchase a mutual fund was found to be significantly impacted by demographic parameters such as age, gender, occupation, education, and income. It was discovered that rural investors mainly relied on financial advisors/planners, gave mutual fund risk and return profiles second priority, followed by the fund's past performance, income planning came in fourth, and brand came in fifth. It was suggested that financial planners receive fees and other advantages to encourage more mutual fund investment.

**Kumari (2013)** examined to understand how rural investors make investment decisions, researchers used a combination of finance theory and psychological theory to examine five elements, including risk, return, peer, adviser, and friend influence. It has been discovered that all rural investors take risk and return on investment into consideration, and because most of them lack in-depth market expertise, they frequently rely on the advice of financial advisors. Conclusion was that Investment decisions made by rural people reflect psychology theory-planned behavior and principles from finance theory, such as risk and return equilibrium and trade-off.

**Odoemenem and Akerele (2013)** examined the savings and investment habits of small-scale farmers in Benue State, Nigeria's Makurdi Local Government Area. Utilizing multi-stage sampling approaches, 120 farmers were randomly selected, and information was gathered using a standardized questionnaire for an interview schedule. The survey discovered that despite low income, people in Benue State have a tendency to save and invest. Age, education, type of work, and the number of dependents did not, however, significantly affect savings. Work, spending, assets, and saving all contributed to household investment. Number of dependents, age distribution, kind of job, and educational attainment of small-scale farmers did not significantly affect saving. However, income level and sex have a beneficial influence on the saving and investing behavior of households.

**Teshome et al. (2013)** used survey data from 700 sample families to examine the savings habits of rural households in the East Hararghe Zone, Oromia



Regional State, Ethiopia. According to the findings, 79.2% of all sample homes had savings at the time of the survey. The education level of the household head, livestock holdings, access to credit services, income, investments, participation in training, connections with extension contacts, savings forms, and saving motivations were all found to have a significant impact on the amount of household savings. Despite having low wages, the findings demonstrated that rural households save, primarily through informal savings associations. These savings are rarely included in the national account.

**Chowa et al. (2012)** studied the key factors affecting asset building and saving among low-income people in rural Uganda. The individual-focused and societal approaches were contrasted. Rural, low-income households have very different saving outcomes, as explained by institutional theory. According to research, when institutional impediments are removed, disadvantaged individuals save more. Institutional frameworks can also help to eliminate poverty.

**Jain and Mandot (2012)** studied the relationship between the level of risk and the demographic details specific to Rajasthan-based investors. Depending on their risk tolerance, investors can choose from a wide range of investment options, such as bank deposits, stocks, public and private bonds, shares, mutual funds, exchange traded funds (ETF), insurance, gold, derivatives, silver, real estate, currencies etc. Further investigation revealed that the expected rate of return and generating a steady income are investors' top goals. The investors' Marital Status, Age, Gender, Educational Level and Occupation were found to be negatively correlated, whereas their Cities, Income Level, and Knowledge were positively correlated. Age, gender, marital status, city, income level, occupation, market awareness, and qualifications are just a few of the demographic factors that have been discovered to significantly affect investors' decisions to invest in Rajasthan. Gender and city are examples of demographic variables that have no bearing on investors' investment decisions.

**Manasseh and Komla (2012)** examined the household heads' racial and ethnic backgrounds and how those backgrounds affect their household's tendency to save and invest. The study's participants were rural families in Ghana's Volta Region's Ho

Municipality. To represent the whole population, we randomly chose 160 houses using a multi-stage cluster sampling technique. The study's results showed a positive relationship between family size, how difficult it is to save money, and the age of the household head. However, there is an inverse relationship between the age of the family head and investments, income level, insurance, and savings. According to the findings, family characteristics have a complicated impact on household financial decisions including saving and investment. These results suggest that the demographic characteristics of rural families in the research area do influence the households' saving and investing behavior in some way.

**Shanmugham and Ramya (2012)** analysed that individual investors have been found to be categorized by excessive trading, which is frequently to their harm (Barber and Odean, 2000). The theories of reasoned action (TRA) and planned behavior (TPB) were employed to interpret the actions of individual investors. Additionally, an attempt had been made to research the effects of social elements such interpersonal contacts, media, and the internet. And it was discovered that social connections and the media had a favorable link with attitude toward trading, but the internet element did not appear to have an impact on the respondents' attitudes about trading. In contrast to subjective norms, which are found to be adversely correlated with intention toward trading, the perception of behavioral control, trading intention, and attitude are all significantly positively correlated. They came to the conclusion that social factors, including interpersonal relationships and the media, had an impact on how frequently individual investors trade.

**Azwadi Ali (2011)** discovered that perceptions of risk, expected returns, and trust influence individual investors' trading decisions directly, with perceptions of brand acting as a partial mediating factor. They recommended that investors accept the stocks of companies that perform financially and develop a positive brand rather than the stocks of successful businesses with deceptive branding. They came to the conclusion that businesses should employ marketing techniques that might improve their brand and take their financial performance into account when courting individual investors.

**Dohmen et al. (2011)** used a simultaneous experiment with a representative subject pool and a comprehensive representative survey to examine risk attitudes. The respondents' opinions on a variety of topics, including politics and social issues, as well as a wide range of personal and family details, were requested. The analysis was done with information from the 2004 wave, which had 22,019 people living in 11,803 different homes. The majority of the time, the study focused on the general risk question from the SOEP, which asked participants to rank their global willingness to take risks. Gender, height, age, and parental background all have a statistically significant impact on individuals' "generally" willingness to take risks.

**Fares and Khamis (2011)** discovered variables that affect an investor's trading behavior and financial risk have been identified. To do this, the multiple regression method was used. These four explanatory factors—age, internet use, formal education, and these four—were statistically significant (at a 1% or 5% level) with favorable signals. Investors in stocks received questionnaires from ASE that were used to gather the information. The surveys were designed to look at investor behavior at ASE from February through 2010. It has been established that investor behavior is quite significant. The current study isolated four behavioral variables that affected traders' decisions. The stock market was significantly and favorably impacted by the investor's age, education, and internet access.

**Lyons et al. (2008)** used the cooperative bargaining theory to describe how financial decisions are made by married couples. The results showed that the spouse with the best negotiating position would have a bigger say in the financial decisions of the family. Therefore, power inside the marriage depended less on who held legal ownership to the riches and more on who had more clout in negotiations. The results showed that household financial decisions would typically more closely reflect the opinions of the spouse with greater negotiation power.

**Corter and Chen (2006)** looked into the Risk Tolerance Questionnaire, a new tool developed to gauge investment risk tolerance (RTQ). It was shown that there was a favorable association between the riskiness of the respondents' real investment

portfolios and their RTQ scores. They discovered that investors with high risk-tolerance ratings tended to have such portfolios, as did respondents with comparative larger financial experience. These investors also provided more risk-tolerant responses. The results demonstrated that individual differences in investment risk tolerance are a reliable predictor of investing behavior.

**Grinblatt and Keloharju (2000)** examined the degree to which past success influences the tendency to purchase and sell, as well as whether differences in investor sophistication and past performance-based behavior affect how well different investor types perform. It was discovered that overseas investors frequently acquire recently successful stocks and sell recently unsuccessful ones. Domestic investors, especially households, have a propensity for being contrarian. Even after adjusting for behavioral differences, the portfolios of international investors appear to perform better than the portfolios of families. The study focuses on which investor groups have momentum (the propensity to invest in recent winners and sell recent losers) and which had contrarian behavior, which is the opposite. It was discovered that investor behavior patterns in relation to prior returns are constant across a wide range of investor classifications.

### **Research Gap**

There has been much research conducted all over the world on the factors that influence the investment intentions of retail investors. However, few studies have been conducted in the context of rural people, particularly in the Indian context. The participants of the previous studies are almost exclusively retail traders hailing from urban and semi-urban areas. Much research has relied heavily on stock market participants as their primary data source; as a result, the breadth of those studies has been restricted to a narrower perspective. This study will be one of the few to concentrate on the main factors influencing the intention to invest in rural agriculture in India, and it will help to clarify the connections that exist between these factors throughout the process. The research's findings will give readers an understanding of the nature and range of activities undertaken by Indian banks and other financial institutions with a view to creating customized investment vehicles

that are particularly suited to the financial requirements of the underserved agrarian class of investors.

As a result, a more thorough examination of the factors influencing the investment intentions of the agricultural class in India's rural economic state of Punjab was required.

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