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An Assessment of Financial, Demographic, and Behavioral Factors Effect on Individuals Investment Decisions: A Quantitative Study on Quetta City Investors

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	Abstract
Dr. Tayyabah Safdar Assistant Professor, Department of Commerce Sardar Bahadur Khan Women's University, Quetta, Pakistan. Corresponding Author Email: tayybah_safdar@yahoo.com **Sidra Arif** Lecturer, Department of Management Sciences Sardar Bahadur Khan Women's University, Quetta, Pakistan. abdulrazzaqk@gmail.com	The purpose of this study is to examine the effects of financial literacy, personal behavior, financial stability, religion and society, and age on individual investment decisions in various investment alternatives, including real estate, the stock market, gold and other available investment avenues among investors in Quetta City. The study is grounded in a review of the existing literature, which provides theoretical and empirical insights into the factors influencing individual investment behavior. Based on the identified research gap and the conceptual framework, hypotheses are developed to examine the relationships between the independent variables and individual investment decisions. A quantitative research approach is employed, using a structured questionnaire to collect primary data from investors. The collected data are analyzed using appropriate statistical techniques to assess the proposed relationships and test the study hypotheses. The findings are expected to provide meaningful insights into the factors that shape investors' preferences and decision-making processes. Finally, the study presents conclusions and practical recommendations for investors, financial institutions, policymakers, and other relevant stakeholders to enhance informed and effective investment decision-making.
Keywords	Financial literacy, personal behavior, financial stability, religion, age, Investment decisions

Introduction:

The history of investment started from the "Code of Hammurabi" around 1700 B.C, which has provided a legal framework for investment. That code has identified debtors and creditors rights with regard to pledging and also establishing responsibilities for breaking financial obligations. In early 1990's the purchaser of stocks, bonds and any other securities were known as speculators in commerce term, but later on in 1950's these type of investments became conservative and that tag of speculation had been removed and furthermore in 20th century the speculation is identified or explained in real terms that speculation relates with higher risk ventures which include high risks (https://en.wikipedia.org/wiki/Investment). Investment refers to the commitment or allocation of current financial resources or other resources with the expectation of generating future economic benefits. These benefits, commonly referred to as returns, may arise through capital appreciation, interest, dividends, rental income, or other forms of financial gain. Investment generally involves acquiring financial or real assets with the objective of preserving or increasing wealth and generating future returns. Based on the nature of the assets, investments can broadly be categorized into traditional and alternative investments. Traditional investments primarily include conventional assets such as stocks, bonds, and cash or cash equivalents, whereas alternative investments comprise assets and investment strategies that fall outside these conventional categories. Alternative investments may include precious metals, commodities, private equity, hedge funds, art, antiques, coins, stamps, and other collectibles. These investments may provide opportunities for diversification and potential capital appreciation, although their levels of risk, liquidity, and return characteristics can differ considerably from those of traditional investments (Bodie et al., 2021; CFA Institute, 2024).

Moreover traditional finance theory assumed that investors are rational in terms of choosing best investment options among different alternatives while making investment decisions(Von Neumann & Morgenstern 1944). On other hand later studies found out that investors may become irrational also while doing investment (Barberis & Thaler, 2003). Moreover, individuals' investment preferences are affected due to demographic factors which have a wide impact on investment decisions. Different research papers have been studied to identify the effects of different variables on investment decisions; it may differ from area to area or from country to country.

The significance or aim of this study is to analyze the impact of factors on investment behavior and decisions that how much extend to which they affect them. Moreover also identify that how much an investors is riskier in terms of investment .The risk tolerance and the basic concepts of financial behavior is also to be identify Overall approach of investors towards his investment behavior and demographic, financial , and behavioral factors such as positive personal behavior, financial literacy. Financial stability (income level), religion and society and age level.

Literature Review:

Financial Literacy:

Financial literacy is defined as a combination of "financial awareness, knowledge, skills, attitudes and behaviours necessary to make sound financial decision and ultimately achieve financial wellbeing" (OECD, 2022) .Financial literacy or knowledge about financial matters, whether they relate with investment, financing or other financial workouts has direct impact so we can say that financial literacy does matter. Many research studies explored that there is a positive relation between financial knowledge and household financial decision making (Stango & Zinman, 2007). The question arises that how can we measure that that is financially literate or illiterate. The work has been done in order to identify that is financially literate. There are four basic financial concepts for measuring financially literacy: Interest rate calculations, understanding inflation, understanding of risk divarication, and compound interest (Lusardi & Mitchell, 2014).

Research studies also explored that financial literacy also varies age to age in such a way that young and elderly investors do investment in prevalent financial markets those have low level of financial knowledge so they may lose confidence (Agarwal et al, 2007).In same way financial ignorance bears significant cost, means an individual who fails to understand financial concepts would bear huge financial loses. Financial literacy also varies among education groups. The high education groups may have wide knowledge and low education groups may have low financial knowledge. Moreover financial literacy also relate with planning. Because before making any financial decision or performing any financial operation it is quiet significant to collect information and make forecasts with certain variable such as projected inflation and interest rates. Financial literacy is also important in the economic terms in such a way that if a new financial product is going to be arriving in market so individual shall own information and financial wellbeing regarding that product. Thus individual shall keep himself up-to-date regarding overall financial concepts and aspects (Lusardi & Mitchell, 2011; OECD, 2023)

Moreover studies found out that there is a relationship between financial literacy and Economic behaviour **(**Hilgert et al, 2003).Furthermore there is perfect correlation between financial literacy and financial management skills. The financially literate investors invest in financial markets or invest in stocks. Consequently financial literacy also affects financial behaviour. It is an impact that how people understand basic financial concepts and other financial skills in order to get positive results (Lesardi & Mitchell, 2011).

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Positive Personal Behavior:

Positive personal behavior refers to an individual's constructive, responsible, and goal-oriented actions and responses that utilize personal strengths, promote effective decision-making, and contribute to desirable personal and financial outcomes (Luthans, 2002). Behavior is a broad term which includes overall attitude, response, perceptions and psychological arrangements. It differs from individuals to individuals, from consumers, producers, investors, students or any other profession. Such as consumer behaviour which shows that a great interest to markets. The knowledge and perceptions of consumer help to understand the overall market in respect of product, brand quality. Consumer behaviour is also influenced by cultural and social factors (Solomon, 2020).

Individual behavior varies across demographic characteristics such as age and gender, particularly in areas such as travel patterns, mobility, frequency, and distance. Younger individuals generally exhibit greater mobility, while travel activity may decline with age due to personal and socioeconomic factors. Similarly, personal behavior plays an important role in the workplace, where professionalism is demonstrated through responsible conduct, commitment, integrity, adherence to standards, and teamwork. Effective professional behavior and organizational commitment contribute to positive workplace relationships and the achievement of shared organizational goals (Lenormand et al., 2015; Meyer & Herscovitch, 2001).

Investors' personal behavior can significantly influence their investment decisions, as behavioral finance recognizes that psychological and emotional factors may cause deviations from rational decision-making. Regret theory explains how regret from previous decisions can affect future choices, while mental accounting describes how individuals categorize and evaluate their financial resources differently. Similarly, prospect theory and loss aversion suggest that investors tend to perceive potential losses more strongly than equivalent gains, influencing their risk preferences and investment decisions (Loomes & Sugden, 1982; Thaler, 1999).

Financial Stability:

"Financial stability is the condition in which an individual can meet regular financial obligations, withstand unexpected financial difficulties, maintain adequate financial reserves, and pursue future financial goals without experiencing persistent financial stress (CFPB, 2024)". It shows how much an Individual is capable to face the risks and challenges and also broadening the scope of their investment or any other variable. Financial stability is a wide scope which includes household individuals to national level financing matters. For example; if a household individual is financially stable so he can bear daily home expenses easily same as if an investor is financially stable so he can tolerate risk and also do investment in different portfolios .In the same way if a country is well financially stable having positive balance of trade so there would no need to borrow funds from IMF. Same as banking sector which contribute massively in economy. If banks are financially stable so they can mobilize their financial operations throughout the country and expend their services. Moreover the increase competition also affects the stability of banking system (Berger et al., 2009).

Religion and Society:

"Religion is conceptualized as a system of beliefs, values, practices, rituals, and moral principles related to the sacred or divine that influences individuals' perceptions, attitudes, behaviors, and decision-making processes" (Casey, 2021; Spencer & Waite, 2025). There is no doubt that religion has a significant effect on human beings life because all life is around religion, the beliefs, practices, faith and cultural norms all are around The humans are been diversified due to religion and society that's why their behaviour attitude varies from place to place whether in terms of their normal social life or any other financial or investment aspect. Religion can significantly influence individuals' beliefs, values, attitudes, and behaviors by providing moral principles and guidelines for personal and social life. Religious and societal norms may shape financial attitudes, including saving, investment, risk-taking, and consumption decisions. Therefore, differences in religious beliefs and practices across societies can contribute to variations in individuals' financial behavior and investment decisions (Hilary & Hui, 2009; Renneboog & Spaenjers, 2012).

The empirical studies suggested that there is relationship between religious teachings, values and beliefs between concepts of development .Because people understand the concepts which relate to development. There is a growing interest by different developing communities regarding religious and development policies in current circumstances (Tomalin 2007). Moreover religion covers overall socio-cultural context because both religious and culture shape overall worldwide religious practices which affect the perception of society (Bradley, 2007). "society is conceptualized as an organized social system comprising individuals who interact through shared relationships, norms, values, beliefs, institutions, and cultural practices, which collectively influence individual attitudes, behaviors, and decision-making" (Giddens & Sutton, 2021). Social factors also play a significant role in human development .Mostly society tells a clear picture that what are the things which have been followed from longer period of time whether developed most of the investors invest in capital market because that investment preference has become a part of their society. On other hand under developed countries, investors do traditional investments which have become part of their socio-culture and practice regularly (Kim et al., 2021.

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Age Level:

"A period of human life, measured by years from birth, usually marked by a certain stage or degree of mental or physical development and involving legal responsibility and capacity". (http://www.dictionary.com/browse/age**)**. Age has also a significant impact on human beings lives. The age life cycle demonstrate the human life stage groom birth to death. Whatever he or she achieved or lost in that process shows individuals capabilities throughout life.

Moreover age has wide impact on individual's mental and cognitive capabilities, Such as young individuals are more energetic, passionate, aggressive and motivated towards their work and takes decisions in aggressive way. Whereas old people lose their mental capabilities as they grow old even they become dependent with their own thoughts. Hats why age level shows overall lifecycle stage and other mental capabilities of an individual in meaningful way.Furthermore age may be defined in terms of Biological, socio and psychological age (Strough & Bruine de Bruin, 2020). Biological age shows individual's present condition or position with respect to his span of potential life. Whereas society defines an individual's roles, rights, responsibilities and habits regards with society practices. And Psychological age relates with overall human's mental capabilities adapted with change in demand, change in behaviour, control, motivation, skills and feelings (Settersten & Mayer, 1997).

Individual Investment Decisions:

"Individual investment decision is the process through which an individual evaluates available investment alternatives and selects an investment option based on personal financial objectives, risk tolerance, expected returns, available information, and financial circumstances" (Shah et al, 2024). As many other underlying or demographic factors affect investors behavior towards investments so it is also important to analyze, investment decisions, investment behavior and investment preferences towards certain investment options. As according to modern investment theory a rational or prudent investor shall has diversified portfolios and efficient combination of investments (Gallery & Gallery, 2005). Investors have a range of investment alternatives, including shares, stocks, real estate, gold, and other financial and tangible assets. Investors may also alter their asset allocation or diversify their portfolios across different investment options according to their financial objectives, risk preferences, and market conditions. Research on individual investment behavior indicates that investors' choices are influenced by their perceptions of risk and return, financial knowledge, preferences, and decision-making processes (Collard, 2001).

Conceptual Framework:

Impact of Financial Literacy on investment decision:

Financial literacy has a significant impact on investment decisions because if an investor has well equipped knowledge regarding investment opportunities so it will be effective for investment decisions. On other side if investor is financially illiterate so it may have a negative impact. Moreover a traditional investor may rely on newspapers, media and media noises while making their investment decisions. Whereas; Professional investor rely on fundamental, basic and technical analysis for his or her investment preferences (Maditinos et al., 2007) .Consequently, the knowledge level of investor may vary to gender in terms of their risk capacity therefore an investor must keep him/herself up to date with market and economic conditions. Subsequently a specific measure of financial literacy found that; financially illiteracy results huge and basic investment mistakes whether they relate with capital market or with traditional investment. (Calvet et al., 2009).

Impact of positive personal behavior on investment decision:

Personal behavior has a fundamental effect on individual's investment decision making. Many studies have been done for the purpose of identifying the real effect of personal traits and other human behavior on investment decisions. One of the studies suggests that which is based on Behavioral finance, found that Behavioral finance is based on psychology of investors based on human decisions process cognitive illusions they may be heuristic in nature or adopted from certain groups which affect investors choice (Ritter 2003).

Investment decisions are influenced not only by financial considerations but also by investors' emotions, attitudes, perceptions, cognitive processes, and other psychographic characteristics. In this context, the Barnewall Two-Way Model provides a psychographic classification of investors into two broad categories: passive and active investors**.** Passive investors are individuals who have accumulated wealth through relatively passive means, such as inheritance, professional careers, or the use of other people's capital, and generally place greater emphasis on security and lower risk. In contrast, active investors have typically accumulated wealth through their own entrepreneurial or investment activities are more willing to assume risk, and prefer greater involvement and control over their investment decisions (Barnewall, 1987). Passive and active investors mainly differ in their risk tolerance and investment approach. Passive investors generally adopt a conservative strategy and prioritize security and wealth preservation, whereas active investors tend to have higher risk tolerance, confidence, and willingness to assume risk. Investors' decisions may also be influenced by cognitive and emotional biases**.**

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Cognitive biases arise from limitations in processing and evaluating information, while emotional biases result from feelings and psychological reactions. Financial education, awareness, and systematic analysis can help investors recognize and reduce the influence of these biases on investment decisions (Pompian, 2012; Shefrin, 2000).

Furthermore, other key findings suggested that human behavior is a composition of different factors such as attitude, perceptions and other cultural aspects. But human behavior attitude and attitude towards risk depend upon certain variables such as; Gender, marital status, education, experience and personality. If in case of gender; the behavior studies found that woman are more risk averse as compare to mean while making their investment decisions (Croson & Gneezy, 2009 Furthermore, there is risk reward relationship in investment preferences. It is the basic phenomena that if an investor takes high return so he or she will be rewarded greater whereas; on other hand if investors take less risk so he or she will award low return. Thus this represents the investor's behavior towards risk approach of an investment which shows risk return relationship (Markowitz, 1952).

Impact of Religion and Society on Investment Decision:

Investment decisions can be influenced by religious beliefs, ethical principles, and prevailing social norms. Although investors have access to a wide range of investment alternatives, including securities, real estate, bank deposits, capital-market instruments, and gold, religious principles may affect the acceptability and selection of particular financial products. In Islamic finance, *riba* (interest), excessive uncertainty (*gharar*), gambling (*maysir*), and investment in certain prohibited activities are restricted under Shariah principles. Islamic finance therefore emphasizes risk sharing, asset-based transactions, and returns associated with productive economic activity rather than predetermined interest. Profit-and-loss-sharing arrangements such as *Mudarabah* and *Musharakah* are among the recognized Islamic financing structures (Hussain et al., 2015). Empirical research further indicates that religiosity can influence financial risk preferences, household portfolio choices, and investment behavior (Hong et al., 2024). Thus, religion represents an important social and behavioral factor for understanding individuals' financial and investment decisions.

According to McClery & Barro, (2006) there are two appearances to study the religion effect on investment preferences. First one that; religion is a dependent variable in which specific decisions by Govt affect the religion norms, and secondly religion is an independent variable which affect societal behavior, ethics, production and any other aspect In the same way there is a wide diversification of religion in world so due to this individual investment preferences vary too much. The cultural differences are also found which also affect. The spiritual and religious norms has vital effect on investment decisions making as they also relate with personal traits such as age, gender, education level etc. In the same way religious and society norms have moral values because they reflect the response and perception of whole society in terms of investment. In Qur'an it is written that, those investments which are highly risky such as(Gambling, card games) whose results are unknown by investors are stickily prohibited or haram in Islam. Moreover Muslims are also prohibited from emerging Riba which is nearly a form of interest. Where as in Bible also written that it is not legal to do investment in those assets where investors does not exactly know (www.Kantakaj.com/fiqa/files.economics k.29).

Impact of Financial Stability (Income level) on Investment Decision:

Research studies indicate that financial wealth has an important effect on average level of risk change in investment. Same as rational investors invest in different portfolios in order to minimize risk. (Hinz et al., 1997). Another research study by Freeman (1979) found that the age composition of the workforce can significantly influence earnings. A rapid increase in the number of young workers may reduce their relative earnings compared with older workers because younger and older workers are imperfect substitutes in production. Such demographic changes can therefore influence individuals' economic position and their capacity for investment and financial decision-making. Consequently, financial position and wealth may influence individuals' willingness and capacity to undertake financial risk. Investors with greater financial resources may have a greater capacity to absorb potential losses and may therefore be more willing to accept risky investment alternatives, whereas individuals with limited financial resources may adopt more conservative investment strategies. Thus, income, wealth, and financial circumstances can contribute to differences in investors' risk-taking behavior and investment preferences. Hence, financial resources, income, and accumulated wealth are positively associated with individuals' financial risk tolerance. Investors with greater financial resources may have a greater capacity to absorb potential losses and may consequently demonstrate greater willingness to undertake financial risk, whereas individuals with limited financial resources may adopt comparatively conservative investment strategies (MacCrimmon & Wehrung, 1985; Sahi, 2022)

Impact of Age Level on Investment Decision:

There are different research studies have been done by researchers for identifying the impact of age level on investor's decision making on investments. One of the studies found that there is overconfidence bias which is affected more to man as compare to woman so that their returns are low and such biases have negative effects on decision making

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(Barber & Odean, 2001**).** Another study found out that older investors are well experienced having a great amount of knowledge and awareness in terms of investment decisions and they are also less affected from behavioral biases because of their vast experience**.(**Feng & Seasholes. 2005; Goetzman & Kumar, 2008).

Age and investment experience significantly influence investors' knowledge, risk preferences, and decision-making. Older investors generally possess greater financial knowledge and experience, which may help them evaluate risks and respond effectively to challenging market conditions. However, age-related declines in certain cognitive abilities may also affect their investment preferences. Younger investors may be more willing to invest in risky portfolios in pursuit of higher returns, but their limited experience and awareness can affect the quality of their decisions. Overall, investment knowledge tends to develop through age and experience, while risk-taking behavior may vary according to investors' financial experience, cognitive abilities, and capacity to handle uncertainty (Grable & Lytton, 1991).Age and financial risk tolerance have no impact and relationship which is quiet contemporary or opposite study in terms of identifying the relationship between age level and risk tolerance (Al-Ajmi, 2008)**.**

Consequently, individual investment preferences (stock, bonds, gold, real estate) based on demographic factors such as age. Therefore young investors make investment in risky portfolios. Whereas old investors use traditional investment options in order to avoid risk and take return which is beneficial for them.**(** Goetzman & Kumar, 2008)**.** Moreover, young male investor's trade frequently as compare to female investors so that have greater overconfidence bias. Thus we can say that there is a degree of correlation between age and investing activities (Barbar & Odean, 2001).

According to research studies there are some significant relationships among variables. The conceptual framework clarifies the impact of variables on investment decisions .Following are the hypothesis developed regards with research study.

H 1: Financial literacy would have a significant positive affect on individual's investment decision.

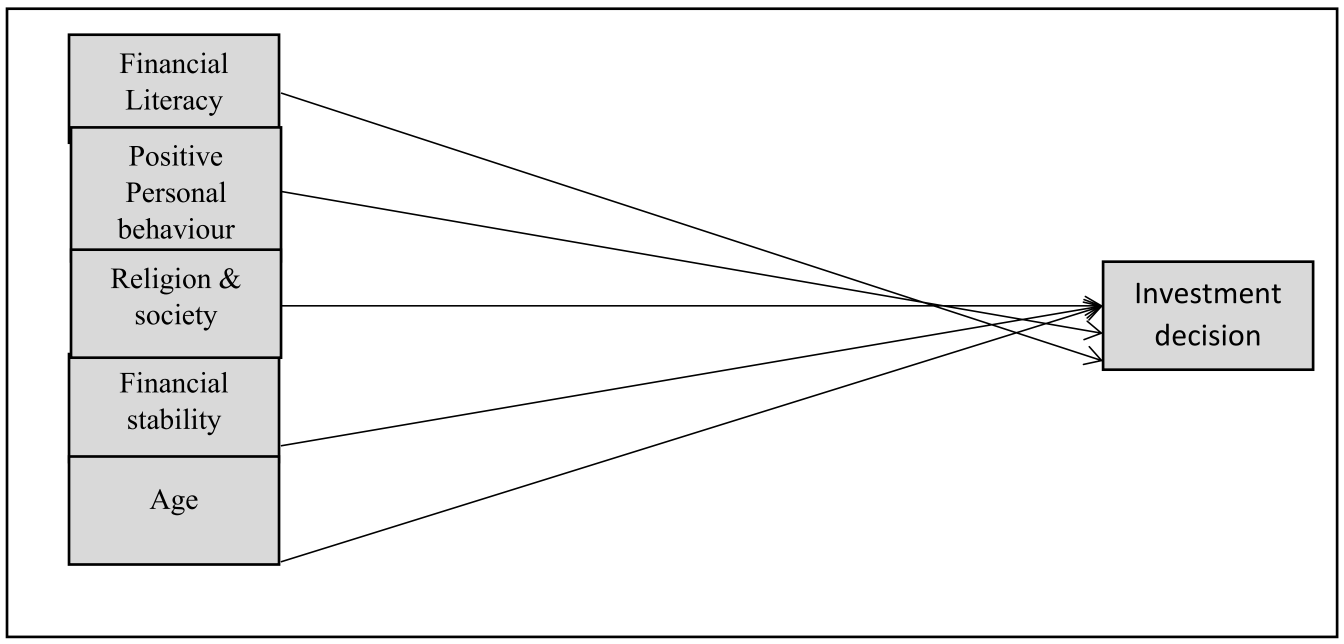
H 2: positive personal behavior has also significant positive impact on individual's investment decision.

H 3: Religion and society have a positive effect on investment decisions.

H 5: Financial stability has significant positive impact on investment decisions.

H 6: Individual Investment Decision intensity level differs with age.

Conceptual frame work:



Research Design and Methodology:

A research design is overall process and a program in which the researcher collects, analyzes and interprets the data for the purpose of conducting study. The study conducted is descriptive in nature regards with discussing personal investment decisions and significant effects of certain variables on investors' decisions .Moreover research design also provided a clear picture in order to review literature review and conceptual framework. Primary data is used in the research study

According to Mugenda & Mugenda (2003), a population refers to "A complete set of Individuals, cases or objects with some common observable characteristics, which differentiate it from other populations". The target population of this study was the real investors of Quetta city who invests in different investment options such like real estate, capital market, in gold or any other type of investment with respect to their profession whether they are students, teachers, employees of an organization or real estate investors.

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Advance Journal of Econometrics and Finance
Vol-3, Issue-4, 2025

The names and Personal information of investors have been collected in each questioner which are randomly selected by traditional methods ; because it helps to ensure that the sample which is selected represent the whole population and does not include any biasness. Simply the sample size of research study is 140 respondents who relate with different professions, different age groups, and having different mindsets towards their investments.

The data collected in this research study is primary.. Primary data had been collected through questionnaires. The questionnaires were given to the individual investors personally, because it is quiet appropriate method to take a quick response from respondents. Moreover section 1 of each questioner relates with personal information (Bio-Data) about investors. Section 2 relates with personal behavior affecting investment decisions and other underlying variables which are the major part of study and their significant effect on investors' preferences and overall financial behavior. Well established questionnaire are applied to collect responses. Data analysis is conducted through SPPS version 23.

Results of the study:

The research has been conducted research in respect of 140 questioners distributed among respondents, out of which 120 questioners have been returned so the percentage of response from questioners is about 85%..

Reliability Analysis

Consistency among variables questions was checked through Reliability analysis. The number of questions and cronbach Alpha values are shown as under

Table 1 showing Reliability analysis results .

Variables	No of Questions/items	Cronbach Alpha value
Financial Literacy	5	0.69
Personal Behavior	5	0.68
Financial Stability	5	0.63
Religion and Society	4	0.64
Individual Investment Decision	5	0.67

Correlation Analysis

To check the degree of Association among variables, Correlation test was applied. Results of Correlation test and descriptive analysis are exhibited in Table.

Table No 2 showing Pearson Correlation among Variables along mean and Standard deviation

Variables	M	SD	1	2	3	4	5
Financial Literacy	3.54	0.74	1				
Personal Behavior	3.51	0.63	0.36**	1			
Financial Stability	3.47	0.69	0.32**	0.27**	1		
Religion and Society	3.52	0.77	0.12	0.26**	0.22*	1	
Individual Investment Decision	4.09	0.49	0.42**	0.41**	0.35**	0.39**	1

** Correlation is significant at 0.01 levels (2 tailed).

* Correlation is significant at 0.05 levels (2 tailed).

Regression Analysis

To test hypothesis, Multiple Regression test was applied which is used to test cause and effect relationship. Outcomes of test in Table 3 exhibits that Financial Literacy (β = 0.257,t = 3.09, $p < 0.05$) , Personal Behaviour (β = 0.208,t = 2.40, $p < 0.05$) , Financial stability (β = 0.160, t = 1.960 , $p < 0.05$), Religion and Society (β = 0.262 ,t =3.301, $p < 0.05$) has significant positive effect on Individual Investment decision . Collectively, they all bring 35% change in Individual Investment Decision.

Table No 3 showing Multiple regression analysis results .

Variables	Beta	T	Sig	R^2
Financial Literacy	0.257	3.09	0.002	0.351

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Personal Behavior	0.208	2.40	0.015
Financial Stability	0.160	1.960	0.049
Religion and Society	0.262	3.301	0.001

Dependent Variable: Individual Investment decision

ANOVA analysis results :

To test the hypothesis "Individual Investment Decision intensity level differs with age", one way Anova test was applied. The test shows no significant difference of age on Individual Investment Decision intensity level (F = 0.790, P > 0.05).

Table No 4 showing One way Anova Test results

ANOVA

Individual Investment Decision

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	.595	3	.198	.790	.502
Within Groups	29.143	117	.251		
Total	29.739	120			

Discussion:

Major factors affecting investment decision making according to the findings of the study include financial literacy, Personal behavior, financial stability, Religion and society and a dependent variable individual investment decision those have been illustrated by table 1. A reliability analysis is conducted on those variables with respect to a cronbach Alpha value in reliability analysis which shows significant positive results.. The degree of correlation among variables along mean and standard deviation was shown in table 2 which also shows significant positive results. Moreover to check the cause and effect relationship among variables Regression analysis was conducted which has been shown a significant positive relationship among variables of research studies.

Whereas the one way ANOVA test has been applied on Age variable in order to test the hypothesis 5. However, the result is not significant and does not support hypothesis. There may be different reasons that Age hypothesis results were not according to expectations such as, There might be one age group dominance among other age group investors. The age groups were not equally distributed and the trend of specific age group investors in that dominant age group category which belongs to young investors might be highly affected as mostly investors are young in age. Moreover different research studies have been conducted in a same way but their results also differ from same hypothesis such as, Dr. Thomas Hess, a professor of psychology said that not every decision can be made that way. "Some decisions require more active deliberation. For example, those decisions that require people to distinguish pieces of information that is important from those that are unimportant to the decision at hand.

Previous studies supports the positive effect of financial literacy, financial stability, positive personal behavior of investor , religion and society on investment decisions . Financial literacy has a wide effect on household investors in such a way that those households which lack knowledge regarding financial market; then saving behavior is dominated instead of investment preferences.(Bernheim 1997). Another research study suggests that if an investor wants a fruitful result by investing at stock market so he shall be well aware about online trading and overall concepts of stock market trading; in case if he does not to do so ; so his investment decisions will give him regret. So it is quiet significant for a modern investor to keep himself up to date regarding stock market fluctuations and overall economic conditions for the purpose of earning optimize return with minimum loss and risk (Monticono, 2010). Subsequently, according to modern portfolio theory a rational investor should hold diversified group of investments know as portfolios in order to reduce risk and optimize return while making effective investment decisions. This effective combination of investment shall give investor high return, optimize risk (minimum risk) and shows investors ability to choose investment options effectively (Gallery & Gallery, 2005). Since human personal behavior has changed over the period of time due to modernization and due to other aspects, but still they rely upon old traditional behavior such as heuristic behavior (rule of thumb). Heuristic driven behavior is an investors behavior in which an investors take direct shortcuts to reach a decision to make investment decisions due to lack of time, pressure and lack of understandability (tapia & yermo 2001).

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Religious experience has also significant impact on financial and capital markets in relation to religious holidays with respect to any festival, such as Muslim celebrate two festivals; Eid ul fitar and Eid ul Azha.In the same way Ashoura holidays in the Islamic calendar month Moharrram these all have significant impact on markets and indirectly affects investment decisions; same as in case of any other occasion such as Christmas holidays etc. (www.Kantakaj.com/fiqa/files.economics k.29). For the some extend still many investors choose interest bearing investments as they are not allowed in Islam; but mostly try to avoid or refrain from such investments due to religious beliefs. that people present in same society has different income level and having different investment behaviour. Whereas in some cases people having same level of earnings or income but their investment behaviour still remains constant due to underlying variables such as age and gender discrimination with respect to risk tolerance in investment decision making.**(**Mishra & Dash, 2010). Moreover, economics has a massive impact on any nation's per capita income. If an investor's per capita income is better or he is financially stable so he would like choose best alternatives and efficient portfolios while doing investments. On other sider if an investor is financially weak so his investment alternatives would not be that much effective and efficient as others investor who are well wealthy.

Conclusion

The findings suggests that how financial literacy, personal behavior, financial stability and other factors have an effect on investment decision making by investors shows that a high percentage of investors considers financial concepts , investment risks with diversified investment portfolios and with their financial stability have vital impact on their investment preferences. The results indicate that in general investors need to be financially literate and well vigilant in-order to make investment decisions. The finding does not only extend to financial literacy of an investor but it also depends on investor attitude, behavior and characteristics such as past performance effect on investment decision. Therefore to make effective investment decision. Moreover study also concluded that investor may divert his or her investment options regard's with income level and other demographic factors. Majority of Quetta city investors invest on those investment options which give them good reasonable return and also admit that their investment preferences differs because of their financial stability. In the same way the Quetta city investors also affected due to religious norms and society but not in majority of them follow such trend. Hence, according to research study the underlying variables have significant positive impact on investment decision.

Strengths and Limitations of Research Study

The research study has several important strengths and limitations. A major strength is that it addresses a relatively unexplored research area by examining individual investment decisions and the factors influencing such decisions in Quetta City. The study focuses specifically on potential investors and provides empirical evidence of significant relationships among the key variables. The selected sample adequately represents the target population, while the findings provide useful insights into investors' interests, perceptions, and behavioral patterns regarding investment decisions. Moreover, the application of different statistical models strengthens the validity and significance of the findings. However, the study also has some limitations. The sample consisted predominantly of male respondents because general investors were selected for data collection. Furthermore, respondents were drawn from both public and private sectors and related institutions, including students, teachers, and other professionals who invest on a part-time basis. The diverse characteristics and varying levels of investment experience among these participants may have influenced their perceptions and responses.

Recommendations and Further Implications of the Study

The findings of the study highlight the significant role of financial literacy in shaping individuals' financial behavior and investment decisions. The results suggest that greater financial knowledge and awareness can enable individuals to make more informed and effective investment choices. Therefore, individuals should be encouraged to enhance their financial literacy and strengthen their financial capacity to improve investment outcomes. The study recommends the implementation of comprehensive financial awareness programs, seminars, and investor-education initiatives focusing on investment alternatives, market conditions, appropriate investment timing, risk management, and factors influencing investment choices. Financial institutions, regulatory authorities, and investment organizations should provide clear guidelines, advisory services, and accessible platforms to support potential investors in Quetta City. In addition, stronger regulatory frameworks and institutional mechanisms for promoting financial literacy are recommended. For future research, similar studies may extend the target population from general investors to stock-market investors, incorporate additional determinants such as market conditions and other external factors, and employ comparative analyses of male and female investors to examine differences in financial behavior and investment decision-making.

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