
A STUDY ON BEHAVIORAL BIASES IN INVESTMENT DECISIONS

PURRU ANUSHA ^[1]

MBA Student

MRS. D SUNITHA ^[2]

ASSISTANT PROFESSOR

^[1,2] MASTER OF BUSINESS ADMINISTRATION

**^[1,2] Megha Institute of Engineering and Technology for Women, Sy. No. 7, Edulabad
Road, Edulabad, Ghatkesar, Telangana.**

ABSTRACT

The experiences from the Indian capital market are now the history for many market participants due to the dramatic changes in the Investment Decisions pattern of small equity investors. The investor can make the share trading as a beneficial Investment Decisions area. The business firms issue the shares of their firms and mobilize funds from the individual savers. Equity share is a part of the ownership of a company and the holder of such a share is a member of the company and eligible to get benefits from the company. Trading in stocks is quiet simple that possess some basic knowledge of the security trading. Investment Decisions pattern refers to a regular sequence of actions followed by the Investment Decisions of investor. Understanding the Investment Decisions pattern of small equity investors in Investment Decisions decision making is important in stock trading. The attitude of the investors has been changing due to the changes in the stock market scenario. When the investors avail the accurate and reliable information, then he can enjoy the taste of success from the share market. The authorities, like SEBI, NSDL etc., should organize more seminars and awareness programs for these under privileged retail investors.

1.INTRODUCTION

Investment Decisions is the allocation of funds with the hope of future gains. Investment Decisions benefits not just the economy but also society. With the help of contemporary capitalism, we can expand your economy globally through Investment Decisions. Investment Decisions used to only refer to bank savings accounts, jewels, and rare stones, but today more

people make Investment Decisions. But even though individuals nowadays are aware of investing and its potential rewards, they still don't take significant risks when putting their money into the stock market or other forms of Investment Decisions. Due to how quickly the industry and business trends change, they are unable to choose the best Investment Decisions opportunities that are offered. This study report offers advice to novice investors on how to allocate their capital effectively. By encouraging individuals to save more money, you can boost both the economic prosperity of your nation and global economic growth.

Unit Linked Investment Plans (ULIPs) are a popular type of Investment Decisions and life Investment plan. Under unit linked Investment plans, both Investment Decisions and Investment are covered. This plan frequently provides the investor with a chance to build wealth as well as life Investment. The amount invested in ULIPs is tax-free, deductible under Section 80C, and matured returns are not subject to Section 10 withholding taxes (10D).

The combination of equity, debt, and hybrid funds determines how much money investors in ULIPs will earn in returns. When the market is doing well, ULIP returns may be high. ULIPs carry a lot of fees, ranging from 2% to 4%.

1.1 NEED FOR THE STUDY

Alternatives to standard Investment Decisions options include alternative Investment Decisions funds (stocks, bonds, and cash). Retail investors can receive returns of 11–13% from alternative Investment Decisions, and alternative Investment Decisions funds in India provide returns that are significantly higher than those from traditional Investment Decisions. These are sensible Investment Decisions choices that offer a variety of options and are unrelated to the bond or even the stock markets. To diversify their holdings, investors can invest in alternative Investment

Decisions funds. It serves as an asset hedge as well. The varieties of alternative Investment Decisions funds available in India.

1.2 SCOPE OF THE STUDY

Learning more about investing choices is part of the project's scope. This covered a thorough examination of Investment Decisions, including their varieties, advantages, and Investment Decisions possibilities including the stock market, ULIPS, and mutual funds.

Before making an Investment Decisions, a potential investor should examine the factors of safety, liquidity, returns, entry/exit obstacles, and tax efficiency. Before making an Investment Decisions, we must examine each Investment Decisions choice using the criteria outlined above. Investors today encounter too much uncertainty when comparing the different Investment Decisions alternatives available and choosing the best one for their needs. Options are compared based on returns.

1.3 OBJECTIVES OF THE STUDY

- 1.To determine the risk and return characteristics of selected securities.
2. Researching various Investment Decisions alternatives.
3. To examine mutual funds, stocks, and unit-linked Investment policies (ULIPS).
4. To identify the Investment Decisions strategy (ULIPS, Mutual Funds, or Stocks) that would yield the highest returns for an Investment Decisions.

1.4 RESEARCH METHODOLOGY

Data collection: The goal of the current project is to investigate INVESTMENT DECISIONS AND WEALTH MANAGEMENT. Sources of information can be divided into two categories. The scripts' data was gathered from the internet. The information includes between January 1 and June 30, 2022.

Primary data:

* Primary data collection refers to gathering information from sources that are firsthand. It is created through questionnaires, observations, and questioners. There are no such primary data in this project.

Secondary data refers to ready, made-for-the-study information.

secondary data: Secondary data refers to ready-made or readily available information for the investigation. The different secondary data source is: 1) Textbooks

2. Journals.

3. News media

4. A web page

The above source of information was used to inform the current project activity.

In order to display the obtained data in report form, statistical tools and techniques are used to analyse it.

TOOLS

Average returns, risk, sharpe performance ratio

1.5 LIMITATIONS OF THE STUDY

- Because the project work can be completed in a very short amount of time, just 2 securities from mutual funds, ULIPS and stocks were selected for the study.
- There is a very little region covered by this project from which to draw conclusions. The project can't be completed with the data at hand.
- The computation is based on the opening and closing prices of stocks and mutual funds.

2.REVIEW OF LITERATURE

An Investment Decisions refers to the commitment of found at present, in anticipation of some positive rate of return in future. Today the spectrum of Investment Decisions is indeed wide. An Investment Decisions is confronted with array of Investment Decisions avenues. Among all Investment Decisions in equity is in best high proportion. This is because the history of stock market is booming and bursts over high millionaires, an instant pauper. Indian economy is doing indeed well in recent years. The study has been undertaken to analyze the Investment Decisions pattern of Investment Decisions community. The main reasons behind the study are the factors like income, economy conditions, and risk covering nature of Indian investors.

Investment Decisions is the employment of funds on assets with the aim of earning income or capital appreciation. Investment Decisions means putting your money to work to earn more money or simply speaking it is sacrificing of money today for future return.

Investment Decisions! One of the most successful way to make financial provisions for the future, where most of the conditions are uncertain and unpredictable. With well planned Investment Decisions one can get the satisfaction of safety and surety in life. We are familiar with Investment Decisions from very early days of civilization. Initially the term saving was more popular, and was considered as safest way of making money stable.

Investment Decisions may be said as keeping a sum of money aside from the present savings with the view of earning returns on it. It is done on the cost of sacrifice of present consumption of that part of money.

All Investment Decisionss have some risk, whether in stock, capital market, banking, financial sector, real estate, bullion, gold etc. The degree of risk however varies on the basis of the features of the assets, Investment Decisionss instrument, the mode of Investment Decisions, time frame or the issuer of the security etc.

Investment Decisions benefits both economy and the society. It is an outgrowth of economic development and the maturation of modern capitalism. For the economy as a whole, aggregate Investment Decisions sanctioned in the current period is a major factor in determining aggregate demand and, hence, the level of employment.

3.INDUSTRY PROFILE AND COMPANY PROFILE

3.1 INDUSTRY PROFILE

The Financial Information Services industry provides the critical "oxygen" (data, news, and analytics) that powers global capital markets. Every investment bank, private equity firm, hedge fund, and corporate strategy team relies on these platforms to screen for targets, value companies, manage risk, and execute trades.

- **Market Structure:** It is a highly consolidated oligopoly. A few massive players control the vast majority of the market due to the incredibly high barrier to entry (it takes decades and billions of dollars to build a database of global financial histories).
- **The "Big Four" Competitors:**
 1. **Bloomberg (The Bloomberg Terminal):** The undisputed king of real-time trading data and fixed income.
 2. **S&P Capital IQ:** The leader in deep fundamental data, private company screening, and Excel integration for Investment Decisions.
 3. **FactSet:** A massive competitor favored by buy-side asset managers and portfolio managers.
 4. **Refinitiv (Now part of London Stock Exchange Group / LSEG):** Strong in forex, commodities, and broad market data.

Market Size & Economics

- **Global Valuation:** The global financial market data and analytics industry is valued at approximately **\$35 to \$40 Billion USD** (roughly **₹2.9 Lakh Crore to ₹3.3 Lakh Crore**) and grows consistently at 5% to 7% annually.
- **Business Model:** The industry operates on an incredibly lucrative **B2B SaaS (Software as a Service)** model. Firms charge high annual subscription fees per user (a "seat" on Capital IQ can cost between \$10,000 to \$15,000+ per year), leading to highly predictable, recurring revenue streams and massive profit margins.

Key Trends Shaping the Sector in 2025/2026

1. **The Rise of Private Markets Data:** As fewer companies go public, global capital has flooded into Private Equity and Venture Capital. The biggest race among data

providers today (like PitchBook vs. Capital IQ) is who can provide the most accurate revenue, valuation, and cap-table data on *unlisted, private* companies.

2. **Generative AI & NLP Integration:** The industry is aggressively deploying GenAI. Capital IQ and its competitors now feature AI assistants that can read a 100-page corporate earnings transcript in seconds and instantly summarize management sentiment, regulatory risks, and strategic shifts.
3. **Alternative Data:** Investors no longer just want balance sheets. Data platforms are acquiring companies that track satellite imagery of retail parking lots, credit card transaction data, and global supply chain shipping logs to predict a company's revenue before they even announce it.
4. **The Shift from Terminals to APIs (Cloud Delivery):** Quantitative funds and AI-driven trading firms do not want a web interface; they want the raw data. There is a massive industry shift toward selling data feeds directly via cloud architectures (like AWS or Snowflake), allowing clients to feed S&P data directly into their own algorithmic trading models.

3.2 COMPANY PROFILE

About S&P Capital IQ

S&P Capital IQ is a premier, web-based financial data, research, and analytics platform used by top-tier investment banks, private equity firms, asset managers, and corporate executives globally. It provides deep fundamental data, quantitative research, and screening tools on public and private companies globally.

- **Founded:** 1999 (Acquired by Standard & Poor's / McGraw-Hill in 2004)
- **Parent Company:** S&P Global Inc.
- **Global Headquarters:** New York City, NY, USA
- **Major India Presence:** Hyderabad (HITEC City), Gurgaon, and Ahmedabad. (*S&P Global maintains a massive workforce in India, with its Hyderabad offices acting as a critical hub for global data operations, software development, and quantitative analysis for the Capital IQ platform*).

- **Industry:** Financial Information Services / FinTech / Market Data
- **Website:** www.spglobal.com/marketintelligence

Key Executives (S&P Global)

- **Douglas Peterson:** President & Chief Executive Officer (CEO), S&P Global
- **Adam Kansler:** President, S&P Global Market Intelligence

History & Milestones

- **1999:** Capital IQ was founded as an independent startup in New York by a group of investment bankers and tech entrepreneurs aiming to build a more accessible, web-based alternative to the expensive, hardware-locked Bloomberg Terminal.
- **2004:** In a highly strategic move, McGraw-Hill (which owned Standard & Poor's) acquired Capital IQ for approximately \$200 Million.
- **2015:** S&P acquired SNL Financial (a leading provider of sector-specific data) and merged it with Capital IQ to form **S&P Global Market Intelligence**, creating a data powerhouse.
- **2022:** S&P Global completed a mega-merger with IHS Markit (valued at \$44 Billion), integrating massive amounts of alternative data, supply chain metrics, and fixed-income analytics into the broader Capital IQ and Market Intelligence ecosystem.

.DATA ANALYSIS AND INTERPRETATION

4.1 CALCULATION OF RISK AND RETURNS OF LIC MUTUAL FUND

NAV date	Net Asset Value	Returns	Avg Returns	Difference	D*D
3-Jan-22	34.1028				
4-Jan-22	34.1033	0.0015	0.0131	-0.0116	0.0001

5-Jan-22	34.1077	0.0129	0.0131	-0.0002	0.0000
6-Jan-22	34.1118	0.0120	0.0131	-0.0011	0.0000
7-Jan-22	34.1163	0.0132	0.0131	0.0001	0.0000
10-Jan-22	34.1243	0.0234	0.0131	0.0104	0.0001
11-Jan-22	34.1298	0.0161	0.0131	0.0030	0.0000
12-Jan-22	34.136	0.0182	0.0131	0.0051	0.0000
13-Jan-22	34.1455	0.0278	0.0131	0.0147	0.0002
14-Jan-22	34.1508	0.0155	0.0131	0.0024	0.0000
17-Jan-22	34.1594	0.0252	0.0131	0.0121	0.0001
18-Jan-22	34.161	0.0047	0.0131	-0.0084	0.0001
19-Jan-22	34.159	-0.0059	0.0131	-0.0189	0.0004
20-Jan-22	34.1631	0.0120	0.0131	-0.0011	0.0000
21-Jan-22	34.1674	0.0126	0.0131	-0.0005	0.0000
24-Jan-22	34.1781	0.0313	0.0131	0.0182	0.0003
25-Jan-22	34.1818	0.0108	0.0131	-0.0023	0.0000
27-Jan-22	34.1825	0.0020	0.0131	-0.0110	0.0001
28-Jan-22	34.1834	0.0026	0.0131	-0.0105	0.0001
31-Jan-22	34.1945	0.0325	0.0131	0.0194	0.0004
1-Feb-22	34.1797	-0.0433	0.0131	-0.0564	0.0032
2-Feb-22	34.1667	-0.0380	0.0131	-0.0511	0.0026
3-Feb-22	34.1687	0.0059	0.0131	-0.0072	0.0001
4-Feb-22	34.1703	0.0047	0.0131	-0.0084	0.0001
8-Feb-22	34.1995	0.0855	0.0131	0.0724	0.0052
9-Feb-22	34.2045	0.0146	0.0131	0.0015	0.0000
10-Feb-22	34.2423	0.1105	0.0131	0.0974	0.0095
11-Feb-22	34.2511	0.0257	0.0131	0.0126	0.0002
14-Feb-22	34.2686	0.0511	0.0131	0.0380	0.0014
15-Feb-22	34.2739	0.0155	0.0131	0.0024	0.0000
16-Feb-22	34.2777	0.0111	0.0131	-0.0020	0.0000
17-Feb-22	34.2829	0.0152	0.0131	0.0021	0.0000
18-Feb-22	34.2862	0.0096	0.0131	-0.0035	0.0000
21-Feb-22	34.2942	0.0233	0.0131	0.0102	0.0001
22-Feb-22	34.2934	-0.0023	0.0131	-0.0154	0.0002

23-Feb-22	34.3007	0.0213	0.0131	0.0082	0.0001
24-Feb-22	34.3026	0.0055	0.0131	-0.0075	0.0001
25-Feb-22	34.3073	0.0137	0.0131	0.0006	0.0000
28-Feb-22	34.314	0.0195	0.0131	0.0064	0.0000
2-Mar-22	34.3135	-0.0015	0.0131	-0.0145	0.0002
3-Mar-22	34.3081	-0.0157	0.0131	-0.0288	0.0008
4-Mar-22	34.3126	0.0131	0.0131	0.0000	0.0000
7-Mar-22	34.3122	-0.0012	0.0131	-0.0143	0.0002
8-Mar-22	34.3146	0.0070	0.0131	-0.0061	0.0000
9-Mar-22	34.3135	-0.0032	0.0131	-0.0163	0.0003
10-Mar-22	34.3211	0.0221	0.0131	0.0091	0.0001
11-Mar-22	34.3254	0.0125	0.0131	-0.0006	0.0000
14-Mar-22	34.3425	0.0498	0.0131	0.0367	0.0013
15-Mar-22	34.3529	0.0303	0.0131	0.0172	0.0003
16-Mar-22	34.3594	0.0189	0.0131	0.0058	0.0000
17-Mar-22	34.3647	0.0154	0.0131	0.0023	0.0000
21-Mar-22	34.381	0.0474	0.0131	0.0343	0.0012
22-Mar-22	34.3788	-0.0064	0.0131	-0.0195	0.0004
23-Mar-22	34.3838	0.0145	0.0131	0.0015	0.0000
24-Mar-22	34.3864	0.0076	0.0131	-0.0055	0.0000
25-Mar-22	34.3992	0.0372	0.0131	0.0241	0.0006
28-Mar-22	34.4092	0.0291	0.0131	0.0160	0.0003
29-Mar-22	34.4147	0.0160	0.0131	0.0029	0.0000
30-Mar-22	34.4247	0.0291	0.0131	0.0160	0.0003
31-Mar-22	34.437	0.0357	0.0131	0.0226	0.0005
4-Apr-22	34.4506	0.0395	0.0131	0.0264	0.0007
5-Apr-22	34.455	0.0128	0.0131	-0.0003	0.0000
6-Apr-22	34.4561	0.0032	0.0131	-0.0099	0.0001
7-Apr-22	34.4625	0.0186	0.0131	0.0055	0.0000
8-Apr-22	34.4365	-0.0754	0.0131	-0.0885	0.0078
11-Apr-22	34.4398	0.0096	0.0131	-0.0035	0.0000
12-Apr-22	34.4438	0.0116	0.0131	-0.0015	0.0000
13-Apr-22	34.4301	-0.0398	0.0131	-0.0529	0.0028
18-Apr-22	34.4532	0.0671	0.0131	0.0540	0.0029

19-Apr-22	34.4667	0.0392	0.0131	0.0261	0.0007
20-Apr-22	34.4748	0.0235	0.0131	0.0104	0.0001
21-Apr-22	34.479	0.0122	0.0131	-0.0009	0.0000
22-Apr-22	34.483	0.0116	0.0131	-0.0015	0.0000
25-Apr-22	34.4949	0.0345	0.0131	0.0214	0.0005
26-Apr-22	34.4982	0.0096	0.0131	-0.0035	0.0000
27-Apr-22	34.5029	0.0136	0.0131	0.0005	0.0000
28-Apr-22	34.506	0.0090	0.0131	-0.0041	0.0000

29-Apr-22	34.5063	0.0009	0.0131	-0.0122	0.0001
2-May-22	34.5195	0.0383	0.0131	0.0252	0.0006
4-May-22	34.4485	-0.2057	0.0131	-0.2188	0.0479
5-May-22	34.4189	-0.0859	0.0131	-0.0990	0.0098
6-May-22	34.4076	-0.0328	0.0131	-0.0459	0.0021
9-May-22	34.4178	0.0296	0.0131	0.0166	0.0003
10-May-22	34.4281	0.0299	0.0131	0.0168	0.0003
11-May-22	34.4314	0.0096	0.0131	-0.0035	0.0000
12-May-22	34.4356	0.0122	0.0131	-0.0009	0.0000
13-May-22	34.4265	-0.0264	0.0131	-0.0395	0.0016
17-May-22	34.4448	0.0532	0.0131	0.0401	0.0016
18-May-22	34.4494	0.0134	0.0131	0.0003	0.0000
19-May-22	34.4568	0.0215	0.0131	0.0084	0.0001
20-May-22	34.4588	0.0058	0.0131	-0.0073	0.0001
23-May-22	34.4764	0.0511	0.0131	0.0380	0.0014
24-May-22	34.4846	0.0238	0.0131	0.0107	0.0001
25-May-22	34.4913	0.0194	0.0131	0.0063	0.0000
26-May-22	34.4955	0.0122	0.0131	-0.0009	0.0000
27-May-22	34.5	0.0130	0.0131	0.0000	0.0000
30-May-22	34.5104	0.0301	0.0131	0.0171	0.0003
31-May-22	34.5116	0.0035	0.0131	-0.0096	0.0001
1-Jun-22	34.5191	0.0217	0.0131	0.0086	0.0001
2-Jun-22	34.5189	-0.0006	0.0131	-0.0137	0.0002
3-Jun-22	34.5231	0.0122	0.0131	-0.0009	0.0000
6-Jun-22	34.5319	0.0255	0.0131	0.0124	0.0002

7-Jun-22	34.5182	-0.0397	0.0131	-0.0528	0.0028
8-Jun-22	34.537	0.0545	0.0131	0.0414	0.0017
9-Jun-22	34.5444	0.0214	0.0131	0.0083	0.0001
10-Jun-22	34.5487	0.0124	0.0131	-0.0006	0.0000
13-Jun-22	34.5555	0.0197	0.0131	0.0066	0.0000
14-Jun-22	34.5562	0.0020	0.0131	-0.0111	0.0001
15-Jun-22	34.5574	0.0035	0.0131	-0.0096	0.0001
16-Jun-22	34.5598	0.0069	0.0131	-0.0061	0.0000
17-Jun-22	34.5606	0.0023	0.0131	-0.0108	0.0001
20-Jun-22	34.5764	0.0457	0.0131	0.0326	0.0011
21-Jun-22	34.5803	0.0113	0.0131	-0.0018	0.0000
22-Jun-22	34.5901	0.0283	0.0131	0.0153	0.0002
23-Jun-22	34.5971	0.0202	0.0131	0.0072	0.0001
24-Jun-22	34.6043	0.0208	0.0131	0.0077	0.0001
27-Jun-22	34.6182	0.0402	0.0131	0.0271	0.0007
28-Jun-22	34.6229	0.0136	0.0131	0.0005	0.0000
29-Jun-22	34.6288	0.0170	0.0131	0.0040	0.0000
30-Jun-22	34.6378	0.0260	0.0131	0.0129	0.0002
		0.0131			0.1211

Average Returns (R_i) = 0.0131

$$\text{Risk } (\sigma) = \sqrt{\sum D^2 / (n-1)} = 0.0315$$

$$\text{Sharpe Performance Ratio} = (R_i - R_f) / \sigma$$

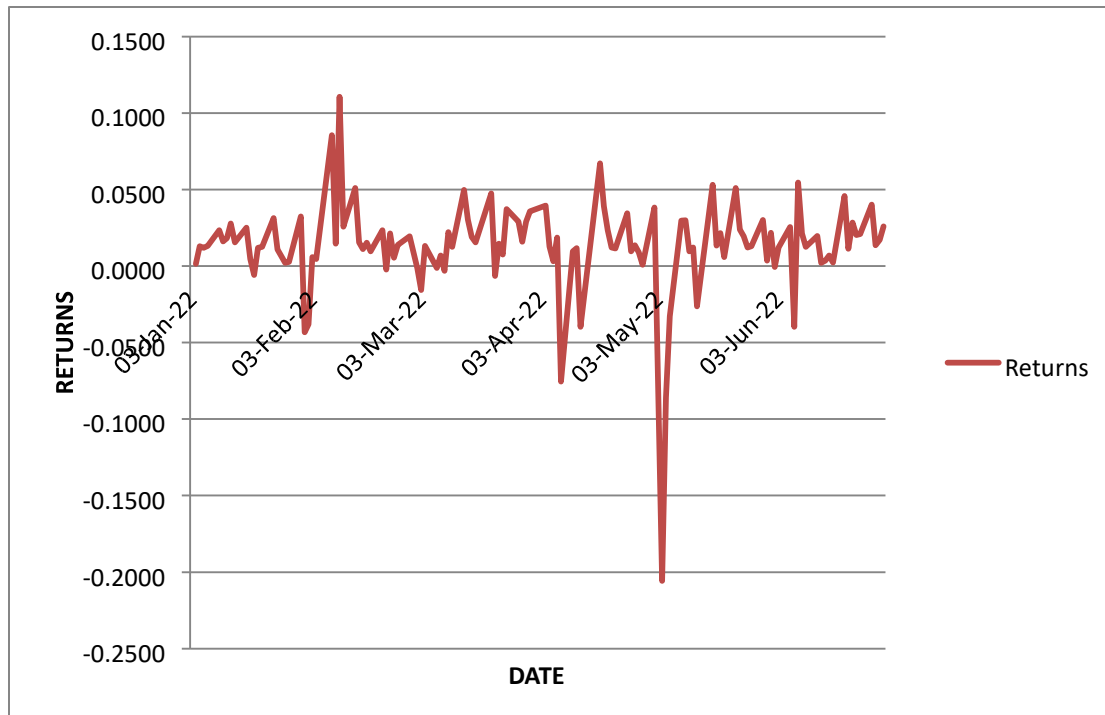
Where R_f = Risk free Returns

$$R_f = 0.54167$$

$$\text{Sharpe Performance Ratio} = (0.0131 - 0.54167) / 0.0315$$

$$= -16.78$$

Graphical representation:



INTERPRETATION: It represents that risk return of LIC Mutual fund has an average value 0.0131, risk 0.0315, Sharpe performance ratio -16.78.

5.1 FINDINGS

MUTUAL FUNDS

- LIC Mutual fund has an average returns 0.0131, risk 0.0315, Sharpe performance ratio -16.78.
- ADITYA BIRLA Mutual Fund has an average returns -0.0957, risk 1.2204, Sharpe performance ratio -0.52226.

ULIPS

- LIC ULIP fund has an average returns -0.0629, risk 0.722265, Sharpe performance ratio -0.837.
- ADITYA BIRLA SUN LIFE INVESTMENT ULIP has an average value 0.08885, risk 1.16575, Sharpe performance ratio -0.3884.

EQUITIES

- LIC EQUITY fund has an average returns -0.0884, risk 1.1443, Sharpe performance ratio -0.5506.
- ADITYA BIRLA SUN LIFE EQUITY has an average returns -0.2743, risk 1.635795, Sharpe performance ratio -0.4988.

5.2 SUGGESTIONS

Every Investment Decisions carries a risk by nature. One of the factors influencing the growth of the capital market is the existence of it and the diversity of the many sorts of Investment Decisions it offers. Alternative Investment Decisions have emerged and developed as a result of the risk. Periodic financial crises, which have prompted a need for assets that would enable Investment Decisions portfolio diversification and would offer prospects for benefiting

even amid market price decreases, have also had an impact on the growth of this market category.

5.3 CONCLUSION

To accomplish a personal objective, Investment Decisions is crucial. Investment Decisions entail having money and deciding how to best use it in order to get a return in the future. If the Investment Decisions runs well and we invest early, we will profit greatly; if we invest late, we will lose everything and have to start over. Apart from that, the first step in making an Investment Decisions successful is to build up an Investment Decisions plan. That allows us to predict future challenges, risks to be mitigated, the direction of the economy, and many other things. There are specific locations where Investment Decisions can be made, as we also know. Capital market, equities market, debt market, and many more markets will be included. Therefore, in order to obtain a return in the future, we need to know where we should put our money—in a low-risk market or a high-risk one.

Substantial returns are typically accompanied with high risks.

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