

# Examining the Relationship between Big Five Traits (BFPT) and Investment Decisions among the Investors of Gujarat

DARSHIT SHAH \*  
NARAYAN BASER \*\*  
AVANI DESAI \*\*\*

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## Abstract

Study aims to explore the complicated relationship among BFPT, information search behaviour, subjective financial literacy, and investment decision behaviour (IDB). By investigating these dimensions and their interactions, the research aims to understand better how individuals' psychological characteristics and financial knowledge impact their information search and investment decisions. This study follows the quantitative approach, descriptive research methodology with primary data collection with structured questionnaire from investors of Gujarat. The findings discover focal connections between personality traits, subjective financial literacy, information search, and investment decision behaviour. The findings shed light on the intricate dynamics regarding individuals' financial decision-making processes. Moreover, subjective financial literacy mediates the relationship between BFPT and IDB, suggesting that individuals with higher subjective financial literacy are more likely to make informed investment decisions.

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## I. Introduction

BASED ON THE seminal works of Markowitz (1952) and Fama (1970), it is hypothesised that individual investors primarily depend on publicly available market information as the exclusive foundation for their investment choices. The ability to make judgments enables individuals to demonstrate investment behaviour similar to those of rational investors. On the other hand, the descriptive model of behavioural finance proposes predictions about the real behaviours displayed by investors and corresponds to the decision-making model employed in psychology. Guiso and Jappelli

\* Assistant Professor, Pandit Deendayal Energy University, Department of Computer Science and Engineering, School of Technology, Room No. 106, 1st Floor, Block E, Raisan, Gandhinagar, Gujarat 382426, INDIA.

\*\* Associate Professor, Pandit Deendayal Energy University, The School of Management, Knowledge Corridor, Raisan Village, PDPU Road, Gandhinagar, Gujarat 382426, INDIA

\*\*\* Clinical Faculty (Communications Area), Indian Institute of Management, Vastrapur, Ahmedabad, Gujarat 380015, INDIA

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variables that may persuade investment decision behaviour. Future research can expand the scope to include comparative analysis of investment decision behaviours across different investment instruments (e.g., stocks, bonds, mutual funds) or investment styles (e.g., active vs. passive investing style). Examining the influence of personality traits, financial literacy, and information search behaviour within specific investment contexts can provide deeper insights into their relationships.

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