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Investment Behavior among Accounting / Finance Professionals in Sri Lanka

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ABSTRACT

Purpose: Investigating investment behavior of rational investors is crucial, as it helps to determine the performance of financial markets and will be more valuable to policymakers and financial providers. This study examines the investment behavior among finance/accounting professionals in Sri Lanka, considering the aspects of socio-economic and demographic factors, financial risk tolerance, concerns, and motives.

Methodology: The study was conducted with 150 chartered accountants who are currently residing within Sri Lanka, selected from the “Institute of Chartered Accountants of Sri Lanka” by using simple random sampling. Data was gathered through a questionnaire. The initial data analysis was done through frequencies and Pearson’s correlation, while Ordered Logit Regression was used for further understanding the results and to test the likelihood of outcomes.

Findings: Concerns, motives, and financial risk tolerance levels depicted a positive and significant relationship with the investment behavior, whereas demographics and socioeconomic factors show a negative correlation.

Originality: The current study focuses on financial professionals who are highly financially literate, and how their investment behavior is influenced, as there were only a few attempts that have been made to address topics relevant to the current study within Sri Lanka considering different respondent samples. However, there were no research studies found out analysing on investment behavior of finance/accounting professionals who can be more rational when taking their investment decisions than normal household individuals. Therefore, this study provides an in-depth analysis addressing these gaps.

KEYWORDS

Accounting Professionals,
Finance Professionals,
Financial Literacy,
Financial Risk Tolerance,
Investment Behavior,
Ordered Logit

JEL

CLASSIFICATION

G4, G14, M40

I. Introduction

In general, the process of investing money in different avenues of investment that are currently available on the market while anticipating profits can be referred to as investing (Daiva & Olga, 2013). Pooling funds for different financial needs with a speculative motive is considered, investing to face uncertainties and long-term objectives (Sowmya & Sai, 2021). This investment behavior can be traditionally rational and irrational as per recently developed theories. Further, several behavioral finance experts have noted the phenomena of investor irrationality (Barber & Odean, 2001, 2002, 2008).

According to Siraji, Nazar and Ali (2021), an investor’s gender influences their behavioral biases. Additionally, Grable and Lytton (1999) state that the primary issue behind many financial decisions is thought to be a lack of financial risk tolerance. According to numerous studies, including those by Nidhi and Ravi (2009), Baum, Caglayan & Talavera (2010), an individual’s investment behavior is also greatly influenced by concerns about investing and motivations for investing.

Further, financial literacy is a strategy for eradicating an individual investor’s illogical financial behavior and attitudes (Tetsuya, Tomoharu & Taizo, 2021). There is also evidence that financial decision-making and

financial literacy are positively correlated (Annamaria & Mitchell, 2007; Ian & Robinson David, 2012). The positive relationship opens up several streams that are related to financial decision-making, including investment strategies, the aid of financial planning before investment decisions, and many other determinants. Nobuyoshi and Hitoie (2021) have discovered that a lack of financial literacy, reduces stock market participation which determines that it affects an individual's risk tolerance and investing decisions making.

The degree of financial literacy; basic level or advanced level, determines one's prosperity for investing. When the financial literacy level is lower, there are fewer inclinations to deposit money and buy foreign currency. On other hand, when financial literacy is higher, investors are more likely to develop a portfolio or purchase stocks (Selim & Nur, 2016).

The existence of variations in financial literacy and the fact that these variations influence investment behavior, paved the path for exploratory analysis of individuals with high financial literacy, eliminating the barrier of financial literacy variations and their attitude towards investments. The analysis of professionals with high levels of financial knowledge will be a focal issue. So, this review is important as there were only a few attempts that have been made to address topics relevant to the current study within Sri Lanka considering different respondent samples (Amarasinghe, 2019; Kumari, 2020; Siraji, Nazar & Ali 2021). However, there were no research studies found out analysing on investment behavior of finance/accounting professionals who can be more rational when taking their investment decisions than normal household individuals. Therefore, this study provides an in-depth analysis addressing these gaps.

The current study's paper is organized into 5 sections. The first section deals with the Introduction and the second section will be the Literature Review and Hypotheses Development. Methodology of the research is

presented in section 3. Findings and Discussions will be the fourth section while Conclusions are presented in section 5.

II. Literature Review & Hypotheses Development

Investment Behavior of Finance/Accounting Professionals

Investment behavior is highly important since it affects how your portfolio performs in the long run. The key concepts and explanations of investment behavior are risk penchant, risk inclination, and risk disposition. Further, it explores the relationship between demographic factors, risk attitudes, personal awareness, or concerns that will shape the behavior of individual investors. With regards to theories related to investment behavior, the traditional theories assume that investing is rational. However, behavioral finance is a new field that is gaining attraction, it became a popular field of study which attempts to explain investment behavior is irrational (Mak Mark & Ip, 2017). The behavioral finance hypothesis clarifies the way in which psychological factors affect investment-related decision-making (Valeriy, 2018). The financial behavior researchers who determine the irrationality of investors discover two major types of behavioral biases: prospect theory and cognitive theory. The essential ramifications of the cognitive theory are that individuals' behavior is set by their mind, the inspection, and self-perception that determine emotions and behavior (Daiva & Olga, 2013). Prospect theory explains how the investors choose between probabilistic alternatives that involve risk and how they perceive profits and losses (Daiva & Olga, 2013). Accordingly, empirical investigations and experiments with things are linked to prospect theory, view misfortunes and gains distinctively and misfortunes have a more prominent passionate effect on financial backers than gains (Kahneman & Tversky, 1979). Further to the extension of behavioral finance, Ajzen (1991) has mentioned that the Theory of Planned Behavior (TPB) is a

vitality used model to depict the factors such as subjective norms, attitude, and perceived behavioral controls of financial behavior. The positive or negative valuation that an individual derives from performing a specific behavior can be defined as attitudes, whereas subjective norms are defined as social pressures that oblige an individual to engage in a specific behavior while behavioral control measures the understanding level of ease or difficulty that an individual faces while performing certain behaviors (Ajzen, 1991). Moreover, another dimension was added to the planned behavior theory by Saliya (2022), which was financial knowledge as many researchers recognize that factor as a vital dimension in determining financial behavior.

If investment behavior is taken as a whole system or a mechanism, it involves many activities and considerations that affect massively. The entire framework or collaboration of investment behavior includes the investors' observations, their evaluations of potential outcomes, research methods, and an audit of powerful people's methods that represent bringing information, describing, and understanding the entire market, and driving assessment about the decisions being kept an eye on (Kannadas, 2021).

According to Jagongo and Mutswenje (2014) who also examined the factors influencing investment behavior at the Nairobi Stock Exchange, the factors that have the most influence on investment behavior are the price per share, firm earnings, profits, and prior financial performance (Sowmya & Sai, 2021).

Finance/accounting professional investors are those who have a high level of experience, financial understanding, and expertise in selecting investment options by properly analyzing the profits or expected returns and risks that must be faced, without getting affected by emotional factors and act as rational investors. Halil, Belma & Ali (2016), demonstrate how the choices made by various finance professionals could affect

future outcomes and investing choices. Some of the elements that affect investment behavior include financial risk tolerance levels, demographic, and other socioeconomic considerations, as well as motivations and concerns. According to Lutfi (2010), Sandip and Ranjan (2015), Mak Mark and Ip (2017), Huber, Huber & Kirchler(2021), this will be more valuable to irrational investors, policymakers, and financial providers as well. This is because financial literacy affects positively and significantly on decisions related to investments and plays a vital role in causing financial disputes among individuals in the absence of proper financial literacy or accounting information (Chung-Hua, Shih-Jie & Yu-Jen., 2016; Kumari, 2020; Samreen, 2014).

Socio-economic & Demographic factors and Financial Risk Tolerance

Hypothesis 01: Socioeconomic and demographic factors have a significant impact on investment behavior

When it comes to socioeconomic and demographic factors, income, education, age, wealth, and background are all factors that contribute to the disparities. Theories are being discussed on how psychological changes can help explain cross-generational loss and wealth transfer. Among the variables investigated, education is the best predictor of investment behavior. Higher education significantly reduces representativeness, fixation, and self-attribution bias (Tristan & Alexander, 2012). Behavioral finance involves the treatment of monetary gambling, which is different from the mechanical structure. It covers the exchange of money from the perspective of brain research and humanity. People find it difficult to estimate company results because speculative pre-determinations are chosen by the organization. Investors tend to believe that the more knowledge they acquire, the more accurate their predictions will be. Some studies have shown that as investors become more educated, their awareness of risk also increases. In contrast to those who are

illiterate, educated people have higher self-confidence and self-centered thinking (Kesavan, Chidambaram & Ramachandran., 2012).

Anitha and Bhargavi (2014), is another study which attempted to analyze the significance of demographic factors that influence an individual's investment behavior. Through this review demographic factors such as age, gender, occupation, level of education, level of income, savings and size of the family are being covered as independent variables while investment behavior or decision making in a risky situation acts as the dependent variable. As per the results of the study, majority of the investors who are interested to invest in stock market are males and willing to take more risk than females. Further, older age investors have more sense of risk while the younger investors perceive the risk differently. Also, it concludes that there is a significant relationship between risk and investment decisions. So ultimately, this study also acts as an additional proof in order to review the relationship between the demographics and an individual's investment behavior for the support of the current study.

Nonetheless, study into this topic has produced a variety of results. The deciding component in this issue is a person's knowledge being deemed competent in perceiving situations, knowledge that leads to self-confidence and egocentric thinking. According to our research and most of the research believes that educated people consider Socio-Economic and Demographic Factors when they make investment decisions and when they are investing.

Hypothesis 02: The financial risk tolerance levels of individuals have a significant impact on investment behavior.

The level of risk tolerance that people exhibit varies from person to person. The inclination to avoid or refuse to take risks is known as risk aversion, and it is most prevalent in Asian countries (MacCrimmon Kenneth & Allen, 1986). Understanding this is crucial in developing countries like Sri Lanka for

individuals who are making investment-related decisions and the policymakers. Demographic traits have an impact on investors' degrees of risk aversion and financial risk tolerance. Age, gender, and marital status will determine an individual's level of financial risk tolerance and, over time, their investment behavior.

The difficulty of measuring an individual's level of risk tolerance paved the way for the use of risk tolerance target measurements (Grable & Lytton, 1999). The method of objective measure analysis offers a great potential in assessing individuals' risk tolerance. However, many research findings find out many other ways to assess the FRT levels; according to their studies, there are five ways of assessing individuals' financial risk tolerance level. Choice dilemmas, heuristic judgements, utility theories, objective measures and subjective assessments are the five methodologies in assessing the FRT Levels (Bajtelsmit & Bernaseck, 1996). The difficulty to measure a person's risk tolerance level has paved the way for using measurements of risk tolerance objectives (Grable & Lytton, 1999). However, the research findings using these five methodologies are not applicable to conclude the assessment of the FRT levels of investors (Grable & Lytton, 1998a). Therefore, the recommendation of questionnaire type assessment technique to measure the FRT levels of investors can be the ideal way by far applicable in assessing the risk levels.

As per mentioned before, there were only few studies done based on the areas which support the current study in Sri Lanka context. Amarasinghe (2019), is one of those studies and it examined whether there is a significant difference in the financial risk tolerance levels of the employees in financial and non-financial institutions in Sri Lanka. The relevant data needed for the survey was collected from 124 respondents representing both sectors by following the SOFRT (Survey of Financial Risk Tolerance) questionnaire in order to measure the risk

tolerance levels. Moreover, as per the results, the study shows that the employees of financial institutions show a higher level of risk tolerance than the employees of non-financial institutions concluding a significant difference between them. So, this study can be considered as an extra support in proving the point that employees from financial sector or financial professionals who have more financial knowledge, are more likely to have high levels of financial risk tolerance than other irrational or financially illiterate investors.

Concerns regarding Investments and Motives towards Investing

Hypothesis 03: The concerns of investing have a significant impact on investment behavior.

The accounting professionals' financial performance change due to their behavior. Returns and risks associated with stock markets, investment ventures, media establishments, board types, and permanent amounts of speculative plans are key considerations that influence financial investors' speculative decisions. Financial literacy is essential for business, the economy, and the country. People need to know the components available for purchase and investment (Dewan, Gayatri & Dewan., 2019). Understanding monetary language and thinking enhances your knowledge of key financial considerations that are essential to the contribution and management of your assets.

According to the past literature referred, Investors consider many factors before making an investment decision (Daiva & Olga, 2013; Gene & Sharpe Steven, 2009; Nidhi & Ravi, 2009; Valeriy, 2018). They can choose where to invest by comparing different companies and cases in this situation. The investors' decision-making will be affected by financial as well as non-financial aspects (Daiva & Olga, 2013). Valeriy (2018) also states that the potential return on investment must be the main financial aspect that an investor should

consider when making an investment decision. The higher the return on investment and the lower the risk, the more attractive options you have. Risk level and rate of return on investment are two of the most important factors to consider when choosing an investment (Nidhi & Ravi, 2009). Risk rates, expected rates of return on investment, and ratio analysis of financial statements are some of the important financial facts to consider before investing (Bikas & Glinskyte, 2021). The study shows that in addition to risk levels and expected returns, sophisticated investors also take, economic conditions and the opinions of other rational investors who are experts in investing, under consideration. Gene and Sharpe Steven (2009) claim that investors tend to expect more returns when they feel sure about their estimations of future economic conditions are favorable. Moreover, their expectations will increase when most other investors also make positive comments on the favorable economic terms. And parallelly, they have found that the perceived risk level will be decreased in favorable economic conditions. Financial literacy needs to have some background knowledge about what is important before making an investment decision which explains more than analyzing the concern levels of financial professionals is highly important. So, to analyze the concerns of accounting/finance professionals, the current study approach sub-variables such as lack of information, fund availability, lack of self-confidence in investing, costs in investing based on Ramanujam and Emilruban (2018), as measurements.

Hypothesis 04: Personal motives have a significant impact on investment behavior.

Every investor needs to have some sort of confidence or motivation to lead them towards investing. Different types of investors can be driven due to various motivations. By far, rate of growth and return is considered to be one of the strongest motivations. Specially for most confident self-starters. Another common motivation

which triggers investing is the personal changes that happen in different life circumstances such as getting new jobs, promotions, household emergencies and many more. Further, investors value where transactions happen smoothly and easy to access information. Followed by these information, rational investors are more attracted to recent financial performances, level of risk, reliability, cost, ways to reassurance the investments, tax efficiency etc. Moreover, investors are driven towards investing options through third party guidance or recommendations which can be mostly from well experienced stockbrokers and financial professionals (Callus & Craig, 2014).

Moreover, according to Saliya (2022), driving forces of investor motivations also vary from culture to culture as there is a diversity among the developments in stock markets of different countries. So, this study's purpose was to identify the impact of such sociocultural factors as motives, towards investment behavior based on the Theory of Planned Behavior. The data was collected from employed university students who are specializing in Banking and Finance. The four dimensions of planned behavior theory; Attitudes, Perceived Power, Social Norms and Financial Behavior are used as variables which drives towards investing willingness which in turn will affect the investment behavior. As per the results, the study revealed that these four dimensions are highly influential factors for investment willingness or in other words motives towards investing. Further, the dimension of social norms has shown a significant positive association, while the perceived power dimension has shown a highly significant but negative association with investment behavior. However, attitudes and knowledge have not shown a significant influence on investment behavior directly.

However, most of the studies have analyzed the motives that considered by household investors or other irrational investors who do not have much knowledge of financial

literacy. Understanding financial terms and concepts entail understanding essential financial views necessary for investing and managing finances to increase wealth and security. People must be aware of the available components for purchase and investment. This awareness includes reading handouts and annual statements, performing sophisticated interest calculations, and postponing the use of funds. People should also be conscious of that high-accrual investments are likely to be risky, that market esteems decrease as well as rise, and that there are a range of standards. A financial concept states that where consumers are informed, strong competition and sustainable enterprises will emerge (Deene & Pathi, 2014). In other words, in this era of globalization, financial literacy is critical for business, the economy, and the nation. So, this is another evidence to prove the fact that irrational investors need to know the opinions or advice of financial professionals in order to get a clear vision on choosing their investment options. Or in another point of view investors need to have access to reliable recent information on financial performances before investing which in turn will increase the interest of investing and motivate the irrational as well as rational investors.

Analysing the information gathered by the past research articles, this study considered to approach sub-variables like past dividends and bonuses paid, recent financial performances, personal motives and recommendations given by experts, in order to analyze the motives of accounting/finance professionals.

So, considering the above-mentioned facts from past literature, it can be clearly seen that there are no Sri Lankan context articles regarding motives and concerns towards investment behavior. Therefore this current study would be a great support to have an idea the concerns and motives which affects finance/accounting professionals in Sri Lanka.

III. Methodology

The research design of the current study is developed based on Saunders's research onion. Since factual knowledge is gained through observation, positivism was used for the philosophy of the research as per the model, while following a deductive approach whereas the hypotheses are created based on previous literature.

The survey was carried out through a close-ended questionnaire considering the convenience of the respondents who are financial professionals, which were circulated through e-mails while following a Cross-sectional Time Horizon. The questionnaire consisted of 19 self-administered questions related to respondents' investment behavior, socioeconomic and demographic factors, financial risk tolerance, concerns, and motives. The sample size covered by the current study is 150 respondents of chartered accountants who are currently residing within Sri Lanka. They were selected from the "Directory of Members & Firms" that we received from the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) based on a simple random sampling method.

The initial data analysis was done using Cronbach's Alpha reliability test and frequencies while Pearson's Correlation was used to test the four hypotheses of the study.

Further, Ordered Logit was used for further understanding of the results in practicality and to test probability of the outputs. This regression model was used in order to analyze qualitative responses, and when the outcomes can be categorized or arranged in a meaningful order.

The specification of the Ordered Logit model can be as follows and according to the assumptions made by this model, its error term is having a logistic distribution.

$$P(y \leq ci) = \sum_{k=1}^K P_k \quad (1)$$

$$k = 1$$

$$\ln(P(y \leq c_j)) = \beta_0 j + \beta_1 j X_1 + \beta_2 j X_2 + \dots + \beta_p j X_p \quad (2)$$

$$(P(y > c_j))$$

The proportional odds model is used when the predictors are not depending on the category level, but the intercept depends. The parameters of the model are the exposure odds ratio for the higher j categories. If there were three outcome categories and one exposure variable, the exposure odds ratio will compare the category 3 to category 2 and 1 and category 3 to 1 giving the same exposure impact.

The outcome will be an ordered three categories of using both above mentioned models in deriving the investment behavior. These categories will be low effect, medium effect, and high effect towards investment behavior. And the independent variables will be concerns, motives and financial risk tolerance levels which will be fitted to the Ordered Logit model and analyzed accordingly.

IV. Findings and Discussion

The hypothesis testing of the significance level of the independent variables towards dependent variable was tested using Pearson's correlation. The econometric tool of Ordered Logit was used to get a more in depth understanding of the nature of influence with the probability of occurrence. In the current study the reliability of the data was initially measured and validated using Cronbach's Alpha for the entire 150 responses. The alpha value of total responses was 0.82 which represents a favorable indicator exceeding 0.7. The item total statistics of the model are mentioned in the appendix in Table I.

Socioeconomic & Demographic Information of Respondents

Age categories and gender of the respondents

According to the graphical illustration in Figure I, the highest proportion of the age

category was from 31 years to 40 years representing 42.67% out of the total respondents. This signifies that the major proportion of the survey results was from the middle-aged adults. When considering the gender, most of the respondents are males

marking 57.33% out of the total respondents whereas females represent 42.67% as shown by the results in the Figure II. This shows that a major portion of the results was from male finance/accounting professionals.

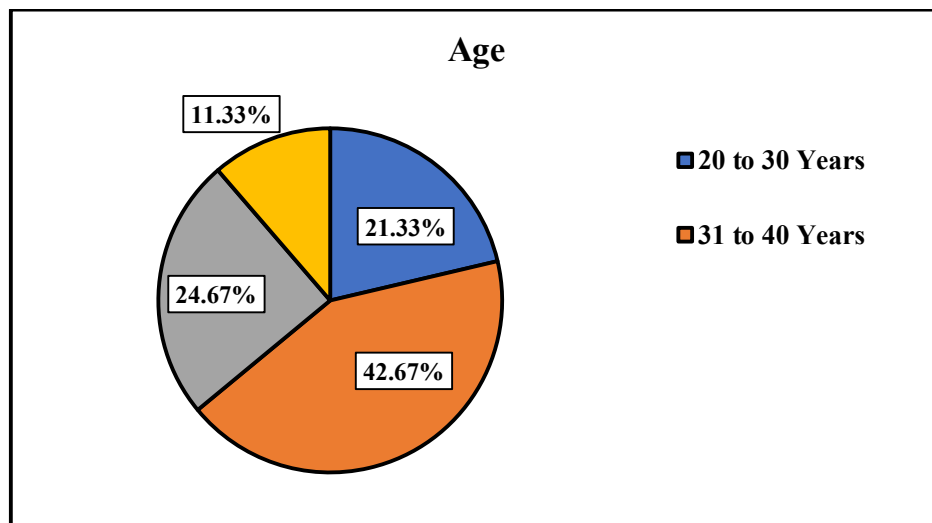


Figure 1. Pie Chart on Respondents' Age Category

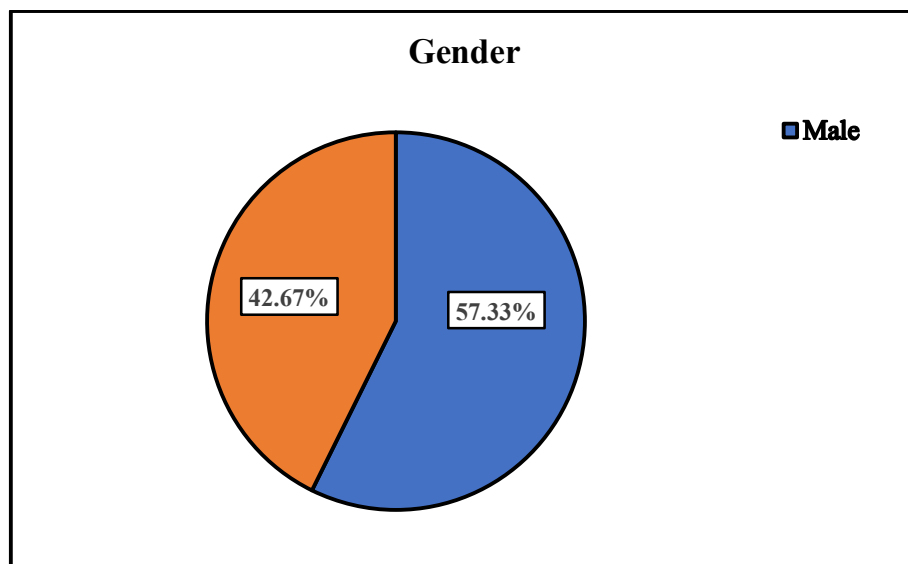


Figure 2. Pie Chart on Respondents' Gender

Marital Status and no. of dependents of the respondents

Out of the total respondents of the survey, as shown in Figure III, there was a major proportion of married professionals

representing 71.33%. And there was 28.67% of unmarried professionals among the respondents. When it comes to marital status, as per illustrated in the Figure V, the majority of the respondents have 1-4 no. of dependents

representing 63.33%. 28.67% of the respondents do not have any dependents while only 8% have more than 4 dependents.

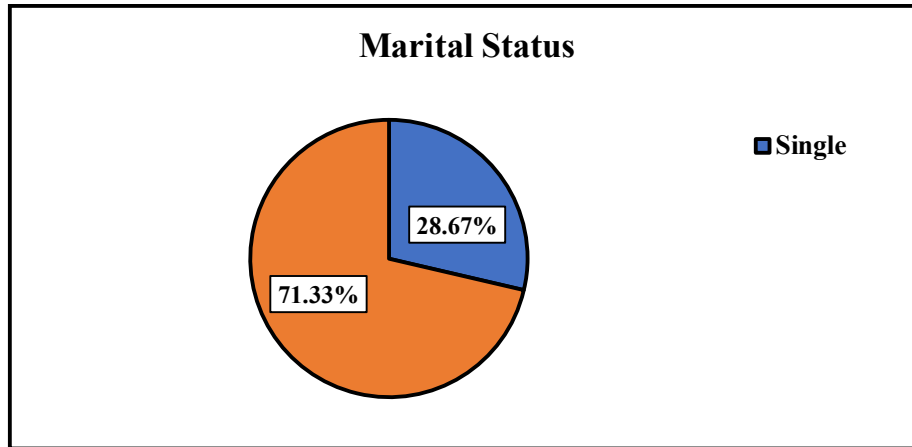


Figure 3. Pie Chart on Respondents' Marital Status

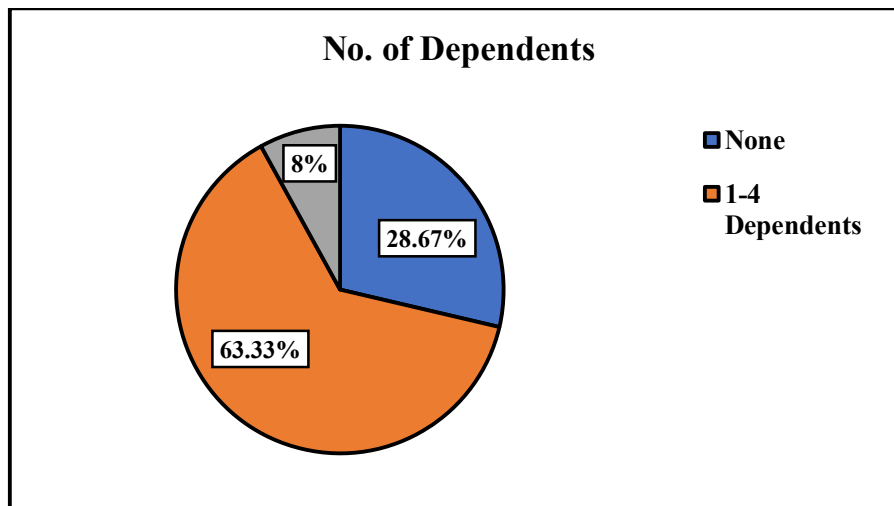


Figure 4. Pie Chart on Respondents' No. of Dependents

Income Level of the respondents

Figure V represents the average monthly income earned by the financial professionals. The majority is above Rs. 120,000 representing a percentage of 50.67%. And 27.33% of an income in the range of Rs. 81,000- Rs.120,000 and 22% of professionals are earning monthly income of Rs. 40,000- Rs. 80,000. This shows that the majority of the respondents are under the higher income category. When considering employment

period of the respondents, higher proportion of the respondents are under the employment category of over ten years with 36.67% as per Figure VI, which confirms that the responses are received from majority of highly experienced finance professionals. There are 35.33% of professionals with five to ten years of experience and a minority of 28% of professionals less than five years of experience.

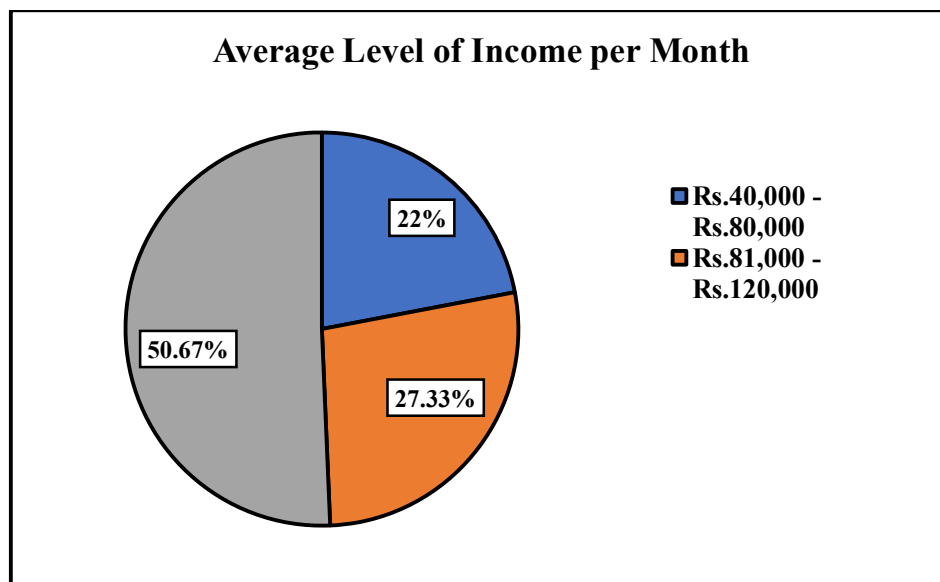


Figure 5. Pie Chart on Respondents' Average Level of Income

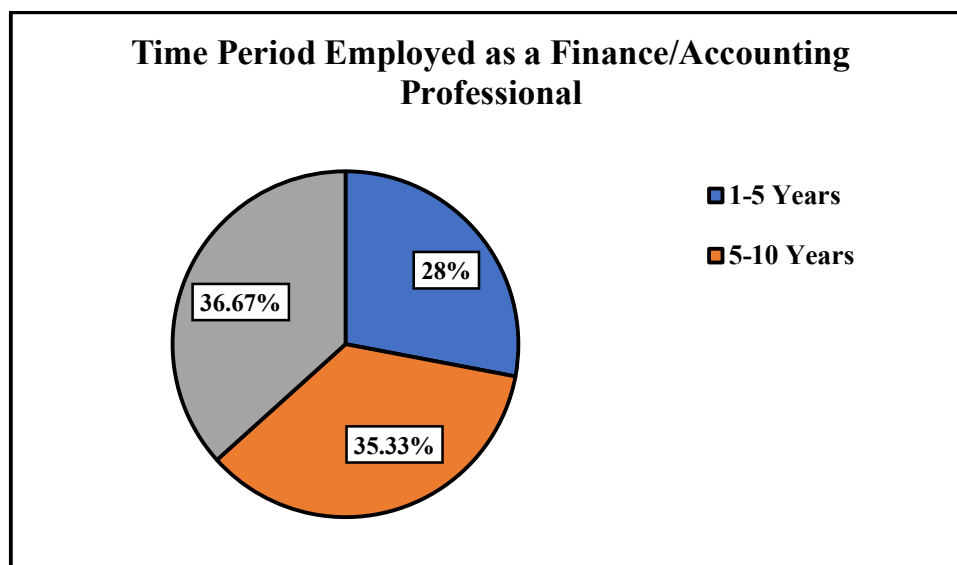


Figure 6. Pie Chart on Respondents' time period of Employment as A Finance/Accounting Professional

Pearson's Correlation Matrix

As the overall analysis of the study the Pearson's correlation was run across the independent variables to check the linear relationship between the same and the dependent variables which is represented by Table I. Based on the results as shown there was a negative correlation between the socio economic & demographic factors and the

investment behavior and the P value as demonstrated shows a higher value than the significance level of 0.05, which shows that the null hypothesis stands out to be accepted.

The correlation between the motives and the investment behavior was of a positive nature whereas the statistical P value was less than the significance level of 0.05 which was 0.00

suggesting that the null hypothesis must be eliminated accordingly.

The linear relationship among the concerns and the investment behavior was a positive nature and the P value was less than the significance value of 0.05 where the initial model shows that the alternative hypothesis linked with this independent variable needs to be statistically accepted.

The final independent variable which was the Financial Risk Tolerance (FRT), and the investment behavior has a positive collinearity, and the P value of the results is lower than the significance level which suggests that the null hypothesis of the study will be statistically rejected.

Table 1. Pearson's Correlation Matrix

	Correlations				
	Demographics	Motives	Concerns	FRT	Investment Behavior
Demographics	1				
Motives	-.023	1			
Concerns	-.002	.633**	1		
FRT	.105	.176*	.251**	1	
Investment Behavior	-.089	.684**	.442**	.185*	1

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

Source: Compiled by Authors-SPSS

Pearson's Correlation between the Dependent Variable and the Sub Variables of Demographic and Socioeconomic Factors

The socioeconomic and demographics comprised of the age, gender, marital status Number of dependents, Average monthly income level and the number of years as a finance professional was considered for the study. Referring to Table II, the overall linear relationship with the socioeconomic demographic factors and the dependent variable was negative however, age alone has a positive linear relationship with investment behavior.

The in-detail analysis of gender, marital status, number of dependents, average monthly income, and the number of years as a finance professional has a negative relationship with investment behavior. The P value of all the sub variables under socioeconomic and demographics is higher than the significance level of 0.05 which shows us the null hypothesis set for the study must be accepted but the P value of the number of years as a finance professional was having a lower P value of 0.032 which is less than the significance level of 0.05 which shows that there is a significant impact on the investment behavior as per the results we have received from this study.

Table 2. Pearson's Correlation between the Dependent Variable and the Sub Variables of Demographic and Socioeconomic Factors

Correlations							
	Investment Behavior	Gender	Age	Marital status	No. of dependents	Level of income per month	Time period employed
Investment Behavior	1						
Gender	-.026	1					
Age	.024	-.229*	1				
Marital status	-.064	-.139	.596**	1			
No. of dependents	-.037	-.160*	.650**	.676*	1		
Level of income per month	-.095	-.358*	.621**	.539*	.567*	1	
Time period employed	-.175*	-.330*	.649**	.585*	.611*	.813**	1

*. Correlation is significant at the 0.05 level (2-tailed).

**. Correlation is significant at the 0.01 level (2-tailed).

So, when comparing the results, on the relationship between the socioeconomic and demographic factors with investment behavior from the current study with past literature, many research have stated the significance relationship of these two variables and this research would be an additional support for those findings (Kesavan, Chidambaram & Ramachandran., 2012; Kiai, Ngang, Kinyanjui & Kiragu., 2016; Lutfi, 2010). And when it comes to the relationship between financial risk tolerance levels with investment behavior, it provides an additional support to prove past literatures' which concludes a significant relationship between these two variables (Grable & Lytton, 1998b; Grable & Lytton, 1999; Lewellen Wilbur, Lease Ronald & Schlarbaum Gary., 1977; Wallach & Kogan, 1961).

The significance and influential nature of concerns discovered by the current study was

proven under various other past research as well. The information availability and risk factor of the associated investment sources were also proven to be significant predictors (Deene & Pathi, 2014; Halil et al., 2016).

Under the motives the set of investment sources and the testing of the risk associated with each source and the expected return of each item was analyzed and circulated in the questionnaire (Sowmya & Sai, 2021).

The significant relationship between motives that was listed in the current study and investment behavior was demonstrated under past studies. There was a significant influence from the confidence level in investing activities, experience in investing activities and the availability of funds that are required to do investing activities (Bailey, Kumar & Ng., 2011; Deene & Pathi, 2014; Dewan et al., 2019).

Ordered Logit Regression

The results are estimated using Ordered Logit model for further understanding of the results in practicality and to test probability of the outputs of the variables, i.e., financial risk tolerance levels, concerns, and motives towards investing. Dependent variable of the study which is investment behavior assumes that the behavior to be measured using three categories of low level, medium level and high level of investment behavior. The independent variables of investment behavior were having positive coefficients; however, the marginal results of the model were analyzed in order to derive the link and also as a defined way of interpreting the results. As shown in Table III, the decreased likelihood of a low level of investment behavior with a unit change in financial risk

tolerance levels, concerns and motives are 0.14%, 0.04% and 0.03% respectively. This shows that the change of the low levels of investment behavior are less significant based on these coefficients. The decreased likelihood of a medium level of investment behavior with a unit change in the independent variables are 2%, 0.05% and 4% which is of a higher probability than the low level of investment behavior. The increased likelihood of high investment behavior with respect to unit change of the independent variables are 2.1%, 0.06% and 4.2% which shows that there is a possibility of high investment behavior with respect to a change in the independent variables inbuilt in the current model of the study. Further, Ordered Logit estimates are shown in Table V in appendix.

Table 3. Marginal Effects from O Logit

Investment Behavior	Outcome 0 (Low)		FRT	Concerns	Motives
		dy/dx	-.001474	-.0004407	-.0029902
		Std. Error	.00097	.00074	.00175
	Outcome 1 (Medium)	dy/dx	-.0197133	-.0058932	-.0399899
		Std. Error	.00783	.00926	.01084
	Outcome 2 (High)	dy/dx	.0211873	.0063338	.0429801
		Std. Error	.0083	.00995	.01123

V. Conclusion

The study was based on a set of finance and accounting professionals with special attention paid to the Sri Lankan context. According to the results, motives and the financial risk tolerance levels depicted a positive and significant relationship with the investment behavior, whereas demographics and socioeconomic factors show a negative correlation with investment behavior. For further understanding of the results and to test the likelihood of outcomes the ordered logit model was used. Moreover, as an additional analysis tool of the initial results of socioeconomic and demographic factors of

the respondents were represented through graphical illustrations.

The results derived using the Ordered Logit were representing the likelihood of the investors to vary among the three chances of investment behavior. The Pearson's correlation was used to analyze the overall significance level of the variables towards investment activities and the in-depth analysis of the independent variable socioeconomic and demographic factors. Based on the results from this model the significance level was insignificant towards investment behavior from the changes in socioeconomic and demographic factors yet significant from other three variables when the results from the model was analyzed.

The key limitation of the study was the sample size of 150 responses who were active participants of the survey, which can be further expanded by future research. When there is an increased sample size the accuracy and further discussion points of the study can also be explored. The same model can be tested across multi functions and other fields of employees to evaluate the investment behavior of those categories. The need to analyze the investment behavior across countries and different geographical locations can be experimented using the same model that was developed in the current study. Even though the sub variables of the study were narrowed down based on past literature there can be other new elements that can be included and tested using the model which will ensure that a broader area is covered.

The current study was limited to a set of finance professionals which can be broaden and further analyzed across other professions and various individuals which will enable to understand the investment behavior. The same study including the objectives can be used to test individuals in other geographical locations as well as a comparative study of the current model.

The hypothesis was drawn based on the past studies and shortlisting the similar and most identified variables or scenarios across different geographical locations thereby new variable inclinations and developments can be done.

More psychological impacts associated with investment behavior, their consequences towards investment behavior, other contemporary issues with the current economic instabilities can be drawn into attention of the study. This will enable to develop the study in a more practical and a timely study addressing more in-depth issues of the economy as well.

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Appendix I

Table 4. Cronbach's Alpha – Item Total Statistics of all the Sub Variables

	Item-Total Statistics			
	Scale Mean if Deleted	Scale Variance if Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Gender	40.63	93.965	-.189	.827
Age	39.80	85.826	.334	.814
Marital status	40.35	90.201	.230	.818
No. of dependents	40.27	88.828	.301	.816
Average level of income per month	39.77	90.029	.112	.822
Employed as a finance/accounting professional	39.97	91.113	.042	.825
Return expectations - Invest in Interest bearing Fixed Deposits	39.83	85.764	.365	.813
Return expectations - Invest in Stock Market	39.79	84.474	.495	.808
Return expectations - Invest in Government Securities	40.28	87.572	.245	.818
Return expectations - Invest in Real estate/Properties	39.50	87.701	.321	.815
Return expectations - Invest in Commodities	39.59	85.264	.475	.809
Risk level - Invest in Interest bearing Fixed Deposits	40.20	84.000	.448	.810
Risk level - Invest in Stock Market	39.49	90.668	.108	.821
Risk level - Invest in Government Securities	40.59	88.513	.232	.818
Risk level - Invest in Real estate/Properties	40.10	84.171	.486	.808
Risk level - Invest in Commodities	39.92	84.732	.453	.810
Concern Level - Lack of information	39.37	87.415	.450	.812
Concern Level - Availability of funds to invest	39.65	85.505	.358	.813
Concern Level - Lack of self confidence in investing	39.82	87.155	.330	.814
The extent that the current economic situation affects your investment activities	39.33	89.096	.278	.816
Level of Engagement in Investing	39.61	84.146	.561	.807
Level of Experience in Investing	39.48	85.889	.507	.809
Level of Confidence in Investing	39.75	88.405	.231	.818
Level of motivation - Past dividends paid by the companies	39.41	86.258	.494	.810
Level of motivation - Recent financial performance of the companies	39.27	87.770	.399	.813
Level of motivation - Personal motives	39.72	88.002	.306	.815
Level of motivation - Recommendations by experts and stockbrokers	39.48	86.506	.454	.811
Action taken when you received Rs,500,000 unexpectedly to invest	40.29	88.635	.179	.821
Comfortable level invests in stocks or stocks mutual funds	39.95	85.870	.460	.810
You inherit a mortgage-free house worth Rs. 25 million which needs to be repaired. If rented, you will get a return of Rs. 50,000 monthly, but if repaired using a mortgage the rent received will be Rs. 80,000. You, would:	39.49	87.916	.310	.815
Some experts are predicting prices of property assets to increase in value; bond prices may fall. But tend to agree that government bonds are relatively safe. Most of your investment assets are now in government bonds. You would:	39.43	87.012	.226	.820

Suppose a relative left you an inheritance of Rs.1,000,000, stipulating in the will that you invest all the money in one of the following choices. You would select:	39.49	86.802	.238	.819
If you had to invest Rs. 5,000,000, the most appealing choice	40.31	87.919	.301	.815

Source: Compiled by Authors-SPSS

Appendix II

Table 5. Ordered Logit Estimates

	Investment Behavior	
	Coef.	Std. Err.
Concerns	.2110891	.0844781
Motives	.0631041	.1007568
FRT	.4282111	.0963386

Source: Compiled by Authors-Stata