

## Factors Influencing Individual Investor's Behaviour in Nepali Stock Market

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*Information structure, characteristics of market participants, knowledge and attitude toward human behaviour are the factors that influencing individual investors behaviour. Some of them were identified but not explored sufficiently in the context of Nepal. This study aims to find out the individual investors influencing factors. A descriptive research design was used for this study. A total of 128 (out of 200) respondents information were collected. Moreover, the descriptive statistical analysis was done.*

*The findings of this study from the most and least influencing factors were accounting information and self/firm's image. Similarly, male gender, younger and fresh investors are eager to participate in the Nepali stock market.*

### I Introduction

Investment is the flow of capital that is used for productive purposes. As it has a multiplier effect, it generates income and employment, creating demand and consumption (Shafi 2014). Nowadays a large number of investment instruments are available in the market with highly liquid and illiquid as well as risky and almost riskless. Knowledge (Kadaraya, *et. al.* 2012), attitude toward the behaviour (excessive optimism, herd behaviour, psychology of risk and overconfidence), subjective norm and perceived behavioural control (Phan, *et. al.* 2014) are influencing factors. Among them, one of the factors influencing individual investors is behaviour which is most important because it is the major concern of the Nepali stock markets' as they hold a significant portion of investment. Investment behaviour is defined as to how the investors analyze, predict, judge, and review the procedures for decision making (Slovic 1972, Alfredo and Vicente 2010). Studies (Panda and Panda 2012, Kamesaka, Nofsinger and Kawakita 2003) were carried out to determine the behaviour of an individual investor's investment. Nevertheless, the responsible factors were not explored among the investment of individual investors in the context of Nepal.

This study help to guide portfolio allocation decisions, prediction of future stock-market trends and suggest appropriate asset allocation strategies. Thus, it

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