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碩士論文

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Master Thesis

散戶之風險承受能力因素探討－以蒙古國為例

Risk Tolerance of Individual Investors in Stock Market

--The Case of Mongolia

波靜

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MBA recommendation letter

Letter of Recommendation for ABT Masters

Munkhjin Enkhbold, a student of NHU Master Program for Business Administration for 2 years, has completed all of the courses and theses required for graduation.

1. In terms of studies, Munkhjin has acquired 39 credits, passed all of the obligatory subjects such as human resource, research methodology, financial management, operation management etc.

2. In terms of theses, Munkhjin has completed the following:

    i. Master thesis: The risk tolerance of Individual Investors in Stock Market-the Case of Mongolia

    ii. Journal: Master program in Management sciences department of Business administration college of Management Nanhua university master thesis.

I believe that has already received full formative education of NHU Master Program for Business Management and is qualified to apply for Master's Degree Examination. Therefore, I hereby recommend his/her preliminary paper, The risk tolerance of Individual Investors in Stock Market-the Case of Mongolia, for the oral defense.

Academic Advisor:

Date: 2020/05/15

Acknowledgment

This study becomes a reality with the kind support and help of many researchers. I would like to express my sincere gratitude to the University of Nanhua for letting me fulfill my dream of being a student here and the encouragement which helped me in the completion of this paper. I also would like to thank Prof. Cheng-Po Lai and the Department of Business administration for allowing me to write an honors thesis.

To my committee, Prof Lin Wen-Chang, and Prof Liao Yong-Xi I am extremely grateful for your assistance and suggestions throughout my study. During the period two years, many friends helpful to color my life. My thanks and appreciations also go to my colleague and people who have willingly helped me out with their abilities.
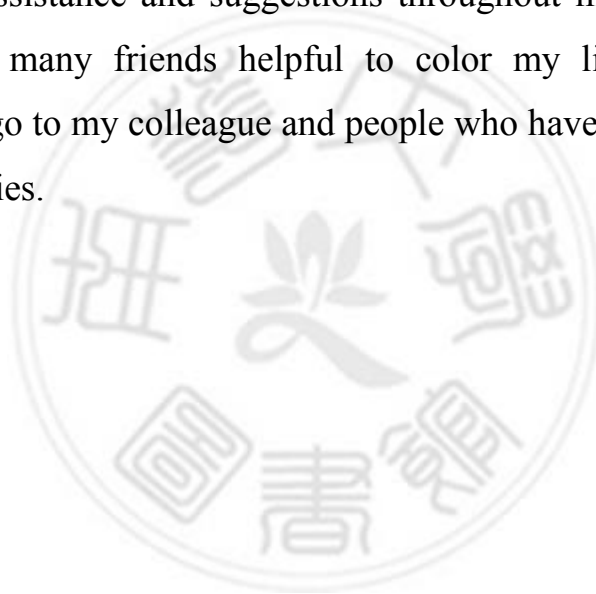
南華大學管理學院企業管理學系管理科學碩士班
108 學年度第 2 學期碩士論文摘要

論文題目:散戶之風險承受能力因素探討–以蒙古國為例

研究生:波靜　　　　　　　　　　　　　　指導教師: 賴丞坡

論文摘要內容:

本研究側重於蒙古股票市場中個人投資者的風險承受能力。本研究得出的人口統計學,金融知識和人格特質與規避風險會影響股票市場的投資行為表現。行為財務有別於傳統財務金融投資者理性行為之假設。行為財務可以根據個人特質和問卷來評估風險承受能力和估計股票報酬率的差異。本研究的主要發現個人特質、知識和個性對風險和投資績效存在顯著影響,客觀風險和主體風險對投資績效亦存在正向影響。

關鍵詞:投資風險承受、行為財務、風險、投資績效

Title of Thesis: Risk Tolerance of Individual Investors in Stock Market--The
Case of Mongolia

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Graduate Date: June 2020   Degree Conferred: M.B.A

Name of Student: Enkhbold Munkhjin   Advisor: Cheng-Po Lai, Ph.D.

Abstract

This study focuses on the risk tolerance of individual investors in the Mongolia stock market. The study concluded demographic, knowledge, and personality effect, risk aversion, influence investment performance in the stock market. Behavioral finance is the traditional financial approach based on investors, assumptions, and the best actors' deficiency. It provides an opportunity to assess risk tolerance and average estimates by individual and quantity the difference in stock returns. The results indicate that individual characteristics, knowledge, and personality significantly influence the risks as well as investment performance. The objective risk and subject risk significantly affect investment performance.

Keywords: Investment risk tolerance, Behavioral finance, Risk, Investment performance

TABLE OF CONTENTS

LIST OF FIGURES

LIST OF TABLES

CHAPTER ONE

INTRODUCTION

1.1   Research Background and Research Motivation

Behavioral finance is part of social and financial affairs, and hypotheses based on brain science are proposed to clarify securities trading issues. For example, extreme ascents or falls in stock cost. The reason for existing is to distinguish and comprehend why individuals settle on certain monetary decisions. Inside lead support, it is acknowledged the information structure, and the characteristics of market individuals systematically sway individuals' theory decisions similarly as market results. Behavioral finance includes 4 basic concepts: mental accounting, hereditary behavior, anchor, and self-esteem. Hazard resistance is the level of inconstancy in venture restores that a speculator is happy to withstand. A significant job in every family unit's ideal portfolio choices. It might likewise be a significant factor in deciding numerous administration approaches identified with shopper dangers in regards to monetary choices. Fredman's (1996) financial specialist's capacity to deal with dangers might be identified with singular attributes, for example, asset cash, assortment amount, pay, speculation information, and mentality about value vacillations. Mittra (1995) it was broadly seen, to monetary organizers, it is basic to try to decide each financial specialist's hazard resilience level utilizing an emotional measure.

Nonetheless, there might be objective just as abstract parts of hazard resilience. Malkiel (1996) expressed that "The dangers you can stand to take rely upon your absolute monetary circumstance, including the sorts and wellsprings of your salary elite of speculation pay." That examination, utilized a normal usefulness and recreation way to deal with inferring ideal portfolios, because of hazard avoidance and the proportion of a family's

money related speculation portfolio to add up to riches, humanity riches. Hanna and Chen (1995) exhibited the proportion for budgetary resources for all-out riches (counting human riches) was a significant figuring out what quantity for instability was ideal for file, this proportion could, in general, be identified with such target factors as years until retirement. In light of conceivable suppositions about hazard avoidance and the real circulation of the proportion of money related resources for complete riches, Lee and Hanna (1995) concluded that, for most families, the goals from long ago and the retirement age began, is expected to hold only the portfolio of stocks is normal. Likewise progressively young workers contributing for retirement, the enthusiasm to perceive a particular adventure (quirky) will inspire more and more undoubted retirement wealth (Chen and Hanna, 1996). The purpose of this article is to use the latest fitting information collection to consider the impact of budget variables and personal characteristics on environmental adaptability. Because the portfolio problems faced by abandoned households are different from those faced by individuals who never give up, only the number of interviewee representatives at work ranges from 16 to 70. As a result, expenditure assistants and fund coordinators made recommendations to improve their clients 'guesses about the portfolio. The conventional models depend on the conviction that advertises members are continually working in manners that are beneficial and productive. In particular, social fund contemplates the separation of psychosocial qualities that individuals have. Hazard resistance of the business visionary stays an 'open issue', without a convincing hypothetical position dependent on exact research. The outcome is that hypothesis improvement is hindered, and the hazard taking quality doesn't frame a vital piece of research on the enterprising attributes, as we trust it ought to Miner & Raju (2004) and Xu & Reuf, (2004). Although households might invest only a small amount in risky financial assets, they

might believe that they are highly risking tolerance. The greater part of the investigations this theme has utilized target information on hazard resistance. That is the extent of total assets that are put resources into dangerous resources while a few examinations have explored the connection between age and abstract hazard resistance.

Many studies in the stock market have a long history, it can't be based on an optimistic form of the model to retain the optimistic market assumptions conflict. The scholar concluded that the two most effective differentiator is risk tolerance education and financial literacy, but the biggest difference in risk tolerance of the investor education display. In contrast with the well-known idea, the survey found that sexual orientation, age, and marital status has little effect on people's resistance. Most economic and financial theories of Kim (2008) believe that investors should be rational when making decisions. This is consistent with the "rational economic man" theory. Speculators consider all responses when making contributions and take the most sensible choice. But sometimes, certain factors from the inefficiency of financial markets can lead to rational behavior and affect their decision-making methods.

1.2 Research Objective

In light of the above research foundation, this examination gathers information in Mongolia financial specialists. The fundamental of the examination can be summed up as follows:

1. Decide the variable's impact to chance resistance of individual financial specialists in the securities exchange.

2. To evaluate and examine the variables influencing the hazard resilience of individual speculators in the financial exchange incorporate apparent quality and saw esteem.

1.3 Subject and Research Scope

This article recommends that hazard resilience is into two sections: emotional hazard resistance dependent on the monetary idea of hazard avoidance, and target chance resistance, dependent on Malkiel's thought of the target money related circumstance of the family, including the speculation skyline for every objective. Ideal portfolios for different mixes of target and emotional hazard resilience are recognized. Faith instability and rigor limit the ability to accurately and accurately predict the financial model.

1.4 Procedure and Research Structure

The study examined the role of individual investors to determine the impact of risk factors in the stock market's ability to withstand. The research model to investigate the use of quantitative research methods, data collection concluded. The research process is describing in Figure 1.1 as below.
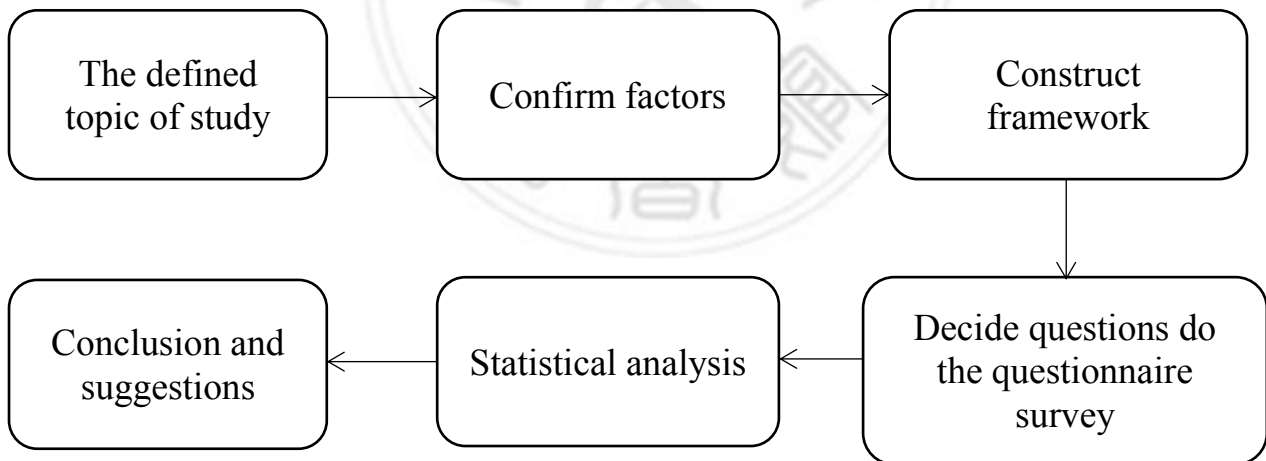
Figure1.1 Research process

CHAPTER TWO
LITERATURE REVIEW

2.1 Behavioral finance

Behavioral finance is a financial part of the psychological decision-making process. Richardson and Simon (2000) have studied the behavioral determinants of the emotional process affecting investors. Focuses on psychological factors in psychological factors affecting individual financial decision-making processes Ricciardi and Simon (2000). In a separate report of a single test unit, there was no assessment by evaluating the influence of currency-related masters 'learning behavior on their social orientation. This is the first of its kind in a study that demonstrates how to generate learning within a single speculator to reduce their group tendencies when exchanging stocks. Emmanuel, Harris (2010) described the psychological perceptions of investors' perceptions and advantages in making decisions. For example, psychological behavior described in behavioral finance affects the behavior and stock prices of investors. Besides, investors believe that they are aggressive in buying stocks, and they can make higher profits. On the other hand, investors should only buy a small share.

Reiter (2003) said that investor perceptions of cognitive psychology would be confident in their ability. The business entrepreneurs believe too much, because they are at risk of participating in the market, and they make a lot of profit. For example, because of financial analysis, it is too low diversity, investors to invest more than just two things. Because they invest too much in stock companies. Besides, Ricciardi (2004) states that psychology affects the recognition of operational risks. An important role in the survey population is differences and demographics. Ricciardi (2007) is associated with the risk of behavioral risk financing. In the literature review, behavioral approaches are

used for risk assessment in laboratory testing and questionnaires. Group conduct is one of the social predispositions that had been widely examined in conduct account in the course of recent decades. This composing offers verification to the creating thought of gathering conduct in money related markets. Choe et al (2004) and Market (2004), found a propensity to diminish bunch inclination after emergency periods. For developing markets, the survey by Yao, Ma, and He (2014) cross-border in the Chinese stock market has declined at some point. Xiao fang and Shantha (2018) found a solid trend, starting from (2000–2009) a period of political fragility caused by a common war, (2009–2012) showed the period of airbags and air crashes There is evidence in the market that hostile crowding has collapsed. Since the enemy did not make major administrative changes during this crowded period, Shantha (2018) suggested that speculators should blame the money-related misfortunes experienced when the market collapsed on the unreasonable grouping, thereby reducing their tendency to gather. Researchers LeBaron (2012), Bossan, and Hammerstein (2015), Esposito, and Vasilaki (2015) found that investigation of speculators' learning has for the most part been completed in fake market conditions utilizing specialist based budgetary models, hypothesizing two methodologies of discovering that a financial specialist takes part in-person learning and social learning, thusly the previous speaks to financial experts will study hard, and in the last case, learning is done by imitating the practice of others.

2.2 Investment risk tolerance

Numerous monetary organizers stress the idea of the customer's hazard resistance and offer polls to survey chance resilience. To comprehend the idea of "chance resistance", we first need a working meaning of contributing "hazard". At the easiest level, contributing danger is the future potential for

speculations to decrease in an incentive as opposed to developing in esteem. The hazard turns into a genuine peril if you need to trade out your ventures at these untimely occasions, with the end goal that a lasting misfortune happens. A few people characterize this all the more explicitly as the potential for speculation decreases or perpetual misfortunes with the end goal that your general contributing arrangement, similar to your retirement objective, is imperiled. The capacity to take on chance is likewise called "chance limit". Hazard limit thinks about how much cash or different resources you need to the amount you may lose through contributing. The thought is that if you are gambling a little level of your advantages, you ought to have the option to lose most or the entirety of that venture. Malkiel (1996), expressed that "The dangers you can bear to take rely upon your absolute budgetary circumstance, including the sorts and wellsprings of your pay elite of speculation pay."

Generally, classify two of objective and subjective on risk. Sherman Hanna and Peng Chen (1998), the impact of target chance resistance is examined depending on the venture skyline and the proportion of the family unit's monetary resources for absolute riches. The effect of enthusiastic risk obstruction is looked into the subject to examiner's relative peril shirking. This article recommends that hazard resilience is into two sections: emotional hazard resistance dependent on the monetary idea of hazard avoidance, and target chance resistance, in light of Malkiel's ideas about the financial status of family goals, including the goals of each goal. Lock method must assume the real existence period. We can say that there is a man-made thirty-four and 64 who retired to prepare something to wisely use unique tools related to money to achieve their goals. A thirty-four-year-old simply starting to enter the pinnacle long periods of pay income can utilize wages to cover any misfortunes from expanded hazard. Elective models of hazard avoidance,

regularly spurred by the brain research and conduct financial aspects writing, are beginning to give new bits of knowledge and observational substance to exemplary spaces of hazard.

Misfortune Aversion: The model of misfortune aversion has a lot of a similar structure true to form utility, then again, actually anticipated utility capacity for riches (delineated in Figure 2.1 An) is substituted by a worth capacity for additions and misfortunes (portrayed in Figure 2.1 B).
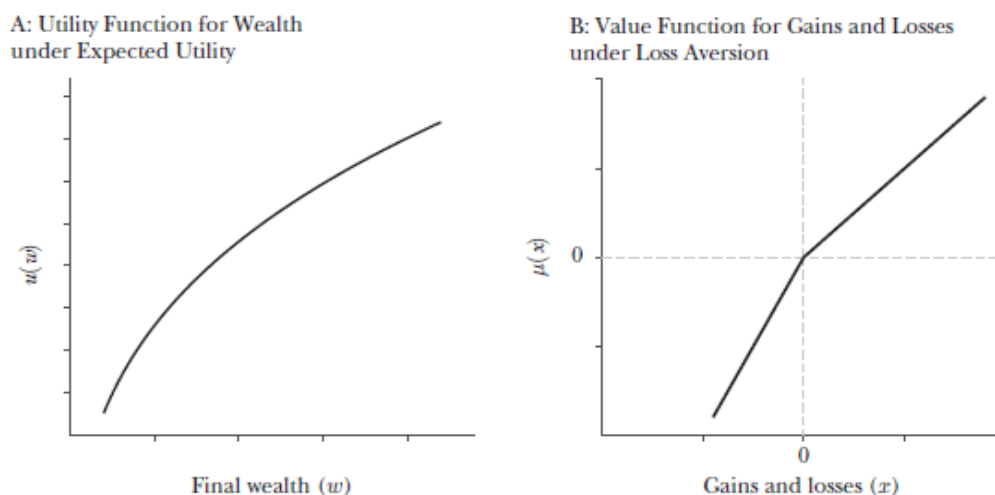
Figure2.1 Loss aversion and expected utility as a basis for risk-averse

Source: O'Donoghue and Jason Somerville (2018)

Note: Left depicts the practical ability to be used in the expected utility of wealth. Numbers on the value of the privilege depicts the ability when misfortune can take advantage of the increase and unfortunate.

Weight possibilities: at the desired utility, the possibility of the utility associated with each outcome generated by the weighting result. The possibility of the weighted basic idea is that one can use deliberately different selection probability loads. To formalize this idea, it presents a model of how

to change the probability of the selection of the load.
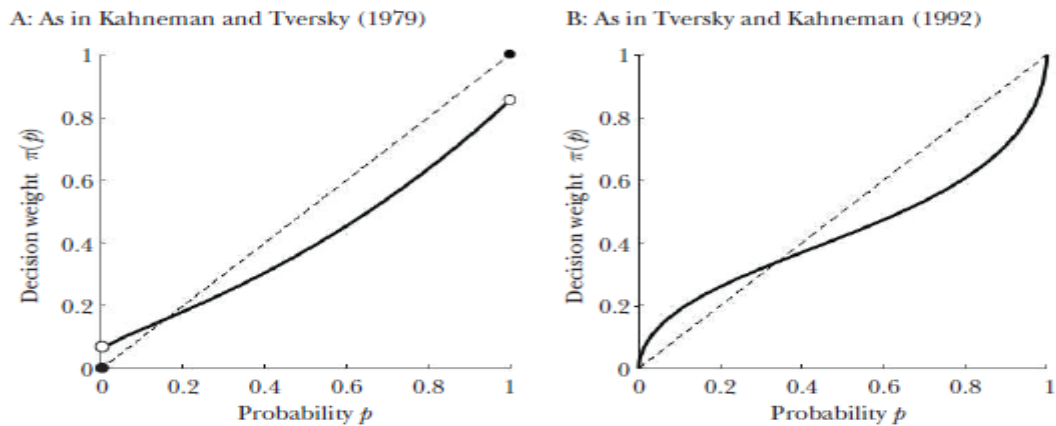
Figure2.2 Likelihood weighting functions as a basis for risk aversion

Note: It illustrates two opportunities to take advantage of "the possibility of weighting capacity" when you make these changes.

Source: O'Donoghue and Jason Somerville (2018)

Hanna and Chen (1995) use a common practical method to manage the display. Despite the higher uncertainty, this is the perfect choice for all nuclear families, as long as five years of hard work can contribute to inventory. Hannah and Chen admit that the ordinary utility of a nuclear family depends on the tolerance of the entire nuclear family, including human wealth. For youthful family units, the venture portfolio speaks to such a little extent of all-out riches that even the individuals who are very hazard opposed ought to put resources into the advantage class with the most noteworthy anticipated return, little stocks. As nuclear families approach, human wealth consistently decreases, and budgetary wealth commonly increases. Households that do not have enough satisfactory monetary resources to respond to the crisis, and may even make monthly exchanges from time to time, they may not be able to invest in stocks or other dangerous resources. The individuals who may have other transient objectives, for example, putting something aside for an up front installment for a home, likewise probably won't be in a situation to put

resources into hazardous resources. We expect that for those with a long speculation skyline being reluctant to take a few risks to get a better yield on ventures shows an absence of data, as it isn't reasonable to be hesitant to put it all on the line for long stretch destinations. As far as monetary reason, it is preposterous to expect to accommodate it, yet it is impeccably perfect with the standards of conduct financing. Further check of this issue is other proof that chance resilience is decidedly identified with money related fulfillment.

Davies (2017) the definition focuses on the risk community practitioners' widespread affordability, in which investors are willing to take the risk or perceived Grable (2017) concluded that investors are willing to weigh the choice between perceived risk and expected return on different investments.

The actual rate of return is based on an assessment of appropriate investment. The decision of the venture skyline for examination is of crucial significance to the investigation of ideal portfolios. The speculation skyline shifts as indicated by various venture objectives and various financial specialists. The 20-year investment period for young families saving for retirement, but current consumption or approaching retirement portfolio depends on the person, it is invalid. Venture execution is the arrival of a speculation portfolio.

The theory portfolio can contain a single asset or various assets. The endeavor execution is assessed over a specific time allotment and specific cash. Financial specialists regularly recognize various sorts of profits. One is the qualification between the absolute return and the value return, where the previous considers paying intrigue and profits, though the last just consider capital appreciation. Another separation is between net and gross returns. The 'unadulterated' net return to the examiner is the appearance exhaustive everything being equivalent, expenses, and appraisals, however, the 'unadulterated' net return is the appearance before all charges, expenses, and

costs. Arrival is the thing that you escape your speculation. If you're thinking of investing and wondering what's in it for me, the answer is a return on your investment. You can see an arrival in different parts of your life, as well. For example, when you exercise or follow a strict diet, you see a return in the form of bigger muscles and lower levels of body fat. But when it comes to your finances and investments, here are some key things to remember about returns:

- A return can be positive or negative.

- A return can be communicated as a dollar sum or as a rate.

- A change in the price of an asset (either positive or negative) is the most common form of return.

Different articles analyze the elements related to risk prevention. Hawley and Fujii (1983) used the Consumer Finance Survey of 1983 and used the planned logit model to study the impact of complete resources and individual attributes on opportunity barriers. The assessment includes rich respondents who are between 25-62 years old. Guidance, compensation, and commitment are closely related to the intensity of risk. Compared with ordinary homeless families headed by single women, the ideological risk of partner couples and families headed by single men is greater. In the survey, the age is not old. Of 2,691 respondents in the model, 60% were glad to put it all on the line. Foreseen risk obstruction was around the comparable for all ages under 55, by then reduced with age. Anticipated hazard resilience expanded with training. Hanna (1996) utilized an arranged benefit three-level model ward Variables to analyze the impact of wages and segmentation factors on opportunity resistance. They found that pay and instruction were decidedly identified with a chance. General model deceptive age composition of that risk with the strength after age 45 decreases. Independent hiring and ranchers

fundamentally may be easier than their partners face budget challenges. This article and the 1992 "consumer survey" in the past, assessment of risks and obstacles can be the same as determining the ability of the family to bear the opportunity (retirement age) is closely related variable.

2.3 Demographic variable

Financial specialists having a place with various age bunches are known to fluctuate essentially concerning their decision of speculation. Youthful speculators (26-35 years) have been found to lean toward shared assets, while moderately aged financial specialists (36-45 years) have demonstrated a tendency towards debentures/securities as a venture alternative Mittal and Vyas (2007). Harlow and Brown (1990) proposed another supportive recommendation, namely that due to the mature nature of the way and could also lead to changes in people with age and reduce resistance to harm. Hazard resilience estimates got from reactions to inquiries in certain investigations. Creators believe that the current monetary assets of young people are limited, and future wealth can not be used to pay current costs, other social factors segments consistent, so chances elasticity increases with age. Grable and Lytton (1996) likewise found that more seasoned people displayed more elevated levels of hazard resistance yet additionally presumed that age represents a generally limited quantity of the variety in money related hazard resilience levels. The contrasted disclosures exhibit that age, without any other person's information, may not be adding to risk strength. A superior comprehension of the relationship is conceivable through simultaneous thought of a few financial factors including age.

Compared with age, the relationship between gender and disaster resilience is relatively far from it. Grable and Lytton (1997) researched the money related mentalities of grown-ups and proposed that men have more noteworthy resilience towards hazard when contrasted with their ladies'

comrades. Sung and Hanna (2000) evaluated the impacts of monetary and segment factors on hazard resilience for families with a utilized reacted in the overview of buyer funds. To recognize the purpose behind a male being more hazard open-minded. Chen and Volpe (2002) recommend that sex contrasts in chance resilience can likewise be influenced by a person's comprehension of money related information, while Barber and Odean (2001) believes that more men than women worship dangerous purpose mainly because of a rush, more men than women determined to work on. Also, ladies and a brighter future, suggesting that very few ladies of reserves should be allocated more time. Generally speaking, there is by all accounts unanimity among specialists that men will in general show more prominent money related hazard resilience when contrasted with ladies, even as the freedom to take budgetary choices assumes a job.

Roszkowski recommended that the quantity of wards is conversely corresponding to chance resilience since people with more noteworthy obligations act with more alert. Also, people with having a more noteworthy number of wards are likewise liable to be influenced by the potential social hazard related to undertaking more prominent monetary hazards. This suggestion stands kept up by Sunden a Surette who examined peril adaptability by the decision of the annuity plan assembled that marriage, and therefore, an upgraded number of wards, makes the two individuals less danger receptive in their choice of advantages plans. The fundamental legitimization for this outcome is that solitary people don't hold a similar obligation as the individuals who are hitched and consequently the single people are happy to acknowledge progressively monetary hazard. Right when the sexual direction and matrimonial status are taken together, Jianakoplos and Bernasek (1998), Bernasek, and Shwiff (2001) saw the verification that

lone men tend as more danger receptive than single women. Yao (2005) described in detail, compared with the comparative marriage of men, women are more inclined to marriage harm reduction levels, while single guys were all the more ready to take on high and significant degrees of hazard contrasted with wedded guys.

Occupation implies the basic activity wherein an individual attracts for pay. As indicated by Sultana and Saradhi (2011), Self-utilized financial specialists have a more significant level of hazard taking capacity because of their innate qualities, for example, self-assurance, high inspiration, and determination. So independently employed people will commonly pick less secure speculations and acknowledge expanded venture unpredictability when contrasted with the salaried financial specialist. Mittal and Vyas (2007) suggested that salaried workers want their cash for more dangerous options such as bonds and land. McClelland's hypothesis of character expresses that a person's decision of occupation relies on whether they are inspired by accomplishment, force, alliance, or security. MacCrimmon and Wehrung (1986) and Masters (1989) claimed that achievement motivation by individuals chooses a higher economic and political risk occupations, for example, pioneering adventures. Along these lines, independently employed people are probably going to display more serious hazard resilience when contrasted with salaried people. Likewise, that is comparable above Haliassos and Bertaut (1995), who found that non-experts (e.g., teachers, specialists, legal advisors, representatives, and administrators).

Malkiel (1996) contends that "The dangers you can stand to take rely upon your all-out money related circumstance, including the sorts and wellsprings of your salary selective of venture pay." Moreover, in their assessment, wealth is considered to be the most critical variable to choose to

avoid the risk level. Besides, Grable and Lytton (1996) found that higher salary levels are considered to have better resilience than expected. Hartog et al. (2002) utilized three separate informational collections in their investigation of hazard resilience. Utilizing the Brabant Study data of more youthful understudies, they assumed that the association among compensation and peril evasion was negative, similarly as the association between danger shirking was negative, comparatively as the relationship among riches and hazard avoiding. In any case, the review of the Netherland aides have not found anyway relationship between tax evasion and pay. GDP survey in the newspaper found that more risk aversion decreases with the increase in salaries, which further stimulated the positive relationship that exists between people's perception of risk versatility and wealth of pay and cash-related. Schooley and Worden (1996) in like way found that as a family unit's degree of riches expanded so did their property of dangerous resources, while Hallahan et.al. (2004) likewise invigorated affirmation that riches and threat showed a positive relationship.

The degree of instruction an individual accomplishes has some effect on chance resistance and respect enhances the ability of people to assess the risk of speculation inherent in the program, and subsequently enriches them with a higher budgetary hazard resilience Sultana and Saradhi (2011). Advanced education has been found to support the hazard taking capacity of the financial specialist. More prominent degrees of accomplished instruction are related to expanded degrees of hazard resilience various examinations have discovered that there is a positive connection between the degree of training acquired and chance resistance. Analyst Donkers et al. (2001), Grable and Joo (2004), Bellante and Green (2004), Chang, and so on. (2004) agree that the risk associated with resilience training money focused. Bellante and

Green (2004) further found that differences in the level of training of the representatives of the other variables specified in terms of resources, rather than examine diversity. Chang et al. (2004), looking at emotional, target hazard resilience, found that training was a noteworthy indicator of abstract hazard resistance and that the proportion of hazardous advantages for total assets was higher for respondents in the higher instructive classes. Accordingly, Chang et al. (2004) presumed that monetary consultants ought to be discerning of the instructive foundations of their customers while prompting since customers with lower capabilities may require more data when settling on venture choices.

Figure2.3 Effect of education on risk tolerance

2.4 Financial or Investment Knowledge

Monetary or venture information has a positive relationship with money related hazard resistance Grabel (2000), Grabel and Zoo (2000), Grabel and Zoo (2004) Van de Venter, and Michayluk (2007). Regardless, Davey (2004) challenges the view that encouraging solitary theorists about cash related markets and instruments will fabricate their budgetary risk obstruction. Bali (2009), Hallahan (2003) Ozmen and Sumer (2011), Mayfield and Shapiro (2010), an individual's hypothesis decision technique relies upon a capricious

mix of economics (age, sexual direction, pay, and guidance), singular characteristics character attributes, values, emotions, chance flexibility, etc. Crysel (2012), and Robbins (2011), Personality alludes to how an individual communicates, responds, and carries on with others and is frequently displayed through quantifiable attributes. Soane (2010), It impacts the hazard taking mentalities in various circles of an individual's life, including social, betting, and speculation choices. Conduct. Back and Seaker (2004), Research proof has uncovered that, in unsure conditions, character qualities control a person's dynamic. Although the money related guidance of an advisor's clients is seen as best practice, it will more likely than not have any quick effect on the dangerous tendency of an individual as even the most learned and taught might have a generally safe resistance. Bernasek and Shwiff (2001) report that people commonly will in general increment the degree of danger of their retirement investment funds after they have counseled a money related consultant. Also, this extension was viewed as quantifiably basic for both the respondent and the existence accomplice or accessory advising a budgetary instructor, maybe suggesting the nearness of a connection among sexual orientation and conjugal status too. Information is a piece of mental variables that impact the financial specialist's dynamic. Data types take into account financial specialists to comprehend where the capital market is going. So it will choose to purchase the offers. Moreover, individual information takes into account the examination and will be assessed. The information doesn't draw in financial specialists. For instance, Lawson and Hershey (2005), center around annuity arranging and resilience. Money related information has not had the option to control chance. Bolhuis (2005) Investing decisions ought to be sensibly picked. Even though we can pick diverse part bases, yet all things considered thinking, adjusted fundamental administration is the best technique for picking. Khoshnoud (2004) anyway the issue is that the

possibility of the recognizing individual isn't adequately clear and the person's decisions may deviation the standard presuppositions. There might be a condition that expels the reasonable direction of the decider. Masonson (2007) the money related masters' character and his acknowledgment is a part to be considered thusly. There have been loads of examines on money related master's direct and the parameter which may impact their points of interest; they have contemplated that if the merchants could combine their portfolio well, it infers that they could offer it to a progressively noteworthy cost and buy-in lower esteem, this can be ensured as a practical lead.

2.5 Hypotheses development

Hazard resistance has been the focal point of numerous examinations Finke and Huston, (2003), Grable and Lytton (1998), Wang and Hanna (1997). In particular, various examinations have focused on the effect old enough on hazard strength Grable and Lytton (1998), Sung and Hanna (1996), Wang, and Hanna (1997). "It is fully considered, wise settlers have less time than the constantly energetic person to solve the problem, and take into account versatility will decrease with age." Grable and Lytton (1998).Grable and Lytton (1998) contemplated over that lifecycle chance opposition rots with age. At the point when the occupation is viewed the self as utilized individuals and ranchers were fundamentally bound to be happy to face challenges than in any case comparable family units with various occupations Grable and Lytton (1998). In an investigation that considered the individuals who claimed organizations and the individuals who worked for another person, Chen and DeVaney (2002) found that chance resilience was emphatically identified with total assets for proprietor's, be that as it may, there was no enormous association between danger obstruction and complete resources for the people who worked for someone else. Morin and Suarez

(1983) pointed out that the nature of the effect old enough on chance strength depended upon the examiner's wealth level.

Hitched and single male respondents were more uniquely peril receptive than regardless of relative female-headed nuclear families Sung and Hanna (1996). De Goeij and Smedts (2008), bolstered those male experts are bound to give outrageous positive stock proposals than female examiners. Moreover, in an investigation of American expert common store directors, Niessen and Ruenzi (2007), implying female chiefs put resources into a more hazard avoidance route than male supervisors.

The level of preparing an individual achieves has some impact on chance strength and it is regarded to extend an individual's capacity to assess threats unavoidable to the theory technique and consequently contributes them with a higher budgetary peril obstruction (Sultana and Saradhi, 2011). Considering the past assessments, going with hypotheses made.

H1: Demographic variable (Age, gender, education, marital status, and occupation) influenced risk (objective risk and subjective risk).

Obamuyi, T. M. (2013) inferred that personal financial experts 'choice of corporate risk projects is influenced by speculators' money and society, such as gender, age, single or free rider, speculation experience, and their training level influences. Given the past examinations, the accompanying speculations created.

H2: Demographic variable (Age, gender, education, and occupation) influenced to investment performance.

van der Linden (2015), examined target data is strongly associated with clamminess chance perception, yet only for the impression of social risk, not the perspective on singular danger. Similarly, Van der Linden (2017) found that the risk of emotion information identifying no incentive illustrative.

Son and Kornell (2010), proposed a person's appraisal of their absence of information is of enthusiasm for the setting of hazard observation. A few examinations have demonstrated that individuals can utilize their view of their obliviousness to further their potential benefit when managing decisions and decisions about their insight. In light of the past investigations, the accompanying theories created.

H3: Knowledge influenced to risk (objective risk and subjective risk).

Bodur (2016), study the variables influencing the conduct of speculators have been analyzed. Lack of respect was seen as powerful in financial specialist conduct. Likewise shows that wedded men have the most significant level of information about the business sectors; male speculators were bound to have pomposity than female financial specialists, male speculators favored hazardous ventures, male financial specialists reexamined their ventures all the more regularly and exchange all the more frequently, single men were the most favored gathering for unsafe ventures. Given the past examinations, the accompanying theories created.

H4: Knowledge influenced to investment performance.

Essential to refer to is, hazard taking, the impression of dangers, and related advantages are additionally identified with the character of an individual. Lee and Ashton (2013), examined whether different personal hazard identification and disposal of six characters in transparency, reliability, appropriateness, emotional, extraversion, and authenticity / mean of six areas. In a survey of Weller and Tikir (2011), enthusiastic individuals were related to the most elevated hazard recognition and high reliability was associated with a diminished measure of anticipated advantages. In finishing up hazard recognition and desires or discernments about advantages likewise are

associated with the character of an individual. Because of the past examinations, the accompanying speculations created.

H5: Personality influenced risk (objective and subjective risk).

Mayfield et al., (2008), showed that Personality impacts hazard discernments or hazard resistance of financial specialists, and these hazard reflections structure the speculator conduct. Other research Xiao et al., (2009), It is said that character has a connection to lament feeling viewing ebb and flow venture just as speculation inclinations. Character qualities directly affect an individual's risk flexibility similarly and therefore affect risky decisions about insurance, bonds, and stocks. In the examination of Pak and Mahmood (2015), Investment counsels ought to consider individual attributes and individual hazard resistance, among different issues, while prompting private financial specialists on venture choices. Given the past investigations, the accompanying theories created.

H6: Personality influenced to investment performance. Personality traits will affect investors' financial risk tolerance.

Davies (2017), centers around the meaning of hazard resistance predominant in the expert network to be specific, a money related master's excitement to confront the obvious test or Grable (2017), Theorist trading' will be happy to trade between the apparent cause of the risk and expected return of the efforts of different choices. In light of the past examinations, the accompanying speculations created.

H7: Risk influenced to investment performance.

CHAPTER THREE
RESEARCH METHODOLOGY

3.1   Research Model

According to the literature review, the research framework is determined as it is illustrated in Figure 3.1 with 3 independent variables (demographic, knowledge, and personality), 2 dependent variables (risk and investment performance). This examination finds the connection between autonomous and subordinate factors following the exploration model.
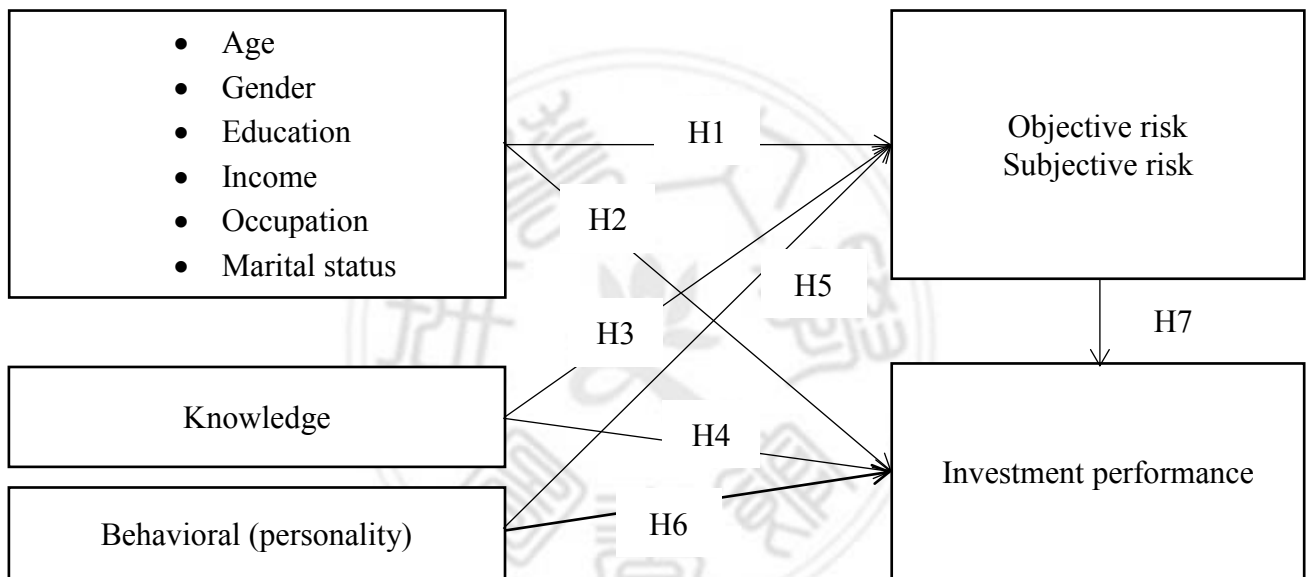
Figure3.1 Research Model

Following Figure 3.1 hypothesis developed:

Hypotheses 1: Demographic variable (Age, gender, education, marital status, and occupation) influenced risk (objective risk and subjective risk).

Hypotheses 2: Demographic variable (Age, gender, education, and occupation) influenced to investment performance.

Hypotheses 3: Knowledge influenced to risk (objective risk and subjective risk).

Hypotheses 4: Knowledge influenced to investment performance.

Hypotheses 5: Personality influenced risk (objective and subjective risk).

Hypotheses 6: Personality influenced to investment performance. Personality traits will affect investors' financial risk tolerance.

Hypotheses 7: Risk influenced to investment performance.

3.2 Data collection procedure

In this examination information gathered by e-mail from people financial specialists at Ulaanbaatar in Mongolia. The poll was made an interpretation of from English to Mongolia, see to individuals.

3.3 Measurement

The instrument for data collection was a questionnaire including 21 questions. To collect these research questionnaires designed on Google survey forms which have five sections. Respondents collect to 300 complete of the questionnaire. Generally used to 5-point Likert scale.

The poll is separated into five segments. Segment 1 gathers segment data, for example, age, gender orientation, training, salary, occupation, and conjugal status of financial specialists. Sections 2 and 3 address the independent variables of this research; knowledge, personality, and Section 5 addresses the dependent variables strength of risk (objective and subjective risk), invest performance. Each variable consists of 4 items.

3.3.1 Demographics

Bali et al., (2009) and Ozmen and Sumer (2011), described that an individual's hypothesis decision method relies upon a marvelous blend of economics (for instance age, sexual direction, pay, and level of guidance). Section factors fuse four things and marital status.

3.3.2 Knowledge

Chowdhury (2013), depicts that retail speculators must have sound information about budgetary variables. Furthermore, individual information

takes into consideration an examination and will be assessed. The information doesn't draw in speculators. Information factors incorporate four things.

Table3.1 Items of knowledge influence to risk and investment

Financial knowledge
My investment knowledge supports me to invest in no risky.
The knowledge of the risk from an investment will protect me.
My knowledge is enough to invest.
I know I can earn enough profit from investing

3.3.3 Personality

Emmanuel, Harris (2010), described the psychological perceptions of investors' perceptions and advantages in making decisions. For example, psychological behavior described in behavioral finance affects the behavior and stock prices of investors. Personality variables include four items.

Table3.2Items of personality influence on risk and investment

Personality
I am always willing to take financial risks.
Regular information on stocks can protect against risks.
I believe in investing.
When I invest, I regularly check stock information.

3.3.4 Risk (Objective risk and subjective risk)

Sherman Hanna and Peng Chen (1998), the impact of target chance resistance is explored dependent on the speculation skyline and the proportion of the family unit's money related resources for complete riches. The impact of abstract hazard resistance is researched dependent on speculator's relative hazard avoidance. Hazard (Objective hazard and emotional hazard) factors incorporate four things.

Table3.3 Items of risk influence on investment

Risk (Objective risk and subjective risk)
I have enough income to invest.
My family encourages investment.
I invest in my own choice. (Doesn't matter anything).
No big amount of money is needed for investment.

3.3.5 Invest Performance

Davies (2017), characterized chance resistance pervasive in the specialist network, in particular, a financial specialist's eagerness to face the apparent challenge. Grable (2017), presume that the exchange off a financial specialist is eager to make between the apparent hazard and anticipated return of various speculation decisions. Contribute execution factors incorporate four things.

Table3.4 Items of investment performance

Investment performance
The value of my investment is secure.
I earn a regular return on investment.
I will make more investment by increasing my knowledge.
When I invest, I forecast the risk.

3.4 Pre-test

The questionnaire was developed and the pre-test takes to ensure the validity of questions. A total of 21 questions have been prepared. These questions are intended to clarify how individual investment performance relates to knowledge, personality, and risk factors. Pre-tests will be helped to identify the questions and improve them.

The pre-test result table 3.5 shows all items KMO larger than 0.5, Cronbach's alpha larger than 0.7, Cumulative Explained is larger than 0.5, Eigen-value than 1, it means these studies can be used to the developed questions.

Table3.5 Result of Pre-test

Research construct	Research item	KMO	Cronbach alpha	Eigenvalue	Cumulative
Knowledge	K1	.790	.843	2.740	.885
	K3				.846
	K4				.846
	K2				.725
Personality	P4	.782	.850	2.762	.897
	P3				.822
	P2				.813
	P1				.788
Risk	R4	.744	.818	2.596	.861
	R1				.820
	R2				.798
	R3				.739
Investment	I1	.826	.898	3.071	.919
	I2				.887
	I3				.871
	I4				.825

3.5   Statistical software

The data analysis used the SPSS 23.0 statistical package. For archival research purposes and to test the hypothesis, SPSS 23.0 to analyze the data collected. The study was conducted following data analysis.

3.5.1 Factor analysis

The reason for the factor examination is to study the many hidden fluctuations of structural connection coefficients. Use checks to summarize the factors that reduce or the information and the reasons for exploration or corroboration. Things of estimation with factor stacking more prominent than 0.6, were chosen as the individuals for a particular factor. The models are KMO bigger than 0.5, Cronbach's alpha bigger than 0.7, Cumulative Explained is bigger than 0.5, Eigen-esteem bigger than 1.

3.5.2 Descriptive Statistical Analysis

In the first place, to more readily comprehend the qualities of every factor, the distinct factual investigation was utilized to outline the mean and standard deviation of each examination variable. Respondents" data was additionally shown regarding means and recurrence utilizing illustrative measurement strategies. Spellbinding factual examinations were introduced as far as means, standard deviation, recurrence, rate, and so on.

3.5.3 T-test

A t-test is a sort of inferential estimation used to choose whether there is a vital qualification between the techniques for two social events, which may be related to explicit features. A t-test is a point at which the test measurement follows at-dispersion, and you need to factually test whether the invalid theory is valid. It was initially evolved by W S Gossett in 1908. A t-test (otherwise called Student's t-test) is frequently used to test if two examples are measurably not the same as one another. A t-test does this by looking at the methods for the two examples. With a t-test, we have one free factor and one ward variable. The free factor can just have two levels. Show the level of probability (alpha level, level of significance, p) prepared to recognize before social occasion data ($p < .05$ is a run of the mill worth that is used). The test

measurement that a t-test produces is at-esteem. Theoretically, t-values are an expansion of z-scores. As it were, the t-esteem speaks to what number of standard units the methods for the two gatherings are separated. On the off chance that the free had multiple levels, at that point we would utilize a single direction investigation of fluctuation (ANOVA). First, to more readily comprehend the qualities of every factor, the distinct measurable examination was utilized to delineate the mean and standard deviation of each exploration variable. Respondents" data was additionally shown as far as means and recurrence utilizing unmistakable measurement procedures. Illustrative factual investigations were introduced as far as means, standard deviation, recurrence, rate, and so forth.

3.5.4 ANOVA test

ANOVA is a measurable method that evaluates potential contrasts in a scale-level ward variable by an ostensible level variable having at least 2 classes. The ANOVA, created by Ronald Fisher in 1918, broadens the t and the z test which have the issue of just permitting the ostensible level variable to have two classifications. This test is additionally called the Fisher investigation of difference. ANOVA inspects the impact of at least one factor by contrasting various examples. We are considering four theories major. These theories have a positive or negative effect. It will be to utilize the ANOVA to affirm the theory.

By and large, on the off chance that the p-esteem related to the F is littler than .05, at that point the invalid speculation is dismissed and the elective theory is upheld. On the off chance that the invalid theory is dismissed, one infers that the methods for all the gatherings are not equivalent. Post-hoc tests tell the scientist which gatherings are not the same as one another.

For single direction ANOVA, the proportion of the between-bunch fluctuation to the inside gathering changeability follows an F-dissemination when the invalid speculation is valid.

3.5.5 Regression analysis (hypothesis test)

Relapse examination is a lot of factual procedures to appraise the connection between factors. It includes different techniques for displaying and investigating factors when it identifies with subordinate factors. Specifically, the relapse examination encourages you to see how the general estimation of a needy variable (or "variable marker") changes to one of the autonomous factors. This examination use condition for relapse investigation. The first is a basic relapse. Straightforward relapse secured position fulfillment connection between culture factor, government assistance factor, and advancement factor. Also, discover the turnover connection between work fulfillment.

CHAPTER FOUR

RESEARCH RESULTS AND DISCUSSION

4.1 Data analysis and results in

4.1.1 Characteristics of Respondents

Table4.1 displays the respondent characteristics of respondents, including gender, age, education, occupation, income. It shows that most respondents were female (64.3%). The majority of respondent's ages were 20-30 (67.3%) and following by 31-40 (28.3%). Finally, the respondents' income level were 1,500,001-3,000,000₮ (47.7%) and following by 500,000-1,500,000₮ (40.3%).

Table4.1 Characteristics of respondents

Item	Description	Frequency	Percentage (%)
Gender	Male	107	35.7
	Female	193	64.3
Marital status	Married	153	51.0
	Single	147	49.0
Age	20-30	202	67.3
	31-40	85	28.3
	41-50	10	3.3
	More than 51	3	1.0
Occupation	Manager	34	11.3
	Journalist	22	7.3
	Accountant	36	12.0
	Engineer	48	16.0
	Others	160	53.3
Income	Less than 500,000₮	28	9.3
	500,001-1,500,000₮	121	40.3
	1,500,000-3,000,000₮	143	47.7
	More than 3,000,000₮	8	2.7

Table 4.2 Descriptive statistics for each measure of participation in collective action, along with the questionnaire items, are shown in shown factor dimensions and each variable has 4 research items. That dimensions mean all have positive and supported.

Table4.2 Statistics

Variable		Research Items	Means	Std. Dev
Knowledge	K1	My investment knowledge supports me to invest in no risky.	3.710	1.0079
	K2	The knowledge of the risk from the investment will protect me	3.517	.9965
	K3	My knowledge is enough to invest.	3.473	1.0096
	K4	I know I can earn enough profit from investing.	3.720	.9958
Personality	P1	I am always willing to take financial risks.	3.403	1.0251
	P2	Regular information on stocks can protect against risks.	3.513	1.0066
	P3	I believe in investing.	3.590	.9548
	P4	When I invest, I regularly check stock information.	3.677	1.0077
Risk	R1	I have enough income to invest.	3.383	1.0520
	R2	My family encourages investment.	3.400	.8884
	R3	I invest in my own choice. (Doesn't matter anything).	3.213	.9614
	R4	No big amount of money is needed for investment.	3.600	1.0345
Investment performance	I1	The value of my investment is secure.	3.560	.8769
	I2	I earn a regular return on investment.	3.493	.9343
	I3	I will make more investment by increasing my knowledge.	3.500	.9271
	I4	When I invest, I forecast the risk.	3.720	.9226

4.2   Factor Analysis and Reliability Tests

The reliability assessment subject to Cronbach's Alpha characteristics is accomplished for the entire instructive file. Table4.3 demonstrated the alpha incentive for the various factors shows great unwavering quality as the outcomes are higher than the acknowledged estimation of 0.70. The result had shown the entire variable KMO higher than .50.

Table4.3 Results of factor analysis and reliability check on culture factor

Variable and Items	KMO	Accumulative Explained	Cronbach's α
Knowledge	.757	59,863	.775
Personality	.762	56,044	.736
Risk	.757	55,400	.731
Investment performance	.739	59,931	.776

4.3   Differences test

1. T-test

The t-test used to a huge contrast between the methods for two gatherings. In this investigation have two gatherings of inquiries are gender orientation and conjugal status. The vast majority of the variable has no critical.

Table4.4 The difference in "Variable" on "Gender and Marital status"

Variable and Items	Gender		Marital status	
	t- value	p- value	t- value	p- value
Knowledge	.585	.559	1.327	.186
Personality	.742	.459	**2.170***	**.031**
Risk	.129	.897	**2.965***	**.003**
Investment performance	.117	.907	1.921	.056

Note: *** p < 0.001, ** p<0.01, * p< 0.5

Table4.4 shows the no differences factors between males and females. The difference factors between marital statuses. In the table, personality factor results have t= 2.170, p=.031 significant, which means married people's more than single; the results of the mean scores that married 3.6, single 3.4. Risk results have t= 2.965, p=.003 significant, which means married people's more than single the results of the mean scores that married 3.5, single 3.2.

2. ANOVA test

The ANOVA there were significant differences between the above two testing methods used. In this study have six groups of questions are age, education, experience, company type, occupation, and several employees. Most of the variable has no significant.

Table4.5 the difference in "Variable" on "Age, Occupation, and Income"

Variable and Items	Age		Occupation		Income	
	F- value	p- value	F- value	p- value	F- value	p- value
Knowledge	**3,732***	**.012**	.796	.528	**7.598***	**.000**
Personality	**3,797***	**.011**	1.185	.317	**7.725***	**.000**
Risk	**4,881***	**.003**	1.666	.158	**17.827***	**.000**
Investment performance	1,873	.134	.854	.492	**6.318**	.000

Note: *** p < 0.001, ** p<0.01, * p< 0.5

Table4.5 shows the differences factors between the experiences. In table development factor F=2.161, p=0.096 is significant. The differences between groups checking Scheffe is no significant. There is no difference between groups.

Table4.6 Differences between groups of age

Variable/ Factor	20-30 (A)	31-40 (B)	41-50 (C)	More than 51 (D)	F-value	p-value	Differences between group ordered by Dunnett T3
Knowledge	3,5099	3.8206	3.8000	3.2500	3,732*	.012	A<B
Personality	3,4678	3,7265	3,8000	2,8333	3,797*	.011	A<B
Risk	3,2921	3,6412	3,5500	3,2500	4,881**	.003	A<B

Note: *** p < 0.001, ** p<0.01, * p< 0.5

Table4.6 has shown us differences in factors between the ages who have differences. The order depends or the Dunnett T3 test in a table, the knowledge, personality, and risk has old peoples are more sensitive, more knowledge, and defend their personality about investment.

Table4.7 Differences between groups of income

Variable/ Items	Less than 500,000₮ (A)	500,001-1,500,000 ₮ (B)	1,500,000-3,000,000₮ (C)	More than 3,000,000₮ (D)	F-value	p-values	Differences between group ordered by Dunnett T3
Knowledge	3.0804	3.5186	3.7745	3.7188	7.598***	.000	A<C, B<C
Personality	3.0714	3.4649	3.7220	3.2813	7.725***	.000	A<C, B<C
Risk	2.7232	3.2603	3.6556	3.2813	17.827***	.000	A<C, B<C

Note: *** p < 0.001, ** p<0.01, * p< 0.5

Table 4.7 has shown us differences in factors between the income who have differences. The order depends or the Dunnett T3 test in a table, the knowledge, personality, and risk has old peoples are more sensitive, more knowledge, and defend their personality about investment.

4.4 Hypothesis test

Relapse investigation was utilized to the connection between free factors and the needy factors. The exploration model has three free factors (information, character, and hazard) expected to impact the reliant variable (speculation execution).

There have 5 models, knowledge influence by risk, and personality influence by risk, knowledge influence by investment performance, personality influence by investment performance. Therefore risk influence by investment performance.

Table4.8 Aftereffect of relapse investigation for venture execution

Independent variable	Dependent Factor—investment performance			
	Model 1	Model 2	Model 3	Overall Model
	Beta (β)	Beta (β)	Beta (β)	Beta (β)
Knowledge	.573***			.334***
Personality		.624***		.199***
Risk			.635***	.291***
R	.573	.624	.635	.713
R^2	.328	.389	.403	.508
Adj-R^2	.326	.387	.401	.503
F-value	145.408	189.636	201.461	101.786
P-value	.000	.000	.000	.000
D-W	1.698	1.853	1.904	1.829
VIF Range	1.000	1.000	1.000	1.785~1.946

Note: *** $p < 0.001$, ** $p<0.01$, * $p< 0.5$

As appeared in table 4.8 the free factor information, character and hazard were relapsed with the autonomous variable speculation execution. As indicated by the relapse examination in Table 4.8, the information on esteem R^2 is .328 which shows that a 32.8% variety in speculation execution is

35

clarified by information factor and staying by different elements. The estimation of Beta = .573 at a critical level of 0.000 indicated the solid positive effect of information factor on venture execution dependent on Beta worth and its hugeness so this speculation (H4) is bolstered. In the subsequent character, the estimation of R^2 is .389 which shows that a 38.9% variety in speculation execution is clarified by the character factor and staying by different components. The estimation of Beta = .624 at a critical level of 0.000 indicated the solid constructive effect of the character factor on speculation execution dependent on Beta worth and its importance so this theory (H6) is bolstered. In the hazard, the estimation of R^2 is .403 which shows that 40.3% variety in speculation execution is clarified by the hazard factor and staying by different elements. The estimation of Beta = .635 at a centrality level of 0.000 indicated the solid positive effect of the hazard factor on venture execution dependent on Beta worth and its noteworthiness so this theory (H7) is upheld.

Table4.9 Consequence of relapse examination for the chance

Independent variable	Dependent Factor—Risk		
	Model 1	Model 2	Overall Model
	Beta (β)	Beta (β)	Beta (β)
Knowledge	.587***		.435***
Personality		.632***	.322***
R	.587	.632	.681
R²	.345	.399	.464
Adj-R²	.343	.397	.461
F-value	156.946	197.833	128.617
P-value	.000	.000	.000
D-W	1.493	1.806	1.656
VIF Range	1.000	1.600	1.592

Note: *** p < 0.001, ** p<0.01, * p< 0.5

As appeared in table 4.9 the free factor information and character were relapsed with the autonomous variable hazard. As per relapse investigation in Table 8, the information on esteem R2 is .345 which shows that a 34.5% variety in chance is clarified by information factor and staying by different components. The estimation of Beta = .587 at a centrality level of 0.000 indicated the solid positive effect of information factor on hazard dependent on Beta worth and its noteworthiness so this theory (H3) is bolstered. In the subsequent character, the estimation of R2 is .399 which shows that 39.9% variety in peril is explained by the character factor and remaining by various components. The estimation of Beta = .632 at a hugeness level of 0.000 demonstrated the solid constructive effect of the character factor on hazard dependent on Beta worth and its criticalness so this theory (H5) is upheld.
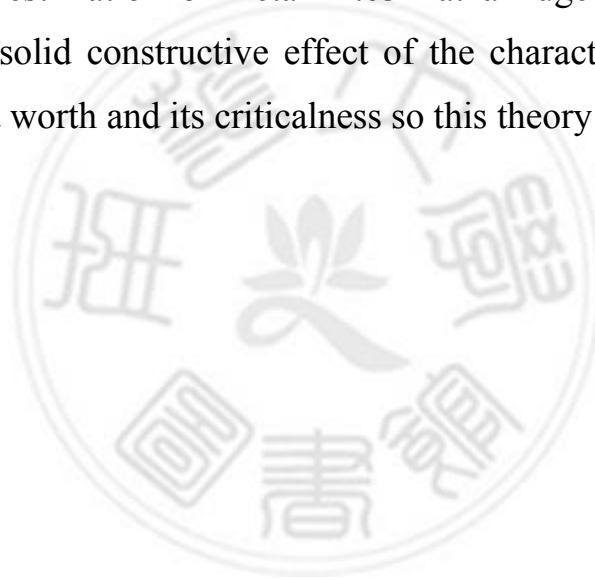
CHAPTER FIVE
CONCLUSION AND SUGGESTIONS

5.1   Research conclusion

This study focuses on the retail risk Mongolian stock market affordability. Behavioral finance is a traditional financial approach based on investors, assumptions, and the best actors' deficiency. It provides an opportunity to assess risk tolerance and average estimates by individual and quantity the difference in stock returns. The results indicate that individual characteristics, knowledge, and personality significantly influence the risks as well as investment performance. The objective risk and subject risk significantly affect investment performance. Investor risk is a stable nature, such as personal characteristics, but the risk of changing investors depending on the age of investors, recent market events, and life experiences. The significant parts of target chance resistance are the extent of a speculator's all-out riches in money related resources, and the venture skyline. Hazard avoidance assumes a focal job in the monetary venture, driving the key exchange off among hazards and return in the valuing of money related resources. Using Statistical Packages for Social Scientists (SPSS Version 23.0) to analyze descriptive statistics and multiple regression. The study concluded demographic, knowledge, and personality effect, risk aversion, influence investment performance in the stock market.

Given investigations talked about in section 4, the outcome theory testing is summed up in Table 5.1, speculation H3, H4, H5, H6, and H7 are upheld.

Table5.1 Summarize of hypothesis

Research hypothesis		Results
H3	Knowledge influenced to risk (objective risk and	Supported

		subjective risk).	
H4		Knowledge influenced to investment performance.	Supported
H5		Personality influenced risk (objective and subjective risk).	Supported
H6		Personality influenced by investment performance. Personality traits will affect investors' financial risk tolerance.	Supported
H7		Risk influenced to investment performance.	Supported

For H1, H2 each demographic variable (age, gender, education, etc) given that differences, that means H1, H2 supported.

5.2 Suggestions

From the result, the personality is more critical for risk, risk has more critical for investment performance. If individual investors have more risk tolerance knowledge, they can benefit from the Mongolian stock market. Some investors view the market price relative to the net asset value as a guide to buying and selling the shares of a closed-end investment company. If the shares are selling for a sufficient discount, they are considered for purchase. If the shares are selling for a small discount or at a premium, they are sold. Of course, determining the premium that will justify the sale or the discount that will justify the purchase is not simple.

5.3 Research limitation

Research survey can't use base on paper and interview. An online survey has high risk and respondents are possible to fill fake. Therefore, the future study will focus to use multiple delivery channels (Paper questionnaire, telephone interviews, in-person interviews, etc.) for the survey to enhance data quality.

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APPENDIX QUESTIONNAIRE

ХАВСРАЛТ: АСУУЛТ

Section1. Demographic

Q-1 what is age?
○ 20-30
○31 to 40
○41 to 50
○ 51 and above

Q-2 what is your gender?
○ Male
○ Female

Q-3 What is your marital status?
○ Married
○ Single

Q-4 What is your monthly income?
○ less than 500,000₮
○500,001-1,500,000₮
○1,500,001-3,000,000₮
○ more than 3,000,000₮

Q-5 Occupation
○Manager
○Journalist
○Account
○Engineering
○Other

There is the SD-Strongly disagree (огт хүлээн зөвшөөрөхгүй), D-Disagree (хүлээн зөвшөөрөхгүй), N-Neutral (Төвийг сахина), A- Agree (Хүлээн зөвшөөрнө), SA-Strongly agree (Хүчтэй хүлээн зөвшөөрнө))

Section 2. Knowledge (Мэдлэг)	Levels of agreement (Хүлээн зөвшөөрөх байдал)				
	SD	D	N	A	SA
1. My investment knowledge supports me to invest in no risky. Миний хөрөнгө оруулалтын мэдлэг намайг эрсдэлгүй хөрөнгө оруулалт хийхэд тусалдаг.	1	2	3	4	5
2. The knowledge of the risk from the investment will protect me. Хөрөнгө оруулалтаас гарах эрсдлийн талаархи мэдлэг нь намайг хамгаалах болно.	1	2	3	4	5
3. My knowledge is enough to invest.	1	2	3	4	5

	SD	D	N	A	SA
Миний мэдлэг хөрөнгө оруулалт хийхэд хангалттай.					
4. I know I can earn enough profit from investing Хөрөнгө оруулалтаас хангалттай хэмжээний ашиг олж болохыг би мэднэ.	1	2	3	4	5

Section 3.Personality (Хувийн шинж чанар)	**Levels of agreement** **(Хүлээн зөвшөөрөх байдал)**				
	SD	D	N	A	SA
5. I always will take financial risks. Би үргэлж санхүүгийн эрсдэлийг хүлээх бэлэн байдаг.	1	2	3	4	5
6. Regular information on stocks can protect against risks. Хувьцааны талаархи тогтмол мэдээлэл нь эрсдлээс хамгаалж чаддаг.	1	2	3	4	5
7. I believe in investing. Би хөрөнгө оруулахад итгэдэг.	1	2	3	4	5
8. When I invest, I regularly check stock information. Би хөрөнгө оруулалт хийхдээ хувьцааны мэдээллийг тогтмол шалгаж байдаг.	1	2	3	4	5

Section 4. Risk (Objective and subjective risk)	**Levels of agreement** **(Хүлээн зөвшөөрөх байдал)**				
	SD	D	N	A	SA
9. I have enough income to invest. Надад хөрөнгө оруулах хангалттай орлого бий.	1	2	3	4	5
10. My family encourages investment. Манай гэр бүл хөрөнгө оруулалтыг дэмждэг.	1	2	3	4	5
11. I invest in my own choice. (Doesn't matter anything). Би өөрийн сонголтоор хөрөнгө оруулдаг. (ямар нэг зүйл бодолгүйгээр).	1	2	3	4	5
12. No big amount of money is needed for investment. Хөрөнгө оруулалт хийхэд их хэмжээний мөнгө шаардагддаггүй.	1	2	3	4	5

Section 5. Investment performance	**Levels of agreement** **(Хүлээн зөвшөөрөх байдал)**				
	SD	D	N	A	SA
13. The value of my investment is secure. Миний оруулсан хөрөнгө оруулалтын үнэ цэнэ найдвартай.	1	2	3	4	5
14. I earn a regular return on investment. Би тогтмол хөрөнгө оруулалтын өгөөж авдаг.	1	2	3	4	5
15. I will make more investment by increasing my knowledge. Би мэдлэгээ нэмэгдүүлэх замаар илүү их хөрөнгө оруулалт хийх болно.	1	2	3	4	5
16. When I invest, I forecast the risk. Би хөрөнгө оруулалт хийхдээ эрсдэлийг урьдчилан таамагладаг.	1	2	3	4	5