

Factors influencing individual equity investment in Malaysia

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Abstract: Investor behavior is the core concept of behavioral finance, it can analyze the influence of various factors on the individual equity investment. The nature and significance of these variables on investor decision-making in different countries will be not the same. There are five parts of the report. The first part is the introduction of research, including the issues, the purpose of the research. Besides, it includes the questions related to the report as well as the impact if the issue is not solved. The second part is about the factors influencing individual equity investment. Many review literatures will be given to support the ideas. The third part is about hypotheses, research equation, questions in the questionnaire, population, sampling, the way to pass the questionnaire and some definition of data screening, data testing, goodness of measure and so on. The fourth part is the data analysis and the last part is about the conclusion of the whole report.

Key words: Individual investors, investment decision, equity market, behavioral finance

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I. Introduction

1.1 Research Background

Equity markets can be known as the stock markets, it defined as public entities trade shares of stocks at the agreed price. Supply and demand of the equity market will be influenced by different factors, which in turn affects the stock price. Equities investment decision is rational, investors make decisions based on analysis of market information. Some investors take irrational decisions, because they ignore some certain information. Irrational decisions may very limited about the capacity of investors also deal with the information. The investor is also taking decisions to match the risk absorption level. The stock market is considered to be special, but there are different ways and tools to analyze and determine before taking decisions.

1.2 Problem statement

Previous studies mainly focused on institutional investors, for example, Shleifer and Vishny (1986) have all paid attention to some role behaviors about institutional investors. It less concerned about the behavior of retail investors. In addition, most of these studies were conducted in the context of developed countries, such as America and UK. There are a few studies focus on developing countries, especially Malaysia. This study fills this gap by analyzing the factors which influence individual equity investment in Malaysia.

1.3 Research Question

Specific research questions are mentioned as under:

What is the relationship between individual equity investment and gender?

What is the relationship between individual equity investment and accounting information?

What is the relationship between individual equity investment and emotional state?

What is the relationship between individual equity investment and advocate recommendation?

1.4 Research Objectives

This study is to investigate factors influencing individual equity investment in Malaysia. In line with this, it has four specific objectives to develop. These factors could be gender, accounting information, emotional state and advocate recommendation. More specifically, this research will:

- To examine the relationship between individual equity investment and gender.
- To examine the relationship between individual equity investment and accounting information.
- To examine the relationship between individual equity investment and emotional state.
- To examine the relationship between individual equity investment and advocate recommendation.

1.5 Significance of Study

The primary focus on the research is to examine the investment behavior of individual investors in the developing countries. The study contributes to the limited literature in Malaysia on behavioral aspects of financial and equity markets. The research primarily devoted to investigating the nature of relationships between

equity markets and individual investor's investment. Previous academic work has largely ignored individual investors, more focus on institutional investors. The study attempts to make sense of various aspects of investor behaviors or tendencies. Previous studies have explored and described a wide range of somewhat disparate individual investor behaviors without reinterpreting or making sense of them in such factors.

1.6 Conclusion

The key points of the chapter highlight the formulation of objectives and problem statement that has been discussed throughout the research

II. Literature Review

2.1 Introduction

This chapter is going to discuss some related factors influencing individual equity investment has an important relationship with gender, accounting information, emotional state and advocate recommendation. There is some theoretical information related in this chapter, which is to support the ideas.

2.2 Defining Variables

2.2.1 Define the dependent variable

Equity is the value of assets minus the value of all liabilities. It is very important, because it represents the true value of an investment. (Comincioli, 1996) Investors who hold stocks are generally interested in the company's personal assets, which on behalf of their shares. However, this kind of individual equity is a function of the total share capital of the company itself, so shareholders will be concerned about their income and they must be concerned about their company. Owning stock in a company over time will ideally yield capital gains for the shareholder, and potential dividends as well. It often gives shareholders the election of directors of the Board and all of these benefits, further promote the shareholders of the company concerned, through continued investment and personal interests.

2.2.2 Theory of behavioral finance

Study of behavioral finance has been developing rapidly in recent years, and provide evidence that investors financial decisions are affected by physical factors and external environmental behavior. (Shefrin, 2000) At the height of optimism, the greed of investors mobile stock is more than its intrinsic value. Kumar and Chandra (2007) studied the individual investor sentiment, found that most of them want to sell shares in the group to make a profit, thus they want to keep their faith and their holdings group of produce loss to made the right decision. It is common to observe individual investors behavior of this kind of practice in the financial markets. Numerous studies have focused on the importance of behavioral factors on the individual equity investor decision making. To quote few, Cohn et al. (1975) provides some preliminary evidence of risk investors assume the attitude and hold that "investor wealth as increased and his risk aversion tends to decrease." Lewellen et al. (1977) found that dividend yields capital returns to investors and total returns which are different from investors age, education, gender and income levels. He studied the investment choices of individual investors, according to demographic characteristics and lifestyle attributes.

2.3 Literature review of the Variables

Since the ongoing study aims to assess the factors that influence individual equity investment in Malaysia, the researcher has selected gender, accounting information, emotional state and advocate recommendation as the independent variables for the study. Each of the variables is briefly examined below:

2.3.1 Independent variable 1: Gender

Gender is an important determinant for the behavior of investors. Gender differences exist in management style, money style, the view of money and the way of handling money. The differences are also found in terms of item-specific confidence judgments depending on the content. (Mayfield. et al, 2008) Graham et al. (2002) indicates that female investor confidence in its investment decisions is slower than men. They also show that women need access to more detailed financial information compared with men, but the deal is usually less than men. Changes in information processing capabilities may explain differences in the level of risk and confidence. (Barber & Odean, 2001) In some studies, the authors try to find out personal attributes control the characteristics and all other related variables, which includes the influence of the investment after the confidence of investment decision. (Olsen & Cox, 2001) To illustrate, it was found that women know less and are less confident about their knowledge of investments as compared to men. (Prince, 1993) Jianakoplos and Bernasek (1998) also did the same survey and got the same conclusion.

2.3.2 Independent variable 2: Accounting information

The Accounting information factor includes Financial Statements, Annual Reports, Prospectuses, Valuation Techniques and Expected Earnings. (Nagy and Obenberger, 1994) Profitability is that when investors consider investing in a company to analyze the key part of the information. This is because the high dividend income itself does not necessarily translate into investors (or increase in stock price, for that matter), unless the company can remove all the expenses and costs. (Merikas et al., 2004) Taking the profit margin for example, the company has a growing profit margin signal that companies can command higher prices, because customers are willing to pay for their products (the company enjoys a healthy profit, because it can be for a higher price than competitors selling the equipment). Company can maintain a stable profit margin indicate that it can effectively control and operation cost, maintain the company's efficiency. Stability and growth of profit space to ensure that the company is profitable, it can return to their shareholders.

2.3.3 Independent variable 3: Emotional state

The previous study focused on the relation between emotions and the investment behavior by empirically tested the behavior of 34 people in California, in which those people were given the limited amount of money and were asked to make their investment decision after enhancing their different emotions. The results showed that emotions can affect the investment decision process, it will not calm down to make decisions. Emotion played a catalytic role in accelerating the decision-making process. However, depending on the circumstances, the mood can play a useful or destructive role in decision-making.

Individual investors will be affected by the following emotions:

- ***Greedy and irritable***

Howarth (1984) held the opinion that with the psychology of wanting to get rich in the equity investment market, so the emotion of individual investors is very serious getting greedy and irritable. Such a situation can be seen that after buying shares, some investors are always greedy and irritable, and cannot satisfy the reality situation or too confident. When the price of a share fell, they have more complained and blame all day rather than finding the reasons of their own. When they buy stock next time, they will be irritable without their own opinion even easily be affected by others. Once the stock price gets risen, they would be so confident. When they buy stock next time, they would too greedy to think carefully. Some investors even like to compete with others. If they see others' stock is better than his own have, they will be under the mentality of impatience frequently and exchange the stock.

- ***Regret***

Regret is a good choice of the results of the helpless. The regret of the investment environment refers to the investor's emotional response in making a mistake. As discussed earlier, meet the joy and the pain of regret is very important, understand the delay in the profits and losses of investment decisions. The desire The satisfaction and regret the behavior influence of disgust. This situation is particularly applied to small and medium-sized investors. When faced with the fact that they had made a mistake, tend to avoid sales have fallen by value, and often sell stock equity investors has been a rapid increase in value (Sharpe, 1964).

2.3.4 Independent variable 4: Advocate Recommendation

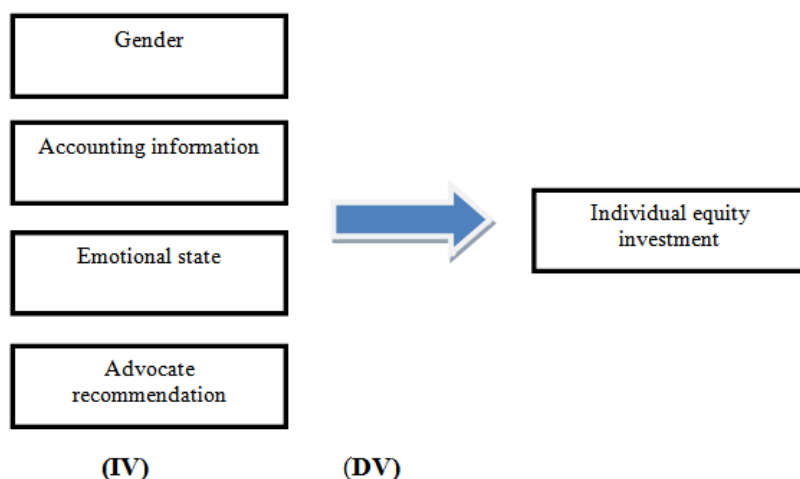
The advocate recommendation factor includes factors from brokerage firms, individual stockbrokers, friends and colleagues. (Nagy and Obenberger, 1994) It was found that respondents showed more self-dependent and neglected other people's recommendations, including stock brokers.

Baker and Haslem (1973) found that the stock investors think the stock broker and consulting services are the most important source of information to better help them choose stocks. Shiller and Pound (1989) think that individual investors have found interpersonal communication is an important determinant of investor decision-making. At the same time, compared with stock brokers, more people always bought stocks with price increases, which tend to follow friends and relatives.

2.4 Literature Gap

Previous studies mainly focused on institutional investors, for example, Shleifer and Vishny (1986), and Black (1992) has all paid attention to some role behaviors about institutional investors. It less concerned about the behavior of retail investors. In addition, most of these studies were conducted in the context of developed countries, such as America and UK. There are a few studies focus on developing countries, especially Malaysia. This study fills this gap by analyzing the factors which influence individual equity investment in Malaysia.

2.5 Research Framework



As it is listed that there are four factors influencing individual equity investment in Malaysia, which are gender, accounting information, emotional state and advocate recommendation.

2.6 Research Hypotheses

The study is an empirical examination of the relationship that exists between factors affecting individual equity investment. The factors hypothesized to affect individual equity investment in Malaysia are: political factors, accounting information, emotional state and gender.

The hypotheses developed are as follows:

H1: There is a relationship between individual equity investment between gender.

H2: There is a relationship between individual equity investment between accounting information.

H3: There is a relationship between individual equity investment between emotional state.

H4: There is a relationship between individual equity investment between advocate recommendation.

2.7 Conclusion

The second chapter of the research consists of a detailed analysis of the identified independent and dependent variables.

III. Research Methodology and Hypotheses

3.1 Introduction

This chapter discusses about the research design, the research population, sample design, procedures of data collection and technology of data analysis. This study uses descriptive survey design to make a survey that factors influencing individual equity investment in Malaysia.

3.2 Research Measurement

The research instrument utilized by the researcher includes the questionnaires, that are segregated into two distinct parts the format design of the questionnaire, section A is about the gender information about correspondents, which include gender, nationality, marital status, educational background. And section B is the focus on the four factors, which are gender, accounting information, emotional state and advocate recommendation.

The research instrument utilized by the researcher includes questionnaires, that would be measured with the help of a Likert scale in which the responses would be measured on the basis of the five criteria that include strongly disagree, disagree, neutral, agree and strongly agree. The questions of the questionnaires are developed on the basis of the dependent and independent variables from the review of the literature therefore the reliability has been justified.

3.3 Research Design

In the view of Saunders, Lewis and Thornhill (2011), the research design encompasses the strategy adopted by the researcher in order to conclude the particular study successfully. The research design of the present study constitutes of the quantitative research design.

3.4 Sampling Technique

In order to accomplish the study successfully the data sources and collection methods plays a vital role. In reference to the present research the researcher has utilized primary sources of data as well as secondary sources of data. The description of the data includes the primary data sources include the acquisition of data from the respondents through questionnaires whereas the secondary data sources include the researches carried forward by the prior researchers. The reliable secondary data collection methods and sources enable the researcher to establish generalize able results.

3.5 Research Approach

As the present study aims to investigate the influence of individual equity investment in Malaysia. The researcher has adopted quantitative research method, which emphasizes upon the measurement of the predefined research objectives with the help of mathematical analysis. In the view of Zikmund, Babin, Carr and Griffin (2012), the quantitative methods represent the empirical evidence of the data gathered through primary data sources with the help of computational techniques. Therefore the quantitative methods are expected to benefit the present study and facilitate the researcher to draw reliable conclusion.

3.6 Conclusion

In this chapter, we introduce the Research Methodology.

IV. Data analysis and discussion of findings

4.1 Introduction

The chapter is the data analysis about the factors influencing individual equity investment. This chapter deals with data analysis and interpretation of the research findings. The data in this study was coded and tabulated. The data were analyzed using descriptive statistics, reliability, normality, linearity, correlation and multiple regression, with the help of SPSS package which enabled data interpretation and making of statistical inferences.

4.2 Pilot study

In the pilot test, 20 correspondents are involved with 25 items in the questionnaire. The valid is 100% with no cases excluded in the test. Therefore, the survey can take the continual survey.

Cronbach's Alpha	N of Items
.820	25

Table 4.2 Reliability Test

In table 4.2 for reliability statistics, Cronbach's Alpha is a measure of scale reliability, which is important because this indicator is used check topic of internal consistency about questionnaire. The higher Cronbach's Alpha means that the higher the internal consistency, which means the higher reliability. For Cronbach's Alpha, there is its measurement. If $\alpha < 0.5$ means it is can not be acceptable, $0.5 \leq \alpha < 0.6$ means the test has the poor reliability, $0.6 \leq \alpha < 0.7$ means the test can be acceptable, $0.7 \leq \alpha < 0.9$ means the test has good reliability, $\alpha \geq 0.9$ means the test has excellent reliability. From the table, Cronbach's Alpha is 0.820, it is between 0.7 to 0.9 which means test has good reliability. Therefore, the test can continue to take actual survey.

4.3 Research Approach

4.3.1 Descriptive Analysis

The feedbacks of 200 individual investors in Malaysia were studied to analyse the factors influencing individual equity investment in Malaysia. The 200 respondents were randomly selected and consist a range of individual investors from different areas. The frequency test for all five demographics has been mentioned as the associated tables have also been mentioned and labeled:

● **Gender**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	109	54.5	54.5	54.5
Female	91	45.5	45.5	100.0
Total	200	100.0	100.0	

Table 4.3.1.1 Frequency analysis of Gender

The Table 1 mentioned above can be explained briefly and it can be said that the researcher has surveyed 54.5% of the male respondents and 45.5% female respondents.

● **Nationality**

		Nationality			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Malaysian	111	55.5	55.5	55.5
	Non—Malaysian	89	44.5	44.5	100.0
Total		200	100.0	100.0	

Table 4.3.1.2 Frequency analysis of Nationality

As per the table above, 55.5% of the respondents are Malaysian while 44.5% of them are Non-Malaysian. It can be said that majority of the respondents are Malaysian.

● **Marital Status**

		Marital Status			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Single	142	71.0	71.0	71.0
	Married	58	29.0	29.0	100.0
Total		200	100.0	100.0	

Table 4.3.1.3 Frequency analysis of Marital Status

According to table 4.3.1.3, in the proceeding of get data, among 200 correspondents, 142 of which are single, the rest of 58 are married. So 71% of the respondents are single while 29% of them are Married. It can be said that majority of the respondents are single.

● **Educational Background**

		Educational Background			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STPM/A-Level	7	3.5	3.5	3.5
	Foundation/Diploma	61	30.5	30.5	34.0
	Undergraduate	107	53.5	53.5	87.5
	Postgraduate	25	12.5	12.5	100.0
	Total	200	100.0	100.0	

Table 4.3.1.4 Frequency analysis of Educational Background

According to the result from table 4.3.1.4, for the education of correspondents, 7 of those are STPM/A-level, 61 of those are foundation/diploma, 107 of those are undergraduate, 25 of those are postgraduate. Undergraduate of respondents are the most amount with 53.5%.

● **Income Level**

		Income Level			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below RM500	7	3.5	3.5	3.5
	RM500-RM 2500	87	43.5	43.5	47.0
	RM 2500- RM 4500	64	32.0	32.0	79.0
	RM 4500 and above	42	21.0	21.0	100.0
	Total	200	100.0	100.0	

Table 4.3.1.5 Frequency analysis of Income Level

According to the table stated that 3.5% of respondents earn monthly income below RM500, 43.5% of respondents income between RM500 and RM 2500, 32% of respondents income between RM2500 and RM 4500, the rest of 21%, income has reached RM4500 and above. It can be seen, the majority of them monthly income between RM500 and 2500.

4.3.2 Reliability Test

Reliability Statistics

Cronbach's Alpha	N of Items
.791	5

Table 4.3.2.1 Reliability Test for individual equity investment in Malaysia

Table 4.3.2.1 studied the reliability of the questions depicting the dependent variable turns out to be 0.791 which is more than 0.7. The overall reliability explains that the data collected is highly reliable as the questions used to measure individual equity investment are relevant and related to each other.

Reliability Statistics

Cronbach's Alpha	N of Items
.747	5

Table 4.3.2.2 Reliability Test for Gender

Table 4.3.2.2 stated the value of Cronbach's alpha for independent variable 1 Gender is 0.747 which highlights that the overall reliability of the data gathered is consistent and parametric. Peffers, Tuunanen, Rothenberger and Chatterjee (2007) explained that the value of reliability test needs to greater than 0.70. In contrasting view of Noor (2008), reliability of the data guides the researcher to perform further test in the near future.

Reliability Statistics

Cronbach's Alpha	N of Items
.749	5

Table 4.3.2.3 Reliability Test for Accounting information

Table 4.3.2.3 showed the overall reliability of accounting information is 0.749 which is greater than 0.70, which means that the data is consistent and can be used to complete the study.

Reliability Statistics

Cronbach's Alpha	N of Items
.752	5

Table 4.3.2.4 Reliability Test for Emotional state

Table 4.3.2.4 showed the overall reliability of emotional state is 0.752 which is not less than 0.70, this depicts that the data is reliable enough and can be evaluated critically.

Reliability Statistics

Cronbach's Alpha	N of Items
.716	5

Table 4.3.2.5 Reliability Test for Advocate recommendation

Table 4.3.2.5 stated the last independent variable is advocate recommendation for which the value of Cronbach's alpha is 0.716, in this case the questions used to measure advocate recommendation are reliable.

4.3.3 Normality Test

Tests of Normality

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
DV_individual_equity_investment	.165	200	.120	.871	200	.398

Table 4.3.3.1 Normality Test for individual equity investment in Malaysia

For this case, the sample is 200 which more than 50, the research check the output of Kolmogorov–Smirnov, it explore whether data are significantly different to a normal distribution, so it does not want significant outcome. Accountding to the table 4.3.4.1, the significant is 0.120, which is more that 0.050. It means the data is normally distributed.

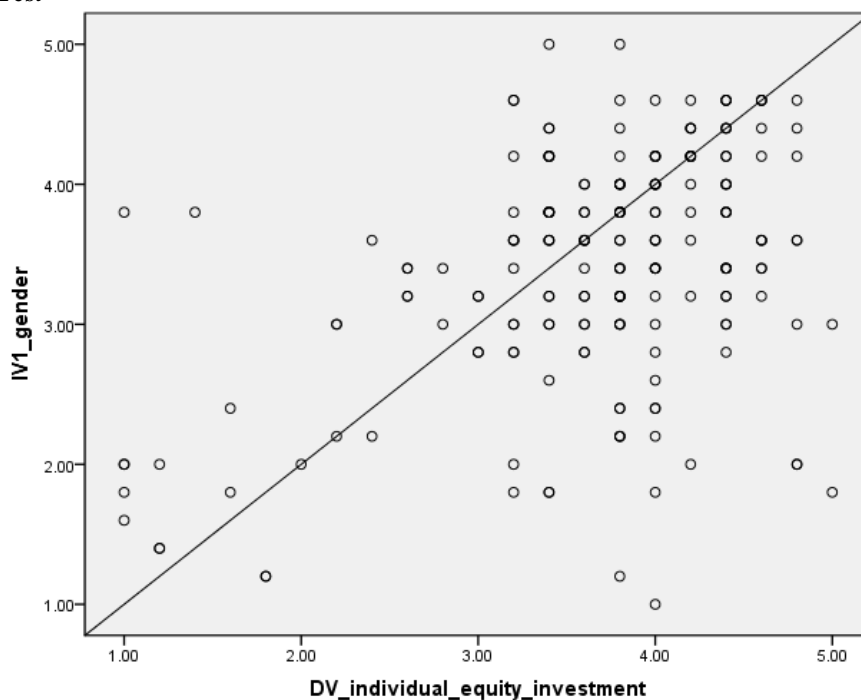
Descriptives

	Statistic	Std. Error
DV_individual_equity_investment	3.6610	.05994
95% Confidence Interval for Lower Bound	3.5428	
Mean Upper Bound	3.7792	
5% Trimmed Mean	3.7344	
Median	3.8000	
Variance	.718	
Std. Deviation	.84763	
Minimum	1.00	
Maximum	5.00	
Range	4.00	
Interquartile Range	.80	
Skewness	.809	.298
Kurtosis	2.150	.342

Table 4.3.3.2 Linearity Test for individual equity investment in Malaysia

In many of the statistical analysis, the basic task is to represent the location of the data set as well as its variability. The further identification of data, including of skewness and kurtosis. Skewness is a measurement of symmetry, or more precisely, the lack of symmetry. As consequences, when dividing the measure by its stand errors, which is the z-value between -3.29 to +3.29, which is no problem. In this test, it can be seen the Skewness of table 4.3.4.1, Z- score is 2.7148, it can assure that our data are approximately normally distributed in terms of Skewness and kurtosis.

4.3.4 Linearity Test



Graph 4.3.4.1 Linearity Test between DV and IV1

Based on the graph 4.3.4.1, it can be seen the Scatter plot of gender and dependent variables with the line of best fit shows positive linear relationship.

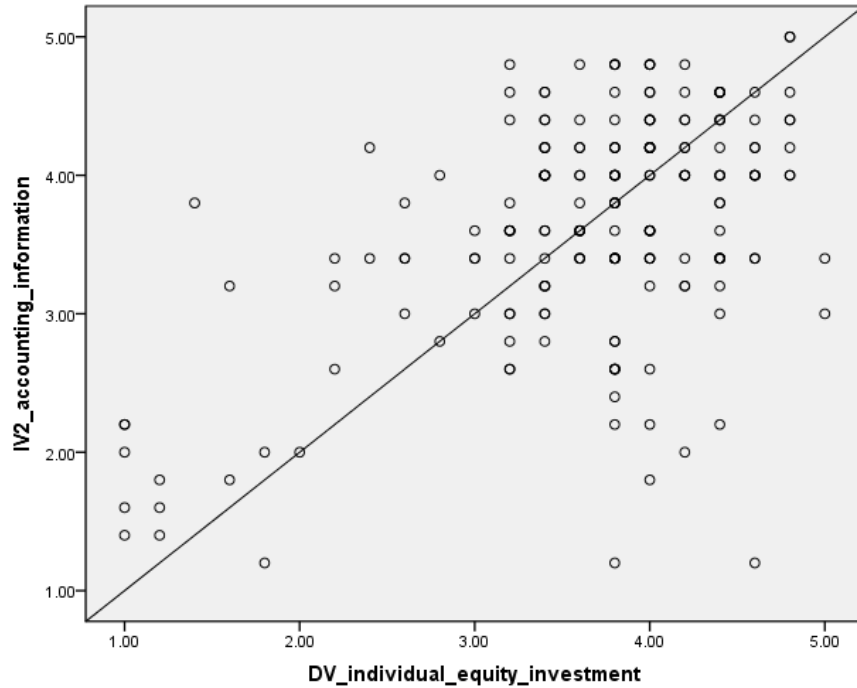
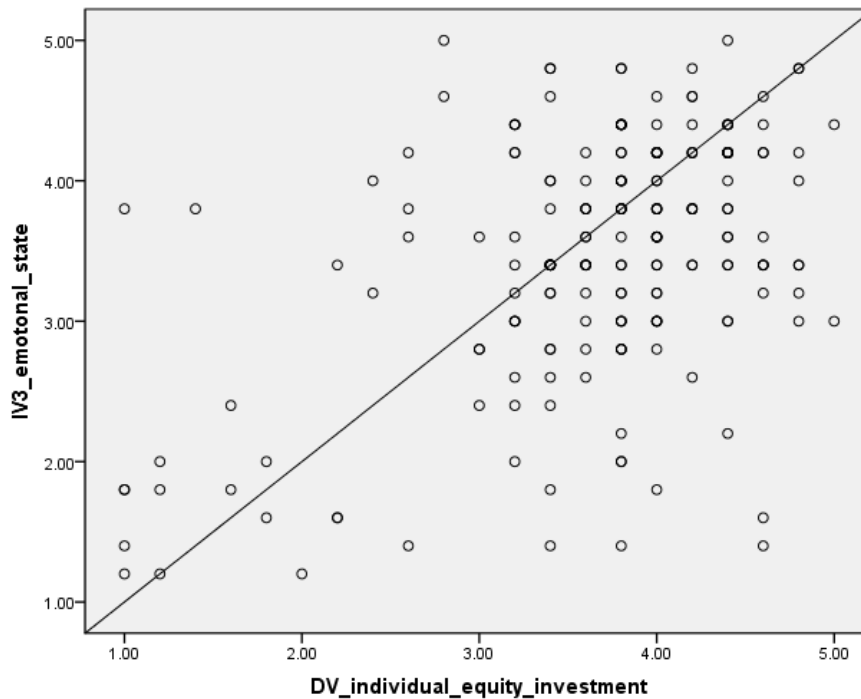


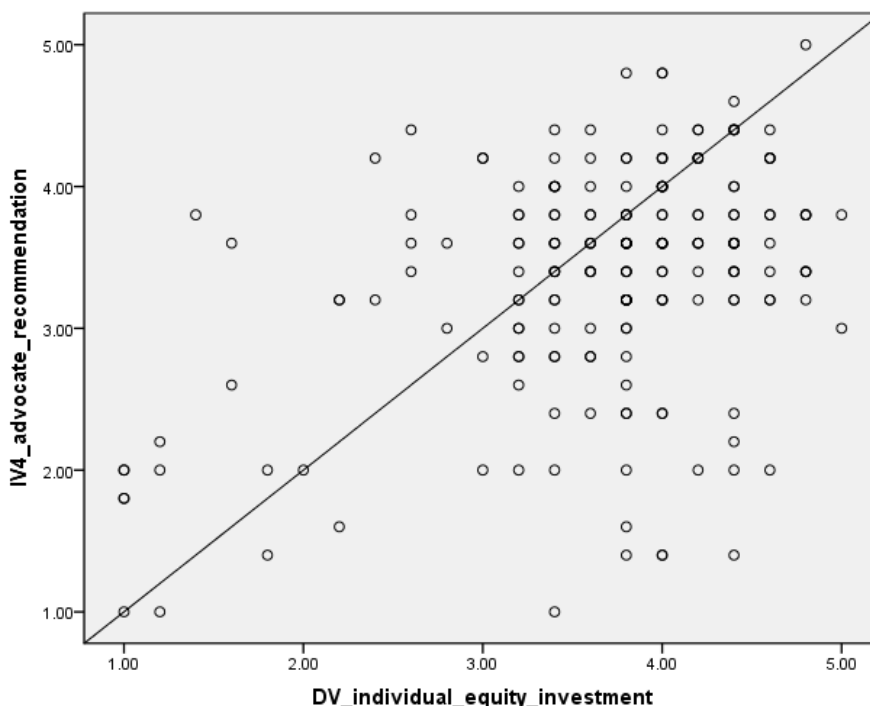
Table 4.3.4.2 Linearity Test between DV and IV2

Based on the graph 4.3.4.2, it can be seen the Scatter plot of factor about accounting information and the dependent variable with the line of best fit shows positive linear relationship.



Graph 4.3.4.3 Linearity Test between DV and IV3

According to the graph 4.3.4.3, it exists a positive linear relationship between the dependent variable and the independent variable of emotional state.



Graph 4.3.4.4 Linearity Test between DV and IV4

As the above graph, it can be concluded that there is a linear relationship between the dependent variable and the factor of advocate recommendation.

4.3.5 Correlation Analysis

Correlations

	DV_individual equity_invest ment	IV1_gender	IV2_accountin g_information	IV3_emotonal _state	IV4_advocate_ recommendati on
DV_individual_e quity_investment	1	.443**	.516**	.474**	.418**
Pearson Correlation		.000	.000	.000	.000
Sig. (2-tailed)		.000	.000	.000	.000
N	200	200	200	200	200
IV1_gender	.443**	1	.376**	.396**	.348**
Pearson Correlation		.000	.000	.000	.000
Sig. (2-tailed)		.000	.000	.000	.000
N	200	200	200	200	200
IV2_accounting_ information	.516**	.376**	1	.501**	.509**
Pearson Correlation		.000	.000	.000	.000
Sig. (2-tailed)		.000	.000	.000	.000
N	200	200	200	200	200
IV3_emotonal_st ate	.474**	.396**	.501**	1	.392**
Pearson Correlation		.000	.000	.000	.000
Sig. (2-tailed)		.000	.000	.000	.000
N	200	200	200	200	200
IV4_advocate_re commendation	.418**	.348**	.509**	.392**	1
Pearson Correlation		.000	.000	.000	.000
Sig. (2-tailed)		.000	.000	.000	.000
N	200	200	200	200	200

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

Table 4.3.5.1 Correlation

Pearson correlation can be said to identify the relationship between two variables which also demonstrate the scale level of measurement. This is considered as one of the bivariate correlation (Hansen, Hodnett, Knowlton and Craig, 2011). According to the table above, each value of the correlation is 0.443, 0.516, 0.474 and 0.418. They are between 0.4 and 0.59. This means that there is a moderate correlation among the dependent variable and independent variables namely Gender, Accounting information, Emotional state and advocate recommendation. The first independent variable of gender has a low correlation with other three

independent variables, which are 0.376, 0.396 and 0.348. The second independent variable of accounting information has a moderate correlation with emotional state and advocate recommendation, the figures are 0.501 and 0.509. The correlation between emotional state and advocate recommendation is 0.392, which is a low correlation. The above description shows that each factor is valid, there is no duplication.

As per the table above, the Pearson and significance values of the variable are below 0.05 which demonstrates that all hypotheses can be accepted as it shows the strong relationship between dependent and independent variable. In order to tabulate each variable with dependent variable below are the hypothesis which has been identified in this current research. In this test, the significance values of each variables all are 0.000, they all below 0.05. It means each factors have a significant relationship with the dependent variable.

4.3.6 Multiple Regression Analysis

● **Model summary**

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.896 ^a	.891	.891	.09822	1.747

a. Predictors: (Constant), IV4_advocate_recommendation, IV1_gender, IV3_emotional_state, IV2_accounting_information

b. Dependent Variable: DV_individual_equity_investment

Table 4.3.6.1 Regression Test

This kind of testing reveals the regression and bugs into existing non-functional and functional areas of the system after alterations configuration, patches or enhancement changes that have been made to them (Panda, Riedewald and Fink, 2010). The above model summary table shows that the R square value is greater than and above 0.6 so the relationship among variables is highly significant. In order to tabulate all variables in one and only Regression test, all four independent variables and dependent variable are examined in three tables that are model summary, ANOVA and coefficients generated via SPSS. Regression Test is run to strengthen the choice to accept or reject hypothesis in Pearson Correlation test. The hypothesis testing is only through the Pearson correlation analysis.

The aforementioned table can be explained by highlighting the point that 0.891 is the R-square, which means 89.1% of total variation of dependent variable is explained by the independent variable. The critical evaluation of the result findings has also been discussed in order to highlight that the independent variables of the study which are gender, accounting information, emotional state and advocate recommendation. They are major factors that are impacting individual equity investment in Malaysia.

According to the table, a Durbin-Watson value is 1.747, which between 1-3 indicates there is no autocorrelation among the residuals (homoscedasticity).

● **ANOVA**

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	54.858	4	13.715	30.350	.000 ^b
	Residual	88.118	195	.452		
	Total	142.976	199			

a. Dependent Variable: DV_individual_equity_investment

b. Predictors: (Constant), IV4_advocate_recommendation, IV1_gender, IV3_emotional_state, IV2_accounting_information

Table 4.3.6.2 ANOVA

The Table 4.3.6.2 of ANOVA has been taken from the regression analysis showing that significant value is less than 0.05. For the current research study, the ANOVA table presented highlights that the significant value is less than 0.05 which is 0.000. This very significant value can be used to strengthen the decision made by the researcher regarding the acceptance of hypotheses. It also means the model is fit to use.

● **Coefficients**

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	.810	.265		3.051	.003		
IV1_gender	.218	.064	.218	3.420	.001	.781	1.280
IV2_accounting_information	.273	.073	.267	3.745	.000	.620	1.614
IV3_emotional_state	.195	.065	.204	3.002	.003	.685	1.460
IV4_advocate_recommendation	.132	.070	.126	1.879	.002	.699	1.431

a. Dependent Variable: DV_individual_equity_investment

Table 4.3.6.3 Coefficients

VIF < 10 means there is no multicollinearity problem. From the above table, each independent variables are 1.280, 1.614, 1.460 and 1.431, which means they are no multicollinearity problems.

The coefficient table comes from regression test and can be measured by great significance. This is due to the fact that actual significance value tells about whether the alternate hypothesis is accepted or rejected. All independent variables values are significant which is below 0.05, it means they all accepted.

$$Y \text{ (Individual equity investment in Malaysia)} = b_0 + b_1 (X_1) + b_2 (X_2) + b_3 (X_3) + b_4 (X_4) + e$$

Where:

Y = Dependent Variable (Individual equity investment in Malaysia)

b₀ = unstandardized beta value of Constant (Intercept)

b₁₋₄ = unstandardized beta value

X₁ = Standardized beta value of Gender(G)

X₂ = Standardized beta value of Accounting Information(AI)

X₃ = Standardized beta value of Emotional State(ES)

X₄ = Standardized beta value of Advocate Recommendation (AR)

e = Error

$$Y \text{ (Individual equity investment in Malaysia)} = 0.810 + 0.218 (G) + 0.273 (AI) + 0.195 (ES) + 0.132 (AR) + 0.265$$

As per the view of Neuman and Neuman (2006), the positive value of Beta explains the fact that independent variable possess positive relationship with the dependent variable of the study which means they move in similar direction. On the contrary, the negative value of the beta indicates that there is negative relationship among the variables of the study. For the current study, these symbols indicate that all independent variables have positive relationship with individual equity investment.

4.4 Hypotheses Results

In order to tabulate each variable with dependent variable below are the hypothesis results which has been identified in this current research:

H₁: There is a significant relationship between gender and individual equity investment in Malaysia.

As to check the first hypothesis, it is demonstrated that the value of significance is less than 0.05 which is said to be accepted. According to the past researches, gender is an determinant for the behavior of investors. Gender differences in investment have caused highly prominent academic agenda. (Eckel, 2008)

H₂: There is a significant relationship between accounting information and individual equity investment in Malaysia.

As to check the second hypothesis, it has been identified that the significance value is less than 0.05 which is said to be accepted. This demonstrates that a remarkable relationship among variables has been identified which

can aid the second hypothesis to be accepted. In accordance of the past researches, Mirshekary and Saudagaran (2005) suggest that investors in developing countries, always mainly use some information from published annual report, in order to make investment decisions with their peer comparison.

H₃: There is a significant relationship between emotional state and individual equity investment in Malaysia.

Coming to the third hypothesis, it has been acknowledged that the significance value is below 0.05 which represents that there is a strong and significant relationship between emotional state and the dependent variable. According to the researcher, emotions can play a useful or destructive role in decision-making.

H₄: There is a significant relationship between advocate recommendation and individual equity investment in Malaysia.

Coming to the last hypothesis, it has been identified that the value of significance is less than 0.05 which demonstrates that the fourth hypothesis can be accepted. According to the researcher, advocate recommendation is the most important source of information to better help individual investors to choose equities.

4.5 Conclusion

The data analysis illustrated above about the university students to individual equity investment in Malaysia is powerfully and widely connected with the gender, accounting information, emotional state and advocate recommendation.

V. Conclusion

5.1 Introduction

This chapter summarizes all the findings of the research, which are about the factors influencing individual equity investment in Malaysia. The chapter also gives some recommendations to the individual investors when they make equity investment. Besides, the contributions, and the further dimensions for research are also presented in this chapter.

5.2 Overall Findings based on the Research Objectives

The overall findings of the research depicts that each of the hypotheses is accepted during the analysis, the Pearson correlation and Regression R square value for every variable that reflects a positive relationship between independent variables and dependent variables. Similarly, the significant value for each of the variable was below 0.05 that shows the significant relationship between each independent and dependent variable. All of the hypotheses are accepted except the alternatives that help in evaluating the success of the research. Hypotheses summary Table 5.2.1 is given below:

Hypothesis	Pearson Correlation	Regression Square Value	R	Significant Value	Status of Hypothesis
H1: There is a significant relationship between gender and individual equity investment in Malaysia.	0.443	0.891		0.000	Accepted
H2: There is a significant relationship between accounting information and individual equity investment in Malaysia.	0.516	0.891		0.000	Accepted
H3: There is a significant relationship between emotional state and individual equity investment in Malaysia.	0.474	0.891		0.000	Accepted
H4: There is a significant relationship between advocate recommendation and individual equity investment in Malaysia.	0.418	0.891		0.000	Accepted

Table 5.2.1 Hypotheses summary

After reviewing the values which have been obtained regression and correlation, it can be analyzed that if these four factors is considered effectively by individual investors, then the rational decisions will contribute positively towards the equity investment. Variable from each hypothesis; that is, gender, accounting information, emotional state and advocate recommendation are ought to be taken care of by the investors, so that the investors can focus upon their investment in a better way.

5.3 Conclusion

The key points for this chapter include the discussion, conclusion, and assessment of each of the hypotheses that were generated earlier.

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