



# SRINIVAS UNIVERSITY

Mangalore-575001, Karnataka (India)

## Centre for Applied Financial Behaviour Studies (CAFBS)

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The way the investors understand and evaluate the stock market goes a long way in determining the security prices as well as the future development of the capital market. Investment from the citizens is an essential prerequisite for capital formation and the faster growth of an economy. There has been a paradigm shift in the financial economics literature wherein financial decision making has been shown not to follow assumptions of full rationality rather we find that decision making is much more complex and is influenced by behavioural and social expectations. Studies have shown, for example, that individuals' preferences are best described by prospect theory, and not by the assumption of expected utility theory. In addition, market participants are shown not to have perfect foresight, but to make systematic errors in expectation formation.

The Centre for Applied Financial Behaviour Studies (CAFBS) is a research centre with a focus on research in the following domains:

- Merging financial theory, human behaviour and practice
- Research on economic decision making process and the impact of social styles
- The role of psychological biases on rationality of the decision making process.

### **Papers Published:**

1. Indian Capital Market: Recent Developments and Policy Issues, Indian Development Review, Vol 9, No. 2, Serials Publications, New Delhi

2. Understanding the Structure and the Dynamics of Individual Investor Behaviour: A Behavioural Finance Approach, International Journal of Economics and Business Policy, Serials Publications, New Delhi.

#### **Paper Presentations:**

1. Presented a paper titled, “**Investor behaviour pre and post equity market crash of January, 2008**” at the international conference on Economics and Business organised to the International Journal of Economics and Business, New Delhi during 19<sup>th</sup> -21<sup>st</sup> of December, 2009.
2. Presented a research paper titled “*Development Of Credit Derivative Markets: Implications on Monetary Policy and Financial Stability of developing Economies Like India*” at the international conference on Money and Finance in Indian Economy, organized by the Indira Gandhi Institute of Development Research, Mumbai during January 18<sup>th</sup>-19<sup>th</sup> 2008.
3. Presented a research paper titled “**The Implications of Risk Taking Incentives on the stability of the Indian Financial System**” at the national conference ANVESH, organized by Nirma University, Ahmadabad during 9<sup>th</sup> -10<sup>th</sup> April, 2008.

#### **Current Research:**

1. **Know your Investment style: A study of investment style in the context of the investors social style-** The study uses the Jungian Typology to determine the investment style by looking at the four functions of human personality namely Senses, Intuition, Feeling and Thinking.
2. **A comparative study of the investment attitude of Management Students and Sciences Students-** The study looks at the attitude to investment among under graduate and post graduate students in Management stream and compares it with those in the general science stream. The objective being to find out if exposure to financial management and human decision making process influences investment attitudes.