Gender differences and factors that affect stock

Finance

Is the problem important (yes or no)? Why was this article written? Defend your positions on all of these issues.

The stock investment decision is affected by many factors. Different studies on behavioral finance found varies factors that significantly affect the stock investment. However, the author wanted to find out any relationship between those factors and stock investment which was not widely studied by early researches.

A better understanding of behavioral factors is important for financial planners to advise their clients and understand the market anomalies.

What is the central hypothesis or main proposition that the author is trying to express/explore? Is your (the central) hypothesis best classified as descriptive, explanatory, or predictive/causal? Does the main hypothesis call for a measure of association or a measure of the difference between two variables? Defend your position on these issues.

This study is intended to determine factors that affect the investment decision of a sample of Canadian investors and analyze relationships between different variables. According to the literature provided by the author, this type of researches had not been conducted earlier, therefore, this is best described as descriptive or exploratory research.

This research measures the association between different variables.

The author wants to find out any effect and association of the following factors for the stock investment decision.

1 investment expertise

2 familiarity with accounting information

3 knowledge of ' neutral information'

4 consultation with investment advisors

Further, he wanted to find out the effect of gender on stock investment.

What is the research design?

This is survey research and survey is the best tool to study behavioral

factors.

Select the central hypotheses presented in the article. What is the

theoretical basis of your (the central) hypothesis? Does this hypothesis

logically flow from and relate to the theorized constructs and relationships

presented as the basis for the research or was it picked out of thin air?

Defend your position.

The central hypothesis has research importance since the findings of this

research may help many mediators, investors, advisers and policymakers of

the stock market. They can use these findings for the more efficient and

sustainable stock market

Construct Validity? In your (the central) hypothesis, look for a description of

how the cause (that is, the independent (or predictor variable(s)) and the

effect (that is, the dependent (or criterion variable(s)) are being measured.

Face Validity: Do the measures measure what they are supposed to

measure? Internal reliability: Are the measures reliable? What level of

measurement is applied to these variables (for example, for each, identify if

they are nominal, ordinal, scalar)? What is the unit of analysis (for example,

is it individual, group, corporate, societal)? Does the unit of analysis match

between variables?

The unit of analysis is individual and it matches between variables. Construct

validity is the reliability of measuring the variables mentioned in the central hypothesis. In this research stock investors' behaviors are dependent variables and their characteristics such as familiarity and knowledge about the stock exchange, gender, age, etc. are independent variables. They were measured by a questionnaire with a scoring system. The author has followed the methods recommended by early researchers. So this is a reliable method.

External Validity? Was a sample drawn? If so, how was it drawn? Was it a large, randomly drawn sample? Did it consist of multiple cases? Are the conclusions drawn from one specific instance? Or, was sampling not done, at all?
Non-Random Sampling was done but has taken measures to draw a well representative sample. Sample size 1000 was also large enough to draw a reliable conclusion.

Internal Validity? How was the data collected? Was the data collection procedure unacceptable, acceptable, or superior - or - poor, average, or outstanding? Defend your position and offer suggestions for how data collection procedure(s) might be improved (if the improvement is needed). Over the telephone interviews, personal visits and mail questionnaires were used to collect data. These are accepted methods for large surveys. However, validity of data can be further improved by face to face interviews with a well representative sample.

Conclusion Validity (Or Statistical Conclusion Validity)? Was there any

statistical or qualitative analysis to test your (the central) hypothesis? Identify the descriptive and analytic statistics used in the study. Did the descriptive statistics measure and did the analytic statistics test for differences or relationships? Were the statistical methods used in the study appropriate for the level of measurement of the data? Defend your positions on these issues.

Both statistical and qualitative analyses were done.

Descriptive statistics used: Measures of central tendency, variance, skewness and kurtosis Analytic statistics used: step-wise multiple linear regression procedure was used to examine the pair-wise correlation between the variables. The author has carefully selected and adapted statistics for minimum error and higher reliability and they were appropriate.

What are the implications of the research reported in the article for future research? How can the research reported in the article be extended?

The author suggests longitudinal design, to asses the determinants of investor behaviors over time and further studies to generalization.

How would you improve any other aspects of the paper that you haven't discussed above?

This can be further improved by random sampling and involving more investors at different time points (ups and downs, seasonal) in the stock market.