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Evaluating Factors Affecting Transactors` and Managers` Decision Making in Investing

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Abstract

Capital market paves the way for developing and creating job and improving level of welfare by directing capitals and savings of people. Economic growth and welfare improvement cannot be achieved in long term without considering investing and main factors existing in the environment. This paper evaluates factors affecting transactors` and managers` decision making for investing. Independent variables include dividend per share (DPS), yield, price trend, market status, consulting and recommendations of brokers, and perceived risk which is considered as features of capitalists. Also, dependent variable contains transactors` and managers` decision making. Statistical population includes all capitalists referred to hall of the Tehran Stock Exchange in 2012. The sample is simply randomized. Data is collected through library and field methods by distributing questionnaires among 130 stock capitalists. Then, the research hypothesis is examined and analyzed using descriptive and inferential statistics with respect to collected data. Finally, the obtained results from distributed questionnaires are

analyzed using SPSS software. The results show that capitalists do not rely on the financial statements and financial ratios and the accounting system as a whole, in return, they consider the more tangible criteria such as price trend and market status.

Keywords: Transactors, Investing, exchange, Price trend, Market status

1. Introduction

Investing and things thereof is one of the most effective factors in the economics of countries. Investing is considered as an important factor in creating job and improving economy in each country. Investing is performed in various ways including investing on stock of companies through stock exchange. Stock exchange can play an important role in activeness of companies and economy by providing necessary requirements of investing in stock of companies with public offering condition. Today, while capitalists have a broad range of choice in investing, a few researches have been conducted on the way of choosing different investing.

This paper investigates the factors effecting transactors` and manager`s decision making. After a brief review on the related literature, examining the research hypothesis, and indicating obtained data, some comments are presented.

Today, capital market is one of the main parts of countries` economy which has found an important and wide place through economic development. Capital market presents in countries` economy in an organized way and has a considerable role in economic development. Economy of under development countries, due to the lack of liquidity needs to absorb and optimum allocation of resources in the economical activity of capital market. In Iran like many other under development countries, money market takes over the capital market and stock exchange as a main constitute of capital market has not had an effective role in the performance of investments so far. In this regard, the need of developing stock change, as the most organized part of the capital market of Iran, is considered as a highly important issue by statesmen and economists to develop the economy of the country (Shajari and Imam, 2012).

In exchange, decision makers cannot make their choices based on their perceptions and guessing, but they must make reasonable decisions based on evaluating information, statistics and evidence (Shleifer, A., 2000). Basically, since capitalists convert their assets to stock, they must investigate buying or selling of common stock broadly. If a series of factors do not taken into consideration in investing, they cannot achieve desirable results in their investing. It is obvious that how the reliability of different financial and non-financial information is important to make various decisions of participant. Different users need different financial and non-financial information and each group consider specific information with respect to their domain of activities and interest (Walter, B. M., et al., 2006).

According to the plenty opportunities of investing in Iran and lack of investing adequacy of individual or a group of individuals, stock exchange can be considered as a start to absorb public participation. This paper aims to examine the factors affecting transactors` and manager`s decision making in investing. Independent variables include dividend per share (DPS), yield, price trend, market status, consulting and recommendations of brokers, and perceived risk which is considered as features of capitalists. Also, dependent variable contains

transactors` and managers` decision making.

Generally, investing means spending available monies to gain more monies in future; in other words, investing is to postpone current consumption to achieve more consumption possibility in future (Sharp, 2002). Time and risk are two main and different features of investing. These two issues are important because money consumption in investing is performed in present time and it has a specific amount, while its obtained award will be achieved in future and usually has a lack of confidence. Sometimes time is prior to risk (e.g. government bonds) and sometimes risk is prior to time (e.g. letter of authorization of buying common stock).

Stock exchange as an official and organized market is the most important factor to absorb and organize intellectual capital properly and while improving economy through supporting capitals needed for projects, decreasing the government interference in economy, as well as increasing tax proceeds, provides significant economic resources through collecting liquidity of society and selling firm`s stock and also, eliminates inflation effects derived from liquidity in the society. The main task of stock exchange contains providing a clear and fair market for accepted stock exchange business, as well as an appropriate system to control business flow, market operations and members` activities and it`s essential feature is to support legally the owners of saving resources and regulatory requirements for capital demandants. Generally, it is impossible to achieve economic growth and welfare enhancement in long term without considering the investing and effective factors in investing environment. There are some broad concepts and components in stock exchange which should be considered in investing (Shajari and Imam, 2012).

Lucey and Dowling (2005) investigated the impact of emotions on decision making of capitalists, indicating that sometimes mental status of capitalists influences their decision making. Also, they invests in firm`s stock based on their mental status to see whether the firm is desirable for them or not (Lucie and Dawling, 2005).

Maditinos and Sevic (2007) examined behavior of capitalists in stock exchange in Athens. The results show that micro-capitalists rely on newspapers and media information and market rumors in investing decision makings, while professional capitalists consider the basic and technical analysis more than analysis based on rumors. Based on the finding, it seems that investing has a direct relation with relative significance of techniques used by professional capitalists to analyze stock. Also, it seems that using specific techniques affect the performance of professional capitalists in a different way (Maditinos and Sevic, 2007).

kling and Gao (2007) studied the behavior of Chinese capitalists showing the asymmetry of volatility in the behavior of capitalists using VAR and GARCH empirical models and indicating that there is no long term relation between price of stock and capitalists` behavior but there is a short term dynamic relation between them. Also, capitalist`s behavior do not forecast future variations but decreasing confidence lead to volatility and instability of the market (kling and Gao, 2007).

Schemeling (2009) examined the tendency of capitalist and stock return in 18 industrialized countries. According to the findings of the research, emotional tendency in capitalists is an

important factor to forecast expected stock among countries and its short term and midterm predictions range from one to six month. The results using a sectional approach indicate when the emotional tendency of capitalist raises, the total return of stock market in future can be predicted (Schemeling, 2009).

Leo and Rice (2010) conducted a study as invention in investing, market interaction and financial performance among companies in average production of Australia. The sample contained 449 manufacturing company in Australia. Leo and Rice concluded that if an organization can adjust itself with environment variations, it can be inventive and have a better financial performance in order that it can absorb more capitalists ultimately.

2. Methodology

According to research classification by method, this study is a descriptive and survey research. Data was gathered through field and library methods which the latter was used to collect data for literature review of internal and foreign studies. Required information was collected by reviewing other researchers` studies, professional journals and related information, and through distributing questionnaires among 130 stock capitalists referred to hall of the Tehran Stock Exchange in 2012. Considering the topic, purpose and methodology of the present study, questionnaire is the main means of collecting data. In this type of research, questionnaires are given to the population to collect data about the degree of dispersion, characteristics, attitudes, and believes which these data can be quantitized.

3. Population and Sample

Typically, population in every study is a set that the researcher tends to determine its variable features. Also, the statistical population includes a set of units shared one or more points. Statistical population of the research involves all the capitalists referred to hall of the Tehran Stock Exchange in 2012. Selecting a sample from the capitalists in stock exchange in the mentioned term was necessary because of the large size of the population. The following sample is a set of statistical population including members of the main population and the sampling was done randomly. Considering the great size of the capitalists in Tehran stock exchange, the size of the statistical population was considered infinite and computed using Cochran formula as follow:

d=0/032 , α=0/05

$$n = \frac{\frac{z_{\alpha^2}}{2}}{4d^2} + \frac{(1.96)^2}{4(0.032)} = 130$$

Where α indicates degree of error, d indicates level of confidence and n indicates the size of the sample. Considering this equation, the relation of sample size equals with 130. Therefore, in a confidence level of 95%, at least 130 specimens should be selected among capitalists in Tehran stock exchange so that the results can be generalized to the population.

Each study begins with a problem arousing some questions for the researcher led to present research hypothesis. Therefore, the main task of the researcher in each study is to investigate in

order to answer the research questions and drawing conclusions from collected data about the study, and finally try to confirm or reject the research hypothesis based on collected data (Shahmohammadi, 2009). Research hypothesis of this paper is as follow:

1. Pecuniary benefit of firms` stock affects decision making of exchange transactors.
2. Return affects decision making of exchange transactors.
3. Price trend of stock affects decision making of exchange transactors.
4. Market status affects decision making of exchange transactors.
5. Consulting and recommendations of brokers affects decision making of exchange transactors.
6. Perceived risk affects decision making of exchange transactors.

According to research classification by purpose, this study is an applied research achieved practical results in the field of affective factors in transactors` and managers` decision making in investing. Considering the statement of t problem, the research objectives are as follow:

-determining the factors affecting the transactors` and managers` decision making in investing.

-presenting suggestions to improve the transactors` decision making.

To conduct research process to one of science fields is due to achieve a series of results and research findings. Research results include describing and determining matters based on differences and relations. In this chapter, research hypothesizes are investigated and analyzed using descriptive and inferential statistics with respect to collected data. Descriptive statistics consist of frequency table, figures of data, and central indices and referential statistics contains progressive regression and Pearson correlation coefficient using SPSS software, version 17.

3. Main Body

3.1 Factors Affecting Investing in Exchange

Many factors affect investing in exchange. Here, we discuss about these affecting factors separately. Considering the fact that in case of not paying profit by firm, shareholders can merely earn income through increasing the price of their stocks, some factors such as price trend may affect their decision making in buying stock. Also, since financial information of many transactors is not strong and they do not analyze the market status properly, the brokers` recommendations can affect the transactors` decision making in buying stock (Wayman, 2002). Receiving pecuniary benefit is one of the main objectives of investing for buying stock which affects greatly capitalists`/transactors` decision making (Clure, 2003). Stock return indicates the percentage of prices paid for each stock in cash receipt. The capitalists interest in high return and take it into consideration in buying stock (Taylor, 2002).

Perceived risk is another affecting factor in the transactors` decision making. Perceived risk is defined as how the information about the risk is interpreted by the capitalists.

3.2 Aspects of Perceived Risk

According to Ennew and Diacon, perceived risk can be evaluated through five following

factors (Ennew and Diacon 2001):

Lack of confidence about stock suppliers

This aspect is a result of the activities of individuals managed an organization (management risk) and caused by bad financial business decisions led to financial business risk.

Concern about unexpected events

Internal and external politic, economic, social, even geographical status can cause different industries and the companies thereof to experience prosperity and recession; for instance, when the global price of oil increases, industries related to oil products will be affected and their stocks will prosper or in case of drought, industries related to agricultural products will be affected and their stock will experience recession. Therefore, the more a company`s production depends on the external factors, the more the risk of investing in that company will be.

Concern about fluctuations of stock price

The most important factor in superiority of a share is its profitability. Since most of decision making in investing is based on the relation between risk and return and an capitalist always considers both risk and return factors in analysis and management of investing, the more the deviation of the past years profitability or feasible profits of oncoming periods in compare to the average of profit or expected profit, the more the stock risk and the less its value will be.

Instability of violation of rules and regulations in country

The government as a supervisor and macro policy maker has an important role and one of its tasks is to presenting a program to prosper the capital market. Generally, multiplication of authority and decision making centers, uncertainty of the role and relations between these centers, interface of three branches of government, lack of clear rules and different and conflicting interpretations from them, inappropriate rules, violation of economic freedom, and government political instability cause to increase the systematic risk and consequently to reduce investing extremely.

Lack of clear information

Quick and proper decision making involves clear, organized and adequate information. The more clear and organized the published information is, the quicker its effect on the price, the more appropriate share of liquidity and flow, and consequently the less the risk of investing in exchange will be. To quick and easy access to the information of companies, economic status and stock exchange, it is necessary for every market to become efficient. The capitalists interpret this information properly in the price of security. Thus, the price always reflects the common information. This information should be free to be available for public.

4. Finding

Descriptive statistics and related tables of sample`s features are presented in this section. Recognizing the features of sample is useful to examine the general characteristics of population and determine its general features for further research. Moreover, recognizing these

features lead to generalize the findings to other populations or provide some questions for further studies.

Table 1. Frequency distribution of gender

mode	Valid percentage	Frequency percentage	frequency	variables
1	83/8%	83/8%	109	Male
	16/2%	16/2%	21	Female
	100%	100%	130	Total

According to the table 1 and figure 1, 83/8% of sample is male and 16/2% is female. Also, the value of mode is 1 indicating that the maximum frequency belongs to males. In other words, mode index is an estimation criterion of central indices determining the maximum frequency which equals with male gender here.

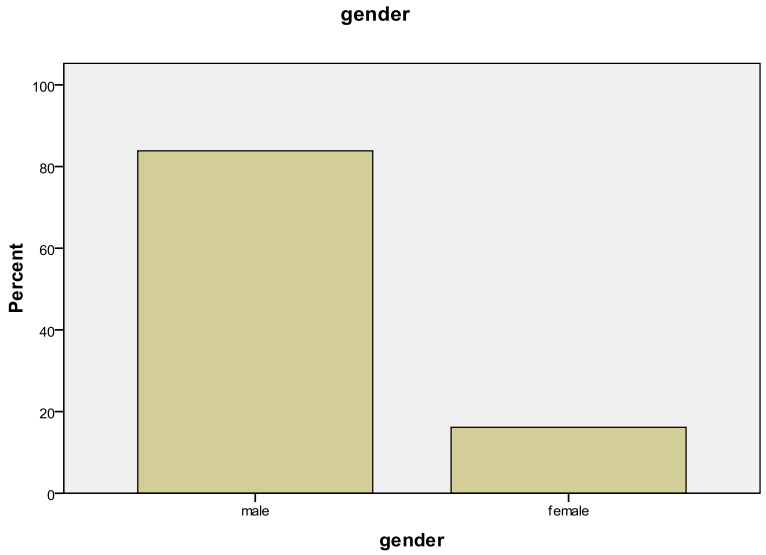

Figure 1. Frequency distribution in terms of gender

Table 2. Frequency distribution of age

mean	Valid percentage	Frequency percentage	frequency	variables
41/6	5/4%	5/4%	7	25-30
	20/8%	20/8%	27	31-35
	27/7%	27/7%	36	36-40
	34/6%	34/6%	45	41-45
	5/4%	5/4%	7	46-50
	3/1%	3/1%	4	51-55
	3/1%	3/1%	4	Over 55
	100%	100%	130	Total

According to the table 2 and figure 2, the age of 5/4% of the sample ranges from 25 to 30, 20/8% ranges from 31 to 35, 27/7% ranges from 36 to 40, 34/6% ranges from 41 to 45, and 5/4% ranges from 416 to 50, 3/1% ranges from 51 to 55, and 3/1% is over 55. The mean of age equals with 41/6 years.

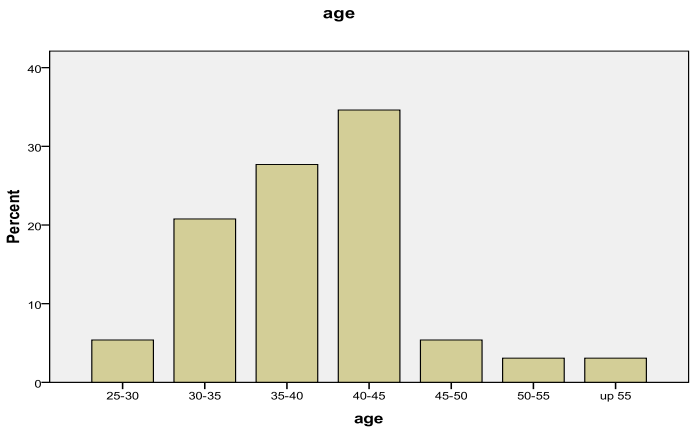

Figure 2. Frequency distribution in terms of age

Table 3. Frequency distribution of capitalist

mode	Valid percentage	Frequency percentage	frequency	variables
1	61/5%	61/5%	80	Non-professional capitalist
	20/8%	20/8%	27	professional capitalist
	17/7%	17/7%	23	Managers
	100%	100%	130	Total

According to the table 3 and figure 3, the sample contains 61/5% Non-professional capitalist, 20/8% professional capitalist, and17/7% Managers. The mode is 1 indicating that the maximum frequency belongs to Non-professional capitalist. In other words, mode index is a kind of central indices determining the maximum frequency which equals with Non-professional capitalist here.

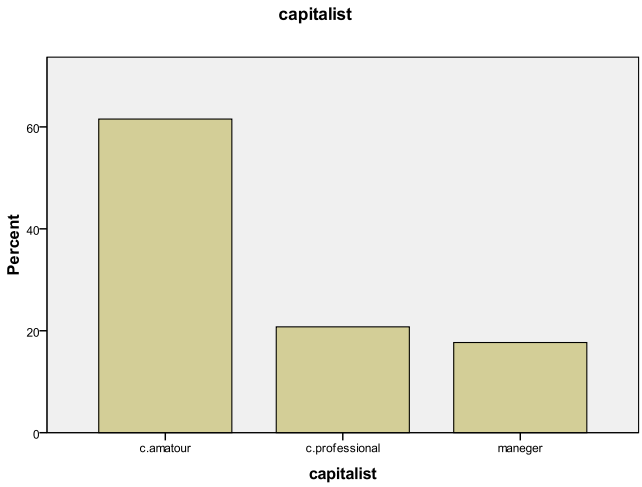

Figure 3

Table 4. Frequency distribution of using consulting of exchange brokers

median	Valid percentage	Frequency percentage	frequency	variables
2	30%	30%	39	Never
	25/4%	25/4%	33	Seldom

	18/5%	18/5%	24	sometimes
	26/2%	26/2%	34	Often
	100%	100%	130	Total

According to the table 4 and figure 4, the percentage of using consulting services of the sample involves 30% Never, 25/4% seldom, 18/5% sometimes, and 26/2% often. The median is 2 indicating that the average use of consulting services by the members of the sample is low. In other words, median index is a kind of central indices determining center of data distribution which equals with seldom here.

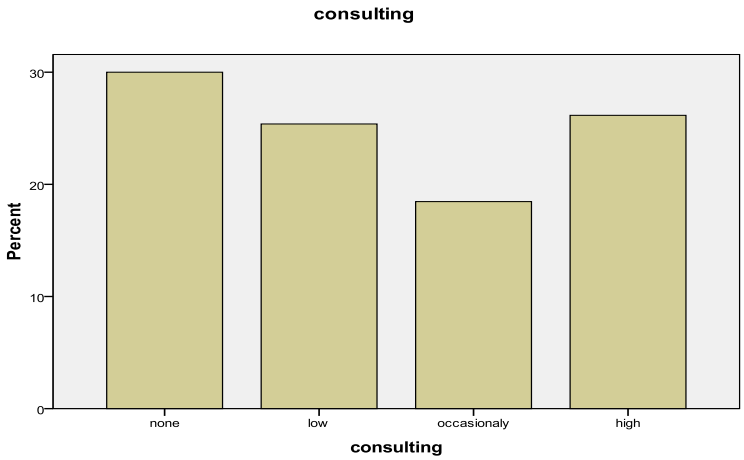

Figure 4

5. Discussion and Results

5.1 Evaluating Research Hypothesis

1.” Pecuniary benefit of firms` stock affects decision making of exchange transactors.”

H0: Pecuniary benefit of firm`s stock does not affect decision making of exchange transactors.

H1: Pecuniary benefit of firms` stock affects decision making of exchange transactors.

The hypothesis draws association between Pecuniary benefit of firms` stock and decision making of exchange transactors using Pearson correlation coefficient and then the results are analyzed.

Table 5. Pearson correlation coefficient

Total	Sig	Pearson statistics value	Variable	Row
130	0/000	0/573	Pecuniary benefit and transactor’s decision making	1

According to the table 1, the relation between pecuniary benefit of firms` stock and decision making of transactors is evaluated based on the opinion of 130 people of the sample.

According to the above, considering Pearson statistics value (0/573) and obtained error level (0/000), it can be claimed that there is a significant difference between above mentioned variables with a confidence interval of 0/99. I.e. the null hypothesis is rejected and the alternative hypothesis indicating that “Pecuniary benefit of firms` stock affects decision

making of exchange transactors" is confirmed.

Also, Pearson correlation coefficient indicates that there is an average, direct, and positive relation between two variables. In other words, pecuniary benefit of firms` stock has an effect of 57% in decision making of transactors and vice versa.

2." Return affects decision making of exchange transactors."

H0: Return does not affect decision making of exchange transactors.

H1: Return affects decision making of exchange transactors.

The hypothesis draws association between Return and decision making of exchange transactors using Pearson correlation coefficient and then the results are analyzed.

Table 6. Pearson correlation coefficient

Total	Sig	Pearson statistics value	Variable	Row
130	0/000	0/604	Stock Return and decision making of exchange transactors	1

According to the table 2, the relation between Stock return and decision making of transactors is evaluated based on the opinion of 130 people of the sample.

According to the above, considering Pearson statistics value (0/604) and obtained error level (0/000), it can be claimed that there is a significant difference between above mentioned variables with a confidence interval of 0/99. I.e. the null hypothesis is rejected and the alternative hypothesis indicating that "Return affects decision making of exchange transactors" is confirmed.

Also, Pearson correlation coefficient indicates that there is an almost strong, direct, and positive relation between two variables. In other words Stock return has an effect of 60% in decision making of transactors and vice versa.

3." Price trend of stock affects decision making of exchange transactors."

H0: Price trend of stock does not affect decision making of exchange transactors.

H1: Price trend of stock affects decision making of exchange transactors.

The hypothesis draws association between Price trend of stock and decision making of exchange transactors using Pearson correlation coefficient and then the results are analyzed.

Table 7. Pearson correlation coefficient

Total	Sig	Pearson statistics value	Variable	Row
130	0/000	0/757	Price trend of stock and decision making of exchange transactors	1

According to the table 3, the relation between price trend of stock and decision making of transactors is evaluated based on the opinion of 130 people of the sample.

According to the above, considering Pearson statistics value (0/757) and obtained error level (0/000), it can be claimed that there is a significant difference between above mentioned

variables with a confidence interval of 0/99. I.e. the null hypothesis is rejected and the alternative hypothesis indicating that "Price trend of stock affects decision making of exchange transactors" is confirmed.

Also, Pearson correlation coefficient indicates that there is a strong, direct, and positive relation between two variables. In other words price trend of stock has an effect of 76% in decision making of transactors and vice versa.

4." Market status affects decision making of exchange transactors."

H0: Market status dose not affects decision making of exchange transactors.

H1: Market status affects decision making of exchange transactors.

The hypothesis draws association between Market status and decision making of exchange transactors using Pearson correlation coefficient and then the results are analyzed.

Table 8. Pearson correlation coefficient

Total	Sig	Pearson statistics value	Variable	Row
130	0/000	0/748	Market status and decision making of exchange transactors	1

According to the table 4, the relation between Market status and decision making of transactors is evaluated based on the opinion of 130 people of the sample.

According to the above, considering Pearson statistics value (0/748) and obtained error level (0/000), it can be claimed that there is a significant difference between above mentioned variables with a confidence interval of 0/99. I.e. the null hypothesis is rejected and the alternative hypothesis indicating that "Market status affects decision making of exchange transactors" is confirmed.

Also, Pearson correlation coefficient indicates that there is a strong, direct, and positive relation between two variables. In other words market status has an effect of 75% in decision making of transactors and vice versa.

5." Brokers` consulting affects decision making of exchange transactors."

H0 Brokers` consulting does not affect decision making of exchange transactors.

H1: Brokers` consulting affects decision making of exchange transactors.

The hypothesis draws association between brokers` consulting and decision making of exchange transactors using Pearson correlation coefficient and then the results are analyzed.

Table 9. Pearson correlation coefficient

Total	Sig	Pearson statistics value	Variable	Row
130	0/000	0/613	Brokers` consulting and decision making of exchange transactors	1

According to the table 5, the relation between brokers` consulting and decision making of transactors is evaluated based on the opinion of 130 people of the sample.

According to the above, considering Pearson statistics value (0/613) and obtained error level (0/000), it can be claimed that there is a significant difference between above mentioned variables with a confidence interval of 0/99. I.e. the null hypothesis is rejected and the alternative hypothesis indicating that "Brokers` consulting affects decision making of exchange transactors" is confirmed.

Also, Pearson correlation coefficient indicates that there is an almost strong, direct, and positive relation between two variables. In other words brokers` consulting has an effect of 61% in decision making of transactors and vice versa.

6." Perceived risk affects decision making of exchange transactors."

H0 Perceived risk does not affect decision making of exchange transactors.

H1: Perceived risk affects decision making of exchange transactors.

The hypothesis draws association between Perceived risk and decision making of exchange transactors using Pearson correlation coefficient and then the results are analyzed.

Table 10. Pearson correlation coefficient

Total	Sig	Pearson statistics value	Variable	Row
130	0/000	0/751	Perceived risk and decision making of exchange transactors	1

According to the table 5, the relation between Perceived risk and decision making of transactors is evaluated based on the opinion of 130 people of the sample.

According to the above, considering Pearson statistics value (0/751) and obtained error level (0/000), it can be claimed that there is a significant difference between above mentioned variables with a confidence interval of 0/99. I.e. the null hypothesis is rejected and the alternative hypothesis indicating that "Perceived risk affects decision making of exchange transactors" is confirmed.

Also, Pearson correlation coefficient indicates that there is an almost strong, direct, and positive relation between two variables. In other words Perceived risk has an effect of 75% in decision making of transactors and vice versa.

5.2 Evaluating the Effects of Independent Variables in Transactors` Decision Making in Exchange Investing

In this section, the amount of net effects of all independent variables in the transactors` decision making in exchange investing is determined using Stepwise regression, and then the model is analyzed totally. In addition to measure the significance of each independent variable in the transactors` decision making, the most effective factors are determined.

Table 11. Variables entered and removed

model	Variables removed	Variables entered	Method
1	Stock price trend	-	Stepwise(p<0/05-0/1)
2	Market status	-	Stepwise(p<0/05-0/1)

In this model, all the variables are entered in the form of separated blocks and are selected based on the acceptable significance level (p<0/05) in such a way that the most important and the less important variables are determined respectively. According to the above table, stock price trend is the most effective factor in the transactors` decision making in exchange investing, and then market status is considered as the second affecting factor in the transactors` decision making in exchange investing. The remaining variables are removed from the model due to the fact that their net effects are less than their accepted level of significance.

Table 12. Model summary

model	Multiple correlation coefficient	determining coefficient	Balanced determining coefficient	Error of estimation
1	0/757	0/573	0/569	0/55
2	0/790	0/624	0/618	0/471

In this table, multiple correlation coefficient, determining coefficient and balanced determining coefficient are computed for each model. In the first model, the regression equation is determined and predicted only based on the constant coefficient and the main variable (i.e. stock price trend). According to this model, effect coefficient of stock price trend equals with 0/757, In other words, the variable of stock price trend with 0/76 value is determined and predicted out of the total variations of the transactions` decision making in exchange investing. But in the second model, the equation is computed based on the constant coefficient, stock price trend and market status, accordingly, multiple correlation coefficients of 0/790 and determining coefficient of 0/624 are obtained.

Table 13. Variance analysis

model		Mean of squares	Degree of freedom	mean	F statistics	P
1	Determined	42/834	1	42/834	171/520	0/000
	Residual	31/966	128	0/250		
	total	74/800	129			
2	Determined	46/658	2	23/329	105/282	0/000
	Residual	28/142	127	0/222		
	Residual	74/8001	129			

According to the table, variation resources are based on the regression, residual and total values. Mean of squares, degree of freedom, F statistics or Variance analysis, and level of observed error are computed in each model. Accordingly, F value in the first model computed based on regression equation (constant coefficient of stock price trend) equals with 171/520 which has a confidence level of 0/99 with respect to the level of observed error.

Also, F value of the second model (constant coefficient, stock price trend and market status) equals with 105/282 which shows the confidence level of 0/99 with respect to the level of observed error.

Table 14. Weight coefficients of variables

sig	t value	Standard B	Non-standard B	Variables of model	Model
0/000	6/244	-	0/624	Constant coefficient	First

0/000	13/067	0/757	0/645	Stock price trend	
0/000	5/376	-	0/523	Constant coefficient	Second
0/000	4/661	0/438	0/374	Stock price trend	
0/000	4/154	0/391	0/219	Market status	

According to the table, standard and non-standard weight coefficients values (B) for each dependent variable, t test value and level of observed error are considered. Accordingly, the standard weight coefficient of stock price trend is 0/757 indicating the most significant effect in the transactors` decision making in exchange investing. Considering these coefficients, firstly, regression equation of dependent variable can be stated based on the independent variables and constant coefficient values and secondly, the amount of effect of each independent variable for each variation unit in the dependent variable can be predicted.

Also, in the second model, standard weight coefficient of stock price trend is 0/438 and market status is 0/391. While t test value and level of observed error indicates net and significant effect of stock price trend and market status with constant coefficient in the transactors` decision making in exchange investing.

6. Conclusion

Stock price trend is more important than introduced factor of return and profit for each share for the capitalists. In fact, it shows that the financial ratios are less considerable among capitalists. Generally, there is an obvious lack of confidence to financial statements, financial ratios and accounting system as a whole among capitalists, in return, they focus on tangible criteria such as stock price trend and market status. Also, the results indicate that perceived risk in has a significant effect in investing and financial decision making. To analyze and interpret the obtained information about the affective factors on the transactors` decision making properly, same factors including age, gender, the capitalist`s level of activity, as well as risk taking level as an important factor should be taken into consideration.

7. Implications

Here, we present some practical implications for the capitalists which are as follow:

- To gain comprehensive information about all the affective factors and using technical and basic analysis in order to evaluate stock change specifically highly fluctuating and growing stock.
- It is suggested that the capitalists approach to the stock of the firms which their information is accessible for the capitalists continuously.
- The information provided with each variable is different and they cannot provide the capitalist with the sufficient information by itself. Therefore, the capitalists should not rely on one factor for decision making, but they should consider a wide range of these factors.

- Considering the high effect of perceived risk in the tendency of investing in stock, stock exchange of the country should reduce the risk of investing in stock exchange applying appropriate mechanisms for the capitalist in order to convert stock exchange to a place with a less risk and more return rather than other economic activities.

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