

Mitigating role of Financial Literacy in association with Risk-taking Behavior of Investors Decision Making

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Abstract

Purpose: The core purpose of the research study is to examine the items affecting the risk-taking behavior on the investment decision making. Emotional intelligence (EA), Risk Aversion (RA) and Locus of control (LOC) are used in the study as independent variables(IV) and Risky Investment Intention (RII) as dependent variable (DV).

Methodology: For this purpose, primary data were collected via Questionnaire founded on five point's Likert, random sampling technique were used; 550 Questionnaire were distributed among which 498 were selected for the data analysis. Financial Literacy (FL) is used as a moderating variable in study whereas emotional intelligence, Risk Aversion and Locus of control used as IVs & risky behavior as DV. PLS-SEM was run by SMART-PLS 3.3 to test the significance of relationship among the variables.

Results / Findings: There is significant impact of an emotional intelligence, Risk Aversion on Risky Investment Intention but there is no impact of Locus of control on risky investment intention. Moreover, there is no impact of moderating variable Financial Literacy on the relationship of an emotional intelligence, Locus of control with risky investment intention. Whereas, Fiscal Literacy has significant positive impact among RA and RII of Investors of PSX.

Novelty / Originality of the study: This study Influencing Factors on the Risk-taking Behavior of Investors Decision Making not only enriches academic discourse but also furnishes invaluable insights for practitioners navigating the complexities of financial decision-making.

Key Words: Risky Investment Intention (RII), Emotional Intelligence (EI), Risk Aversion (RA), Locus of control (LOC), Financial Literacy (FC).

JEL classifications: G2; G14; G15

1. Introduction

Analyzing individual manners towards risk is intimately linked with sympathetic people's financial planning procedure. Hence among many others, identifying authentic examiners of real risk-taking manners is at the household of disciplines counting economics, behavioral finance, and psychology. Mainly, finding the impact of socioeconomic as well as personal characteristics in estimating individuals' riskiness behavior might disclose various perceptions for strategy symbols also. Regulators stated that advice given through financial institutions should be in line with customer risk choices after the worldwide financial crisis in 2008 (Kuzuba,s & Saltoglu, 2022).

All Economic planning process consist of risks, mainly those linked with the capital market. Identifying individual dissimilarity when it comes to investment is necessary in risk taking it can assist to predict real economic manners. People try to keep away from risk, few experimental and empirical research explain. In the policymaking process, the choice makers tend to come in latest, when they make do with the logical thinking methods which emphasizes normative procedures. Based on the risk factors, the Theory of Prospect in behavioral finance proposed by Kahneman and Tversky (1979) explained one model of irrational decision making. People tend to keep away from making risk decisions as per this theory, when appreciate profits and seek for risk advisers when they suffer losses. This implies that when someone has to prefer in an unsure condition, he tends to make preferences on avoid regret and minimize risk (Pertiwi et al, 2018; Abideen et al, 2023). As Monetary tools other than the speculations with certain minor profit, for example, Bank's deposit as well as Bond, risky investment was being explained. These sorts of funding, speculators don't recognize the amount to attain and more it's likely for a monetary investor to drop the contributed money. Subsequently, it is a plan to explain how many citizens plan into any risky monetary project, to put resources (Aydemir & Aren, 2017).

The LOC is explained that it is associated with individuals' view of itself hence it impacts the planning of individuals on occurrences accruing to him. Cromwell et al. (1961) granted the expression locus of control, but in psychology until the early 1970's this expression wasn't utilized and it took approximately another decade before its ordinary use in further fields (Kazemi et al., 2015). The LOC is being divided into two classes of external and internal (Rasheed et al., 2019). Consisted of the manner of financiers and customers in the face of hesitation, RA is a financial and economic idea. In return for accepting possible situations, a risk-averse person in other words, is not eager to make a profit. Furthermore, it is analyzed that, self-control has an important optimistic effect on RA which is recorded at the 95 percent level. This statistic shows that through growing the self-control of individual stock market financiers, the RA also raises (Mohammadia et al, 2022). RA for chancy investment intention, two-character qualities such as directness and neuroticism and 1st is the similar and 2nd one dissimilar 2 sentiments like fury and fear remained analyzed (Kubra, et al., 2021). The Expression EI was being generalized by Daniel Goleman (1998) in that book "EI: Why It Matters More Than IQ". Self-regulation, self-awareness, empathy, communal skills also enthusiasm are all elements in the EI model by Goleman's (1998). This procedure is utilized toward

assess and teach supervisory abilities also potentials. The ability to acknowledge their personal and others' feelings and apply them to resolve issues, also the ability to acknowledge the determinants; in what way they differ, and thus observe about feelings is known as emotional intelligence. Furthermore, it comprises of three distinct determinants: the emotional regulation, the appearance and assessment of emotions besides the application of emotional evidence in thought procedure as well as arrangements.

Indeed, since it aids in predicting social success, the capability to acknowledge feelings is acritical element of emotional intelligence. Dissimilar financiers interpret and see the similar information in dissimilar procedures. These Distinct interpretations accelerate various insights of similar information, resulting in dissimilar manners. As a result, such behaviors' attempts the on-financier decisions. Moreover, ability of invertors' feelings in making decision, rational, and societal association is significant. Dynamically intellectual people have additional optimistic viewpoint to tough conditions that springs progressive explanations as it increases their assurance that accelerate effectual decisions (Jamil & Bashir, 2021).

FL can also be defined according to the OECD-2011, the combination of financiers' ability to understand monetary ideas, products, their capability and expertise to examine its' economic risks as well as opportunities in evolving the best decisions, taking appropriate actions to boost their financial wellbeing (Seraj et al., 2022). The Capability to assimilate the function of fiancé and its administration and investment is called Financial Literacy. Furthermore, it is the gathering of knowledge and expertise that allows investors to make operative, appropriate as well as rational decisions with their obtainable financial resources. The Demand and consumers' knowledge of demand are also being connected by the financial literacy.

The human behavior is complex to understand generally, and particularly where there is finance involve and especially in case of investment behaviors by investor so, this article is an attempt to find and describe the impact of independent variables (IVs) such as Locus of Control, Risk Aversion, and Emotional Intelligence, on dependent variable (DV) Investors Risky Investment intention. Moreover, to consider the moderating role of Literacy of Finance is another main concern of this study so FL is used as a moderating variable to understand the relationship of Locus of Control, Risk Aversion, and Emotional Intelligence, on Investors Risky Investment intention.

Researcher from various past studies examines the relationships among Emotional Intelligence, Locus of Control, and RA on RII and suggesting adding financial education or literacy as moderating variable. Some of them already tried to check the impact of IVs on DV with moderator FL among different stock exchanges. Mohammadia, M., Naderian, A., Ashrafia, M., & Dojia, J. G. (2022). Further research studies are being conducted and suggested as it would enhance the performance of stocks in risky situations. Increasing the sample size is another way to enhance the outcomes of the research it is also suggested that to try different set of questionnaires adopted from

various authors is recommended to examine the behavior of stock respondents. Reliability and correlation analyses, along with regression models, were conducted to assess the collected data.

It is very important to examine how the impact of influencing factors on risk taking behavior of financiers' investment decisions and explain issues arising during taking financial decision due to behavioral factors. It is also suggested to estimate the manners in investment decision, of financiers for KSE-100 Index in Pakistan Stock Exchange (PSX). The main objective of this study is Researcher want to find out the relationship between of independent variables that are EI, LoC, and RA on dependent variable RII on with moderating effect of FL on investment decision of investor of PSX.

2. Literature Review

2.1 Risky investment Intention

The Intention to spend in high-risk tools as per Aren and Hamamci (2020), is a financier's wish to spend in risky assets. Furthermore, an investment might be categorized into three classes consisted of its risk: medium, low, and high. Property, saving deposits, treasury bonds, and other government-issued bonds, all these considered as a low-risk investments. Whereas, life insurance, mutual funds, bonds, high-risk investments might be explicated through equity stock, commodity market, and foreign exchange market are being considered medium risk investment. Moreover, a very high-risk investment tool presently also offered and emerged a higher rate of return, which is said cryptocurrencies. Although they possess larger risk than conventional investment tools, cryptocurrencies might be categorized as an investment tool due to their likeness with bonds, stocks, and commodities (Putri & Hanggraeni, 2022; Ahmed et al, 2022).

2.2 Locus of Control

With whom or where control of results lies, LOC shows the location of one's beliefs along a spectrum from external to internal. External LOC is the faith that results are largely determined through external factors. On the other hand, an internal LOC reflects the faith that one's own actions are a key factor in finding results (Malacarne, 2022). The financial planning of investors according to the research, is influenced through overconfidence bias, confirmation bias, excessive optimism, and the LOC, where mental accounting, status quo as well as loss aversion does not impact (Tamang, 2022).

The Perception of the elements accountable for the result of an occurrence, with the extra situation that the occurrence is financial or monetarily explained is called Economic Locus of Control On the basis of above literature explanations and relation researchers develop hypotheses.

H1A: There is significant effect of LOC on Risky Investment intention.

2.3 Risk Aversion

Consisted of the manner of financiers and customers in the face of hesitation, RA is a financial and economic idea. In return for accepting possible situations, a risk-averse person in other words, is not eager to make a profit. Furthermore, it is analyzed that, self-control has an important optimistic

effect on RA which is recorded at the 95 percent level. This statistic shows that through growing the self-control of individual stock market financiers, the RA also raises (Mohammadia et al., 2022). Moreover, RA for chancy investment intention, two behavior qualities such as openness and neuroticism and 1st is similar and 2nd is dissimilar two emotions like fury and fear were analyzed (Kubra et al., 2021). For Making selections for others are duction in RA happens when public are financed, saying that dealers might have an additional complex risk insight procedure than separate financiers, earlier researchers analyzed. Therefore, the formation of risk perception may be affected by the RA (Li, et al., 2023).

For safety over unpredictability in potential losses or gains, RA informally shows a general preference. It is apprehended in economics, through the curvature of the predicted utility value function $u(w)$, where denoted the total wealth level (Yang, 2019). Since RA is extensively admitted as a main idea when explaining investment planning, a vast knowledge of literature manuscripts the most general elements of person dissimilarity in attitudes to risk: age, gender, wealth, height and paternal background. Children moreover from their parents, of cultured parents show a lesser RA as they attain monetary skills and knowledge directly. They also explained the existence of a direct association between children's RA and parents' RA and posted that majority of adults investors can be risk taker if, for example, they are being guided towards leadership careers by their parents. Using two procedures such as a self-assessment procedure and experimental procedure, the RA is being gauged by examiners (Stoian, et al., 2021). On the basis of above literature explanations and relation researchers develop hypotheses.

H2 A: - There is significant effect of RA on Risky Investment intention.

2.4 Emotional Intelligence

According to “Peter Salovey and John Mayer” invented the term EI and this term was popularized through Daniel Goleman. Mayer and Salovey (1997) the term EI is the capability to observe feelings, to create and access feelings so as to help thought, to know feelings and sensitive skill, and to thoughtfully control feelings so as to enhance intellectual and emotional progress. Webb et al., (2014) analyzed in all individual's decision-making process, EI prevails (Johnsi & Sunitha, 2019; Rooh , et al., 2023).

High EI people will create a win-win connection similarly those who have low EI will create a win-lose connection. Both the outside and inside connections of Investors and well attitudes, stronger observations and creative affiliations in life would be changed by the EI training. Examiners pointed on examining the designs essential to recognize the EI of stockholders by a widespread review explaining the part that EI plays in the investor behavior during investment (Ahmad & Wu, 2024). Investors invest additional in the stock market those having high score emotional intelligence (Raheja & Dhiman, 2020). Moreover, other study narrated that investor's competence to acknowledge others and their personal feelings, categorize it, and use them in creative thinking and behavior is said to be emotional intelligence. In decision making, emotions have a necessary part, cognitive, and social connections. Furthermore, emotionally bright invertors have great

positive viewpoint on challenging conditions, which accelerate improved choices (Jamil & Bashir, 2021).

EI, furthermore, is a main forecaster of optimal investment preferences and is observed as a major instrument in growing personal efficacy in cooperating with contributors. Along with financial psychology, it assists them to control their emotive perception and perceive their feelings, which are main psychological elements for an optimal investment plan (Tariq, et al., 2024). An individual's EI is explained as his ability to identify, classify also use the feelings to direct their actions and also thoughts. It was defined through “Salovey and Mayer (1990)”. They both explained it as “the ability to check person's own and other invertors’ emotions, differentiate amongst them, and use the information to direct one's actions and thoughts”. It dissimilar to other societal intellects; also centers on utilizing and recognizing emotional situations of one person and others personals in order to resolve challenges along with behavioral control (Riaz & Akhtar , 2024). They also in 1997 expanded a 4-branch theoretical capability model of expressive expertise. The model explained it as the capability to observe, use, know and administer feelings (Jamil & Bahsir, 2021). On the basis of above literature explanations and relation researchers develop hypotheses.

H3A: - There is significant effect of EI on Risky Investment intention.

2.5 Financial Literacy

The Proprietorship of skills and information that empower informed and effectual funds management is known as financial literacy. The economic growth as well as financial developments of the country is being improved by financial literacy. FL is significant to assess in the face of these developments, if the fresher group, mainly learners who are perceived as the upcoming financiers, transformers also movers of the economy, have the essential information of financial ideas (Kumari, 2020; Ashfaq, 2024). Among Policymakers, Researchers and other Stakeholders, FL has gained more attention in support up venture decisions, enhancing own financial management and growing monetary comfort because of its appearance. It was examined that investment decisions are being influenced by the FL considerably and positively (Ali Seraj, Alzain, & Alshebami, 2022). Another research study also highlights the important financial decision making with behavioral factors in financing in tourism industry (El-Gohary & Sandhu, 2023). For selecting the best project in the present economy, mainly in developing states financial awareness or skills is essential. Furthermore, to enhance their capability to make rational investment decisions, the individuals must attain financial knowledge and skills. It also discusses to an person’s capability to use knowledge and expertise to measure and handle monetary resources in the long run, expertly, with an aim of financial wellbeing (Seraj, et al., 2022).

By permitting individuals to know strategies and techniques to mitigate risk, FL assists them prepare during crises and challenging periods. FL can also enforce behaviors as ensuring early payment of bills and avoiding debt, which assists in the credit markets; clients sustain their accessibility to loans, where situations are tough. People those who are financial literate assimilate

the chief ideas of money and assets; they are knowledgeable, cultured and learnt about challenges associated to banking, taxes, assets, insurance, investments and money management. People plan and understand financial decisions utilizing their expertise and knowledge (Weixiang S, 2022). On the basis of above literature explanations and relation researchers develop hypotheses.

H4 A: - There is significant effect of FL on Risky Investment intention.

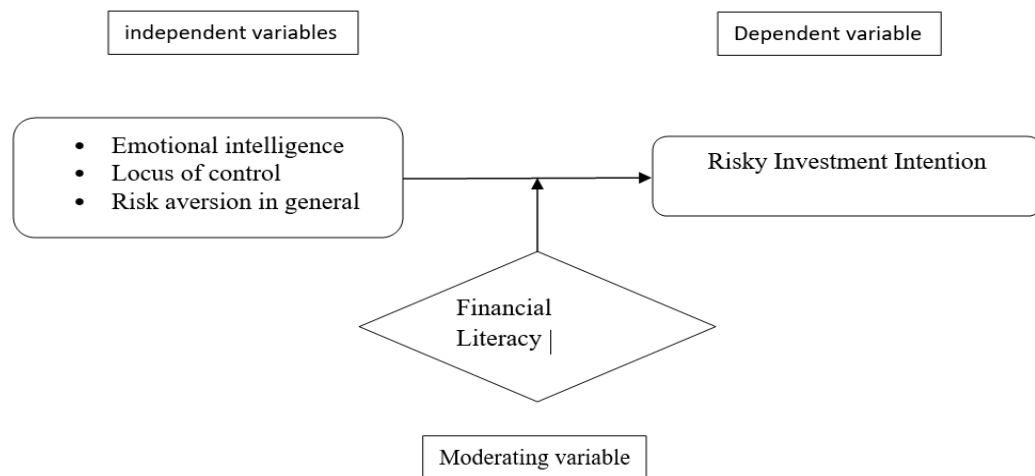
3. Methodology

The procedure of this research study is quantitative and explanatorily, showing the impact of behavioral factors on Investment decision of Investors from PSX, Emotional intelligence, Locus of control, RA as an independent variable, FL as moderator and RII as a dependent variable. Researchers use primary data for this research, and close ended 5-point Likert scale questionnaire was used in the study, as an effective tool for gathering the data from respondents. The questionnaire is provided to a greater number of investors who invested in the Pakistan stock exchange. In the research, researchers enumerated the answers to the queries in the questionnaire survey other researchers also used the same methodology (Bui, et al., 2021). Researchers collect demographic information such as gender, age group, qualification level, association time with investment (stock) and methods of investment of respondents. Researchers collect data from two different category of investors 1st direct investor in the Pakistan Stock Exchange or 2nd indirectly via asset management companies. Researchers use Out of all 4 probabilities as well as non-probability sampling, as a sampling technique in this study the random sampling method was being used.

In the study the sample size was taken 550 people but out of these, 498 respondents of Pakistan Stock Exchange (PSX) response properly researchers used more sample size than previous research (Parkash, et al., 2014; Bui, et al., 2021). Researchers subsequently use software for data processing such as MS word, MS excel, and Smart-pls. Moreover, researchers used several testing techniques for reliability of data “Cronbach's Alpha, Rho_A, and Composite Reliability” and for validity also has different criterions including “Average Variance Extracted (AVE), Fornell-Larcker Criterion, Heterotrait-Monotrait Ratio of Correlations and collinearity” after checking measurement model (Validity, reliability Model Fit summary and R^2) of data researchers further test Structural Model with the support of path-coefficient T – test and P value in affirmation of Model or testing the hypotheses of this research.

3.1 Conceptual Framework

In the Conceptual Framework Emotional Intelligence, LOC and RA in general discussed as an Independent Variables whereas FL mentioned as a Moderating Variable in the study. Examiner, moreover, mentioned RII as a Dependent Variable. Consisted on the theories and previous study findings, the research framework and hypotheses are formulated below:



(Figure 3.1: Research Model)

4. Discussion & Analysis

The Study examined the Investment awareness and provided the best investment information to the investors. Additionally, the study examined the relationship between the dependent variables and independent variables and moderating variable. Researcher 's investigation in the study determined with rejecting or accepting the Null hypothesis that were organized. Each respondent was questioned by questionnaire, to offer demographic fact such as gender, age group, qualification, association time with Investment in stock and methods of Investment. All data were used which collected by the questionnaire, and no data were excluded from the analysis.

Demographic factors Frequency Table 4.1

Demographic factors Frequency					
Gender	Male			Female	
	90%			10%	
Age Group	Below 20	21 to 30 years	31 to 40	41 to 50	51 and above
	Years		years	years	years
	2%	15%	23%	48%	12%
Qualifications	Matriculation	Intermediate	Bachelors	Masters	Other
	25%	36%	16%	21%	2%
Method of Investment	Direct Investment		Asset Management Companies		
	88%		12%		
Association time with Investment-Stock	Less than 1	1 to 3 years	4 to 6 years	7 to 9	Above 10
	year			years	years
	9%	15%	14%	28%	34%

It was examined in the study that the smaller number investors were recorded females which was 10 percent in the Pakistan Stock Exchange, but the majority of investors recorded males which were 90 percent. Financiers having age below 20 years were registered 2 percent in the study, those who were in between 21 to 30 years were recorded 15 percent, investors who came in between 31 to 40 years in the Pakistan Stock Exchange were noted 23 percent, majority of the investors having age 41 to 50 years were registered 48 percent and those who came in the age group between 51 and above were recorded 12 percent.

Investors in the Pakistan stock exchange which had Primary qualification were registered about 0 percent, it was also examined that 13 percent of the investor were registered secondary education qualified, 12 percent of the investors had matriculation degree, 36 percent of the investors had intermediate qualification, 16 percent of the investor were recorded bachelors qualified, 21 percent were noted Master's degree, Diploma certificate qualified financiers were approximately 1 percent and others 1 percent respectively.

Investors in the data which associated less than 1 year with PSX registered 9 percent, financiers associated with 1 to 3 years registered 15 percent, those who had associated from 4 to 6 years noted 14 percent, financiers in the analysis which were associated from 7 to 10 years recorded 28 percent and above 10 years recorded 34 percent. Direct investment in the shares which recorded 88 percent was preferred by the majority of Investors whereas 12 percent of the investors preferred indirect investment.

Model Fit Table 4.2

"Model Fit"		
Fit Summary	Saturated Model	Estimated Model
"SRMR"	0.065	0.064
"d_ULS"	3.139	3.142
"d_G"	1.148	1.148
"Chi-Square"	308.618	309.325
"NFI"	0.585	0.585

Model fit summary identified on the basis of this study, a summary in above table shows that the value of SRMS is 0.065 it means the research model is fit because the suggested value of SRMR must be less than 0.08 (Hair, et al., 2018) and researcher's study has value less than recommended value.

In this research value of R-square was recorded total 60 percent, identified that our explanatory variables showing the dependent variables significantly or R² is also used as predictor so the recommended values of R² is 0.25, 0.50 and 0.75 weak, moderate and sustainable (Hair, et al., 2018) so, Researchers R² value is between 0.50 to 0.75, having better predictor model **Table 4.3.**

R-Square: Table 4.3

“R Square”		
Variable	R Square	R Square Adjusted
Risk Investment Intention	0.609	0.603

Construct Reliability and Validity” Table 4.4

“Construct Reliability and Validity”				
	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
EA	0.859	0.860	0.904	0.566
FL	0.849	0.782	0.712	0.541
LOC	0.841	0.760	0.787	0.523
Moderating Effect 1	1.000	1.000	1.000	1.000
Moderating Effect 2	1.000	1.000	1.000	1.000
Moderating Effect 3	1.000	1.000	1.000	1.000
RA	0.812	0.765	0.841	0.522
RII	0.835	0.807	0.801	0.501

In the research Cronbach’s alpha examined reliability of responses that the result of emotional intelligence, financial literacy, locus of control, as a moderating effect (1, 2, 3), by RA and RII recorded reliable such as 0.859, 0.849, 0.841, 1.0, 1.0, 1.0, 0.812 and 0.835, respectively and the suggested values are above 0.7 so researchers’ data has no issue of reliability according to (Hair et al. 2018).

In the study furthermore, RhoA-reliability identified another way of reliability of responses that the result of emotional intelligence, financial literacy, locus of control, moderating effects (1,2,3) by financial literacy, RA and RII recorded validity such as 0.860, 0.782, 0.760, 1.00, 1.00, 1.00, 0.765 and 0.807, respectively and the suggested values are above 0.7 so researchers’ data has no issue of reliability according to (Hair et al. 2018).

On the other hand, Composite Reliability explained another way of reliability of responses that the result of emotional intelligence, financial literacy, locus of control, moderating effects (1,2,3) through financial literacy, RA and risky investment intentions posted reliable like 0.904, 0.712, 0.787, 1.0, 1.0, 1.0, 0.841 and 0.801, respectively and the suggested values are above 0.7 so researchers’ data has no issue of reliability according to (Hair et al. 2018).

4.1 Average Variance Extracted

Average Variance Extracted (AVE) identified validity of responses of data and researchers' data shows emotional intelligence, financial literacy, locus of control, moderating effects (1, 2,3) through financial literacy, RA and RII posted validity like 0.566, 0.541, 0.523, 1.0, 1.0, 1.0, 0.522 and 0.501 respectively the suggested values are above 0.5 so researchers' data has no issue of validity according to (Hair et al. 2018).

Fornell-Larcker Criterion Table 4.5

“Fornell-Larcker Criterion”								
	Emotion al intelligen ce_	Financ ial Literac y	Locus of contro l_	Moderat ing Effect 1	Moderat ing Effect 2	Moderat ing Effect 3	Risk avers ion_	Risky Investmen t Intention
EA	0.746							
FL	0.723	0.735						
LOC	0.574	0.409	0.723					
Moderat ing Effect 1	-0.509	-0.515	-0.263	1.000				
Moderat ing Effect 2	-0.248	-0.219	-0.155	0.540	1.000			
Moderat ing Effect 3	-0.403	-0.358	-0.222	0.629	0.338	1.000		
RA	0.711	0.702	0.427	-0.414	-0.214	-0.384	0.722	
RII	0.706	0.651	0.402	-0.485	-0.253	-0.469	0.697	0.708

The Average Variance Extracted (AVE) result as a rule of thumb, of square root of each construct must be larger than 0.50 (Fornell & Larcker, 1981) and all diagonal values are greater than non-diagonal values. Moreover, Heterotrait-Monotrait (HTMT) is another tool to measure discriminant validity responses must be below 0.85, there is no discriminant validity issue in responses according to (Hair et al. 2018). HTMT is given in table 6 have all values are less than 0.85.

Heterotrait-Monotrait Ratio (HTMT) Table 4.6

“Heterotrait-Monotrait Ratio (HTMT)”								
	EI	FL	LOC	Moderating Effect 1	Moderating Effect 2	Moderating Effect 3	RA	R II
EA								
FL	0.702							
LOC	0.736	0.720						
Moderating Effect 1	0.566	0.604	0.847					
Moderating Effect 2	0.263	0.268	0.476	0.540				
Moderating Effect 3	0.454	0.418	0.708	0.629	0.338			
RA	0.709	0.618	0.636	0.453	0.254	0.418		
R II	0.804	0.805	0.660	0.545	0.273	0.522	0.804	

Path Coefficients Table 4.7

Path Coefficients						
“Mean, STDEV, T-Values, P-Values”						
	“Original Sample (O)”	“Sample Mean (M)”	“Standard Deviation (STDEV)”	“T Statistics (O/STDEV)”	“P Values”	
EI -> RII	0.387	0.386	0.050	7.694	0.000	
FL-> RII	0.105	0.108	0.052	2.027	0.043	
LOC_ -> RII	-0.013	-0.007	0.036	0.371	0.711	
Moderating Effect 1 -> RII	-0.025	-0.026	0.049	0.510	0.610	
Moderating Effect 2 -> RII	-0.014	-0.013	0.038	0.375	0.707	
Moderating Effect 3 -> RII	-0.165	-0.166	0.040	4.163	0.000	
RA_ -> RII	0.248	0.245	0.054	4.610	0.000	

H1: There is significant effect of EI on RII.

In PSX, it was identified that total 8.29 percent financiers select to judge their personal attitude towards risky investing. Similarly 7.52 percent financiers favor to recognize their attitude towards risky investing, total 18.01 percent financiers hoped that in investing stock, their feelings don't create issues, 41.27 percent financiers examined that they extremely motivated, to control their feelings approximately 18.62 percent financiers usually find it hard, as per situations total 10.57 percent financiers are often find it tough to manage their investment, in the shares total 31.96 percent financiers are able to deal with stress, to controls their feelings when they want total 32.65 percent financiers capable to find methods and lastly analysis explained that 36.20 percent financiers hope that things will do well in their life, respectively. On RII moreover, it examined that total 7.694 percent of EI influence.

Path Coefficients table shows that T values and P values of structural model and the suggested values are P-value must be less than 0.05 and T-value must be greater than 2 (Hair, et al., 2018) and given mention table shown that for EI with RIIT-value is 7.69 and it is greater than 2 and P-value is less than 0.05, it means EI has significant impact on Risky Investment intention. Moreover, there is no significant impact of a moderator FL on EI with risky investment intention.

H2: There is significant effect of LOC on RII.

Analysis of locus of control's different in the study, identified that total 2.28 percent financiers prepare their investment plan, regardless of what other investors say. Similarly, analysis examined that 9.17 percent investors hope that chance and luck in the shares, are very significant financing and finally 0.91 percent financiers are unable to buy shares because of something or somebody. Total 0.371 percent of LOC moreover in the stock market, influence on risky investment intention. Path Coefficients table shows that T values and P values of structural model analysis and researchers suggested values are P-value must be less than 0.05 and T-value must be greater than 2 (Hair, Risher, Sarstedt, & Ringle, 2018) and given mention table shown that for LOC with RIIT-value is 0.371 and it is not greater than 2 and P-value is not less than 0.05, it means LOC has no significant impact on Risky Investment intention. Furthermore, the study also showed on the basis of SEM that a FL moderating variable has no effect on LOC with risky investment intention.

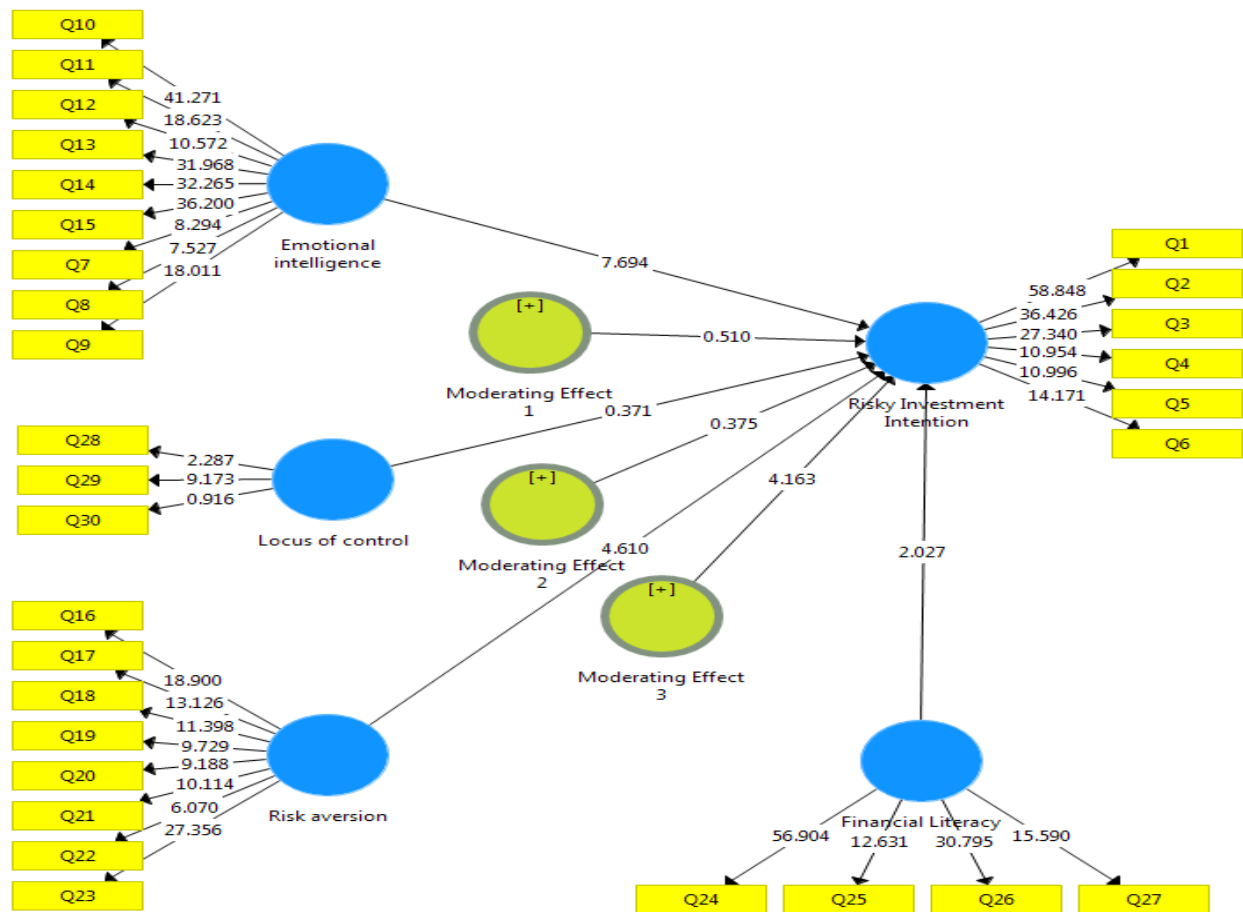
H3: There is significant effect of RA on RII.

The Investigation of risk aversion's different factors examined that total 18.90 percent in the same stock; investors invest when they face losses etc. 20 percent. Similarly it also investigated that 13.12 percent in stock, financiers prefer lower returns investment or no ups or downs in value, almost 11.39 percent investors invest in a stock consists on a discussion with a coworker, family members, or friend, 9.72 percent financiers select lower financial risks, investors which were recorded 9.188 percent like to save money in bank than invest in PSX, the share market is irresponsible to take financial risks 10.11 percent investors hoped, 6.07 percent investors are greater usually worried about the possible losses and lastly investors which were recorded 27.35 percent believed comfortable investing in shares. In the share analysis, furthermore, identified that

total 4.610 percent of RA influence the RII of decision making. Path Coefficients table shows that T values and P values of structural model analysis and researchers suggested values are P-value must be less than 0.05 and T-value must be greater than 2 (Hair, et al., 2018) and given mention table shown that for RA with RIIT-value is 4.610 and it is greater than 2 and P-value is less than 0.05, it means RA has significant impact on Risky Investment intention. Moreover, Analysis in the study showed on the basis of SEM that as a moderating effect of RA by FL enumerated 4.163 T value is greater than 2 so, moderator has significant impact between RA on risky investment intention.

H4: There is significant effect of FL on RII

Analysis of financial literacy's different factors identified that total 56.90 percent investors in the share market, having good financial literacy. Similarly in the share markets, according to statistics total 12.63 percent investors calculate financial ratios before financing, to eliminate risky shares total 30.79 percent financiers select financial planning and finally 15.59 percent investors in their investment take financial risk. In the stock market moreover, T-value is greater than 2.02 so FL influence on risky investment intention. Furthermore, Model picture is given below and shows all values of path coefficient with moderating effects.



5. Conclusion

Researchers conclude that this research on Persuading Factors on the Risk-taking Behavior of Investors Decision Making has three independent variables such as EI, LOC, and RA, one moderator FL and dependent variable is RII. Researchers discuss each variable effect separately. Based on analysis and testing different techniques this study data has no issue of validity and reliability. Moreover, Model fit summary supported this study for further processing so, researchers did the same check R^2 value also supports' this study.

Moreover, there is significant positive impact of EI on RII as respondents said that they assess self-boldness, control their emotions and motivate their self for risky investing, whereas there no significant impact of LOC on RII because respondents replay that they are not investing on other investors influence. In addition to these respondents said that chance of higher returns is based on luck, time and information about investment/stock. Moreover, these respondents said that financial knowledge supports us during investments.

Additionally, there is significant positive impact of RA on RII as respondents believed that they assess less self-confidence, lack of risk-taking intentions and preference less risky on dependent

variable. Furthermore, there is no impact of moderating variable FL on the relationship of an emotional intelligence, LOC with risky investment intention. Whereas, FL has significant positive impact between RA and RII of Investors of PSX.

Researchers used EI LOC and RA as independent variables, one moderator FL and dependent variable is RII so, future researcher may include some new factors such overconfidence, Anchoring behavior, herd mentality, regret aversion behavior etc. to evaluate the behavior of divers' investors in financial markets such as capital, bonds, Forex and commodities market.

Research contributions.

1st Author contrite to develop of research idea and write literature review and methodology.

2nd Author prepares introduction of research, problem statement, research data analysis.

3rd Author prepares and review the all-research paper, methodology, conclusion and future research area part of research.

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