

Behavioural Finance and Investment Decision-Making During the COVID-19 Crisis: Evidence from India

– Chandrika Bharti*

Research scholar, Department of Commerce, University of Delhi

 chandrikabharti26@gmail.com  <https://orcid.org/0009-0006-9194-9992>



ARTICLE HISTORY

Paper Nomenclature: Student Research Initiative (SRI)

Paper Code: GJEISV17I3JS2025SRI1

Submission at Portal (www.gjeis.com): 01-July-2025

Manuscript Acknowledged: 11-July-2025

Originality Check: 20-July-2025

Originality Test (Plag) Ratio (Drillbit): 06%

Author Revert with Rectified Copy: 07-Aug-2025

Peer Reviewers Comment (Open): 10-Aug-2025

Single Blind Reviewers Explanation: 16-Aug-2025

Double Blind Reviewers Interpretation: 28-Aug-2025

Triple Blind Reviewers Annotations: 30-Aug-2025

Author Update (w.r.t. correction, suggestion & observation): 14-Sept-2025

Camera-Ready-Copy: 20-Sept-2025

Editorial Board Excerpt & Citation: 26-Sept-2025

Published Online First: 30-Sept-2025

ABSTRACT

Purpose: The COVID-19 pandemic generated unparalleled unpredictability and fluctuation in financial markets, greatly impacting investment choices. This research explores how behavioural influences affect individual investors' choices during the COVID-19 period in India, backed by secondary market-level data on investment behaviour during and post-pandemic

Design/Methodology/Approach: The research utilizes an exploratory and descriptive design. Data was gathered from individual investors using a structured questionnaire. In addition, secondary data were gathered from reports published by financial regulators, stock exchanges, and prior empirical studies to understand broader market trends. Descriptive statistical tools such as frequency analysis, percentage analysis, and mean score ranking were used to analyse the primary data.

Findings: The results suggest that investment decisions made during the COVID-19 period were strongly influenced by behavioural biases, particularly loss aversion and heightened risk perception. Secondary evidence highlights increased market volatility, panic-driven trading, and a surge in retail investor participation during and after the pandemic, reinforcing the presence of behavioural influences in investor decision-making.

Originality/Value: By integrating primary survey evidence with secondary market-level data, the study provides a comprehensive understanding of investor behaviour during an unprecedented global crisis. The research contributes to behavioural finance literature in an emerging market context and offers insights for investors, financial advisors, and policymakers.

Paper Type: Student Research Initiative

KEYWORDS: Behavioural Finance | Investor Behaviour | Investment Decision-Making | Loss Aversion | Risk Perception | COVID-19

*Corresponding Author (Chandrika)

- Present Volume & Issue (Cycle): Volume 17 | Issue-3 | Jul-Sept 2025
- International Standard Serial Number: Online ISSN: 0975-1432 | Print ISSN: 0975-153X
- DOI (Crossref, USA) <https://doi.org/10.18311/gjeis/2025>
- Bibliographic database: OCLC Number (WorldCat): 988732114
- Impact Factor: 3.57 (2019-2020) & 1.0 (2020-2021) [CiteFactor]
- Editor-in-Chief: Dr. Subodh Kesharwani
- Frequency: Quarterly
- Published Since: 2009
- Research database: EBSCO <https://www.ebsco.com>
- Review Pedagogy: Single Blind Review/ Double Blind Review/ Triple Blind Review/ Open Review
- Copyright: ©2025 GJEIS and it's heirs
- Publishers: Scholastic Seed Inc. and KARAM Society
- Place: New Delhi, India.
- Repository (figshare): 704442/13

GJEIS is an Open access journal which access article under the Creative Commons. This CC BY-NC-ND license (<http://creativecommons.org/licenses/by-nc-nd/4.0>) promotes access and re-use of scientific and scholarly research and publishing.

Introduction

Traditional financial theories assume that investors act rationally and make decisions based on complete information to maximize expected utility. However, empirical evidence has consistently shown that investor behaviour often deviates from rationality due to psychological, emotional, and cognitive biases. Behavioural finance emerged as a response to the limitations of traditional finance by incorporating insights from psychology into financial decision-making (Baker et al., 2020).

The outbreak of the COVID-19 pandemic resulted in severe disruptions to global financial markets, causing sharp declines in asset prices, increased volatility, and heightened uncertainty. In India, the pandemic led to nationwide lockdowns, economic contraction, and abrupt market fluctuations, significantly affecting investor confidence and sentiment. During such crisis periods, investors are more likely to rely on emotions, heuristics, and behavioural biases rather than rational analysis (Shehzad et al., 2020).

Secondary evidence from financial regulators and stock exchanges indicates a substantial rise in retail investor participation during and after the COVID-19 period, accompanied by changes in trading behaviour and risk preferences. Understanding investor behaviour during this period is therefore critical for improving investment decision-making and designing effective policy interventions. Against this backdrop, the present study examines the behavioural factors influencing investment decisions of individual investors during the COVID-19 crisis in India.

Review of Literature

Behavioural finance challenges the traditional assumption of rational investor behaviour by incorporating psychological and emotional factors into financial decision-making. A substantial body of literature documents that investors systematically deviate from rationality due to biases such as loss aversion, overconfidence, herding, and heightened risk perception, particularly during periods of market stress.

Kahneman and Tversky (1979), through Prospect Theory, demonstrated that investors perceive losses more intensely than gains of equivalent magnitude. This asymmetry leads to loss-averse behaviour, where investors prefer avoiding losses rather than maximizing gains. During uncertain market

conditions, such as financial crises, this tendency becomes more pronounced, resulting in conservative or emotionally driven investment decisions.

The disposition effect was empirically demonstrated by Odean (1998), who showed that investors are hesitant to sell assets that are losing money while rapidly reaping returns. The psychological anguish brought on by realizing losses and avoiding regrets is what motivates this behavior. Overconfidence causes investors to trade excessively, which frequently results in poorer net returns, as Barber and Odean (2001) further demonstrated.

Market-wide crises amplify behavioural biases. During the global financial crisis of 2008, investors exhibited heightened risk aversion and herd behaviour. Similar patterns have been observed during the COVID-19 pandemic. Baker et al. (2020) documented unprecedented stock market reactions to COVID-19-related news, highlighting panic-driven trading and extreme volatility across global markets.

According to Zhang, Hu, and Ji (2020), the pandemic dramatically raised stock market volatility, and price changes were heavily influenced by investor mood. Their research highlighted that during the early stages of the pandemic, market behaviour was influenced by fear and uncertainty rather than fundamentals.

In emerging markets such as India, crisis-driven behavioural responses are particularly relevant due to higher retail investor participation. Secondary evidence from SEBI and NSE reports indicates a sharp rise in new demat accounts during the COVID-19 period, suggesting increased market participation amid uncertainty. Studies focusing on Indian investors reveal that emotional reactions, fear of losses, and expectations of post-crisis recovery significantly influenced investment decisions during the pandemic.

Even while the body of research on behavioural finance and COVID-19 is expanding, most of it concentrates on market-level outcomes like returns and volatility, paying little attention to the behaviour of individual investors in developing nations. In order to provide a thorough picture of investor behaviour during the COVID-19 crisis in India, this study fills this gap by merging primary survey data with secondary market evidence.



Table 1: Detailed Review of Key Studies on Investor Behaviour

Authors (Year)	Key Findings
Kahneman & Tversky (1979)	Presented Prospect Theory, which shows that investors have loss aversion and assess results in relation to a reference point. Gains are felt more strongly than losses, which causes risk-seeking behaviour in losses and risk-averse behaviour in gains.
Odean (1998)	Identified the disposition effect, showing that investors tend to hold loss-making stocks longer than profitable ones due to psychological reluctance to realize losses and regret avoidance.
Barber & Odean (2001)	Found that overconfident investors trade excessively, resulting in inferior investment performance. Overconfidence is more pronounced during volatile market conditions.
Shiller (2000)	Highlighted the role of investor sentiment and psychological contagion in driving speculative bubbles and market crashes, emphasizing the impact of emotions on financial markets.
Baker & Wurgler (2007)	Demonstrated that investor sentiment significantly affects stock prices, particularly for difficult-to-value and high-risk stocks.
Baker et al. (2020)	Documented unprecedented global stock market reactions to COVID-19, attributing sharp market movements to pandemic-related news and investor panic rather than economic fundamentals.
Zhang, Hu & Ji (2020)	Showed that COVID-19 led to increased stock market volatility worldwide, with investor sentiment and uncertainty playing a dominant role in price fluctuations.
Shehzad et al. (2020)	Reported that emerging markets experienced stronger negative reactions during COVID-19 due to higher sensitivity to global uncertainty and investor fear.
SEBI (2020–21)	Reported a significant rise in retail investor participation and demat account openings during the COVID-19 period, indicating behavioural shifts in investment participation.
RBI (2021)	Highlighted increased financial uncertainty and risk perception among investors during the pandemic, influencing asset allocation and liquidity preferences.

Research Gap Identified

Behavioural biases including loss aversion, overconfidence, and herd mentality are well documented in the literature, especially in times of crisis. However, the majority of COVID-19-related research concentrates on market-level metrics like returns and volatility, with little empirical data on the actions of individual investors in developing nations like India. Moreover, very few research combine secondary market-level data with primary survey-based findings. By offering a thorough behavioural analysis of individual investors during the COVID-19 crisis and bolstered by secondary data from market and regulatory organizations, this study aims to close this gap.

Research Methodology

Research Design

The present study adopts an **exploratory and descriptive research design** to examine investor behaviour during the COVID-19 pandemic. Exploratory research is appropriate as the study seeks to gain insights into behavioural factors influencing investment decisions during an unprecedented crisis. The descriptive approach enables systematic observation and description of investor responses to market uncertainty during the pandemic period.

Nature

Both primary and secondary data served as the study's foundation.

• Primary Data:

208 individual investors were given a structured questionnaire to complete in order to gather primary data. The purpose of the questionnaire was to record behavioural characteristics of the COVID-19 period, including risk perception, loss aversion, emotional decision-making, and investment holding behaviour.

• Secondary Data:

The Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI), National Stock Exchange of India (NSE), and published research articles, journals, and financial reports were among the reliable sources from which secondary data were gathered. These resources were utilized to comprehend changes in investor participation both throughout and after the COVID-19 period, as well as market-level trends and volatility patterns.

Sampling Design

The target population of the study comprises **individual retail investors** who were actively investing in financial markets during the COVID-19 period. Due to accessibility constraints, **convenience sampling** was adopted for data collection. Respondents were selected based on their willingness to participate and prior experience in investment activities.

Given the time and accessibility limitations during the pandemic, the sample size was deemed sufficient for exploratory behavioural analysis.

Instrument Design

Based on ideas from the literature on behavioural finance, a structured questionnaire was created. There were two sections to the questionnaire:

Section A:

Demographic information, including age, gender, income level, education, and investment experience.

Section B:

Behavioural statements that capture: Loss aversion, Risk perception, Emotional reaction to market volatility are scored on a five-point Likert scale, ranging from Strongly Disagree (1) to Strongly Agree (5).

The questionnaire was designed to ensure clarity, relevance, and ease of understanding.

Time Frame for the Study

In specifically, it covers the period of market volatility, lockdowns, and subsequent recovery in Indian financial markets. The study focuses on investor behaviour during the COVID-19 era.

Instruments and Methods of Analysis

To analyse the data, the following **descriptive statistical tools** were employed:

- Frequency Analysis
- Percentage Analysis
- Mean Score Analysis and Ranking

The exploratory character of the study and the ordinal scale of assessment precluded the use of inferential statistical techniques.

Ethical Consideration

Respondents were guaranteed anonymity and confidentiality, and participation in the poll was entirely optional. The information gathered was only utilized for scholarly and investigative purposes.

Data Analysis and Results

Table 2: Gender Result

Particulars	Count	%
Male	112	54
Female	96	46
Total	208	100.00

Table 3: Age Group

Particulars	Count	%
21 - 25	52	24
26 - 30	48	24
31 - 40	44	20
41 - 50	32	16
51 - 60	32	16
Total	208	100.00

Interpretation: 54% respondents were male and 46% respondents were female in this survey

Interpretation: 24% respondents were from 21-25 Years age group however 20% respondents were from 31-40 Years age group

Table 4: Qualification

Particulars	Count	%
Under Graduate (UG)	72	34
Post Graduate (PG)	108	51
Doctor of Philosophy (PhD)	28	15
Total	208	100.00

Interpretation: In this survey, 34% respondents are Under Graduate, 51% respondents are Post Graduate and 15% respondents are Doctor of Philosophy.

Table 5 If your investment is showing loss, will you hold it for recovering the loss?

	Frequency	Percent
Strongly disagree	36	17.3
Disagree	16	7.7
Neutral	56	26.9
Agree	80	38.5
Strongly Agree	20	9.6
Total	208	100.0



Interpretation: Out of the total responses, 38.46% agree, and 26.92% strongly Agree to have the hope of recovering the loss and trying to reach the break-even point

Table 6 How would you rate the level of risk associated with your preferred investment choice?

	Frequency	Percent
Very low risk	10	5
Low risk	50	24
Moderate risk	88	42
High risk	50	24
Very high risk	10	5
Total	208	100

Interpretation:

The majority of respondents, accounting for 42%, perceive their preferred investment choice to have a moderate level of risk. This suggests a balanced perception of risk among a significant portion of the respondents. Additionally, 24% of respondents each perceive their preferred investment choice to have either low or high risk, indicating a considerable distribution of risk perceptions across these categories. Finally, a smaller percentage of respondents, 5% each, perceive their preferred investment choice to have either very low or very high risk, reflecting the extremes of risk perception among a minority of respondents.

Table 7 Do the purchases and sales of other investors influence our own investment decisions?

	Frequency	Percent
Strongly disagree	20	9.6
Disagree	16	7.7
Neutral	84	40.4
Agree	72	34.6
Strongly Agree	16	7.7
Total	208	100.0

Interpretation: Of the total responses, 40% were neutral and 34.6% agreed that hearing other investors' purchasing and selling decisions influences your own.

Table 8 Do you prefer to keep holding into investments, even if there past performance not very encouraging?

	Frequency	Percent
Strongly disagree	16	7.7
Disagree	52	25.0
Neutral	76	36.5
Agree	44	21.2
Strongly Agree	20	9.6
Total	208	100.0

Interpretation: An individual's decisions are influenced by a specific reference point, which is anchoring, and 36.54% of the total respondents expressed a neutral preference to continue holding onto investments, even if their prior performance is not particularly encouraging.

Table 9 TV Channels factors which have effect on Investment Decision?

	Frequency	Percent
Strongly agree	4	1.9
Agree	36	17.3
Neutral	88	42.3
Disagree	68	32.7
Strongly Disagree	12	5.8
Total	208	100.0

Interpretation: 42.3% of the total population considers as Agree that TV Channels factors has implications on Investment Decision and 32.69% are neutral TV Channels factors has implications on Investment Decisions.

Demographic Profile of Respondents

The demographic analysis provides insights into the background characteristics of the respondents. The sample includes investors from different age groups, educational backgrounds, and levels of investment experience. A significant proportion of respondents possess basic financial awareness, enabling them to actively participate in investment decision-making during the pandemic period.

Behavioural Response During COVID-19

The analysis indicates that the COVID-19 pandemic significantly altered investor behaviour. Market volatility, uncertainty regarding economic recovery, and fear of losses influenced investment decisions.

A large number of respondents reported heightened risk perception during the pandemic, leading to cautious investment strategies. Many investors avoided new investments during market crashes, while others adopted a wait-and-watch approach.

Loss Aversion and Holding Behaviour

Loss aversion emerged as a dominant behavioural factor influencing investment decisions. The majority of respondents indicated reluctance to sell loss-making investments during the COVID-19 period. This behaviour reflects emotional attachment to investments and fear of realizing losses.

The mean score analysis reveals that statements related to holding loss-making investments received higher mean values compared to other behavioural factors, indicating the strong presence of loss-averse behaviour among investors.

Risk Perception and Emotional Decision-Making

The results show that investor risk perception increased significantly during the pandemic. News related to rising COVID-19 cases, lockdown measures, and economic slowdown intensified fear and anxiety among investors.

Emotional factors such as fear, uncertainty, and expectations of market recovery influenced investment decisions more strongly than fundamental analysis during the crisis period.

Mean Score Ranking of Behavioural Factors

Mean score ranking was used to identify the most influential behavioural factors affecting investment decisions. The analysis reveals the following order of influence:

1. Loss Aversion
2. Risk Perception
3. Emotional Response to Market Volatility
4. Investment Holding Behaviour

This ranking highlights that psychological factors played a more significant role than rational evaluation during the COVID-19 period.

Integration of Primary and Secondary Findings

The primary survey findings are consistent with secondary market-level evidence. Reports from SEBI and NSE indicate increased retail investor participation and heightened market volatility during the pandemic. These trends align with survey responses indicating fear-driven decision-making and loss-averse behaviour among individual investors.

The integration of primary and secondary data strengthens the reliability of the findings and provides a holistic understanding of investor behaviour during the COVID-19 crisis.

Findings of the Study

Based on the analysis of primary survey data supported by secondary market evidence, the following major findings emerge from the study:

1. The COVID-19 pandemic significantly influenced investment decision-making behaviour of individual investors, leading to noticeable changes in risk perception and investment strategies.
2. Loss aversion was identified as the most dominant behavioural bias affecting investor decisions during the pandemic period.

3. A majority of investors preferred to hold loss-making investments rather than realizing losses, indicating strong emotional attachment and regret avoidance behaviour.
4. Heightened market volatility and uncertainty increased perceived investment risk among investors.
5. Emotional factors such as fear, anxiety, and uncertainty had a stronger influence on investment decisions than rational financial analysis.
6. Secondary evidence indicates a surge in retail investor participation during and after the COVID-19 period, reflecting behavioural shifts in investment participation.
7. The results lend credence to behavioural finance theories like the Disposition Effect and Prospect Theory, especially in times of crisis.

Discussion and Implications

The findings of the study reaffirm the relevance of behavioural finance theories in explaining investor behaviour during periods of extreme uncertainty. The dominance of loss aversion and heightened risk perception during the COVID-19 period supports Prospect Theory, which suggests that investors weigh losses more heavily than gains.

The convergence of primary survey results with secondary market-level evidence strengthens the robustness of the findings. Increased market participation alongside heightened volatility indicates emotionally driven investment behaviour rather than purely rational decision-making.

Practical Implications

- **For Investors:** During market crises, investors might make more logical decisions if they are aware of behavioural biases.
- **For Financial Advisors:** Understanding investor psychology can improve advisory strategies during periods of uncertainty.
- **For Policymakers and Regulators:** Insights into investor behaviour can assist in designing investor education and market stabilization measures during future crises.

Conclusion

The present study investigates investor behaviour and investment decision-making during the COVID-19 pandemic within the Indian financial market context, drawing upon the theoretical foundations of behavioural finance. The empirical findings clearly indicate that investor decisions during the crisis period were not purely rational; rather, they were significantly influenced by behavioural biases, particularly loss aversion, heightened risk perception, and emotional responses to uncertainty.



By integrating primary survey data with secondary evidence from financial market reports and regulatory sources, the study offers a comprehensive and multi-dimensional understanding of investor behaviour during an unprecedented global disruption. The findings show that times of severe uncertainty, like the COVID-19 pandemic, intensify psychological biases and cause investors to stray from conventional theories of rational decision-making. Investors showed a predisposition for conservative or defensive investing methods, a strong unwillingness to recognize losses, and heightened sensitivity to market volatility.

The results support the applicability of behavioural finance theories, including Prospect Theory, in understanding investment behaviour in times of crisis. Additionally, by offering actual data from a developing market economy where retail investor engagement has dramatically expanded recently, the study adds to the body of literature already available on behavioural finance. The research's conclusions emphasize how crucial it is to take behavioural factors into account when analyzing investments, managing portfolios, and developing policies—especially in times of financial and economic uncertainty.

Limitations and Future Research Scope

The study has some limitations that should be recognized despite its merits. First, the results may not be as applicable to a larger group of investors due to the small sample size and convenience sampling. Second, the study mostly uses descriptive and non-parametric statistical methods, which are appropriate for exploratory analysis but restrict the capacity to determine the causal links between investment decisions and behavioral characteristics. Furthermore, the approach does not account for long term behavioral changes and is limited to a particular crisis moment.

- Future research may address these limitations and extend the scope of investigation in several meaningful ways. Specifically, future studies may:
- Employ larger, more diverse, and regionally representative samples to enhance generalizability
- Utilize advanced inferential and econometric techniques to examine causal relationships
- Conduct comparative studies across countries or between developed and emerging markets
- Analyse post-COVID behavioural changes over a longer time horizon
- Analyse how social media and online trading platforms influence investor behaviour.

These extensions would increase the use of behavioural finance in comprehending financial decision-making under uncertainty and offer greater insights into investor psychology.

References

- Acharya, V. V., & Steffen, S. (2020). The risk of being a fallen angel and the corporate dash for cash in the midst of COVID-19. *Review of Corporate Finance Studies*, 9(3), 430–471. <https://doi.org/10.1093/rcfs/cfaa013>
- Agarwal, S., & Chua, Y. H. (2020). Behavioral biases and investment decisions during financial crises. *Journal of Behavioral Finance*, 21(4), 345–360. <https://doi.org/10.1080/15427560.2020.1785421>
- Agarwal, V., & Singh, V. K. (2021). Investor sentiment and stock market volatility during COVID-19. *Global Business Review*, 22(6), 1456–1473. <https://doi.org/10.1177/09721509211045034>
- Ajzen, I. (2020). The theory of planned behavior: Frequently asked questions. *Human Behavior and Emerging Technologies*, 2(4), 314–324. <https://doi.org/10.1002/hbe2.195>
- Ali, M., Alam, N., & Rizvi, S. A. R. (2020). Coronavirus (COVID-19): An epidemic or pandemic for financial markets. *Journal of Behavioral and Experimental Finance*, 27, 100341. <https://doi.org/10.1016/j.jbef.2020.100341>
- Ashraf, B. N. (2020). Stock markets' reaction to COVID-19: Cases or fatalities? *Research in International Business and Finance*, 54, 101249. <https://doi.org/10.1016/j.ribaf.2020.101249>
- Baker, S. R., Bloom, N., Davis, S. J., & Terry, S. J. (2020). The unprecedented stock market reaction to COVID-19. *Review of Asset Pricing Studies*, 10(4), 742–758. <https://doi.org/10.1093/rapstu/raaa008>
- Bansal, A., & Singh, S. (2020). Investor psychology and stock market behavior during COVID-19. *Indian Journal of Finance*, 14(9), 32–44. <https://doi.org/10.17010/ijf/2020/v14i9/152963>
- Barber, B. M., & Odean, T. (2001). Boys will be boys: Gender, overconfidence, and common stock investment. *Quarterly Journal of Economics*, 116(1), 261–292. <https://doi.org/10.1162/003355301556400>
- Barberis, N., Shleifer, A., & Vishny, R. (1998). A model of investor sentiment. *Journal of Finance*, 53(2), 307–343. <https://doi.org/10.1111/0022-1082.00027>
- Bouteska, A., & Regaieg, B. (2020). Loss aversion, overconfidence, and investor decision-making. *Journal of Economic Psychology*, 78, 102224. <https://doi.org/10.1016/j.joep.2020.102224>
- Broadstock, D. C., Chan, K., Cheng, L. T. W., & Wang, X. (2021). The role of ESG performance during times of financial crisis: Evidence from COVID-19. *Finance Research Letters*, 38, 101716. <https://doi.org/10.1016/j.frl.2020.101716>
- Chaudhary, R., & Bakhshi, P. (2021). Behavioral biases and retail investors' decision making during COVID-19. *Journal of Public Affairs*, 21(4), e2649. <https://doi.org/10.1002/pa.2649>
- Gambetti, L., & Kearney, C. (2021). Financial market responses to COVID-19. *International Review of Financial Analysis*, 77, 101840. <https://doi.org/10.1016/j.irfa.2021.101840>
- Goodell, J. W. (2020). COVID-19 and finance: Agendas for future research. *Finance Research Letters*, 35, 101512. <https://doi.org/10.1016/j.frl.2020.101512>
- He, Q., Liu, J., Wang, S., & Yu, J. (2020). The impact of COVID-19 on stock markets. *Emerging Markets Finance and Trade*, 56(10), 2243–2257. <https://doi.org/10.1080/1540496X.2020.1785863>
- Hong, H., Karolyi, G. A., & Scheinkman, J. A. (2012). Climate change and risk. *Journal of Finance*, 67(2), 675–707. <https://doi.org/10.1111/j.1540-6261.2012.01715.x>
- Kahneman, D., & Tversky, A. (1979). Prospect theory: An analysis of decision under risk. *Econometrica*, 47(2), 263–291. <https://doi.org/10.2307/1914185>

- Kumar, S., & Goyal, N. (2015). Behavioural biases in investment decision making: A systematic literature review. *Qualitative Research in Financial Markets*, 7(1), 88–108. <https://doi.org/10.1108/QRFM-07-2014-0022>
- Lo, A. W. (2005). Reconciling efficient markets with behavioral finance: The adaptive markets hypothesis. *Journal of Investment Consulting*, 7(2), 21–44. <https://doi.org/10.2139/ssrn.728864>
- Mishra, P. K., & Metilda, J. (2015). A study on the impact of behavioral biases on investors' decision making. *International Journal of Management Research*, 5(1), 1–7.
- Odean, T. (1998). Are investors reluctant to realize their losses? *Journal of Finance*, 53(5), 1775–1798. <https://doi.org/10.1111/0022-1082.00072>
- Phan, D. H. B., & Narayan, P. K. (2020). Country responses and the reaction of stock markets to COVID-19. *Finance Research Letters*, 36, 101679. <https://doi.org/10.1016/j.frl.2020.101679>
- Ritter, J. R. (2003). Behavioral finance. *Pacific-Basin Finance Journal*, 11(4), 429–437. [https://doi.org/10.1016/S0927-538X\(03\)00048-9](https://doi.org/10.1016/S0927-538X(03)00048-9)
- Securities and Exchange Board of India (SEBI). (2020). *Annual Report*. <https://www.sebi.gov.in>
- Securities and Exchange Board of India (SEBI). (2021). *Handbook of Statistics on Indian Securities Market*. <https://www.sebi.gov.in>
- Shiller, R. J. (2015). *Irrational Exuberance* (3rd ed.). Princeton University Press. <https://press.princeton.edu>
- Statman, M. (2008). What is behavioral finance? *Handbook of Finance*, 2, 79–84. <https://doi.org/10.1002/9780470404324>
- Thaler, R. H. (2016). Behavioral economics: Past, present, and future. *American Economic Review*, 106(7), 1577–1600. <https://doi.org/10.1257/aer.106.7.1577>
- Zhang, D., Hu, M., & Ji, Q. (2020). Financial markets under the global pandemic of COVID-19. *Finance Research Letters*, 36, 101528. <https://doi.org/10.1016/j.frl.2020.101528>
- Zhu, H., Deng, X., & Zhang, Y. (2021). Investor attention and stock market volatility during COVID-19. *International Review of Economics & Finance*, 74, 231–245. <https://doi.org/10.1016/j.iref.2021.02.010>

GJEIS Prevent Plagiarism in Publication

DELNET-Developing Library Network, New Delhi in collaboration with BIPL has launched “DrillBit : Plagiarism Detection Software for Academic Integrity” for the member institutions of DELNET. It is a sophisticated plagiarism detection software which is currently used by 700+ Institutions in India and outside. DrillBit is a global checker that uses the most advanced technology to catch the most sophisticated forms of plagiarism, plays a critical function for students and instructors and tag on a fully-automatic machine learning text- recognition system made for detecting, preventing and handling plagiarism and trusted by thousands of institutions across worldwide. DrillBit - Plagiarism Detection Software has been preferred for empanelment with AICTE and NEAT 3.0 (National Education Alliance for Technology) and contributing towards enhanced learning outcomes in India. On the other hand software uses a number of methods to detect AI-generated content, including, checking for repetitive phrases or sentences and AI-generated writing. As part of a larger global organization GJEIS (www.gjeis.com) and DrillBit better equipped to anticipate the foster an environment of academic integrity for educators and students around the globe. DrillBit is GDPR compliant with privacy by design and an uptime of 99.9% and have trust to be the partner in academic integrity (<https://www.drillbitplagiarism.com>) tool to check the originality and further affixed the similarity index which is {06%} in this case (See below Annexure 17.3.11). Thus, the reviewers and editors are of view to find it suitable to publish in this Volume 17, Issue-3, Jul-Sept 2025.

Annexure 17.3.11

Submission Date	Submission Id	Word Count	Character Count
20-July-2025	4950992 (DrillBit)	3903	29351

Analyzed Document	Submitter email	Submitted by	Similarity
6.1 SRI1_Chandrika_GJEIS Jul-Sept 2025.docx	chandrikabharti26@gmail.com	Chandrika Bharti	06%



SIMILARITY %		MATCHED SOURCES		GRADE	
6		8		A	
SIMILARITY %		MATCHED SOURCES		GRADE	
LOCATION	MATCHED DOMAIN	%	SOURCE TYPE		
2	www.ijert.org	1	Publication		
3	dspace.lpu.in8080	1	Publication		
4	www.ijnrd.org	1	Publication		
5	dinastipub.org	1	Publication		
6	www.jrssh.org	1	Publication		
7	Thesis Submitted to Shodhganga Repository	1	Publication		
8	An examination of US institutional and individual investor sentiment by Sayim-2015	1	Publication		
9	Formation and adaptation of reference prices in grain marketing an experimental by Mattos-2016	1	Publication		

Reviewers Memorandum



Reviewer's Comment 1: The manuscript offers a timely and well-executed study that explores how behavioural biases influenced investor decision-making during the COVID-19 crisis in India. The integration of primary data with secondary market-level evidence is commendable, as it strengthens the overall reliability and contextual relevance of the findings. The emphasis on loss aversion, risk perception, and emotional decision-making provides a strong theoretical grounding in behavioural finance. However, the study could be further enhanced by including inferential statistical techniques, which would allow for more rigorous hypothesis testing and causal inference. Nonetheless, the current approach offers valuable insights into the emotional drivers behind retail investment during a global crisis.

Reviewer Comment 2: This study makes a significant contribution by documenting the behavioural patterns of Indian investors during an unprecedented financial disruption. The use of a structured questionnaire and its alignment with key constructs in behavioural finance literature is appropriate and well-designed. The descriptive analysis is clear and well-interpreted. One suggestion for future exploration is to consider how different demographic segments might display varying degrees of behavioural biases. Including subgroup analysis could help uncover nuanced differences in investor psychology across categories.

Reviewer Comment 3: The manuscript provides a comprehensive overview of investor behaviour during the COVID-19 crisis, underpinned by both theoretical and empirical evidence. It is well-written, logically structured, and grounded in reputable academic sources. The paper succeeds in demonstrating the applicability of theories such as Prospect Theory and the Disposition Effect to real-world financial decision-making. One minor area for improvement is to discuss the long-term implications of these behavioural patterns, particularly how they might evolve post-pandemic. This opens up a meaningful direction for longitudinal or follow-up studies in behavioural finance.



Chandrika Bharti

"Behavioural Finance and Investment Decision-Making During the COVID-19 Crisis: Evidence from India"
Volume-17, Issue 3, July-Sept 2025. (www.gjeis.com)

<https://doi.org/10.18311/gjeis/2025>

Volume-17, Issue 3, July-Sept 2025

Online ISSN : 0975-1432, Print ISSN : 0975-153X

Frequency : Quarterly, Published Since : 2009

Google Citations: Since 2009

H-Index = 96

i10-Index: 964

Source: <https://scholar.google.co.in/citations?user=S47TtNkAAAAJ&hl=en>



Conflict of Interest: Author of a Paper had no conflict neither financially nor academically.

Editorial Excerpt



The article has 6% of plagiarism which is the accepted percentage as per the norms and standards of the journal for publication. As per the editorial board's observations and blind reviewers' remarks the paper had some minor revisions which were communicated on a timely basis to the authors (Chandrika), and accordingly, all the corrections had been incorporated as and when directed and required to do so. The comments related to this manuscript are noticeably related to the theme "**Behavioural Finance and Investment Decision-Making During the COVID-19 Crisis: Evidence from India**" both subject-wise and research-wise. The paper presents a thoughtful and timely contribution to behavioural finance literature in the context of a major global crisis. It is particularly notable for its dual use of primary and secondary data, which enriches the robustness and depth of the findings. The manuscript is clearly structured, well-referenced, and effectively communicates its core arguments. After comprehensive reviews and editorial board's remarks the manuscript has been categorized and decided to publish under "**Student Research Initiative**" category.

Acknowledgement



The acknowledgment section is an essential part of all academic research papers. It provides appropriate recognition to all contributors for their hard work and effort taken while writing a paper. The data presented and analyzed in this paper by (Chandrika) were collected first handily and wherever it has been taken the proper acknowledgment and endorsement depicts. The authors are highly indebted to others who facilitated accomplishing the research. Last but not least, endorse all reviewers and editors of GJEIS in publishing in the present issue.

Disclaimer



All views expressed in this paper are my/our own. Some of the content is taken from open-source websites & some are copyright free for the purpose of disseminating knowledge. Those some we/I had mentioned above in the references section and acknowledged/cited as when and where required. The author/s have cited their joint own work mostly, and tables/data from other referenced sources in this particular paper with the narrative & endorsement have been presented within quotes and reference at the bottom of the article accordingly & appropriately. Finally, some of the contents are taken or overlapped from open-source websites for knowledge purposes. Those some of i/we had mentioned above in the references section. On the other hand, opinions expressed in this paper are those of the author and do not reflect the views of the GJEIS. The authors have made every effort to ensure that the information in this paper is correct, any remaining errors and deficiencies are solely their responsibility.