Chapter-II

Review of Literature

Introduction

A literature review is an evaluative process goes beyond the search for information and includes the identification and articulation of relationships between the literature and field of research. It provides a context for the research, justifies the research and also ensures that the research has not been done before or that it is not just a "replication study". Following the review of literature and context, the research problem was identified and selected and was also undertaken in the following sections under the relevant and considerable points.

II.1.a.Review on Personal Factors in Gold Investment

Personal factors like age, marital status, gender, lifestyle, biasness, education, occupation are important determining factors in the investment. In the same line, Palanivelu and Chandrakumar (2013) opined that certain factors like education level, awareness about the current financial system, age of investors etc made significant impact while deciding the investment avenues. Verma (2008) concluded that investment choice depended on and was affected by the demographic variables, i.e., gender, age, income, education, occupation as well as by the personality types such as conservative , medium moderate and aggressive. Achar (2012) found that the ultimate analysis of individual characteristics of teachers such as age, gender, marital status, and lifestyle determined the savings and investment behaviour of teaching community in the study region. In a more or less similar manner, their family characteristics such as monthly family income, stage of family life cycle, and upbringing status emerged as determinants of their savings and investment behaviour. Chandra (2009) , revealed that individual investors took trading decisions based on their self perceived competence that was influenced by several factors. The study examined the factors that determine the competence level of individual investors and found that age, education, and income were the most influencing factors of the individual investors' competence in the stock market activities and trading behaviour.

Yoo (1994) stated that the diminishing of risky assets over an individual‘s lifetime was not uniform and individuals appeared to increase their investment in risky assets throughout their working lifetime and decrease their risk exposure once they retire. He also used regressions and found that age was a significant factor in determining the portfolio composition.

Jain, D. and Mandat, N. (2012) stated that the markets had been moving from statism to more of dynamism and were continuously changing the exposure to risk. As the level of risk had been increasing, more and more money was at stake among different demographic profiles. This paper explored relationship between level of risk and demographic factors of investors‘ confined to Rajasthan state. Depending upon risk appetite, there was an increase in number of investment avenues available for investors like bank deposits, government / private bonds, shares and stocks, exchange traded funds (ETF), mutual funds, insurance, derivatives, gold, silver, currencies, real estate, etc. Most of the investors‘ primary objective of investment was to earn regular income and expected rate of return differs from individual to individual based on their level of market knowledge and risk taking ability. This paper further revealed that there was a negative correlation between marital status, gender, age, educational qualification and occupation of the investors‘ and also a positive correlation between cities, income level and knowledge of the investors‘. This had been identified on the basis of cross analysis by applying correlation analysis.

Kabra, G. , et.al. (2010) studied about the factors that affected investment behaviour of consumers and concluded that the investors‘ age and gender were the main factors to decide the risk taking capacity of the investors. Linciano, N. (2012) mentioned that as income and wealth had a significant effect on risk tolerance and were obviously central to assessing a client's financial capacity, these variables should be measured with a certain precision, increasing the degree of detail and the type of information requested in order to overcome any possible reticence and to mitigate any consequential errors of measurement. Moreover, when considering income, it might be worth obtaining the income of the entire household rather than just the individual‘s. Indeed, several empirical studies showed that the level and distribution of total income among family members also affected spending and investment choices of the individuals. Moreover, this variable was useful in assessing the stability of available income. On this point, the household's significant expenses should be considered (such as rent or mortgage, the number of children) as well as factors that could have an impact on the regularity of income (such as a particularly difficult professional situation).

Sung and Hanna (1996) found single women were less risk tolerant than single men or married couples. At the same time , it was indicated by Bajtelsmit and Bernasek (1996) that women received more conservative investment advices received by men. Lusardi and Mitchell (2007) found that women were generally less financially knowledgeable as compared with men and financial literacy was found to affect both savings and portfolio choice. Gender is a signicant factor that influences the gold buying behaviour and this was proved by the research of Sujatha and Kumaresan (2013) and Kaynak and Kara (2002) who also recommended that lifestyle pattern affect individuals to determine their investment behaviour.

Warren, et.al.(1990) used lifestyle characteristics to differentiate investors by size and the nature of their investment holdings. He found that the failure to use lifestyle characteristics for further augmentation, blurs some real differences between individual investors and their financial service needs. Quisumbing (2011) opined that the factors that affect husband‘s and wives‘ ability to form social and familial networks also affected asset accumulation. Mittal and Vyas (2008) opined that the investors have behavioural biases that lead to systematic errors in the way they processed information for investment decision.

Kumar (2009) revealed that investors often exhibited a preference for positive skewness,i.e, lottery type investment. Gervais and Odean (2011), in the model by them, individual investors learn to be biased by becoming overconfident because of their past idiosyncratic investment success. Dhan and Zhu (2006), Kumar (2009), Agnew (2006), Calvet, et.al. (2009) opined that wealthier, more educated and generally more sophisticated investors often made better financial decisions and exhibited less investment biases.

Age, gender, education, occupation, income, lifestyle, frequency of investment, biasness among the investors were the factors derived from the above review on personal factors affecting gold investment.

II.1.b.Review on Psychological Factors in Gold Investment

In the present days, behavioural finance is becoming an integral part of the decision-making process. Psychological factors help to make a better investment decision and to avoid repeating their mistakes in future by making conscious decisions in extracting the best investment option. Studies made on these factors are reviewed as under.

Tversky and Kahnerman (1979) stated that the investors became more risk aversed when making profits and more risk taking when making a loss. Shiller (1989) stated that attitude changes among the investors‘. Two basic attitudes were explored: bubble expectations and investors confidence. They concluded that the investors‘ confidence had remained very flat. Kaneko, H. (2004) examined on investment trust and debated the behaviour of individual investors .He found that investment trusts were only the means of managing assets. Kiohos and Sariannidis (2010) explored the affects of energy and financial markets on the gold market using GJR-GARCH model {(Ali,G.(2013) (Glosten-Jagannathan and Runkle-GARCH model)} for the period from January 1, 1991 to August 31,2009. The outcome of the study was that the energy market positively influenced the gold market. It was also evident that the equity, currency and bond markets exerted negative impact on the gold market. Kleine and Venzin (2011) found that an increasing number of Germans were buying gold to protect themselves against crises and inflation. Nevertheless, there was little information available about the origins of gold ownership and the motives when making purchases. This study aimed to close this gap in research and knowledge. In addition to the presentation of origin types and the timings of gold possession, this study analysed the motives and attitudes toward gold, toward money and gold stability in detail.

Lewis A Sanders (2004) believed that people, irrespective of their location, have their own bias and reacted differently when investing in financial assets. Dempster (2006) recognised India as the world‘s foremost gold consumer in tonnage terms for many years to come in the World Gold Council Report 2006.

Lawrence (2003) stated that gold had three crucial attributes that apparently set it apart from other commodities: Firstly, certainly gold was homogenous; Secondly, gold was indestructible and fungible ; Thirdly, the inventory of above ground stocks was astronomically large relative to changes in flow demand. Dempster (2006) viewed gold as a secured and easily accessible savings vehicle by the rural community where 70% of the population lived. Gold had three characteristics which lured Indians. First, it had held value for so long. Second, it was portable and a useful hedge against adversity. It was held for distress situation and was easily en- cashable. (Aggarwal and Lucey,2007).Third, equity had not been a fail-safe deliverer of value for most ordinary Indians. For those who sough safety of their capital, gold was the alternative to fixed deposits. Singh and Nadda , 2013 ; Ghosh,et.al., 2014. Pati and Shome (2011) in their research article suggested that household preferred the safe channels of investment rather than switching over to high yielding but risky channels of saving. Sindhu (2013) stated that in India, gold was one of the foundation assets for households in the form of Investments. It was viewed as secure, liquid investments.

On a global level, gold was considered as a safe heaven & this finding was supported by the study conducted by Mulyadi and Anwar (2012). Similarly, Lutter and Soone (2008) substituted to the conclusion of Mulyadi and Anwar with the fact that gold was a long term stable backbone of investment portfolio.

Shobhana and Jayalakhmi (2009) studied the investor‘s preferences, the level of investor awareness and the factor influencing investor awareness. In the study of Jayalakhmi revealed that real estate ,bank deposit and jewellery were the preferred investment.

Bhagwati and Subhash (1991) revealed that the majority of the investors were very active belonging to the middle income group without bothering risk return point wise. Mazumdar (2014) in his study revealed that there was no significant relationship between investor risk preference and individual investment behavior. Indian investors might tend to base their investment decisions on cultural upbringing, or might be influenced by social norms and psychological biases. Role of friends, relatives and financial advisors might be a major influencing factor. There was a significant correlation between knowledge and risk preference. The study also exhibited that respondents who were more knowledgeable tended to be more risk tolerant.

Brockhaus (1982) mentioned that risk preference referred to an individual‘s attitude towards risk taking in a specific context. Weber and Bottom (1990) opined that risk preference represented an individual‘s tendency to be attracted or repelled by alternatives that he or she perceived to be more risky over those perceived as less risky. Dulebohn and Murray (2007) concluded that individuals who preferred less investment risk , selected investments with an overall lower risk level and those who preferred higher investment risk selected investments with an overall higher risk level. Baken and Nandi (1996) mentioned that the derivative market was a risky investment market that has had a substantial impact on the world‘s economy. This market was composed of derivatives-financial agreement between two parties that had a value based on asset. Stock options and electronically traded funds(ETF‘s)were example of derivatives in these marker because their pay off was directly related to the price of the core assets that it represented.

Lardner (1999) revealed that stock options were contracts to buy or sell shares of stocks at a certain fixed price based on the trading price at the time of purchase . Sloan and Perrucci (2003) put that they were particularly attractive because they had the potential to perform incredibly well with a lower risk than buying the stock itself. Houston (2013) said that stock options volatilities attracted a lot of interest from investors and researchers because they could influence how both private investors and industries chose to buy and sell options. Volatility was generally described as a measure that determined the amount of risk in relation to the number of changes in an investment‘s value. Generally, the higher the volatility, the riskier the investment was perceived to be by investors. Investment with lower volatility levels were seen to be more stable. Without a doubt, financial risk was one of the most important factor in determining or selecting investment pattern.

Chance (2004) argued that the origin of financial risk was derieved from uncertainity. Uncertainity could exist within many different markets from interest rates and exchange rates to stock prices. Houston (2013) mentioned that with the recent recession, uncertainty in investment had increased ; people were more cautious about investing in financial markets and weigh heavily financial risks. Clapperton (2010) studied the recent recession‘s effect on investor perception as well as the types of investment in which individuals were choosing to invest. His findings suggested that the precious metals such as gold and Silver had never been a safer choice for investor today. Because there was reasonable interest in investigating in precious metals, it was important to understand what drove their price changes.

Schoenberger (2011) stated that gold‘s ―artificial scarcity‖, the large amount of physical work required to produce gold and such social implications as power and control drove the value of gold to be more than just monetary value. Coulson (2005) further stated that gold had the potential to perform incredibly well simply because the US Dollar had a history of representing weak value in proportion to other currencies. Cross (2005) analyzed various data including the prices of UK gold products in ETF‘S, the amount of US jewellery sales and the percent of total durable goods in the US. She used these data to argue that gold was a very –emotional‖ metal that behaved akin to the stock market. It was estimated by her studies that the gold market was a small isolated market that was very unstable and She did not recommend gold as an investment. She claimed that gold holds emotional characteristics, however, re-asserted Schoenbeger‘s claimed that the value of gold was more than just monetary value.

Borzykowski (2011) took a somewhat neutral position and argued that what people should invest in depended on the type of investor they were (conservative, middle-of-the-road, or aggressive).He made his case by citing other respectable economists such as Michael White. Borzykowski suggested that conservative investors held on to their investment for the long term with their main goal being the preservation of existing capital. For middle of the road, or balanced, investors, it was recommended by Borzykowski that they invested in the financial sector. For aggressive investors, however, Borzykowski argued that they should consider gold bars or gold ETFs. When Smart investors chose to invest in such precious metals as gold and silver, they examined the metal‘s historical volatility levels.

Athma and Suchitra K. (2011) studied mainly the conceptual knowledge of gold exchange traded Funds. The study was undertaken to fill the research gap with the objectives to focus the Gold ETF as a strong asset class; to stress upon the inclusion of Gold ETF in a portfolio for risk diversification; to assist the investor in selection of best Gold ETF option and to analyze the tax implications of gold ETF. Cai, Cheung and Wong (2001) studied the behaviour of gold future markets in America. They found that gold future prices were significantly affected by news about sales of gold reserves by central banks, key economic factors like inflation, unemployment, interest rate and oil prices.

Singh, et. al. (2010) attempted to identify and analyze various motivating factors that induced the investors to invest in gold. Starr and Tran (2007) used panel data on gold imports of 21 countries to examine determinants of physical demand and found that determinants of physical demand differ from those of portfolio demand and that they differed between the developed and developing worlds. Warne (2012) attempted to understand the behaviour of individual investors in stock market especially based on the respondents attitude and perception with respect to the stock market. He found that there were different factors which affected the investment behaviour of individual investors such as awareness level, duration of investment, etc. It is clearly evident from the study of Warne (2012) that the family members influenced most on the investment decision of gold. He also found that in case of equity & mutual funds the major source of information was the agents and newspapers/magazines respectively. However, as per the gold was concerned, agents/newspapers/magazines also played major significant role.

Detailed review of the above mentioned studies clearly depicted that the factors like attitude , behaviour, preference level, perception, family background, expectation and experience were very important while an investor investing his money in different avenues like gold, mutual fund , ETF, Stock Market, etc.

The Review also confirmed that the study related to gold investment by Marwari Businessmen specifically in Guwahati city is not conducted till now.

II.I.c.Review on Financial Factors in Gold Investment

Financial factor played a crucial role in investment decision. Investor had to think about financial factor before making any kind of investment in any avenue, which might be gold, mutual fund, equity, shares and debentures etc. Various studies were conducted on the importance of financial factors in investment decisions. Some of them are discussed below:

Singh and Nadda (2013) stated that investment at any point of time in gold will yield some positive returns, so it was not risky for an investor. It was very tough task for an individual to invest in stocks until and unless he possessed technical knowledge involved with it. Singh (1986) disclosed the basic rules for selecting the company to invest in. She opined that understanding and measuring return and risk was fundamental to the investment process. Francis (1986) revealed the importance of the rate of return in investment and reviewed the possibility of default and bankruptcy risk. He opined that in an uncertain world, investors could not predict exactly what rate of return on investment will yield.Fisher and Jordan (1994) analyzed the relation between risk, investor preferences and investor behavior. Most investors sought more return for additional risk assumed. The conservative investor required large increase in return for assuming small increase in risk. Kumar (2012) stated that gold was considered as an investment with high value, making it a reliable form of wealth. The actions of the people and the market trends drove the prices of gold. For the perspective gold buyer, it was important to understand the factors which influenced the gold prices. This will help the buyer to analyse and invest in gold to direct towards more profit. It had been shown by Oi (1961) that the uncertainty investment relationship was positive when considering output price uncertainty. Fei and Adibe (2010) mentioned that there was a significant relationship between the price movement of gold, real interest rates and the exchange rate, suggesting a close relationship between gold and the value of US dollar and the multiple linear regressions verify these relationships.

Lutter and Soone (2008) mentioned that one of the issues that could postpone or break the investment process (and also gold purchasing) is sudden price movements. People make meaningful investment decisions off when the price is shaking. It the price is increasing suddenly, investors feel as they have missed the right buying time and if it drops suddenly, they wait for the lowest price to buy or lose faith in the investment all together. Overall, sudden price drops are more discouraging than increases for the investors. This was proved by both this research and sales figures. To overcome this problem author suggested gold specialist to communicate with the public - when price decreases, why it does so. He should also explain the background which regular investors might not know and remind why gold is valuable investment in the long run. Montier (2003) suggested that the behavior of traders can be described as a quasi-individual, rational behavior with group restrictions. He further divided traders' behavior into different groups. First, is the herding behavior in which individuals retained their individuality but follow decisions taken by well respected leaders?

Failure to trust one‘s own trading strategy is the main cause of such behavior. This was clearly seen during the dot.com stock bubble in which most traders did not understand the business they were investing in on the full risk and potential of technologies behind those –New Economy Business‖.

Fei and Adibe (2010) commented on gold‘s relationships and expressed his doubt that fear and inflation were not what most people believed. We should not regard gold as a mysterious asset that is immune to fluctuations and behaves uniquely on the market, rather, we should regard it as another currency whose value is a reflections of the value of the US dollar and US monetary policy. Lutter and Soone (2008) showed that gold is already known and valued by the people for its stable nature and long tradition. This is a great advantage during the current uncertain economic times where trust-based investment instruments lose ground. Trust-based investment instruments (like stocks and bonds) are used more for earning profit whereas gold is regarded as long-term stable backbone of the portfolio. All the interview respondents said that they plan to hold gold and buy more if possible.

Ghosh,et.al. (2004) concluded that the gold investment in US dollar is able to hedge against inflation in the short run as well as in the long run. Forrest, et.al. (2005) had mentioned that gold has served as a hedge against fluctuations in the foreign exchange value of the dollar, but it has done so to a degree that seems highly dependent on somewhat unpredictable such as political attitudes and events. Gold served as a hedge because it is a homogenous asset easily traded in a continuously open market. It acquired the attributes of an asset for a variety of reasons.

Worthington and Pahlavani (2006) revealed that gold is the asset that has attracted people for thousands of years and this attraction continues to present day .Unlike ,most commodities, gold is durable, relatively transportable, universally acceptable and easily authenticated. The demand for gold is even increasing not only for jewellery, coins and bars but also for many industries, such as electronics, space as well as medical technology. It is gold which still a form of currency in many countries is after the collapse of the Bretton Wood System in 1971. Ghosh, et.al. (2004) had pointed that people buy gold for two purposes. The first is the –Use Demand‖, where gold is used directly in the production of jewellery, medals, coins, electrical components and so on. The second is –asset demand‖ for gold, where it is used by governments, fund managers and individuals as an investment. The asset demand for gold is traditionally associated with the view that gold provides an effective –hedge‖ against inflation and other uncertainty.

Faff and Chan (1998) reveal that gold prices, interest rate and foreign exchange in gold stock returns using a multi-factor model. They observed that the extra market factors are in a form of un-systematic risk and are varies with movements that act independently from the overall market. Gurunathan and Muniraj (2012) revealed that jewellery investment is an un-stabilizing activity and it also showed that gold jewellery is the prime avenue for investment followed by Silver, Diamond and other Platinum jewellery. Hinz, and et.al. (1997) studied that financial wealth had a significant and positive impact on the average level of risk chosen in a portfolio. As it was an additional measure of financial sophistication, they again confirmed the conclusion that more sophisticated investors entertain a higher average level of portfolio risk. They showed that dummy variable for having no financial wealth had no significant effect, statistically, on risk-taking.

World Gold Council (2012) stated that year 2011 was another impressive year for global gold demand showed growth in investment & both jewellery & technology sector remaining resilient. Worthington and Pahlavani (2006) revealed that the results of the study lend support to the widely held view that direct and indirect gold investment can serve as an effective inflationary hedge. Wright and Levin (2006) stated that the three main findings emerged with respect to the analysis of the long-run determinants of the price of gold. First, there is a long-term relationship between the price of gold and the US price level. Second, the US price level and the price of gold move together in a statistically significant long-run relationship supporting the view that a one percent increase in the general US price level leads to a one percent increase in the price of gold. This evidence substantiates the belief that gold is a long-term hedge against inflation. Third, in the wake of a shock that causes a deviation from this long-term relationship, there is a slow reversion back towards it.

Wright and Levin (2006) found that gold investor tends to have a proportion of gold in their portfolios due to the fact that the price of gold is expected to rise in line with the inflation and act as an inflation hedge.

The literature reviewed above describing the importance of financial factors, i.e., return on investment, price of gold, certainty of return ,safety and liquidity, stable return, hedging against inflation in gold as well as in other avenues of investment. This part of review also clarifies the picture on the study and may be concluded that the study with respect to gold investment by Marwari Businessmen in Guwahati city is not available.

Review on Societal Factors and Investment in Gold

We human being are social creatures. Our each activity is guided by social factors. While taking any decision, these factors stand as an aid to the individual. A brief review is conducted to find the implications of the stated factors influencing selection of Investment Avenue.

Benjamin et .al. (2012) stated that as social identity theory suggested, the process of self-categorization forms an individual‘s identity, which is therefore derived, at least largely, from such membership in a social group as one‘s religious denomination. Stets and Nurke (2000) mentioned that embeddedness has substantial influence on people‘s behaviour, since they internalize the attitudes, beliefs and values as well as the behavioural norms of their group. Barro and McCleary (2003) revealed that consequently, by providing moral and ethical teachings for their adherents to encourage them to behave in a specific way, religions might directly influence individual economic behaviour by its impact on traits and attitudes. The Bible warns against investing in assets which the investor does not exactly know: ‗Desire without knowledge is not good and whoever makes haste with his feet misses his way' (Proverbs 19:2). The Qur'an also tries to limit the riskiness of financial related behaviour by prohibiting gambling not only in the sense of games of chance, but also in the sense of investment in risky assets: ‗O you who believe, intoxicants, gambling and the altars of idols and the games of chance are abominations of the devil; you shall avoid them, that you may succeed' (Qur'an 5:90).

The ancient Indian Scripture ―Bhagavat Gita‖ says that generating wealth through hard work is not a sin. We need to do ―Karmas‖ without attachment to results. Barsky, et. al. (1997) examined how risk tolerance varies by individual demographic characteristics. Among others, he reported that risk tolerance differs significantly by religion. Catholics are less risk averse than Protestants, whereas Jews are the most risk tolerant. Wang, et. al. (2013) opined that the findings of the study showed that the inflation hedge of gold is not absolute. The essential keys of inflation hedge are time and market condition. Investor should choose the time of high momentum period or the time where the gold price responds to inflation faster for dodging (getting away from) inflation. On the contrary, investing in gold during low momentum period does not allow hedging against inflation. Besides, market selection also plays an important role in hedging inflation. Investors should understand if the market is characterised by the rigidity of price adjustments. Especially, it is suggested that it should be better not to invest high rate of gold in one's portfolio just because of gold's inflation hedging ability.

World Gold Council (2010) suggested that if an investor wishes to invest in assets which is largely unrelated to the fluctuations and speculations in the different market conditions, then gold is the best commodity for this purpose. Even the mutual funds which considered for risk mitigation won't be able to give reasonable amount of returns in comparison to gold. Parikh and Vaish (2013) concluded that the Investor's could very well benefit by investing in gold as its performance has remained stable during different market conditions. It could be further concluded that, gold‘s optimal share as part of sound investment in the portfolio rises in a more inflationary case in order to mitigate the risk and ill effects of the returns on the investment into alternative assets. March, J.G, (1996) suggested that problem understanding or knowledge may provide an individual with solution routines to use while choosing among risky alternatives.

Bodie and Crane (1997) elaborated that knowledge of investment principles represents individuals‘ or laypersons‘ understanding of the generally accepted investment principles communicated by the providers of financial products. Mandell and Klein (2007) applied the Goal setting theory of motivation to financial behaviour which also indicated the better financial literacy results in improved financial behaviour. They also suggested that Expectancy theory ties investor‘s perception to behaviour. Dulebohn and Murray (2007) concluded that greater knowledge of the retirement plans is related to greater risk taking in higher education employees, thereby establishing a link between knowledge and risk taking ability. Sebastian and Martin (2010) examined how financial literacy affected the tendency to rely on actively managed funds rather than passively managed products.

Lutter and Soone (2008) mentioned that investors go through a very long and thorough information search and evaluation period before making the investment decision. The survey showed that potential investors listened to almost all available sources regardless of how big role the source will play in the final decision. The longest period in investment process was spent on understanding options and analyzing the market. This meant that consumer was exposed to both positive and negative information. Research showed that one of the main issues why consumer decided not to invest was hardly attainable or hardly understandable information. To promote gold in a better way, author suggested to publish easily understandable honest information on investment in gold. One sector of the information could be oriented to general education on gold as an investment. The other should target the latest developments. For example comments on the price movements. Published information should talk honestly about the risks involved and compare gold to other investment instruments, both in pluses and the minuses. This disarms the competitors or other non-favouring voices, but also gives the audience a chance to make their own choices.

Saravanan (2010) in his study revealed the modern market was highly competitive and traditional. The prominence gained by an individual consumer in marketing decision making compelled the marketers to look at and organize the component of the marketing mix through the customer‘s eye. Hence, consumer behaviour research has come into existence. In the present era, women play a vital role in all fields. They played a major role in taking purchase decisions for non-durables. Lucarelli.C. and Brighetti. G. (2011), noted that people would take financial risk on the basis of self-assessment rather than emotional tolerance of risk. This does not rule out, however, that in exceptional circumstances of crisis or bubbles in the financial markets, emotions - as a sort of sleeping factor which wakes up - could gain the upper hand which leading to excessive risk-taking. The impact of this sleeping factor would depend on the individual decision-making model, on his/her financial literacy and on his/her effort in collecting information. In particular, people who make decisions based on the suggestions of friends, colleagues and relatives also have low levels of financial knowledge and declare themselves to be risk-averse in spite of being emotionally attracted by it. People who make choices autonomously tend to take more risk, while investors who make use of advisory services would seem to be more balanced.

Review of literature on societal factors revealed that religion, community, time, market situation, financial education, information and communication, knowledge, social influence and network are the important factors to take any kind of investment decision. Given review of literature made us clear that study on social factors with respect to gold investment in Guwahati City is not conducted as of now.

Review on Cultural Factors and Investment

Culture impacts almost all the decisions of mankind. Purchasing gold is not an exception to it. Cultural factors play a dominant role while considering investment in gold. A plethora of studies on cultural factors coupled with investment decisions are available below.

Parikh and Vaish (2013) revealed that India is a land of different cultures and sub-cultures, customs, religions, food and ethnic dress preferences. With culture and tradition, a deep affection for gold and a thrust for accumulating it have traced back in the history of the nation from many centuries. It is the only commodity which is universal across the length and breadth of the country. It is observed (World Gold Council 2010) that every class of the Indian society, whether its urban or rural investor, would prefer to possess it or make savings to purchase it in their life span. The obvious reason for this is that possessing gold for Indians is more to do with the sign of purity, prosperity and good luck in their lives. Cateora,et al.(2011) and Jain (2001) mentioned that it is known fact that culture varies across nations. Verhelst (1990) defined culture as ― every aspect of life : know how, technical knowledge, customs, food and dress, mentality, value, language, symbols, socio-political and economic behaviour, indigenous methods of making decisions and exercising power, methods of production and economic relations and so on‖. Hofstede (2001) referred to culture as the –software of mind‖ and argued that it provides guidance for human on how to think and behave; it is a problem solving tool.

Cateora, et .al. (2011) and Deresky (2003) stated that cultural variables resulted from unique shared values among people belonging to different nations. Most of the differences in cultures arose from underlying value system which caused people to behave differently under similar circumstances. Kumar (2012) mentioned that in India gold is considered much more than a precious metal. Many people think that Indians are fanatics for gold. Although this could not be entirely denied but the truth is that gold always had a particular connotation in all ages. In Indian culture, women and gold are inseparable from each other. There is a combination of several cultures, traditions, customs, religion and regions but the love for gold is universal. It is equally sought by a rich businessmen or a poor farmer. Indians see gold as a symbol of purity, prosperity and good fortune. Culture and religious belief has positive influence on gold purchase in India. The Indian tradition and customs demands buying gold for occasions such as wedding, birthdays, anniversaries and other important festivals. Hindu calendar also fixes the date for buying gold for some auspicious occasions such as Diwali, Dussera, Dhan teras, Akshay Tritiya etc.

Lutter and Soone (2008) showed that gold is already known and valued by the people for its stable nature and long tradition. It is also confirmed that often gold is not regarded as serious investment but rather something with emotional value or exclusive gift. Marketing should transmit the messages that it is neither one nor the other but investment with additional emotional value. This is a great advantage during the current uncertain economic times where trust-based investment instruments (stocks, bonds) lose ground. The risk of losing gold was rated much lower than risk of losing trust-based valuables held in investment companies.

Review made on cultural factors made us clear that factors like common belief, emotions, customs, tradition, culture and status symbol played an important role while taking investment decision towards gold. The review had also revealed that there is no such study carried out on Marwari businessmen with respect to investment in gold as of now.

Review on Financial Wellness and Investment

It is referred to as a multi-faceted concept that describes the overall financial health of an individual. Joo,S. (2008) stated that financial wellness is a comprehensive, multidimensional concept incorporating financial satisfaction, objective status of financial situation, financial attitudes and behaviour that could not be assessed through just one measure. Wilson (1967) showed that both personality and demographic factors correlated with subjective wellbeing. He stated that the happy person is a young ,healthy, well educated, well paid, extroverted optimistic, worry free, religious, married person with high self esteem, job morale, modest aspirations of either sex and of a wide range of intelligence. Campbell, Converse and Rodgers (1976), studied the well being of American and found that demographic variables such as age, income and education did not account for much variance in reports of wellbeing, echoing earlier findings by Bradburn, N.M. (1969) and others. There were eight attributes to measure the financial wellbeing of an individual. They were financial stress, financial situation, current financial situation, financial limit, pay check to pay check, living expenses, financial emergency and finance in general. It is common sense that the investment and the financial wellbeing has mutual relationship. A person with financial wellbeing can invest in gold or if a person having gold in possession undoubtedly feels financial wellbeing.

Review on Marwari and Review Contents along with Symmetry Analysis

There are selective and few historical studies are available on the Marwari communities. Taknet (1987), Kedia and Bhimsen (1947),Timberg (1987) studied on the sociological, historical emergence and spread of Marwari culture and community in different parts of India. But, no studies mentioned about their investment pattern with special reference to gold investment was found.

Table-2.1
Review Contents along with Symmetry Analysis

Issues Addressed	Frequency	Context	Word Count	Count
Risk and Portfolio Composition	1	Risk	Risk Taking, Willingness to take Risk, Risk Tolerance, Risk and Demographic factors, Level of Risk Chosen, Impact of risk tolerance	8(7.77%)
Relationship between Risk and Demographic Factors	1			
Risk Taking Capacity	1			
Effect on Risk Tolerance	2			
Financial Wealth and level of risk chosen in a portfolio	1			
Willingness of the investors to take risk	1			
Demographic characteristics and impact of risk tolerance	1			
Investment Type	1		Investment Type, Success, Determinant, Behaviour, Decision, Competence ,Preference during recession,	
Investment Success	1			
Determinant of Investment Decision	13			
Investment Behaviour	12			
Investment Decision	4			
Investors Competence in Stock Market	1			
Investment preference of investors after recession	1			

Factors affecting Investment	2	Investment	Factors affecting, Decision as per types of Investors ,Factors not Impacted ,Size and Nature, Preferred Factor, Uncertainty	41(39.81%)
Investment decision as per the types of investors.	1			
To determine the basic rule of investment	1			
Factors not impacted the investment decision.	1			
Size and nature of investment	1			
Preferred Factor for Investment	1			
Uncertainty and investment Relationship	1			
Gold Buying Behaviour	2	Gold	Gold buying behaviour, reaction of the market, ownership ,motivation, performance, price ,ETF, as Facilitator, emotional metal, factors influencing, impact of fluctuations and speculation	22(21.36%)
Reaction of other markets on Gold Market	1			
Gold Ownership and Motivation	1			
Performance of gold	1			
Gold ETF in a portfolio	1			
Effects of Gold and Market Price	1			
To determine physical demand of Gold	1			
Gold Pricing	1			
Gold Investment and its facilitator	2			
Gold as an emotional metal rather than investment..	1			
To determine price movement of Gold	1			
Relationship between Price of Gold and US price level	1			
To determine the factors influencing Gold Consumption	1			
To determine the gold‘s position in the market	1			
Demand for gold in the market	1			
Determination the gold price using multi factor model	1			
Instability and Jewellery Purchase	1			
To find the impact of fluctuations and speculations on Gold	1			
To determine Gold‘s performance and its ability to mitigate risk	1			
The role of woman investors in purchasing durables or non durables	1			
Financial literacy of woman and its impact on both savings and portfolio choice.	1		Financial decision,	
Better Financial Decision and Biasness	3			
To determine how the investors behave in the market	1			
Foundation Asset for Household.	1			
Asset Accumulation by Husband and Wife	1			
Behavioural Biases and Investment Decision	1			
Impact of factors on the individual decision making	2			

Artificial Scarcity	1	Decision Making	literacy, behaviour, foundation, biasness, impact of factors, artificial scarcity, rate of return, religion etc.	19(18.45%)
To identify and analyse the factors that motivates the investors.	1			
To understand the behaviour of individual investors based on attitude and perception	1			
Determine positivity of return	1			
To determine the importance of rate of return	1			
Individual's Identity and Religious Denomination	1			
To study people's behaviour	1			
Religion and individual's economic behaviour	1			
Investors behaviour at different time	1			
To determine the attributes of financial wellness	4	Financial wellness	Attributes of Financial Wellness	4(3.88%)
Existence of Marwari Community	1	Marwari Communit y and its association with Gold Investment	Origin, Existence, Features ,Gold Investment Behaviour of Marwari Businessmen	9(8.73%)
Marwaris and their features	2			
Community's behaviour in Gold Investment	1			
Origin of Marwari	1			
Marwari and Rajesthan	2			
Who are Marwaris	2			

Source: Compiled from Review

From the literature it was evident that 8 numbers of studies out of 103 which was 7.77% of the total had been carried out on risk of investments, 41 (forty one) numbers of studies on Investment which was 39.81% of the total. 22 studies have been carried out on Gold which was 21.36% of the total studies. In the same way, 19 numbers of studies that was 18.45% of the total research evidences was conducted on decision making, 4 numbers of studies found on financial wellness and 9 numbers of studies, i.e., 8.73% of the total study on Marwari Community were exclusively on sociological and political, historical aspects of emergence of Marwari community in different states in India.

This review of literature opened up the new door for exploration about the investment behaviour in gold by the Marwari communities. The available literatures witnessed that there were many factors those were influencing investment decision, gold buying behaviour, risk taking and risk tolerance level of individuals, levels of financial wellness. Considering both the table containing **Review Matrix, Review Contents and Symmetry Analysis** exposed the need for a full range of study entitled Factors Determining the Investment in Gold by Marwari Businessmen: Evidences from Exploration in Guwahati city; it is also worthwhile in exploring on investment in gold among the members of Marwari community of Assam.