International Journal of Recent Development in Engineering and Technology
Website: www.ijrdet.com (ISSN 2347-6435 (Online) Volume 15, Issue 07, July 2026)

An Analytical Study of Investment Intentions among MBA Students with Special Reference to Bangalore

Naman C Shetty[1], Prof. Anitha BM Dsilva[2]

[1]Student, [2]Faculty, RV Institute of Management, Bengaluru, India

***Abstract*—The paper is aimed at learning the investment intentions of MBA students with particular reference to Bangalore. In today's dynamic financial world, investment has become extremely significant in guaranteeing a secure financial position in the future. The knowledge, attitude, and readiness to invest of MBA students are significant not only in their personal lives but also in their professional careers as they become future professionals and decision-makers. This research explores the role of financial literacy, risk attitude, investment awareness, and psychological factors on investment intention. The study follows a descriptive research design using both primary and secondary data. A structured questionnaire was used to gather primary data from 100 MBA students in Bangalore, and the data were analysed using percentage analysis, tables, graphical representation, and Path Coefficient Analysis (PLS-SEM). The results reveal that all the chosen factors positively influence investment intention. Psychological factors have the strongest influence (path coefficient = 0.960), followed by financial literacy (0.826), risk attitude (0.716), and investment awareness (0.631), implying that mindset, motivation, and personal convictions are as significant as knowledge when making investment choices.**

***Keywords*—Investment Intention, MBA Students, Financial Literacy, Risk Attitude, Investment Awareness.**

I. INTRODUCTION

Investment has taken a significant place in contemporary life. In today's dynamic economic world, all people should be able to secure their financial future and stability. It is important to learn about investment, especially among young people undergoing professional training such as an MBA. MBA students are the managers, entrepreneurs, financial planners, and business leaders of tomorrow. Their financial knowledge, attitude, and intentions towards investment will affect not only their personal lives but also their future professional decisions.

India is a rapidly expanding economy. As digital banking, stock markets, mutual funds, cryptocurrency, start-ups, and online trading platforms expand, investment opportunities are growing faster than ever. Hence, considerable importance is placed on researching how MBA students think about investment, their motivation to invest, the factors they consider, and the type of investments they choose.

TABLE I TYPES OF INVESTMENT OPTIONS

S. No.	Type of Investment	Example
1	Fixed Income	Fixed Deposit, Bonds
2	Market-Linked	Stocks, Mutual Funds
3	Physical Assets	Real Estate, Gold
4	Alternative Investments	Cryptocurrency, Start-ups
5	Retirement Plans	PPF, NPS

A. *Meaning of Investment Intention*

Investment intention is a state of mind or willingness of a person to invest money in a financial instrument. It is not the actual investment behaviour, but the plan or mindset to invest in the future. Intention to invest can be affected by financial knowledge, risk-taking ability, peer influence and family background, projected returns and economic conditions, and personal financial goals.

B. *Factors That Impact Investment Intentions*

Personal, social, and economic factors affect the investment intentions of MBA students. The ability to make individual decisions depends on personal factors such as age, income, financial knowledge, and risk tolerance. Attitudes towards investing are influenced by social factors such as family, peer groups, and social media. Expected returns and risk are influenced by economic factors, such as inflation, interest rates, market performance, and government policies. All these factors combine to inform the way MBA students make and engage in investment decisions.

C. *Significance Of Researching MBA Students*

MBA students are the future decision-makers. What they know about investment will impact their personal wealth management, professional decision-making, entrepreneurial activity, and contribution to economic growth. When MBA students build good intentions and knowledge regarding investment, they will be better able to make financial decisions in future.

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D. Importance Of The Research

The research is important because it helps in understanding the extent of financial awareness among MBA students and the main factors that drive their intentions to invest. It provides useful knowledge to banks and financial institutions on how to design superior investment products and strategies that appeal to young investors. The research also helps policymakers formulate effective financial literacy programmes to promote informed decision-making, and helps MBA colleges enhance practical financial education, preparing students for real-world financial decision-making and planning. The research also carries academic value, contributing to the field of behavioural finance.

E. Scope Of The Study

This research is restricted to MBA students in Bangalore and seeks only to understand their intentions regarding investment, not their actual investment returns and performance. The sample consists of MBA students from selected colleges in Bangalore across specialisation areas such as Finance, Marketing, and HR, and across investment options such as stocks, mutual funds, gold, and real estate.

II. Literature Review

A. Overview

This section examines various works associated with investment intention, investment behaviour, financial literacy, personality traits, and risk attitude. Most scholars describe investment intention as being shaped not by a single factor, but by a combination of psychological, social, and financial factors. Previous studies indicate with reasonable confidence that intention is significant in determining actual investment behaviour.

A large body of research has been conducted in Bangalore, targeting investors, salaried professionals, and students. However, most of these studies focused on general investors or general student groups, and very few have specifically targeted MBA students and their investment intentions. Because MBA students undertake courses in finance and management, they may have a different mindset and decision-making process compared with other students.

B. Previous Studies

Past research shows that a mix of behavioural, psychological, and financial factors strongly shapes investment intentions among MBA and management students.

Studies by Vincent et al. (2025) and James and Seranmadevi (2024) highlight the role of personality traits, emotional intelligence, and risk attitudes in investment decision-making, indicating that traits such as extraversion and conscientiousness positively influence investment intention, while neurotic personalities can suppress it. Financial literacy remains a consistently significant element, as it not only enhances decision-making but also strengthens the association between risk perception and investment behaviour. The role of psychological biases and social influences is also emphasised across several studies. Uma and Maheswari (2025) identified cognitive biases such as overconfidence and herd behaviour as key drivers of mutual fund investment choices, while Alfathya et al. (2025) categorised the determinants of investment into personal, social, and technological factors, noting the growing influence of social media. Kumar et al. (2024) observed that Gen Z MBA students, although greater risk-takers, tend to adopt cautious, informed decision-making during uncertain geopolitical situations, reflecting a more balanced approach between risk and awareness.

The influence of institutional support and financial education is also well documented. Vidyalaxmi and Kayarkatte (2024), Tanted (2024), and Maksimova et al. (2024) established that financial literacy significantly affects risk tolerance, investment patterns, and overall engagement with financial markets, and that structured financial education at the institutional level can promote informed investment behaviour and greater equity market participation. Tyagi et al. (2025) and Misra et al. (2021) further emphasise the role of awareness, advertising, and perceived risk, showing that both incentives and disincentives influence investment intentions.

Broader, intention-based models of behaviour also demonstrate strong predictive value. Amofah et al. (2020), Ummah et al. (2021), and Raghavendra and Shivaprasad (2024) show that intention mediates the relationship between influencing factors and actual behaviour, whether in investment or entrepreneurship. Passi et al. (2024) add a further dimension, showing that socially responsible investment choices are guided not only by financial performance but also by ethical and environmental considerations. Collectively, these studies support the view that investment intention is a complex phenomenon shaped by financial literacy, psychological characteristics, social factors, and economic conditions.

C. Research Gap

A review of the above studies shows that while many scholars have researched investment behaviour and financial literacy across populations such as retail investors, salaried professionals, and general university students, very little research has focused specifically on MBA students and their investment intentions in Bangalore. A further gap is that most studies analysed financial literacy or psychological factors independently, with few examining these two dimensions jointly among MBA students. In addition, most studies examined actual investment activity rather than intention, which is the initial step toward an investment decision. This research seeks to address this gap and offer a clearer understanding of how MBA students reason about investment and what drives their intentions.

III. Research Methodology

This section describes how the study was conducted. Research methodology forms a significant aspect of any research study, as it explains how data is gathered, analysed, and interpreted. The primary aim of this research is to learn about the intentions of MBA students to invest and the factors that influence their choices.

A. Objectives Of The Study

1) To examine the effect of financial literacy on the investment intention of MBA students.
2) To evaluate the reliability and validity of the factors influencing investment intention.
3) To provide suggestions for improving financial awareness and investment participation among students.

B. Research Design

This study applies a descriptive research design, which assists in explaining the behaviour, opinions, and attitudes of respondents. This design is appropriate, as the aim of the study is to comprehend MBA students' intentions towards investing rather than to test a complex theory. It is aimed at gathering data from students and interpreting their responses in a straightforward and easy manner.

C. Type Of Research

This research is founded on both primary and secondary data. Primary data was obtained by surveying MBA students using a structured questionnaire, while secondary data was gathered from journals, research papers, websites, and books. Primary data forms the main source of the study, as it provides first-hand information on students' investment intentions.

D. Data Collection Method

This study uses a structured questionnaire in six sections to gather the required data, namely: demographic details, financial literacy, risk attitude, investment awareness, psychological factors, and investment intention. The questionnaire includes close-ended questions (multiple choice, yes/no) and rating-scale questions.

E. Sampling Method And Sample Size

The study employs a convenience sampling technique, whereby respondents are chosen based on their easy accessibility among MBA students at identified colleges in Bangalore. The study sample comprises 100 MBA students, which, while not large, is adequate to capture the overall investment behaviour and intentions of students.

F. Tools For Data Analysis

The collected data was analysed using statistical tools such as percentage analysis, tables, charts, and graphical representations, which helped summarise and interpret the responses effectively. Path Coefficient Analysis using PLS-SEM was applied to examine the relationship between the study variables, namely Financial Literacy, Risk Attitude, Investment Awareness, and Psychological Factors influencing Investment Intention.

G. Variables Of The Study

Independent Variables: Financial Literacy, Risk Attitude, Investment Awareness, Psychological Factors, Demographic Factors.

Dependent Variable: Investment Intention.

H. Study Hypothesis

H01: There is no significant effect of financial literacy on investment intention.

H02: There is no significant effect of risk attitude on investment intention.

H03: There is no significant effect of investment awareness on investment intention.

H04: There are no significant psychological factors that influence investment intention.

IV. Data Analysis And Interpretation

A. Descriptive Statistics — Demographic Profile

The study comprised 100 respondents, which was sufficient to obtain a balanced and reliable dataset. Table II shows the descriptive statistics for the demographic variables.

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TABLE II DESCRIPTIVE STATISTICS — DEMOGRAPHIC PROFILE

Variable	N	Min.	Max.	Mean	SD
Age Group of Respondent	100	1.00	4.00	1.76	0.818
Gender of Respondent	100	1.00	2.00	1.34	0.476
Current Year of MBA Program	100	1.00	2.00	1.55	0.500
Area of Specialisation in MBA	100	1.00	5.00	2.22	1.151

The mean age-group variable is 1.76 with a standard deviation of 0.818, indicating that the majority of respondents fall within the 20–25 age group, an early stage in the financial decision-making process for MBA students. The mean of the gender variable is 1.34 with a low standard deviation (0.476), indicating a slight predominance of male respondents (about 66%) over female respondents (34%), reflecting moderate gender diversity. The mean year of MBA study is 1.55, representing first- and second-year students fairly evenly. The specialisation variable has a mean of 2.22 and a standard deviation of 1.151, indicating a good distribution across Finance, Marketing, HR, and other specialisations.

B. Path Coefficients

Table III presents the path coefficients indicating the strength of the relationship between each independent variable and investment intention.

TABLE III PATH COEFFICIENTS — RELATIONSHIP WITH INVESTMENT INTENTION

Relationship	Path Coefficient
Financial Literacy → Investment Intention	0.826
Risk Attitude → Investment Intention	0.716
Investment Awareness → Investment Intention	0.631
Psychological Factors → Investment Intention	0.960

Financial literacy has a significant positive effect on investment intention, with a path coefficient of 0.826, meaning that higher financial literacy is associated with a greater intention to invest. Risk attitude is also positively related, with a coefficient of 0.716, indicating that students who are more willing to take risks are more likely to invest.

Investment awareness shows a positive relationship with a coefficient of 0.631, demonstrating the importance of awareness of financial markets and investment platforms. Psychological factors are the strongest predictor, with a path coefficient of 0.960, indicating that motivation, perception, and personal attitudes are the most important determinants of investment intention.

C. Construct Reliability And Validity

The reliability and validity statistics for all constructs in the study are presented in Table IV.

TABLE IV CONSTRUCT RELIABILITY AND VALIDITY

Construct	Cronbach's Alpha	CR (rho_a)	CR (rho_c)	AVE
Financial Literacy (FL)	0.916	0.918	0.940	0.700
Risk Attitude (RA)	0.845	0.850	0.890	0.650
Investment Awareness (IA)	0.905	0.908	0.935	0.710
Psychological Factors (PF)	0.865	0.870	0.910	0.680
Investment Intention (II)	0.852	0.860	0.900	0.660

The Cronbach's Alpha values for all constructs are high (greater than 0.7), indicating a high level of internal consistency. The composite reliability values (rho_a and rho_c) for all constructs also exceed 0.7, indicating that the measurement model has a high degree of reliability. All constructs have AVE values exceeding the acceptable threshold of 0.5, demonstrating good convergent validity.

V. DISCUSSION AND KEY FINDINGS

The research targets MBA students, with an average age-group mean of 1.76, indicating that the majority of respondents are between 20 and 25 years old, suggesting that young people are increasingly becoming aware of and active in financial decision-making at an earlier age. The gender balance is approximately 66% male and 34% female respondents.

There is a positive relationship between financial literacy and investment intention (path coefficient = 0.826): the more students know about financial concepts, investment options, and risk–reward trade-offs, the more likely they are to invest.

Risk attitude also has a positive impact (coefficient = 0.716), indicating that students who are more comfortable with risk display a higher investment intention.

Investment awareness has a positive impact (coefficient = 0.631): students who follow financial news, understand market trends, and are aware of various investment platforms show greater interest in investing. The most significant contribution comes from psychological factors (coefficient = 0.960), indicating that motivation, long-term financial goals, and personal mindset are the most important drivers of investment behaviour.

The reliability and validity results further strengthen the analysis. Cronbach's Alpha values for all variables exceed 0.7, and AVE values exceed 0.5, indicating that the constructs used in the study are valid and reliable.

VI. Implications

A. Implications For Research

This study offers valuable insight for future research in the field of financial behaviour and investment intention among students. It underlines that factors such as financial literacy, risk attitude, investment awareness, and psychological factors are significant in influencing investment decisions.

The sample is restricted to MBA students at a single location; future research could increase the sample size and include students from other cities or educational backgrounds. To examine how investment behaviour changes over time, researchers could also employ more advanced tools such as structural equation modelling (SEM) or longitudinal studies.

B. Implications For Practice

For financial institutions, the results indicate that investment products and education programmes should be tailored to the psychologically driven decision-making of young MBA students. The dominance of psychological factors suggests that behavioural nudges, peer-group discussions, and motivational financial-planning tools would be especially effective.

To bridge the gap between theory and practice in financial markets, educational institutions should focus on practical exposure to financial markets — through simulation exercises, live portfolio-management laboratories, or industry exposure.

VII. Conclusion And Future Research

This research concludes that several factors affect investment intention among MBA students, including financial literacy, risk attitude, investment awareness, and psychological factors. The strongest of these are psychological factors (path coefficient = 0.960), followed by financial literacy (0.826), risk attitude (0.716), and investment awareness (0.631). This underscores the fact that knowledge and mindset are both significant in shaping investment decisions.

With improved financial literacy, greater awareness, and a more positive attitude towards risk, students are more likely to invest in financial markets. The reliability values (greater than 0.7) and validity values (greater than 0.5) confirm that the study's results are reliable and consistent.

Overall, student participation in investment can be increased through better financial education, awareness creation, and a more positive attitude towards finances. Institutions should emphasise hands-on experience in financial markets, enabling students to make better financial decisions in future.

A. Future Research Directions

- The sample size could be increased, and students from other cities or educational backgrounds could be incorporated in future research.
- Changes in investment behaviour over time could be analysed using advanced methods such as structural equation modelling (SEM) or longitudinal studies.
- It would be valuable to include additional variables such as income level, family background, or financial experience to better understand investment behaviour.

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