

YANGON UNIVERSITY OF ECONOMICS
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**A STUDY OF FACTORS INFLUENCING INVESTMENT
BEHAVIOR OF MERCHANTS IN UMFCCI**

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(EMBF – 5th BATCH)

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**A STUDY OF FACTORS INFLUENCING INVESTMENT BEHAVIOR
OF MERCHANTS IN UMFCCI**

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ABSTRACT

This study is to identify factors influencing investment behavior of merchants in UMFCCI. There are two main objectives which are to examine the investment behavior of merchants in UMFCCI and to identify the key factors influencing investment behavior of merchants in UMFCCI. Both primary and secondary data are collected and used descriptive method to measure factors influencing investment behavior which are financial status, risk taking behavior, return from investment and information. A sample of the total 100 is representing by using random sampling method from members of UMFCCI, Yangon. According to analysis merchants are also interested in saving deposit in the bank, buying/selling gold and silver, real estate, foreign currency, stock investment, insurance and commodity. They mostly used the traditional off-line trading method and used phones for many purpose to get information and connection. They don't use online trading websites and platform. According to the result of regression show that there is significant effects, these four factors are significantly positive related with influence the investors' investment behavior. The study suggested that the financial institution should create the new appropriate products for merchants thereby to increase the profit of the financial institutions.

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Contents

	Page
Abstract	I
Acknowledgements	ii
Table of Contents	iii
List of Tables	v
List of Figures	vi
List of Abbreviations	vii
Chapter I	Introduction
	1.1 Rationale of the Study 2
	1.2 Objective of the Study 2
	1.3 Scope and Methods of the Study 2
	1.4 Organization of the Study 3
Chapter II	Theoretical Background of the Study
	2.1 Definition of Investment Behavior 4
	2.2 Importance of Investment 4
	2.3 Theories of Investment 6
	2.4 Previous Studies 8
	2.5 The Conceptual Framework of the Study 11
Chapter III	Investment Behavior of Merchants in UMFCCI
	3.1 Overview of Investment Types 14
	3.2 Profile of UMFCCI 17
	3.3 Organization Structure and Member of UMFCCI 18

3.4	Affiliated Associations of UMFCCI	20
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Chapter IV **Analysis on the Key Factors Influencing Investment Behavior of Merchants in UMFCCI**

4.1	Research Design	21
4.2	Profiles of Respondents	22
4.3	Current Investments of Respondents	26
4.4	Analysis of Influencing Factors on Investment Behavior of Respondents	30

Chapter V **Conclusion**

5.1	Finding and Discussion	40
5.2	Suggestions	41
5.3	Needs for Future Study	42

REFERENCES

APPENDIX

LIST OF TABLES

Table No.	Description	Pages
4.1	Gender of the Respondents	22
4.2	Age of the Respondents	23
4.3	Marital Status of the Respondents	24
4.4	Educational Qualification of the Respondents	24
4.5	Family Members of the Respondents	25
4.6	Business Types of the Respondents	25
4.7	Monthly Income of the Respondents	26
4.8	Main purpose to invest of respondents	27
4.9	Investment Options of Respondents	27
4.10	Operation Year of Business of Respondents	28
4.11	Types of Investment	29
4.12	Most Important Factor for Investments of the Respondents	29
4.13	Getting Suggestion for Investments of Respondents	30
4.14	Portfolio Diversification of Respondents	30
4.15	Summary of the Reliability Test for each Factors	32
4.16	Financial Status Influencing on Investment behavior	33
4.17	Risk taking Behavior influencing on Investment Behavior	34
4.18	Information Influencing on Investment behavior	35
4.19	Return from investment Influencing on Investment Behavior	36
4.20	Factors of Investment Decision	37
4.21	Overall Factors	38
4.22	Regression Analysis	39

LIST OF FIGURES

Figure No.		Page
2.1	Model for Investment Decision Research	10
2.2	Conceptual Framework of the Study	11
3.1	Organization Structure of UMFCCI	19

LIST OF ABBREVIATIONS

CBM	Central Bank of Myanmar
FMI	First Myanmar Investment Public Co., Ltd
FPB	First Private Bank
MCB	Myanmar Citizen Bank
MTSH	Myanmar Thilawa SEZ
UMFCCI	Union of Myanmar Federation of Chambers of Commerce and Industry
YSX	Yangon Stock Exchange

CHAPTER I

Introduction

In finance, the purchasing of a financial product or other assets item has an expectation to get future returns in a certain period. In general, the use money to the hope of making more money is investing, means money committed or property acquired for future income. There are basically two main classes of investment, fixed income investment such as government bonds, bills, fixed deposits, preference shares, and variable income investment such as business ownership (equities), or property ownership (Van Raaij, W. Fred. 2016). Investment is depended on the growth and transformation to any economy where investment as a function of consumer behavior. Investment is also important function of financial system, it plays key role in the developing economy. The process of capital formation also consists the three different inter connected activities. Savings and investments are related as important sources for economy. Investor's expectation is very on important factor to be analyzed for the alternative avenues of investments. In Myanmar, many financial assets are available in the forms of bank fixed deposits, saving account, government and corporate securities, mutual fund units, provident funds, pension funds, stock and share, insurance, gold, real estate, minerals, rice, bean, oil, livestock and etc. Investments will be different depending on period, rate of return, risk, liquidity and so on.

Investment behaviors are defined as how the investors judge, predict, analyze and review the procedures for decision making, which includes investment psychology, information gathering, defining and understanding, research and analysis. The whole process is called investment behavior. (Slovic, 1972; Alfredo and Vicente, 2010). The combination of portfolio practices, preferences and investment intentions, pattern of investment and risk perceptions of investors can be defined investment behavior. Many studies also fined significant differences in the behavior of investors based on their social environment. Sometimes, based on the primary influence group, investors make their investment decisions. Financial decisions can be impacted by an individual's experience in financial markets, as well as those of that individual's peer group. More access to capital than those from different

socio-economic groups had groups with more money to spend and a more sophisticated knowledge of investment instruments

1.1 Rationale of the Study

Myanmar is going a fundamental political and economic transformation to a democratic, federal and peaceful national state. Investments are key requirements for sustainable and inclusive economic development (DICA). Investment is defined as present consumption for future benefits. Investment is operationally seen as a property, possession or deferred consumption for purpose of future consumption. Investment is related to savings. Consumers postpone their total income in order to save for precautionary, transactional and speculative reasons. Investment behaviors are influenced by different factors and depend on the mindset of investors. Every investor desires their savings to be invested in a highly secured, lucrative, and liquid sector. Hence this study is the beacon of light in exploring the factors impacting on the financial well-being of merchants and their behavioral pattern. Therefore, to the best of researcher knowledge this is the study exploring the investment behavior of merchants in UMFCCI that provides evidence on this issue.

1.2 Objectives of the Study

The main objectives of the study are as follow;

1. To examine the investment behavior of merchants in UMFCCI.
2. To identify the key factors influencing investment behavior of merchants in UMFCCI.

1.3 Scope and Methods of the Study

This study focused on factors of influences on investment behavior of merchants in UMFCCI, working different sectors in Yangon Region. There are a total of about 15,086 active members in the whole Myanmar, who are trader, managers in the manufacturing, trading and service businesses. This study was descriptive in nature, used both primary and secondary data. Primary data was collected from business owners and merchants in Yangon by using well-structured questionnaires. Secondary data was collected from website, journals and previous literatures. Questionnaire were designed related to five point Likert-Scale contained questions, relating to different dimensions of investment behavior preferences

among factors of influences. There are distributed randomly to 100 questionnaires that are merchant's age between 20 - 70 years old. To collect the primary data, the researcher interviewed with the members by attending the E.C meeting. While attending the meeting, the questionnaires were distributed to the members directly. After the meeting, face-to-face interview was conducted. About 120 members were asked and 100 members (5% of members who are living in Yangon) completely responded the questions. Simple random sampling was used for drawing samples. In the questionnaire, questions were open-ended and requesting to answer multiple choices. The respondents belong to different income groups and industries. To obtain secondary data, the research from the Myanmar Insurance website, to observe foreign country reports and international studies from internet websites, documents, textbooks, thesis books, academic journals and reviews and many websites in Myanmar such as has been made various sources

1.4 Organization of the Study

This study is divided into five chapters. The first chapter provides introduction covering background of the study, rationale of the study, objective of the study, scope, methods and limitation of the study and organization of the study. The second chapter is concerned with theoretical background of the study. The third chapter deals with background study of current situation of factors of influences on investment behavior of merchants in UMFCFI, Myanmar. In the fourth, it includes deeply analysis in merchant's investment behavior and results. Chapter five presents conclusion that contains findings and further suggestions base on facts for the better way in investing.

CHAPTER II

Theoretical Background of the Study

This chapter presents the theoretical background of factors influences on investment behavior which is an importance part of thesis research. Therefore, in this chapter, definition of investment behavior contains meaning of each factor. It is followed by studying on the secondary research to discover relevant theoretical information relating to the topic with insight to contrasting view of investment behavior.

2.1 Definition of Investment Behavior

Investment behaviors are defined as how the investors judge, predict, analyze and review the procedures for decision making, which includes investment psychology, information gathering, defining and understanding, research and analysis. The whole process is “Investment Behavior” (Slovic, 1972; Alfredo and Vicente, 2010). The purpose of the study is to determine how investment is affected by the level of knowledge and investor possesses about different investment instrument. The issue of the relation between different factors and investment behavior has been topical analyzed issues among the finance researchers over the world. Most of them are widespread in the developed west Europe country like US, UK and Europe. The main investment objectives are maximizing the rate of return and minimizing risk. Safety, liquidity, to cover inflation rate, long term sustainable, economic growth, can be considered as other subsidiary objectives.

2.2 Importance of Investment

In the past, investing was an activity confined by rich and business class. This can be attributed to the fact that availability of investable funds is a pre-requisite to deployment of funds. But today, investment is very well-known for all people has till become a household life.

The following reasons are suitable reasons for investment; increasing working population, larger family incomes and higher savings, people has awareness to hedge against inflation, availability of large and attractive investment, increase in investment related publicity and ability of

investments to provide income and capital gains etc. Warren Buffett, the famous investor said “Someone is sitting in the shade today because someone planted a tree a long time ago”. Investment is very vital in regular life and it can support for future if invested properly and wisely. The reason for investments may vary, but one reason is need to invest. Keeping money is simply dead money that can not to count. Investments of money in, may be a stock market or insurances is much better as fetching money, it returns and it rotates in the market instead of sleeping in pockets.

Investment, an initial step, is playing an essential role to start economy developed and developing countries. The main purpose of investors is to maximize their income and minimize their expenses. Between the savers and the investors, financial system works as an important link. Thus, investment is the central function around which the activities of the financial system revolve. There are three benefits of Investment they are economic return, social return and financial return. Within the financial framework, individuals direct their savings into investment. Investment decision-making is difficult for individuals to anticipate probabilities of profit and loss in the investment. There are the top five reasons to invest.

1. Growth money; Investing money will grow on sufficient time such as stocks, savings or bonds offer returns on money.
2. Saving for retirement; putting for retirement savings into a portfolio of investments, such as stocks, bonds, saving, fixed deposit, real estate, businesses and precious metals. Then, will get with earning from the investments at retirement age.
3. Earning higher returns; sometimes, investment take the opportunity to earn higher rates of return.
4. Reach financial goals; To reach big financial goals investing can help, such as buying home, car, starting own business, or supporting children higher education.
5. Start and expand a business; Investing is an important part for business creation and expansion.

2.3 Theories of Investment

An investment theory concept is based on a number of different factors associated with process of investing. Investment theory contains individual chose an investment for various

purposes, literacy or knowledge will mainly support in making decision. There are basically five theories related to investment concepts. They are The Modern Portfolio Theory, The Capital Asset Pricing Model, Arbitrage Pricing Theory, The Efficient market Theory and The Dow Theory.

(a) The Modern Portfolio Theory

It is also known as the portfolio theory or Markowitz portfolio theory. The Author is Harry Markowitz 1990; then Merton Miller and William Sharpe get the Nobel Prize. The expected rate of return and risk, their interrelationship are considered in portfolio theory. Investors would examine investments to build up portfolios of attractive stocks, and not to consider how they related to each other. Markowitz showed how the correlation between the returns on stocks. The diversification is important in modern portfolio theory. Markowitz approach is viewed as a single period: the investors have to make a decision in which securities to invest at the beginning of the period, and hold them until end of the certain period. There are two important fundamental assumptions in Markowitz portfolio theory:

1. The investors are preferred high levels rate of return. The investor will choose the portfolio with higher rate of return, between two portfolios with same standard deviation. This is called an assumption of non-satiation.

2. Investors are risk averse. The investor will choose between investment portfolios with the smaller risk. This is called assumption of risk aversion.

(b) Capital Asset Pricing Model (CAPM)

W. F. Sharped developed CAPM. Markowitz's Modern Portfolio theory was simplified by CAPM, more practical. When forming the diversified portfolios consisting large number of securities, investors found the calculation of the portfolio risk using standard deviation technically complicated. In CAPM Measuring based on two key components. They are total risk (variance or standard deviation of return is measured): Systematic risk and Unsystematic risk. However systematic risk can't be diversify, unsystematic risk can diversified in the portfolio. Investors are paid compensation for taking for systematic risk, in CAPM. Though, CAPM linked investments via the market as a whole. The meaning of the CAPM: for the

greater expected return, when the more systematic risk the investor takes. Some important assumptions of CAPM based.

1. All investors estimate one-period expectations for future;
2. Investors can't influence the market, they are price takers, individually;
3. When an investors may either lend (invest) or borrow money, that is the risk free rate.
4. All investors are risk-averse,
5. Taxes and transaction costs are unrelated.
6. Information gets freely and for all investors.

The basic purpose of the CAPM equation is calculation expected return on a certain stock.

(c) Arbitrage Pricing Theory (APT)

Stephen S prospered APT. The key point of APT is a determined the market return. The factors will be fundamental factors or statistical. Arbitrage pricing theory (APT) is a popular method to estimate the price of an asset. The theory assumes that an asset's return is depending on various macroeconomic, market and security-specific factors. Arbitrage means the earning of riskless profit by taking advantage of differential pricing for the same assets or security. Arbitrage is widely applied investment tactic. The major assumptions of APT are

1. Capital markets are perfectly competitive .
2. Investors always prefer more wealth. It is important to note that the arbitrage in the APT is only estimate, to diversify portfolios. The assumption is that unsystematic risks are insignificant compared with the risk factors such as inflation, industrial production, risk premiums and interest rates.

(d) Market Efficiency Theory

Eugene Fama proposed market efficiency theory, in 1965. Market efficiency means that true information about the intrinsic value of this specific asset or fairly describes the value of the company – the issuer of this security. The key term of the market efficiency is the information available for investors trading in the market.

1. All known information, including: past and current information.
2. Information that can reasonably be assumed, prices will reflect this belief before the actual event occurs.

The strong form of efficiency is that prices are totally reflected by information, includes inside or public information, which is publicly available. According to this form of market efficiency securities' prices quickly reflect information. If the market is characterized by strong form of efficiency, no one investor or any group of investors should be able to earn over the defined period of time rates of return by using all information available.

(e) The Dow Theory

The Dow Theory is technical analysis on stock price movement. Dow Theory is based on a hypothesis the stock market that does not move on abnormal or random basis rather. They are influenced by three significant cyclical trends which leads direction. The Dow Theory identified that market has three movements. They are primary, secondary and minor movements which are simultaneous in nature. The primary movement is long it takes the market up and down. Secondary movements respond as restraining force to primary movements. Day to day fluctuations in the market is the minor moments.

2.4 Previous Studies

Many Past studies have shown that understanding investment behavior is beneficial for providing various platforms for different users, and also concluded that there are certain factors that influence that investor's investment behaviors. There are some of the literature reviews.

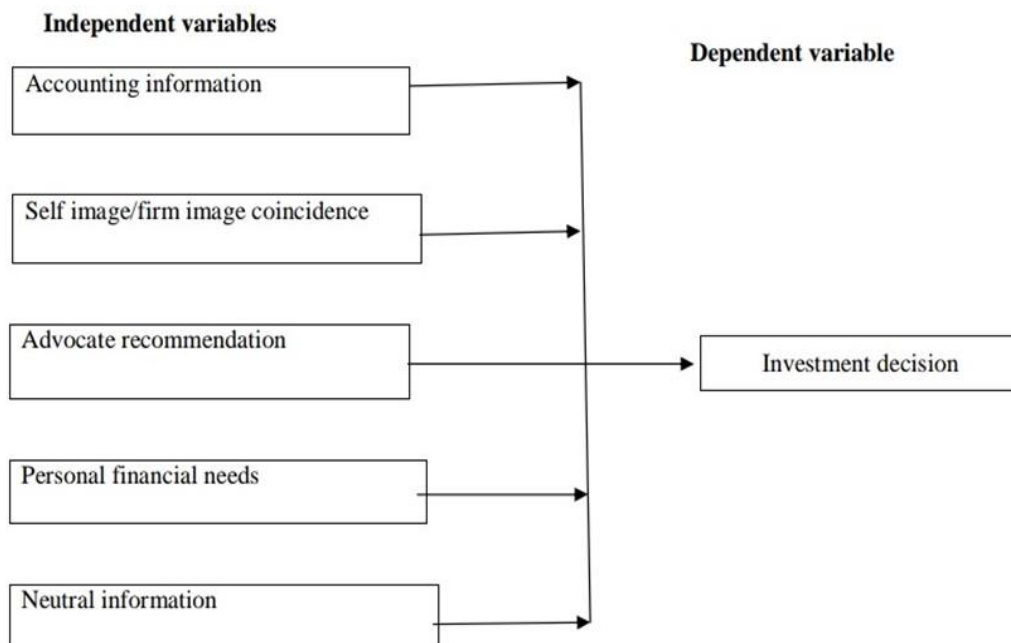
Mark (2017) has investigated the relationship between risk and investment behavior of individual investors. He found relationship exists between risk taking and the investment behavior of investors. It was found investment behavior was affected by risk taking behavior. Other factors also affected such as personality, level of education, income and financial status. The data were collected from a financial services provider listed in the Hong Kong Stock Exchange from 2012 to 2014. He tested to ensure that applying multiple regression models, including linearity, multivariate normality, homogeneity of variance and multicollinearity. The facts of 142,496 samples were collected and calculated with the

regression analyses. His study identified the demographic, psychological and sociological factors and age, income level, educational level, gender, investment experience and marital status.

Jagongo and Mutswenje (2014) found that a critical relationship exists between the availability of information and investors' investment decision shown in figure 2.1. The investment option offers a wide range of information that will help investors to better analyses the performance and a decision making based on that information. The study was conducted on the 42 investors that constituted the sample size. The questionnaire made up 28 items to collect the data.

The individual investors were respondents. Data was analyzed using frequencies, mean scores, standard deviations, percentages, Friedman's test and factor analysis techniques. Factor analysis disclosed that the most important factors. They are business position and performance, returns from investment and economic situation, diversification portfolio and minimize losses, the goodwill of the business and data of accounting, perception towards the business, environmental factors, feeling and risk minimized.

Figure.2.1 Model for Investment Decision Research



Sources: Vincent S.M. (2014)

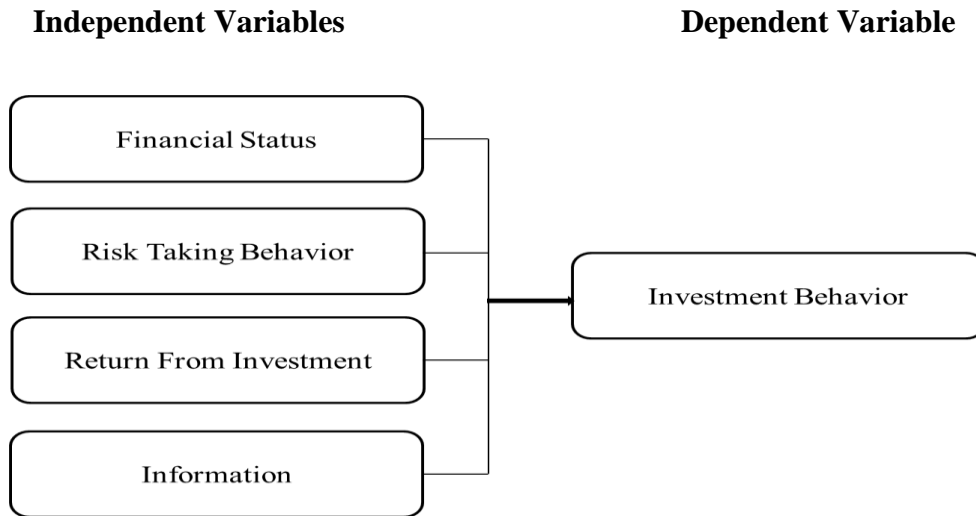
Sanmugam Annamlah, Mulrali Raman, Govindan marthandan and Aravindan Kalisri Logeswaran(2019) founded that four factors were examined in this research to determine their influence and the relationship on the investors investment behaviors for unit trusts. The data were collected from 202 participants and the findings of the study was the investment return and revenue has no statistical relationship to the investors' investment behaviors. They found that financial status, risk-taking behavior, and sources of information have significant relationship to influence on the investors' decision. The study used descriptive statistics which is suitable for research to describe events from one point to another, and this method is mostly used in many studies. The measurement scale is used the five point Likert scale, with close-ended survey questions and calculated s to numerical values with SPSS software.

Learning the previous research, this study used variables such as demographic factors, financial literacy, and financial attitude, financial status, investment revenue, risk-taking behavior, information, tax, socio economic status; expected dividends were used to analyze the investment behavior of the respondents.

2.5 The Conceptual Framework of the Study

This study used four independent variables which are financial status, investment revenue, risk-taking behavior, information and dependent variable which is investment behavior illustrated in Figure.2.2

Figure 2.2 Conceptual Framework of the Study



Source: Adopted from Sanmugam Annamlah et.al (2019)

(a) Investment Behavior

According to (Obamuyi, Tomola Marshal.2013) study indicated that in addition to socio-economic factors influence investment decisions of investors in the capital market. According to this, the motive and reason for one's act was the behavior of the individual. The behavior was originally studied and investigated in psychological fields to assist psychologists to understand the reason behind an individual's action, and the reasons behind it. The process of considering deferent actors that influencing investment decision for a specific investment instrument is investment behavior.

For demographic factors, gender, age, marital status, education, occupation, working experience, working sector, monthly income and family size, dependent family member were considered in the model. In the regression analysis, these variables were used to measure the qualitative variables.

(b) Financial Status

The financial status of the investors will more likely affect their investment capital, level of risks that they can accept it. If investors have low financial status, sometimes they are borrow

from others, accept to undertake a little risk, if the investors have better financial status that are willing to take risk to invest in risky instruments that which can generate higher return. A study undertaken by Waweru et al. (2008) concluded that financial status has an influence on investment behavior regarding their choosing investments and acting investments as a form of financial planning to make more their wealth.

The financial status is the significant feature in influencing behavior for the reason of investments. To identify this factors, the questionnaires are asked income, saving, investment money, making profit and loan to indicate the financial status factor.

(c) Risk Taking Behavior

Risks are basically unsure that happen in all aspects of life, and therefore there is a need to identify these risks in order to ensure the successful accomplishment of goals. Risk-taking behavior is the ability of individuals to take risk for their investment or any other act. Wright (2017) stated that there is a positive relationship between risk and earnings in investment. This helps to prevent over-reaction when investors suffer losses.

Understanding risk-taking behavior is important to investors themselves and investment brokers. Knowing risk-taking attitudes will help the investors themselves to make selection of the investment instrument that are within their affordability and risk range. The financial knowledge, insurance, taking risk for higher return, experiences and expert and planning for risk diversification, such questions prepared to measure the risk taking behavior.

(d) Return from Investment

Investment revenue is the possible earnings that investors are estimated to earn from investing in specific investment options (Lusardi and Mitchell 2017).Khan et al. (2015) discovered that an investment's revenue or expected return for investors has a significant relationship with the investor's investment behavior.

This is due to the expected return, as the expected return assists the investors to filter and select the instruments that fit their requirements. Investors will seriously consider the

options of the past returns or options that meet their expected return to make an investment decision. In this study the questions about choosing of investment types, the first priority investing are prepared to measure the risk taking behavior.

(e) Availability of Information

Information is important for individuals to decide on different aspects, especially for investment decisions, whereby investors make their investment decisions based on the information of the instruments, such as the company's past financial performance, the distributed dividends, and the past market share price movements (Abul 2019).

There are many factors affecting the investor's decision-making, and information is an important consideration because it plays an important role in decision-making as it affects investors' consideration and decision making for investing (Sarwar and Afaf 2016). This is due to the fact that investors will not be able to exploit the information available to make informed investment decisions (Khan et al. 2017). The important of social media and information, ways of getting information to invest, such questions prepared to measure the risk taking behavior.

CHAPTER 3

Investment Behavior of Merchants in UMFCCI

This chapter presents the investment types in Myanmar and investment behavior of merchants, profile and organization chart and the (75) affiliated associations of UMFCCI.

3.1 Overview of Investment Types

In Myanmar, many investment types are available as bank fixed deposits, saving account, government and corporate securities, mutual fund units, provident funds, pension funds ,insurance , stock and share, gold, real estate, minerals, commodity, rice, bean, oil, livestock etc. This section will present top six investments types of merchants in UMFCCI. They are gold, bank deposits, real estate, commodity, stock share and insurance.

(a) Gold Market in Myanmar

People in Myanmar mostly buy gold than bank deposit and other investment. Myanmar is rich in natural resources, also a gold producing country. Local gold market is quite normal. Myanmar Gold Entrepreneurs Association supports for a regular flow and keeps the prices range stable in gold trading, with business collaboration with the members in respective states. But it is very common that the price fluctuation depends on global market. And gold trading cannot be done in terms of estimation. Both global market fluctuation and estimations can lead to market instability. People are preferring cash-down payment system in gold trading in Myanmar. So some people withdraw their cash from the bank and buy the gold. The local price of gold reached about K1.1 million per kyattha (16.3 g) in the third week of June and K1.34 million on August 28.in 2019. The price of gold was hovering around \$1,542 per ounce on international markets. The price of gold in the local market has reached a record six-year high, reflecting the global prices, according to local traders. Currently, the export of gold is restricted by the Ministry of Commerce (MOC). The government launched a one-stop service center (OSSC) to facilitate the import and export of gold and gold jewelry and accessories in Yangon on September 2019.

(b) Bank Deposits in Myanmar

Myanmar Banking sector consists of four state-owned banks, 27 domestic private banks and 13 foreign bank branches. Today private banks dominate the Myanmar Deposit market, holding 66% of bank deposits, while the market share of state-owned banks decreased sharply. Bank offer fixed deposits, call deposits and current accounts. Deposits accounts are often tailored to serve different customers such as minor deposit account, sailor account, wedding deposit account, and foreign currency account and so on. Fixed deposit account range from one month to three years and interest rate offered between 8 and 10 percent. Saving deposit account annual interest rates are around 8 % and call deposit is at around 4% and 6%. Banks attracts depositors by changing interest rates policy in their banks. Bank also gives the appropriated loans to depositors by checking their deposits and transactions. That's why Myanmar people like to invest bank deposits.

(c) Real Estate Market in Myanmar

Real estate investing contains the purchase, ownership, management, rental and sale of real estate for profit. Since, starting from Myanmar economic and political reform in 2011, the construction industry faced mixed fortunes. However including the large scale urban development projects planned for Yangon and Mandalay, recent efforts suggest cause for optimism,. So that, real estate market will developed, in real estate market Myanmar, now people are buying and selling house in the market with brokers, online and traditional. Real estate prices are decided by the owner's desired price, it may be cheaper after negotiated. In market, the rent contract is at least one year. Initial deposit is at least three months 'rent fees. The brokerage fee is one month's rent fee.

(d) Commodity Market in Myanmar

In Myanmar, trading in beans, rice, pulses and paddy could move from warehouses to the web as soon as this month, as the Myanmar International Commodity Exchange (MICEx) prepares to launch its online platform. The exchange will allow for online spot and futures trading, clearing and settling in a range of commodities, eventually expanding from agricultural products to other items such as gold. The market will be at the center of the planned Internet-based commodities information network that will link all of the country's wholesale commodity exchange centers. They aim to achieve consistent pricing and operations in line with international market prices. Myanmar's wholesale commodity exchanges are currently only connected by telephone. As of October 2008, only the Banyinnaung wholesale market has the system, which displays local prices for beans and pulses in real time.

(e) Stock Share Market in Myanmar

Yangon Stock Exchange has officially allowed five listed companies of the six securities companies MSEC, KBZ SC, CBSC, AYATSC, KTZRH, UABSC. Currently, in spite of having over 30,000 investors of listed companies, the First Myanmar Investment Company Ltd (FMI), Myanmar Thilawa SEZ Holdings (MTSH), Myanmar Citizens Bank (MCB), First Private Bank (FPB), and Telecom Public Company Ltd (TMH) were also listed on the Yangon Stock Exchange. Only over 1500 investors are making stock trading actively in Yangon Stock Exchange. Stock prices change in the stock market on daily because supply and demand forces.

(f) Insurance Market in Myanmar

Myanmar is the lowest insurance penetration rate in the region, with only two million of its 54.36 million populations having any sort of insurance coverage. The insurance businesses in Myanmar are currently dominated by government and domestic private insurance companies as foreign insurance companies are not allowed to operate direct insurance business in the country. At the end of 2017, there was one state-owned insurance corporation, Myanma Insurance, and 12 privately owned domestic insurance companies operating insurance business in Myanmar.

There are also about 25 overseas insurance companies that have opened ROs in the country. Insurance

State-owned Myanmar Insurance is the major player in the Myanmar insurance market and provides about 50 different types of insurance including reinsurance. In contrast, private domestic insurance companies can provide only a few types of insurance cover, life insurance and non-life insurances. Other classes of insurance are permitted by the Ministry of Planning and Finance from time to time with the approval of the government.

3.2 Profile of UMFCCI

The Republic of the Union of Myanmar Federation of Chamber of Commerce and Industry (UMFCCI) dates back its existence to the year 1919 when it was founded by some Burmese patriotic entrepreneurs with strong nationalistic aspirations during the British colonial days. It marched ahead steadfastly and now in the year 2019, it has entered into its 100th year of existence supporting business in Myanmar, its centennial year. Its membership strength has increased to over forty thousand; there are now over 15,086 active members. There are a total of 75 affiliated associations under its umbrella, operating as state and regional CCIs, Border Trade Chamber of Commerce and Associations. The federation has signed more than 167 MoUs of corporation with international chambers and business organization cooperating and interacting with them in the fields of economy, trade and investment as well as social and other matters for mutual benefit.(President of UMFCCI). UMFCCI is a national level non-governmental organization representing and safeguarding the interests of the private business sector. It comprises 16 Regional and State Chambers of Commerce and Industry nine Border Trade Associations and about 30,000 members.

UMFCCI acts as a bridge between the State and the private sector presenting the vies and interest of business to the Union Government. Their motto is “Fighting for Your Business”. They focused the business sector and industry advocacy. Their vision is, “The Apex Organization leading the promotion of business growth and national economy development of Myanmar”. Their mission is “To be the Champion of Myanmar business interests in building a competitive, equitable and prosperous business environment and nation”. Their objectives are;

- (1) To achieve national development mainly through promoting economic growth by sustainably strengthen the private sector.
- (2) To act as a bridge between the private sector and the Government to increase competitiveness, and to create an

equitable and sustainable business environment. (3) To act an effective representative of local business to the Government in advocating for economic policy and legislation preferences.

(4) To build capacity in business in order to improve competitiveness in both local and international markets and to act as a resource center for members to further expand economic growth.

(5). To stimulate the emergence of efficient, ethical and responsible business in their preparation for future economies.

(6) To devise appropriate programs and policies to assist business in their preparation for future economies.

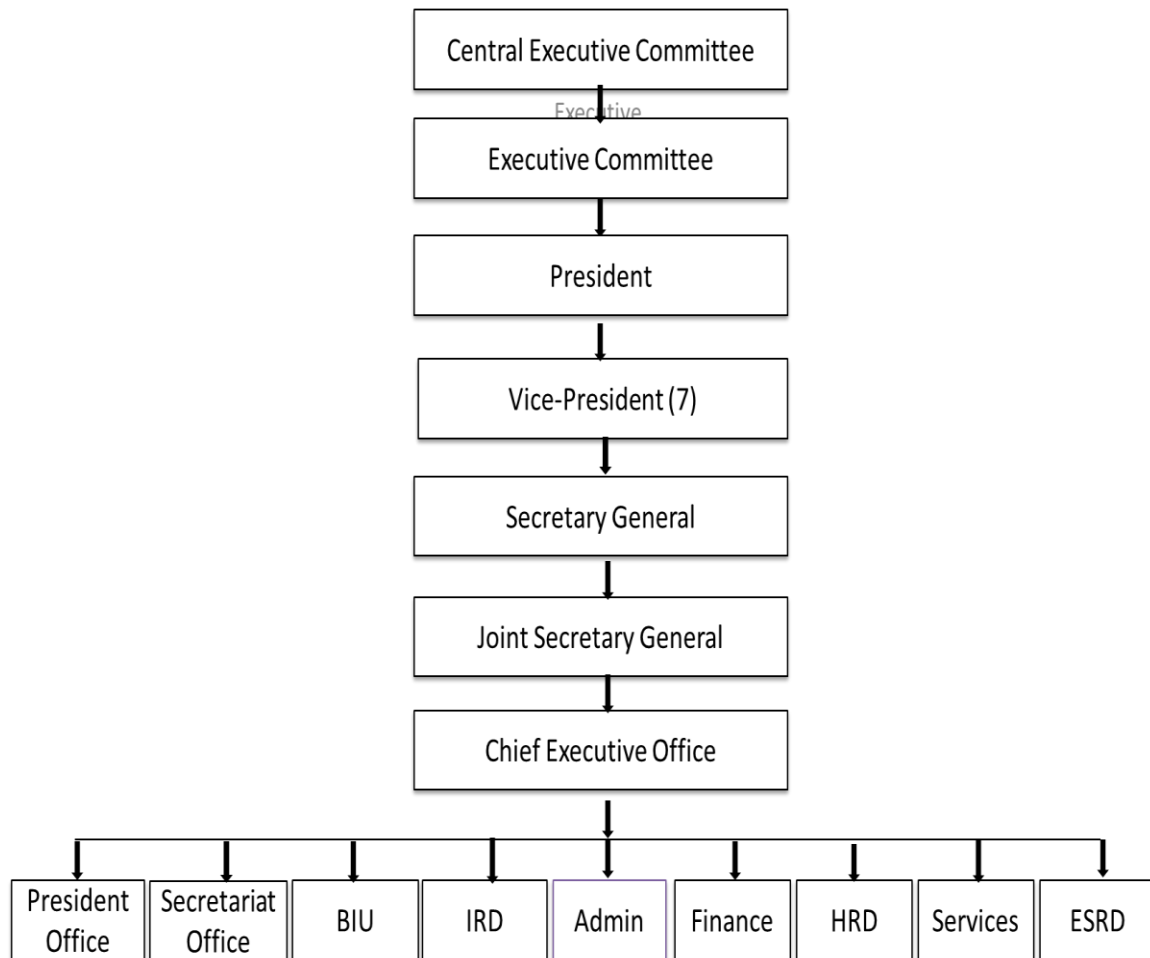
(7) To become a national apex organization which aims to closely cooperate with affiliated associations, development partners, and business for the sustainable development of the private sector.

No other domestic or foreign group is as close to having the government's ear. UMFCCI supports the business communities by sharing the knowledge, expertise and opportunities. Services that the UMFCCI provides include human resources development training, trade information, business facilitation, business matching and consultancy, many events for business-to-business affairs, gathering and shows, trade fairs, seminars, workshops, forum and study tours.

3.3 Organization Structure and Members of UMFCCI

UMFCCI has come a long way since 1919. It is now led by democratically elected its Central Executive Committee (CEC) of 56 businessmen and two businesswomen, all Myanmar nationals. The group is including its chair, The President of UMFCCI. There are nine departments in office; they are President Office, secretariat office, BIU, international relations (IRD), admin, finance, human resources and development, services, employer services department (ESRD). The Organization Chart of UMFCCI is shown in Figure (3.1).

Figure 3.1 Organization Structure of UMFCCI



Source: UMFCCI,2019

UMFCCI supports the business communities by sharing the knowledge, expertise and opportunities. Services that the UMFCCI provides include human resources development training, trade information, business facilitation, business matching and consultancy, many events for business-to-business affairs, gathering and shows, trade fairs, seminars, workshops, forum and study tours. Providing better opportunities for business people the Federation carries out activities with international organizations, including meeting with

State Counselor. As part of development program UMFCCI conducts training classes, regular and special, at its training institute for young people, also encouraging them to take part in international competitions. To inspire its employees of UMFCCI and to improve their efficiency the Federation rewards them with bonuses, increased pay, scholarships for study and training abroad and occasional healthcare expenses.(current CEO).

3.4 Affiliated Associations of UMFCCI

There are seventy five affiliated association of UMFCCI. They are eight border Trade Chambers of Commerce, fifty two Trade And Services Associations Affiliated with UMFCCI, seven Regions of Chambers of Commerce and Industry CCI and eight States Chambers of Commerce and Industry with the total active members 15,086 in the whole Myanmar. The associations have worked for mainly trading, manufacturing, garment, production, service, agriculture, mining, construction, commerce and industry and so on. Detail association will see in appendix (B).

It strongly supports investments policies that are beneficial and responsible for sustainable growth in Myanmar. One of the objectives is to achieve national development mainly through promoting economic growth by sustainably strengthening our private sector. They disseminate trade and markets information. UMFCCI giving merchants immediate access to a wide range of products services. They are working closely who giving us valuable experiences of the requirements of international business and markets. UMFCCI giving merchants immediate access to a wide range of products services. They are working closely who giving us valuable experiences of the requirements of international business and markets.

CHAPTER 4

Analysis on the Key Factors Influencing Investment Behavior of Merchants in UMFCCI

This chapter describes a detail presentation of methodology and procedures which have been followed in conducting the study to analyze factors influences on investment behavior of merchants in UMFCCI and investment behavior analyzed by multi-linear regression method is presented.

4.1 Research Design

The analysis of factors influences on investment behavior of merchants in UMFCCI is mainly based on the primary data collected through systematically developed by 5-point Likert scale model from strongly agree to strongly disagree. The questionnaire instrument includes three sections. They are (1) Demographic Information section (2) Financial Attitude of investment (3) Factors Influencing on Investment. This chapter also outlines the research methodology utilized to collect the primary data. The chapter begins by explaining the research designs, sampling method, data collection, data and ends with validity and reliability testing. Descriptive and inferential research was used to conduct the study. The data was collected using both closed and open ended questionnaires and interview schedules. The investors' demographic information is followed by investment behavior. Both Quantitative and qualitative approaches were used by using questionnaires followed by primary and secondary data. Primary data is collected from 100 investors in Yangon city region. Additionally, the secondary data was gathered from previous reliable references such as academic research papers, text books, UMFCCI websites, GIZ reports, commercial research and published journals, newspapers and articles.

After commencing a detailed analysis of data, it provides an insight into the findings of the study with numerical and graphical representation of the data and interpretation of

results. The presentation of detailed analysis and findings , which are extracted from questionnaires of investors who are investing in gold, stock and share, insurances and real estate etc.

Section one is included investor’s gender, age, marital status, occupation, income, education, occupation, enterprise, duration, family size and dependent family member. The second section related to investor’s thought, habit and choice about investment behavior. The last section is concerned with the main effective factors of investment such as financial status, risk taking behavior, information, and investment revenue and investment decision.

4.2 Profiles of the Respondents

This section presents about the profile of respondent of surveyed. Age level, kind of gender, marital status, educational level, occupation status, monthly income, and expenditure condition will be summarized as follow.

Gender of the Respondent

The first analysis of the demographic profile of respondents is the analysis on the gender respondents. Gender was divided into two categories, to analyze the investor ratio. Table (4.1) shows the result of gender of respondents.

Table (4.1) Gender of Respondents

Gender	Number of Respondents	Percentage (%)
Male	54	54
Female	46	46
Total	100	100

Source:
(2019)

Survey Data,

According to Table (4.1), the survey result was that 54% of total respondents are male and 46% are female who are interested in investing. Majority respondents are male 54% of sample size and the females are 46% of sample size. The gender is not a big disparity between male and female who are willing to make investment.

Age Level of the Respondents

The age level of surveyed respondents are categorized into (5) groups, ranging from up to 20 years , 21 to 30 years, 31 to 40 years, 41 to 50 years ,51 to 60 years and above 61 years respectively.

Table (4.2) Age of the Respondents

Age	Number of Respondents	Percentage (%)
21-30 years	17	17
31-40 years	17	17
41-50years	44	44
51-60years	9	9
above 60years	13	13
Total	100	100

Source: Survey Data, (2019)

Table (4.2) presents frequency distribution by age groups. The most respondent of the study is 41-50 in which is shown in Table (4.2) in accordance with survey result. This is able to be assumed that most of the investor's ages are over 40 years of respondents.

Marital Status of the Respondents

The respondents are asked marital status was divided into two categories that are doing investments; they are single and married group as shown in table (4.3). The survey result is that 41% of total respondents are living alone; single and making investment and 59% of total respondents are married with family, in accordance with table (4.3).

Table (4.3) Marital Status of the Respondents

Marital Status	Number of Respondents	Percentage (%)
Single	41	41
Married	59	59
Total	100	100

Source:
Data, (2019)

Survey

Educational Qualification of the Respondents

Educational qualification of respondents is analyzed into four groups. They are bachelor and diploma and master as shown in table (4.4).

Table (4.4) Educational Qualification of the Respondents

Education level	Number of Respondents	Percentage (%)
Bachelor & Diploma	90	90
Master	10	10
Total	100	100

Source:
Data,

Survey
(2019)

According to Table (4.4), the survey result show that 90% of total respondents are held the university degree which is largest percentage of the respondents and the rest of 10% respondent's education levels is for master degree, respectively. Thus, it can be assumed that the respondents are educated persons.

Family members of Respondents

Investment behavior can be vary by their expense of family member .Therefore family member question is included, divided into three groups which are one to three, four to six and seven to nine family member. Table 4.5 presents frequency distribution by family member.

Table (4.5) Family Members of Respondents

Family member	Number of Respondents	Percentage (%)
1-3 Family members	37	37
4-6 Family members	51	51
7-9 Family members	12	12
Total	100	100

Source: Survey Data, (2019)

According to the table (4.5) indicates that 51% of the respondents have four to six family members which are the largest segment of the responds out of 100 respondents. The smallest group are live in seven to nine big family members of the respondents..

Business Types of the Respondents

Respondents were also requested to provide their business type. Business types are divided into three groups manufacturing, trading and service. Table (4.6) shows occupation of respondent in accordance with survey result.

Table (4.6) Business Types of the Respondents

Business Type	Number of Respondents	Percentage (%)
Manufacturing	6	6
Trading	40	40
Service	54	54
Total	100	100

Source: Survey Data, (2019)

According to the Table (4.6) states the result the largest group of 54% respondents is working in services sectors, the second group of 40% respondents are working trading and the smallest group is 6% manufacturing.

Monthly Income of the Respondents

Monthly incomes of respondents are classified into four groups. In accordance with Table (4.7), 25% of total respondents are below kyat 500,000 and 31% of total respondents are up to kyat 500,000 to 1000000 and 21% of total respondents are kyats 1000000 to 2000000 and the highest group is for income above kyats 2000000 with 23% of the respondents.

Table (4.7) Monthly Income of the Respondents

Monthly income	Number of Respondents	Percentage (%)
Below MMK 500000	25	25
MMK 500000 to 1000000	31	31
MMK 1000000 to 2000000	21	21
Above2000000	23	23
Total	100	100

Source: Survey Data, (2019)

4.3 Current Investments of Respondents

This section presentments the current practices of investing of merchants in UMFCCI. This section covers the information about investment behavior of respondents. This section describes investment behavior of investors. There are, facts of considering to invest, life of doing investment, investment options of merchants, types investment time horizon, most important factors for investments, getting suggestion for Investments, kinds of investments, trading ways of investment.

Main Purpose to Invest of Respondents

When the selected investors are asked about their considering facts to invest, in this result it can be seen that the most categories of respondents who are considering first is aim to get average income and 83% of respondents.

Table (4.8) Main Purpose to Invest of Respondents

Factors	Number of Respondents	Percentage (%)
For average Income	83	83
To support Family	14	14
For Healthcare	3	3
Total	100	100

Source: Survey Data, (2019)

Investment Options of Respondents

The investment options of surveyed respondents are divided into six groups and other like stock; bank deposits, gold and real estate in table (4.9).

Table (4.9) Investment Options

Sector	Number of Respondents	Rank
Gold	45	1
Bank Deposit	22	2
Real Estate	15	3
Stock/Share	8	4
Foreign Currency	6	5
Insurance	4	6
Total	100	

Source: Survey Data, (2019)

Table (4.9) shows that investors are most interested to invest in gold and second is saving deposits in the banking sector and real estates is third, fourth is foreign currency, five ranking get of investors wish to invest in stock and the last one is insurance.

Operation Year of Business of Respondents

Respondents are further requested to answer operation year of investment .Table (4.10) indicates the analysis of the duration status of doing investment.

Table (4.10) Operation Year of Business

Operation Year	Number of Respondents	Percentage (%)
≤ 1 year	10	10
2-3 years	30	30
4 - to 5 years	11	11
≥ 5 years	49	49
Total	100	100

Source: Survey Data, (2019)

Table (4.10) shows that 49% of respondents are doing investment above 6 years experiences. 30% of respondents have been doing investment between 2 years and 3 years experiences, too. As commonly found that the majority of respondents who are doing investment above 6 years.

Types of Investment of Respondents

Types of investment of investors are categorized as short term investment, mid-term investment, and long term investment shown in table (4.11).

Table (4.11) presents that 55% of total investors make long-term investment and 24% and 21% of total investors make short term investment and midterm investment respectively. This indicated that the investment duration is varied by their type of investment and their urgency and almost admire to invest long term

Table(4.11)Types of Investment

Type of Investment	Number of Respondents	Percentage (%)
Long Term	55	55
Short Term	24	24
Mid tem	21	21
Total	100	100

Source: Survey Data, (2019)

Main Factors for Investment of Respondents

Respondents are asked the most important factors you consider when you make investment. Most important factors of investing are shown as tax, risk, and profit and investment money in table (4.12).

Table(4.12) Most Important Factors for Investment

Factors	Number of Respondents	Percentage
Tax	11	11
Risk	25	25
Profit	40	40
Investment Money	24	24
Total	100	100

Source:
Data

Survey
(2019)

According to table (4.12) to survey result, 40% of total investors depend on profit that will be got and 25% of total investors are considered risk, 24% of respondents are considered

investment money and 11% are considered for Tax. Moreover, it can be drawn that for the financial purpose, get back profit is the majority concerned by the respondents among others.

Getting Suggestion for Investments of Respondents

Respondents are further request to answer on who is suggest to make investment. Table (4.13) indicates the analysis of the getting suggestion of responds.

Table(4.13) Suggestion for Investment Sources

Source	Number of Respondents	Percentage
Financial Expert	17	17
Friends	15	15
Friends of friends	34	34
Family/ Relatives	34	34
Total	100	100

Source: Survey Data, (December 2019)

According to the table (4.13) the survey shows that the 34% of the respondents got the suggestion from Family and relatives and friends of friends, 17% got from financial experts and 15% got from friends. It was show that most of the investor reliable on friends.

Portfolio Diversification of Respondents

When the respondents are asked about portfolio of investment 1 to 3, 4 to 6,7 to 9 and above 10, the result show in Table (4.14).

Table(4.14) Portfolio diversified for Investments

No. of Portfolio	Number of Respondents	Percentage
1 to 3	69	69
4 to 6	17	17
7 to 9	9	9

above 10	5	5
Total	100	100

Source: Survey Data, (2019)

The summarize data in table (4.14) indicates that the respondents whose kinds of investment of one to three investments represents the largest group 69% of respondents and four to six kinds of investments represents the second largest group 17% of respondents. The kinds of investments seven to nine represents 9% and the smallest group of investing is above 10 investments. It can be seem that merchants are good at diversifying the investment portfolio by investing in more than one to three investment to avoid investment failure.

4.4 Analysis of Influencing Factors on Investment Behavior of Respondents

This section describes analysis of the factors influencing to investments behavior's merchants in UMFCCI and their willing to investments. Identifying five point Likert scale was used to measure the degree of respondents "agree or disagree" on a given statement related to investment behaviors. The respondents expressed their knowledge on investments by using the 5 point Likert scale (from 1=strongly disagree, 2=disagree, 3= neither agree nor disagree, 4= agree, 5= strongly agree). A five point Likert scale was used to interpret the responses whereby the scores of "Strongly disagree" and "Disagree" were represented by mean score, equivalent to 1 to 2.5 on Likert scale ($1 \leq \text{disagree} \leq 2.5$). The scores of 'Neutral' were equivalent to 2.6 to 3.5 on the Likert scale ($2.6 \leq \text{Neutral} \leq 3.5$). The scores of "Agree" and "Strongly agree" were equivalent to 3.6 to 5 on the Likert scale ($3.6 \leq \text{Agree} \leq 5$).

The greater the mean value is, the more investors will invest. The lower the mean value is, the more investors will not choose the investment and vice versa. A higher scale

demonstrates the investors have higher decision to invest. If not, the respondents do not agree upon a given statement. If the mean value is equal 3, respondents are unsure with the statement in given.

4.4.1 Reliability of Analysis

It is very important to test reliability of the factors in the questionnaires, before showing the results. Cronbah’s alpha, a statistic test used to examine the internal consistency of attributes, was determined for each factor of influencing on investment behaviors. This statistical test shows the attributes are related to each other and to the composite score. The composite score for each section of the questionnaires was obtained by summing the scores of individual statements. Cronbach’s alpha is defined as

$$\alpha = \frac{K}{K-1} * \left(1 - \frac{\sum_{i=0}^K s_i^2}{s_t^2} \right)$$

If alpha value is high, then this suggests that all of the items are reliable and the entire test is internally consistent. If the alpha value is low, than at least one of the items is unreliable and must be identified via item analysis procedures.

Table (4.15)Summary of the Reliability Test for Each Factors

Factors	No. of Items	Cronbach's alpha value
Financial Status	4	0.698
Information	4	0.749
Investment Revenue	5	0.871
Risk taking Behavior	7	0.897
Investment Decision	4	0.678

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Source: Survey Data, (2019)

Table (4.15) shows the Cronbach's Alpha scores for each factor. The reason to compute Cronbach's alpha for each factors is to check the non-factors of measures when all multiple items are analyzed at once. Apparently, Cronbach's alpha range for 0.678 to 0.871 exceeding the Nunn ally's reliability criterion of 0.70 levels (Nunnally,1987). Therefore, the contrast reliability each factors is deemed to be acceptable.

(a) Financial Status

This statements have seven questions that are designed to know of financial status. The higher level of mean score, merchant's investment decision greater on accessibility factor and vice versa. In order to know the factors of financial status, the descriptive statistics like mean and standard deviation for decision score on accessibility of investment are calculated and presented in table (4.16).

Table(4.16) Financial Status

Statements	Mean	Std. Deviation
Your current job is a high paid job.	3.67	1.45

You invest your savings.	3.98	1.14
You have monthly income.	3.38	1.32
Your invested money is from borrowing.	2.6	1.79
Your purpose for making investment is for profit	4.67	0.47
You reinvest when you get profit from your investment	4.54	0.50
You save when you get profit from your investment.	4.22	1.07
Overall Mean	3.87	

Source: Survey Data, (2019)

In table (4.16), the analysis shows most of the respondents strongly agreed that your purpose for making investment is for profit with the mean score 4.67 and standard deviation is 0.47 .It was found that most of the most merchant strongly agreed on the fact that making investment for the first reasons is just for profit. The main score of 4.54 and standard deviation of 0.50 also strongly agreed reinvest when they get profit from investment. Respondents also fairly agreed for other statement except their invested money is from borrowing with the lowest mean score 2.6 less than overall mean score of 3.87 show that merchant investment money is not bank loans, they don't need to repay interest and capital for their investment and all profit will be their own money. Thus, accessibility is appropriate for the easements for investment decision.

(b) Risk Taking Behavior

Table (4.16) illustrates the rank by means and standard deviations of all possible risk taking factors affecting on investment behavior. Respondents strongly agreed to invest where the experts exits because means for this result is 4.3 means and standard deviation is 1.09. Table

(4.17) illustrates the rank by means and standard deviations of all possible risk taking factors affecting on investment behavior. Respondents strongly agreed to invest where the experts exists because means for this result is 4.3 means and standard deviation is 1.09.

Table (4.17) Risk Taking Behaviors

Statements	Mean	Std. Deviation
You have attended the financial class.	3.93	0.84
Money in the hand is safe.	3.5	1.24
You still investing though this business are not quite good.	3.31	1.33
Always make insurance whenever make investment.	3.99	1.61
Always calculate the tax before you start investing.	3.76	1.39
You have quite good knowledge and understand at investing.	4.01	0.98
We should invest in the business with high profits in the short term.	4.01	0.77
We should take the higher risks to get higher return.	4.11	0.92
Always invest in the business that you are expert at.	3.7	1.15
You Always invest in where the experts exist.	4.3	1.09
Overall Mean	3.86	

Source: Survey Data, (2019)

Table (4.17) illustrates the rank by means and standard deviations of all possible risk taking factors affecting on investment behavior. Respondents strongly agreed to invest where the experts exists because means for this result is 4.3 means and standard deviation is 1.09. The second statement which has 4.11 means and 0.92 SD that the respondents also agree to take higher risk to get back higher return. The third statement risk taking behavior have the two same means 4.01 but separate 0.98 SD that the respondents have quite good knowledge and understand at investing and 0.77 SD that the respondents will invest in the business

with high profits in the short term. According to the statements, “Money in hand is safe”, as a result of investors doesn’t agree with mean 3.5 and SD 0.84.

(c) Information

Information is important in decision making for individuals for different aspects, especially on investment decisions. Indeed, the availability of information affects investors’ consideration and decision making for investing in any form of investments as shown in table (4.18).

Table (4.18) Availability of Information

Statements	Mean	Std. Deviation
Do you think social media plays important role in accessing information for investment?	4.41	0.99
Detect the information for investment first and make decision to invest.	4.56	0.59
Always compare the previous price and current price before investing.	4.01	0.90
Information source is very important to me for considering investing.	3.82	1.28
You get information for your investment from phone.	4.58	0.49
You get information for your investment from online (Facebook, Internet).	4.14	1.11
You get information for your investment from Television Program.	4.56	0.49
Overall Mean	4.30	

Source: Survey Data, (2019)

Table (4.18) shows the mean scores for items in the availability of information. Investors make their investment decisions based on the information of the instruments, such as the company’s past financial performance, the dividends distributed, and the market share price movement over the past months and years. For the investment, investment decision can be changed on reliable information. Factors of information influencing on Investment Behavior are shown in table (4.18), the respondents strongly agreed to get information from phone themselves for the results of mean 4.58 and SD 0.49.

(d) Return from Investment

Investment Revenue Investment is the possible earnings that the investors are expected estimated to earn from investing in the specific investment options.

Table (4.19) Return from Investment

Source: Data,	Statements	Mean	Std. Deviation	Survey
	Always calculate the profits first before investing.	3.93	0.84	
	Always choose higher return of investment.	3.5	1.23	
	Profit is the first priority in choosing to invest or not.	4.11	0.91	
	Current investment is achieving the higher profits in the market.	3.7	1.15	
	You reinvest when you get profit from your investment.	4.3	1.08	
	You save when you get profit from your investment.	4.65	0.47	
	You use for family expense when you get profit from your investment	3.64	0.89	
	Overall Mean	3.97		

(December 2019)

Each investor will have his or her expected returns upon their investment and based on their expected earnings. Investors expect to get higher rate the return .Table (4.19) illustrates that the rank by means and standard deviation of investor’s investment revenue. The respondents strongly agreed the statement that they save profit from your investment with means 4.65 and SD 0.47.

(e) Investment Behavior

Investment behavior is the process of consideration based on different factors to make the right investment decisions for specific investments. Investment behavior can be influenced by a wide range of factors and forces, and these factors can be divided into

personal characteristics, such as personality, self-motivation, and others. Thus, the behavior of the investor can also be influenced by factors and forces such as the general economic environment, stocks past performances, and other related factors. Table (4.20) presents the mean scores for items included in the investment behavior.

Table(4.20) Investment Behavior

Statements	Mean	Std. Deviation
You will regularly invest in future.	4.2	1.02
You usually invest for future expectation rather than past performance.	4.32	0.78
You will introduce my family and friends to invest.	4.41	0.99
Instead of keeping money yourself, you will invest.	4.56	0.59
You make decision to invest because you have many profitable friends who give you advice.	4.01	0.90
Overall Mean	4.3	

Source: Survey Data, (December 2019)

The mean scores of all the items show that investors have the positive investment behavior. As shown in table (4.20), the respondents strongly agreed to invest instead of keeping money for the results of mean 4.59 and SD 0.59.

4.4.2 Overall Factors Influencing on Investment Behavior

This part was analysis on the overall average mean score and standard deviation based on the analysis of four components. In the comparative analysis of four factors that are

highest influences on investment behavior to lowest factor. The average scores of each factor are shown in table (4.21).

Table (4.21) Overall Factors

Factors	Mean
Information	4.30
Return	3.97
Financial Status	3.87
Risk	3.86
Overall Mean	4.00

Source: Survey Data, (2019)

Table (4.21) indicates the analysis on the overall factors influencing factors on investment behavior of merchants in UMFCCI. Due to the effect of overall mean of these four factors which have high correlation .Then the next computed results can be described.

4.4.3 Relationship between Dependent and Independent Variables

The computed results of the analysis on the independent variables of the investment behavior are shown in Table 4.22.

Based on Table 4.22, it can be seen that all factors financial status, information, risk taking behavior and investment revenue of merchants have significant effect on the investment behavior. Financial status has a positive at 1% significant level. It indicates that if the financial status increases 1 point, then investment decision will also increase 0.187 times. The improvement of financial status is the way to grow investment.

Table 4.22 Regression Analysis on Influencing Factors and Investment Behavior

Coefficient					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig
	B	Std.Error	Beta		
Constant	0.815	0.219		3.714	000
Financial Status	0.187***	0.029	0.132	6.448	0.004
Information	0.759***	0.038	0.888	19.886	000
Risk	-0.42**	0.156	-0.61	-2.69	0.019
Return	0.34**	0.157	3%	2.165	0.016
R	0.902				
R Square	0.814				
Adjusted R Square	0.807				
P.Value=0.000***					

Note: ***, **, * represent 1%, 5% and 10% level of significance

Source: Survey Data (2019)

Availability of information has a positive at 1% significant level. It indicates that if getting availability of information increases 1 point, then investment decision will also increase 0.759 times. Thus, the getting availability of information will encourage taking investment decision. The risk taking behavior of the merchants also has a negative and significant effect on their investment behavior at 5% significant level. It indicates that if the number of investment decision decrease 1 point, the risk taking behavior will fall down to 2.69 times. Return from investment has a positive at 5% significant level. It indicates that if merchant's investment revenue level increases one additional unit point, then investment decision will also increase 0.34 times.

R Square reaches 0.814, means 81.4% of variation investment behavior is explained by influencing factors financial status, information, risk taking, return from investment. Thus, level will encourage taking investment decision. It thus can be concluded that all four factors affected on the investment behaviors of the merchant in UMFCCL.

CHAPTER 5

CONCLUSION

In this chapter, findings are summarized and concluded to derive the answer of research questions. This chapter will be including three parts. First part is finding which represents why the research project was conducted, what aspects of the factor were considered, what is outcome and it consists of finding of the demographic factors and results of opinion upon investor's behavior. The second part presents discussions, suggestion, recommendation and the last part is suggestion further study relating investment. The objectives of this paper are to examine the investment behavior of merchants in UMFCCI and to identify the key factors influencing investment behavior of merchants in UMFCCI.

There are total 120 participants chosen for this research. The survey result 100 responses, indicating a total response rate of 83.3%. Investors are selected and provided with structured questionnaire to obtain primary data. Those data analyzed with descriptive method and 5 point Likert scale rating method.

5.1 Findings and Discussion

Four factors were examined in this research to determine their influence and the relationship on the investors' investment behaviors. The data were collected from 100 participants, and the findings of the study discovered that the investment return and revenue have statistical relationship to the investors' investment behaviors. Financial status, return from investment, risk-taking behavior and sources of information were found to have significant relationship of influence on the investors' decision in investments. Among these factors, the availability of information has a strong relationship on the investors' behaviors, followed by return from investment, financial status and risk-taking behavior of individuals. The findings of this study were consistent with previous studies and the theories of the studies

Availability of information was found to have the ability to influence the investors' investment behaviors. The finding is also consistent with previous studies that the availability of the information is important for investors to influence their investment behaviors. In accordance with analysis on the investor's attitudes towards investing, before making an

investment, investors usually follow financial news such as TV, website, newspapers, business news and channels.

The utilization of technology could accurately perform analysis for investors and assist investors to make the informed investment decisions. The first significance of this research finding is that it summaries the factors that are important to individual investors' investment behavior for investments. The finding could form the framework to guide new investors to invest in mutual fund, help them to choose, select, and consider the appropriate investments to gain stable rate of return and income.

The findings will support for investors to alert their financial wealth with less risk. Financial knowledge is very important in making investment for the merchants and need to learn more. The findings of this research can also assist future researchers to compare the current findings and identify the changes that need to be incorporated in influencing investors' investment behavior for investments. Furthermore, they also want to invest in many investment sectors but they can't expend their investment because they don't enough capital resources, human resources, knowledge and technology resources to take with rank international.

5.2 Suggestion

Rapid economic growth has reliably increased the incomes and purchasing powers of individuals around the world. Indeed, this has increased their desires and needs for wide variety of products and services. This research has been undertaken to discover the various behaviors shown by the investors in investing investments by analyzing various factors that can greatly influence their investment decisions. Socio-economic factors are also significantly associated with investment behavior.

Based on the findings, it is recommended that countries should advance the financial market by imposing stricter policies on the availability of information to investors. As such, the financial market needs to be regulated with stringent policies as well as the availability of providing information for investors to invest in funds. Client information to the public in terms of both financial and non-financial information should update the information from time to time. This will help investors to make better investment decisions and will attract more investors to invest. Investors will also be encouraged to invest because of the accurate information provided to investors. When the investor gets more and more accurate

information and changes news from the investment sectors, it can make right investment decision at right time.

Investors with sound financial status tend to invest in highly risky opportunities and exhibit more risk seeking behavior as compared to less financial status investors. Risk-taking behavior has also affected the investment decisions of the investors as the investor who takes high risks expects higher returns that are associated with their investments. Risk perceptions of investors for different investment options were also gathered and ranked accordingly. The current study has identified that financial status, risk taking behavior, investment revenue and sources of financial information to be the factors influencing the investment behavior.

5.3 Needs for Future Study

There are some limitations that are associated in this study, and these limitations may influence the generalization of the project findings. The sample size used in this study is relatively small in order to gain reliable insights of the research findings because some merchants deny answering survey. The investor should learn to grow financial literacy and later merchants will challenge with foreign direct investors. The findings can also be used by other and future researchers to develop their literature background and help them to understand the investors' investment behavior.

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Appendix A

Part (1)

Demographic Factors

1. Position -----

2. Company -----

3. Life of business -----

4. Business types Manufacturing Trade
 Service Specify others

(-----)

5. Gender Male Female

6. Age 21-30 31-40

41-50 51-60 Above 61

7. Marital Status Single Married

8. Education Bachelor & Diploma Master

Ph.D

Please specify
others
(.....
...)

9. Members of family (.....) ppl

10. Dependent Family Member (.....) ppl

11. Monthly Income Below 5 lakhs Between 5 and 10 lakhs

Between 10 and 20 lakhs Above 20 lakhs

Part (2)

Financial attitude

1. Which factors do you consider to invest?

- For average income To support family income
- For healthcare Other (-----)

2. How long have you been doing investment?

- 1 year 2 years to 3 years
- 4 to 5 years Above 6 years

3. In which sector you preference investment is,

Sector	Rank
Gold	

Stock/Share	
Real Estate	
Bank Deposit	
Insurance	
Foreign Currency	

4. What type of investment do you make?

Long term investment

Short term investment

Average

5. Your trading ways are,

Sectors	Traditional(self)	Online
Gold		
Stock/Share		
Real Estate		
Insurance		

Jewelry		
Foreign Currency		
Peas/Beans (Commodity)		

6. Select the most important factor you consider when you make investment

Tax

Risk

Profit

Investment Money

7. Who suggest you to invest?

Financial expert

Friends

Friends of friend

Family /Relatives

8. How many kinds of investments are you doing now?

1 to 3

4 to 6

7 to 9

Above 10

9. From which source do you usually get the most information for investment.

Internet/Facebook

Television Program

Books

Phone

Part (3)

(Factors on considering investment)

(1) Strongly disagree (2) disagree (3) Neither agree nor disagree (4) agree (5) Strongly agree

(Financial Status) Please choose one according to your situation.					
1. Your current job is a high paid job.	1	2	3	4	5
2. You invest your savings.	1	2	3	4	5
3. You have monthly income.	1	2	3	4	5
4. Your invested money is from borrowing.	1	2	3	4	5
5. Your purpose for making investment is for profit	1	2	3	4	5
6. You reinvest when you get profit from your investment	1	2	3	4	5
7. You save when you get profit from your investment.	1	2	3	4	5

(1) Strongly disagree (2) disagree (3) Neither agree nor disagree (4) agree (5) Strongly agree

(Information) Please choose one according to your situation.					
1. Do you think social media plays important role in accessing information for investment?	1	2	3	4	5
2. Detect the information for investment first and make decision to invest.	1	2	3	4	5
3. Always compare the previous price and current price before investing.	1	2	3	4	5
4. Information source is very important to me for considering to invest.	1	2	3	4	5
5. You get information for your investment from phone.					

6. You get information for your investment from online(facebook,Internet).					
7. You get information for your investment from Television Program.					

(1) Strongly disagree (2) disagree (3) Neither agree nor disagree (4) agree (5) Strongly agree

(Risk Taking Behaviour)					
1. You have attended the financial class.	1	2	3	4	5
2. Money in the hand is safe.	1	2	3	4	5
3. You still investing though this business is not quite good.	1	2	3	4	5
4. Always make insurance whenever make investment.	1	2	3	4	5
5. Always calculate the tax before you start investing.	1	2	3	4	5
6. You have quite good knowledge and understand at investing.	1	2	3	4	5
7. We should invest in the business with high profits in the short term.	1	2	3	4	5
8. We should take the higher risks to get higher return.	1	2	3	4	5
9. Always invest in the business that you are expert at.	1	2	3	4	5
10. You Always invest in where the experts exist.	1	2	3	4	5

(1) Strongly disagree (2) disagree (3) Neither agree nor disagree (4) agree (5) Strongly agree

(Investment Revenue)					
1. Always calculate the profits first before investing.	1	2	3	4	5
2. Always choose higher return of investment.	1	2	3	4	5
3. Profit is the first priority in choosing to invest or not.	1	2	3	4	5
4. Current investment is achieving the higher profits in the market.	1	2	3	4	5
5. You reinvest when you get profit from your investment.	1	2	3	4	5
6. You save when you get profit from your investment	1	2	3	4	5
7. You use for family expense when you get profit from your investment	1	2	3	4	5

(1) Strongly disagree (2) disagree (3) Neither agree nor disagree (4) agree (5) Strongly agree

(Investment Decision)					
1. You will regularly invest in future.	1	2	3	4	5
2. You usually invest for future expectation rather than past performance.	1	2	3	4	5
3. You will introduce my family and friends to invest.	1	2	3	4	5
4. Instead of keeping money yourself, you will invest.	1	2	3	4	5
5. You make decision to invest because you have many profitable friends who give you advice.	1	2	3	4	5

