

## Table of Contents

Acknowledgement .....	2
Dedication .....	3
Abstract.....	4
Chapter 1 – Introduction.....	5
1.1 Problem statement: .....	12
1.2 Research Gap: .....	12
1.3 Objective of study: .....	14
1.4 Significance of study: .....	14
Chapter 2 - Literature Review .....	15
2.1 Financial Information:.....	19
2.2 Investment Experience: .....	23
2.3 Financial Literacy:.....	28
2.4 Hypothesis Development:.....	35
2.5 Theoretical Framework:.....	36
Chapter: 3 - Research Methodology .....	37
3.1Investigation Type.....	37
3.2 Cause and Effect: .....	37
3.3 Setting of Study:.....	37
3.4 Horizon of Time:.....	37
3.5 Data Collection Method:.....	37
3.6 Sample and Procedure:.....	37
3.7 Questionnaire Design:.....	38
Chapter: 4 - Data Analysis .....	39

4.1 Demographic Analysis.....	39
4.2 Reliability Analysis.....	47
4.3 Analysis of Correlation of the Study: .....	48
4.4 Regression Analysis of Study:.....	49
4.5 ANOVA result Analysis: .....	50
4.6 Coefficient .....	50
Chapter: 5 – Discussion.....	52
5.1 Recommendations: .....	54
BIBLOGRAPHY .....	55

## **Acknowledgement**

First of all, Thanks to **ALLAH**, Who is  
creature of the entire universe.

After that, I would like to state my special gratitude to **Dr. Taqadus Bashir**, my thesis supervisor, for conveying her expertise and knowledge into this research. I feel no hesitation in saying that I would not be able to complete this study without her constant support and time to time instructions. I genuinely thank him for his guidance and encouragement in carrying out this research.

I would also like to thank my Family members, who encouraged and supported me and made it easy for me to complete this research.

## **Dedication**

I would like to dedicate the work of this thesis  
to my  
beloved Parents, Brother and to Amna Masood  
for all their love, affection, compassion and Support.

# **Impact of Risk Tolerance on Decision Making in Pakistan**

## **Abstract**

Making investment decision is difficult process and is also influenced with many other factors. It is also important to think that how much investor is capable to absorb the risk. So it shows minimum, maximum or medium level of intensity for risk that shows different strategies investors use for decision making. Investors need to understand the investment decisions tools and determinants for decision making. The aim of conducting this study is to see the contribution of different factors that effects on the investor investment decision in Pakistan. A study frame work is designed to see the impact of financial literacy, investment experience, and information asymmetry on investor decision making. It is also examined that how much weight each independent variable assigns by the investors while they make investment decisions. In this study data is collected through questionnaires to find the relationship between the variables. Also factor analysis is used to check the reliability and validity of the data. Overall discussions and findings concludes that the behavior of the investors depends on the information that is given and defined to them, and how much they are willing to bear the risk while making the investment decisions, and enables to researchers to analyze the investment style of the investors. This research will help to identify those factors and variables that are impacting on investor decision making process.

**Key words:** Investment Experience, Financial Literacy, Information Asymmetry and Investment Decision.