

Online Appendix

Financial Literacy and Heuristic Driven Biases: The Role of Risk Perception

Appendix: Questionnaire

Name

Gender

- Female
 Male

Marital Status

- Single
 Married

Age

- 18 to 25 Years
 26 to 35 Years
 36 to 45 Years
 More than 45 Years

Education

- Up to High school
 Graduation
 Post-Graduation
 Doctorate

Occupation

- Private Job
 Government Job
 Business/Self-employed
 Others

Investment Experience

- Less than 1 year
 1 to 4 years
 4 to 7 years
 More than 7 years

Yearly Income

- Less than 4,00,000 Rs.
 4,00,000 to 8,00,000 Rs.
 8,00,000 to 12,00,000 Rs.
 More than 12,00,000 Rs.

Financial Literacy

1. 1000 rupee today is worth 950 rupees next year if the time value of money is 10%,
 - a. True
 - b. False
 - c. Do not Know

2. The value of money in future is lesser than the amount invested,
 - d. True
 - e. False
 - f. Do not Know

3. If the interest rate is 2% per annum, and the inflation rate is 3% per year. After one year, how much is the worth of money in this account?
 - a. Higher than today
 - b. Lower than today
 - c. Same
 - d. Do not know

4. If you diversify the investments, your risk of making a loss decreases.
 - a. True
 - b. False
 - c. Do not Know

5. Investing in a single company's stock provides a safer return than investing in multiple stocks.
 - a. True
 - a. False
 - b. Do not Know

Risk Perception

6. I carefully examine numerous criteria before investing in stocks.
 - a. Strongly Disagree
 - b. Disagree
 - c. Neither Agree Nor Disagree
 - d. Agree
 - e. Strongly Agree

7. I only make investment decisions when I have clarity in mind.
 - a. Strongly Disagree
 - b. Disagree
 - c. Neither Agree Nor Disagree
 - d. Agree
 - e. Strongly Agree

8. To avoid poor returns, I tend to invest in safer stocks.
 - a. Strongly Disagree
 - b. Disagree
 - c. Neither Agree Nor Disagree
 - d. Agree
 - e. Strongly Agree

9. I am greatly concerned with the stock investments having negative returns.
 - a. Strongly Disagree
 - b. Disagree
 - c. Neither Agree Nor Disagree
 - d. Agree
 - e. Strongly Agree

Heuristic driven Biases

Overconfidence

10. I have an extraordinary understanding of the stock market.
 - a. Strongly Disagree
 - b. Disagree
 - c. Neither Agree Nor Disagree
 - d. Agree
 - e. Strongly Agree

11. My investment strategies are better than most investors.
 - a. Strongly Disagree
 - b. Disagree
 - c. Neither Agree Nor Disagree
 - d. Agree
 - e. Strongly Agree

12. My stock price predictions are better than financial analysts.
 - a. Strongly Disagree
 - b. Disagree
 - c. Neither Agree Nor Disagree
 - d. Agree
 - e. Strongly Agree

13. I am a successful investor due to my exceptional investment analysis.
 - a. Strongly Disagree
 - b. Disagree
 - c. Neither Agree Nor Disagree

- d. Agree
- e. Strongly Agree

14. My strategies for investment can yield a profit at the time of market volatility.

- a. Strongly Disagree
- b. Disagree
- c. Neither Agree Nor Disagree
- d. Agree
- e. Strongly Agree

Anchoring

15. I do not invest in stocks that performed poorly in the former month.

- a. Strongly Disagree
- b. Disagree
- c. Neither Agree Nor Disagree
- d. Agree
- e. Strongly Agree

16. I reflect upon the price I paid for the stock before selling it.

- a. Strongly Disagree
- b. Disagree
- c. Neither Agree Nor Disagree
- d. Agree
- e. Strongly Agree

17. I relate the present stock price with its highest and lowest price in one year.

- a. Strongly Disagree
- b. Disagree
- c. Neither Agree Nor Disagree
- d. Agree
- e. Strongly Agree

18. I hold stocks during a volatile market, especially when their price is lower than my purchase price.

- a. Strongly Disagree
- b. Disagree
- c. Neither Agree Nor Disagree
- d. Agree
- e. Strongly Agree

Representativeness

19. I study every stock's performance before investing.

- a. Strongly Disagree
- b. Disagree

- c. Neither Agree Nor Disagree
 - d. Agree
 - e. Strongly Agree
20. I do not invest in stocks with below-average past performance.
- a. Strongly Disagree
 - b. Disagree
 - c. Neither Agree Nor Disagree
 - d. Agree
 - e. Strongly Agree
21. I only invest in stocks that have a track record of good returns.
- a. Strongly Disagree
 - b. Disagree
 - c. Neither Agree Nor Disagree
 - d. Agree
 - e. Strongly Agree
22. I conduct the trend analysis of stocks before investment.
- a. Strongly Disagree
 - b. Disagree
 - c. Neither Agree Nor Disagree
 - d. Agree
 - e. Strongly Agree

Availability

23. I do not waste time in a detailed examination of the value of any particular stock.
- a. Strongly Disagree
 - b. Disagree
 - c. Neither Agree Nor Disagree
 - d. Agree
 - e. Strongly Agree
24. I take investment-related decisions built upon freely available information.
- a. Strongly Disagree
 - b. Disagree
 - c. Neither Agree Nor Disagree
 - d. Agree
 - e. Strongly Agree
25. I tend to buy stocks when the market is growing.
- a. Strongly Disagree
 - b. Disagree
 - c. Neither Agree Nor Disagree
 - d. Agree

e. Strongly Agree

26. I take investment decisions with readily available analysis.

- a. Strongly Disagree
- b. Disagree
- c. Neither Agree Nor Disagree
- d. Agree
- e. Strongly Agree