

# **Behavioral Finance of Women Entrepreneurs: Analysis of Confirming Factors**

## **Sriramalakshmi Ashok kumar**

Ph. D. Research Scholar, PG and Research Department of Commerce,  
Ayya Nadar Janaki Ammal College  
(Autonomous, Affiliated to Madurai Kamaraj University),  
Sivakasi – 626 124, Virudhunagar District, TamilNadu State, India  
Email Id: [sriramalakshmiabi@gmail.com](mailto:sriramalakshmiabi@gmail.com)

## **Dr. R. Sorna Priya**

Assistant Professor, PG and Research Department of Commerce,  
Ayya Nadar Janaki Ammal College  
(Autonomous, Affiliated to Madurai Kamaraj University),  
Sivakasi – 626 124, Virudhunagar District, TamilNadu State, India.  
Email Id: [sornapurushoth@gmail.com](mailto:sornapurushoth@gmail.com)

---

---

**Abstract:** Entrepreneurship is a significant role for the sustainable economy growth and the society. Women entrepreneurs exhibit distinct investment behaviors when compared to their male counterparts. This research paper focuses the behavioral finance of women entrepreneurs. The objective of this paper is to elucidate the substantial relationship among the variables of behavioral finance through the application of AMOS. Data collected from 241 registered women entrepreneurs (WE) by using the technique of proportionate stratified technique and the sample size are selected through samplesurveysystem.com @ 5% confidence level (0.05). Data from women entrepreneurs is gathered through a systematic questionnaire. The researcher framed 20 statements of behavioral finance under the head of Knowledge and Developmental Activities. Cronbach's Alpha value of behavioral finance is 0.956, the variables are highly consistent. The researcher has deleted the low factor loadings of knowledge and developmental activities under behavioral finance. After CFA analysis the number of statements has been reduced. In this study only 14 statements are accepted after CFA analysis. The pooled CFA analysis made ease to carry out the research work to understand better the problem. In recent days women entrepreneurs analyse more before investing their amount and they are aware of how to utilize their amount for the development of business. Also, Government conducts more awareness and training programme for women entrepreneurs and also ensure the programme have been reached to the women entrepreneur or not. The program will support to improve the business of women entrepreneurs and boost the more women to become an entrepreneur.

**Keywords:** Entrepreneurship, Women entrepreneurs, Behavioral Finance, Knowledge about finance, Developmental activities

## Introduction

Entrepreneurship is an imperative for the sustainable economic growth and society. It is obligatory to cultivate and infuse the culture of entrepreneurship among the prospective workforce orce to support the country's industrial expansion (Ambiga, S. 2017). Entrepreneurship - A type of economic activity that one one person or a team of people performs. An individual is only considered an entrepreneur when they are fully engaged in the creative process. Entrepreneurs are defined as the development of a novel combination of pre-existing materials and forces, which entrepreneurship creates as innovations rather than creations. One of the important engines is entrepreneurship for a country's economic prosperity. Successful businesses understand the importance of money management and budgeting for current and future financial responsibilities. Successful entrepreneurs have a few key characteristics: they are committed to their business, goal-oriented, risk-takers, eager to learn and listen, and they are passionate and always full of positive thoughts. They have traits like as self-assurance, optimism, resourcefulness, problem-solving abilities, oversensitivity, and bootstrapping (Bhuvaneswari, 2017). The Widespread economic growth can help reduce poverty and create jobs for underserved and marginalised groups in society in addition to bringing about social justice or unprejudiced development (**Zahoor Ahmad Paray & Raouf Ahmad Rather, 2022**).

Women entrepreneurs is one of the innovative agents of economy, they contribute more to economic and industrial growth of a country. In developing countries, women select entrepreneurship for an alternative option for unemployment and minimum profits. More women are becoming educated, employed, and financially independent in the twenty-first century. Now a days women are empowered to take decision about financial matter. More women are becoming educated, employed, and financially independent in the twenty-first century. This study focuses the behavioral

finance of women entrepreneurs. This research paper aims to identify the significant relationship between the variables of behavioral finance by using Amos. Small and Medium Sized Enterprises play a variety of roles, including fostering innovation and competition, developing human resources, and establishing a financial system (**Tariku Gerito Denbelo, 2020**).

**Muzafar Hussain Shah. et al., (2021)** in their research paper analyzed the effect of family background and peer role on financial literacy. The investigator has gathered primary data from 309 respondents of working youth among different organizations applying stratified random sampling techniques. The investigator found that the insignificant effect of family and spending and significant effect on financial literacy. The researcher concluded that policymakers make a decision for new policies of financial literacy and give proper training through workshops and conferences for financial literacy awareness of working youth. According to the research paper of **Tatiara S. Manolova, et al., (2020)**, the COVID-19 epidemic caused two shocks to the world economy. COVID-19 causes significant disruptions in global supply chains and an instant halt to communication in contact-intensive economic sectors that are impacted by lockdown policies. Demand for specific categories of hospital supplies and equipment, personal protective equipment, domestic essentials, and digital services has suddenly increased as a result of COVID-19. Changes made in these circumstances made it possible to completely rethink and drastically alter current business models, as well as to make new assumptions and commercial estimates. The researcher found that impossible to comprehend business model pivot without considering the social and economic context in which organizations function. According to the study, women entrepreneurs should prioritize education and educational initiatives that assist them entrepreneurial growth (**ZuzanaBrixiová. ThierryKangoye & MonaSaid. 2020**). According to the research report by **Gayathri, R. & Vanjikkodi, T. (2019)** women are experiencing

psychological as well as economic difficulties. The statement of the research can be formulated in a business performance, financial literacy of women entrepreneurs in Tiruppur District. The researcher has analysed that the company's performance in terms of profitability and the sales. In convenient sampling methods, information is gathered from 100 women entrepreneurs in Tiruppur District through structure questionnaire. The researcher observed that the factor investment skill is highly significant and the other factors are financial knowledge, saving skill, borrowing skill and overall financial literacy is not significant. The researcher came to the conclusion that women entrepreneurs have a medium level of financial knowledge. The researcher suggested that Government takes to organize a greater number of entrepreneur awareness programme to reach the village and hamlets. **Kumaran Kanapathipillai, S. & Ferdous Azam, M (2019)**, according to the research paper, five factors—financial, human, social, and innovative capital as well as work-life balance—are implicated in the success of female entrepreneurs. The results may encourage other women to overcome all barriers in their pursuit of success and to keep a high socioeconomic standing and a competitive advantage in the corporate world. **Charulakshmi, T. & Thaiyalnayaki, M. (2019)** found that problems are finance, family, society faced by women entrepreneurs. Suggested that initiate more programme offered by government to improve it. The author has evaluated the Cronbach alpha value of demographical factors i.e age, gender, income, and education are accepted and also associated with its factors influenced. The researcher determined that the demographic factors have a positive impact - on the attributes of e-payment at the time of shopping (Salah Uddin, K.M. and Tuhinur Rahman, Md. 2019). The researcher concluded that Diagonally Weighted Least Squares (DWLS) and Unweighted Least Squares (ULS) not satisfied the accepted value and the data model is a misfit (**Yan Xia and Yanyung yang. 2019**). **Noemi Oggero, Maria Cristina Rossi & Elisa**

**Ughetto (2019)** explore the attitudes of Italian households toward entrepreneurship, with a focus on the role of digital skills and financial literacy as potentially important determinants influencing entrepreneurial entry. In order to determine whether and how much men and women differ in their inclinations to manage a firm, the researcher analysed the gender emphasis. The results suggest that men and women have rather different values when it comes to digital skills and financial literacy as motivations for entrepreneurship. The results show that, but only for men, financial literacy significantly affects the likelihood of starting your own business. Males are more likely than females to become entrepreneurs when they possess digital abilities.

**Sheweta Gaur, Vijay Kulshreshta & Ravi Chaturvedi (2018)** their research paper of "Challenges and Opportunities for women entrepreneurs in India". The researcher illustrated that in early age, only males are most dominant phenomena in entrepreneurship but now-a-days women become most unforgettable and inspiring entrepreneurs. The number of feminine entrepreneurs in India has been rising annually. The complications women face when initial their own businesses must be investigated by the researcher. The study is descriptive in nature. In order to turn out to be an entrepreneur, the researcher must determine which ambition and pull variables are most important. Limited market access, raw materials, capital or finance, marketing expertise, production, poor infrastructure, insufficient power supply, lack of business training, social acceptability, limited contracts, and relationships with employees are just a few of the fundamental economic and social factors that impact entrepreneurs. The study recommended that in order to foster professional competencies, the government should set up training programs. Women should attend conferences, workshops, seminars, and training programs as it will motivate them to start their own businesses. It lessens the difficulties that come with doing business. According to the researcher's findings, women make excellent business owners and favor them since they can

manage work and life. In India, have many fruitful women entrepreneurs yet male entrepreneurs dominated culture which women entrepreneurs face many hindrances from family and society. It lessens the difficulties that come with doing business. According to the researcher's findings, women make excellent business owners and favor them since they can manage work and life. In India, have numerous successful women entrepreneurs yet male entrepreneurs dominated culture which women entrepreneurs face many impediments from family and society. **Neheh Brownhilder Ngek (2016)** in his research paper to know impact of financial literacy on firm performance and to study the effect of moderate and performance relationship of financial capital availability on the financial literacy. The researcher has been collected 200 entrepreneurs of SMEs owners and managers in South Africa through convenience sampling method. The researcher concluded that the literacy rate is low, availability of financial capital and literacy has positively influenced performance of SME.

**Neha Pandey (2015)** in the research paper of "Women Entrepreneurship: An effective and possible approach for women empowerment" stated that because of a lack of economic prospects and limited participation in decision-making, women have remained a marginalized segment of the workforce. Education also major problem for women. The researcher observed that more than 70% of the women entrepreneurs' main problem is finance. The researcher suggested that Government and Non-Government organisations should encourage women to start up business and motivate them through various programmes. The researcher concluded that the Government of India should make compulsory technical educate and training for women. **Carter et al., (2015)** in the research paper "Barriers to ethnic minority and women's enterprise: Existing evidence, policy tensions and unsettled questions", stated that reflects global trends in post-industrial countries migrating to service-based economies, as well as the growth of feminized service firms made possible by the widespread use of mobile and other digital

technology. However, because of the persistence of gendered societal norms and conditions, women's entrepreneurial engagement reflects their overall, disadvantaged labor market participation. Childminding, teaching, housekeeping, retail, and hairdressing are among the feminized sectors with low-profit margins where they work as entrepreneurs. **Anderson & Alistair, R. (2015)** in the research paper of "Conceptualising entrepreneurship as economic explanation and the consequent loss of 'understanding'" stated that forms of basis for research problem. To acquire more about what the research says about women's empowerment through entrepreneurship. The researcher has interested in whether, even largely, entrepreneurship liberates women. The researcher's conceptual starting point is that enterprise is strongly socially ingrained and cannot be unstated solely from an economic standpoint. **Wan Mohamad et al. (2014)** has concluded that the questionnaire was framed with 53 statements based on their literature review. After CFA analysis, only 22 statements are accepted in their questionnaire and recognized for further research. Also, the Pooled CFA is easy to take out their research work for better understanding. The hypothesis is framed from enterprise factor level, customer factor level and logistics factor level are all valid and positively impact loyalty. **Fungai Ngoma Mauchi, et al., (2014)** has analysed that 50 women entrepreneurs operating in Mashonaland Central Province through qualitative in-depth interview technique. The researcher concluded that Access to capital, conflicts between work and family duties, networking obstacles, and a lack of education and managerial skills are all issues that women entrepreneurs are faced. The researcher revealed that improve of whole status of women both in nation and the family (**Suman Madan, et al., 2014**). Every respondent evaluated each brand on all attributes. The researcher has evaluated only a subset of brands it may result useless for many kinds of modeling because of a large amount of missing data (**Lynd Bacon, 1997**).

## Theoretical Framework of Behavioral Finance

Behavioral finance describes the monetary decision taken by people either by individual or collective. It explains the actual market and individual investment against the traditional investment theories (Bhuvaneswari, 2017). Understanding how investors' emotions and psychological states influence their financial decisions is known as behavioral finance. According to Shefrin (2001), Behavioral finance observes how psychology effects financial markets and decision-making.

### a) A relationship between Knowledge and Developmental activities in behavioral finance

Behavioral Finance plays an important role in decision making process of assets purchased or any for growth of financial resources. Before understanding behavioral finance, it is necessary to understand the distinction between traditional and standard finance. An investor is rational and market is well organized in standard finance and the Investor is irrational in decision making and markets are not effective.

The worth of healthy financial advice is to protect your money from others by converting it into knowledge. Also, highlights the relation between knowledge and its significant return on investment in life (Benjamin Franklin, 1986). Dalai Lama defines, "Invest your knowledge. It's a way to achieve immorality" Knowledge is the important factor of behavioral finance. Knowledge helps to recognize the important facts, information and skills through experience and education. Another factor is developmental activities in business through behavioral finance. These factors help the entrepreneurs to move the next phase of business. The researcher has framed to develop a model for behavioral finance of women entrepreneurs

## Materials and Methods (MM)

Data collected from Women entrepreneurs who are registered from District Industries Centre. The Total Number (TN) of registered women entrepreneurs (WE) are 639. By using the technique of proportionate stratified random sample 241 registered women entrepreneurs are selected as sample size using samplesurveysystem.com @ 5% confidence level. Data from women entrepreneurs is gathered through a systematic questionnaire.

## Result and Discussion

### Reliability

Table 1: Reliability

| Cronbach's Alpha | No of Items |
|------------------|-------------|
| .956             | 20          |

### Source: Computed Data

The researcher has applied Cronbach's Alpha test for identify the reliability of the statements under Knowledge and Development activities of behavioral finance. The above Table 1 found that Cronbach's Alpha value for knowledge and

developmental activities is 0.956. A test with a most Internal Consistency Reliability Coefficient (ICRC) shows that the items on the test are very similar to each other homogeneous (US Department of Labor Employment and Training Administration, 1999).

## Exploratory Factor analysis (EFA) for behavioral finance of women entrepreneurs

**Table 2: Kaiser–Meyer–Olkin, Bartlett's Test**

| <b>KMO and Bartlett's Test</b>    |                    |          |
|-----------------------------------|--------------------|----------|
| KMO Measure of Sampling Adequacy. |                    | .940     |
| Bartlett's Test of Sphericity     | Approx. Chi-Square | 5327.588 |
|                                   | Degree of freedom  | 190      |
|                                   | Significant        | .000     |

**Source: Computed Data**

From the Table 2 shows that the KMO test value are acceptable and valid to conduct data is 0.940 which is greater than 0.5, the statements reduction technique.

**Table 3: Statements regarding behavioral finance of women entrepreneurs**

| S.No. | Components               | Item Description   | Rotated loadings | Cronbach's Alpha |
|-------|--------------------------|--|------------------|------------------|
| 1     | Knowledge                | Investment based on the advice of a journalist or well-known personality | 0.928            | 0.899            |
| 2     |                          | Know about Government subsidies and incentives for women entrepreneurs   | 0.887            |                  |
| 3     |                          | Before making an investment, I seek advice from friends and family       | 0.878            |                  |
| 4     |                          | Impressed from celebrity advertisement                                   | 0.850            |                  |
| 5     |                          | Well-known about financial fraud like debit/credit card fraud            | 0.794            |                  |
| 6     |                          | When rate of return increase, I think it's my skill/luck                 | 0.780            |                  |
| 7     |                          | Know to invest my amount for a greater number of years                   | 0.779            |                  |
| 8     |                          | Choose my investment for gain profit rather than the loss                | 0.765            |                  |
| 9     |                          | Prefer more data analysis before making an investment                    | 0.704            |                  |
| 10    | Developmental Activities | Used my rate of return for business expansion                            | 0.898            | 0.938            |
| 11    |                          | I would like to start venture new business                               | 0.890            |                  |
| 12    |                          | Return used for repayment of loan  | 0.861            |                  |
| 13    |                          | I Would like to adopt latest technology for my business                  | 0.849            |                  |
| 14    |                          | Didn't touch my return because it's for my children's education          | 0.773            |                  |
| 15    |                          | Prefer to invest my profit into same business                            | 0.670            |                  |
| 16    |                          | Like to monitor the financial health of my business                      | 0.669            |                  |
| 17    |                          | I would like to use my return whenever changes occur in demand           | 0.645            |                  |
| 18    |                          | Return used for asset purchased of business                              | 0.642            |                  |
| 19    |                          | Return used for personal purpose   | 0.631            |                  |
| 20    |                          | Return used for vacation trip  | 0.520            |                  |

**Source: Computed Data**

Table 3 found that statements with two dimensions regarding behavioral finance of women entrepreneurs. There are 9 statements under new dimensions of Knowledge and 11 statements under another dimension of developmental activities. Cronbach's Alpha values for knowledge and developmental activities, respectively, are 0.899 and 0.938.

### Unidimensionality

Unidimensionality is to measure all items that have accepted factor loadings for the related

latent construct. In this way, any low factor loadings should be deleted in the measurement model (Zainudin Awang - Universiti Sultan Zainal Abidin). In this way, the researcher has found the low factor loadings in Knowledge factor and Development Activities and delete the low factor loadings. Low factor loading After removing the items with low factor loading, the researcher again run the new measurement model (Zainudin Awang - Universiti Sultan Zainal Abidin). The unidimensionality achieved when the remaining factor loadings become positive.

### Validity

**Table 4: Calculation of Average Variance Extracted and Construct Reliability**

| Factor |     |                          | Factor Loading | Item Reliability (Square of factor loading) | Delta | AVE          | Sum of Factor Loading | Sum of Delta | CR           |
|--------|-----|--------------------------|----------------|---|-------|--------------|-----------------------|--------------|--------------|
| K1     | <-- | Knowledge                | 0.778          | 0.605                                       | 0.395 | <b>0.641</b> | <b>3.849</b>          | <b>2.151</b> | <b>0.873</b> |
| K2     | <-- | Knowledge                | 0.784          | 0.615                                       | 0.385 |              |                       |              |              |
| K3     | <-- | Knowledge                | 0.702          | 0.493                                       | 0.507 |              |                       |              |              |
| K4     | <-- | Knowledge                | 0.981          | 0.962                                       | 0.038 |              |                       |              |              |
| K5     | <-- | Knowledge                | 0.629          | 0.396                                       | 0.604 |              |                       |              |              |
| K8     | <-- | Knowledge                | 0.882          | 0.778                                       | 0.222 |              |                       |              |              |
| DA1    | <-- | Developmental Activities | 0.994          | 0.988                                       | 0.012 | <b>0.682</b> | <b>5.453</b>          | <b>0.012</b> | <b>1.000</b> |
| DA2    | <-- | Developmental Activities | 0.759          | 0.576                                       | 0.424 |              |                       |              |              |
| DA3    | <-- | Developmental Activities | 0.858          | 0.736                                       | 0.264 |              |                       |              |              |
| DA5    | <-- | Developmental Activities | 0.651          | 0.424                                       | 0.576 |              |                       |              |              |
| DA6    | <-- | Developmental Activities | 0.861          | 0.741                                       | 0.259 |              |                       |              |              |
| DA7    | <-- | Developmental Activities | 0.764          | 0.584                                       | 0.416 |              |                       |              |              |
| DA8    | <-- | Developmental Activities | 0.871          | 0.759                                       | 0.241 |              |                       |              |              |
| DA11   | <-- | Developmental Activities | 0.803          | 0.645                                       | 0.355 |              |                       |              |              |

### Source: Computed Data

The Average Variance Extracted value is more than 0.5 and Composite Reliability value is more than 0.6 (Zainudin Awang - Universiti Sultan Zainal Abidin). From the above Table 4, the AVE

for knowledge and developmental activities, according to the study, is 0.641 and 0.682, respectively. AVE of Knowledge and Developmental activities are more than 0.5. The

factors of behavioral finance indicate adequate Convergent Validity. The result shows that CR is 0.873 in Knowledge and 1.000 in Developmental Activities. CR of Knowledge and Developmental Activities are more than 0.6. There is internal

consistency, according to behavioral finance parameters. This designates that each metric consistently represents something. (Dr. R. Ravanant, Joint Director of Collegiate Education, Chennai Region, Chennai).

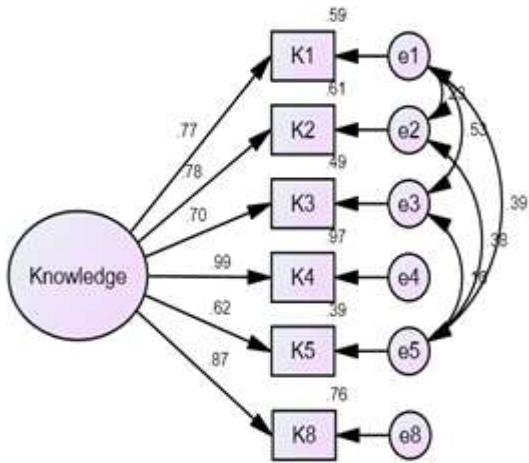
**Table 5: Model Fit (MF) for First order CFA of Knowledge and Developmental Activities**

| Fit Indices                                     | Acceptance Level                   | Behavioural Finance |                          | Result   |
|---|------------------------------------|---------------------|--------------------------|----------|
|   |                                    | Knowledge           | Developmental Activities |          |
| <b>Absolute Fit</b>                             |                                    |                     |                          |          |
| Chi-Square                                      | P value >0.05<br>(Hair et al.1998) | 0.240               | 0.074                    | Accepted |
| Root Mean Square Error of Approximation – RMSEA | < 0.08<br>(Hair et al.2006)        | 0.039               | 0.046                    | Accepted |
| Goodness of Fit Index - GFI                     | >0.90<br>(Hair et al.2006)         | 0.992               | 0.975                    | Accepted |
| <b>Incremental Fit</b>                          |                                    |                     |                          |          |
| Adjusted Goodness of Fit Index – AGFI           | >0.90 (Hair et al. 2006)           | 0.960               | 0.940                    | Accepted |
| Comparative Fit Index - CFI                     | >0.90 (Hu and Bentler, 1999)       | 0.999               | 0.996                    | Accepted |
| Tucker Lewis Index - TLI                        | >0.90 (Hair et al. 2006)           | 0.995               | 0.992                    | Accepted |
| <b>Parsimonious Fit</b>                         |                                    |                     |                          |          |
| Chi-Square / Degree of Freedom - CMIN/DF        | -<5 (Hair et al. 1998)             | 1.373               | 1.501                    | Accepted |

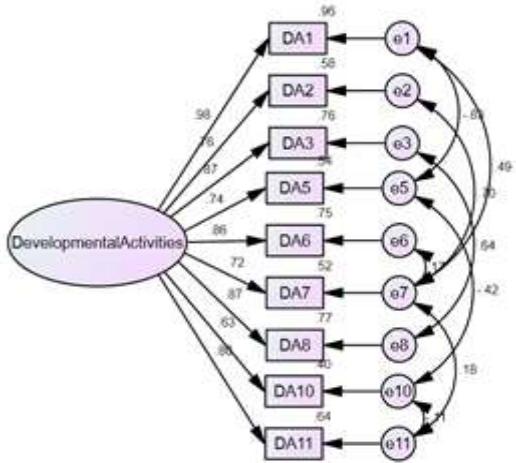
**Source: Computed Data**

From the Table 5 it is found that the calculated P value of Knowledge and Developmental Activities is 0.240 and 0.074 which is greater than 0.05 which indicates perfectly fit and Root Mean Square Error of Approximation - RMSEA value of Knowledge and Developmental activities is 0.039 and 0.046 which is less than 0.08 which indicated it is perfectly fit. Here GFI - Goodness of Fit Index value of Knowledge and Developmental activities (0.992 and 0.975) and AGFI - Adjusted Goodness of Fit Index of Knowledge and Developmental

activities value (0.960 and 0.940) is larger than 0.9 which represent it is a good fit. CFI - Comparative Fit Index value of Knowledge and Developmental activities (0.999 and 0.996) indicates that it is a perfectly fit and also it is found that the Tucker Lewis Index - TLI value of Knowledge and Developmental Activities is 0.995 and 0.992 which is more than 0.9 which represent it is a good fit. CMIN/DF Value of Knowledge and Developmental Activities is 1.373 and 1.501 which is less than accepted level of 5.00.



**Figure 1: First Order CFA for Knowledge**



**Figure 2: First Order CFA for Developmental Activities**

**Table 6: Regression weight for First order CFA of Knowledge**

| Factor 1 |      | Unstandardised Regression Weight | Standardised Regression Weight | S.E. | C.R. | P          |
|----------|------|----------------------------------|--------------------------------|------|------|------------|
| K1       | <--- | Knowledge                        | 1.000                          | .768 |      |            |
| K2       | <--- | Knowledge                        | .817                           | .781 | .054 | 15.066 *** |
| K3       | <--- | Knowledge                        | 1.054                          | .697 | .064 | 16.564 *** |
| K4       | <--- | Knowledge                        | 1.186                          | .986 | .070 | 16.905 *** |
| K5       | <--- | Knowledge                        | .693                           | .622 | .055 | 12.698 *** |
| K8       | <--- | Knowledge                        | 1.082                          | .874 | .071 | 15.228 *** |

**Source: Computed Data**

Above Table 6 shows that the Critical ratio value 15.066 is achieved for the statement of Knowledge for behavioral finance and it is significantly different at the level of 0.01. In

addition to that the statements are relating to knowledge are significantly different at the level of 0.01.

**Table 7: Regression weight for First order CFA of Developmental Activities**

| Factor 2 |      | Unstandardised Regression Weight | Standardised Regression Weight | S.E. | C.R. | P          |
|----------|------|----------------------------------|--------------------------------|------|------|------------|
| DA1      | <--- | DevelopmentalActivities          | 1.000                          | .983 |      |            |
| DA2      | <--- | DevelopmentalActivities          | .649                           | .759 | .037 | 17.428 *** |
| DA3      | <--- | DevelopmentalActivities          | 1.039                          | .866 | .042 | 24.849 *** |
| DA5      | <--- | DevelopmentalActivities          | .619                           | .663 | .055 | 11.285 *** |
| DA6      | <--- | DevelopmentalActivities          | .868                           | .855 | .036 | 23.810 *** |
| DA7      | <--- | DevelopmentalActivities          | .669                           | .787 | .036 | 18.793 *** |
| DA8      | <--- | DevelopmentalActivities          | 1.080                          | .880 | .041 | 26.239 *** |
| DA10     | <--- | DevelopmentalActivities          | .594                           | .637 | .048 | 12.429 *** |
| DA11     | <--- | DevelopmentalActivities          | .819                           | .805 | .041 | 20.094 *** |

**Source: Computed Data**

Above Table 7 shows that the Critical ratio value 17.428 is achieved for the statement of Developmental Activities for behavioral finance

and it is significantly different at the level of 0.01. In addition, all the statements are relating to developmental activities are significant.

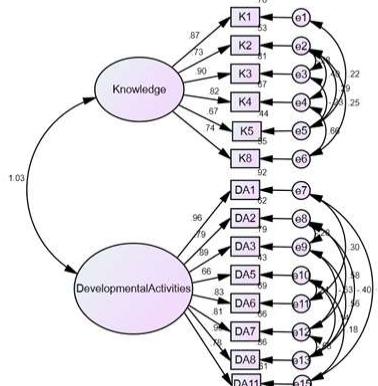
**Table 8: Model fit for Pooled CFA of Behavioral Finance**

| Fit Indices                                     | Acceptance Level                     | Behavioural Finance | Result   |
|---|--------------------------------------|---------------------|----------|
| <b>Absolute Fit</b>                             |                                      |                     |          |
| Chi-Square                                      | P value >0.05<br>(Hair et al., 1998) | 0.081               | Accepted |
| Root Mean Square Error of Approximation - RMSEA | < 0.08<br>(Hair et al., 2006)        | 0.068               | Accepted |
| Goodness of Fit Index - GFI                     | >0.90<br>(Hair et al., 2006)         | 0.968               | Accepted |
| <b>Incremental Fit</b>                          |                                      |                     |          |
| Adjusted Goodness of Fit Index - AGFI           | >0.90<br>(Hair et al., 2006)         | 0.888               | Rejected |
| Comparative Fit Index - CFI                     | >0.90<br>(Hu and Bentler, 1999)      | 0.992               | Accepted |
| Tucker Lewis Index - TLI                        | >0.90<br>(Hair et al., 2006)         | 0.987               | Accepted |
| <b>Parsimonious Fit</b>                         |                                      |                     |          |
| Chi-Square / Degree of Freedom (CMIN/DF)        | <5<br>(Hair et al., 1998)            | 2.514               | Accepted |

**Source: Computed Data**

Table 8 represent that the calculated P value of Behavioral Finance of women entrepreneurs is 0.081 which is greater than 0.05 which indicates perfectly fit and Root Mean Square Error of Approximation - RMSEA value of Behavioral Finance is 0.068 which is less than 0.08 which indicated it is perfectly fit. Here Goodness of Fit Index - GFI value of Behavioral Finance (0.968) which indicated it is perfectly fit and Adjusted

Goodness of Fit Index of Behavioral Finance - AGFI value (0.888) is less than 0.9 which represent it is non-fit. The Comparative Fit Index - CFI value of Behavioral Finance (0.992) indicates that it is a perfectly fit and also it is found that the Tucker Lewis Index (TLI) value of Behavioral Finance is 0.987 which is more than 0.9 which represent it is a good fit. CMIN/DF Value is 2.514 which is less than accepted level of 5.00.



**Figure 3: Pooled Order CFA for Behavioral Finance**

### a) A relationship between Knowledge and Developmental activities in behavioral finance

With pooled CFA approaches, all measurement models are combined, and the CFA process is run on every construct simultaneously (Afthanorhan, W.M.A.B.W. et al., 2014). Figure 3 show that behavioral finance's knowledge and developmental activities are statistically significant. The result based, there is an influence of knowledge and developmental activities in behavioral finance among women entrepreneurs. The results shows that knowledge measured through seeking advice, know financial fraud, government subsidies and incentives, show significant. Therefore, Women entrepreneurs know enough about their investments. The developmental activities of business measured through reinvestment, repayment of loan, assets purchased, business expansion, venture new business, monitor financial health of business show significant result. Hence the women entrepreneurs utilise their investment amount only for business purpose not their personal use. The result displays that variables are highly influenced the decision-making process among investment in business.

### Findings of the Study

- Cronbach's Alpha values for knowledge and developmental activities, respectively, are 0.899 and 0.938 which has high internal consistency.
- KMO Measure of behavioral finance is 0.940 and the statements are acceptable and valid to conduct data reduction technique
- Average Variance Extracted for knowledge and developmental activities, according to the study, is 0.641 and 0.682 are more than 0.5
- Critical Ration of knowledge is 0.873 and Developmental Activities is 1.000 are more than 0.6
- Knowledge for behavioral finance and it is significantly different at the level of 0.01

- Developmental Activities for behavioral finance and it is significantly different at the level of 0.01

### Conclusion

The researcher concluded that CFA analysis is to utilize the Structural Equation Modeling - SEM with AMOS, assess the measurement model's fitness. The researcher has framed 20 statements under the heads of Knowledge and Developmental activities. After CFA analysis the number of statements has been reduced. In this study only 14 statements are accepted after CFA analysis. The pooled CFA analysis made ease to carry out the research work to understand better the problem. In recent days women entrepreneurs analyse more before investing their amount and they are aware of how to utilize their amount for the business development. Also, Government should start more awareness and training programmes for women entrepreneurs and also ensure the programme will be reached to the targeted women entrepreneurs or not. The program will support to improve the business of women entrepreneurs and boost the more women to become an entrepreneur.

### Scope for Further Research

- Cognitive biases and their impact for entrepreneurial decision
- Emotions and psychological factors regarding behavioral finance
- Financial education and literacy for behavioral finance of entrepreneurs

### References

Amram Rohi Bire, Heni Matelda Sauw, and Maria (2019). The effect of financial literacy towards financial inclusion through financial training. *International Journal of Social Sciences and Humanities*, 3(1)

Andriamahery, A & Qamruzzaman, M (2022). Do access to finance, technical know-how, and financial literacy offer women empowerment through women's entrepreneurial development? *Frontiers in Psychology*, 12.776844, 1-16. <https://doi.org/10.3389/fpsyg.2021.776>

Anis, D. et al., (2020). Financial Literacy and Entrepreneurial Motivation in Supporting Economic Activity and Business Sustainability of Informal Sector Entrepreneurs. *International Journal on Emerging Trends*. 11(2). 501-509.

Anshika, Anju Singla & Girijasankar Mallik (2021). Determinants of Financial Literacy: Empirical Evidence from Micro & Small Enterprises in India. *Asia Pacific Management Review*, 26, 248-255. <https://doi.org/10.1016/j.apmrv.2021.03.001>

Arul Princy, S (2019). Financial Literacy and Individual Investment Decisions – A Survey in Bengaluru City. *International Journal of Research in Engineering, Science and Management*, 2(2), 673-679.

Barbara M. Byrne (2016) ‘*Structural Equation Modeling with AMOS: Basic Concepts, Applications, and Programming*, 3<sup>rd</sup> edition, Routledge Taylor & Francis Group, New York and London.

Ganesan, P, Anwar Bin Allah Pitchay and Nasserm M.A.M. (2020). Does intention influence the financial literacy of depositors of Islamic banking? A case of Malaysia. *International Journal of Social Economics*, 47(5), 675-690, <https://publons.com/publon/10.1108/IJSE-01-2019-0011>.

Gayathri, R & Vanjikkodi, T (2019). Financial Literacy of Women Entrepreneurs. *Research Explorer - A Blind Review & Refereed Quarterly International Journal*, 7(24), 49 – 52.

Jayashree, G (2019). *A Study on Financial Pattern of women entrepreneurs with reference to Salem City TamilNadu*. (Publication No. 358814) [Doctoral Dissertation, Periyar University]

Knife Yowhanness Araya (2019). A Study on financial literacy level among university students in Ethiopia. (Publication No. 371763) [Doctoral Dissertation, Andhra University]

Lopus, J. S. Amidjono, D.S. & Grimes, P.W. (2019). Improving financial literacy of the poor and vulnerable in Indonesia: An Empirical Analysis. *International Review of Economics Education*, 32, 100168, 1-14.

Muzafar Hussain Shah. et al., (2021). Spending Model under Financial Literacy. *Asian Journal of Economics, Business, and Accounting*. 21(1). 39-53. Neeta Baporikar and Susan Akino (2020). Financial Literacy Imperative for success of Women Entrepreneurship. *International Journal of Innovation in the Digital Economy*. 11(3). 21.

Noemi Oggero, Maria Cristina Rossi and Elisa Ughetto (2019). Entrepreneurial Spirits in Women and Men. The Role of Financial Literacy and Digital Skills. *Centre for Research on Pensions and Welfare Policies (CERP)*, Working Paper 187/19

Nonde, M & Handema, M (2021). The effect of financial literate on small business financing decisions. A case of shop owners at chelston Big Market. *International Journal of Research & Innovation in Social Sciences*, V(1), 174-183.

Obiamaka P. Egbo. et al. (2020). Financial Literacy and access: revisiting the bridges and barriers to women entrepreneurship in Nigeria. *Amazonia Investig*. 9(29). 2020. 436-444, <http://dx.doi.org/10.34069/AI/2020.29.05.48>

Pankaj Sahu & Esha Chetri (2019). Financial Literacy of Women Entrepreneurs: A Study on Some Select Women Entrepreneurs of Dibrugarh District. *Adhyatma: A Journal of Management, Spirituality, and Human Values*, 13 - 19

Raudlotul Fradus Fatah Yasin et al. (2020). Significance of Financial Literacy among Women Entrepreneurs. *Journal of Halal Industry and Services*, 3, 1-9, <http://doi.org/10.3687/jhis.a0000076>

Saloni Rameshkumar Lohia (2022). *Determinants of Financial Literacy and its impact on Financial Behaviour of Indian Women Entrepreneurs*. (Publication No. 380251) [Doctoral Dissertation, GLS University]

Tamba, N.J et al (2022). Financial Literacy and Business Performance among female entrepreneurs. *Investment Management and Financial Innovations*, 19(1), 156-167. Doi:10.21511/imfi.19(1)2022.12

Tariku Gerito Denbelo (2020). Determinants of Small and Medium Scale Enterprise (SMEs) Access to Finance in Guji Zone. *Srusti Management Review*, XIII (I), 63–67.

Zahoor Ahmad Parray & Raouf Ahmad Rather (2022). Examining the Rural and Entrepreneurial Development through Microfinance. *Srusti Management Review*, XV (1), 34–44.