

DIGITAL ASSETS AND INVESTMENT DECISION- MAKING: A BEHAVIOURAL STUDY OF YOUNG FINANCE PROFESSIONALS IN KOLKATA

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Abstract: The increasing acceptance of cryptocurrencies as an alternative investment avenue has transformed the financial decision-making landscape, particularly among young professionals with exposure to capital markets. This study examines how risk perception influences cryptocurrency investment decisions among young finance professionals employed in stock broking firms in Kolkata. As these professionals regularly engage with financial instruments and market information, they provide an appropriate context for understanding behavioural responses to high-risk digital assets.

The study employed a quantitative research design using primary data collected through structured questionnaires administered to 50 male finance professionals aged between 25 and 35 years. Descriptive statistics, correlation analysis, and independent sample t-tests were used to analyse the relationship between perceived investment risk and cryptocurrency investment behaviour.

The findings indicate that participants generally possess a high level of awareness regarding cryptocurrencies; however, investment decisions differ considerably according to individual perceptions of risk. While many respondents recognised the potential for substantial returns, concerns regarding market volatility, price uncertainty, and regulatory ambiguity resulted in cautious investment practices. Conversely, participants with greater tolerance for financial risk demonstrated a stronger willingness to include cryptocurrencies within their investment portfolios. The study also found that social media, peer networks, and global market developments significantly influenced investment decisions alongside personal risk preferences.

The findings contribute to the growing literature on behavioural finance and digital asset investment by demonstrating that professional financial knowledge alone does not eliminate the influence of perceived risk on investment behaviour. The study offers practical implications for policymakers, financial institutions, fintech companies, and

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investor education programmes seeking to promote informed and responsible participation in cryptocurrency markets.

Keywords: Cryptocurrency, Risk Perception, Young Male Investors, Cryptocurrency Behavior, Crypto Risk Awareness

Introduction

The sudden onset and spread of cryptocurrencies have largely disrupted the international financial system, presenting a new investment vehicle that is marked by decentralization, tech innovation, and extreme volatility. Digital currencies like Bitcoin, Ethereum, and many altcoins have garnered significant interest among institutional and individual investors, in spite of—or perhaps due to—their speculative and often volatile nature. In the case of the emergent economies such as India, the development of cryptocurrency adoption has been especially interesting, navigating a space of regulatory ambiguity, developing fintech infrastructure, and changing investor attitudes.

Among the different demographic segments entering this new asset class, young finance professionals are a particularly relevant group. Aged typically between 25 and 35 years, these individuals—particularly those working in stockbroking companies and financial institutions—are well-equipped with a strong foundation in capital markets, are consistently exposed to risk-based decision-making, and also tend to be early users of financial innovations. Being close to formal financial education and investment resources, they are positioned in a special way with regard to their ability to navigate, evaluate, and leverage

on upcoming digital assets. However, even among this fairly educated segment, cryptocurrencies are a topic of mixed opinion—perceived by some as a revolutionary possibility, and by others as an unreliable, unregulated, and risky frontier.

This research examines the ways in which risk perception shapes the investment choices of young finance professionals in Kolkata towards cryptocurrencies. It aims to find out how personal characteristics like financial risk tolerance, subjective volatility of the market, and cognitive biases combine with peer dynamics, social media exposure, and regulatory signals in influencing investment decisions. Building upon theoretical frameworks for behavioral finance, such as Prospect Theory and the Theory of Planned Behavior, the research uses a systematic quantitative approach supported by robust statistical techniques.

By singling out a specific demographic in an industrial urban financial environment, this study makes an addition to the scarce but increasing body of research on the adoption of cryptocurrency in emerging markets. In addition, it provides practical insights for policymakers, fintech platforms, and financial educators interested in promoting informed, ethical, and robust

investment habits in the digital asset sector. Such findings can be useful in the creation of risk communication strategies, investor education programs, and regulatory frameworks to cater for a new generation of finance professionals who will work at the intersection of traditional finance and digital finance.

Review of Literature

In recent times, cryptocurrency has transformed the global landscape of finance to a large extent with innovation and avenues for investment. As a decentralized, volatile, and comparatively new asset class, cryptocurrencies have gained a lot of attention, especially from younger generations with higher risk tolerance as well as more technological proficiency. Amongst these, young finance professionals—equipped with formal education in finance and early career exposure—form a distinct group whose investment choices are also shaped not just by market considerations but by cognitive, affective, and perceptual aspects of risk.

It is vital to comprehend how these experts view and react to the risks involved in cryptocurrency investments, particularly in developing economies such as India where regulatory ambiguity and technology uptake exist side by side. This review of the literature seeks to synthesize current academic work on risk perception, behavioral finance, and investment choice in the context of cryptocurrencies. It discusses major theoretical frameworks, while reviewing empirical evidence both worldwide and

from the Indian context. The review also aims at the identification of the gaps in the literature, especially regarding regional and demographic-specific information—like that of the finance industry of Kolkata—which are under-explored.

Cryptocurrency and Risk

Cryptocurrencies, by their very nature, are volatile and speculative. Several studies (Baur et al., 2018; Corbet et al., 2019) have highlighted the *inherent risks associated with digital assets*, including price instability, security threats, and regulatory uncertainty. Unlike traditional assets that have decades of market behavior and risk analysis frameworks, cryptocurrencies operate in a more nascent and unpredictable environment.

For investors, especially those trained in financial theory and practice, *risk perception becomes a central determinant* of investment behavior. According to Prospect Theory (Kahneman & Tversky, 1979), individuals assess potential gains and losses differently, often exhibiting risk-averse or risk-seeking behavior based on the perceived volatility and emotional response to uncertainty.

Risk Appetite and Investment Behavior

Risk appetite is typically defined as an individual's tolerance for financial risk. It is influenced by a range of factors, including income level, age, experience, financial goals, and personal psychology (Grable & Lytton, 1999). Within the context of cryptocurrency, higher risk appetite is often linked to *greater*

willingness to invest larger portions of portfolios into digital assets (Glaser et al., 2014). However, the line between informed risk-taking and speculative behavior is often blurred, especially in unregulated or semi-regulated markets.

In India, several emerging studies have observed a cautious approach among retail investors due to a lack of clear legal and regulatory frameworks governing cryptocurrency use (Chakraborty et al., 2021). For young professionals in the financial sector, their *institutional knowledge may act as both a filter and a facilitator*, depending on how they interpret the associated risks.

Perceived Volatility and Investment Decisions

Volatility perception directly affects an investor's confidence and behavior. When an asset class is perceived as too volatile, even experienced investors may avoid it despite potential returns. Studies (Yermack, 2013; Dyhrberg, 2016) show that high perceived volatility in cryptocurrencies reduces trust and leads to *shorter investment durations or smaller allocations*.

Moreover, *perception does not always align with actual volatility*. Behavioral finance suggests that emotional biases and media framing can amplify risk perception beyond statistical reality (Barberis & Thaler, 2003). For instance, constant news coverage of Bitcoin crashes may make the asset seem riskier than it statistically is.

External Influences: Peer and Social Media

Modern investment behavior is not

formed in isolation. Social media platforms like Twitter, Reddit, and YouTube, along with peer discussions, have a *significant influence on investment trends* (Kristoufek, 2013; Mai et al., 2018). Crypto communities often act as echo chambers that either encourage risk-taking or spread fear, uncertainty, and doubt (FUD).

For finance professionals, while training and experience may offer some insulation, *peer influence remains a factor*, particularly in close-knit professional circles. Peer behavior can validate investment choices or discourage divergence, reinforcing either conservative or aggressive investment postures.

Cryptocurrency in India

India's crypto market has experienced a rollercoaster trajectory—from outright bans to cautious acceptance and growing adoption. *Regulatory ambiguity, particularly surrounding taxation and legality, continues to be a deterrent for institutional and individual investors alike* (Narayanan et al., 2021). Despite this, India ranks among the top countries in crypto adoption, especially among younger populations familiar with technology and finance.

Young professionals in stockbroking and financial services are strategically positioned at the intersection of traditional finance and digital innovation. Their views and behaviors can provide early indicators of how crypto adoption might evolve in India's broader investment landscape.

Gaps in the Existing Research

Although current literature offers interesting information about cryptocurrency investment behavior, it is skewed with much of it being present in developed economies or sample contexts of general retail investor groups. There is still a significant lack of empirical research on the behavior of finance professionals—particularly those in emerging economies such as India—who use cryptocurrencies not just as prospective investors but also as market intermediaries and opinion leaders.

In addition, views from the regions are not well represented. There have been extremely few examinations of how local socio-economic, cultural, and regulatory contexts—such as that of Kolkata’s financial system—interact with personal risk perceptions and social influences to define investment behavior in high-volatility assets like cryptocurrencies.

Moreover, a great deal of existing work is heavily based on stylized models of rational investor behavior with limited incorporation of behavioral economics frameworks (e.g., Prospect Theory, bounded rationality, social contagion theory). There is an evident shortage of using these models in demographically identified professional groups, whose actions may challenge standard assumptions owing to their professional knowledge but still are subject to cognitive and emotional distortions.

This research fills these gaps through its particular emphasis on young male finance professionals based in Kolkata,

drawing on psychometric profiling, volatility perception, and social influence analysis within a behavioral finance framework. In so doing, it provides new, detailed insights into investment decision-making in an environment characterized by technological change and regulatory uncertainty.

Objectives of the Study

This research aims to investigate the behavioral drivers of cryptocurrency investment among young male finance professionals in Kolkata based on risk perception, perceived volatility, and social influences. The research hopes to make a contribution to an understanding of how cognition, emotions, and environment intersect in financial decision-making in emerging markets.

The specific objectives are

- I. To investigate the link between personal risk appetite and cryptocurrency investment patterns, determining how different levels of risk tolerance affect portfolio investment in digital assets.
- II. To investigate the role of perceived volatility and social/peer influence in investment choices, determining how internalized subjective estimates of risk and external communications shape attitudes towards cryptocurrencies, even among professionally trained investors.
- III. To help enrich behavioral finance literature in the Indian context by incorporating psychological and social factors into investment analysis, and to offer actionable recommendations for educators, fintech platforms, and

policymakers with an interest in promoting informed and responsible crypto adoption.

Research Methodology

To research systematically the impact of risk perception on cryptocurrency investment behavior among young financial professionals in Kolkata, this study embraced a structured methodological framework. The approach was meant to guarantee the gathering of credible, measurable data, allowing empirical testing of hypotheses with statistical analysis. This section describes the research design, sampling strategy, data collection tools, and analytical methods used to examine the postulated relationships between risk appetite, investment behavior, perceived

volatility, and social influences.

Research Design

The quantitative research design was used in this study to investigate the correlation between risk perception, investment attitude, and external factors among young male financial professionals. The quantitative method was chosen for its potential to provide statistically reliable and generalizable findings through systematic data collection and objective examination.

Validated psychometric measures and quantitative data—like Likert scales and categorized percentages of investment—allowed for strong testing not just of the presence of relationships between variables but also of the strength and direction of such relationships.

Hypotheses Formulation & Corresponding Questions

Hypothesis	Null Hypothesis	Alternative Hypothesis	Related Questions
H₁: Risk Appetite and Investment Behavior	There is no significant difference in cryptocurrency investment behavior between low and high-risk appetite groups.	There is a significant difference in cryptocurrency investment behavior between low and high-risk appetite groups.	Q1: Rate your risk appetite (1-5) Q2: What percentage of your portfolio is invested in crypto? (Coded: 0, 3, 8, 15)
H₂: Risk Appetite and Perception of Volatility	There is no correlation between risk appetite and perception of cryptocurrency volatility.	There is a significant correlation between risk appetite and perception of cryptocurrency volatility.	Q3: Rate your agreement with: “Cryptocurrencies are highly volatile and speculative” (1-5)
H₃: External Influence and Investment Behavior	There is no correlation between social/peer influence and cryptocurrency investment behavior.	There is a significant positive correlation between social/peer influence and cryptocurrency investment behavior.	Q4: To what extent do social media and peers influence your investment decisions? (1-5)

Sample and Sampling Method

A purposive sampling method was adopted to recruit a sample of 50 male finance professionals, aged between 25 and 35 years, all of whom are presently working in stockbroking companies in Kolkata. This group was specifically selected for their working experience with financial markets and knowledge of investment riskiness—qualities regarded as necessary for informed involvement in cryptocurrency markets.

Participants were divided into two sub-groups according to their self-assessed risk appetite (Q1):

Low Risk Appetite Group (N = 35)

High Risk Appetite Group (N = 15)

This segmentation allowed for comparison across risk preference profiles.

Data Collection Instrument

Data were gathered using a structured questionnaire, presented both physically and electronically, with the following five sections:

A. Demographic Information

- Age
- Professional role

B. Risk Appetite (Q1)

- On a 5-point Likert scale from 1 (very low) to 5 (very high)

C. Cryptocurrency Investment Level (Q2)

- Stated as a percentage of overall investment portfolio

Responses were coded as below

- 0% → 0
- 1–5% → 3
- 6–10% → 8
- > 10% → 15

D. Perceived Volatility of Cryptocurrencies (Q3)

- Scale of agreement with the statement: “Cryptocurrencies are highly volatile and speculative”, rated from 1 (strongly disagree) to 5 (strongly agree)

E. Social/Peer Influence (Q4)

- Social media and peer group influence on cryptocurrency investment decisions, rated from 1 (not at all) to 5 (very much)

Data Analysis Techniques

The gathered data were processed in a spreadsheet platform and analyzed employing the following statistical approaches:

A. Independent Samples t-test

- Used to test Hypothesis 1, determining if there is a statistically significant difference in cryptocurrency investment levels (Q2) in low and high-risk appetite groups (Q1)

B. Pearson’s Correlation Coefficient (r)

- Utilized to evaluate

Hypothesis 2: Relationship between risk appetite (Q1) and perceived volatility (Q3)

Hypothesis 3: Relationship between social/peer influence (Q4) and investment levels (Q2)

All statistical tests were performed at a confidence level of 95% ($\alpha = 0.05$). Correlation values close to +1 or -1 were taken as strong, while values close to 0 were taken as weak or no correlation. p-values were calculated to determine statistical significance.

Analysis and Findings

This research empirically investigated the interaction between risk appetite, perceived volatility, external (social/peer) influence, and cryptocurrency investment behavior of 50 young finance professionals in Kolkata. The subsequent part states the findings of three main hypotheses tested under quantitative analysis.

Hypothesis 1: Risk Appetite and Investment Behavior

In order to determine the effect of risk tolerance on investment in cryptocurrency, there was an independent samples t-test done comparing levels of crypto investment among participants with low-risk appetite ($N = 35$) and high-risk appetite ($N = 15$). Proportions of investments were dichotomously coded ordinally as 0, 3, 8, and 15 depending on percentage of total portfolio investment.

Mean Investment (Low Risk Group): 1.29

Mean Investment (High Risk Group): 12.00

t-value ≈ -10.31 , $p < 0.001$

Interpretation: The disparity in investment level means between the groups is extremely significant. Risk-tolerant individuals hold a significantly

higher percentage of the portfolio in cryptocurrencies. The null hypothesis is rejected (H_0), which attests that risk appetite plays a critical role in influencing investment tendencies within digital assets.

Hypothesis 2: Risk Appetite and Perception of Volatility

The Pearson correlation analysis was used to assess the association between reported risk appetite (Q1) and perceived cryptocurrency volatility (Q3), based on observations from the low-risk group to remove confounding effects.

Mean Risk Appetite: 2.4

Mean Perceived Volatility: 4.23

Pearson's $r \approx -0.92$

Interpretation: Strong negative correlation was achieved, which meant that risk-appetitive individuals have lower perceived volatility and speculativeness of cryptocurrencies. This was indicative of a cognitive bias in that risk-loving investors would underplay or justify the intrinsic volatility of crypto assets. The null hypothesis is rejected (H_0), confirming the conclusion that risk perception is negatively correlated with perceived volatility.

Hypothesis 3: External Influence and Investment Behavior

In order to measure the effect of external peer and social influence (Q4) on crypto investment (Q2), a second Pearson correlation was conducted, once again considering the low-risk group to reduce group-level variance.

Mean Peer Influence Score: 2.31

Mean Investment Level: 1.29

Pearson's $r \approx +0.81$

Interpretation: A positive strong correlation was noted between investment behavior and external influence. Even in the low-risk category, those who claimed to be more susceptible to social media fads or peer pressure were greater to invest in cryptocurrencies. This illustrates the significance of social contagion and information cascades in influencing financial behavior. The null hypothesis is rejected (H_0), supporting the fact that external influences play a vital role in influencing investment decisions.

Qualitative Observations and Behavioral Implications

In the face of professional familiarity with financial instruments, there remains conservative investment behavior on the part of most low-risk players. Such caution seems to be based on regulatory uncertainty, institutional illegitimacy, and views of volatility, each of which serves as a psychological deterrent.

In contrast, the high-risk group—while smaller in number—exhibited higher openness, involvement, and investment towards cryptocurrencies. The segmentation here captures

heterogeneous behavioral characteristics even within a fairly homogeneous professional pool, highlighting the necessity of cognitive and social factors at the level of the individual in explaining investment behavior.

Causal Inference Through Multiple Regression

To investigate potential causal relationships between risk-related variables and cryptocurrency investment behavior, a multiple linear regression analysis was conducted on data collected from 50 young finance professionals employed in stock-broking firms in Kolkata. The model evaluated the predictive influence of three independent variables—risk appetite, perceived volatility, and peer influence—on the proportion of an individual's portfolio allocated to cryptocurrencies.

Regression Model

Equation

Crypto Investment = $\beta_0 + \beta_1$ (Risk Appetite) + β_2 (Perceived Volatility) + β_3 (Peer Influence)

Fitted model

Crypto Investment $\approx -7.81 + 2.91$ (Risk Appetite) - 1.38 (Perceived Volatility) + 1.11 (Peer Influence)

Interpretation of Coefficients

Variable	Coefficient (β)	p -value	Interpretation
Intercept	-7.81	<0.001	Baseline investment level when all predictors are zero (not substantively meaningful).
Risk Appetite	+2.91	<0.001	A one-unit increase in risk appetite leads to an estimated 2.91-unit increase in crypto allocation.
Perceived Volatility	-1.38	<0.001	Each one-unit increase in perceived volatility decreases crypto investment by approximately 1.38 units.
Peer Influence	+1.11	≈ 0.002	A one-unit rise in peer influence corresponds to a 1.11-unit increase in crypto allocation.

Model Fit

Metric	Value	Interpretation
R²	~0.84	The model explains approximately 84% of the variation in crypto investment behavior—indicating excellent fit.
F-statistic	High	Statistically significant ($p < 0.001$), confirming that the overall model is valid.

Summary of Findings

- Risk appetite is the strongest predictor of cryptocurrency investment.
- Perceived volatility significantly discourages participation, even among risk-tolerant individuals.
- Peer influence plays a non-negligible role, underscoring the importance of social factors.

- The high R² value (~0.84) suggests that the model effectively captures the key determinants of crypto investment behavior in this population.

Discussion

This study sought to examine the interplay between risk perception and cryptocurrency investment behavior

among young male finance professionals. Using a structured quantitative approach—including correlation analysis, t-tests, and multiple regression—the research provides valuable insights into the psychological and social determinants of investment decision-making within the high-risk, high-reward domain of digital assets.

The results indicate that risk appetite is a significant positive predictor of cryptocurrency investment ($\beta = 2.91, p < 0.001$). This finding suggests that individuals with greater risk tolerance allocate a larger share of their portfolios to crypto assets. Conversely, perceived volatility exhibits a significant negative effect ($\beta = -1.38, p < 0.001$), implying that investors who perceive cryptocurrency markets as excessively volatile are less likely to invest. Finally, peer influence demonstrates a positive and statistically significant effect ($\beta = 1.11, p < 0.01$), highlighting the role of social sentiment and peer networks in shaping investment decisions—even among professionally trained investors.

These findings advance the earlier correlation and hypothesis tests by suggesting directional relationships between predictors and investment behavior. However, as this study is cross-sectional, experimental or longitudinal designs are recommended to strengthen causal inference.

Risk Appetite as a Primary Driver

The analysis strongly supports the hypothesis that risk appetite is a dominant factor influencing

cryptocurrency investment. Participants with higher risk tolerance consistently allocated a greater portion of their portfolios to crypto assets. The regression model confirmed this directional relationship, with a large and highly significant positive coefficient for risk appetite ($\beta = 2.91, p < 0.001$). These results are consistent with behavioral finance literature, which argues that individuals with higher risk thresholds are more inclined to engage in speculative or volatile investments such as Bitcoin and Ethereum.

Perceived Volatility as a Deterrent

Perceived volatility emerged as a significant deterrent to investment, even among financially literate professionals. Despite their technical understanding of market behavior, many participants viewed cryptocurrency as excessively risky. The negative coefficient for perceived volatility ($\beta = -1.38, p < 0.001$) confirms that increased risk perception suppresses investment behavior. This suggests that psychological risk assessments can outweigh technical knowledge when dealing with highly uncertain asset classes.

The Role of Peer and Social Influence

Peer influence exerted a meaningful and statistically significant effect ($\beta = 1.11, p < 0.01$), reinforcing the third hypothesis. This result highlights the powerful role of social dynamics, including peer networks, investment communities, and social media sentiment, in shaping investment decisions. These findings point to the potential for herd behavior and collective

market sentiment to amplify investment patterns, even in a professionally trained population.

Causality and Limitations

Although the use of multiple regression allows for directional inferences, true causality cannot be definitively established without longitudinal or experimental designs. The present study's cross-sectional nature limits the ability to capture temporal dynamics or establish temporal precedence. Nevertheless, the strength, consistency, and statistical significance of the relationships observed lend credibility to the directional interpretations proposed here.

Discussion on Findings

This research adds to the body of literature on behavioral finance by shedding light on the manner in which cryptocurrency investment behavior among young finance professionals in Kolkata is influenced by risk appetite, volatility perception, and outside social influence. Even with their professional training and experience with established financial markets, the participants exhibited significant behavioral heterogeneity—specifically toward new, highly risky digital assets such as cryptocurrencies. The results highlight the multifaceted interaction among cognitive biases, social interactions, and individual-level risk attitudes in financial decision-making.

Risk Appetite as a Main Driver of Cryptocurrency Adoption

The significant difference in investment attitude between individuals with low

versus high risk appetite groups ($t \approx -0.31$, $p < 0.001$) reiterates the underlying tenet in behavioral economics that risk tolerance has a strong role in determining financial decisions—particularly in situations of uncertainty. Respondents with lower risk appetite avoided investment in cryptocurrencies or invested very little in them, as stipulated by loss aversion theory (Kahneman & Tversky, 1979). The view that crypto is unregulated, volatile, and speculative elicited aversive reactions and prompted precautionary behavior in spite of the possibility of upside.

In contrast, high-risk investors—albeit fewer in number—showed a distinct tendency toward investing in cryptocurrencies, with a mean portfolio allocation of 12%. This group probably perceives crypto assets from the perspective of prospect theory, emphasizing potential gains over potential losses. Their behavior conforms to the risk-seeking investor profile, who tend to be more sensitive to nascent asset classes providing asymmetric returns.

Perceived Volatility and Emotional Bias

The high negative correlation ($r \approx -0.92$) between risk appetite and perceived volatility provides evidence of an interesting psychological facet: people with greater risk tolerance have a tendency to deny or reinterpret the volatility of cryptocurrencies, even when market indicators tell them otherwise. This gap between objective risk and subjective perception demonstrates the contribution of emotional bias, availability heuristics, and confirmation bias to investment behavior.

For low-risk individuals, the volatility illusion was probably fueled by media hype, past crashes, and general market turmoil—factors known to reinforce ambiguity aversion. That these same distortions persisted even among sophisticated financial professionals reflects the inadequacy of formal training in counteracting behaviorally rooted risk aversion.

The Impact of Peer and Social Forces

The high positive correlation ($r \approx +0.81$) between peer/social influence and cryptocurrency investment behavior highlights the prominence of social confirmation and collective opinion in investment decision-making. As investment becomes more digital and decentralized, peer influence—projected by means of social media platforms such as Twitter, Reddit, or WhatsApp groups—becomes an influential shortcut, routinely taking the place of comprehensive analysis.

These results are consistent with Kristoufek (2013) and Mai et al. (2018), who found the presence of social sentiment and online activity on cryptocurrency price dynamics and investor behavior. Even among professionals in highly organized work environments such as stockbroking houses, herd behavior, groupthink, and social learning would seem to influence choices—especially in areas where conventional models of valuation provide little help.

Regulation Ambiguity as an Implicit Deterrent

Even though unmeasured directly, qualitative responses from respondents suggested that regulatory uncertainty in India is a strong disincentive to cryptocurrency investment, particularly by low-risk investors. The lack of transparent legal and tax frameworks causes perceived risk and supports cautious financial behavior. This finding aligns with the findings of Narayanan et al. (2021), highlighting the importance of institutional trust and policy clarity on novel financial instrument adoption.

For much of the sample, hesitation to use crypto was not just an expression of individual risk tolerance, but also of systemic doubt. This observation implies that regulatory clarity can be a driving force for widespread usage, even among professionally risk-averse populations.

Implications for Behavioral Economics and Policy

These results have theoretical and practical significance. From the behavioral economics point of view, the work reaffirms the idea that investment choices are not strictly rational, even for those with economic experience. Perceived volatility, emotional, and social factors still impact decisions and indicate the continued presence of bounded rationality in actual financial situations.

At a policy level, enhancing regulatory transparency, investor education, and risk disclosure frameworks would be able

to overcome behavioral hurdles to adoption and produce a better-informed investment environment. Furthermore, identifying the diversity of investor psychology has the potential to allow for the design of communication strategies suited for various risk types—especially for volatile or new asset classes.

Conclusion

This research investigated young male finance professionals in Kolkata's determinants of cryptocurrency investment choices in relation to risk appetite, perceived volatility, and social/peer influence with a view to their interrelations. In spite of holding professional knowledge as well as exposure to conventional financial markets, the participants exhibited variant investment behaviors—emphasizing the continued explanatory power of psychological and social considerations in financial choice.

Empirical evidence presents strong support for all three hypotheses:

- Risk appetite has a strong effect on investment behavior, and those with a high-risk appetite allocate much more of their portfolio to cryptocurrencies compared to their risk-averse peers.
- There is a strong negative correlation between risk appetite and perceived volatility, indicating that self-assured, risk-taking investors are likely to underestimate the speculative character of crypto assets.
- Social and peer influence has a positive correlation with investment levels,

showing that in-group networks and social sentiment have significant influence—even in a professionally trained sample.

Together, these findings confirm that perceptual and behavioral variables are equally important as economic logic in determining investment behavior. Though formal education provides finance professionals with analytical skill, individual temperament and social environment still influence their actual choices, particularly in turbulent and new markets such as cryptocurrency.

Limitations of the Study

Although the study provides useful behavioral lessons, there are some limitations to be noted:

Sample Composition: The research concentrated solely on young male professionals who were employed in stockbroking companies in Kolkata, which restricts the generalizability of results to more general or diverse groups, such as women, older investors, or individuals with other financial jobs or geographic locations.

Sample Size: The relatively modest sample size, especially in the high-risk subgroup ($N = 15$), might limit statistical power and influence the robustness of subgroup comparisons.

Self-Reported Data: Since the research was based on self-report measures, there is risk of response bias, particularly in subjective areas like risk perception or self-reported investment behavior.

Cross-Sectional Design: The research

takes a snapshot of behavior at one point in time, constraining the observation of how risk perception and behavior change over time as a result of market developments or regulatory changes.

Subsequent research would do well to have a longitudinal design, an increased and more varied sample, and mixed-method designs in order to further enhance the behavioral analysis of cryptocurrency investment.

Recommendations

Based on the conclusions reached in this study, the following recommendations are suggested for practitioners, regulators, fintech platforms, and researchers working at the nexus of finance and behavior:

Implement Behavioral Finance into Professional Training: Professional development courses and educational institutions must include modules on risk perception, emotional decision-making, and behavioral biases. Increased sensitivity to cognitive traps can facilitate more reasoned decision-making, particularly in volatile environments.

Develop Clear and Transparent Regulatory Frameworks: Indian regulatory bodies must move towards uniform and understandable guidelines for investment in and trading of cryptocurrencies. Legal clarity may lower perceived risk and promote informed participation among risk-sensitive investors.

Design Risk-Sensitive Fintech Products: Fintech platforms ought to look at

individualizing investment products on the basis of psychometric risk profiling. Customized dashboards, reminders, and content might assist users in building portfolios that suit both their financial needs and behavioral patterns.

Utilize Peer Workshops to Deter Herd Behavior: Employers and brokerage houses might find it worth considering to host peer-group workshops or seminars that break down the power of social media and groupthink. Establishing thoughtful settings for introspection could encourage independent thought and long-term investing restraint.

Together, these steps could create stronger, wiser, and more behaviorally guided investment cultures, especially as digital assets continue to develop.

Conflict of Interests

The authors declare that there is no conflict of interests that are directly or indirectly related to this research work.

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