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IMPACT OF AI ON INVESTMENT DECISION MAKING OF ACADECIANS IN DELHI NCR (A CASE STUDY)

***Dr. Jyoti singhal**

Associate Professor Inmantec Institute Ghaziabad.

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***Corresponding Author: Dr. Jyoti singhal**
Associate Professor Inmantec Institute Ghaziabad.

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ABSTRACT

The rapid integration of artificial intelligence into financial market is transforming traditional approaches to investment decision making. This study explores the impact of AI on the investment behaviour of academics in the Delhi ncr region. Academics, being relatively well informed and technologically adaptive, represent a unique investor group whose choices are shaped by both financial knowledge and professional exposure to analytical tools. The finding shows that AI applications such as robo advisors, algorithmic screeners and predictive analytics are increasingly used by academics to identify investment opportunities, assess risk and monitor portfolio. While AI has enhanced efficiency, reduced information overload and improved data driven decision making, academics remain cautious about fully relying on automated system, largely due to trust issues and the need for transparency in model output. The study further highlights that personal financial goals, risk tolerance and regulatory safeguard continue to moderate the extent of AI adoption.

KEYWORDS: Investment Decision Making, Robo Advisors, Individual Investors, Algorithm Aversion, Artificial Intelligence, Machine Learning, Financial Risk.

INTRODUCTION OF AI

John McCarthy is considered as the father of Artificial Intelligence. John McCarthy was an American computer scientist. The term "artificial intelligence" was coined by him. Computer system that is able to perform tasks that normally requires human intelligence, such as recognizing speech and patterns, and decisions-making, translation between different languages and understanding languages. Furthermore, artificial intelligence (AI) in 1956 with a convention at Dartmouth College. Researcher there wanted to generate machines that could

think like human beings 11 But with lower risk of error and faster. In 1960s, they created expert systems that could do tasks requiring human expertise. In following years 1970s and 1980s, they focused on making machines and technologies that could learn and improve themselves like humans do. Nowadays, AI is more efficient such that machines can think learn and work from experiences. They can make better and accurate decisions like experts in various fields. AI is used in different and many areas of life, and it keeps getting better with advancements and technologies like deep learning, machine to machine communications, machine learning and others.

Machine Learning (ML):

Machine learning history starts in 1943 with the first mathematical model of neural networks. Machine learning is a technology that allows AI systems to learn, forget, and adapt on their own. In accounting, machine learning is used for tasks like audit investigations, bank reconciliation, and assessing credit worthiness. It includes creating computer programs that can analyze data, recognize patterns and different languages and. learn from it, to make decisions automatically. For example, in bank reconciliation, machine learning algorithms study past transactions to understand how they were categorized. They use this information to determine how to handle current transactions. If a mistake was made in the past and corrected, the algorithm remembers the correct entries to guide future actions.

Cloud Accounting:

Cloud Accounting operates similarly to self-install accounting software or traditional on premises however accounting software is hosted on remote server adopting a software as service business model. Data is set into the cloud process and then return to the user. In contrast, cloud accounting is a modern approach that offers accounting and reporting services over the internet. Traditional accounting software is usually bought and installed on company servers or individual computers. AI programs can capture and process information as it happens, and users can access financial reports anytime for decision-making. With cloud accounting, you can access your accounting database online anytime anywhere. Cloud accounting software is hosted on a cloud server, making accounting information available 24/7. This means regardless of location, transactions can be updated and recorded in real-12 Time. This innovation saves companies the cost of maintaining an internal IT and setting up IT system, allowing them to invest more in production while still getting top-quality IT services through the cloud accounting.

What Is Investment Decision? (Meaning)

Investment decisions refer to the choices made by individuals, businesses or institutions about how , where and how much money to allocate into different investment options with the objective of earning return or achieving financial goals..

Top 10 Factors Influencing Investment

Let us study some of the key factors that influence investment decisions:

1. **Economic factors**

Inflation rate

Interest rate

Economic growth

Exchange rate fluctuations

2. **Market factors**

Stock market trends

Liquidity of securities

Availability of financial product

3. **company specific factors**

Profitability and earnings growth

Dividend policy

Corporate governance

Financial stability

4. **Investor specific factors**

Risk tolerance

Investment horizon

Income level

Saving pattern

5**. Psychological factors**

Overconfidence

Herd behaviour

Anchoring to past price

Feer and greed cycle during market volatility

In the highly technologically advanced world of today, AI algorithms control deep learning and machine learning. As things stand right now, it appears that machines will rule the day.

AI has completely changed a number of industries, including data handling, opportunity and risk identification, and risk assessment along with the prediction of investment pattern and associated decisions therewith. In actuality, artificial intelligence has positioned itself as "THE NEXT BIG THING." Following on from chat bots, content generation, and data analysis, we now have AI in investment. Even the most complicated data set can be handled by AI. In order to obtain a competitive advantage, improve decision-making, and optimize investment strategies, a number of investment companies have recently embraced this technology more and more. Investment management requires a deep understanding of market trends, the ability to analyze large amounts of information, and the ability to make fast-paced decisions. In the past, this required a lot of human effort and was costly. Financial markets are inherently unstable, and sudden price changes can cause huge headaches for investors. Investors are more prone to making emotional decisions, while AI can make emotionally neutral decisions. Teaching is the most inspiring profession amongst all other professions. It involves a lot of responsibility along with empowering the students with knowledge and gained experience. They motivate the growing buds who turn out to be the successful individuals. Their work boosts the morale of the students. Teaching is a passion and not a profession as such. Teachers also play a vital role in influencing the students by their standard of living. To have a defined standard of living it is essential to concentrate on wiser investments so that the uncertainties can be faced efficiently. In older days, the investment pattern was analyzed and predicted by the individuals themselves.

OBJECTIVES

- To evaluate the effectiveness of AI influencing the investment decisions.
- To analyze the behaviour of Teachers by involving AI in the investment decisions.
- To critically compare the traditional methods of investment decisions along with the impact of AI in investment decisions.

Research Methodology

Research Design

This study adopts a **quantitative, descriptive research design** to assess the impact of AI tools on investment decisions among academics in Delhi ncr. The focus is on evaluating awareness, perception, trust, usage behaviour, and ethical concerns.

Population and Sample

The target population comprises Indian individuals aged 21–50, representing Generation . A total of **50 respondents** were selected through **convenience sampling** using digital distribution channels (e.g., social media, email, investment forums).

Data Collection

Primary Data was collected via a structured questionnaire, consisting of closed-ended and Likert-scale questions across domains like risk perception, trust, personalization, and ethical concerns.

Secondary Data was drawn from academic journals, fintech reports, and industry publications to provide theoretical support and context.

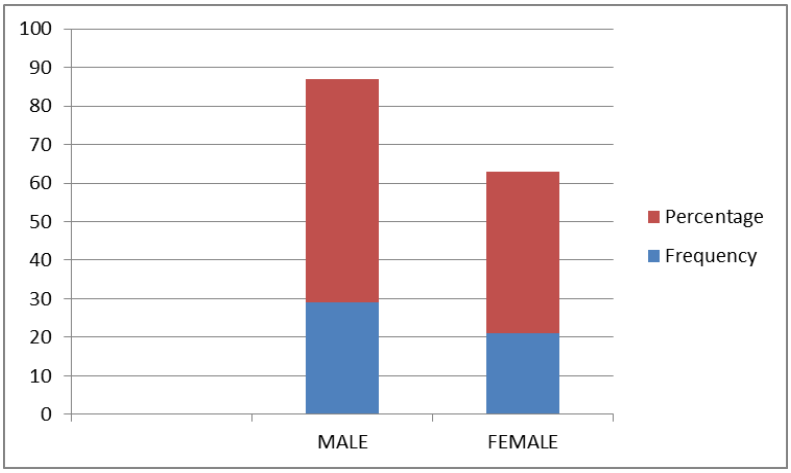
Tools of Analysis

Descriptive statistics such as percentages and frequency distributions were used to analyze responses. Visual tools including coloum charts and bar graphs were created to enhance clarity and interpretation of key findings.

Q1: Gender

The survey sample is slightly male-dominated, with 58% male and 42% female respondents. However, both genders are fairly well represented, ensuring balanced perspectives on the impact of AI in investment decision-making.

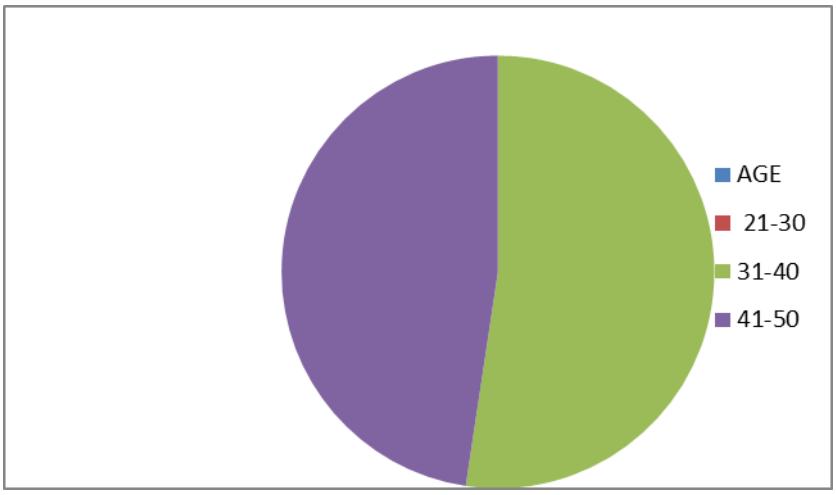
GENDER	Frequency	Percentage
MALE	29	58
FEMALE	21	42



Q2: Age

The age distribution shows majority of respondents (57%) fall within the 21–30 age range, representing young to mid-career investors more likely to adopt and experiment with AI-driven tools. A smaller proportion belongs to the 31-40 group (23%), indicating early-stage investors, while only 20% are aged 41-50 and above, suggesting older investors are less represented and may be slower in adopting AI for investment decisions.

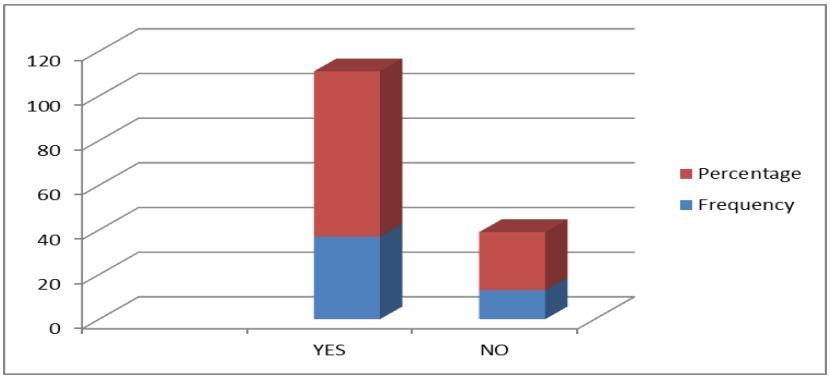
AGE	21-30	31-40	41-50
Numbers	29	11	10
Percentage	57	23	20



Q3: Are you currently using AI-powered tools?

The results indicate that a large majority of respondents (74%) are currently using AI-powered tools for investment decision-making, while only 26% have not adopted them yet. This highlights the strong acceptance and growing reliance on AI technologies among investors.

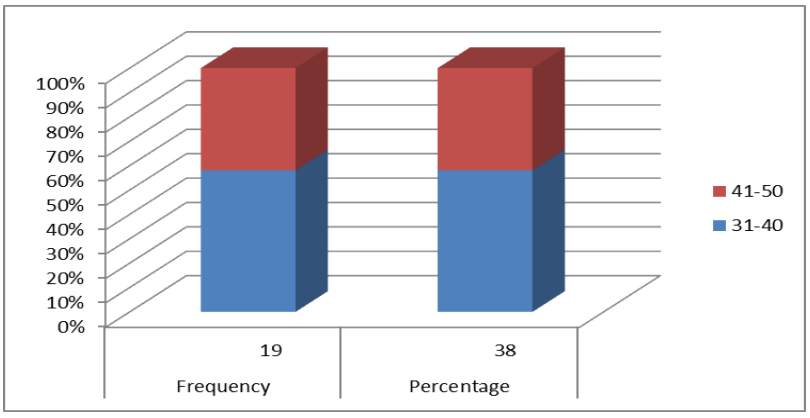
Agreement Level	Frequency	Percentage
YES	37	74
NO	13	26



Q4: Type of AI-Driven Investment Tools Used (Multiple selections possible)

The data shows that robo-advisors (38%) are the most widely used AI investment tool, reflecting investors' preference for automated and user-friendly portfolio management. Algorithmic trading platforms (36%) are also popular, indicating interest in speed and efficiency in trading. AI-based risk assessment tools (26%) less commonly used but still significant, showing that investors value technology for managing and mitigating financial risks.

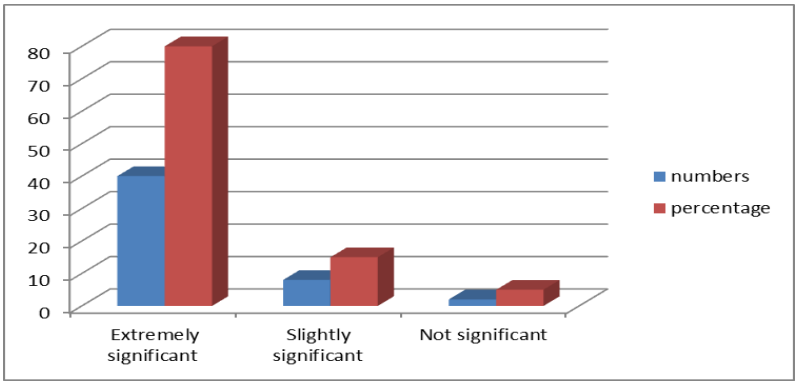
Age	Frequency	Percentage
21-30	19	38
31-40	18	36
41-50	13	26



Q5: Significance of AI in Investment Strategies

The findings reveal that majority of respondents (80%) consider AI to be very or extremely significant in shaping investment strategies, highlighting its growing importance in financial decision-making. Only a small proportion (15%) view AI slightly significant, 5% not significant suggesting that overall, investors strongly acknowledge the transformative role of AI in modern investment practices.

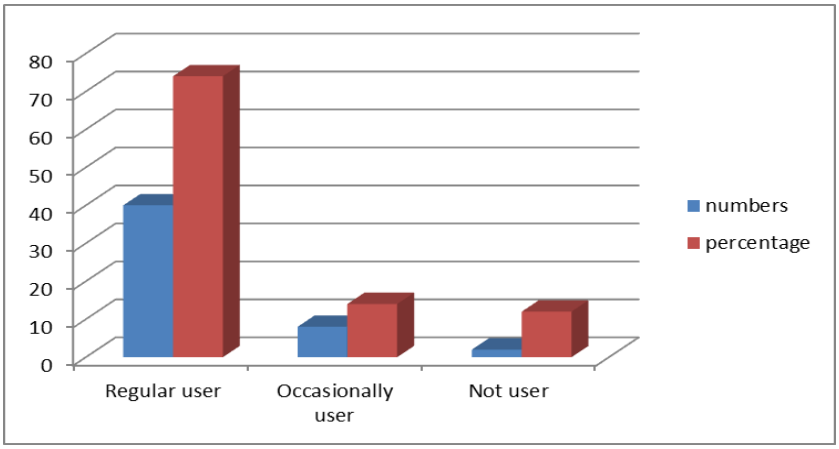
Agreement level	Extremely significant	Slightly significant	Not significant
Numbers	40	8	2
Percentage	80	15	5



Q6: Frequency of AI Use

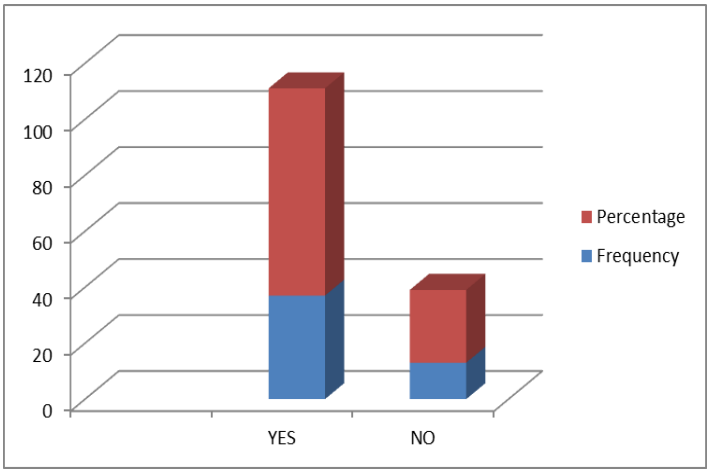
The findings reveal the majority of respondents utilize AI tools regularly in their investment process, with 74% reporting usage either "always" or "often." About 14% use them "sometimes," while only a small portion (12%) rarely or never rely on AI. This shows AI has become an essential part of investment practices for majority investors.

Users	Regular user	Occasionally user	Not user
Numbers	40	8	2
Percentage	74	14	12



Q7.Primary benefits of using AI

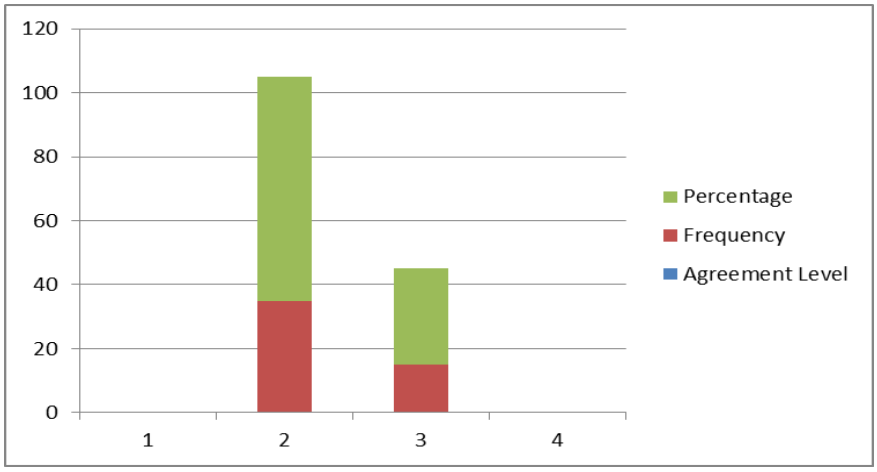
Agreement Level	**Frequency**	**Percentage**
YES	37	74
NO	13	26



Q8.risk management through AI

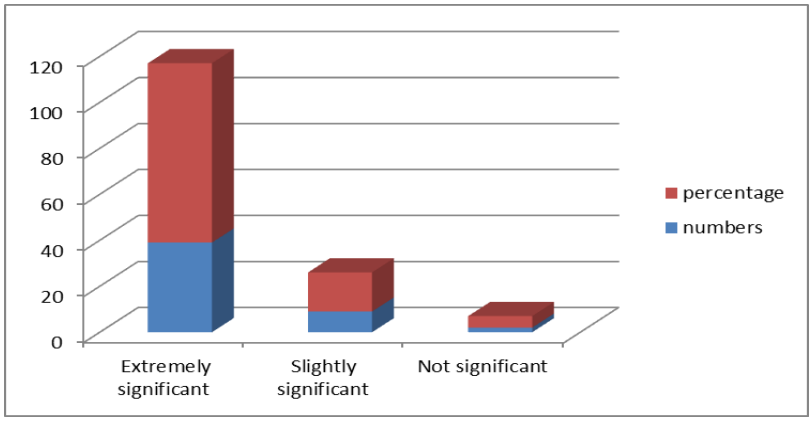
The data highlights that the biggest concern among investors is the lack of transparency in AI systems (46%), followed by over-reliance on automation (40%) and Data privacy (14%), reflecting worries about trust and fairness in AI-driven decisions.

Agreement Level	Frequency	Percentage
YES	35	70
NO	15	30



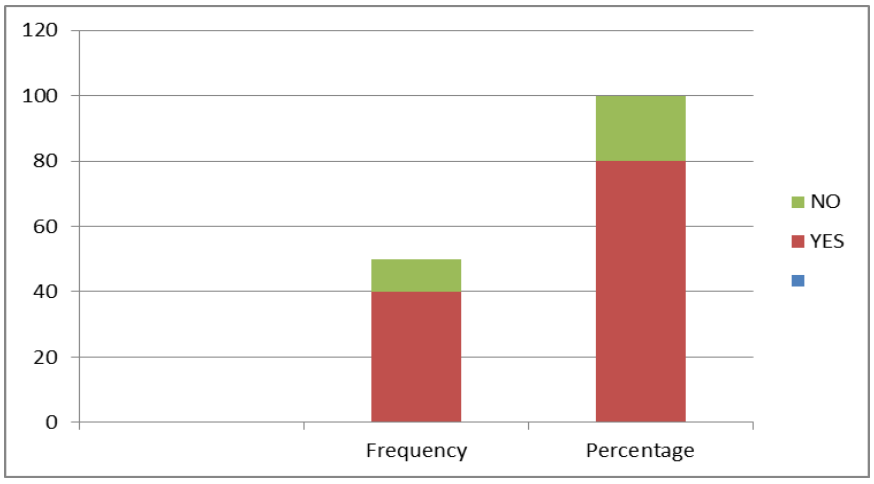
Q9: AI Effectiveness vs Traditional Methods

Agreement level	Extremely significant	Slightly significant	Not significant
Numbers	39	9	2
Percentage	78	17	5



Q10: AI Improves Decisions

Agreement Level	Frequency	Percentage
YES	40	80
NO	10	20



SCOPE AND LIMITATIONS

This study is limited to respondents who are relatively related with academics specially in Delhi ncr. As such, the results may not be applied to all academics Furthermore, self-reported data may include biases or inaccuracies.

CONCLUSION

This study highlights the significant and growing impact of Artificial Intelligence (AI) on the investment behaviour of academics in Delhi ncr.

Academics tend to use AI driven screeners, signals and and robo advisor features to shortlist ideas and monitor portfolio, while retaining final control.

Higher average education / financial literacy in academic communities speeds adoption, however , many academics limit AI to analyse visualisation rather than handing over execution.

Even tech savvy users prefer human oversight and are sceptical of black box recommendations – they value models they can interrogate.

Tools reduce manual workload and improve analytics ; however, performance gains depends on model quality calibration and user governance.

Ai reduce information overload and some biases but can amplify herding when many users follow similar signals. Academics may be less impulsive , yet group dynamics can create local herds.

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Here's a properly formatted **reference section** with **15 selected key sources** for your research report, covering AI, fintech, academics behaviour, ethics, and technology adoption frameworks:

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