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Original Article

Sociological and Cultural Influence on Choice of Capital in Emerging Markets

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Abstract - *A world of scarce resources oriented the theory of choice embedded in the process of investment decision. Risking the scarce resources to take up investment opportunities requires choices, a decision-making process explained severally by classical theories. These theories emphasize a syndrome of the rationality of investment decisions by rational investors with their behavioral antecedents and socio-cultural aptitude missing out. The study investigates how societal and sociological settings in any given culture can influence investment decisions to make funds available for entrepreneurship development. Randomly 250 potential investors were targeted in a survey using the question naruto find out how socio-cultural dispositions impinge and influence investment decision and choice. The study reveals that there is a strong significance of gender; age and education influencing investment decision making. It encourages the development of the bond market for entrepreneurial development particularly empowering women in emerging economies. Capital structure is not as determined by management but an optional response of investors to manage behavior.*

Keywords - *Behavioural Finance, Capital Structure, Culture, Entrepreneurship, Sociology*

I. INTRODUCTION

Economic scarcity and insufficiency of resources beckon any man in his effort to make life worth living. The effort, an investment, to take up potential opportunity requires risking the scarce and insufficient financial resources now for that future expectation of corporate success and reward. Choices should be expected, every now and then, among a lot of unleashing opportunities yawning for committal of scarce resources. The process of making a choice of financial asset for investment, as explained by classical theories, models, and reward policies should be rational as expected of rational investors.

In the financial market, security prices are deemed to reflect all the available information which may describe the market as efficient (Fama, 1970), and investors are situated in confidence for a good return, emphasizing investment utility to influence their choice (Satish Kumar and Nisha Goyal, 2016) and foreseeable prospect underscored psychological factors (Kahneman and Tversky, 1979). When investment is not yielding the required return of utility, investors may have to be content with the risk of losing their investment, particularly in environments of uncertainties, complex and limited information. Investors then become selective in making use of available information and may bound in consonance with their psychological and socio-cultural dimensions(Nozick, 1993). In the absence of relevant information, it will be difficult to achieve rational decisions (Obeng, up). It will be difficult to make funds available for small businesses and start-ups in environments of limited information and uncertainties with the risk involved. The current development of behavioral finance suggests that investment decisions and choices are under the dictate of the mental disposition of the investor and his understanding of available information. The irrationality of investment decisions is further attributable to the cognitive and mental capacity(Satish Kumar and Nisha Goyal, 2016) to unveil the psychological measles obscured, intentionally or unintentionally in financial information and style of communication.

The behavioral factors of investment decisions and choices cannot also be limited to the mental and available information without considering the sociological and cultural dimensions and environments from where the decision-maker is cultured. It is worthy to note that Man and his environment interact as an investment public to set economic goals to exploit available opportunities for his good. As man responds to the prevailing demands and challenges unfolding at any given time, he gains experience. The experiences gained metamorphous as a culture to impinge a safe haven and shield within which threats are overcome and strength developed to achieve anticipated objectives. Society develops man and man can achieve when he knows and understand better the intricacies in the society he operates. Funds can be made available for a type of investment and scale where the parties understand the basis of the offerings in the given space and event for common good. Men are of society and society makes men in accordance with generally accepted norms, values, and beliefs (Agyemang and Ansong, 2016; Etzioni, 1991; Rokeach and Regan, 1980).

In their daily and regular economic activities, men associate with different characters and elements in society. These create forms of marriages and relationships shaped by some dictates of subjectivity and diversity demanding compromises and tradeoffs resulting in norms and values difficult to put asunder in investment decisions. Singling out financial information as to its credibility, relevance, sufficiency, or complexity without the cognitive capacity and its dynamics cannot bring out anything as rational in an investment decision. Information settled on in the cognitive domain should be considered as that relevant to the investor(Islam Khan, Tan, and Chong, 2017; Amswald, 2001, Menkhoff et al, 2006; Menkhoff and Schmidt, 2005; Menkhoff and Nikiforow, 2009).

The theories of rationality of decision from classical financial models and behavioral finance reliant on cognitive psychology are losing sight of the capstone, social security. The effort of man in directing his energies in socio-economic advancement is geared for the progress and general wellbeing of society and its posterity. Society and its cultures may influence and be the arbiter in making the decision consonance with societal objectives of qualitative immeasurable value.

The generalization and portability of theory and concepts between and among cultures are not conclusive in investment decisions. Reliance on the concept that rational investors make rational investments to maximize their returns and reduce risk is being challenged with attention directed to corporate social responsibility (CSR), environmental social and governance (ESG), and socially responsible investment (SRI) Peylo, (2014). Concerns have been raised in the wake of the recent global financial crisis during the Eurosif European Sustainable Investment Forum, 2012, challenging the concept of rational investment. The consensus is that a focus on short-term financial success may have severe negative consequences not only on social but on economic objectives as well Fenzl, 2013; Giannarakis and Theotokos, 2011). Ironically, much is desired to say that investors in generality will solely rely on classical models and available information to make a rational investment decision that ensures an efficient market in all environments.

In some societal and sociological settings situated in culturally motivated environments rationality of investment decision could be conditional, dependent on the discretion of the investor needs and his social ramifications. Making funds available to start-ups for entrepreneurship development should not be upon the dictates of theories only but consideration should be given the societal and cultural dynamics as well.

II. SOCIETAL SETTINGS

This section relates to society and matters making up for its development. Society depicts a traditional character when there is a limited chance to adjust to current developments and an efficient approach of achieving synergy in the effort of investing scarce resources. There is dynamism in all socio-cultural activities that shape the thought, behaviors, and aspirations of people, as individuals or as groups, in making investment decisions and choices. Financial theories and models cannot, therefore, assume the traditional posture of rationality in investment decision-making without factoring in societal dynamics. Society according to Nukunya (2003) is made up of constituent parts and institutions which work together. It is a given environment and the people who live in it.

Traditionally people may choose and settle in a place influenced and motivated by; common expectations and aspirations of life, economic opportunities, and attractions, adventurism through conquering or defeat in war, friendship, and marriage that compel a new settlement for their security. In the process, experiences gained shape the society to ensure common welfare of the members of the society by establishing institutions and structures like political, legal, economic, religious Nukunya (2003), recreational, education, and health systems to better care for themselves. Society is dynamic and has the tendency to adapt to prevailing circumstances time after time that significantly occasioned social change from one stage, level, order, or strata to another and from one approach, method, or process to another to ensure progress and advancement.

Investments decisions made in the process possibly are subject to the influence of these social changes to help meet the developmental agenda and focus. Individuals in making their investment decision, do so within the context of values, beliefs, ideas, and guidelines imbued in them by others, and vigorously by their social circles (Etzioni, 1991). Changes take place among the constituent parts and institutions, driven from within or outside that can radically inspire the whole system and their investment behavior.

Politically there could be small families with family heads leading to kinship and descent groups forming a structure in the African or Ghanaian political structure with legitimacy to prescribe statuses and roles to people who are in particular relationships Nukunya (2003). The political system can change through war or the formation of alliances and confederacy with authority also changing. Such political changes present dynamics for behavioral exposure. The interaction between social behavior and economic behavior helps people to make choices and preferences founded on their values and sentiments. The legal, economic, education, and all other institutions and system may see reforms to attune to the meritorious social order that beckons change in investment decision and focus. Craig Berman (nd) observed that financial decisions are rarely made based solely on an objective look at the numbers, rather people are social creatures, and social factors can influence their actions when it comes to handling and investing money. Man is a constituent of society, and his decisions and demeanor cannot entirely leave out societal norms (Agyemang and Ansong, 2016; Etzioni, 1991). Empirically, researchers on human values (Feather, 1995; Roheach, 1973; Schwartz, 1992, 1994) contend persuasively for the sentimental and guiding roles of values in all facets of people's lives.

In Ghana, current developments are appreciating the concept of Corporate Social Responsibility (CSR) concerning the personal values of individual shareholders and their investment decisions (Agyemang and Ansong, 2016; Craig Berman, ud). The wind of social and environmental protection, adherence to societal norms, values, and order is blowing across the length and breadth of the investment and economic space where investors and financiers zero in the non-negotiability of the strict observance of cherished norms and values that ensures social safety and an environment free of life threatened processes and injustices (Obeng, 2019). The classical financial theories cannot, therefore, be the sole judge and prescription in the investment decision process. These theories of capital structure, efficient market hypothesis, and others, though relevant, cannot stand the way of the revolutionarily and ethically charged behavioral dynamics influencing the investment decision-making process.

III. SOCIOLOGICAL SETTINGS

Sociology is often defined as the scientific and systematic study of society and social interaction, the study of human behavior that helps people, including investors, to learn and understand how people are woven as social beings into the fabric of their societies (Nukunya, 2003; Auguste Comte, 1798 - 1857). Nukunya (2003) further observed that sociology helps in understanding what social forces are at work as people go about their daily and routine businesses and economic activities. Sociology appreciates the need to identify and understand social institutions, culture, social deviance and control, social stratification and mobility, conflict, and social change. These make and unmake society and investors' acumen in these factors or elements is of fundamental necessity to help mode the right behavior for an investment decision.

Understanding social institutions is to deal with the issues of family, economic organization, religion, law, political organization, education, and healthcare. The family is the foundational unit of society. Each family may be noted for the special and unique role it plays in the other institutions, political, economic, religion and others. Members of any family may be natured and cultured along with family values, ethics, and norms which influence their behavior in making their professional and investment decisions. Culture is about the ideas, beliefs, and material things man has created and learned over the years to meet the goals of human existence (Nukunya, 2003). Sociological settings encourage studies to understand society and the dimensions of any strange developments. Empiric business people and investors back the contention that values underpin people's behavioral processes, and that they are relevant drivers of attitudes, behaviors, and choices(Agyemang and Ansong, 2016; Egri et al,2004; Lawrence and Collins, 2004; Connor and Becker, 2003; Mercer, 2003; Agle et al, 1999; Homer and Kahle, 1088; Richins and Rudmin, 1994; Williams and Hall). It is established that there is a relationship between a person's values and the relevance she/he attaches to certain aspects of corp. Observations made in research support the fact that values do seem to have a relevant role to play in shareholders' stock-buying decisions and shareholders possess both self-centered values and community-centered values. It is to be appreciated that human values whether self-centered or community-centered play a key role in the lives of individuals as well as how they observe things(Agyemang and Ansong, 2016).

In the current dispensation of economic and technological advancement, displacement of communities and overcrowding is a challenge to society. The financial services are challenged in such economic growth to create a potential opportunity to rebuild trust to systematically consider environmental, social, and governance (ESG) issues in decision making(Usman Hayat, 2019).

ESG issues are increasingly becoming part of the metrics used by investment professionals to analyze and value the public companies they invest in. Usman Hayat, (2019) referring to the Global Sustainable Investment Review (2012), revealed that at least US$13.6 trillion worth of professionally managed assets incorporate ESG concerns into their investment selection and management globally. Another socially motivated concept influencing investment decisions is the socially responsible investment(SRI) as stated in Peylo, 2014. (Peylo, 2014) observed that all SRIs have in common not primarily to pursue maximization of financial returns. SRIs offer investment choices that reflect the ethical preferences and personal investment motives of the investors (Nilsson, 2008; Barrada-Tarrazona et al, 2011) to achieve the best investment return within the given parameters. The different motives of investors are not premised on wealth alone, but also on the welfare of society and the environment (Peylo, 2014). Sociological development and changes have now become a force to deal with when it comes to the current investment phenomenon.

IV. CULTURAL ENVIRONMENT

While many definitions are associated with human values, the majority of them are of related construct: values are conceptions of the desirable (Agle and Caldwell, 1999). Kluckhohn (1951, p. 395) defines a value as “a conception, explicit or implicit, distinctive of an individual, or characteristic of a group, of the desirable which influences the selection from available modes, means, and ends of action”. In addition, Williams, (1970 p. 442) defines values as “those conceptions *of desirable states of affairs* that are utilized in selective conduct as *criteria* for preference or choice or as *justifications* for proposed or actual behavior”. Rokeach (1973, p, 5) states: A person has a *value* and a *value system.* A *value* is an enduring belief that a specific mode of conduct or end-state of existence is personally or socially preferable to an opposite or converse mode of conduct or end-state of existence. A *value system* is an enduring organization of beliefs concerning preferable modes of conduct or end-states of existence along a continuum of relative importance.A study in Australia in 2007 divulges that seven of ten investors in Australia point out that when investing in shares, they prefer firms that are both socially and environmentally responsible (Australian Securities Exchange, 2007). In addition, a survey conducted by Capgemini and RBC on wealth management in 2014, divulged that more than half of the high net worth people surveyed expressed “driving social influence” as extremely relevant, and almost nine out often expressed it as relevant. The categorization of values into their important groups (Weber, 1990), elements (Munson and Posner, and areas (Schwartz, 1994) has a common pattern. Within an individual’s value structure, there are values that are essentially self-centered, and some that concentrate on others. For example, self-respect, pleasure, salvation, and an exciting life are self-centered values; and a world at peace, a world of beauty, equality, and safeguarding the environment are community-based (others-centered) values. Any study that examines shareholders’ values thus ought not to be founded on just a proposition that they only possess self-centered values, which serve primarily to incentivize them to strive for economic contentment via wealth maximization. Undoubtedly, investing for monetary return is the fundamental aim for ordinary shareholders, but this only forms a part of the whole picture. The need to identify the other values they possess, such as those that are community-oriented is imperative. In this way, the entire picture or appreciation of what incentivizes and directs individual shareholders’ in their stock buying decision-making processes will be unearthed.Craig Berman, (n.d) Financial decisions may also be influenced by cultural norms like religious inclination of some faith that forbid or limit the amount of interest that can be charged on loans. Investors in those faiths therefore may find a religious objection to investing in organizations that make their money via interest charges. In addition to the behavioral factors, investors’ demographic profile and perceptions play an important role to select a particular choice of investment (Ganga Bhavani1 & Khyati Shetty1, 2017; Kumar & Goyal, (2016). Lin (2011) analyzed that individual investors follow the rational decision-making process to select their investment products and are also prone to various behavioral biases. Mathuraswamy and Rajendran (2015) found family composition, biological make-up, psychological factors, and lifestyle of individual investors to influence investment rationality. Zaidi and Tauni (2012) observed that age and education do not have any significant impact on overconfidence bias. Bhandari and Deaves (2006) found that men are more confident than women. Da Costa *et al.* (2008) identified that males are more prone to disposition effect than females in terms of demographics. Further, Dhar and Zhu (2006) found that individual professionals and high-income earners have lower disposition effects. With respect to the relationship between demographic characteristics and herding bias, Lin (2011) found that females are more involved in herding behavior than males. Moreover, he identified that young investors are more prone to herd behavior than older ones. Women significantly defer risk and are more conservative in their investment behaviors than men (Fisher, 2010, Diacan, 2004; Barber and Odean, 2001; Charles and Gneezy, 2007; Eckel and Grossmann, 2001; Ganga Bhavani1 & Khyati Shetty1, 2017). Studies have also shown the influence of age on investment patterns. There is a different level of risk aversion among different age groups, (Rana, Murtaza, Noor, Inam-u-din, and Rehman, 2011). Education has also been considered a significant factor in influencing investor profiles (Ganga Bhavani1 & Khyati Shetty1, 2017). Investors with education higher than the secondary level hold more risky portfolios (Weber, Blais, & Betz, 2002). It is time to accept the cultural and behavioral impinges making inroads and permeating into the one and ever cherished classical financial theories in investment decision making.This will give way to other dynamics of making funds available to start-ups in the effort of re-engineering entrepreneurship for its acceptability to the teeming unemployed youth of society.

V. CHOICE OF CAPITAL AND CAPITAL STRUCTURE

This section discusses the relevance of capital structure in portfolio investment decisions. It is measured in terms of the risk and rewards to the investor and we query the relevance of capital structure in changing social structure in a culturally motivated environment. The capital structure of a firm explains how the firm secures and engages long-term funds, with different terms and conditions of reward and repayment. Capital structure theories are one means of explaining how entrepreneurs choose the type, source, and ratio of equity to debt of their capital structures (Frielinghaus et al, 2005; Hancock, 2009). The theory postulates that debt and equity should be at equilibrium to ensure optimum performance and profitability and to derive some benefits from tax savings over financial distress (Modigliani & Miller 1958). There is a possibility of departure from the capital structure theory of optimality to focus on the optional choice of capital structure. The choice will be at the discretion of the investor, contingent on the prevailing needs in the life cycle of the firm, social settings, and culture from where the decision is made.

Booth, Aivazian, Dernirguc-Kunt, and Maksimovic (2002) found developing countries' investment decisions are affected by the same variables as in developed countries. However, there are persistent differences across countries, indicating that specific country factors are at work. Although some of the insights from modern finance theory are portable across countries, much remains to be done to understand the impact of different socio-cultural institutional features on capital selection. The irrelevancy of capital structure as put up by Modigliani and Miller and the findings of Booth et al (2002) suggest some lapses in the capital structure theory. Some businesses of start-ups with limited personal savings as initial ownership capital rely on debt to thrive before engaging equity to expand and take up other opportunities in emerging markets. On that note capital structure per se may not be the appropriate measure and influence to explain choice for a particular investment vehicle or financial instrument. Equity capital or common stock represents the personal investment of the owner(s) in the business. Investors assume the risk of losing their money and the responsibility to indemnify the business of its debt if the business fails.

Long-term debt is a contractual obligation on the company to pay fixed sums of money as an interest to bondholders at the stipulated time and the principal at maturity. Any default may occasion bankruptcy. Investors with a high propensity to avoid dilution of ownership, to protect the family's integrity, avoid complacency due to mistrust and avoid succession conflicts, may prefer debt financing to equity despite the threat of financial distress occasioned by leverage as proposed by capital structure theory.

We have seen so far that other socio-cultural and economic dispositions influence investment decisions depending on prevailing conditions in the societal and sociological settings and environment.

VI. METHODOLOGY

A. Research Design

A descriptive design with the survey research strategy is employed for data collection. The survey strategy is appropriate when addressing a work of broad setting to help achieve economy (Saunders et al 2007).

B. Estimation Technique

The study adopts a logit model to establish the relationship between the dependent variable (choice of capital) and the independent variables. This decision is due to the dichotomous nature of the 'capital choice' variable which takes value one if the capital choice is bond and zero if otherwise (shares). Generally, the logit model is formulated as follows:

$$L_i = ln\left(\frac{P_i}{1-P_i}\right) = \beta_1 + \beta_2 X_i + \mu_i \qquad (1)$$

To estimate (1), we need, apart from X_i, the values of the regressand, or logit, L_i. The dependent variable, the capital choice is such that $P_i = 1$ if an individual prefers bond and $P_i = 0$ if otherwise.

C. Limitations

The major limitation of this study was data collection from potential investors who may come from different backgrounds and cultures. Cultural differences can affect the responses and defile the technical position of investment decisions. These may influence the outcome of the study and therefore call for further studies.

VII. DATA PRESENTATION AND ANALYSIS

A. Estimation Technique and Model

Empirical Model Specification

The empirical model formulated by the study to be estimated is as follows:

$$Prob(CapChoice = 1|Xi) = b_0 + b_1 Sex_i + b_2 Age_i + b_3 MarSt_i + b_4 Educ_i + b_5 Dep_i + e_i$$

From the empirical model, *CapChoice* is capital choice which takes the value one if an individual prefers bond and zero if otherwise. *Sex* is a dummy variable equal to one if female and zero if male. *Marit* is marital status categorized as married (value of 1) and not married (value of 0). *Educ* is the education dummy variable that takes value 1 if an individual has tertiary education and zero if not, and *Dep* is the number of dependants which takes value 1 if dependants are one or more, and value of zero if an individual has no dependant.

Table1. Background characteristics of respondents

Variables	Total	Preferred Choice of capital	
		Shares (%)	Bond (%)
Gender			
Male	129	92 (71.3)	37 (28.7)
Female	76	42 (55.2)	34 (44.3)
Age group (years)			
Below 20	13	12 (92.3)	1 (7.7)
20-30	81	55 (67.9)	26 (32.1)
31-40	70	40 (57.1)	30 (42.9)
41-60	40	26 (65.0)	14 (35.0)
Above 60	1	1 (100.0)	0 (0.0)
Marital Status			
Married	97	62 (63.9)	35 (36.1)
Single	98	68 (69.4)	30 (30.6)
Widowed	10	4 (40.0)	6 (60.0)
Education background			
Basic	24	15 (62.5)	9 (37.5)
Secondary	68	55 (80.9)	13 (19.1)
Diploma	42	32 (76.2)	10 (23.8)
Bachelor's Degree	53	19 (35.9)	34 (64.2)
Masters	16	11 (68.8)	5 (31.3)
Professional	2	2 (100.0)	0 (0.0)
Have dependants			
Yes	197	116 (66.3)	59 (33.7)
No	32	18 (60.0)	12 (40.0)
Total	205	134 (65.4)	71 (34.6)

Source: Field survey (2017)

Table 2. Estimation of logit model

Choice of capital	Odds Ratio	Marginal Effect	P>z
Sex (0=male; 1=female)	2.094 (0.726)	0.151 (0.068)	0.026**
Age (0= under 30 years; 1=30 years & over)	2.307 (0.985)	0.171 (0.084)	0.043**
Marital Status (0=Not married; 1=married)	0.755 (0.285)	-0.057 (0.077)	0.455
Education (0= below tertiary; 1=Tertiary)	2.631 (0.918)	0.197 (0.066)	0.003***
Dependants (0=No dependants; 1=Dependants)	0.510 (0.265)	-0.137 (0.104)	0.188
Constant	0.282 (0.138)		
N	192		
Likelihood ratio chi-sq: P > chi-square	0.0060		
Pseudo R-square	0.0668		
Hosmer-Lemeshow: P > chi-square	0.4854		
Link test _hat: P>|z|	0. 042		
_hatsq: P>|z|	0.785		

** p<0.10, **p<0.05, ***p<0.01. Standard errors in parentheses.*
Choice of capital (0=shares; 1=bonds)
Source: Field survey (2017)

B. Results and Discussion

Stata 14.0 was used to run the logit model. The likelihood ratio chi-square test produced a p-value of 0.0060 which tells us that model as a whole fits significantly better than an empty model that is a model with no predictors. Post-estimation tests were run by the study to justify model specification and goodness of fit. These results have been presented in Table 2. These post-estimation tests are the Link test and Hosmer-Lemeshow test for model specification and goodness-of-fit respectively. For the Link test, the scores for _hat (P>|z|= 0.042) and _hatsq (P>|z|=0.785) show that the model is correctly specified. This means that we can, only by chance, find additional predictors that are statistically significant. With respect to the goodness-of-fit test, the Hosmer-Lemeshow gave a score of P>

chi-square= 0.4566 which is greater than 0.05 and indicates that the model is a good fit.

Gender was seen to be statistically significant in determining a person's choice of capital. The likelihood that a female would choose bond over shares is greater than that of their male counterparts by a factor of 2.094. This observation occurred at a significant level of 5 percent. This relationship reveals that the likelihood that females would prefer a capital choice with more predictable returns to one with a less predictable return is greater when compared to males.

Age was found to be a significant predictor of an individual's choice of capital. Individuals with age 30 years or more were found to have a greater likelihood of choosing bonds over shares than those with ages below 30 years by a factor of 2.307, at a 5 percent level of significance. This result points to the situation where the older individuals (30 years or more) have a stronger preference for bonds over shares when compared to the younger individuals (below 30 years). It can be deduced from this result that the older individuals (30 years or more) have a stronger preference for capital choice with more predictable returns over a capital choice with less predictable returns when compared to the younger individuals (below 30 years).

Educational background was found to significantly influence the choice of capital. When the sample is grouped into individuals with tertiary education on one side and individuals without tertiary education on the other, it was found that educational background influences the choice of capital. The likelihood that an individual with tertiary education would choose bond over shares is greater than that of individuals with education below tertiary by a factor of 2.631 at a 5 percent level of significance. This relationship reveals that the likelihood that individuals with tertiary education would prefer a capital choice with more predictable returns to one with a less predictable return is greater when compared to individuals with education below tertiary.

VII. CONCLUSION

A. Gender and Choice of Capital

There is a strong relationship between gender and the choice of capital. The results show that females' preference for the bond is stronger than that of equity whiles their male counterparts' preference for equity capital is stronger than that of the bond. This shows that when it comes to the choice of capital women may forgo equity financing to avoid the risk of financial distress and loss of returns, whereas the men prefer equity. Bhandari and Deaves (2006) found that men are more confident than women. Da Costa *et al.* (2008) identified that males are more prone to disposition effect than females in terms of demographics.). Iman's (2011) studies reaffirmed the result that women significantly defer risk in their investment behaviors than men. Studies also show that women are more conservative than men in investment decisions with females being less risk-seeking than males (Fisher, 2010, Diacan, 2004; Barber and Odean, 2001; Charles and Gneezy, 2007; Eckel and Grossmann, 2001). In general terms, studies affirm that women are risk avoiders than men (Ganga Bhavani1 & Khyati Shetty1, 2017). This has some cultural implications in the Ghanaian social settings where females are the custodians of the family properties, particularly in the Akan communities. Their children inherit their uncles and ascend to the throne of Kingship when it becomes vacant. Women may not take the risk that may result in financial distress and get the properties of the family liquidated to settle debt incurred through any reckless behavior. If for any reason women are to take the risk of borrowing they may need assurance from the men to reimburse them in case of default. The women protect the purse and the family property to be inherited by their children and may not entertain dilution of ownership. Women may be on target in developing the bond market as means of mobilizing funds to support entrepreneurship development

B. Age

The age of a person in the Ghanaian socio-cultural environment offers the holder a level of placement in all manner of opportunities in economic, status, leadership and authority, linkages, and relationships. As put by Nukunya (2003) The African traditional societies were characterized by hereditary succession, age as the basis of status. It is therefore not surprising that age has significance in influencing investment decisions. The age distribution brought out an important revelation where respondents above thirty (30) years were going for bonds, those under thirty years preferred equity to bond. This shows that the young and exuberance in society have the greatest propensity to shoulder risk than the elderly. Studies have also shown the influence of age on investment patterns. There is a different level of risk aversion among different age groups (Rana, Murtaza, Noor, Inam-u-din, and Rehman, 2011). Those above thirty years' preference for bond security may also support the development of the bond market to help entrepreneurial development. As people age, they become risk-averse and may want to save for regular returns and their assets secured. As people age their economic substance is embedded in the young ones. People trained their young ones to take over their business, therefore the young ones should exhibit agility in investment in relying on debt capital to advance their course.

C. Education

Education improves the capacity of a person to understand issues and make rational decisions. They have the capacity to analyze information better and understand issues where there is uncertainty. The data as analyzed is revealing that the choice of debt and bond capital is very significant among the higher levels of education than those with limited specialization. It can be inferred that the majority of highly educated people on salary may want to add regular returns. They may also take up loans to finance their business to avoid dilution because of information opaqueness and uncertainties (Obeng, 2017). Education has been considered a significant factor in influencing investor profiles (Ganga Bhavani1 & Khyati Shetty1, 2017). Investors with education higher than the secondary level hold more risky portfolios (Weber, Blais, & Betz, 2002). Taking risky ventures with debt capital ensures strict adherence to corporate governance rules to avoid dilution and financial distress in uncertain environments. Such persons may want to loan to the level that they can manage to achieve their investment objective. They may also make funds available when they are assured of security. Developing the bond market backed by different terms and conditions can also get funds for investment in start-ups.

Finally, investors have the option and finally, say to decide on their preference ordering according to their socio-cultural characteristics, not on the persuasion of management.

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