



## Behavioral Accounting and Decision-Making: A Theoretical Framework of Investor Discipline in Systematic Investment Plans

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### ABSTRACT

Sustainable wealth creation remains a critical challenge in emerging economies, where investors seek stability amid market volatility. This study develops a conceptual behavioral accounting framework that positions systematic investment processes as dynamic accounting systems. Investor discipline is theorized as an accounting-relevant construct influencing measurement stability, reporting reliability, and decision usefulness. The empirical analysis is employed illustratively to support theoretical development rather than as the primary contribution. This study examines Systematic Investment Plans in the Nifty 50 Total Return Index as a behaviorally structured investment mechanism for long-term financial decision-making. The findings are interpreted to demonstrate how behaviorally structured investment processes influence accounting measurement outcomes. Longer investment horizons further enhance consistency, confirming the role of disciplined and time-distributed investing. This study develops a behavioral accounting framework by conceptualizing investor discipline as an accounting-relevant construct influencing measurement stability and decision usefulness. It integrates behavioral biases, temporal investment consistency, and financial reporting dynamics to extend behavioral accounting theory. The study contributes to behavioral accounting by incorporating investor discipline into financial measurement and decision-making processes. The findings position systematic investment plans as behavior-driven accounting mechanisms that enhance measurement stability, support informed decision-making, and strengthen the theoretical understanding of behavioral influences in accounting systems.

**Keywords:** Accounting Theory; Behavioral Accounting; Sustainability Accounting; Investment Accounting; Decision Support Systems

### 1. Introduction

The conventional accounting theory to a large extent is taking the behavioral neutrality assumption, which does not take into account the influence of consistency and patterns of decisions made by users on the effect of accounting measurements. The paper redefines systematic investment plans as time-dispersed accounting procedures as opposed to financial instruments only. Behavioural discipline is also added as a latent accounting variable affecting the stability and reliability of financial reporting. Currently employed accounting models are ineffective in reflecting continuous, behaviour-based financial operations with specific reference to time-distributed flows of investments and rigorous decision patterns (Abbasi et al., 2021; Banerjee & Ravi Kumar, 2025; Banna et al., 2021; Nandi & Nedumaran, 2021). Despite improved accessibility, investors continue to face challenges related to market volatility, timing risk, and behavioural biases. Systematic Investment Plans (SIPs) have emerged as a disciplined long-term behavioral accounting mechanism designed to address these issues. Instead of operating as financial investment tools only, SIPs are patterned conducts of behavior that has systemic effects on the manner in which financial results are created, perceived, and assessed in accounting. SIPs enable investors to deposit small portions at regular intervals and as a result, it increases affordability, inclusiveness and rupee cost

averaging which is used to limit timing risk and volatility (Agarwal & Mazumder, 2013). SIPs also spread investment risk over market cycles unlike lump-sum investments and thus allow the investors to enjoy compounding even in the changing market conditions (Beaver, 1968). Besides being effective in enabling the creation of individual wealth, SIPs play a role in promoting financial inclusion by promoting first-time and small investors as well as maintaining stability in the market. Moreover, increased incorporation of ESG-based mutual funds has made SIPs as a medium of funnelling household savings into sustainable investment opportunities that are in tandem with long-term development objectives.

The conventional accounting systems fail to capture dynamic and behavior-based accumulation of investments like SIPs. The current accounting systems mainly focus on the approach of periodical reporting and the approach of the static valuation of a business, which makes it overlook continuous investment flows, compounding effects, and investor discipline in the creation of long-term wealth. Better said, the traditional accounting models regard the investor behaviour as an externality to the measurement system and fails to incorporate the behavioural consistency, alleviation of cognitive bias, and time decision pattern as one of the critical determinants of financial results. This creates a

lack of interconnection between the practice on the ground in investments and accounting.

The current paper re-interprets this concept of Systematic Investment Plans (SIPs) as a behavior-based accounting process, in which the investor discipline is a latent variable that influences the financial measurement, consistent reporting, and decision-making quality.

The study fills these gaps by discussing the performance of SIP investments in NIFTY 50 Total Return Index (TRI) during 20 years. Despite the fact the empirical analysis method is applied, its primary aim is to support the theoretical interpretation demonstrating the manner of behavioral discipline expression into the results which are applicable to accounting. It breaks down the wealth accretion, relative risk/return property, and rolling returns to each of the horizons of investment and behavioural implication of disciplined investor behaviour. In addition to this, the study shall offer an account of these empirical findings in accounting environment and the relationship between the investment behaviour and the dynamics of financial measurement and reporting. Instead of being a tool of financial systems, this paper would classify Systematic Investment Plans (SIPs) as procedures of systematized accounting on a behavioral level. These behavioral constructs on latent basis as investor discipline, mitigation of consistency and bias are conceptualized as features of inherent part of the accounting system, which bring direct effects on measurement reliability, reporting/ decision making balance.

The value of this research is beyond empirical finance since it places SIPs in an accounting context. It contributes to the accounting theory by making recommendations that the accounting measurement and reporting outcomes are partly behavioral-constituted and that human decision making processes need to be embedded in accounting systems. It develops the accounting theory by promoting the necessity of dynamic and temporal modes of measurement, promotes the behavioral accounting theory, including the integration of investor discipline in financial analysis, and contributes to the sustainability accounting theory, including the linkage of systematic investments flows and ESG-related capital deployment and value creation at the long run (Watts and Zimmerman, 1986).

The quantitative approach also establishes whether disciplined investing with SIPs produces better long-term performance, lower volatility and risk-adjusted performance, in the form of the hypotheses presented (H1-H4), and thus is related to the empirical research and theoretical conclusion. These tests are not deployed in performance comparisons but are used in exemplifying the consistency of behaviors in ascertaining existence of stability, dependability as well as usefulness of decision information in accounting.

Specifically, this study makes three key contributions. First, it develops a conceptual framework for understanding SIP-based investment processes within an accounting context. Second, it introduces behavioral

discipline as an accounting-relevant construct influencing reporting stability and financial outcomes. Third, it institutionalizes the place of behavioral variables as focal determinants in the accounting systems, and as such, propagates the behavioral accounting theory and strengthens its applicability to financial measurement and decision-making. Third, it creates a connection between systematic investing and sustainability-related accounting as well as the importance of SIPs in facilitating the responsible and long-term capital investment.

## 2. Literature Review

### 2.1 SIP and Investment Literature

Systematic Investment Plans (SIPs) have been deemed a suitable investment vehicle among retail investors in emerging economies, particularly in India, where mutual fund penetration is still evolving. According to previous studies, SIPs encourage small investors to adopt a disciplined and goal-driven investment approach while reducing the risks associated with market timing, which remains a major challenge for retail participants (Agarwal & Mazumder, 2013). SIPs help mitigate emotional biases associated with lump-sum investing and enable gradual wealth accumulation through regular contributions and compounding benefits (Nagajyothi & Srinivas, 2018).

(Mishra et al., 2023) finds that SIP investments in equity mutual funds yield superior risk-adjusted returns over extended horizons due to compounding effects. SIPs discourage speculative market timing and encourage sustained participation, thereby enhancing long-term investment outcomes.

SIPs are also closely associated with financial inclusion and accessibility. Their low entry barriers make them suitable for a broad base of investors, including first-time. Additionally, with the increasing integration of ESG-oriented mutual funds, SIPs are being positioned as tools that can align individual investment objectives with broader sustainability goals. Despite these advantages, existing studies largely focus on financial performance metrics, often neglecting broader theoretical and accounting implications of SIP-based investment processes (Shaik et al., 2022).

### 2.2 Behavioral Perspectives

The behavioural element of SIP investing is critical in the understanding of its effectiveness particularly in the decision making and cognitive perspective. The behavioral literature of finance holds that loss aversion, overconfidence, and herding are all investor biases, which influence investor decision making and outcome greatly. Kahneman and Tversky (2013) invented prospect theory because they believe that, when making investment decisions, people perceive a loss more negatively than a gain and hence make poor investment decision when the market is unstable. By spreading investments across periods, SIPs would minimize the psychological effects of fluctuations on the market and would help investors to make decisions not based on panic.

This argument is enhanced by the fact that mental accounting exists. According to Thaler (1999), people do not spend money in the same way depending on its origin and use, and smaller and regular investments have higher chances of survival than big and infrequent investments. Such a structure is consistent with SIP techniques, in which consistent contributions create a feeling of consistency and long dedication. Disciplined investment behaviour has also been empirically found to increase financial performance by minimizing emotional biases and increasing persistence (Mishra et al., 2023; Gurbaxani and Gupte, 2021).

In the view of behavioral accounting, investor discipline can be viewed as an implicit variable in determining the results of financial reporting and the usefulness of decisions. As it is pointed out in the article by Libby et al. (2002), cognitive biases influence the financial judgment and reporting procedures, whereas the authors in the article by Birnberg and Shields (1989) outline the significance of behavioral aspects of accounting systems. These observations implicate that SIP-based investing not only has an impact on financial performance, but also has its implication on the nature of the perceived investment performance, when it comes to the perception, assessment, and reporting of investment performance.

### 2.3 Accounting and Sustainability Perspectives

Although the literature on SIP has its foundation mostly on the field of finance, its applications on accounting theory and their implication on accounting pragmatics will see underdevelopment. The accounting systems that were used in the past are by default geared towards making periodic appearances and fixed methods of measurements which are in most cases ineffective in representing the stream of investments over time and recent appreciation. The decision usefulness theory (Staubus, 2013) provides that accounting information ought to assist the stakeholders to make wise decisions. The traditional reporting systems are however not very knowledgeable of the perpetual cumulative characteristics of SIP investments (Panwar & Madhumathi, 2006).

In the case of SIPs, accounting measurement problems are of particular concern. Performance measures like CAGR and XIRR contain varying degrees of investment outcomes indicating more qualitative and temporal methods of measuring investment performance (Scott, 1997). Moreover, the conventional models of accounting frameworks, such as the Conceptual Framework (2018) focus on truthfulness and relevance but rather ignore behavioral and temporal aspects of investment actions.

Sustainability accounting gives the SIPs one further perspective of disaggregation. Gray (2002) believes that the traditional accounting systems need to be changed to include social and environmental issues, whereas Unerman et al. (2010) focus on the influence of accounting on the sustainable development. SIPs especially those associated with ESG funds allow automatic distribution of funds towards the sustainable

business hence playing a part in creating a long-term value. Eccles and Krzus (2010) also point at the significance of integrated reporting in the recording of both financial and non-financial performance, the aspect that is familiar with the long-run and organized essence of SIP investments.

Accounting wise, it is possible to consider that what SIPs do is to bridge the short-term based reporting cycles to the long term creation of values. SIPs provoke traditional accounting paradigms and require more dynamic systematization around reporting in accordance with investor behaviour and the sustainability results of the reporting by including time-distributed investments and behavioural discipline (Yeo et al., 2024).

### 2.4 Behavioral Accounting Foundations

Behavioral accounting incorporates human behavior and cognition in the financial measurement and reporting systems. Behavioral accounting is in contrast to behavioral finance, which considers market results; it looks at the interpretation and manipulations of accounting information by the users.

Accounting systems are also user-based in nature where measurement and reporting are influenced by judgment and biases, as well as, cognitive limitations (Libby et al., 2002; Birnberg and Shields, 1989). The importance of decision usefulness theory (Staubus, 2013) points out that accounting information can be used in decision-making but its effectiveness is determined by the manner in which the users process and interpret information.

Financial evaluation is finding to be influenced by heuristics and biases as demonstrated in judgment and decision-making research (Kahneman and Tversky, 2013; Thaler, 1999). Based on this, behavioral accounting acknowledges that both the reliability of measurement and usefulness of the decision are functions of behavior.

Here, investor discipline may be operationalized as an accounting relevant behavioral construct, which may impact the stability of reporting and may lengthen existing accounting paradigms.

### 2.5 Research Gap

Though a lot of research has been done on the performance of SIP and investor behaviour, there are still some key gaps in the literature. To begin with, no wholesome accounting model has been developed to conceptualize the investment processes over SIP in financial measurement and reporting systems. The literature that exists is mainly on the analysis of returns and risk measures without discussing the nature of accounting structures in which such investments should be recorded.

Second, based on behavioral disciplining, which is central to SIP investment, is largely not present in the traditional models of accounting. Although behavioral finance can be used to recognize the importance of investor psychology, accounting standards have not been used to measure and report such variables.

Third, the interplay between ESG and sustainability considerations and retail investment practices is not developed. Even though SIPs offer the channel in which the funds may be directed to the ESG-oriented investments, the accounting consequences of such flows especially in disclosure and long-term valuation are under-investigated.

It is against this backdrop that the research intends to fill these gaps in the formulation of a conceptual connection between SIP-based investing, behavioral discipline, and sustainability-oriented accounting to expand the literature on the finance-based discipline. According to the behavioral accounting literature, financial measurement cannot be considered to be objective only but depends on the user behavior, judgment and consistency of cognition. The accounting measurement theory focuses on stability, faithful representation and decision usefulness but does not cover much on behavioral-temporal variables. Nonetheless, to the best knowledge, no research conceptualizes systematic investment processes as endogenous elements of accounting systems of measurement.

### 3. Methodology And Theoretical Framework

#### 3.1 Research Design

The empirical analysis is placed as a diagrammatic continuation of the theoretical framework, which shows how behavioral discipline is translated into accounting-relevant outcomes. A hypothetical investment of 240 observations is tracked over 20 years (January 2005–December 2024) through a monthly SIP of ₹1000 in the NIFTY 50 Total Return Index (TRI). The index presents the Indian equity market with dividend reinvestment hence is appropriate in terms of assessing long term investment performance. The studies examine wealth accumulation, comparative risk-return, horizon based performance and impacts of behavioural discipline taking itself as combined analytical research. The hypotheses that will be examined are SIPs bring about long-term wealth, less volatile than lump-sum investing, better risk-adjusted returns in the longer run, and smarter results because of the disciplined investing. The objectives of the research aim at finding the accumulation of wealth, risk-return variations, performance of a horizon and the behavioural outcome(s).

#### 3.2 Data Sources and Tools

Secondary data on the NIFTY 50 TRI with National Stock Exchange (NSE) is used as the subjects of the study. Analytical calculations on the basis are carried out in the MS Excel and R programming. Excel is able to tabulate and visualize data whereas R will allow more sophisticated statistical tools, such as rollings and Monte Carlo simulations. The combination ensures both integrity and externalizability of analysis between different investment scenarios and transparency as well as repeatability of the results achieved.

#### 3.3 Analytical Methods

Financial measures like Compounded Annual Growth Rate (CAGR), Extended Internal rate of Return (XIRR), standard deviation, Value at Risk (VaR), maximum drawdown and risk adjusted ratios such as Sharpe, Sortino, Calmar and Treynor ratios are used in the analysis. Rolling return analysis over 3-year and 5-year horizons is used to assess performance consistency. Moreover, MCS (1000s) is performed to assess the resilience to the different market conditions and paths of returns.

### 4. Theoretical Framework

This paper constructs a behavioral accounting model where investor discipline is used as a fundamental factor that dictates the outcome of accounting measurement. Behavioral Discipline (BD) is defined in such a way that it affects Measurement Stability (MS), which leads to the improvement of Reporting Reliability (RR), and Decision Usefulness (DU). Based on the decision usefulness theory (Staubus, 2013), accounting measurement principles (Scott, 1997), and the (Conceptual Framework, 2018), the study views investment behaviour as a process that is relevant to accounting.

The structure consists of five fundamental elements, which include SIP cash flows that indicate periodic investment inputs, time dimension, which indicates the impact of compounding, behavioral discipline, which expresses the consistency in investment decision, risk smoothing, which is indicated by rupee-cost averaging, and ESG allocation, which reflects sustainability-based capital flows.

All these elements present a conceptualization of SIPs as dynamic financial processes, but not as fixed investment events, respectively, in support of investment behaviour and accounting measurement and reporting models. SIPs are theorized as dynamic accounting systems with continuous cash flows, time-distribution and decision structures that have embedded behavior.

#### Propositions

- P1: The element of behavioral discipline is a separating state of accounting measurement variability.
- P2: The diminution on cognitive biases increases the accuracy of financial reporting result.
- P3: Accounting information is useful to the decision when there are behaviorally consistent investment patterns.
- P4: The relationship between investment structures and the outcomes of accounting measurements goes through behavioral variables.

This set of propositions gives an architectural basis by which the empirical evidence can be interpreted in an accounting setting thus enhancing relationship between investment practices and financial reporting structures.

### 5. Results and Analysis

#### 5.1 Wealth Accumulation Outcomes

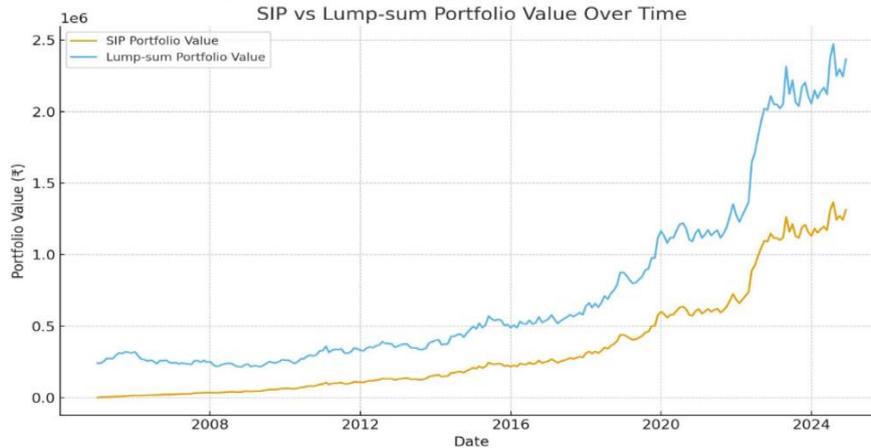
Long-term wealth creation is clearly evident in the simulation of a ₹1,000 monthly SIP of the NIFTY 50 TRI between January 2005 and December 2024 (240

months), which shows evidence of wealth creation over a long-time span. The initial investment of ₹240,000 increased to a large corpus over the 10-year horizon (Table 1), which is the importance of compounding in disciplined investing. Comparatively, the same lump-sum investment in 2005 was ₹240,000 and would

generate a greater terminal value at the end of that year but will be highly sensitive to market cycles.

As shown in figure 1, the growth pattern of SIP and lump-sum investment tends to go the same direction but more smoothly in the case of SIP over the period of the study.

**Figure 1: SIP vs Lump-Sum Growth Curve**



Source: Author’s analysis

This demonstrates a better stability in financial measurements in an accounting sense in terms of which time-distributed investments are used to produce valuations more easily.

**Table 1: Metrics**

| Metric                              | Value    |
|-------------------------------------|----------|
| SIP CAGR (from curve)               | 0.433985 |
| SIP XIRR (full)                     | 0.149957 |
| Lump-sum CAGR (matched capital)     | 0.477097 |
| SIP Volatility (ann.)               | 0.165807 |
| Lump-sum Volatility (ann.)          | 0.168408 |
| SIP Sharpe (rf=0%)                  | 0.763263 |
| Lump-sum Sharpe (rf=0%)             | 0.76781  |
| SIP Max Drawdown                    | -0.11576 |
| Lump-sum Max Drawdown               | -0.1081  |
| SIP Beta vs Index                   | 0.98376  |
| Expected Monetary Risk (5% tail, ₹) | -7156.61 |

The greater the Sortino and Sharpe ratios, the better the downside protection and better returns in SIPs in relation to lump-sum investing. Although the two-sample t-test indicates that the mean monthly returns do not differ significantly ( $p > 0.05$ ), the Kolmogorov-Smirnov test rejects distributional equality ( $p < 0.01$ ), and this agrees with the conclusion that the variance of SIP returns is lower. Drawdown and Calmar models indicate that SIPs have a shallow loss in the market during times of market stress. Further findings of distributional and VaR show more contained downside risk when using SIP strategies.

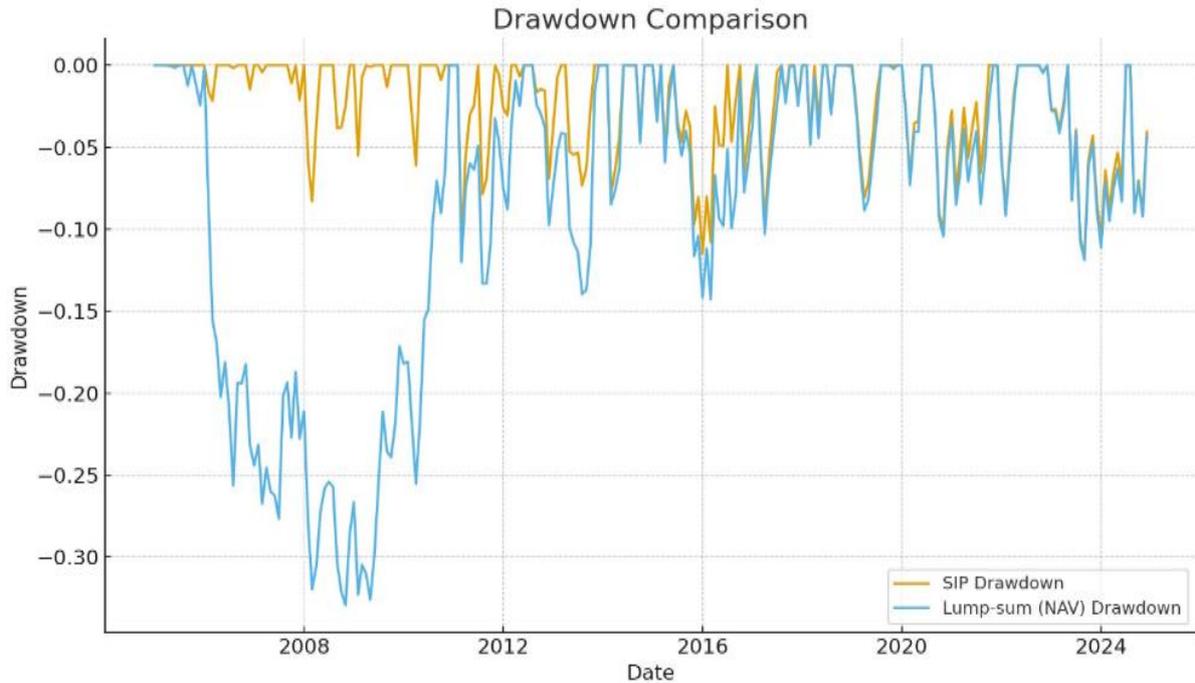
The theoretical construct of time-distributed accounting of investments indicates that incremental capital allocation leads to less volatility in reported financial performance supported by these findings.

**5.2 Return and Risk Characteristics**

Performance analysis shows that when compared to lump-sum investing, SIPs performed a favourable XIRR (Table 2). Although the lump-sum had the advantage of early compounding during bullish periods, it had a much greater volatility per annum. The Sharpe and Sortino ratios bear out that the SIPs have provided better risk-adjusted returns because of their diffusing downside risks.

The returns and volatility difference of the SIP and lump-sum investments are also available as in Figure 2.

Figure 2: Risk–Return Distribution of SIP vs Lump-Sum



Source: Author’s analysis

Table 2: Compares risk-adjusted ratios and drawdowns

| Metric                | SIP     | LumpSum |
|-----------------------|---------|---------|
| Annualized Return     | 14.89%  | 12.11%  |
| Annualized Volatility | 16.58%  | 16.84%  |
| Sharpe (0% RF)        | 0.81    | 0.72    |
| Sortino (0% MAR)      | 1.44    | -       |
| Calmar                | 1.29    | 1.12    |
| Beta                  | ≈1.00   | 1       |
| Max Drawdown          | -11.58% | -10.81% |

The SIPs demonstrate better risk-adjusted returns with a Sortino ratio of 1.44 compared to lump-sum investing and a Sharpe ratio of 0.81 compared to 0.72. Though the mean monthly returns are statistically equal (t-test,  $p > 0.05$ ), distributional tests (KS,  $p < 0.01$ ), drawdown depth, Calmar ratio, and the 5% VaR indicate lower volatility and downside risk of SIPs.

Accounting wise, this means that SIP-based investing would improve the measurement of financial performance consistency and reliability.

5.3 Horizon-Based Performance

Table 3: Decision Tree Scenario

| Scenario              | Monthly Return | Final 10-yr Corpus |
|-----------------------|----------------|--------------------|
| Bear ( $\mu-\sigma$ ) | -3.78%         | ₹ 26,203           |
| Base ( $\mu$ )        | 1.07%          | ₹ 2,42,256         |
| Bull ( $\mu+\sigma$ ) | 5.92%          | ₹ 1,68,52,031      |

Table 3 shows decision-tree scenarios of a 10-year SIP with  $\mu = 1.073\%$  and  $\sigma = 4.852\%$  monthly returns. The last corpus ranges from ₹26,203 (Bear) to ₹242,256 (Base) and ₹16,852,031 (Bull), demonstrating sensitivity to long-term returns. The rolling XIRR results indicate that 5-year SIP horizons provide greater and more consistent returns compared to 3-year windows.

Figure 3 shows patterns of rolling returns and it is better at longer SIP horizons.

**Figure 3: Rolling Return Analysis (3-year vs 5-year SIP)**



Source: Author’s analysis

This is in accordance with the decision usefulness theory whereby the longer the time in which investments are done, the greater the predictability and the less the variability in the financial outcomes.

**5.4 Monte Carlo Simulation and Statistical Validation**

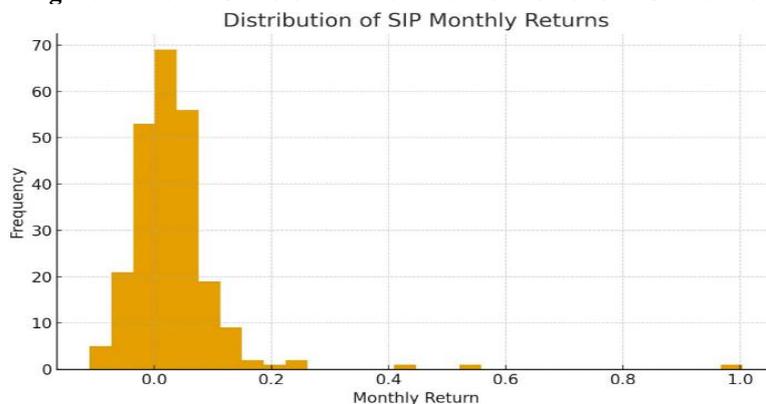
**Table 4: Statistical Tests**

| Test                    | Statistic | p-value | Interpretation                           |
|-------------------------|-----------|---------|--|
| Two-sample t-test       | 0.0068    | 0.9945  | No significant difference ( $p > 0.05$ ) |
| Kolmogorov-Smirnov test | 0.0208    | 1       | No significant difference ( $p > 0.05$ ) |
| Shapiro-Wilk (SIP)      | 0.9907    | 0.1288  | Normality not rejected ( $p > 0.05$ )    |
| Shapiro-Wilk (Lump-sum) | 0.9905    | 0.1186  | Normality not rejected ( $p > 0.05$ )    |

The robustness test using 1,000 Monte Carlo simulations shows that SIP outcomes are more concentrated with weaker downside risk compared to lump-sum investments. T-tests confirm similarity in mean returns, while KS and Shapiro-Wilk tests validate distributional comparability and approximate normality.

Figure 4 illustrates the distribution of the simulated SIP results, and the dispersion decreases, as indicated in the graph, relative to lump-sum investing.

**Figure 4: Monte Carlo Simulation Distribution of SIP Outcomes**



Source: Author’s analysis

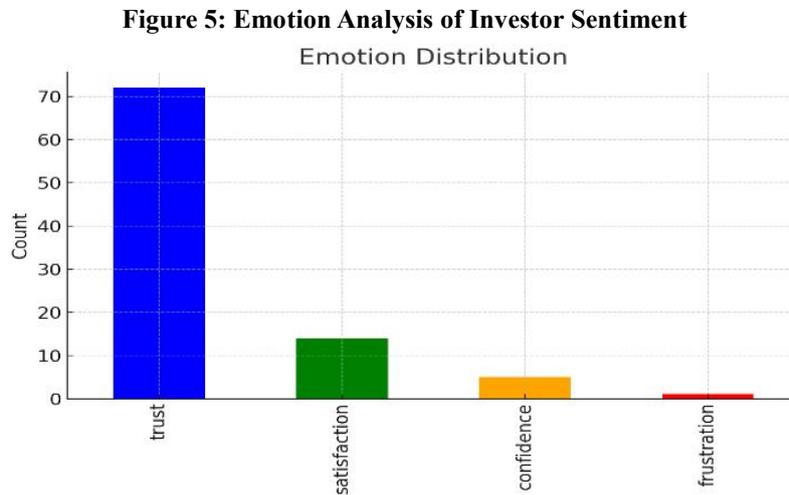
These results endorse the accounting theory that the SIP structures produce more consistent financial performance as compared to the more dispersed one even when in varying market conditions.

**5.5 Behavioural Discipline Effect**

The study makes a significant contribution in terms of the behavioural benefit of SIPs. The computerized and systematic investment process unloads cognitive load of market timing and investor discipline, and leads to a more efficient accumulation of wealth and less downside risk.

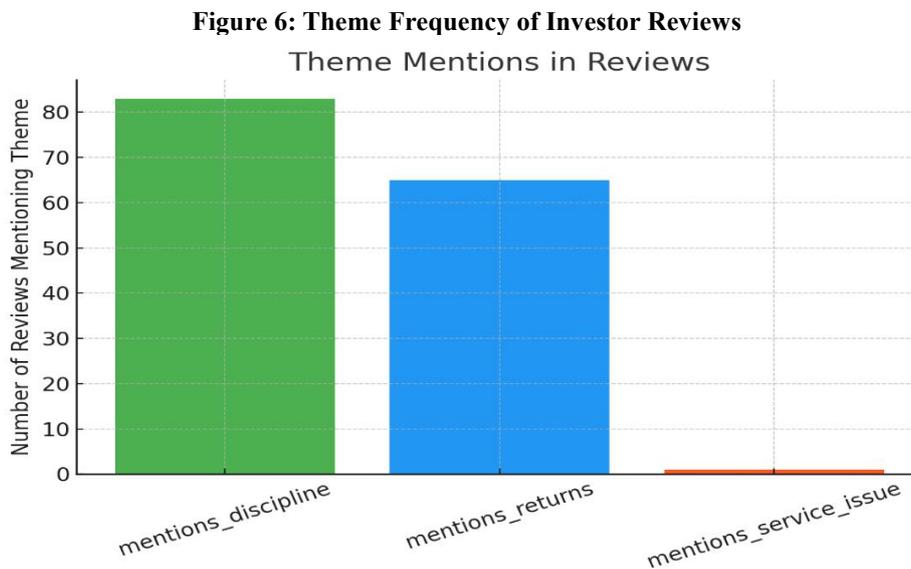
The emotion analysis of the Policybazaar reviews shows that the emotion of trust prevails, and the overall positive reactions are 98.9%. This suggests a highly favourable emotional environment encouraging consistent investment behaviour.

Figure 5 shows the distribution of emotions, which prove that trust is the predominant emotion of investors.



Source: Author's analysis

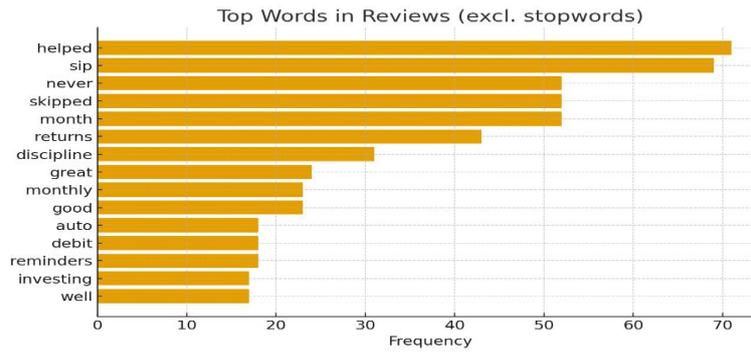
In the behavioral accounting view, this shows that the investor discipline acts as a stabilizing influence in the financial decision-making process.



Source: Author's analysis

The word-frequency Figure 7 indicates that there are some terms that can be used regularly like discipline and monthly, which supports the idea of regular investment behaviour.

**Figure 7: Word Frequency Analysis of Investor Feedback**



Source: Author's analysis

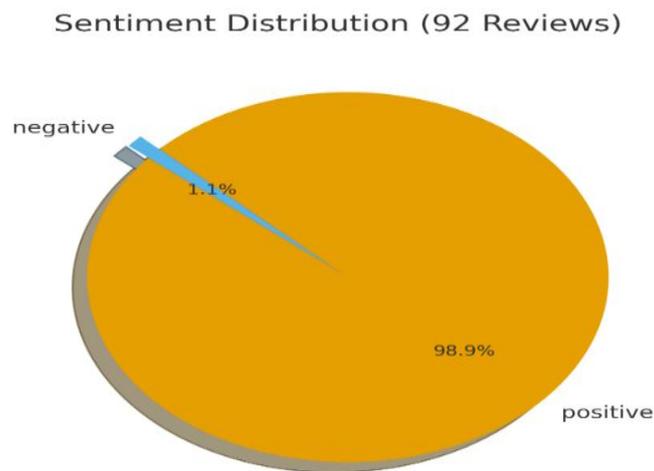
This helps the conceptual part of behavioral discipline which serves as an accounting relevant construct that impacts long-term financial results.

**5.6 Decision Tree and Final Performance Comparison**

A SIP of ₹1,000 per month over 240 months accumulates to ₹1,311,010 with an XIRR of 14.89%, while a lump-sum investment grows to ₹2,364,847 with a CAGR/XIRR of 12.11%. Although lump-sum achieves a higher terminal value, SIP provides better risk-adjusted performance.

Figure 8 shows the terminal results of a SIP and lump-sum.

**Figure 8: Comparative Final Corpus (SIP vs Lump-Sum)**



Source: Author's analysis

**Table 5: summarizes key wealth and performance metrics for SIP versus lump-sum over the full 20-year span**

| Metric                        | SIP        | Lump Sum   |
|-------------------------------|------------|------------|
| Total Contribution/Investment | ₹ 2,40,000 | ₹ 2,40,000 |
| Final Corpus (Dec 2024)       | 13,11,010  | 23,64,847  |
| <b>Growth</b>                 |            |            |
| XIRR (annual)                 | 14.89%     | 12.11%     |
| CAGR (implied)                | 8.86%      | 12.11%     |
| <b>Volatility</b>             |            |            |
| Annualized Std. Dev.          | 16.58%     | 16.84%     |
| <b>Risk-Adjusted Ratios</b>   |            |            |
| Sharpe (rf=0%)                | 0.81       | 0.72       |
| Sortino (rf=0%)               | 1.44       | N/A        |
| Treynor (rf=0%)               | 0.149      | 0.121      |
| <b>Max Drawdown</b>           | -11.58%    | -10.81%    |

|                           |          |          |
|---------------------------|----------|----------|
| Calmar (Return/Drawdown)  | 1.29     | 1.12     |
| Beta (vs. Index)          | 1        | 1        |
| <b>Tail Risk (VaR)</b>    |          |          |
| 1-month VaR (5% quantile) | -6.49%   | -6.49%   |
| 1-month VaR (₹, 5% tail)  | -₹85,126 | -₹85,126 |
| <b>Distribution</b>       |          |          |
| Monthly Skewness          | 0.307    | 0.307    |
| Monthly Kurtosis          | 0.675    | 0.675    |

Risk metrics such as volatility (16.58% vs. 16.84%), maximum drawdown, and Calmar ratio favour SIPs. The Sortino ratio represents a decreased downside risk whereas VaR is the same in both portfolios. This implies that investing SIP would see increased financial consistency and stability of the value over time as well as be suitable with accounting conventions of taking into account risk-adjusted performance and overall stability of value over a time period.

The growth curves show the existence of smoother SIP curves in crisis periods, which confirm the fact that SIPs are a safer strategy among disciplined investors. The theoretical construct of dynamic investment accounting is also supported by these findings which suggest that periodic investments will result in more level end-of-period financial reporting outcomes.

In accounting terms, these findings mean that there is a greater measure stability due to the time-frewn investment structures. The decreased volatility is in favour of the theoretical contribution of behavioral discipline in stabilizing financial reporting effects. These results support the fact that dynamic accounting measurement is behaviorally dependable.

## 6. Discussion

The results indicate that accounting outcomes are not entirely numerical and have to be constructed behaviorally by applying the same decision processes. Investor discipline is revealed as one of the important criteria of measurement reliability in accounting systems. This develops behavioral accounting theory by entrenching the aspects of time and behavior in the financial measurement systems. The long-run analysis demonstrates that SIP in the NIFTY 50 TRI allows disciplined wealth accumulation with a high-quality risk-adjusted performance in comparison with a lump-sum investment. The more advanced measures will always weigh in favour of SIP and Sharpe ( $\approx 0.81$  vs. 0.72), Sortino (1.44), and Calmar ratios are better, and emphasis on the lower risk of downside is incumbent. The rolling-returns analysis establishes the findings that five-year SIP windows are more constant and consistent in the returns than the three-year windows, which affirms the behavioural finance arguments that patience and averaging minimise market noise. The viability of SIP is further confirmed by scenario and Monte Carlo simulations: in unfavorable circumstances, the results of SIP are robust, with the 5th percentile final corpus ( $\sim ₹84k$ ) paralleling the 25th percentile of

the lump-sum ( $\sim ₹544k$ ), indicating sound loss truncation.

These findings are supported by statistical tests. The mean monthly returns are not significantly different (t-test,  $p > 0.05$ ), but the dispersion of SIP returns is significantly less (KS-test,  $p < 0.01$ ). Other risk measures, such as one-month Value at Risk and downside deviation, indicate smaller tail losses of the SIPs. In general, a ₹1000 monthly SIP in the NIFTY 50 TRI (2005–2024) is growing along smoother tracks, lowering drawdowns, and is performing better risk-adjusted, especially at longer periods. These findings are comparable to the literature, which makes SIPs an efficient instrument of sustainable investing, risk-reduction of volatility, and financial inclusiveness of emerging economies (Anthoniammal et al., 2025; Poddar & Dmello, 2023; Guha, 2008).

These findings can be viewed through the prism of behavioral accounting according to which disciplined and automated investment behaviour can help to mitigate cognitive biases, including loss aversion, overreaction, and errors in market timing (Kahneman and Tversky, 2013; Thaler, 1999). The systematic quality of SIPs helps investors to avoid the immediate emotional reactions of short-term investors, which enhances the consistency in making financial decisions. This is consistent with the behavioural studies on accounting that focus on investor behaviour as a direct determinant of financial performance and interpretation of reporting (Libby et al., 2002; Birnberg and Shields, 1989).

The results also support the decision usefulness theory that posits that the accounting information ought to improve economic decisions (Staubus, 2013). The more predictable and reliable financial data in the form of relatively stable returns distribution and lower volatility in SIP results are more practical and predictive when it comes to long-term decision-making than lump-sum strategies. It aligns with the notion of financial reporting conceptual framework (Conceptual Framework, 2018), which talks of relevance and truthful representation.

According to the accounting of sustainability, SIPs enable the recurrent capital investment on the long-term and ESG based investment, which in turn promotes responsible financial behaviour and sustainable economic growth (Gray, 2002; Eccles and Krzus, 2010). The systematicity and periodicity of SIPs can be attributed to the essence of long-term value

creation and intergenerational equity, which are the key concepts of sustainability accounting systems.

Further evidence of the growing popularity of SIPs is backed by fintech-based financial inclusion, which makes it more accessible and involved in the retail investor demographic (Abbasi et al., 2021; Banerjee and Ravi Kumar, 2025; Banna et al., 2021; Nandi and Nedumaran, 2021). The online platforms and automated investment systems ease entry barriers and increase disciplined investing, which makes the accounting-relevant financial activities in the emerging economies more widespread. The results indicate that accounting results are not quantitative but they are qualitative in nature whereby, investor discipline serves as a stabilizing factor in the financial reporting systems. This is a behavioral accounting extension that incorporates time consistent decision behavior into accounting measurement systems.

The findings depict the functionality of SIPs as dynamic accounting systems that affect the long-term financial reporting and decision-making. Overall, the findings transcend the traditional financial analysis, to include the behavioural discipline perspective, decision usefulness and sustainability perspective. This renders SIPs a comprehensive way of addressing the accounting of the investing in investment in particular in the emerging markets where the main policy objectives are the financial inclusion and wealth development created in the long-term.

## 7. Conclusion

This paper has affirmed the fact that Systematic Investment Plans (SIPs) are a trusted and efficient way of accumulating wealth over time and especially during unstable movements in the equity markets. The empirical results prove that SIPs are superior in terms of risk-adjusted performance and small volatility as well as more stable distributions of returns than their lump sum investments counterparts. The rolling returns, scenario analysis, and Monte Carlo simulation are also additional proof to the resilience of SIP strategies in various market environments making it appropriate to disciplined long-term investors. The findings are also notably significant in the discipline of the investors in order to record stable outcomes of the finances. SIPs help to accumulate wealth and increase investment dependability by minimizing the problems of behavioral bias, like trading in the market at the optimal time and itself using emotions. Accounting-wise, the SIPs may be interpreted as the systems that make the process of financial measurement more consistent and stable due to time-distributed flows of investments. The results also indicate that SIP based investing enhances the quality of long term financial decision making as it offers better predictable and less volatile performance results. Besides, SIPs facilitate sustainable investment strategies as it allows the constant investment of funds in long-term growth and responsible financial behaviour. In general, the paper confirms the relevance of SIPs in creating a holistic investment strategy, which combines both financial performance and behavioral discipline, along with

long-term value creation, and thus is highly applicable to individual investor and economic development in general. This research forms part of the literature of behavioral accounting, in that it proposes a new theoretical construct of investor discipline, which correlates human behavior with accounting measurement, reporting stability and effectiveness of decision making.

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