Cognitive Style and Mental Accounting: Examining the Influence of Analytic and Holistic Thinking

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ABSTRACT:

Richard H. Thaler, recognised as the pioneer in the study of mental accounting, demonstrated through his seminal work 'Mental Accounting Matters (Thaler R. H., 1999) that individuals employing this mental framework experience predictable decision-making errors. People enact mental accounting practices when they assess and manage their financial resources based on personal judgement rather than established financial principles.

Bakhchina (Anastasiia V Bakhchina, 2021) investigated the differences in physical and mental capabilities among individuals who engage in two distinct ways of thinking – analytic and holistic. Their findings revealed that these two divergent thought patterns, encompassing analytic and holistic thinking, resulted in notable variations in heart rate complexity and cognitive processing patterns.

Research indicates that individuals process incoming information through the lens of their unique cognitive styles, which in turn shape their decision-making abilities. The study found that analytic thinkers who analyze large systems by breaking them down into smaller elements display different behavior patterns than holistic thinkers who use contextual and relational information to understand their environment (Hossain, 2018). Notably, Hossain suggests that individuals with an analytic cognitive style are more susceptible to mental accounting biases than those with a holistic orientation.

Against this backdrop, the present study seeks to investigate the relationship between cognitive style—analytic versus holistic—and susceptibility to mental accounting biases among Indians.

Keywords: Mental Accounting, Analytic and Holistic Thinking, Decision Making

Introduction

Mental Accounting in Behavioural Finance

Traditional finance assumes that individuals are rational decision-makers who always seek to maximize utility by making optimal financial choices based on complete information. In contrast, behavioural finance recognizes that individuals are *normal* rather than perfectly rational. As normal human beings, people are influenced by emotions, psychological factors, cognitive limitations, and social influences, all of

which affect their decision-making process, including financial decisions.

Behavioural finance has identified several cognitive biases that adversely influence investment and financial decision-making. One of the most significant among these is mental accounting. Mental accounting is a concept in behavioural economics that was popularized by Nobel Prize-winning economist Richard H. Thaler. According to Thaler (1999), mental accounting refers to the cognitive process through which individuals categorize, evaluate, and keep track of financial activities by assigning different subjective values to money based on its source, intended use, or context, rather than treating all money as perfectly interchangeable.

Thaler (1999) (Thaler R. H., 1999) illustrated this concept with the following example:

"A former colleague of mine, a finance professor, prides himself on being a thoroughly rational person. Long ago, he developed a clever strategy to deal with life's misfortunes. At the beginning of each year, he establishes a target donation to the local United Way Charity. Then, if anything untoward happens to him during the year, for example an undeserved speeding ticket, he simply deducts his loss from the United Way Account."

This example demonstrates how individuals mentally separate financial outcomes into different psychological accounts rather than viewing them as part of a single overall financial position.

Mental accounting often results in irrational financial behaviour because people allocate and spend money differently depending on the mental account to which it belongs. Consequently, individuals may make financial decisions that are inconsistent with their long-term economic interests. For example, an individual may maintain substantial balances in a low-interest savings account while simultaneously carrying high-interest credit card debt. From the perspective of traditional finance, this is an irrational decision because the individual could improve overall financial welfare by using the savings to repay the expensive debt. However, mental accounting causes the person to treat savings and debt as belonging to separate psychological accounts.

Mental accounting also reinforces **loss aversion**, whereby individuals experience the pain of losses more intensely within specific mental accounts than the satisfaction derived from equivalent gains. As a result, people often make financial choices that deviate from those predicted by rational economic theory. This cognitive bias influences various aspects of financial behaviour, including budgeting, saving, investing, borrowing, and consumption decisions.

To reduce the effects of mental accounting bias, individuals should adopt a holistic approach to personal finance by recognizing that all money has the same economic value regardless of its source or intended purpose. Rather than maintaining rigid psychological accounts for daily expenses, discretionary spending, savings, and investments, individuals should evaluate financial decisions based on their overall financial position and opportunity costs. Treating money as fungible and integrating financial accounts can lead to more rational budgeting, improved debt management, enhanced investment decisions, and greater long-term financial well-being.

Hossain (Hossain, 2018) advocates that a person who can get a big picture of the scenario is addressed as having a holistic thinking style and a person who looks in to minute details of a scenario is called having a analytic thought process. The author advocates that mental accounting is basically a behavioural bias and the persons who are having the ability of seeing the big picture having a better probability to be free from mental accounting bias than a person who is not so successful in seeing the big picture.

Review of Literature

Theme 1: Evolution and Conceptual Foundation of Mental Accounting

Mental accounting has emerged as one of the most influential concepts in behavioural finance, challenging the traditional assumption that

individuals are rational economic agents. The concept explains how individuals mentally categorize, evaluate, and allocate financial resources into separate psychological accounts rather than treating money as perfectly fungible. This categorization influences consumption, saving, borrowing, and investment decisions, often leading to economically irrational behaviour.

The theoretical foundation of mental accounting can be traced to the pioneering work of Daniel Kahneman and Amos Tversky (Daniel Kahneman, 1985) whose work on decision-making under risk highlighted the role of cognitive and psychological factors in financial choices. Their research demonstrated that individuals evaluate gains and losses relative to subjective reference points rather than objective outcomes. They further argued that the acceptance or rejection of financial choices depends largely on the way outcomes are framed and mentally evaluated. Their work established the psychological basis for understanding how mental accounting influences financial decision-making.

These foundational studies shifted the focus of financial decision-making from purely rational calculations to cognitive evaluation processes, thereby providing the theoretical framework for subsequent research on behavioural finance and mental accounting.

Theme 2: Cognitive Categorization and the Mental Accounting Process

A recurring theme in the literature is that mental accounting is fundamentally a cognitive categorization process. Rather than making financial decisions solely based on objective economic value, individuals classify money according to its source, intended use, or emotional significance.

Henderson and Peterson (PAMELA W. HENDERSON, 1992) significantly contributed to this perspective by demonstrating that individuals maintain separate psychological accounts for different categories of income and expenditure. Their experimental studies, including the Calculator Scenario and Lost Ticket Condition, empirically established that spending decisions are influenced more by mental categorization than by economic rationality. Their findings suggest that mental accounting is not a temporary behavioural response but a stable cognitive mechanism that governs financial decision-making.

This body of literature indicates that financial decisions are shaped by subjective mental labels assigned to money, which often result in deviations from optimal economic behaviour.

Theme 3: Mental Accounting and Consumer Spending Behaviour

Several studies have examined the influence of mental accounting on consumption behaviour and spending decisions. The literature consistently demonstrates that individuals spend money differently depending upon the mental account to which the money belongs.

Kivetz (Kivetz, 1999) found that income earned through effort is psychologically treated differently from windfall gains such as lottery winnings. Individuals are more willing to spend unexpected income on luxury or hedonic consumption than income obtained through regular work. The study further observed that the frequency of mental account balancing affects spending behaviour, with individuals who review their accounts more frequently exhibiting different consumption patterns than those who review them less often.

The literature also suggests that consumers often redefine expenditure categories to justify consumption. Activities such as dining out may be classified either as food expenditure or entertainment expenditure depending on the psychological account individuals wish to maintain.

Nimmy and Rakesh (Nimmy Lovely George, 2021) has explained in details the cognitive process involved in spending behaviour of customers. The article points out the behavioural aspects.

These findings demonstrate that mental accounting substantially influences consumption

patterns beyond objective financial considerations.

Theme 4: Thinking Styles and Mental Accounting

Recent behavioural finance research has increasingly explored the relationship between cognitive thinking styles and mental accounting behaviour. The literature suggests that individuals possessing different cognitive orientations process financial information differently.

Hossain (Hossain, How Cognitive Style Influences the Mental Accounting System: Role of Analytic verses Holistic Thinking, 2018) examined the relationship between analytic and holistic thinking styles and mental accounting. The study reported that individuals exhibiting an analytic thinking style demonstrate a stronger tendency to categorize financial resources into distinct mental accounts than holistic thinkers. Analytical thinkers were found to exhibit greater mental labelling behaviour because they naturally classify information into discrete categories. In contrast, holistic thinkers tend to consider financial situations more comprehensively and are therefore less influenced by rigid mental categorization.

The study also reported differences in hedonic purchasing behaviour between analytic and holistic thinkers, indicating that thinking style plays an important role in shaping financial decision-making. These findings provide preliminary empirical evidence supporting the relationship between cognitive style and mental accounting.

The cognitive process involved in the mind of the tourists in spending money during vacation is discussed in detail by Mohan P, D., & Krishnan M, R (Dhanya Mohan P, 2025) which in turn explains the mental budgeting process.

Theme 5: Financial Literacy and Individual Differences in Mental Accounting

Another important theme emerging from the literature concerns the role of individual characteristics, particularly financial literacy, in influencing mental accounting behaviour.

Kirchler and colleagues (Kirchler, 2019) identified financial literacy as one of the important determinants of mental accounting. Their study reported that mental accounting is positively associated with conscientiousness and financial literacy, while it is negatively associated with impulsivity and lower educational attainment. These findings indicate that although mental accounting is often considered a behavioural bias, financially literate individuals may employ mental accounting more systematically as a budgeting and financial management strategy rather than as a source of irrational decision-making.

The literature therefore suggests that financial literacy may influence the manner in which individuals create and utilize mental accounts, thereby affecting the quality of financial decisions.

Theme 6: Dimensions of Mental Accounting

The conceptualization of mental accounting has evolved from a general behavioural bias into a multidimensional construct. One of the most comprehensive classifications is provided by Mahapatra and Mishra (Mishra, 2020), who examined the financial behaviour of Indian households.

Their study categorized mental accounting into four major dimensions:

- Mental Budgeting
- Spending Current Income
- Spending Current Assets
- Spending Future Income

These dimensions capture different aspects of household financial decision-making and provide a comprehensive framework for measuring mental accounting behaviour in the Indian context. The study demonstrates that individuals allocate financial resources differently depending on the psychological account under which they classify income or assets. This multidimensional approach has gained considerable acceptance and provides an appropriate framework for empirical investigation in behavioural finance research.

The reviewed literature demonstrates that mental accounting is a multidimensional cognitive process influencing financial decision-making through psychological categorization of money. Previous studies have established its theoretical foundation, explained its influence on consumer behaviour, and identified important individual differences such as cognitive thinking styles and financial literacy. While several studies have independently examined mental accounting, thinking styles, and financial literacy, limited empirical research has simultaneously investigated the influence of analytic and holistic thinking styles on the various dimensions of mental accounting while examining the moderating role of financial literacy, particularly in the Indian context. This gap provides a strong justification for the present study.

Theoretical Background of Mental Accounting

Mental accounting incorporates the economic concepts of:

i. Prospect Theory

ii. Transaction Utility Theory

Prospect theory, which originated as loss aversion theory, posits that investors assess their gains and losses differently, particularly when they observe more substantial gains than losses. An investor presented with a choice, both equal, will choose the one presented in terms of potential gains. For instance, one option offers ₹50, while the other presents ₹100 with the stipulation of returning ₹50. The utility derived from ₹50 remains constant across both options. Research supporting prospect theory indicates that individuals prefer to receive cash outright, as they perceive it as more beneficial to obtain a single cash amount rather than receiving a large amount followed by a financial reduction. Investors are inclined to favour perceived gains, as losses tend to evoke a greater emotional response. The certainty effect posits that individuals prefer certain outcomes over uncertain ones, whereas the isolation effect implies that individuals tend to disregard similar information when making decisions.

Transaction Utility Theory, developed by economist Richard Thaler, advocates that the value a customer derives from an exchange is influenced by two drivers: Acquisition Utilities and Transaction Utilities. The term acquisition describes the financial results from business transactions, while transaction utility measures the value that consumers perceive when they receive a beneficial deal, represented by the difference between the price they paid and a theoretical market price.

Statement of the Problem

A substantial body of literature supports the notion that mental accounting constitutes a behavioural bias. Additionally, research indicates that an individual's decision-making and thinking processes are influenced by both holistic and analytical thinking styles. However, there is a notable lack of studies exploring analytic and holistic thinking styles and their impact on mental accounting. This study aims to examine the impact of analytical and holistic thinking styles on mental accounting using selected samples from India.

Objectives of the Study

1. To measure the predominant cognitive style (analytic vs. holistic thinking) using the Analysis Holism Scale (AHS).

2. To assess the level of mental accounting behaviour in four dimensions: current income, current assets, future income, and mental budgeting.

3. To examine the relationship between cognitive style (analytic vs. holistic thinking) and susceptibility to mental accounting biases.

4. To determine the predictive power of analytic–holistic thinking on mental accounting behaviour.

5. To compare differences in analytic–holistic thinking and mental accounting behaviour across different age groups.

6. To identify which dimensions of mental accounting (current income, current assets, future income, or budgeting) are most strongly associated with analytic vs. holistic thinking styles.

Research Methodology

The scale developed by Choi, I., Koo, M., & Choi, J. A (Choi, 2007) is used to identify whether the respondent thinks in analytic or holistic angle. Hersh Shefrin and Richard Thaler (Thaler H. S., 1988) developed Behavioral Life Cycle Hypothesis which was further developed by covered to a scale by Mousami Singha Mahapatra and Ramkumar Mishra (Mishra, 2020) in 2020. The scales of Choi, I., Koo, M., & Choi, J. A to identify the thinking style (Analytic Vs Holistic) and the scale of Mousami Singha Mahapatra and Ramkumar Mishra for understand the impact of mental accounting is used for this study.

Analysis of Data

1. Reliability of AHS:

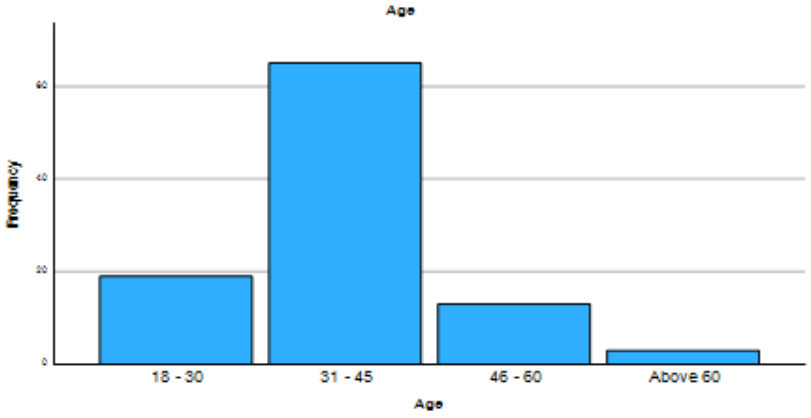
Reliability Statistics		
Variable	Cronbach's Alpha	N of Items
AHS (Analysis Holism Scale)	.832	16
MA (Mental Accounting)	.855	16

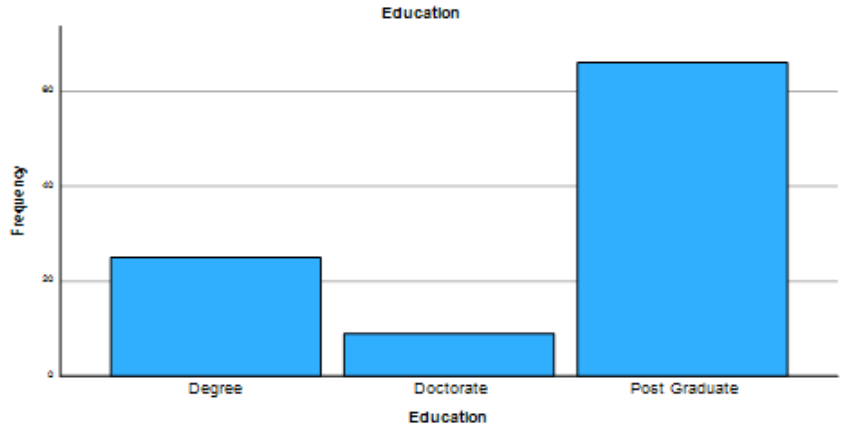
The reliability analysis demonstrates that both scales used in the study possess good internal consistency. The Analysis Holism Scale (AHS) demonstrates high reliability through its 0.832 Cronbach's alpha which evaluates 16 test items that consistently measure analytic versus holistic thinking. The Mental Accounting (MA) scale shows strong internal consistency through its 16 items which achieve a Cronbach alpha of 0.855 and reliably measure mental accounting behaviour.

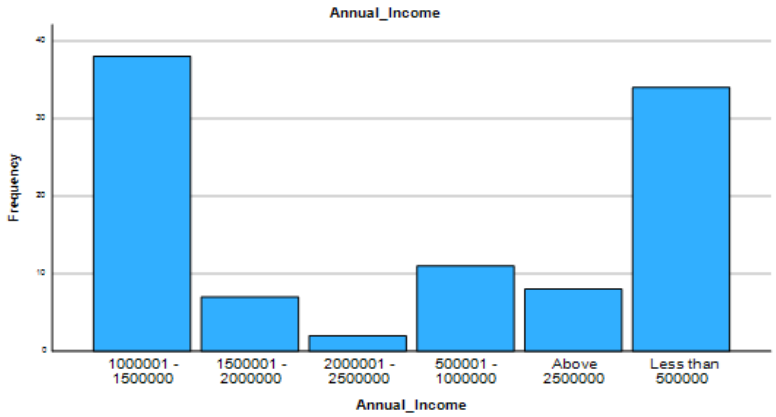
2. Frequency Distribution

Variable	Category	Frequency	Percent
Age	18 - 30	19	19.0
	31 - 45	65	65.0
	46 - 60	13	13.0
	Above 60	3	3.0
	Total	100	100.0
Education	Degree	25	25.0
	Doctorate	9	9.0
	Post Graduate	66	66.0
	Total	100	100.0
Annual Income	1000001 - 1500000	38	38.0
	1500001 - 2000000	7	7.0
	2000001 - 2500000	2	2.0
	500001 - 1000000	11	11.0
	Above 2500000	8	8.0
	Less than 500000	34	34.0
	Total	100	100.0

Profile	Business / Self Employed	7	7.0
	Employed in Government Sector(Stable employment)	52	52.0
	Private Sector Employee	29	29.0
	Professional	6	6.0
	Student	6	6.0
	Total	100	100.0







The frequency distribution of respondents shows that 65% of participants belong to the age group of 31–45 years while 19% belong to the 18–30 years age group and 13% belong to the 46–60 years age group and only 3% belong to the age group above 60 years which indicates that the sample consists mainly of middle-aged people. The educational qualification data shows that 66% of respondents have completed postgraduate education while 25% hold a degree and only 9% possess a doctorate which demonstrates the sample contains highly educated individuals. The income distribution shows that 38% of respondents earn between ₹10 00 001 and ₹15 00 000 while 34% earn less than ₹5 00 000 and only a small number of respondents earn above ₹20 00 000 which creates a distribution of income at moderate levels. The occupational profile shows that 52% of workers have government jobs while 29% work in the private sector and business/self-employed people make up 7% of the workforce and professionals and students together constitute 6% of the workforce.

3. Descriptive Statistics

Descriptive Statistics

Variable	N	Minimum	Maximum	Mean	Std. Deviation
AHS_Causality	100	13	27	20.31	2.926
AHS_Contradict	100	11	26	20.49	2.915
AHS_Change	100	9	28	20.35	3.270
AHS_Percept	100	13	27	20.16	3.014
AHS_Total	100	46	100	81.31	9.749
MA_CurInc	100	8	20	14.93	2.555
MA_CurAst	100	8	20	16.48	3.128
MA_FutInc	100	4	20	15.88	3.867
MA_Budget	100	4	20	14.46	3.148
MA_Total	100	30	80	61.75	9.794

The descriptive statistics show that all variables were measured for 100 respondents who demonstrated broad score ranges which produced multiple score variations. The Analysis Holism Scale (AHS) shows that its dimension scores for causality (20.31) and contradiction (20.49) and change (20.35) and perception (20.16) display a narrow range which enables participants to show both analytic and holistic thinking abilities through their responses that match standard deviation values of approximately 2.9 to 3.3. The overall AHS total mean score (81.31 ± 9.749) shows that study participants exhibited a moderate tendency to think in holistic patterns. The mean scores for Mental Accounting (MA) show that respondents moderate their mental accounting behaviour through their control of current income (14.93) and current assets (16.48) and future income (15.88) and budgeting (14.46) activities while showing a greater focus on their current assets. The standard deviations (≈2.5–3.8) present acceptable value distribution results which show higher variability for future income compared to other measurements. The overall MA total mean score (61.75 ± 9.794) shows that respondents use mental accounting practices at a level that falls between moderate and high.

4. Correlation Analysis

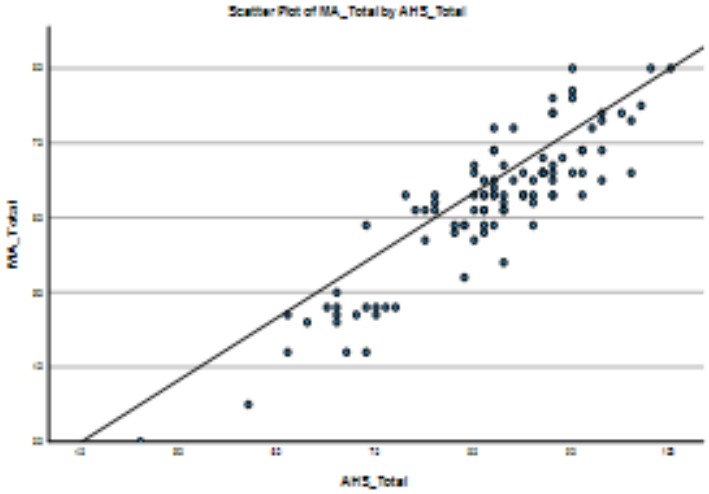
Correlations			
		AHS_Total	MA_Total
AHS_Total	Pearson Correlation	1	.896***
	Sig. (2-tailed)		<.001
	N	100	100
MA_Total	Pearson Correlation	.896***	1
	Sig. (2-tailed)	<.001	
	N	100	100
***. Correlation at 0.001(2-tailed)			

The correlation analysis demonstrates a very strong statistical connection between AHS_Total (Analysis Holism Scale) and MA_Total (Mental Accounting) which showed a Pearson correlation coefficient of 0.896 and a p-value under 0.001. The study showed that respondents with higher levels of analytic–holistic thinking showed greater mental accounting behavior.

5. Regression Analysis

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7625.745	1	7625.745	399.423	<.001[b]
	Residual	1871.005	98	19.092		
	Total	9496.750	99			
a. Dependent Variable: MA_Total						
b. Predictors: (Constant), AHS_Total						

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-11.449	3.689		-3.104	.002
	AHS_Total	.900	.045	.896	19.986	<.001
a. Dependent Variable: MA_Total						



The regression study demonstrates that AHS_Total which measures analytic–holistic thinking serves as a strong predictor for MA_Total which represents mental accounting. The ANOVA results establish that the complete model shows statistical significance ($F = 399.423$, $p < 0.001$) which proves that the regression model accurately represents the observed data. The AHS_Total coefficient ($B = 0.900$, $p < 0.001$) indicates that a one-unit rise in analytic–holistic thinking will result in a 0.900 unit boost in mental accounting which shows a strong positive correlation. The standardized beta value ($\beta = 0.896$) further highlights the substantial influence of AHS_Total on MA_Total. The constant shows statistical significance ($p = 0.002$) yet its practical meaning remains restricted.

6. One Way ANOVA Analysis comparing age group

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
AHS_Total	Between Groups	870.689	3	290.230	3.263	.025
	Within Groups	8538.701	96	88.945		
	Total	9409.390	99			
MA_Total	Between Groups	1136.423	3	378.808	4.350	.006
	Within Groups	8360.327	96	87.087		
	Total	9496.750	99			

The one-way ANOVA analysis which tests various age groups shows that there are statistically significant differences in both AHS_Total (analytic–holistic thinking) and MA_Total (mental accounting) across age categories. According to the results for AHS_Total ($F = 3.263$, $p = 0.025$) thinking style shows significant variation across different age groups which means that people from different age groups display different levels of analytic or holistic thinking.

Findings and Discussion

The research studied a sample of 100 respondents to determine how their thinking styles between analytic and holistic approaches affected their mental accounting bias tendencies.

1. Reliability and Descriptive Insights

The research instruments achieved strong internal consistency because their Cronbach's alpha scores reached 0.832 for the Analysis Holism Scale and 0.855 for the Mental Accounting scale. The results confirmed that all items successfully measured their respective constructs. The sample statistics showed that most participants were middle-aged because 65% of them belonged to the 31-45 age range while 66% held postgraduate degrees and 52% worked in government jobs. The AHS total score average of 81.31 with a standard deviation of 9.749 showed that respondents tended to think in holistic ways at a moderately high level. The MA total score average of 61.75 with a standard deviation of 9.794 showed that participants used mental accounting methods at a moderate to high level which they particularly applied to their current assets with an average of 16.48.

2. Positive Relationship Between Holistic Thinking and Mental Accounting

AHS_Total and MA_Total demonstrate a very strong relationship which researchers established through statistical testing because the correlation between two variables reached a value of 0.896 with a p-value less than 0.001. People who think in holistic ways show more mental accounting behavior than people who think in other ways. The results of this study contradict Hossain's (2018) initial hypothesis which claimed that analytic thinkers show more mental accounting bias than other people. The respondents who use holistic cognitive style which includes big picture thinking and contextual cue integration tend to view money as separate entities instead of interchangeable currency.

3. Predictive Power of Cognitive Style

The study found that AHS_Total serves as a major predictor for MA_Total according to regression analysis results which showed $\beta = 0.896$ and p value below 0.001. The model explained a substantial portion of the variance ($F = 399.423$, $p < 0.001$), with a B value of 0.900. This means that mental accounting scores will increase by 0.900 units for every one-unit increase in holistic thinking scores. The strong relationship between cognitive style and financial management shows that cognitive style functions as a fundamental factor that determines how people maintain their financial situation.

4. Age-Related Differences

The one-way ANOVA showed that age groups had significant differences because both AHS_Total ($F = 3.263$, $p = 0.025$) and MA_Total ($F = 4.350$, $p = 0.006$) reached statistically significant results. The research demonstrates that cognitive style and mental accounting susceptibility develop through the process of aging. The results show different career and life stages of respondents which include early-career and near-retirement stages enable them to process information through holistic and analytical methods while they make mental accounting decisions about their finances.

5. Reconciling Findings with Existing Literature

The main result of the study shows that holistic thinkers demonstrate greater mental accounting abilities which conflicts with Hossain's 2018 work but becomes understandable through examination of 100 respondents. Holistic thinkers possess skills to perceive relationships

and contexts which enable them to establish detailed mental accounts that connect multiple concepts. For a holistic thinker mental accounting functions as an advanced resource management system that adapts to different situations personal and professional and financial management (e.g., family, career, savings). Analytic thinkers use basic utility-maximizing principles which include money fungibility to create fewer mental categories than other people do. The finding that analytic thinkers are "more focused on avenues of using current income" (as noted in your original findings) aligns with this—they may treat current income as a single pool to be optimized, whereas holistic thinkers segregate it into specific purposes.

6. Practical Implications

The research indicates that financial experts and government officials need to utilize holistic thinking when working with educated professionals who possess advanced degrees. The intervention should focus on transforming mental accounts through structural changes while retaining their existing framework. The study demonstrates that financial results will improve when holistic thinkers receive assistance to combine their multiple mental accounts into one account and treat their savings as a single wealth account instead of separate buckets. Financial literacy programs need to develop specific age-based programs because people acquire financial skills at different life stages.

Conclusion

The research examined how analytic and holistic thinking affected mental accounting and decision-making processes. The study used validated scales to assess 100 respondents and reached the following conclusions. The initial hypothesis from existing literature expected holistic thinking to protect against mental accounting but this research proved that expectation false. The study found a strong positive relationship between holistic cognitive style and mental accounting susceptibility which reached statistical significance ($r = 0.896$, $p < 0.001$). The sample group of holistic thinkers showed higher inclination to divide funds into separate accounts which they treated as distinct monetary assets. The cognitive abilities that allow holistic thinkers to understand the entire system and its multiple connections lead them to create detailed financial models with separate sections. The Analysis Holism Scale measures cognitive style which serves as a strong predictor for mental accounting behavior because it explains a major part of the observed behavior patterns. Age also significantly moderates both thinking style and mental accounting practices which shows that financial decision-making frameworks develop throughout an academic professional's career. Third analytic thinkers in this sample used their current income for immediate purposes through categorization but showed less mental accounting susceptibility compared to their holistic counterparts. The study shows that mental accounting acts as a natural extension which holistic thinkers use to create structure in their financial spaces instead of being treated as a cognitive bias.

Limitations and Future Research

The research study has limitations because it uses a small sample size of 100 respondents only which makes it impossible to apply the findings to other populations. Future research should expand the sample to include diverse occupations, income levels, and geographic regions. The current study needs experimental designs which will provide stronger evidence for causality than the existing correlational design. The qualitative interviews will show how holistic thinkers create and sustain their mental accounts, which will give more complete information about their thinking processes.

The research establishes a new scientific finding which shows that educated professionals from Kerala use their holistic thinking ability to control their mental accounting processes. The research shows that cognitive styles should not be seen as two opposing categories which include "biased" and "unbiased" but need to be studied for their actual impact on financial behavior in different situations.

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