



A STUDY ON AWARENESS OF STOCK MARKET AMONG THE INVESTORS

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Abstract - *Stock market is known as a pulse of economy or economic mirror, which reflects the economic conditions of a country. Investors are believed to be the backbone of the securities market. Stock market awareness comes under the broad concept of financial literacy. The main objective of this study is to recognize the impact of stock market awareness on their investment. Primary data was collected from Convenience Sampling technique.*

Keywords: *Stock market, economic mirror, financial literacy*

INTRODUCTION

Stock market, Equity market or Share market is the aggregation of buyers and sellers of stocks, which represent ownership claims on businesses. The investor is centralized in character in an economy and stock market plays a major role of economic growth in a country. To minimize risk of investment investor should have a good knowledge about capital market trading.

With rising trend of popularity of stock market in general as a place where one can earn good returns in less time has given a push to a common man to be a part of this market. In academics term an Individual who commits money to any source of investment with the exception of financial return is being recognized as an Investor. The prime concern of an individual investor is usually to have more profit with minimum risk. As oppose to this a speculator is always willing to expect a higher level of risk in the hopes of collecting higher than average profits.

STATEMENT OF THE PROBLEM

The stock market is one of the most vital and dynamic sectors in the financial system making an important contribution to the economic development of a country. Investors are the backbone of the capital market and they are not

alike. So an attempt has been made to know about the awareness level of investors about stock market.

REVIEW OF LITERATURE

- ❖ Woerheide (1982) conducted a study on “investor response to suggested criteria for mutual funds” in which he tested the effect of different factors. It was proved that factors like size of fund, effectiveness of marketing programme and past return of funds have great impact.
- ❖ Ippolito (1992) reported that fund selection by investors is based on past performance of the funds and money flows into winning funds more rapidly than they flow out of losing funds.
- ❖ Goetzman (1993) studied the ability of investors to select funds and sound evidence to support selection ability among active fund investors.
- ❖ Ranganayaki N (2003) has concluded a study on the title of “investor’s perception towards investment with special to women investors”

OBJECTIVES

1. To study the investors awareness in the stock markets.
2. To know about the motive behind their investment.
3. To analyze if there exist any relationship between educational qualification and investment awareness.

METHODOLOGY

Sample Size: The sample of 50 respondents was selected for the study.



Data Collection: The present study made use of both primary and secondary data. Primary data was collected from the sample respondents selected for the study through a structured Questionnaire. Secondary data were used for providing background information to the study. It was collected from various publications, articles, books, and websites relating to the study. The research was made by questionnaire in accordance to their convenience. So, the method selected was Convenience Sampling Method.

HYPOTHESIS

H0: There is no significant relationship between educational qualification and investment awareness

H1: There is significant relationship between educational qualification and investment awareness

ANALYSIS AND INTERPRETATION

TABLE 1
PERSONAL FACTORS

Table with 3 columns: Variables, Frequency, Percentage. Rows include Gender (Male/Female), Marital Status (Married/Unmarried), and Age (Below 35, 36-45, 46-55, Above 55 years).

Source: Primary data

INTERPRETATION: From the following data it is clear that majority of the respondents are male which consist of 70% and remaining 30 are female. Out of which 80% of them are married. Among the respondents, 40% are above 55 years of age.

TABLE 2
MOTIVE BEHIND INVESTMENT

Table with 3 columns: Motive, Frequency, Percentage. Rows include Saving, Tax saving, Children's marriage, Children's education, Personal safety, and a total row.

Source: Primary data

INTERPRETATION: About 28% of respondents agree that the motive behind the investment is for their personal safety.

TABLE 3

LEVEL OF INVESTOR AWARENESS

Particulars	Yes	Not Sure	No
Have you heard about SEBI?	10	2	0
Do you know what Sensex and NIFTY is?	2	0	2
Do you know that what Demat account is?	5	4	0
Are you aware that an investor can have more than one demat account?	1	3	2
Are you aware of the credit rating agencies?	4	2	0
Do you know these agencies give rating symbols for bonds and deposits?	3	0	4
Do you know you have to maintain a systematic record of the investments and monitor it periodically?	4	2	0
	29	13	8

Source: Primary data

TESTING OF HYPOTHESIS

H0: There is no significant relationship between educational qualification and investment awareness

H1: There is significant relationship between educational qualification and investment awareness

Demographic Variable	Particulars	Level of investment awareness			
		Yes	Not Sure	No	
Educational Qualification	Elementary	3	1	1	5
	High School	4	0	1	5
	Graduate	9	3	3	15
	Post Graduate	8	4	3	15
	Above PG	5	5	0	10
		29	13	8	50

Source: Primary data

O	E	O-E	(O-E) ²	(O-E) ² / E
3	2.9			
4	2.9	5.8	1.2	1.44
9	8.7	0.3	0.09	0.01
8	8.7	-0.7	0.49	0.05
5	5.8	-0.8	0.64	0.11
1	1.3			
0	1.3			
3	3.9	10.4	-2.4	5.76
4	3.9			
5	2.6	2.4	5.76	2.21
1	0.8			
1	0.8			
3	2.4	8	0	0
3	2.4			
0	1.6			
$\Sigma (O-E)^2 / E$				3.17

Chi-Square = $\Sigma (O-E)^2 / E$

Table Value = 12.592

Degree of freedom = n-1-loss of cell during analysis

Calculated Value (3.17) is less than table value, therefore we accept the null hypothesis (h0).

= 15-1-8 = 6

Therefore, the result is there is no significant relationship between educational qualification and investment awareness.

Level of significance = 5% (0.05)



CONCLUSION AND SUGGESTION

Through this study, it is evident that most of the people are aware about the various investment avenues. An investor while investing observes how much he or she earns from the respective sources, assess the investment alternatives available in the stock market. Different age levels have different requirements and responsibilities.

- ❖ It is observed that some of the respondents are not getting complete awareness about stock market even. Therefore, it is suggested that the print and electronic media be strengthened to disseminate information among the general public.
- ❖ It is desirable to disseminate the information about appropriate and feasible avenues of investment to all people. This will enable the investors to identify high performing investment options and to discard the instruments with poor performance.
- ❖ Investors have lost their confidence over many instruments owing to their inability to assess and quantify risk. Apart from the rating mechanism, steps should be taken to include more quantitative measures so as to make information available to the investors with much ease.

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