



A STUDY ON INVESTORS PERCEPTION TOWARDS STOCK MARKET INVESTMENT WITH SPECIAL REFERENCE TO TIRUCHIRAPPALLI DISTRICT

Krishna R, PG-MBA Student, Dept. of MBA, CARE College of Engineering, Trichy-620009, Tamilnadu, INDIA

Manochandar S, Sountharya V, Assistant Professor, Dept. of MBA, CARE College of Engineering, Trichy-620009, Tamilnadu, INDIA

ABSTRACT

The main objective of this paper is to study is to know the sales promotion techniques use for online shopping. Online Shopping is a web based application intended for online retailers. The main objective of this application is to make it interactive and its ease of use. It would make searching, viewing and selection of a product easier. It contains a sophisticated search engine for user's to search for products specific to their needs. The search engine provides an easy and convenient way to search for products where a user can Search for a product interactively and the search engine would refine the products available based on the user's input. The user can then view the complete specification of each product. They can also view the product reviews and also write their own reviews. The application also provides a drag and drop feature so that a user can add a product to the shopping cart by dragging the item in to the shopping cart. The main emphasis lies in providing a user-friendly search engine for effectively showing the desired results and its drag and drop behavior.

Keywords: Portfolio Allocation; Stocks; Technical Analysis; Stock Market

1. INTRODUCTION

The stock exchange is the important segment of its capital market. If the stock exchange is well-regulated function smoothly, then it is an indicator of healthy capital market. If the state of the stock exchange is good, the overall capital market will grow and otherwise it can suffer a Great set back which is not good for the country. A capital market deals in financial assets, excluding coin and currency. Banking accounts Compromises the majority of financial assets. Pension and provident funds insurance policies. [4-6]

Financial assets are claim of holders over issuer (business firms and governments). They enter low different segment of financial market. Those having short maturities that are non-transferable like bank savings and current Accounts set the identification of the monetary financial assets. This market is known as money Market, Equity, Preferential shares and bonds and debentures issued by companies and securities Issued by the government constitute the financial assets, which are traded in the capital market. Project Report on Money Market and Capital Market Both money market and capital market constitute the financial market. Capital market generally known as stock exchange. This is an institution around which every activity of national Capital market revolves. Through the medium stock exchange, the investor gets on impetus and Motivations to invest in securities without which they would not be able to liquidate the. If there would have been no stock exchange many of the savers would have hold their saving either in cash i.e. idle or in bank with low interest rate or low returns. The stock exchange provides the opportunity to investors for the continuous trading in securities. [7-9] Another consequence of non-existence of stock exchange would have been low saving of the Community, which means low investment and lower development of the country. [8]

A stock exchange, it is an exchange where traders and stock Brokers purchase and sell bonds, stocks and other securities with certain rules and regulations. So, stock exchange is called as structured or organized market. It also provides services for Redemption and deliverance of securities and other financial Instruments. Organization members are joined together to deal with company stocks and securities for the purpose of Monitoring of buying and selling securities. There are two Major stock exchanges in India, they are:



Bombay Stock Exchange (BSE):

One of the oldest and growing stock exchanges in Asia is Bombay Stock Exchange casualty called as BSE. “Native Share and Stock Brokers Association” was started. It was registered in the year 1875, where we can say that it is an AOP app as to create non-profit institution of Persons. Where it shifted over the years into leading stock exchange in the Country with current status. BSE takes an essential role in Stock market in the country. It is the first and foremost

stock Exchange in the country received lifetime appreciation in 1956. The exchange provides a clear-cut picture about trading Securities to their customers, it reviles the companies and Brokers noticeable complaints and mistakes about Derivatives, Debts, and Provisions. It mainly deals with educating and instructing the investors by guiding awareness programme and improving essential and knowledgeable information, by this we can say that BSE mainly

deals with directing because without proper direction there is no destination. Top 20 bodies“ Gives proper directions under the governing board. Which is Very essential to frame the terms and policies, and it also selects the control system. Policies and control system also Connected with exchange Relationships and affairs of the Retirement.

National Stock Exchange (NSE):

The National Stock Exchange is India’s leading stock exchange overing various cities and towns across the county. NSE was set up by leading institutions to provide a modern, fully automated screen-based trading system with national reach. The Exchange has brought about unparalleled transparency, speed & efficiency, safety and market integrity. It has set up facilities that serve as a model for the securities industry in terms of systems, practice and procedures.

Types of investors:

1. Angel investors:

Angel investors are individuals. These investors have an earned income that exceeds \$200,000 annually or have a net worth that exceeds \$1 million. They can be found across industry sectors, but usually work with entrepreneurs who are somewhere between their first-time financing and a venture capital effort.[5]

2. Peer-to-peer lenders:

Peer-to-peer lenders can be individuals or groups. They help fund small businesses. If you want to apply for peer -to-peer lending, you need to apply with companies who are specialized in this type of financing. Lenders work with these companies to find businesses they want to finance.[3,4]

3. Personal investors:

Businesses can turn to their family, friends, and networks for their first investments. Talk to an expert if you have people eager to help; only a certain amount of people can invest in startups and you’ll need to provide thorough documentation.

4. Banks:

Banks are a classic source for business loans. Before your application is approved, you will need to produce proof of a revenue stream or collateral. Because of this, banks are usually a better option for established businesses, but you don’t need to be a mogul to get financing.

5. Venture capitalists:

Venture capitalists are private equity investors that provide capital to companies exhibiting high growth potential in exchange for an equity stake. They usually invest sizable amounts of money and are typically used once a business demonstrates the potential for significant revenue.

OBJECTIVES:

- To study the factors influencing their decision for choosing a particular share.
- To know about the investor’s perception towards the stock market.
- To know the satisfaction level of investors regarding return of different investment avenues.



2. REVIEW OF LITERATURE

Sanjeet Sharma (2011), [1] This study aims at studying the relation between the equity share prices and related variables such as book value of shares, earnings per share (EPS), dividend per share (DPS) and dividend pay-out etc. The study reveals that EPS and DPS are the strongest determinants of market price, and therefore the study suggests a liberal dividend policy as a good measure of attracting the investors, gaining their confidence and thereby, increasing the valuations of the company. These factors possess a strong explanation to provide future forecasts of stock prices. They also have suggested that the company data and indices be taken care of. The conclusion is statistically explained but in the current scenario, where prices are volatile EPS does not stand to be a major indicator. The dividend payout shall still be a relevant factor. But in cases where there are sudden crisis and price shocks, this analysis fails to be accurate. The paper also observes that in the case of a strong book value per share and a good dividend declaration policy the investors perceive lesser risk and are more comfortably placed in investing into the equity shares of those companies.

Sharma, et. al (2020), [2] this study attempted an empirical and theoretical research on the perception of individual investors and their behavior on investing in the Indian and International stock market, wherein, it gives the clear indications on the opportunities offered to the individuals to be a part of equity holders in the foreign based companies.

Manimozhy, N., & Borah, N. (2018) [3] the main objective of this study tries to address the major parameters while addressing the major factors that has a huge risk in evaluating the influences of price fluctuation and changes in trade volume and this development to trade or exchange of financial products among themselves or with respect to companies' exchange in the domestic and foreign stock exchanges.

3. DATA ANALYSIS AND INTERPRETATION

The Percentage Analysis is performed based on the response collected through questionnaire.

Table 1. AGE:

AGE	NO. OF. RESPONDENT'S	PERCENTAGE
Under 18	23	11.4%
18-24	90	44.6%
25-34	69	34.2%
35-44	15	7.4%
45-54	5	2.5%
TOTAL	202	100%

The above table shows that majority of the respondent's belong to the age group of under 18(44.55%) and minority of the respondent's belong to the age of 45-54(2.48%). It means the youngsters are much interested in taking risks and investing in stock market compare to other aged people.

Table 2. Gender

GENDER	NO. OF. RESPONDENT'S	PERCENTAGE
Male	159	78.7%
Female	43	21.3%
TOTAL	202	100%

The above table shows that 78.71% are male and 21.29% are female.

Table 3. Percentage Analysis Of The Years Of Association Of Respondent's In Stock Market

ASSOCIATION	NO. OF. RESPONDENT'S	PERCENTAGE
Less than 1 year	73	36.1%
1-3 years	73	36.1%
3-5 years	38	18.8%
5-10 years	14	6.9%
More than 10 years	4	2.0%
TOTAL	202	100%

The above graph signifies that 36.1% of the investors have been associated with the stock market for less than 1 year and 1-3 years, 18.81% are 3-5 years with the stock market, 6.931% are 5-10 years with the stock market and 1.980% are more than 10 years.

Table 4. The Primary Investment Goal Of The Respondent's In The Stock Market

INVESTMENT GOAL	NO. OF. RESPONDENT'S	PERCENTAGE
Capital appreciation	52	25.7%
Dividend income	38	18.8%
Wealth preservation	47	23.3%
Speculative trading	21	10.4%
Diversification	44	21.8%
TOTAL	202	100%

The above table shows that 25.74% respondent's goals are invest into the capital appreciation, 18.81% are invest into the dividend income, 23.27% are invest into the wealth preservation, 10.40% are invest into the speculative trading, 21.78% are chose the diversification.

Table 5. The Percentage Of The Investments Allocated To The Stock Market

INVESTMENT	NO. OF. RESPONDENT'S	PERCENTAGE
0-20%	91	45.0%
21-40%	70	34.7%
41-60%	24	11.9%
61-80%	14	6.9%
81-100%	3	1.5%
TOTAL	202	100%

The above given graph shows that 45.05% respondents are allocate the investment of 0-20%, 34.65% are allocate 21-40%, 11.88% are allocate 41-60%, 6.931% are allocate 61-80%, 1.485% are allocate 81-100%.

Table 6 . The Percentage of Stock Type Invest

STOCK TYPE	NO. OF. RESPONDENT'S	PERCENTAGE
Blue-chip	45	22.3%
Growth	56	27.7%
Value	56	27.7%
Penny stocks	22	10.9%
Dividend-paying	23	11.4%
TOTAL	202	100%

The above graph shows that most respondent's choose growth and value (27.723%), least respondent's choose penny stocks (10.891), blue chip (22.277%) and dividend paying (11.386%) is the average chooses by respondent's.

Table 7. The Percentage of Determine When Buy or Sell the Stocks in The Stock Market

DETERMINATION	NO. OF. RESPONDENT'S	PERCENTAGE
Technical analysis	45	22.3%
Fundamental analysis	41	20.3%
Market sentiment	46	22.8%
Insider trading activity	37	18.3%
Combinations of factors	33	16.3%
TOTAL	202	100%

The above graph shows that most respondent's choose the market statement (22.77%), least respondent's choose combination of factors(16.34%),other options selected average by respondent's.

Table 8. Short-Term Fluctuation In Stock Market

SHORT TERM FLUCTUATION	NO. OF. RESPONDENT'S	PERCENTAGE
Buy more	38	18.8%
Sell	45	22.3%
Hold	70	34.7%
Ignore	32	15.8%
Unsure	17	8.4%
TOTAL	202	100%

The above graph shows that majority respondent's choose hold(34.65%),least respondent's choose the unsure(8.416%),other options selected average by respondent's.

Table 9. The Percentage Of Evaluate The Financial Health And Stability Before Investing

EVALUATE	NO. OF. RESPONDENT'S	PERCENTAGE
Analyze financial statements	49	24.3%
Research industry trends	44	21.8%
Assess management team	43	21.3%
Review competitive positioning	40	19.8%
All of the above	26	12.9%
TOTAL	202	100%

The above chart shows that majority respondent's choose the analyze financial statements (24.26%), least respondent's choose the all of the above (12.87%), other options selected average by respondent's.

4. FINDINGS & SUGGESTIONS

Investment Experience: Participants are relatively new to the stock market with 72.2% having less than 3 years of experience. 18.8% have 3-5 years, 6.9% have 5-10 years, and only 2.0% have more than 10 years of experience.

Primary Investment Goals: Most participants aim for capital appreciation (25.7%) and wealth preservation (23.3%). Dividend income (18.8%), diversification (21.8%), and speculative trading (10.4%) are also notable goals.

Portfolio Allocation to Stocks: A significant portion allocates 0-20% (45%) and 21-40% (34.7%) of their overall investment portfolios to stocks. Only a small fraction allocates over 60% (8.4%) of their portfolio to stocks.

Trading Frequency: High frequency of trading with multiple times per day (25.7%) and daily (23.8%) being common. Weekly (17.8%), monthly (19.3%), and quarterly or less frequently (13.4%) are less prevalent.

Stock Types: Investors favor growth (27.7%) and value stocks (27.7%) equally. Blue-chip stocks (22.3%), dividend-paying stocks (11.4%), and penny stocks (10.9%) are also part of their portfolios

Reaction to Market Fluctuations: Most participants hold their investments (34.7%). Other responses include selling (22.3%), buying more (18.8%), ignoring fluctuations (15.8%), and being unsure (8.4%).



Brokerage Platform Selection: Research tools (26.7%) and commission fees (20.3%) are key criteria. User interface (18.8%), customer service (17.3%), and a combination of all factors (16.8%) are also considered.

Performance Tracking: Spreadsheets (26.2%) and brokerage platform tools (23.3%) are commonly used. Portfolio tracking software (19.8%) and pen and paper (21.8%) are also used, while 8.9% do not track performance.

SUGGESTIONS:

- 1. Diversify Learning Sources:** While financial news websites and company reports are valuable, consider expanding to analyst reports and financial advisor recommendations for a broader perspective.
- 2. Enhanced Risk Management:** Incorporate more advanced risk management strategies like stop-loss orders and hedging to protect against significant market downturns.
- 3. Utilize More Research Tools:** Explore and utilize advanced research tools provided by brokerage platforms to enhance investment decisions.
- 4. Stay Updated with Market Trends:** Continuously educate yourself about market trends and economic indicators to better anticipate and respond to market changes.

5. CONCLUSION

The analysis reveals a diverse range of investment experiences and strategies among participants. Most investors focus on capital appreciation, employ fundamental analysis, and manage risk through diversification. While there's a good foundation in investment practices, there's room for improvement in areas like emotional control, advanced risk management, and utilization of comprehensive research tools. By addressing these aspects, investors can enhance their decision-making processes, better manage market volatility, and achieve more consistent long-term success in their stock market investments.

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