CHAPTER - V

SUMMARY OF FINDINGS AND SUGGESTIONS
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5.1 INTRODUCTION

The capital market in India has witnessed remarkable growth. Somehow, stock market irregularities crept into the market. This led many investors to burn their fingers. In order to protect themselves from stock market vagaries, investors should know what their rights are, what are the steps are taken by the government through various regulatory bodies and what are the protection measures available through stock exchanges. The present study examines investors’ awareness and the factors that influence it. The objectives with which the study has been carried out are (i) to examine the investment information seeking behaviour of equity investors (ii) to ascertain the investment behaviour of investors and problems faced by them, (iii) to find out the factors associated with the level of awareness and (iv) to suggest suitable measures to enhance the level of awareness of investors and to formulate measures to protect the interest of the investors. Data required for the study have been collected through questionnaires. A total of 700 investors residing in Erode District form the sample of the study.

5.2 ANALYSIS OF DATA

Chi-square test has been used to examine the association that exists between investors’ attributes and (i) information seeking behaviour of investors and (ii) Investment behaviour of investors.
Investor awareness has been measured by constructing 'Investors Awareness' for each of the investors. Analysis of Variance (ANOVA) has been used to find out whether the mean awareness index of investors, classified based on their attributes, differed significantly. The level of confidence is one percent. In order to examine the association that may exist between each of the investor attributes and awareness, chi-square test is used. To find out the nature of relationship, simple correlation has been used. Co-efficient of determination has been calculated to find out the extent of variations in awareness explained by each of the attributes included for correlation analysis. The combined influence of investor attributes on awareness has been analysed through multiple regression. The most dominant variables that influence investor awareness have been ascertained through a step wise regression analysis.

5.3 SUMMARY OF FINDINGS

The results of the study are brought out in the following paragraphs under four major headings.

5.3.1 SOCIO ECONOMIC PROFILE OF SAMPLE INVESTORS

The results of the study portray the same group concentrated in all taluks, heavily on male, relatively middle aged, largely married, reasonably educated, socially salaried class and demographically with low number of dependents.
i) Socio Background Profile of Sample Investors

a) Inspite of radical change in the social life, still the participation of women is not high in certain fields. The present study has revealed a similar picture of the total investors, a majority namely 631 (90.14%) are male investors and female investors amount to 69 accounting for a meager 9.86% of the total investors.

b) Though the capital market is open to all age groups of investors, relatively young investors are found to be in large numbers. A majority namely 353 (50.43%) investors belong to the age group that ranges upto 40. There are only 141 (20.14%) investors who are above the age of 50.

c) Of the total investors, 583 (83.29%) are married and 117 (16.71%) are unmarried.

d) Education is inevitable and one has to get educated to think rationally. In the study area, around 293 (41.86%) investors are post-graduates and only 65 (9.29%) investors are with the educational qualification level upto XII (higher secondary) standard.

e) The sample investors are found to hold different types of occupations. Most of the investors numbering 328 (46.86%) belong to salaried group (employed). Only 52 (7.43%) investors are agriculturalists.

f) The study reveals that around 232 (33.14%) investors are with two dependents and only 39 (5.57%) investors are not with any dependent while 145 (20.72%) investors are with 4 and more dependents.
(ii) Economic Profile of Sample Investors

Intent towards capital market is highly influenced by the economic status of an investor. An investor’s economic status depends on his own earnings. The economic profile of the sample investors is summarised in the following paragraphs.

a) Of the total 700 investors, around 302 (43.14%) investors are with income ranging upto Rs.10,000 per month and only 51 (7.29%) of them are with higher income level.

b) The amount of savings directly depends on the amount of income. It is found that most of the total investors, 226 (32.29%) save between Rs.2001 and Rs.4000 a month. Only 138 (19.71%) investors are with savings above Rs.6000 per month.

c) The communication facilities available at present help to collect and disseminate information quickly. For an investor, possession of communication facility becomes essential. The study reveals that a majority of the investors amounting to 596 (85.14%) have cell phone facility. Around 246 (35.14%) are with internet facility. Only a very few have fax facility.

5.3.2 INFORMATION SEEKING BEHAVIOUR OF EQUITY INVESTORS

In this section, the results in relation to information seeking behaviour of investors are summarised. In addition to that, the association that exists between investors’ attributes and information seeking behaviour is also brought out.
i) Reading / Viewing of Investment Related Information

a) Of late, the print media is playing an important role in the dissemination of information about corporate sector. An investor who is in the habit of collecting information is in a position to have a better awareness. With regard to the reading habit of newspapers / magazines, it is found that 387 (55.29%) investors are regular readers, and the remaining 313 (44.71%) investors are occasional readers.

b) There are two types of newspapers, general and investment related. Though general newspapers cater to the needs of an investor to some extent, investment related newspapers give more details. As a whole, only 107 (15.29%) investors are with the habit of reading investment related newspapers. On the other hand, 361 (51.57%) investors depend on general newspapers.

c) An investor with the habit of referring more newspapers is in a position to gather more information. Of the total numbers, 383 (54.71%) investors are with the habit of reading only one newspaper and only 139 (19.86%) investors are having the habit of referring to more than two newspapers for collecting of various details regarding investment.

d) Reading of magazines, enables an investor to have an idea on various matters of investment. Of the total 700 investors, 547 (78.14%) read magazines while the remaining 153 (21.86%) are non readers.

e) Magazines satisfy the information needs of people of all walks of life. Investment related magazines give an in-depth picture about investment climate. It is clear from the result that out of the total investors 207
(37.84%) are with the habit of reading investment related magazines and 253 (46.25%) are interested in referring to general magazines only. As a whole only 87 (15.91%) investors are with the habit of reading both general and investment related magazines for collecting details regarding investment.

f) An investor who depends upon more number of sources can get a detailed and clear picture about capital market. With regard to reading of number of magazines, only 67 (12.25%) investors prefer to read more than two magazines for collecting investment related information and 314 (57.40%) refer to only one magazine for gathering information about the capital market.

g) In the modern world, information presented through visual media makes a big impact. A number of programmes are telecast for the investors over television. Of the total investors 451 (64.43%) are having the habit of collecting investment related news through television regularly and 249 (35.57%) are occasional viewers.

h) Geography has become history with the advent of internet. One can collect a lot of information from any part of the world on any subject just at a click of the mouse. Of the total investors, only 298 (42.57%) are using internet facility for collecting upto date information about investment aspects.

i) An investor can get details about a company in which he proposes to invest by scanning the prospectus of the company. Of the total investors 375 (53.57%) have the habit of reading the prospectus regularly as and
when they invest in the primary market and only 82 (11.72%) investors do not have the habit of reading the prospectus.

j) Once the investor has invested his funds in any company, he is entitled to get annual, half-yearly as well as quarterly results from the company. Of the total numbers, 527 (75.29%) have the habit of reading the annual reports of the companies, 218 (31.14%) have the tendency of reading half yearly reports and only 86 (12.29%) of the investors are with the habit of reading quarterly reports to know about the company’s performance.

ii) Time taken for investment and amount spent for getting information

The information seeking behaviour of an investor is closely associated with time and amount spent for collection of information. The time and amount spent by an investor may vary from person to person. Of the total investors, 115 (16.43%) have the habit of taking investment decision in less than a day and 187 (26.71%) investors normally take more than a week for taking a decision with regard to buying or selling of shares.

The amount spent towards collection of information may depend upon the earning capacity of an investor and tendency to spend. A majority of investors, numbering 354 (50.57%) normally spend a sum upto Rs.200 per month and only 55 (7.86%) have the tendency of spending more than Rs.400 per month for collecting investment related information.
iii) Opinion on Service of Brokers

Investors who mainly depend on the secondary market rely on brokers for buying and selling shares. Even the investors, who invest only in the primary market, approach the brokers as and when they want to dispose of the shares. Of the total investors, 190 (27.14%) are not satisfied with the consultancy services offered by brokers. With regard to execution of orders, 642 (91.71%) investors are satisfied with the performance of brokers.

iv) Adequacy of Information from Companies

Companies have a statutory obligation to disclose information to shareholders. Of the total investors 81 (11.57%) are of the opinion that they are satisfied with the information furnished by the companies and 144 (20.57%) are not satisfied with the quantum of information supplied by the companies.

v) Investors’ attributes and Information seeking behaviour

The investors’ attributes that are associated with the information seeking behaviour are brought out in the following paragraphs.

a) Investors’ attributes and Types of newspaper read

In order to indentify the relationship between Investors’ attributes and investment information seeking behaviour, the investors are classified into three major groups, namely, those who read general newspapers, investment related newspapers and newspaper irrespective of
their nature. Six Investors’ attributes have been compared with the sources of the information. Of the selected 6 attributes, except educational qualification, the remaining 5 are found to be significantly associated with the types of newspaper read. They are sex, occupation, regularity of investment, motives of investment and portfolio diversification.

b) Investors’ attributes and Types of magazine read

An investor, who reads different types of magazine namely general and investment related, is in a position to get knowledge. Out of the six socio-economic and investment behaviour variables, tested for their association with reading a specific types of magazine, it is found that the variables namely a) sex, b) educational qualification, c) regularity of investment and d) portfolio diversification are not associated with the types of magazine read. The other variables associated with types of magazine read are occupation and motives of investment.

c) Investors’ attributes and Usage of internet

Usage of internet depends upon the Investors’ attributes. The usage may differ from one investor to other. In order to find out the association between usage of internet and various selected variables, the chi-square technique has been applied. Of the 6 variables tested for their association with internet usage, the following variables have not been found to be associated. They are (i) Motives of investment and (ii) portfolio diversification. The results of those variables that are significantly associated with the internet usage are sex, educational qualification, occupation and regularity of investment.
5.3.3 INVESTMENT BEHAVIOUR OF EQUITY INVESTORS

This section brings out the investment behaviour of equity investors. The results of this section are presented under different headings. The last section brings out the association that exists between selected investors' attributes and investor behaviour.

(i) Investment Habit of Equity Investors

The investment habit of equity investors is brought out in the following paragraphs.

a) Of the 700 investors, 332 (47.43%) have entered into the capital market 10 years back. While 59 (8.43%) of investors have entered into the market much before 15 years.

b) A large number of investors have been motivated towards capital market by the advice of their friends. Inspiration has also come through the investment columns that appear in newspapers and magazines.

c) Of the total investors selected only 263 (37.57%) are regular investors, while 437 (62.43%) are occasional investors.

d) Out of the total investors 225 (32.14%) depend as primary market and 194 (27.71%) on the secondary market. It is evident from the results that 281 (40.15%) of them invest through both primary and secondary markets.
e) A majority of the investors 562 (80.29%) depend mainly on their own savings for investment activity. Of the total investors 492 (70.29%) of investors depend only on one source for their investment transactions and only a small number of investors amounting 43 (6.14%) depend on more than three sources for making investment in shares.

ii) Motives of Investment

It is observed that out of the total investors, 335 (47.86%) have a motive of earning profit within a short period. On the other hand, 262 (37.43%) have a motive of long-term profit and only 103 (14.71%) of the investors have dividend income as their motive.

(iii) Magnitude of Investment and Portfolio Diversification

The value of investment as well as portfolio diversification may vary from one investor to the other based on the level of earnings and interest towards securities. It is presented as below.

a) Of the total investors, 376 (53.71%) are keeping only upto 10% of their wealth in the form of shares. Only 51 (7.29%) keep more than 30% of their wealth in the form of shares.

b) Out of the total 700 investors, 428 (61.14%) hold shares in banking sectors. In automobiles 393 (56.14%) investors hold shares.

c) Of the total investors only 48 (6.85%) diversify their risk by investing in shares of more than six industries. A majority of the investors are not ready to diversify their portfolio by investing in larger number of industries.
e) Of the total investors 341 (48.71%) hold shares in less than 5 companies and only 146 (20.86%) hold shares in more than 15 companies. It is evident from the results that one out of every five hold shares more than 15 companies.

f) Of the total investors, 455 (65.00%) are with annual value of trading less than Rs.2,50,000 and only 118 (16.86%) of them have annual value of trading exceeding Rs.5,00,000.

iv) Risk taking behaviour

Analysis on the risk taking behaviour of investors reveals the followings.

a) Of the total investors, only 89 (12.71%) are prepared to take risk to a great extent. A majority 482 (68.86%) of the investors are prepared to assume risk to some extent.

b) Out of the total investors, a majority, namely 487 (69.57%) investors have incurred loss while dealing in the stock market. Of the total 487 investors selected for the study, a majority representing 353 (72.48%) have suffered some amount of loss in the capital market operations because of fall in price.

v) Factors considered while investing in Equity shares

Investment in equity shares involves consideration and evaluation of several variables. The factors considered by the investors vary. Of the total investors, 652 (93.14%) are of the opinion that they look into the nature of industry to which a company belongs before investing in the
equity shares of that company. Debt-equity position comes last in the list of factors considered. This shows that leverage level of a company is relegated to the last position.

**vi) Expected Rate of Return**

The rate of return that is expected from a company may differ from one investor to the other, based on the intension towards earning of income on the investment. Of the total investors, 314 (44.86%) of them have a desire to earn a return more than 20% but less than 30% while 168 (24.00%) of the investors, are in favour of getting a return which is above 30%.

**vii) Problems faced by the Investors**

Of the total 700 investors 291 (41.57%) have faced problems while buying and selling shares. Out of the total investors who faced problems, 131 (45.02%) of the investors faced problems due to delay in getting payment and 34 (11.68%) of investors faced problems of high amount of commission payable to brokers.

**viii) Investors' attributes and Investment behaviour**

In order to examine the Investors' attributes that are associated with the investment behaviour of equity investors, a selected 10 Investors' attributes have been tested for their association with investment behaviour by making use of chi-square test. The investment behaviour with which these attributes have been tested for their association are (i) motives of investment and (ii) portfolio diversification. The results are presented below.
a) Investors' attributes and Motives of investment

Investors differ in their motives of investment. A selected ten investor characteristics have been tested for their association with Motives of investment through chi-square test. Of the six variables so selected, two variables namely i) sex, and ii) savings per month have not been found to be significantly associated with the motives of investment. The other variables namely educational qualification, occupation, period of investment and regularity of investment are associated with motives of investment.

b) Investors' attributes and Portfolio Diversification

In order to spread risk, an investor would invest in the shares of more number of companies belonging to different industries. The investors' attributes have been tested for their association with portfolio diversification and of six attributes, 5 have not been found to have significant association with diversification of risk. They are i) sex, ii) Educational qualification, iii) occupation, iv) savings per month and v) period of investment. Only one variable regularity of investment has been found to have significant association with diversification of risk.

5.3.4 FACTORS INFLUENCING EQUITY INVESTOR AWARENESS

Awareness differs among different groups of investors. The socio-economic, information seeking behaviour as well as investment behaviour characteristics of investors cause such differences.
5.3.4.1 Association between Investors’ attributes and Awareness

Nineteen attributes of investors have been selected in order to test whether the awareness differs based on attributes and whether there really exists any association between each of the attributes and awareness. Analysis of variance (ANOVA), chi-square test, simple correlation, multiple regression, as well as step-wise regression have been made use of to examine the association. The results of ANOVA and chi-square test are followed by the results of other tools.

i) Sex and Awareness

The average awareness index of male investors is more than that of female investors. ANOVA results reveal that there exists a significant difference in the mean awareness index of investors belonging to different sex. Though the mean awareness index differs between male and female investors, there exists no significant association between sex and awareness.

ii) Age and Awareness

The average awareness index is high with young and it is low with aged investors. The average awareness index goes on declining along with increase in age. ANOVA result indicates that there exists a significant difference in the mean awareness index of the different groups of investors. Inspite of significant difference in the mean awareness index of investors, there exists no association between age and level of awareness.
iii) Educational Qualification and Awareness

The average awareness index goes on increasing with the increase in the level of education. Post-graduates have high awareness compared to the others. According to the ANOVA results, there exists a significant difference in the mean awareness index of investors with different levels of education. It is found that there exists a highly significant association between level of education and level of awareness. Investors who are highly educated are with high level of awareness.

iv) Occupation and Awareness

The average awareness index is high for those investors who are businessmen and it is low in the case of agriculturists. The mean awareness index of the investors with different types of occupation differs significantly. The chi-square results indicate that there exists a highly significant association between occupation and level of awareness. Businessmen are more aware when compared to others.

v) Types of newspaper read and Awareness

The average awareness index is high with those investors who read general and business-related newspapers for collecting information related to the capital market and low with those investors who depend only on general newspapers. There exists a significant difference in the mean awareness index of investors who read different types of newspapers. As per the chi-squares test, there exists a highly significant association between types of newspaper read and level of awareness.
Those who read general as well as business related newspapers are with high level of awareness.

vi) Number of newspapers read and Awareness

The average awareness index is low with those investors who are having the habit of referring only one newspaper while it is very high with those investors who are referring more than two newspapers for collecting details about capital market. There exists a significant difference in the mean awareness index among the different groups of investors. The chi-square result reveals that there exists a highly significant association between the number of newspapers read and level of awareness those who read more newspapers are with better awareness.

vii) Types of magazine read and Awareness

The average awareness index is low with investors who are having the habit of referring general magazines only and it is high with those who are having the habit of referring both the types of magazines namely, general and business related. ANOVA test reveal that there exists a significant difference in the mean awareness index of different groups of investors who are divided on the basis types of magazine read. According to the chi-square test, there exists a significant association between the types of magazine read and level of awareness. Those who read both the general and business-related magazines are found to be with high level of awareness.
viii) Number of magazines read and Awareness

The average awareness index is high with those investors who are having the habit of reading more than two magazines. The average awareness index is found to go on increasing with an increase in the number of magazines read. There exists a significant difference in the mean awareness index of various groups of investors classified based on the number of magazines read. There exists a highly significant association between number of magazines read and level of awareness. Thus more the number of magazines read, better was the level of awareness.

ix) Reading habit and Awareness

The average awareness index is high with those investors who regularly go through newspapers / magazines and it is low with those who are occasional readers. The ANOVA results reveal that there is a significant difference in the mean awareness index of these two groups of investors. There exists a highly significant association between reading habit and level of awareness. Regular readers are with high level of awareness.

x) Television viewing and Awareness

The average awareness index is high with those investors who are regular in viewing investment-related programmes on television compared to those who are occasional viewers. It is evident from the result of ANOVA that there exists a significant difference in the mean awareness index of investors classified on the basis of television viewing
habit. Chi-square result reveals that there exists no significant association between viewing of investment-related television programmes and awareness.

xi) Usage of internet and Awareness

The average awareness index is high with those investors with the habit of using internet regularly. ANOVA results reveal that a significant difference exists in the average awareness index of investors classified on the basis of usage of internet. It is evident from the chi-square result that there exists a highly significant association between usage of internet and level of awareness. Those who access internet regularly are with more awareness compared to others.

xii) Period of investment and Awareness

The average awareness index is high with those investors who are having association with the capital market for a period ranging from 11 to 15 years. The awareness index increases in accordance with the period of investment. It is evident from the ANOVA result that the mean awareness index of various groups of investors differs significantly. It is evident from the chi-square result that there is no association between period of investment and level of awareness.

xiii) Regularity of investment and Awareness

The average awareness index is high with the regular investors and it is low with investors who are not regular in their investment activities. ANOVA results show that the mean awareness index significantly differs
between the two groups of investors. According to the chi-square result, there exists a significant association between regularity of investment and level of awareness. Regular investors are with high level of awareness compared to irregular investors.

xiv) Motives of investment and Awareness

The average awareness index is high with those who are with short-term motive and it is low with those who have dividend income as their motives of investment. It is evident from ANOVA result that the mean awareness index of the various groups of investors significantly differs. The chi-square result reveals that there is no significant association between motives of investment and level of awareness.

xv) Type of market preferred and Awareness

The average awareness index is very high with those investors who prefer secondary market and it is low with those investors who prefer primary market. ANOVA results express that there is a significant difference in the mean awareness index of the different groups of investors classified on the basis of market preferred. The chi-square results show that there exists a significant association between type of market preferred and level of awareness. Those who invest through secondary market are more aware when compared to others.

xvi) Proportion of wealth in shares and Awareness

The average awareness index is high with those investors who keep a maximum amount of their wealth in shares and it is comparatively low
with those who normally keep lesser proportion of their wealth in the form of shares. ANOVA results depict that there is a significant difference in the mean awareness index of the various groups of investors. It is clear from the chi-square result that there exists a highly significant association between proportion of wealth in the form of shares and level of awareness. Investors who keep a high proportion of wealth in shares tend to the more aware.

xvii) Portfolio diversification and Awareness

The average awareness index is high with those investors who keep shares in more number of companies and it is low with those investors who hold shares in less number of companies. ANOVA results show that there is a highly significant difference in the mean awareness index of various groups of investors. The chi-square result reveals that there exists a highly significant association between portfolio diversification and level of awareness. Those who hold a highly diversified portfolio have a high level of awareness.

xviii) Annual value of trading and Awareness

The average awareness index is high with those investors whose annual value of trading is above Rs.5,00,000. Average awareness index goes on increasing with increase in the annual value of trading. According to ANOVA, a highly significant difference exists in the mean awareness index of different groups of investors. The chi-square result shows that there exists a highly significant association between value of trading and level of awareness. Higher the annual value of trading, better is the level of awareness.
xix) Frequency of meetings attended and Awareness

The average awareness index of investors who attended annual general body meetings regularly is high when compared to investors who attend the meetings occasionally or never. ANOVA shows that there exists a significant difference in the mean awareness index among investors who are classified on the basis of frequency of meetings attended. It is clear from the chi-square result that there is a highly significant association between frequency of meetings attended and level of awareness. Investors who attended the meetings regularly are more aware.

5.3.4.2 NATURE AND STRENGTH OF RELATIONSHIP BETWEEN INVESTORS' ATTRIBUTES AND AWARENESS

In order to examine the nature and strength of relationship between the selected 10 investors' attributes and awareness, correlation analysis has been carried out. It is found that all the correlation co-efficient are highly significant. The nature of relationship and the extent to which each of the correlated variables accounts for the variations in investor awareness are brought out below.

(i) Education and Awareness

Education and awareness are positively correlated with each other. As the level of education increases, the level of awareness also increases. The co-efficient of determination ($r^2$) shows that educational qualification accounts for 21.30% of variations in the level of investor awareness.
(ii) Number of newspapers read and Awareness

There exists a positive correlation between number of newspapers read and awareness. With the increase in the number of newspaper read, awareness also increases. The co-efficient of determination \( (r^2) \) shows that the number of newspapers read accounts for 39.90% of the variations in the level of investor awareness.

(iii) Number of magazines read and Awareness

Number of magazines read and awareness are found to be positively correlated. The co-efficient of determination \( (r^2) \) shows that reading large number of magazines accounts for 32.40% of variations in the level of awareness.

(iv) Reading habit and Awareness

Correlation between reading habit and awareness is found to be positive. The co-efficient of determination \( (r^2) \) shows that reading habit accounts for 5.50% of variation in the level of awareness.

(v) Usage of internet and Awareness

The correlation analysis shows that usage of internet and awareness are positively correlated with each other. The co-efficient of determination \( (r^2) \) shows that the usage of internet accounts for 5.70% of variations in the level of awareness.
(vi) Regularity of investment and Awareness

There exists a positive correlation between regularity of investment and awareness. The co-efficient of determination ($r^2$) shows that regularity of investment accounts for 37.80% of variations in the level of investor awareness.

(vii) Proportion of wealth in shares and Awareness

The correlation analysis shows that the proportion of wealth in shares and awareness are positively correlated. The co-efficient of determination ($r^2$) shows that proportion of wealth in the form of shares accounts for 27.90% of variations in the level of investor awareness.

(viii) Portfolio diversification and Awareness

Portfolio diversification and awareness are positively correlated. The co-efficient of determination ($r^2$) shows that portfolio diversification accounts for 23.70% of variations in the level of investor awareness.

(ix) Annual value of trading and Awareness

The correlation analysis shows that these two variables are positively correlated with each other. The co-efficient of determination ($r^2$) shows that annual value of trading accounts for 26.90% of variations in the level of investor awareness.

(x) Frequency of meetings attended and Awareness

Frequency of meetings attended and awareness are positively correlated. The co-efficient of determination ($r^2$) shows that frequency of
meetings attended accounts for 10.70% of variations in the level of investor awareness.

5.3.4.3 DETERMINANTS OF INVESTOR AWARENESS

In order to ascertain the combined influence of the selected 10 attributes on investor awareness, multiple regression as well as step wise regression analysis have been carried out. The results of the multiple regression analysis reveal that out of 10 variables taken for consideration, only 5 variables are significantly related with awareness of investors. The relationship that exists between such significantly related variables and awareness is brought out below.

(i) Educational qualification and Awareness

Educational qualification influences awareness. The regression co-efficient indicates that for a unit of increase in the level of education, there shall be an increase of 16.829 units in awareness.

(ii) Number of magazines read and Awareness

Number of magazines read influences awareness. The value of regression co-efficient indicates that for a unit of change in the number of magazines read, there will be an increase of 8.673 units in awareness.

(iii) Reading habit and Awareness

Reading habit positively influences awareness. The value of regression co-efficient indicates that for a unit of increase in the reading
habit of investment related information, there shall be an increase of 3.915 units in awareness.

(iv) Annual value of trading and Awareness

Annual value of trading positively influences awareness. The value of regression co-efficient indicates that for a unit of increase in the annual value of trading, there shall be an increase of 5.955 units in awareness.

(v) Frequency of meetings attended and Awareness

Frequency of meetings attended influences awareness. The regression co-efficient indicates that for a unit of increase in the frequency of meetings attended, there shall be an increase of 27.978 units in awareness.

The value of $r^2$ is found to be significant at one percent level. The value of $r^2$ indicates that around 28.54% of variations in awareness of investor are due to the selected variables.

5.3.4.4 Factors prominently associated with Awareness

To find out the prominent factors that account for the variations in awareness of equity investors, step-wise regression has been carried out. 5 prominent variables that influence awareness have been identified. They are i) Number of magazines read, ii) Educational qualification, iii) frequency of meetings attended, iv) Annual value of trading and v) reading habit. All these variables are together account for 26.30% of variations in the awareness of investors.
SUGGESTIONS

A few measures have been suggested to improve investors’ awareness. The protective measures to be taken by government as well as the regulatory authorities also find a place here.

i) Suggestions to investors

The capital markets have witnessed an exponential growth. There have been no corresponding increase in the awareness levels of investors about their rights and how to enforce the same. Hence, the following suggestions are made to the investors.

1. By attending company meetings and taking active part in the deliberations of the company, investors would be in a position to enrich their awareness.

2. Reading investment-related news in newspapers, magazines, circulars and reports of companies will enable the shareholders to know more about the corporate world.

3. There has been no death of companies that depend on small investors. Investors can guard themselves by becoming members of investor forums to have more knowledge about the capital market. In Erode, there is no such forum at all. So an investor forum should be started.

4. Viewing investment related television and usage of internet will improve the awareness of investors.
5. Investors Grievance Division is formed by SEBI. All grievances can be sent to SEBI, Head office, Mittal Court, A Wing, 1st Floor, 224 Nariman Point, Mumbai – 400 021. (022-22880 962-70, 2285 0451-56, iggc@sebi.gov.in).

Even the best managed companies have some skeletons in their cupboards that they would like to hide from their shareholders. Most of the companies have sent regard for the investment of the small investors. Therefore, investors have to be vigilant.

Investor should remember that their active participation in the activities of the forum is a must. Otherwise, shareholder democracy will not become a reality and it will remain illusory for which shareholders themselves would be responsible.

(ii) Suggestions to the regulatory authorities

Perhaps, India is the no.1 country in the world with maximum laws and minimum enforcement. There are several agencies connected with the capital market. Investors should be aware as to where they should seek redressal for their grievances.

a) The department of company affairs should ensure that SEBI regulations are circulated in the various regional languages also.

b) The Investor Education and Protection Fund (IE & PF) is to be utilised for conducting direct selection programmes, organizing seminars, symposia, conducting specific projects for investor protection including research activities and providing legal assistance to genuine investor
litigants through investor grievance forums. The department of company affairs has to ensure that the amount is used for the purposes for which the fund has been created.

c) Judicial powers may be granted to SEBI to punish the delinquent companies and intermediaries

The penal laws of the land have not deferred people from committing crimes. Hence, it is necessary for the investors to remind themselves that even the best of laws cannot protect them unless they are aware of the rights available to them under the various laws.

CONCLUSION

By any standard of measure, behaviour finance is the much sought after branch of most of the researchers in the field of finance. In fact, it promises a greener pasture to the young researchers in pursuit of better fields of research. Of the various dimensions of behaviour finance, the present study has earnestly examined the individual investor awareness of the stock market environment. The results of the study have brought out the investor attributes that determine investor awareness. The present study is a pointer to potential areas of research that can be probed into by the budding research scholars. Expanding investor geography and examining investor awareness would enable a researcher to understand the spread of awareness among investors of different cities. Inter-regional disparities in awareness could be discerned and methods could be suggested to attain an equal distribution of awareness among investors.
Research work may also be taken up to understand what problems the investors encounter and how awareness helps them surmount such problems. Further, the grievance redressal mechanism operating at different levels may be studied for its efficacy. The role played by the Securities and Exchange Board of India (SEBI) and to what extent its regulations are complied with by the companies can be studied. Another area of research is the impact of investor forums on investor education. To what extent they help investors understand the intricacies of the stock market and to what extent the investors make use of the facilities of investor forums may also be examined.