## CONTENTS

| 6.1  | Introduction                      |
| 6.2  | Findings and Conclusions         |
|      | 6.2.1 General findings           |
|      | 6.2.2 Specific findings (Investors base) |
|      | 6.2.3 Specific findings (Non-Investors base) |
| 6.3  | Hypotheses Testing               |
| 6.4  | Suggestions                      |
Chapter 6

6.1 INTRODUCTION:

In this chapter an attempt is made to study the findings and conclusions of the study based on previous chapters. At the same time researcher assessed the public opinion about equity market in Latur city. This study is useful to the investors and non-investors of equities.

The present study was carried out by using primary as well as secondary sources of information. The information’s thus provided was analyzed in tabular as well as graphical format. Conclusions have been drawn on the various segregations on the basis of analytical tools. These conclusions have provided the base on which the researcher was able to meet the objectives of the study.

The objectives of the present study are, to study the growth of equity market in Latur city, to study the perception of investors and non-investors towards equities, to suggest the ways to increase people participation in equity market.

“One of the very nice things about investing in the stock market is that you learn about all different aspects of the economy. It's your window into a very large world.” - Ron Chernow

Equity market is equally important for individual investment as well as social and economic development of the country. Capital requirement has been satisfied by number of shareholders; many of them belong to average income group. If such shareholders remain away from the equity market, industries won’t flourish. Common person will get deprived of employment opportunities. Industrial development of our state will cease. In that case whatever meagre quantum of economic development our state has achieved, will also get vanished.
6.2 FINDINGS AND CONCLUSIONS:

A questionnaire is also incorporated to know the public perception about stock exchange transactions in Latur city. The researcher studied awareness of both investors and non-investors in equities. The data analysis was carried out using the tabulation and graphical method, rank correlation analysis, t-test. The relevant results are enclosed as follows. The data was collected on 400 respondents (200 investors and 200 non-investors) from Latur. The demographic data has been classified on the basis of their gender, age, occupation, education, marital status and income. Following are the major findings derived by the researcher.

6.2.1 General findings:

1. The Indian stock market has witnessed tremendous development over the past few decades.

2. People want to trade in the stock market, because here investors can make money through phone call or internet.

3. Stocks are good investments, because they can let you own successful companies, and proved to be a best investment over time.

4. Aged people prefer less risky investments while the youngsters are aggressive in risky investments.

5. Stock markets serve the dual purpose of being a source of capital formation and a source of income for investors. For firms, stock markets and the investments made therein, act as a source of finance, whereas, for investors, they act as a source of income.

6. Most of the female respondents have also invested their money in equity market without obtaining proper knowledge.

7. Businessmen and traders segment formed the highest share out of total investors.
8. Comparatively very less respondents deal in shares and Mutual Funds as their investment vehicles whereas investment in gold attracts major part of investors. Many of the respondents stated that investment in shares and mutual funds requires expertise and it is quite complicated in fact many of the respondents can’t even frame their own opinion on the complexity of the investment in shares.

9. Investment is not a purposeful and planned activity for most of the respondents as very few of them prepare plan for next year’s investment. Five years is the maximum ideal duration for most of them which is really short period for fruitful investment.

10. Many people in equity markets are dealing through multiple demat an account which not only exaggerates the investor base, but provides a false picture of Indian capital markets.

11. The people were mostly unable to read and understand English. As the equity markets operate mostly in English, the people in semi urban areas like Latur face difficulties. They are incapable of reading financial newspapers.

12. Financial literacy in semi urban centers like Latur is too low. This is one of the reasons why most people are not ready to explore new financial products.

13. Even number of PPF accounts is very low. It is very essential to open the PPF accounts in today’s life but lack of financial literacy is the main reason behind this.

14. People want to register for ‘Aadhar Card’ and ‘Election Voting Card’ but they do not register their name for PAN card. There are very few people who have a PAN card. This is very essential document which is needed everywhere.
6.2.2 Specific findings (Investors base):

1. Majority of investors in equity market were between the age group of 31 to 50.

2. Most of the respondents are male candidates; female candidates are not taking that much interest in equity market investment.

3. Married people are more conscious about their investment than the unmarried people.

4. Education is also significant factor which is affected on investment. Proper education and knowledge is important for taking better decision on investment. More investors are Graduate in selected area.

5. The highest investors in equity market are between the incomes groups of 20100 to 50000. Thus we can say that there is significant impact of income on investment. If the person satisfies the basic family needs, he thinks about investment proactively.

6. The number of investors has been increased from last 10 years in Latur. So, there is growth of stock market transactions in Latur city.

   Investment and transactions are increased but there are no proper ways for both.

7. Mode of trading play an important role in equity market, most of the respondents open the D-mat A/c through sub-brokers and also doing transactions through them. But individual concentration is also essential for better returns on investment.

8. Respondents prefer large cap companies for their investment. Respondent’s investment in large cap is 44.9% and mid-cap it is 38.1%. Majority of investors believe on large cap companies for their future investment.

9. Analyses of different companies are significant at the time of purchasing shares. But only few respondents analyze the qualitative and quantitative
things of the company at the time of purchasing the shares. Other
respondents are avoided all the essential things.

10. According to the research most powerful method which is adopted by
the respondents for equity trading is Delivery based method. And this is
also the highest beneficial method in stock exchange transactions.

11. Returns on equities affected respondent’s investment decisions; they
prefer fixed deposit, gold, land and properties more other than shares
investment.

Because of inadequate knowledge about different types of other
investments, people avoided them.

12. For taking proper decision proper knowledge is also significant thing;
but the respondents lack of knowledge in equities is the big problem
related to take a decision as when to buy, what to buy and how to invest
economically in stock market.

13. Return on investment is the most influencing thing on respondents. They
get very low profit from their total equity investment hence interest
deprecated.

14. There are only 5.1% respondents who have the total awareness of
advantages which come with equity share ownership in a public
company.

15. Online registered complaint in equity market is possible through the
Investor Service Cell of Exchange deals against the trading member of
the exchange or against the listed companies, but in Latur no one is
aware regarding this procedure.

16. In 21st centuries also people believe in luck and destiny for their future
unforeseen.
17. The researcher found that company’s background, goodwill and good quarterly returns from company is the highest demand of investors on their investments.

18. In equity, investors are required to have basic knowledge of markets, they have to study. Whereas investing in bank-FD’s or land or gold etc. does not require any study. This is the significant difference between equities and other investments.

19. According to respondents the perceived profit from buying low and selling high is the reason for trading in equities.

20. More than 58% respondents have a lot of interest in equities but on the other hand more than 58% investors don’t have the knowledge regarding share market. The interest without knowledge is not work. Thus, there is negative significant correlation between these two statements.

21. ‘My banks offer a large number of services for share transaction’, respondents are disagree with this statement and at the same time these respondent also disagree with, ‘On-line trading in share market is easy for handling’ and ‘Return on investment in equities are high as compared to other financial investments’.

   The things and the technical knowhow which are essential for online trading are not available easily to the respondents. Thus, their interest also decreases.

22. The respondents who think online trading is easy for handling complete their responsibilities as a security holder and they also think return on investment is high as compared to other financial investment. At the same time they disagree with ‘investments in equities are gambling’. This is the opinion of less than 43% respondents.

23. Awareness of economics and study of equity market is most essential for successful investment in equities.
24. The people who don’t have idea about rights of investors they agree with share market investment are more risky than the other investments and they also think it is like a gambling.

25. The investors who are completely aware of SEBI system complete their responsibilities as a security holder and they don’t think investment in equities is like gambling.

6.2.3 Specific findings (Non-Investors base):

1. The people who are more educated also do not have proper knowledge regarding different investment opportunities and only prefer traditional investments option for future.

2. The most significant reasons of non-investors in equities, their knowledge is very less in share market and it is very risky; both the things depend on each other.

3. In today’s life there are so many options available for learning stock investing i.e. internet, TV, journal, newspapers etc. but no one is use these Medias for proper directions purpose its use only for entertainment.

4. Even if the information is available in their own and easy language they are still unwilling to take the decision properly regarding equity investment.

5. Non-investors think equities investment is so risky and like gambling because their lack of knowledge. Thus interest is automatically reduced.

6.3 HYPOTHESES TESTING:

Testing of hypothesis will enable to get better insight to find of public perception about stock exchange transactions in Latur city. In order to test the assumption, the data collected was classified and cross tabulated based on various factors to see whether there is any association between the attributes.
Hypotheses are tested on the basis of statistical analysis and conclusion arrived from them.

**Hypothesis 1:**

**The number of investors in stock market has been increasing in the study period.** (H1)

The researcher has drawn the following conclusion with reference to distribution of the respondents periodically. According to present research study, during the last 10 years 45% investors has been increased. The researcher also fined this data with t-test value ($t = -0.0338$), the calculated value is less then T-value ($t = 2.26$).

Thus above conclusion leads to prove the hypothesis that the number of investors in stock market has been increasing in the study period.

**Hypothesis 2:**

**The general public thinks that investment in stock market is risky and like gambling.** (H1)

The researcher has drawn the following conclusion with reference to distribution of the respondents on the basis of investment in share market. According to present research study, above 55% investors and non-investors think that investments in equities are very risky and like gambling.

Thus above conclusion leads to prove the hypothesis that the general public thinks investment in stock market more risky and like gambling.

**Hypothesis 3:**

**Investors are less interested to invest in stock market than any other financial investments.** (H0)

The researcher has drawn the following conclusions with reference to distribution of the respondents on the basis of their interest in equities. According to study 58 % investors are interested in equities. This can be also
finding out with the help of t-test value \( (t=0.946) \). The calculated value is less than T-value. Thus hypothesis is rejected. But according to rank correlation analysis the people who are interested in share market they don’t have the proper knowledge in it and don’t take proper decisions. Thus, only interest is not important at the same time knowledge is also an essential.

Thus above conclusion leads to reject the hypothesis that the investors are less interested to invest in stock market than any other financial investments.

**Hypothesis 4:**

Investors generally think that return on investment in stock market is high as compared to other financial investment. (H0)

The researcher has drawn the following conclusion with reference to distribution of return on investment approach of investors about equities and other investments.

According to present survey and calculated value of t-test value \( (t=3.079) \) is greater than T-value hence, investors are disagree with ‘return on equities are high as compared to other investments’. As per rank correlation analysis the people who do not have proper knowledge in equities and who don’t study they also disagree with above statement.

Thus above conclusion leads to reject the hypothesis that the Investors generally think that return on investment in stock market is high as compared to other financial investment.

**6.4 SUGGESTIONS:**

Suggestions to change the view of people about equity market trading

1. There are high risks and high returns in equity market; if the investors accept this thing and invest their money with proper guidance they are always successful in share market investment.
2. Investor education is very important factor for investors. It is necessary to get proper knowledge regarding equity market and then invest in it.

3. If the investors collect better knowledge and training from financial advisors and study properly then they always take proper decisions for investment in share market.

4. Traditional investment like gold, land and properties etc. are only beneficial to those persons who invest in them but share market investment is advantageous to investors plus other related factors also, so it is essential that investors invest their money in share market with proper knowledge.

5. Three P’s are most important in equity market i.e. paise (money), principles and patience. The persons who have these three things they are always successful in equity market.

6. The possibility of investment in stocks will improve if the related knowledge is given in mother tongue.

7. Focused efforts to encourage women investors will definitely result positively as they possesses high patience than men investors and take appropriate decisions.

8. Updated knowledge should form a part of syllabus for college student to inculcate related knowledge in future investors.

9. Active participation from all banking institutions to encourage potential investors will help divert traditional investors towards equity.

10. High confidence in brokers can attracts more investors towards equity which is possible only after removing barriers like less faith in brokers, low transparency in trading activities, less participation by investors etc.

11. If the retired persons take interest with proper knowledge they are also successful in equity investment. Because they have paise (money), principles and patience in their life.
12. Bright future is not only depending on higher education and hard work but it also need smart work and use of knowledge in proper way.

13. In equity investment income factor is not that important. Less income is also sufficient but how to invest that less amount properly affects the investment decision.

14. If the people are study carefully and confidently of NSE and BSE market by collecting data through qualitative and quantitative things, means essential things then they get success automatically.

15. Returns on investment in equities are very high because in very few periods and less investment people get better returns. But for that proper way of investment is also necessary.

16. Return on investment i.e. interest or dividend is not only beneficial thing from equities but capital appreciation, voting rights, share can easily brought and sold, tax benefits etc. also advantages of share investment. But lack of knowledge is the main problem of people. So, if people get proper knowledge they always get benefits from their investments.

17. When there are responsibilities there are rights also, means if people have any problems about their rights they can complaints for that with Investor Service Cell of the Exchange. They can complaints through www.iseindia.com or may send in their complaints to the nearest investor service center.

18. Future does not depend on doom or fortune it is depended on the knowledge, awareness and understanding of people, so don’t believe in luck or destiny.

19. When we want some information related to anything or from anywhere without delay we can get that through different websites on internet. Thus use these modern techniques properly for development purpose and not only for entertainment.
20. Knowledge and risk are two sides of one coin means if there is no knowledge risk automatically increases and on the other hand if the knowledge increases risk automatically declines. Hence increase your knowledge and get benefits.

21. Awareness of economics and government economic policy is also essential for taking participation in equity market. Because it affects equity investment decision.

22. Most conservative investors invest in large cap companies as they perceive them as safe. Low risk is preferred

23. Delivery method is preferred because low risk is the priority of most investors. It is necessary to change the view of respondents about equity market.