CHAPTER 5
FINDINGS OF THE STUDY

After analyzing the primary and secondary data collected for the attainment of the objectives of the study with appropriate statistical tools and techniques the following were found to be main inferences of the study:

Findings pertaining to first objective of ‘To analyze the role of secondary market institutions in the growth and development of the investment environment in India.

- It is evident from the analysis of the responses of the respondents pertaining to the various demographic categories that the respondents agreed towards the statement ‘secondary market institutions play an effective role in the growth and development of investment environment in the country’ with a high aggregate mean score of 3.7. It was also established through the analysis made that the respondents belonging to the private sector and up to 30 years age category endorsed the statement with the same highest mean score of (4.1) and highest acceptance percentage (total 83.1 per cent) followed by government sector employees with a high mean score of (4) but the self-employed respondents perceived adversely with the lowest mean score of (1.9).

- The null hypotheses on the basis of age, gender, residential status, investment period, occupational status and type of investors were rejected, which indicated that all the respondents agreed that the secondary market institutions play an effective role in the growth and development of investment environment in the country.

- The age-wise responses on the statement secondary market institutions affect the number of traded companies indicated that the respondents up - to 30 years age category perceived highly towards the statement with mean score of 3.9 in comparison to the respondents to the other age sub - categories similarly the
male respondents endorsed the same statement in a more significant manner in comparison to their female counterparts. The respondents who are making investments for short and long term also opined the statement with the high mean scores of 3.6 and 3.5 respectively.

- The null hypotheses on the basis of age, gender, and investment period were rejected and proving the dissimilarity in the opinions of the respondents from the various demographic sub categories. The responses on the basis of residential status: urban (3.6) and rural (3.7); Occupation of investors: government (3.6), private (3.7), and self employed (3.6); and type of investors: retailers (3.6) and brokers (3.7) agreed to the statement and the acceptance of all the related null hypotheses proved that there is no significant difference among the perceptions of the respondents on the basis of their residential status, occupational status and type of investors sub categories. The respondents approved the statement with no difference in the opinion as far as their respective sub category was concerned.

- The age-wise findings confirmed that respondents belonging to up - to 30 years age category favored the statement that ‘secondary market institutions affect significantly the market capitalization’ with majority (80.1 per cent) in comparison to other respondents. The responses on the basis of gender, residential status, investment period and occupational status recognized that all the respondents agreed to the statement with the similar high mean scores and acceptance percentages of 69.9, 70.3, 70.5, 66.7, 65.7, 75.6, 58.7, 75.4 and 71.3 respectively as far as their respective sub categories were taken in to consideration.

- The related null hypotheses on the basis of age, gender, residential status, investment period and occupation status were also rejected proving that respondents perceived similarly towards the statement ‘secondary market institutions affect significantly the market capitalization’ with no difference in the opinions.
The type of investors – wise findings indicated that the broker investor (85.3 per cent) endorsed the statement ‘secondary market institutions affect significantly the market capitalization’ in a more significant way in comparison to the retailer investor (61 per cent). The allied null hypothesis was accepted and proved that the respondents perceived towards the statement with a statistically significant difference in the level of opinion and believed that ‘secondary market institutions affect significantly the market capitalization’

The self employed respondents highly perceived towards the statement ‘secondary market institutions affect the turnover of stock exchanges’ with a high mean score of (4) in comparison to the aggregate mean score of (3.6) respondents to the other categories similarly the male respondents (3.8) endorsed the same statement in a more significant manner in comparison to their female counterparts (3.2). The respondents who are making investments for short and long term also opined the statement with the high mean scores of 3.6 and 3.5 respectively.

The null hypotheses on the basis of age, gender, and investment period were rejected and proving the dissimilarity in the opinions of the respondents from the various demographic sub-categories. The responses on the basis of residential status: urban (3.6) and rural (3.7); Occupation of investors: government (3.6), private (3.7), and self employed (3.6); and type of investors: retailers (3.6) and brokers (3.7) agreed to the statement and the acceptance of all the related null hypotheses proved that there is no significant difference among the perceptions of the respondents on the basis of their residential status, occupational status and type of investors sub categories. The respondents approved the statement with no difference in the opinion as far as their respective sub category was concerned.

It is clear from the analysis of the responses of respondents pertaining to the various demographic categories that the secondary market institutions affect the number of registered brokers with a high aggregate mean score of 3.7 of
all the 500 respondents responses taken together though the respondents from ‘31-50 years’ age category, female respondents and retailers showed the highest mean score of 4 with (75 per cent, 74 per cent, 78 per cent respectively) agreed percentages, followed by self employed respondents (3.8) with agreed percentage of 71. While the lowest mean score was recorded by brokers (3.2), short term investors (3.2), rural respondents (3) and ‘51 & above’ age category (3).

- The related null hypotheses on the basis of age, gender, residential status, investment period and type of investment period were also rejected, proving that respondents perceived towards the statement ‘secondary market institutions affect significantly the registered brokers’ with difference in the opinions. While the occupation status – wise null hypothesis was accepted and proved that there is no significant difference in the level of opinion and believed that ‘secondary market institutions affect significantly the registered brokers’.

- It is evident from the age category-wise responses of respondents that the respondents belonging to ‘ up to 30 years’ age category respond favorably towards the statement that the ‘secondary market institutions affect the indices’ with the highest mean score of 3.8 in comparison to other respondents of the same category: ‘31-50’ (3.6) ‘51 & above’ (3). Similarly the male respondents also favored the statement with the highest mean score of 3.8 in comparison to the female respondents (3.5) as well as the related null hypothesis was accepted and proved no difference in the opinion. The findings on the basis of residential status (68.9 and 67.7 per cent respectively) and investment period (68.9 and 67.7 per cent ) established that all the respondents endorsed the statement and believed that secondary market institutions have significant impact on indices.

- The self employed respondents from the occupational status and the retailers’ investors from the demographic category type of investors highly supported the statement with the mean scores of 4 and 3.8 respectively. The related
hypotheses on the basis of age, residential status, investment period, occupation status and type of investors were rejected and proved that all the respondents perceived favorably towards the statement but with the difference in the opinion level.

- The main findings of the study revealed that during the fourteen years traded companies registered in NSE and BSE had been increased to 128.22 in NSE and 185.92 in BSE, taking year 2000 as base year. The turnover also increased to 209.538 NSE and 52.16 in BSE, registered brokers to 122.53 in NSE and 191 in BSE, market capitalization to 1106.2 in BSE and 1297.3 in NSE similarly, in case of indices to 501.8 in NSE and 842.9 in BSE. The findings confirms the fact that the investment environment in the country was not congenial during the initial years of study but it improved significantly during the later years of study.

- It is also cleared from the findings that the market capitalization has a greater impact in comparison to registered brokers on turnover and indices of NSE and both of the independent factors (market capitalization and registered brokers) are highly and positively correlated with the dependent factor (turnover and indices).

- In case of BSE also the market capitalization has a greater impact in comparison to registered brokers on turnover and indices of BSE and both of the independent factors (market capitalization and registered brokers) are highly and positively correlated with the dependent factor (turnover and indices).

Findings pertaining to second objective of ‘To study the secondary market with regard to risk return and protection’.

- The respondents categorized on the basis of age favored the statement that the ‘Indian secondary securities market investment is risky’ with the exactly same mean score of 3.8 out of total 5 and similarly the male and female respondents also endorsed the statement with the high mean scores of 3.8 and 3.7
respectively. The residential status wise findings revealed that the urban respondents (3.8) endorsed the statement in a more significant manner in comparison to the rural respondents (3.5). The null hypotheses on the basis of age, gender, residential status were accepted meaning there by that the respondents favored the statement that the ‘Indian secondary securities market investment is risky’ with no difference in the opinion.

- The main findings on the basis of investment period established that the respondents involving in short term investments perceived highly towards the statement with the highest mean score of (4) in comparison to the respondents involving in long term investments with mean score of ( 3.6). The respondents categorized on the basis of occupation were also agreed to the statement with the mean score of (3.6, 3.9 and 3.8 respectively). the main findings on the basis of type of investors exhibited that the investors belonging to retailers category endorsed the statement with the highest mean score of 4.1 in comparison to the broker respondents with the mean score of 3.5. the related null hypotheses on the basis of investment period, occupation status and type of investors were rejected proving thereby that the respondents agreed that the Indian secondary securities market investment is risky’ with the statistically significant difference in the levels of opinions as far as their respective sub categories were concerned.

- The main inferences emerged out that the respondents categorized on the basis of age agreed that the ‘education provided by SEBI helps in risk diversification of investors’ with the high mean score of (3.5, 3.9 and 3.7 respectively) a difference was recorded in the perception levels as shown by the mean scores but the acceptance of the related null hypotheses proved that the difference is not statistically significant meaning there by that the respondents agreed to the statement with no difference in the opinion. The main findings on the basis gender, residential status and investment period showed that all the respondents agreed towards the statement with the high mean scores: 3.8, 3.4, 3.7, 3.7, 3.5 and 3.4 respectively. The occupation wise
main findings established that all the respondents favored the statement ‘education provided by SEBI helps in risk diversification of investors’ with high acceptance percentages and mean scores as far as their occupational status was concerned.

- Similarly the retailers and the broker investors also endorsed the statement with the high mean scores of 3.8 and 3.7. The null hypotheses on the basis of gender, residential status, investment period, occupation and types of Investors were rejected and found a statistically significant difference in the level of the perception of the respondents as far as their respective sub categories was concerned and it was established that the respondents believed that the ‘education provided by SEBI helps in risk diversification of investors’ with the statistically significant difference in the opinion.

- The age - wise findings on the statement ‘SEBI provides an effective investors’ grievance redressal mechanism’ revealed that the respondents belonging to ‘31-50 years’ of age category highly approved the statement with the highest mean score of 3.7 in comparison to the other respondents from the same age category. The female respondents favored the statement with the highest mean score of 4 in comparison to their male counterparts with the mean scores of 3.6 similarly the residential status wise findings revealed that the urban respondents perceived highly with the mean score of 3.7 but the rural respondents agreed to the statement with a comparatively low mean score of 3. Both the respondents doing short and long term investments categorized on the basis of investment period highly appreciated the statement with 3.5 and 3.8.

- The occupational status wise findings showed that the respondents belonging to the private and the government sector agreed the statement ‘SEBI provides an effective investors’ grievance redressal mechanism’ with the high mean scores of 3.8 and 3.6 respectively but the self employed respondents endorsed the statement with a comparatively low mean score of 3.1. Both type of the respondents categorized on the basis of type of investors highly endorsed the
statement with the same high mean score of 3.6. All the related null hypotheses belonging to the statement were rejected and found statistically significant differences among the responses of the respondents as far as their sub categories were taken into consideration, established that all the respondents agreed the statement with the difference in the levels of their perception.

- The age wise main findings on the statement that the ‘investing in companies showing consistent growth reduces the risk on investment’ showed that the respondents belonging to first two age categories endorsed the statement with exactly same mean score of 3.5 but on the other hand respondents from ‘51 & above’ age category recorded acceptance with a comparatively low mean score of 2.8 and similarly the female respondents were found highly appreciating the statement with a high mean score of 4.2 but their male counterparts found less concerned towards he statement with a comparative mean score of 3.3. Both the urban and rural respondents believed that ‘investing in companies showing consistent growth reduces the risk on investment’ with the high mean scores of 3.4 and 3.2. The results on the basis of investment period showed that both the respondents engaged in short term and long term investments supported the statement with the similar acceptance percentage and the mean scores. The self employed respondents found more concerned towards the statement and believed that ‘investing in companies showing consistent growth reduces the risk on investment’ with the highest mean scores of 3.6 but the respondents belonging to the government sector agreed to the statement with the mean scores of 3.1.

- On the same statement the main findings on the basis of type of investors exhibited that the retailers respondents found more concerned towards the same statement and recorded a mean score of 3.4 in comparison to the broker respondents who were agreeing to the statement with comparatively low mean score of 2.9. the null hypotheses on the basis of age, gender, residential status, occupation, and type of investors were rejected and established that all the
respondents believed that ‘investing in companies showing consistent growth reduces the risk on investment’ but with the difference in the opinion.

- The null hypothesis on the basis of investment period was accepted meaning there by that the respondents agreed to the statement in the similar way and with the no difference in the opinion.

- The main findings emerged out from age wise analysis showed that respondents belonging to’ 31-50 years’ of age category favored the statement more empathetically in comparison to other respondents belonging from ‘up to 30 years’ and ‘51 & above’ age categories similarly the female respondents(3.4) found more concerned towards the statement in comparison to their male counterparts (3.2). The residential status wise main findings confirmed that both the urban and rural respondents perceived highly towards the statement with the similar mean scores. In the same way the respondents categorized on the basis of investment period also agreed to the statement with the similar high mean scores of 3.1 and 3.2. The occupation wise and type of investor wise main findings revealed that all the respondents belonging to these particular demographic sub categories also endorsed the statement with all high mean scores of above 3. The null hypotheses on the basis of age, gender, investment period, residential status, occupation structure and type of investors were rejected and found statistically significant difference among the responses of the respondents meaning there by that the respondents agreed to the statement that ‘Investing in Securities of Regular Dividend Paying Companies is less Risky’ with the difference in the opinion.

- The main findings on the statement revealed that the respondents belonging to ‘up to 30 years’ age category agreed to the statement in a more significant manner (3.6) in comparison to other respondents from the other age sub categories with the mean scores of 3.3 and 3 respectively surprisingly, the male, female, urban and rural respondents were found of the same thinking and endorsed the statement with exactly same mean score of 3.4 each. Respondents who involved in long - term dealing are found to be more
satisfied by brokers’ advice in comparison to short –term investors while
government (3.3) and private employees (3.6) found to be more satisfied by
brokers advice in comparison to self – employed (2.9). Both type of investors
favored the statement with mean score of 3.5 approximately.

- The related null hypotheses in case of following sub categories age-wise,
residential status-wise, investment period-wise were rejected which means that
there was significant association between demographic features and responses
of respondents towards the statement; ‘broker’s advice is helpful in risk
diversification’. Further exhibit showed gender-wise related hypothesis was
said to be correct and null hypotheses is accepted which proves that there is no
association between category and related responses.

- After analyzing the table it was found that aggregate mean score of the table
was 3.77 where retailers recorded the highest mean score of 4.10, followed by
respondents under age-group of” 31–50 years’ of age (3.94) then by
respondents ‘up to 30 years’ of age 3.86. Respondents under ‘51 and above’
age-group showed their least support towards the statement with a low mean
score of 2.98.

- Results revealed that there was no association between opinions of investors
on the basis of their Age, Gender, Residential Status, Occupation and type of
Investors as their value was less than .05 at 95 per cent level of significance
and hence no evidence was found to accept the null hypotheses. So it proved
that there was significant association between perception of investors towards
the statement ‘plethora of laws, various authorities and regulators are
responsible for corporate offences and affect the investors interest adversely
“and their demographic characteristics. Further it is cleared that according to
investment period calculated significant value was greater than .05 at 95 per
cent level of significance so null hypotheses was accepted which proved that
there was no association between perception of investors on the basis of their
investment period on the statement.
The overall glimpse of the table shows the highest mean score was retailers-4.00, followed by private sector respondents-3.98. Respondents of ‘51 and above’ age had the lowest mean score-2.81. The high aggregate mean score of the table 4.17 was 3.72 which showed that all the 500 respondents together found the statement more appropriate.

It was found that significant P- value was less than .05 at 95 per cent level of significance in case of Age, Gender, Residential Status, Occupation structure and type of investors. So, null hypothesis is rejected in all the five categories of investors except investment period whose value is which is greater than .05. And hence, it is recognized that there is an association between perception of investors on the basis of age, gender, residential status, occupation and type of investors and the statement.

It was confirmed through the grievances reported and redressed by secondary market institutions that there was a continuous decline in both- grievances reported and settled, which again proves the efficiency and effectiveness of the secondary market institutions for making the environment more investment friendly. The highest cases of grievances were reported during financial year 2000-01, while the lowest were reported during 2006-07; similarly, the highest rate of grievances settled was observed during year 2008-09 and the lowest in 2006-07.

There are undoubtedly few significant factors due to which regulator has been able to address the grievances and reduce them significantly. Firstly SEBI established a Disclosure of Investor’s Protection Act 2000 (DPI 200). Due to this act, it is mandatory for a company to provide all pertinent information to the investors so that there is a complete transparency in the system and more and more investors are encouraged to invest in the secondary market without any hassle.

Secondly, SEBI has simplified the process for launching grievances made it mandatory that within 15 days, action would be taken which has helped in
building a positive image of the market. Investors are assured of their investment and the return. Thirdly, launch of Investor Awareness Programs (IAP) across India in different cities with an objective to create awareness amongst the investors and the prospective investors about the Capital Market and the safeguards that they need to follow while dealing in various Investment Products. To fund IAP, SEBI created a separate entity Investors Protection and Education Fund (IPEF) so that a successful campaign could be carried out. SEBI has created a punch line also “Sooch Samajh Kar Invest Karen” which appeals the investor to be cautious while investing and aware the public about fraudulent schemes claiming ’big profits in less time’. Even a SMS campaign was launched to achieve the purpose. SEBI is also the watchdog and if it finds any offenders, case of impeachment is filled and strict action is taken or the offender is penalized heavily depending up on the offence.

**Findings pertaining to third objective of ‘To study the impact of foreign institutional investors on Indian retail investors’**.

- It is evident from the age – wise analysis of the responses of the respondents that ‘up to 30 years’ and ‘31-50 years’ age respondents favored the statement ‘Indian secondary market is affected by Foreign institutional investors investment’ with a high aggregate mean score of 3.8 and 3.7 but the respondents form 51 and above age category favored the statement with moderate mean score of 2.9. when the gender and residential status wise analysis taken into consideration it was found that the male female urban and rural respondents with the same high mean score of 3.6 and no difference was found in their opinion which was also cleared from both the hypotheses acceptance. the respondents doing short (65.8) and long term investors (67.3) were also esteemed that ‘Indian secondary market is affected by Foreign institutional investors investment’ also esteemed the statement with the high mean scores. The respondents from the government sector highly appreciated the statement followed by the private sector respondents with the mean score of 3.9 and 3.6 but the self employed respondents were found less concerned
towards the statement and secured a mean score of 2.2. and both the retailers and brokers respondents endorsed the statement with the high mean score.

- The related null hypotheses on the basis of age, investment period, occupational status, and type of investors were rejected and proved the similarity in the perception of the respondents meaning there by that all the respondents favored the statement with the no difference in the opinion as far as their sub categories was concerned.

- The main findings of the statement’ foreign institutional investors (FIIs’) Improve Liquidity in the Secondary Market’ showed that the respondents form up-to 30 years age (4.1) category were found more concerned in comparison to other respondents. the gender wise and residential status wise main inferences established that the male and female urban and rural respondents favored the statement with the same high mean score of 3.8. The respondents involved in long term investments (4.1) agreed to the statement in a more significant manner in comparison to the investors doing short term investments (3.6). The occupational status wise main findings revealed that all the respondents belonging to this particular demographic category endorsed the statement with high mean score of 3.7 and 3.8, 3.9 respectively. the retailer investor highly believed that foreign institutional investors (FIIs’) Improve Liquidity in the Secondary Market with a high acceptance percentage(72.5) and high mean score (3.9) in comparison to broker investor with mean score of 3.5.

- The null hypothesis on the basis of gender was accepted proving that both the male and female respondents were having the same opinion towards the statement and believed that foreign institutional investors (FIIs’) Improve Liquidity in the Secondary Market with no significant difference in the perception level of responses. the null hypotheses basis on the age, residential status, investment period, occupation status and type of investors were rejected and a statistically significant difference was found in the perception or
in the opinion of respondents when the particular sub categories were taken into consideration

- The main findings on the basis of age cleared that all type respondents belonged to the various age categories perceived highly towards the statement that ‘movement of foreign institutional investors’ is a major reason behind volatility of secondary market’ with the high mean scores of 3.8, 3.8 and 3.4 respectively and the acceptance of related hypotheses proved that the respondents favored the statement with no difference in the opinion. on the basis of gender and residential status showed that all the respondents agreed to the statement with the high mean scores of 3.9, 3.7, 3.8, 3.9 respectively. the respondents doing short term investment found more excited towards the statement and agreed to the statement with the highest mean score of 4 in comparison to the respondents doing long term investments with the mean score of 3.6. the occupation wise main findings revealed that all the respondents favored the statement with the high mean score of 3.6, 3.9 and 3.8 respectively. The respondents categorized on the basis of type of investors also appreciated the statement with the similar high mean scores.

- The null hypotheses on the basis of gender, residential status, investment period, occupation status and type of investors were rejected and found a statistical significant difference in the opinion of respondents meaning there by that all the respondents agreed ‘movement of foreign institutional investors’ is a major reason behind volatility of secondary market’ to the statement but with the significant difference in the opinion as far as their sub categories were concerned.

Findings pertaining to fourth objective of ‘To study the causes and impacts of volatility in the secondary market.

- The age wise main findings encoded that the respondents belonged from 51 & above age category endorsed the statement with a moderate mean score of 2.7 followed by the respondents of up to 30 years with a moderate mean score of
but the respondents from 31-50 years age category were not in favor of the statement and recorded a low mean score of 1.8. The female respondents endorsed the statement with a high mean score of 3.1 in comparison to the male respondents who supported the statement with a low mean score of 1.9. The main findings on the basis of residential status and investment period revealed that all the respondents favored the statement with the low mean scores of 2, 2.3, 2.1 and 2 respectively. The respondents belong to private and self employed believed that volatility in the secondary market is the main hurdle with the Foreign Institutional Investors’ in India with the mean score of 2.1 and 2.2. But the respondents from government sector were not in favor of statement and recorded a very low mean score of 1.9. The broker investor favored the statement with a moderate mean score of 2.6 but the retailer investors agreed to the statement with a very low percentage and low mean score of 1.7.

- The null hypotheses on the basis of age, gender, investment period, residential status, occupation and types of investors were rejected proving that all the respondents agreed to the statement that volatility in the secondary market is the main hurdle with the Foreign Institutional Investors’ in India with difference in their opinion as far as their sub categories were taken into consideration.

**Secondary Data**

- It was confirmed that foreign institutional investors increased their participation in Indian secondary market by 13.52 per cent which showed their faith and positive attitude towards the system. Sensex and Nifty also showed increasing CAGR (17.81, 13.21) respectively which verified the improved investment environment in the country. The Foreign Institutional Investors (FIIs) have emerged as noteworthy players in the Indian stock market and their growing contribution adds as an important feature of the development of stock markets in India.
It provides the evidence of significant Strong positive correlation between the variables. A high degree of positive correlation (.809) was found between the indices of both the major two stock exchanges that is Bombay Stock exchange (BSE) and National stock exchange (NSE). Further it observed that FIIs’ impact the indices also as there is positive relation between FIIs’ and Sensex (.856), FIIs’ and Nifty (.745).

The positive value depicts positive relationship between the predictors and outcome variable if the effects of the other predictors are held constant. In table 3(c), the b value of FIIs’ is .002 which means that if FIIs’ increased by 1 unit than Nifty increases by .2 per cent. Similarly the b value of FIIs’ is .005 which means that if FIIs’ increased by 1 unit than Sensex increases by .5 per cent.

**The Indian Secondary Market is highly volatile.**

The main findings derived from the analysis showed that all the respondents from the various age categories endorsed the statement that the Indian secondary market is highly volatile with the high mean scores of 3.9, 3.7 and 3.8 respectively and the acceptance of related null hypotheses also found no significant difference among the responses of the respondents. The male respondents found to be highly appreciating the statement with the highest mean score of 4.2 in comparison to the female respondents with the mean score of 3.7: the urban respondents found to be more concerned towards the statement with the mean score of 3.9 in comparison to the rural respondents with the mean score of 3.5. Both the respondents doing short term and long term investment highly approved the statement with the high mean score of 3.7 and 3.6 respectively. The self employed respondents found to be more concerned towards the statement with the higher acceptance percentage and mean score of 4.1 In comparison to the respondents from the private sector (3.8) and government sector (3.6). The broker respondents were also endorsed the statement in amore significant manner in comparison to the retailer respondents with the mean score of 4 and 3.8 respectively.
The null hypotheses on the basis of gender, residential status, investment period, occupation status, type of investor were rejected and found that the respondents perceived differently towards the statement the Indian secondary market is highly volatile.

It is evident from the analysis of the responses of the respondents pertaining to the various categories that the trade cycle is one of the factor which disturbs the market continuously with a high aggregate mean score of 3.91 of all the 500 respondents taken together though the brokers and long term investor respondents 4.22 showed the highest mean score followed by private sector employees 4.07 and 4.04 by respondents in between the age category of ‘31-50 years’.

Pearson Chi-Square results revealed that there was no significant association among the perception of investors’ on the basis of age, gender, and residential status as their P-value was greater than .05 at 95 per cent level of significance. Further the Pearson’s value was less than .05 in case of investment period, occupation and type of investors’ category so, null hypotheses was rejected which means that there is a significant association among the perception of investors’ on the basis of aforesaid characteristics on the statement trade cycle is one of the factors which disturb the secondary market continuously.

By and large it is inferred that political instability is a vital factor influencing the sound working of the secondary market. As the aggregate mean score of five categories were 3.63. While, female and long term respondents favored with a high mean score of 3.98 followed by urban respondents 3.92, brokers 3.88 and private employees 3.84.

It is evident that the null hypotheses was accepted which confirms that no significant difference was observed among the perception of respondents on the basis of age. But since, the P-value in case of gender, residential status, investment period, occupation, and investors’ category is less than .05 which proves that there was a significant difference in the perception of respondents.
on the basis of aforesaid categories on the statement and hence, the hypotheses was rejected.

- It is evident from the analysis of the responses of the respondents pertaining to the various categories that the media is responsible for fluctuations in the secondary market with a high aggregate mean score of 3.63 of all the 500 respondents. Though the statement was highly appreciated by government employees with a very high mean score of 4.79 followed by long term investors 4.00, private employees with 3.84 and retailers with 3.73.

- It was found that significant P-value was less than .05 in case of all the categories of respondents i.e. age, gender, investment period, residential Status, occupation and types of investors and hence the null hypothesis were rejected in all these cases which proves that a significant difference is observed in the perception of respondents of above categories on the statement.

- It is evident from the analysis of the responses of the respondents pertaining to the various categories that the company’s reputation is responsible for volatility in the secondary market. with a high aggregate mean score of 3.73 of all the 500 respondents taken together though the long-term investors respondents (4.01) showed the highest mean score followed by respondents under age category of ‘31-50 years’ (3.95) male respondents (3.80).

- The results revealed that there was no association among the opinion of investors on the basis of their gender, residential status, investment period, occupation and types of investors as their P-value were less than .05 at 95 per cent level of significance and hence no evidence was found to accept the null hypotheses. So, it is proved that there is a significant association between perceptions of various types of respondents on the statement ‘SEBI provides education to investors’ which helps in risk diversification’ and their demographic characteristics. Further it clearly shows that since the calculated significant value was greater than .05 at 95 per cent level of significance in
case of age-wise responses hence, the null hypothesis was accepted which
proves that there was no association between age-wise perception of
respondents on the statement.

- It can be clearly implied that female respondents supported the statement more
  emphatically with a highest mean score of 3.98 followed by private-sector
  employees’ respondents 3.84 and 3.77 by long term investors. High aggregate
  mean score of 3.63 confirmed that investment or withdrawing decisions
  depends on the volatility of the market.

- The results shows that the Age-wise, Gender-wise, Residential status-wise,
  Investment period-wise, Occupation-wise and type of investors significant
  value was less than .05 at 95 per cent level of significance and hence no
evidence was found to accept the null hypotheses. It means that there was
significant association between demographic features and responses of
respondents towards the statement; ‘Investing in/withdrawing from secondary
market depends on the volatility of the market.’

- It is evident from the analysis of the responses of respondents pertaining to the
  various categories that the secondary market institutions helps in bringing
  stability in the market with a high aggregate mean score of 3.81 though, the
  respondents ‘up to 30 years’ and long term investors favored the statement
  with a very high mean score of 4.09 and 4.05 respectively followed by self
  employed 3.91 and retailers’ with 3.90.

- The results disclosed in case of age, residential status, investment period,
  occupation and type of investors of respondents the null hypotheses were
  rejected which confirms that there was significant difference among the
  perception of respondents on the basis of aforesaid demographic
  characteristics on the statement. While, on the other hand in case of Gender
  and hence null hypothesis was accepted indicating that there is no significant
difference between the perception of respondents on the basis of gender on the
statement, secondary market institutions helps in bringing stability in the market.

- It was established through the main findings on the basis of age that the respondents highly agreed to the statement with the same mean score of 3.8. The main findings on the basis of gender and residential status were found that the urban respondents found highly appreciating the statement with the highest mean score of 4.4 followed by male (3.9) female (3.7) and rural respondents 3.5. The respondents doing short term investments believed that volatility in the market keeps the possible genuine investor out of secondary market investment in a more significant manner with a mean score of 4 in comparison to the respondents doing long term investments (3.6) The respondents categorized on the basis of occupational status also agreed to the statement with all high mean score of 3.6, 3.9 and 3.8. The type of investors wise main findings showed that the retailer investor (79.3 per cent) agreed to the statement with the high mean score of 4.1 in comparison to the broker respondents (55.5 per cent) with the mean score of 3.5.

- The null hypotheses on the basis of age, gender, and residential status were accepted and no significant difference was found among the responses of the respondents which further elaborate that respondents believed that volatility in the market keeps the possible genuine investor out of secondary market investment with no difference in their opinion. The related null hypotheses on the basis of investment period, type of investors and occupation status were rejected proving thereby that the respondents perceived differently towards the statement as far as their sub categories were concerned.

Findings pertaining to fifth objective of ‘To study the role of genuine investors and pure speculator in the secondary securities market.

- The main findings on the basis of age on the statement Genuine Investor promotes Capital formation revealed that the respondents ‘up to 30 years’ age category highly perceived the statement with the high mean score of 3.8
followed by respondents ‘31-50 years’ with the mean score of 3.6 the male, female, urban and rural respondents endorsed the statement genuine Investor promotes capital formation with the high mean scores of 3.6, 3.8, 3.7 and 3.4 respectively: the short and long term investors also endorsed the statement with the high mean scores of 3.6 and 3.7 respectively. The respondents belonging to the private sector highly endorsed the statement with the high mean score of 3.8 followed by the self employed respondents with the mean score of 3.7. In the same way the retailer and brokers investors also recorded the high mean scores of 3.6 and 3.7 while endorsing the statement.

- The null hypotheses on the basis of age, gender, residential status, occupation status and investment period were rejected and proved that all the respondents agreed to the statement that genuine investor promotes capital formation in the country with difference in the opinion and null hypothesis on the basis of type of investor was accepted and found no significant difference in the opinion or perception of investors.

- It was established that the respondents belonging ‘51 & above’ age category perceived that ‘Pure Speculators Provide Liquidity to the market.’ with a high mean score of 4 followed by the respondents ‘up to 30 years’ and ‘31-50 years’ with the same mean score of 3.8 but the acceptance of related null hypothesis found no statistical difference in the opinion of the respondents towards the statements. The main findings on the basis of gender, residential status, and investment period showed that respondents doing short term investments highly endorsed the statement with the high mean score of 4 followed by the respondents from various categories i.e. male (3.9), urban (3.9). All the respondents categorized on the basis of occupational status highly favored the statement with the high mean scores of 3.6, 3.9 and 3.8 respectively and both the retailer and brokers investors also appreciated the statement with 4 and 3.6 as their mean score.
the null hypotheses on the basis of gender, residential status, occupation status, investment period and type of investors’ were rejected and proved that ‘Pure Speculators Provide Liquidity to the market.’ with difference in the opinion and null hypothesis on the basis of age was accepted and found no significant difference in the opinion or perception of investors.

By and large it is inferred that genuine investors plays a vital role in influencing the volatility of the secondary market. As the aggregate mean score of five categories were 3.73 though the statement liked by female respondents with a high means score of 3.98 followed by long term investors 3.95 and urban respondents with 3.92.

It is evident that the in case of age of the respondents the null hypotheses was accepted which confirms that no significant difference was observed among the perception of respondents on the basis of age. But in case of gender, residential status, investment period, occupation, and investors’ category significant difference in the perception of respondents on the basis of aforesaid categories on the statement and hence, the hypotheses was rejected.

It is evident from the analysis of the responses of the respondents pertaining to the various categories that the genuine investor helps in generating a positive investment environment with a high aggregate mean score of 3.63 of all the 500 respondents though the statement appreciated most by long term investors with 4.79 government employees with 4.00, private employees with 3.84 and retailers with 3.73.

It was found in case of all the categories of respondents i.e. age, gender, investment period, residential Status, occupation and types of investors and hence the null hypothesis were rejected in all these cases which proves that a significant difference is observed in the perception of respondents of above categories on the statement.
Suggestions and Conclusions

The study highlighted many important findings on the basis of analysis of collected data by primary and secondary sources, for the purpose of study. On the basis of the findings the following are some viable suggestions which may be adopted or applied by the concerned authorities or stakeholders for the sake of bringing about improvement in the investment environment of secondary market institutions in the country.

- Since all type of investors irrespective of their age, gender, occupation status, investment period, type of investors, residential status endorsed through their opinions with a high mean score that secondary market institutions helps in the growth and development of investment environment in the country. It is suggested that the secondary market institutions should further be improved by providing them more capital base latest technology and the required authorities clubbed with a strong controlling mechanism so that the secondary market may become more effective and efficient with regards to their delivery mechanism in the interest of all the investors in general and the small investors in particular.

- It was indicated through the findings of the study that the young retail investors ‘up to 30 years’ endorsed the statement the most that the financial institutions help to grow the investment environment in secondary market of the country. Therefore, it is suggested that the government of India should prepare such plans and policies which may help to educate more and more young educated people of the country regarding the investment to be made in the secondary market and to have a good returns thereof. It will further help in eliminating the problem of unemployment and poverty from the country.

- As the brokers play a significant role in helping and educating the investors the concerned policies makers are advised to frame new policies regarding the consolidation of the work of brokers or bringing about the changes in existing policies to do so, so that they can become more efficient and can contribute...
more in terms of improving the investment environment in the country and helping thus in the growth and development of economic environment of the country.

- Interesting the female as well as rural respondents assumed the importance of the investment environment in the country with a high score and at present their participation in the secondary market investment arena is insignificant therefore steps are required to be taken to educate more and more female and rural masses to participate and make investments in the secondary market so that the gap between has and have nots be bridged and the economic development of the country can be fastened. Ultimately it will help substantially in combating the problems of rural development, women empowerment, financial inclusion, unemployment and poverty.

- It was observed through the findings of the study that the market capitalization helps more the growth and development in the secondary market in comparison to registered brokers and indices therefore. It is suggested that required measures are to be taken by the concerned authorities for enhancing the market capitalization which will result into the faster economic growth and development in the country with the help of broad based secondary market.

- The study exposed with a high score of responses of the respondents that the secondary market of the country is risky irrespective of the type of respondents hence, it is essential that the factors affecting the returns of the investor should be categorized into controllable and uncontrollable factors, and the controllable factors in particular be advertised more and more so that the same may be learnt and adopted by all sorts of investors particularly the retail ones to reduce the risk on investments and to have the maximum gains out of their investments.

- It was observed through the study that the number genuine investor is low among all investors hence, education programs should be augmented with the help of authorities concerned that the investors should have long term
perspective rather than the short one to make the secondary market investments more meaningful.

- The role of Securities Exchange Board of India has been commended by the respondents through their responses bearing high scores but yet there is a further scope of improvement in its functioning. The SEBI should be provided with more autonomy in its functioning wedded with certain more effective instruments forcing the corporates to adopt the required rules and principles in toto disclosing the real facts and avoiding the misappropriations. If it is done it may help the investors significantly in general and the small investors in particular.

- Though the SEBI is doing well in resolving the grievances of investors but yet a lot more is needed to be done particularly by bridging the gap between the investors and small markets, corporates and against trading members.

- Since the investments in securities of the companies showing consistent growth reduces the risk of investment hence, the investors are advised to have the requisite information first regarding the companies where the investments is to be made analyze the information and then invest. it will help in reducing their risk and enhance the scale of returns on their investments which are made on the basis of dividends of the companies.

- The respondents assumed through the finding of the study that the advice from brokers helps in diversification of the risk the investor are advised to have consultation from their brokers as and when required they should not depend wholly on the advices of brokers rather the application of their own judgments is must which comes through their own knowledge, wisdom and experiences.

- It was exposed through the responses of various types of respondents that Foreign Institutional Investors have a significant impact on the Indian secondary securities market that is more the investments made by FIIs higher will be the prices of securities in the secondary market and vice - versa. It also affects that more FIIs are attracted towards the economies where the
investment environment is positive. In the light of above finding it is suggested that the internal economic environment of the country must be improved by expanding the world class infrastructural facilities which help and attract the indigenous and foreign companies to commence their businesses in India and consequently more and more FIIs’ will be attracted towards the economy and they will be pouring huge capital into the country which ultimately result into the growth and development not only of secondary market but also of whole economy. If it happens the liquidity positions will improve up to great extent in the secondary market and due to strong fundamentals of the economy the volatility in the secondary market will be controlled significantly. Due to this the risk of investors can be reduced as far as the FIIs’ are concerned and returns of investors (both retailers and domestic institutional investors’) will be improved substantially.

- It was established through the results of the study that the Indian stock market are highly volatile due to several factors which can be divided in to controllable and uncontrollable factors. The uncontrollable factor are numerous such as speculation, effects of different economies of the world change in the international trade policies by various world class organizations or bodies such as IMF, World Bank etc. and the political conditions throughout the globe. But there can be certain factors which are internal in nature and hence can be controlled with the help of good governance , strong and business friendly laws, the establishment of good social practices such as honesty, love and affection towards mother land clubbed with value system of humanities which may help significantly in creation of state of art investment environment in the country having high positive sentiments helping conversion of speculators into genuine investors and ultimately leading the economy on the path of growth and development.
Further scope of the study

The present study covered NSE, BSE, SEBI and the respondents in the form of retail investors’ and brokers only from Delhi NCR therefore further studies on the topic are possible by taking into consideration more financial institutions, The Board of directors including employees of all levels pertaining to the financial institutions may be included in the forthcoming researches. Moreover since, the study covers only the Delhi NCR region hence, studies are possible by covering other area/ areas of the country. Lastly the stakeholders involved in the secondary market may be considered for future studies.