APPENDIX

Quantitative Questionnaire

A Study on Derivatives Operations in Indian Capital Market with Special Reference to Protection of Retail Investors in Mumbai

Section A: Demographic Profile

1) Age:

   18-25 years
   26-35 year
   36-45 years
   46-55 years
   56 years and above

2) Gender:

   Male
   Female

3) Educational Qualification:

   Undergraduate
Diploma
Bachelor’s degree
Master’s degree
PhD

4) Professional Background:

Service
Business
Student
Unemployed
Retired

5) Annual Income:

Less than Rs. 2.5 lacs
Rs. 2.5- Rs. 5 lacs
Rs. 6- Rs. 15 lacs
More than Rs. 15 lacs

Section B: General Questions

1) For how long have you been trading in the derivative market?

1-2 years
3-5 years
6-9 years

10 years and above

2) How often do you trade in the derivative market?

   Daily
   Weekly
   Quarterly
   Semi-annually
   Yearly

3) What is your primary purpose of investing in the derivatives market?

   Retirement planning
   For charity purposes
   Additional Income to fulfill household needs
   Future and education of children
   Others (Pls. Specify ..................................................)

4) Which category of derivatives market do you trade in?

   Equity
   Currency
   Commodities

5) What are the types of Equity Derivatives do you prefer the most?

   Index future
   Stock future
   Index options
   Stock options
6) What is the periodicity of contracts do you normally prefer investing in?

   Contracts with 1 month expiry
   Contracts with 6 months expiry
   Contracts with 1 year expiry
   Contracts expiring in more than 1 years

7) Which of the following define your equity derivative market trading activity?

   Hedging
   Speculation
   Arbitrage

8) How would you define your derivative portfolio?

   Relative level of stability in overall investment portfolio
   Increased investment value while minimized potential for loss of principal
   Investment with moderate level of risk
   Maximum long term returns with high risk

9) Minimum contract size value for retail investors is 2 lacs. Do think it should be reduced in order to attract more participation?

   Yes
   No
   May be
Don't know

10) What kind of risks do you perceive when investing in derivative market?

Uncertainty of returns
Slump in the market
Fear that the company may shut down
Others

11) What is the prime reason for investing in derivative market? (Tick all that apply)

Profit
High rate of return
Hedging
Investment leverage
Arbitrage
Liquidity in the market
More transparent growth
More rapid market movements
Longer trading hours
Wider variety of products
Others (Pls. Specify ............................................)
12) What according to are the reasons people don’t invest in the derivative market?

Lack of knowledge and understanding
Highly speculative
Lack of awareness
Counter party risk
Risky and highly leveraged

13) From where do you take advice before investing in the stock market?

Stock brokers
Research analyst/research firms
Financial websites
News networks
Friends and family
Others (Pls. Specify ............................................................)

Section C Growth in the Derivative Market

14) Have you ever incurred loss in the derivatives market?

Yes
No

15) If yes, what was the amount which you lost?
Less than 25, 000Rs
26,000- 50, 000
51,000 to 1 lac
More than 1 lac

16) What do you think about the overall growth of derivative market since its start in year 2000?

Grew at a very fast pace
Growth has been moderate
Growth has been slow

<table>
<thead>
<tr>
<th>Statement</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clearing and settlement of futures and options transactions is efficient</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trading of futures and options transactions is efficient</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The futures and options transactions is orderly market</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The futures and options transactions is fair to all market</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The derivatives market offers variety of derivatives for investment

Market data for trading in derivatives markets can be easily obtained

The derivative market is free from manipulation

The regulatory committees help in protecting the rights of the investor

Did not grow much

17) What according to you are the reasons behind this growth? Rate on the scale of 1-5 where 1= strongly disagree, 2= disagree, 3= neutral, 4= agree, 5= strongly agree.

Section D: Assessment of Educational Programs for Retail Investors

18) Rate the following statements on the scale of 1-5 which reflect your awareness about the trading in derivatives market? Rate on the scale of 1-5 where 1= strongly disagree, 2= disagree, 3= neutral, 4= agree, 5= strongly agree.
<table>
<thead>
<tr>
<th>Statement</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>I am aware of the derivative market activities in Indian Capital Market</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I follow the market news at least twice a week</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I follow the market through financial newspapers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I attend conferences and seminars relating to trading in derivatives market whenever I get time</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>My peers have been updating me with the latest developments in the market</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Companies listed on the market issue that financial statements which I consult regularly</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I generally seek information from licensed brokers, intermediaries and financial service companies</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
19) Are you aware of the Educational Programs initiated by the Ministry of Finance in year 2005?

   Yes
   No

20) If yes, have you enrolled in any of the programs initiated by the government?

   Yes
   No

21) If yes, what is the level of program which you have/had enrolled in?

   Foundation modules
   Intermediate modules
   Advanced modules

22) Did you find these educational programs useful?

   Yes
   No

23) Do you think the investor education provided by the related government department is adequate?
Highly inadequate
Inadequate
Neutral
Adequate
Highly adequate

24) How would you rate the overall effectiveness of the educational programs initiated by the government?

Not at all effective
Somewhat Effective
Neutral
Effective
Highly effective

Section E: Regulation and Protection of Retail Investor

25) Are you aware of the Regulatory bodies which protect the investor’s rights while trading?

Yes
No

26) If yes, are you aware of the acts which are being passed by the government related to protection of investor?

Yes
No

27) What is your level of Satisfaction protection given by regulatory bodies for retail investors investing in derivatives market?

Highly satisfied
Satisfied
Neutral
Dissatisfied
Not at all satisfied

28) Rate the following statement in relation to risks of investing in the derivative market on the scale of 1-5 where 1= strongly disagree, 2= disagree, 3= neutral, 4= agree, 5= strongly agree
<table>
<thead>
<tr>
<th>Statement</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>I have a fear of investing in the derivatives market</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I fear of investing in derivatives which have exhibited loss in the past</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I fear of investing in derivatives which show sudden changes in prices</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>My investments are based on the investment knowledge, experiences and education</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I rely on credible stock brokers who have knowledge and provide financial services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I am at ease with the idea of investing in derivatives market</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I am not afraid of investing in derivatives which have reflected positive growth in the past</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Section F: Future of Derivative Market**
29) Do you think the Indian market can allow complex products in derivatives market?

Yes
No

30) If yes, which of the following products should be introduced?

- Exotic derivatives
- ETF derivatives
- Interest rate options
- Others (Pls. Specify ........................................)
- Don't know

31) Should banks, financial institutions, FIIS, sub-accountants, Mutual funds and insurance companies be allowed to participate in these complex products rather than a retail investor?

Yes
No
May be
Don't know

Thank you for participating..!!
Research papers published in the Journals:


Seminars/ Conferences attended and presented.

1. International seminar on renewable Energy research center by Shri Jagadish Prasad Jhabarmal Tibrewala University on 23rd March 2013.

2. International seminar Digitalization and beyond by Russel Square International College, Gulmohar Cross Road No 9, JVPD scheme, Mumbai 400049 on 6th September 2013.
