Appendix
SURVEY ON THE MANAGEMENT ASPECTS OF RISK FACTORS OF INVESTING IN CORPORATE SECURITIES

I. General Information
a) Serial No : 

b) Occupation : 

c) District : 

d) Sex : Male/Female 

e) Age : Below 25 26-35 36-45 46-55 65 & above 

f) Educational qualification
  i) Under graduate  ii) Graduate  iii) Post Graduate  
  iv) Professional  v) Any other 

II Details Related to Investments
1. State for how many years you are involved in the securities market? 

2. Are you actively engaged in stock market operations? 
   Yes □  No □ 

3. If no, why? 
   a) Economic slow down  
   b) Political instability  
   c) Bitter experiences of the past  
   d) Deceit by unscrupulous promoters  
   e) All the above 

4. Out your total savings of the last year, state the percentage of your investment in shares.
5. Out of your total investment in the capital market, state the percentage of your investment in the secondary market in the last year.

6. When you invest, to which factor do you give more importance? Please rank them.
   a) The management of the company
   b) Earnings per share (EPS)
   c) Dividend declared in the last year
   d) Track record of the company
   e) Comparative price of the share
   f) All the above

7. When you invest, which of the following securities will you select for investment?
   a) Highly volatile securities
   b) Income stocks
   c) Less volatile stocks
   d) Any other (Please specify)

8. After a particular buy or sale of a company’s securities, if its price rises or falls, would you undertake an examination of the reasons for the rise or fall?
   Yes □   No □

9. What is your main objective while investing in corporate securities? (Please rank them)
   a) Income from dividend
   b) Capital appreciation
   c) Liquidity
   d) Safety against inflation
   e) Any other
10. Have you diverted funds from the stock market to some other avenues of investment?

Yes □ No □

11. If yes, why?

a) Political instability  b) High risk
b) Lack of incentives d) Bitter experiences of the past
e) Any other

III Details about risk factors

A. Political Risk

1. Do you consider political risk while investing?

Yes □ No □

2. What precautions do you usually take to cover this risk?

a) No activity when there is a change in the Govt.
b) Wait and watch for the policy of the new Govt.
c) Panic selling
d) Any other (specify)

3. Have you ever incurred loss in the stock market due to political instability?

Yes □ No □

4. Have you ever incurred loss due to international reasons?

Yes □ No □

B. Bad delivery

5. Have you ever met with bad delivery?

Yes □ No □
6. Did you complain to some authority?
   Yes ☐   No ☐

7. If yes, which authority?

8. What was their response?

9. Did you get the bad delivery rectified?
   Yes ☐   No ☐

C. Delayed Delivery

10(a) Have you ever experienced any delayed delivery? (of share certificate)

10(b) State the delay in weeks or months.

11. The delay was caused by
   a. Broker       b) The exchange

12. Do you complain to some authority?

D. Delayed payment

13. Have you ever experienced delayed payment?
   Yes ☐   No ☐

14. If yes, the delay was for
   a) Less than one month       b) One month to three months
   c) 3 to 6 months            d) More than 6 months

15. Did you complain about the delay to some authority?
   Yes ☐   No ☐

16. If yes, specify the authority?

17. What was their response?
E. Forged Share Certificate

18. Have you ever got any forged share certificate?
   Yes □ No □

19. Did you complain about this to any authority?
   Yes □ No □

20. If yes, to which authority?

21. Did you get it rectified?
   Yes □ No □

22. What are the inconveniences caused by such forged certificates?
   a) Funds blocked    b) Loss of confidence
   c) Any other

F. Odd lots

23. Have you got any odd lots? (Any lot which is not a marketable lot)
   Yes □ No □

24. How did you manage with that?
   a) Converted into market lot by further buying
   b) Retained as odd lots
   c) Combined with somebody else's shares
   d) Any other?

G. Loss of Share Certificate

25. Have you ever incurred loss of theft of share certificate?
   Yes □ No □
26. If yes, have you complained about this loss to the company?
   Yes □ No □

27. Did you recover the lost certificate?
   Yes □ No □

28. Have you ever lost share certificates in transit?
   Yes □ No □

29. If yes, did you report this loss to the company?
   Yes □ No □

30. Did you manage to get it back?
   Yes □ No □

31. How much time did it take to get it back?

32. If you failed to get back the lost one, did you ask the company to issue duplicate share certificates to replace the lost one.
   Yes □ No □

33. Did you succeed in getting duplicate share certificate?
   Yes □ No □

H. Default risk (Interest risk factor)

34. Have you ever met with default risk?
   Yes □ No □

35. If yes, have you complained about this to any authority?
   Yes □ No □

36. Have your grievances been redressed?
   Yes □ No □
I. Inflation Risk

37. Do you think that investment in shares can counter inflation risk?

   Yes □     No □

38. If yes, what is your expected rate of return from investment in shares?

   Rate (%) □

39. State whether your expected rate of return is realised?

   Yes □     No □

40. If not, can you pinpoint any reason for not achieving the expected rate of return.

   a) Could not take timely decision
   b) Political uncertainty
   c) Depression
   d) Any other

J. Market Risk

41. Have you ever met with market risk? (Risk due to the investor's reaction to price sensitive events)

   Yes □     No □

42. What precaution you usually take to cover this risk

   a) No activity       b) Panic selling
   c) Wait and watch the market  d) Any other

K. Other Risks

   a. Vanished Companies (Companies which have disappeared and which cannot be traced)
1. Do you hold shares of any companies which have vanished?
   - Yes ☐ No ☐

2. If yes, state the number of companies and shares.
   - No. of Cos. ☐ No. of shares ☐

3. Did you complain about this to any authority?
   - Yes ☐ No ☐

4. If yes, to which authority?

5. What was their response?

6. Speculation

7. Have you ever indulged in speculation?
   - Yes ☐ No ☐

8. If yes, has the speculative transaction resulted in profit? State the percentage of transactions which resulted in profit.
   - 0 to 25% ☐ 51 to 75% ☐
   - 26 to 50% ☐ 76 to 100% ☐

9. Did speculation result in net gain?
   - Yes ☐ No ☐

10. Finance

9. Have you ever met with financial difficulties while operating in stock market?
   - Yes ☐ No ☐

10. If yes, how did you manage that?
    - a) availed a loan ☐ b) sold valuables & property ☐ c) any other ☐
d. Short Sale

11. Have you ever effected short sale of shares? (Sale of securities without actually owning them)
   Yes □  No □

12. Has it resulted in net gain?
   Yes □  No □

IV. Management of Risk

1. Do you regularly watch the budget presented in the Parliament?
   Yes □  No □

2. While you invest in securities, would you diversify your portfolios?
   Yes □  No □

3. From your past experience, what is your opinion about diversifying portfolios?
   a) more safe  b) less safe
   c) more profitable  d) less profitable

4. What measures are taken by you to reduce risk?
   a) Mathematical models are applied
   b) Portfolio management techniques are applied
   c) Informal advice from the brokers
   d) Own experience in selecting the securities
   e) No steps have been taken so far
   f) Any other
5. Have you heard about the following theories of evaluating securities?
   a) Fundamental analysis        b) Technical analysis
   c) Random theory

6. If yes, do you evaluate the securities according to the above theories?
   Yes ☐       No ☐

7. Do you Undertake revision of portfolios?
   Yes ☐       No ☐

8. Do you seek any advice from brokers or investment consultants for investment decisions?

9. In your opinion, how far is it helpful?
   a) very helpful        b) helpful to a certain extent
   c) not at all helpful

10. Did you ever experience any stress in risk management?
    Yes ☐       No ☐

11. If yes, what methods are applied by you to reduce the stress?

12. When you apply for new issues, do you rely on the ratings of any publications?

13. If yes, how far is it fruitful?
    0 – 25%        26 – 50%
    51 – 75%        76 – 100%

14. Do you keep correct records of the transactions you enter into?
    Yes ☐       No ☐
15. If not, why?
   a) Lack of time
   b) Did not feel the necessity of recording
   c) Lack of knowledge in record keeping
   d) Any other

16. Do you attend company meetings?
   Yes ☐ No ☐

17. If not why? Specify the reason.
   a) Meetings conducted at far away places.
   b) Lack of time
   c) No tangible benefit in attending company meetings
   d) All the above

V. Investor Protection

1. Do you get timely investor services from the brokers?
   Yes ☐ No ☐

2. Have you at any time complained to the exchange about poor broker services?
   Yes ☐ No ☐

3. What was the response of the exchange?

4. Did you get timely redressal of grievances from the exchange?
   Yes ☐ No ☐

5. Are you aware of the existence of the Investors Grievance Cell in the stock exchange?
   Yes ☐ No ☐
6. Have you ever complained to the Investors Grievance Cell?
   Yes □  No □

7. Have you ever raised any complaints with the SEBI (Securities Exchange Board of India) about poor investor service?
   Yes □  No □

8. Have you dematerialised (changed into electronic form) your share certificates?
   Yes □  No □