ABOUT AUTHOR

Dr. N. Renuka is currently working as Professor in Department of Management, Avanthi PG College, Dilsukhnagar, Hyderabad. She has done a Ph. D in Management, MBA., ICWA Inter and Diploma in taxation in her account. She has 14 years experience in both teaching and research work . She has published many research articles in national and international journals. And attended seminars, conferences and workshop in National and International wide.

ABOUT TEXT BOOK

The growth of economy depends on the capital formation which in turn depends on the investment made by individual investors, Financial institutions, Government Agencies, Industries, etc., it is therefore very essential for any country to provide a conducive and productive climate to promote investments by setting up a system which provides all inputs required for an individual for making investments. An individual sacrifices his present consumption to generate savings which in turn invest in various investment opportunities. An equity market is a market in which shares are issued and traded, either through exchanges or over-the-counter markets. Also known as the stock market, it is one of the most vital areas of a market economy because it gives companies access to capital and investors a slice of ownership in a company with the potential to realize gains based on its future performance.

ISBN : 978 - 93 - 86739 - 14 - 8

Published by

Darshan Publishers

No : 8 /173 , Vengayapalayam,

Rasipuram Tk,

Namakkal Dt - 637 406

Tamilnadu, India

www.darshanpublishers.com

E-Mail : darshanpublishers12@gmail.com

ISBN 978-93-86739-14-8

9 789386 739148

INVESTOR'S PERCEPTION OF INVESTMENT IN EQUITY MARKET

FIRST EDITION

DR. N. RENUKA

DARSHAN PUBLISHERS

INVESTORS' PERCEPTION OF INVESTMENT IN EQUITY MARKET

DR. N. RENUKA

Professor in Department of Management,
Avanthi PG College, Dilsukhnagar,
Hyderabad.

Darshan Publishers, Tamil Nadu, India

First published in India in December 2017

This edition published by Darshan publishers
http://www.darshanpublishers.com

ISBN: 978-93-86739-14-8

Price: Rs: 350.00

Published by:

Darshan Publishers,
8/173, Vengayapalayam, Kakkaveri, Rasipuram,
Namakkal, Tamil Nadu,
India – 637406.
www.darshanpublishers.com
E-mail:darshanpublishers12@gmail.com

Printed by:

AR Printers,
No-24, Maatha Kovil Street, Near New Bus Stand,
Rasipuram- 637408
Mobile: 094867 62951/ 95245 44041
E-mail: arprinters2017@gmail.com

About Author

Dr. N. Renuka is currently working as Professor in Department of Management, Avanthi PG College, Dilsukhnagar, Hyderabad. She has done a Ph. D in Management, MBA., ICWA Inter and Diploma in taxation in her account. She has 14 years experience in both teaching and research work . She has published many research articles in national and international journals. And attended seminars, conferences and workshop in national and international wide.

About Text Book

The growth of economy depends on the capital formation which in turn depends on the investment made by individual investors, Financial institutions, Government Agencies, Industries, etc., it is therefore very essential for any country to provide a conducive and productive climate to promote investments by setting up a system which provides all inputs required for an individual for making investments. An individual sacrifices his present consumption to generate savings which in turn invest in various investment opportunities. An equity market is a market in which shares are issued and traded, either through exchanges or over-the-counter markets. Also known as the stock market, it is one of the most vital areas of a market economy because it gives companies access to capital and investors a slice of ownership in a company with the potential to realize gains based on its future performance.

ACKNOWLEDGEMENTS

*I thank the **ALMIGHTY**, for giving me the will, courage and determination to undertake and complete this research work.*

*This study could not have been completed without the support, assistance and guidance of many people. I wish to gratefully acknowledge and wholeheartedly thank my research supervisor **Dr. D. Prabhakar**, Asst. Professor, Sri Krishnadevaraya Institute of Management, Sri Krishnadevaraya University, Ananthapuramu. His continuous encouragement, guidance and inspiration helped me in pursuing this research work with lot of motivation and made my efforts meaningful. I wish to place on record my deep sense of gratitude to him for his continuous support and guidance all through my work.*

*I wish to sincerely thank **Prof. C. N. Krishna Naik**, Principal, SKU College of Arts, S. K. University and Dean, Faculty of Commerce and Management, for his timely support, help rendered and encouragement in my research work.*

*It is with pleasure that I express my sincere thanks to **Prof. K. Venugopala Rao,** Head and **Prof. P. Premchand Babu**, Chairman, BoS, Sri Krishnadevaraya Institute of Management, for their valuable inputs, support, guidance and their co-operation in providing necessary facilities to complete my research work in the department.*

*I would like to express my deep sense of gratitude to **Prof. M. Hampanna, Prof. B. Krishna Reddy, Prof. P. Murali Krishna, Prof. B. Anitha, Prof. B. R. Megharaj, Dr. Ch. Krishnudu** and **Dr. V. Sailaja** of Sri Krishnadevaraya Institute of Management, who sacrificed their valuable time and have patiently answered all my queries. My Deepest gratitude is to them for their expert counsel and thoughtful insights during my study. Their advice and cooperation was very useful for the completion of the study in time. I am thankful to **Mr. P. Ramakrishna Reddy** and all the other non-teaching staff of SKIM for the help they have rendered in completion of my research work.*

I express my affectionate and whole hearted gratitude to my beloved husband ***K. Sathish Kumar*** *for his moral support and cooperation for the successful completion of my research work.*

I express my sincere thanks to my parents ***Sri N. Venkata Naidu & N. Venkatamma, Sri N. Venkataramana*** *and* ***N. Ramalakshmi*** *and my mother in law K.* ***Jayammma,*** *my brother* ***N. Chithamber ,*** *sister-in-law* ***N. Deepa*** *and my sisters* ***N. Pushpalatha, Sujatha, Padmaja*** *and special thanks to my jiju* ***P. Nagaraju*** *and my sons K.* ***Ved Vaitaran, K. Kaustubh, K. Kaushik*** *for their support, love and affection in completing my research.*

I express my deep gratitude to my students Dr. ***B****. V****enu Gopal, Mr. Rajesh*** *Research Scholar, for their contribution to accomplish my thesis successfully.*

I express my sincere thanks to the investors in Hyderabad city who extended their cooperation in providing the primary data.

I shall be failing in my duty if I miss to record my hearty thanks to respondents who extended all co-operations in supplying the needy information.

Numerous debts have been accumulated in the preparation of this thesis and I find it difficult to express my gratitude to all of them individually in this limited space. Therefore, I have gathered the coverage to avoid the names of those who have been very close to me but this does not mean that their contribution to the present work has been in anywhere less valuable.

N. RENUKA

LIST OF TABLES

LIST OF FIGURES

ABBREVIATIONS

ANOVA : **Analysis of Variance**

BPO : **Business Process Outsourcing**

ADRs : **American Depositary Receipts**

BSE : **Bombay Stock Exchange**

CARE : **Credit Analysis and Research Limited**

CDs : **Certificate of Deposits**

CCI : **Controller of Capital Issues**

CRISIL : **Credit Rating Information Services of India Limited**

DSI : **Defensive Security Instruments**

EMU : **European Economic and Monetary Union**

ETF : **Exchange Traded Fund**

EPS : **Earnings per Share**

EVCA : **European Private Equity & Venture Capital Association**

FCCBs : **Foreign Convertible Currency Bonds**

FIIs : **Foreign Institutional Investors**

FCDs : **Fully Convertible Debentures**

GDP : **Gross Domestic Product**

HPCL : **Hindustan Petroleum Corporation Ltd**

GDRs : **Global Depositary Receipts**

HSBC : **Hong Kong Shangai Banking Corporation**

ICICI : **Industrial Credit and Investment Corporation of India**

HUF : **Hindu Undivided Family**

ICRA : **Investment Information and Credit Rating Agency of India Limited**

IEPF : **Investors Education and Protection Fund**

IDBI	**: Industrial Development Bank of India**
IRDA	**: Insurance Regulatory and Development Authority**
KMO	**: Kaiser – Meyer – Olkin Test**
IPO	**: Initial Public Offering**
MAUT	**: Multi Attribute Utility Theory**
MMTC	**: Mines and Minerals Trading Corporation of India**
MCX	**: Multi Commodity Exchange**
NAV	**: Net Asset Value**
NBFC	**: Non Banking Financial Companies**
NCDs	**: Non Convertible Debentures**
NSC	**: National Saving Certificate**
NMDC	**: National Mineral Development Corporation Ltd**
NSE	**: National Stock Exchange**
NTPC	**: National Thermal Power Corporation Ltd**
OTC	**: Over the Counter**
OTCEI	**: Over the Counter Exchange Of India**
PCDs	**: Partly Convertible Debentures**
PCB	**: Partially Convertible Bonds**
PE Ratio	**: Price/ Earnings Ratio**
PPF	**: Public Provident Fund**
QIB	**: Qualified Institutional Bidder**
RBI	**: Reserve Bank of India**
ROR	**: Rate of Return**
SCRA	**: Securities Contracts Regulations Act**
SDSS	**: Share Holders Defensive Security**
SEBI	**: Securities and Exchange Board of India**
SEBI ICDR	**: SEBI Issue of Capital and Disclosure Requirements**

SEZ : **Special Economic Zone**

SIDBI : **Small Industrial Development Bank of India**

SIP : **Systematic Investment Plan**

SPNs : **Secured Premium Notes**

SPSS : **Statistical Package for Social Sciences**

UAE : **United Arab Emirates**

UK : **United Kingdom**

ULIP : **Unit Linked Insurance Plan**

US : **United States**

VSAT : **Very Small Aperture Terminal**

INDEX

Chapter - 1

Introduction

Introduction

The economic development of any country depends on the existence of a well developed financial system. It is the financial system which supplies the necessary financial inputs for the production of goods and services that in turn promote to the well being and standard of living of the people of a country[1]. It intermediates with the flow of funds between those who save a part of their income to those who invest in productive assets[2]. The major assets traded on the financial system are money and monetary assets. The responsibility of the financial system is to mobilize savings in the form of money and monetary assets and invest them in productive ventures.

All economies operate with stock of real and financial assets. Real assets may be tangible and intangible. Tangible real assets are land and natural resources, buildings, inventories, equipment, durables, infrastructure and so on.

Intangible real assets are human capital, organizational systems, Government and so on. Every asset represents savings either by the owner himself or by the lenders of surplus savings. Most of the real assets are financed through borrowings (suppliers of surplus savings) financial assets or claims or securities or instruments come into existence to enable transfer of savings for investment[3]. Financial assets may be classified as equity instruments, debt instruments, deposits, units, insurance policies and so on. In a modern market economy, the real and financial assets must interact for the process of the capital formation to take place.

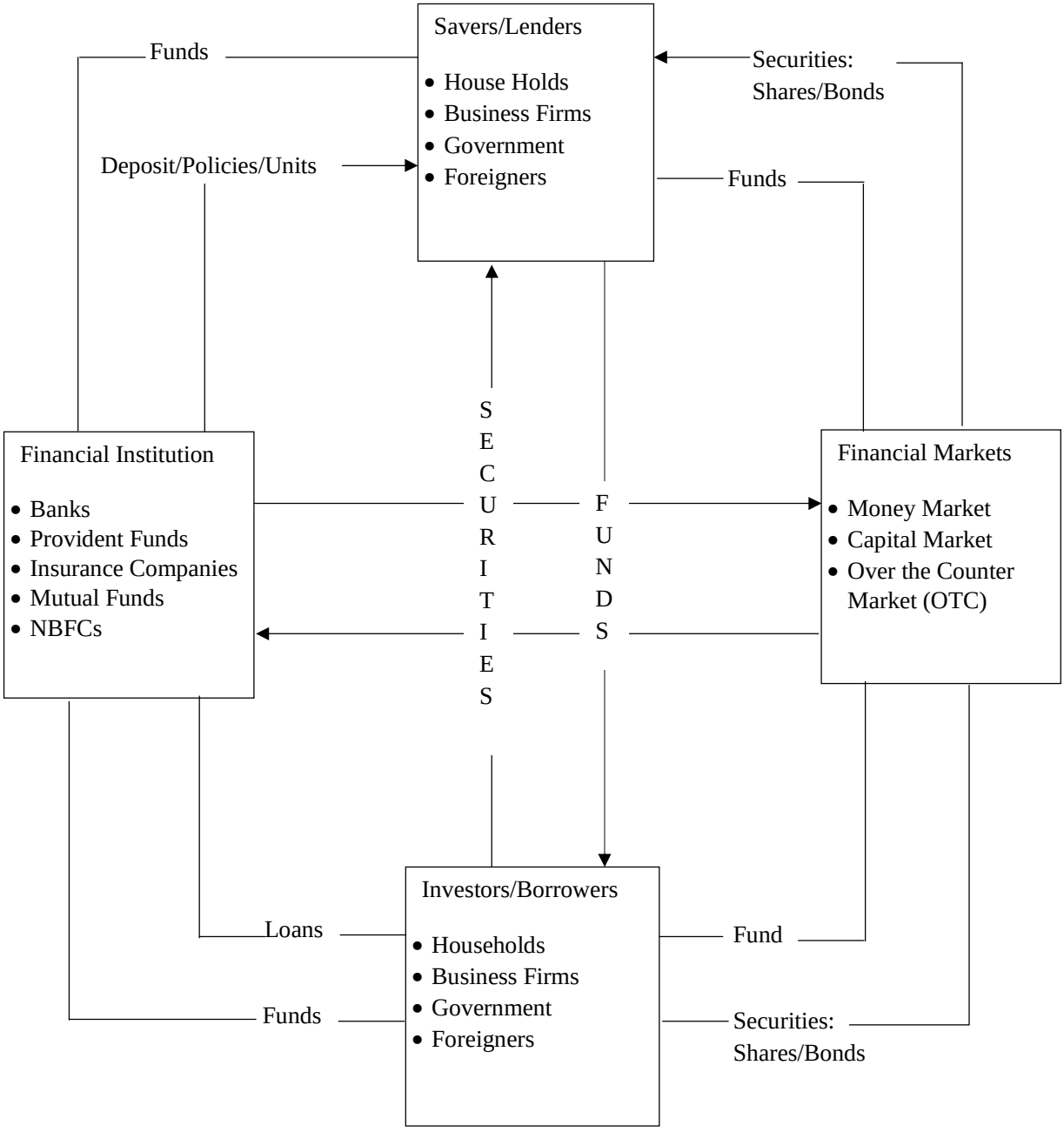
A financial system is a complex, well-integrated set of sub-systems of financial institutions, markets, instruments, and services which facilitate the transfer

and allocation of funds, efficiently and effectively. These four subsystems do not function in isolation. They are interdependent and interact continuously with each other. Their interaction leads to the development of a smoothly functioning financial system[4]. It performs the essential economic function of transfer of surplus funds from lenders (households, business firms, Government and foreigners) to who (households, business firms, Government and foreigners) have shortage of funds.

Financial institutions or intermediaries mobilize savings by issuing different types of financial instruments which are traded in financial markets. To facilitate the credit allocation process, they acquire specialization and render specialized financial services[5]. (Fig 1.1).

The mechanism or system through which financial assets are created and transferred is referred as financial market. In the financial markets there are two kinds of people, They are primary lenders or investors and ultimate borrowers. The people who spend less money than their income are called primary lenders or investors.

Fig - 1.1: Indian Financial Systems

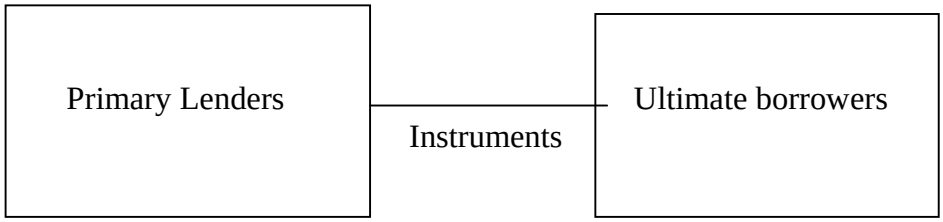


Source: Bharathi V. Pathak

The people who spend more money than their income are called ultimate borrowers. The instrument between primary lenders and ultimate borrowers is called financial assets. (Fig 1.2).

For example if the investor deposits the money in the fixed deposits of a commercial bank, the bank issues a fixed deposit receipt which is known as financial asset.

Fig - 1.2: Financial Assets



Financial market deals in financial securities or instruments and financial services. It may be variously classified as primary and secondary, money markets and capital markets, organized and unorganized markets, official and parallel markets and foreign and domestic markets. Financial markets provide money and capital supply to the industrial concerned as well as promote the savings and investment habits of the public[6]. In simple census financial market is a market which deals with various financial instruments (shares, debentures, bonds, treasury bills, commercial bills etc) and financial services (merchant banking, underwriting etc)

In financial markets, funds or savings are transferred from surplus units to deficit units. A financial market comprises players such as banking and non-banking financial institutions, dealers, borrowers and lenders, investors and depositors and

agents[7]. These participants take an active part in driving demand and supply in the financial market.

Financial markets are classified as money market and capital market. Money market deals with short term claims or financial assets for a period less than a year, capital market deals with those financial assets which have maturity period of more than a year. Yet another classification could be primary markets and secondary markets[8]. Markets that deal in new issues of securities are called primary markets and secondary markets deals in securities, which are already issued and available in the market for trading.

Capital markets are the financial markets in which corporate equity and long term debt are issued and traded. Capital market works as conduit for demand and supply of long term debt and equity capital. Capital markets are the means through which small and scattered savings of the investors are directed into productive activities of corporate entities. Capital markets are the barometer of the health of the economy[9]. A well organized and regulated capital market facilitates sustainable development of the economy by providing long term funds in exchange of financial assets to investors. An efficient allocation of capital is the most important finance function in modern times. It involves decisions to commit the firm's funds to the long term.

Capital budgeting decisions are of considerable importance to the firm since they tend to determine its value by influencing its growth, profitability and risk. The capital budgeting decisions of a firm are generally known as the investment appraisal, or capital expenditure decisions. A capital budgeting decision may be defined as the firm's decisions to invest its current funds most efficiently in the long term assets in

anticipation of an expected flow of benefits over a series of years. The capital budgeting decisions involve long term planning for selection and also financing the investment proposals[10].

The growth of economy depends on the capital formation which in turn depends on the investment made by individual investor, Financial institutions, Government Agencies, Industries, etc., it is therefore very essential for any country to provide a conducive and productive climate to promote investments by setting up a system which provides all inputs required for an individual for making invetments[11]. An individual sacrifices his present consumption to generate savings which in turn are invested in various investment opportunities. It is very essential for any individual to have proper insight of all the relevant issues which can have bearing on his investment decisions.

Investment in various types of assets is an interesting activity that attracts people from all walks of life irrespective of their occupation, economic status, education and family background. When person has more money than he requires for current consumption, he would be called a potential investor. The investor who is having extra cash could invest in securities or in any other assets like gold or real estate or simply deposit in his bank account. The companies that have extra income may like to invest their money in the extension of the existing firm or undertake new venture. All of these activities are referred as ‘Investment’.

Investment requires sacrifice of present consumption to get return in future. Investment is an act of placing funds in some opportunity or instrument with expectation that will be preserved or increase in value or generates positive returns. The overall investment process is the mechanism for bringing together suppliers

(those who have extra funds) with demanders (those who need funds). Suppliers and demanders are most often brought together through financial institutions, which act as financial intermediaries in the financial market.

Investment is "A commitment of funds made in the expectation of some positive rate of return". Expectation of return is an essential element of investment since the return is expected to be realized in future, there is a possibility that the return actually realized is lower than the return expected to be realized[12]. This possibility of variation in the actual return is known as investment risk. Thus investment involves return and risk. Investment activity directly depends upon saving. Saving can be defined as the access of income over expenditure. People may save funds but they may not be investors. For example, an individual who sets aside some money in locker for education of spouse or for marriage purpose is a saver. He cannot be considered as an investor whereas an individual who opens a saving account in bank and deposits some money regularly or as and when he has some spare amount of money for some specific purpose would be called an investor.

The distinction between a saver and an investor cannot be made on the basis of the motive of savings. The distinction can be made on the basis of their expectations. The saver who puts his money in a locker or somewhere in his house does not expect excess returns from the savings where as an individual who opens a saving bank account expects a growth of its funds through additional return from the bank. Thus we may conclude that the expectation of return is an essential characteristic of investment.

An investor expects to earn additional return on its present money from the mode of investment that could be in the form of physical \ financial assets. An

investment in Equity shares, Debentures, Mutual funds, ULIPS or Fixed deposits in bank etc., is a financial asset whereas the purchase of house, gold, land etc is an investment in physical asset.

Saving and investment habit of individual household \ retail investors in any economy plays a vital role in the development of economic activities, the growth of any economy cannot be studied without studying the public and private investment activities in the economy, For studying investment activity the perception of an individual investor is an important factor to be studied. An important feature of the financial market is the depth and breadth of public participation in the market. Millions of households and individual investors provide a pool of capital and a diversity of decision-making that creates liquidity in the market and makes it dynamic. Thus the number of households and individual stock holders are the two most important players in financial market to denoting the breadth of stock ownership in the population.

The past few decades have experienced the radical changes in the Indian financial environment, from saving oriented economy to investment oriented economy. Due to the changes made in policies leading to liberalizations and globalization, the financial markets have experienced the product innovation, increased international integration, more transparency and coordination. Due to these economic developments the Indian financial markets have found greater participation of individual investor in capital market as well as in other investment avenues such as mutual funds, pension funds and the other traditional avenues, such as deposits and government securities. As developed securities market enables all individuals, no matter how limited their means, to share the increased wealth provided by competitive

private enterprise[13]. This has opened a new vision of studies from simple consumption saving choice, to the study of spending plans and consequently the portfolio composition of individual investor. In India the growth in service sector was very much delayed and the household sector was still not taken care of, although the sector was contributing substantially to the total gross domestic savings.

The Indian financial system has undergone a considerable change in the recent past. It has left the backwaters & entered in the open sea. It has to be competitive as what a free financial system ought to be in the era of globalization. It has to be competitive, market-oriented, cost-effective, modern, & should try to remain a float and struggling to push ahead.[14] The transformation implies that the components of the Indian financial system, that is, the institutions and markets functioning within it have chosen to be well managed and growth-oriented. The system has become modern, having features such as derivatives and commodity market. With all new innovative new financial instruments such as deep discount bonds, securitized paper, paperless trading, floating rate bonds etc.

"The stock market has actually been a vehicle that has given, over the medium to long term, a real rate of return on your savings. So the equity market is one area that people could look at for return that beat inflation. The only problem that it is certainly not the same as a bank account because you can lose money in the equity market and you can't just take out money whenever you want it".

-Charles Ross

Equity market otherwise called stock market is a public entity for trading shares or stocks of a particular company at an agreed price. Supply and demand in the stock market is affected by various factors that in turn affect the price of the stocks

(Stock volatility). Investment decisions in equities are sometimes rational where the investors take decisions analyzing the information in the market. Some investors take irrational decisions where they ignore certain information that is available. Irrational decisions may also be due to the investor's limited capacity to process the information available. Investors also take decisions matching the risk absorption level[15].

Stock market is said to be peculiar though there are different methods and tools to analyze before taking decisions. Investment decisions are still found to be complicated as there are various factors to be considered to choose equity or a stock to invest in or trade into. These socio economic, demographic and attitudinal factors act as key drivers for investment decisions. There is always something that is underpinning an investment decision making process as the probabilities of returns are a concern. Most of the investors feel insecured in managing their investment on the stock market because it's difficult for an individual to identify companies which have growth prospects for investment. Even after identifying the growth oriented companies and their securities, the trading practices are also complicated, making it a difficult task for investors to trade in all the exchange and follow up on post trading formalities. Hence this is very much important to the stock dealers especially who are new to the market.

The equity investment decisions are influenced by few factors like good corporate earnings, stock marketability, stock affordability, dividend announcements, price earnings ratios, momentum effect, contrarian effect, investment perception of FII's, firm's reputation, socially responsible investing, current economic indicators, opinion from family \ friends \ colleagues , brokers recommendation and other professional advice.

Individual Investors:

An important feature of the financial market is the depth and breadth of public participation (i.e. Individual investors) in the market. Millions of households and individual investors provide a pool of capital and diversity of decision making that creates liquidity in markets and makes it dynamic. Thus the number of household and individual stock holders fixes deposit holders in bank and post office, bond holders or investors in different mutual funds, insurance linked investment plans is most commonly cited summary statistics denoting the breadth of investors in the population.

These statistics are useful tools for understanding the changes that take place in the financial market and for policy formulation. It needs to mention that government, business and individuals are three key participants in the investment process and each may act as a supplier or investor of funds. Depending up on the personal investment goals and objectives, individuals may place their savings in savings accounts, buy shares of listed companies, buy debt instruments, buy insurance or purchase various types of properties.

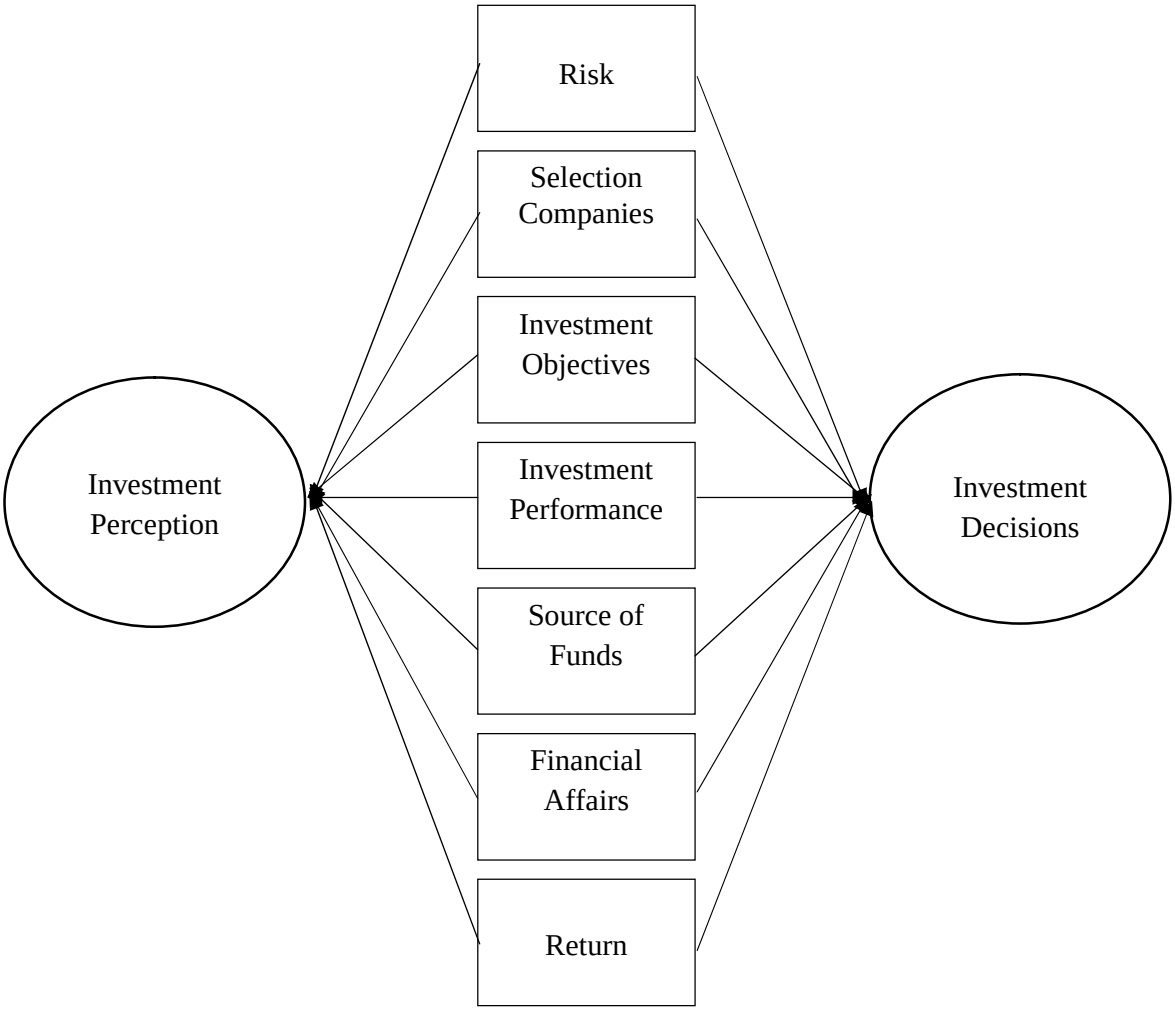
A successful investor is not the one who makes huge profits but one who studies the market, understands his risk taking abilities, sets the clear cut investment objectives, determines the expected rate of return and also decides the time and period of investment.

Investor's Perception:

Investor's perception refers to the selection, purchase and consumptions of goods and services for the satisfaction of their wants. There are different processes involved in the investor perception. Initially the investor tries to find what securities

he would like to invest, and then he selects only those securities that promise greater utility. The research model developed to study the investor perception is presented in Fig 1.3

Fig - 1.3: Investors perception



Investor's perception towards investment depends on the factors like risk, the company to which investment made by the investor, the objective of the investment, selecting the best alternative from among the investment alternatives, source of funds by the investor and the returns associated with the investment instruments.

After selecting the security, the investor makes an estimate of the available money which he can spend. Lastly, the investor analyzes the prevailing prices of security and takes the decision about the security he should invest to get better returns.[16]

Impact Of Demographic Factors on Investor's Investment Decisions:

An investment is saving of current money and other resources for the future benefit. There are various investment avenues available for retail investors and depending up on one's risk appetite, he/she can choose between bank deposits, government \ private bonds, shares and stocks, exchange traded funds (ETF) mutual funds, insurance, commodities, currencies etc. Risk is an important factor to be considered while making an investment in the stock markets. Investor's perception is deeply influenced by cultural factors such as: Buyer culture, subculture and social class.

Culture: Basically culture is the part of every society and is the important influence on the person's wants and perceptions. The influence of culture on buying perception varies from country to country therefore marketers have to be very careful in analyzing the culture of different groups, regions.

Demographic factors: - These are important factors affecting the perception. (Age, Gender, Education, Occupation, Monthly Income are demographic factors)

Age: - Age and lifecycle have the potential impact on the investors also influence the perception towards the investment. It is obvious that the investors change the purchase of investment instruments with the passage of time. Investment performance or decision making process of individual investors is also based on his \ her age. It is explored by researcher risk aversion relatively decreased with the age of people when other variable are held constant.

Gender: - Among other demographic factors gender is the first effective differentiating and classifying factor. Because of the role of emotional variables risk perception differ between men and women. As compared to male investor female investors have wider risk aversion in different activities like financial decision making[18].

Education:-Third demographic factor which caused a higher financial risk tolerance during decision making process is education i.e. formal attained academic training to the investors. Level of education obtained and risk tolerance have a positive relationship among the educated investors[19].

Occupation:-The occupation of a person has significant impact on their perception towards instruments. Occupation means the activity in which people engaged for pay. Those people who generate their income directly from their own business, trade or profession leads to higher levels of risk taking as compare to the people of straight salary work for others.[20]Occupational status is also affecting the level of risk taking ability; people with higher ranking occupational status are more risk seekers as compared to low ranking occupational status.[21] People having low risk taking ability choose low ranked professions.

Monthly Income:- Income level of investor also affects its behavior toward investment. A person with greater wealth takes greater risk. Persons with upper level of income and millionaires tend to take higher risk than individual with lower level of income. Investors invest their funds in more volatile portfolio composed of more volatile stocks when they have higher level of income[22].

B. Psychological Factors

There are four important psychological factors affecting the consumer buying perception. These are: perception, motivation, learning, beliefs and attitudes.

Motivation:- The level of motivation also affects the buying perception of investors.

Perception:- Selecting, organizing and interpreting information in a way to produce a meaningful experience of the world is called perception.

Investment Perception of Investor:

To gauge the impact of the change and growth of the investments market on individual investor during post liberalization and to analyse the quality of its growth, the study of investment pattern & investors is required. Saving and investment is a disposable income which does not include consumption. Therefore the national saving will comprise national disposable income, which does not include the national consumption. In an economy where financial markets are developed, the savings of household sector are reflected through the investment in various financial instruments issued by different intermediaries like banks, financial institutions and the government. In India, other than such savings like financial instrument, a component, of physical savings is also estimated that includes construction cost of living houses. A very peculiar feature in India is the purchase of gold by households in order to meet

the future expenses as well as to keep up with social customs. In an economic scenario the savings perception is reciprocal to the national consumption perception.

Savings in large extents influenced firstly through investment opportunities or investment demand which in turn depends upon the growth prospect and the potential return available on those investments, secondly it depends upon the avenues available in the economy for mobilize savings, in the form of developed financial system with a variety of institution and markets for different financial instruments and thirdly on the general thirst of the people as a part of national culture. Therefore the well developed and integrated financial system is essential to mobilize the saving into productive investment.

The securities market in India has grown dramatically in the last 15 years and this led to the expansion of direct equity ownership in the country. A large number of households have also indirectly owned equity shares and debentures through their participation in mutual funds. During the recent past securities market are highly volatile and due to these reasons some individual investors are more inclined towards traditional investments like bank and post office deposits, insurance policies, ELSS & SIP offered by banks and mutual funds.

At the macro level the perception of individual saving and investments is primarily related to the nation's marginal propensity to consume, which in turn depends upon the level of income of the investor, secondly it can considerably influence incentive structure provided by the authorities, fiscal or otherwise. While providing incentives there are two approaches, first the income oriented approach and the second one is the price oriented approach. Income oriented approach includes changing the monitory and fiscal policy mix by lowering government and private

consumption while stimulating the investment through lower interest rates. Price oriented approach include rising the rate of return to the investor or saving by lowering the tax rate or raising the rewards for the investments by offering investments and additional depreciation allowances.

At the micro level, the perception of the individual investor saving and investments is a very complex phenomenon and can only be determined through the study of various factors. Several econometric studies have recently attempted to identify determinants of the Indian saving rate, using a standard life cycle approach, ordinary least squares methods were employed to derive the broad results. The complexity of the study of individual's savings perception can reasonably be explained by the emotional and sentimental perception of individuals towards savings and investments. In India the cultural aspect also plays an important role in saving and investment of Indian individual investor. The result of few of the studies which have conducted on Indian households, found that GDP growth has had no significant impact on the saving rate. Rising per-capita income however was found to have a weak positive effect on household saving. The agriculture sector in India has a lower propensity to save compared to other sector, so that a diminishing share of agriculture in GDP raises the saving rate. The effect of taxation on saving has been weekly negative. A higher real interest rate has apparently increased saving surprisingly.

However, the interest rate has affected physical saving positively but has had no impact on financial saving. Financial deepening (as measured by the broad money to GDP ratio and by the number of bank branches) also has increased the saving rate. Country of other Asian economies, growth in the relative size of the working age population was not found to have a significant impact on saving.

References

1. Desai Vasant (1997), "Indian Financial System**"**, Himalaya Publishing House, New Delhi

2. Bharathi. V. Pathak (2003), "Indian Financial System**"**, fourth edition, Pearson Education PP: 1-5.

3. Chandra Prasanna (1990), "Indian Capital Market: pathways of Development", ASCI Journal of Management, Vol. 20, No.2-3, Sept – Dec, PP: 129 – 137.

4. Bharathi V. Pathak (2003), "Indian Financial System**"**, fourth edition, Pearson Education PP: 1-10.

5. Bhole L M (1992), "Financial Institutions & Markets: Structure Growth and Innovations", II Edition, Tata McGraw Hill, Delhi, P. 527

6. Avadhani. V. A. (1994), "Investment and Securities Market in India" Himalaya Publishing House, New Delhi.

7. Choudhary C.M. (2009), "Financial Market in India" Indus Valley Publication, Jaipur.

8. Agarwal Karunesh Kumar (2010), "Regulation of Capital Market & Investors Protection in India" Rochka Publishing Company Limited.

9. Black (1972), "Capital Market Equilibrium with Restricted Borrowing", Journal of Business, Vol. 45, 1972, and PP: 444- 445.

10. A R Aryasri (2005), "Managerial Economics and Financial Analysis", Second Edition, Tata Mc Graw – Hill Publishing Company Limited, New Delhi, PP: 12.2 – 12.5.

11. Banerjee Arindam (2006), "Institutional Investors – Emerging Trends", The ICFAI University press, Hyderabad.

12. Umesh Rawal (2011), "Investors in Financial Market", Bhavnagar University, Bhavnagar, September1, pp: 1-14.

13. Jenkins and J.K. Nayak (1991) “Analysis of the Indian Capital Market: Pre and Post Liberalization”, Vilakshan, XIMB Journal of Management.

14. Pathak Bharathi (2003), “Indian Financial System”, fourth edition, Pearson Education pp: 1-10.

15. P. Varadharajan and P. Vikkraman (2011), “A Study on Investor’s Perception towards investment decision in Equity Market”, International Journal of Management, IT and Engineering, ISSN: 2249-0558, Volume 1, Issue 3, August, pp: 60-80.

16. Anitha and Phani Bhargavi (2004), “Investors’ Perception towards Investment”, Global Journal of Finance and Management, ISSN 0975-6477 Volume 6, Number 2, pp. 185-190.

17. Sung, J. & Hanna, S (1996b), “Factors related to risk tolerance: Financial Counseling and Planning”, Volume7, pp: 11-20.

18. Graham, J. F., Stendardi Jr., Myers, J. K., & Graham, M. J. (2002), “Gender differences in investment strategies: An information processing perspective”, International Journal of Bank Marketing, Volume 20(1), pp: 17-26.

19. Graham J. R., Harvey C. R., and Huang H., (2009), “Investor Competence, Trading Frequency, and home bias,” Management Science, Vol. 55, No.7, pp. 1094-1106.

20. MacCrimmon, K. R. & Wehrung, D. A. (1986), “Taking risks”, New York: The Free Press.

21. Roszkowski, M.J., Snelbecker, G.E., & Leimberg, S.R. (1993), “Risk-Tolerance and Risk Aversion”, the tools and techniques of financial planning, 4th edition, pp. 213-225. Cincinnati, OH: National Underwriter.

22. Barber, B.M., and Odean, T. (2001), “Boys will be Boys: Gender, Overconfidence, and Common Stock Investment”, Quarterly Journal of Economics, 116(1), 261-292.

Chapter – II

CAPITAL MARKETS IN INDIA

Capital Markets in India

Economic growth and development of any country depends upon a well-knit financial system. Financial system comprises a set of sub-systems of financial institutions financial markets, financial instruments and services which help in the formation of capital. Thus a financial system provides a mechanism by which savings are transformed into investments and it can be said that financial system play an significant role in economic growth of the country by mobilizing surplus funds and utilizing them effectively for productive purpose.

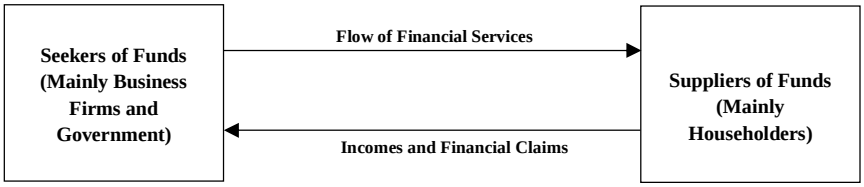
Finance plays a key role in the part of economic and business activities of the country. Systematic and efficient flow of finance is needed to efficient and effective management of the business concern. Arrangement of finance to required business concern should be properly maintained and channelized through regulated institutions and markets. In India, with the effect of the new economic policy, emerging needs of financial institutions and markets should be looked after. Indian financial system has developed constantly and successfully to infuse the new blood to the economic development of the nation. Hence the economic growth and development is purely based on the regulated and well established financial system of the country[1].

The financial system is characterized by the presence of integrated, organized and regulated financial markets, and institutions that meet the short term and long term financial needs of both the household and corporate sector. Both financial markets and financial institutions play an important role in the financial system by

rendering various financial services to the community. All these four sub-systems of financial system are operated with close combination with each other.

Financial System

Figure - 2.1: Flow of Funds



The word “system”, in the term “financial system” implies a set of complex and closely connected or interlined institutions, agents, practices, markets, transactions, claims, and liabilities in the economy. The financial system is concerned about money, credit and finance. The three terms are intimately related yet they are somewhat different from each other. Indian financial system consists of financial market, financial instruments and financial intermediation.

Role/Functions of Financial System:

A financial system performs the following functions

- It serves as a link between savers and investors. It helps in utilizing the mobilized savings of scattered savers in more efficient and effective manner. It channelizes flow of saving into productive investment.
- It assists in the selection of the projects to be financed and also reviews the performance of such projects periodically.
- It provides payment mechanism for exchange of goods and services.
- It provides payment mechanism for the transfer of resources across geographic boundaries.

- It provides a mechanism for managing and controlling the risk involved in mobilizing savings and allocating credit.
- It promotes the process of capital formation by bringing together the supply of saving and demands for investable funds.
- It helps in lowering the cost of transaction and increases returns. It reduces the cost motives there by helps people to save more.
- It provides detailed information to the operators/players in the market such as individuals, business houses, Governments etc.

Financial System in India:

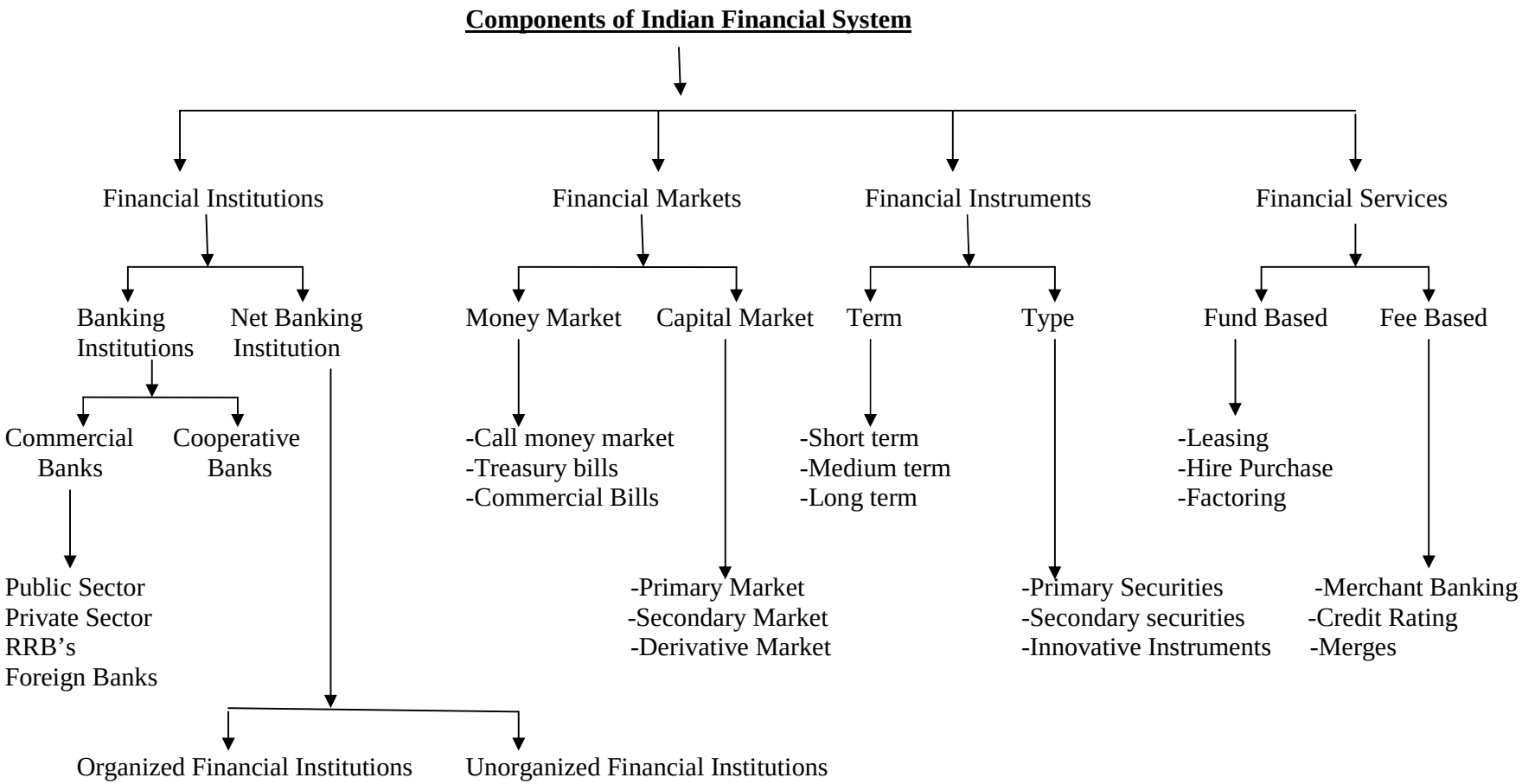
Financial system is the basic concept for the industrial development of the nation. Financial system provides adequate and smooth flow of finance to the need parts. Indian financial system consists of four important components.

Components/constituents of Indian Financial System:

The following are the four main components of Indian Financial System:

- Financial Institutions
- Financial Markets
- Financial Instruments/Assets/Securities
- Financial services

Fig – 2.2: Components of Indian Financial System



Financial Institutions:

Financial institutions are the intermediaries which facilitate smooth functioning of the financial system by making investors and borrowers meet. They mobilize savings of the surplus units and allocate them in productive activities promising a better rate of return. Financial institutions also provide services to entities seeking advice on various issues ranging from restructuring to diversification of plans. They provide whole range of services to the entities who want to raise funds from the markets elsewhere. Financial institutions act as ***financial intermediaries*** because they act as middlemen between savers and borrowers. These financial institutions may be of Banking or Non-Banking institutions.

Financial Instruments:

Another important constituent of financial system is financial instruments. They represent a claim against the future income and wealth of others. It will be claim against the future income and wealth of other. It will be claim against a person or institutions for the payment of the some of the money at a specified future date.

Financial Instruments:

Efficiency of emerging financial system largely depends upon the quality and variety of financial services provided by financial intermediaries. The term financial services can be defined as “activities, benefits and satisfaction connected with sale of money that offers to users and customers, financial related value”.

Financial Markets:

Finance is a prerequisite for modern business and financial institutions play a vital role in economic system. It’s through financial markets the financial system of economy works. The main functions of financial markets are:

- To facilitate creation and allocation of credits and liquidity
- To serve as intermediaries for mobilization of savings
- To assist process of balanced economic growth
- To provide financial convenience.

Financial market deals in financial securities or instruments and financial services. It may be variously classified as primary and secondary, money markets and capital markets, organized and unorganized markets official and parallel markets, and foreign and domestic markets. Financial market provides money and capital supply to the industrial concern as well as promotes the savings and investments habits of the public. In simple censes financial market is a market which deals with various financial instruments (share, debenture, bonds, treasury bills, commercial bills etc.) and financial services (merchant banking, underwriting etc)[2]

Financial markets may be divided into two major classifications:

A. Money market

B. Capital market

Money Market:

Money market is one of the parts of Indian financial market which provides short term financial requirements of the industrial and business concern. Money market is again sub dividend into the following categories on the basis of the instruments used in the money market. A well-organized money market is the basis for an effective monetary policy.

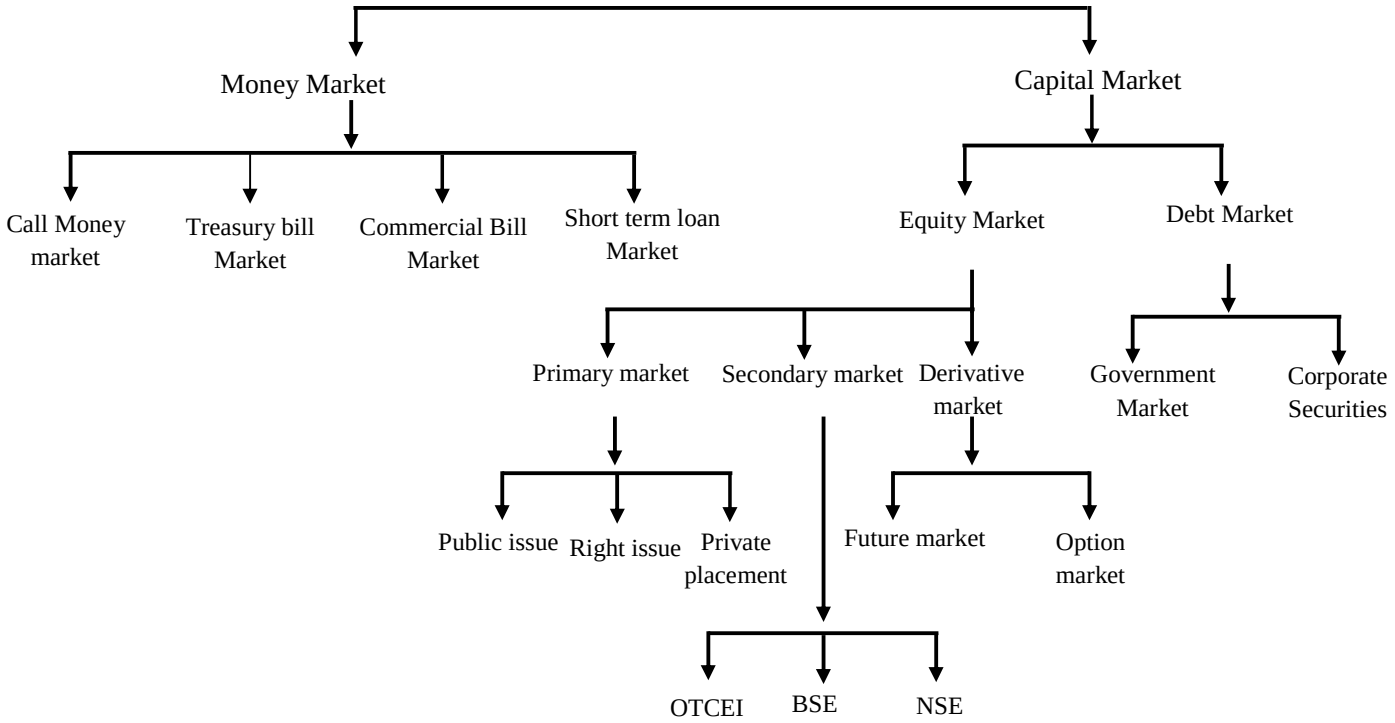
A money market may be defined as the market for lending and borrowing of short term funds. It is the place where the short term surplus investable funds at the

disposal of banks and other financial institutions are bid by borrowers comprising companies, individuals and the government.

The Reserve Bank occupies a Pivotal position in the Indian money market as it controls the flow of currency and credit into the market. The Indian money market is classified into the following ways:

Indian money market consists of two parts: the unorganized and organized sectors. The unorganized sector consists of indigenous bankers who pursue the banking business on traditional lines.

Figure - 2.3: Financial Markets in India



The organized sector, comprises the Reserve Bank, the State Bank of India and its associate banks, the 19 nationalized banks and other private sector banks both Indian and foreign.

The organized money market in India has a number of sub markets such as the Treasury Bills Market: the Commercial Bills Market and the Inter-Bank Call Money Market.

Indian Money Market:

1. **Call Money Market:** it is the market for very short term funds repayable on demand and with the maturity period less than 15 days. Call money market is mainly located in major industrial and commercial areas like Delhi, Mumbai, Kolkata, Chennai and Ahmadabad.
2. **Treasury bill Market:** Treasury Bills are also one of the short term financial instruments, which deal in money market. Treasury bill is a kind of finance bill or promissory note issued by the government to raise short term funds. Treasury bills duration vary from 14 days to 364 days. Traditionally the Indian money market had suffered from inadequacy of short term credit instruments.
3. **Commercial Bills Market:** Another subdivision of money market is commercial market. A commercial bill or a bill of exchange is a short term, negotiable and self-liquidating money market instrument. It may be classified into clean bills, document bills, inland bills, foreign bills, accommodation bills, and supply bills etc.
4. **Certificate of deposits (CDs):** The CDs are another important instruments of money market. They are issued by banks in multiples of

Rs 25 lakh subject to a minimum amount of Rs. 1 crore. The maturity is between 3 months and 1 year. They are issued at a discount to the face value and the discount rate is freely determined according to market conditions. CDs are freely transferable after 45 days from the date of issue.

Concept of Capital Market:

To earn wealth is natural phenomena of every person for his future necessity. Side by side it should help the growth of country's economy. As much as skills are required to earn money, it is required in equal measure in spending it wisely. Proper financial knowledge can improve person's ability to save for his long-term goals and prevent himself and his family from financial exigencies. Generally, savings is in the form of savings bank account and in cash. It is very safe in savings account, earning a small rate of instruments and get back money as and when needed (high liquidity). However, prudent investments can earn a lot more than in savings account.

There are various Investment Related Products. In market as 1. Fixed deposit scheme offered by (Manufacturing) companies. They are similar to Bank fixed deposits but entile lesser liquidity and usually carry higher risk and return. 2. Capital market offers products like equity, debt, hybrid instruments and various mutual fund schemes. Each of this investment class caries different risk returns profile and is covered separately under products available in capital markets". As a shareholder, a person is a part owner of the company and entitled to all the benefits of ownership, including dividend (company's profit distributed to owners). Debentures or bonds are debt instruments which pay interest over their life time and are used by corporate to raise medium or long term debt capital[3].

Introduction to Capital Market:

Capital markets are the financial markets in which corporate equity and long term debt are issue and traded. Capital market works as a conduit for demand and supply of long term debt and equity capital. Capital Markets are the means through which small and scattered savings of the investors are directed into productive activities of corporate entities. Capital markets are the barometer of the health of the economy.

A well organized and regulated capital market facilitates sustainable development of the economy by providing long-term funds in exchange of financial assets to investors, Indian Capital market is one of the oldest and largest capital markets of the world. In the past few years Indian capital market has begun to transform rapidly in order to provide world-class services to the investors. A variety of developmental measures like deregulation and economic reforms, disintermediation and financial sector reforms, institutionalization of capital markets, investors preference for higher standards of disclosures and corporate governance in measures similar to those followed in developed markets, globalization and tax reforms etc., have all contributed to bring about the required changes in the capital markets.[4]

History of Indian Capital Market:

The history of Indian capital market can be traced back to the 19th century. The first instance of organized trading in corporate securities in India is related to the trading in securities of East India Company. In 1875, Dalal Street in Mumbai became prominent with the instigation of Bombay Stock Exchange (BSE), the first organized stock exchange in India. In mid-eighties there was an impressive growth in the secondary markets as ten stock exchanges were established. At present there are 23

stock exchanges in India of which four stock exchanges are derecognized. In 1991, Government of India launched a policy of liberalization and globalization of Indian economy in general and financial sector in particular. It covered various measures like abolition of industrial licensing except for short list of industries, 51 percent foreign ownership of equity, permission for Foreign Institutional Investors (FIIs) to invest in securities in primary and secondary market and permission for Indian companies to raise capital abroad through the issue of Global Depository Receipts (GDRs) or American Depository Receipts (ADRs). These reforms, particularly in financial sector, fuelled the growth of equity markets in India. A remarkable moment in the capital market had taken place in the year 1992, with the incorporation of Securities and Exchange Board of India (SEBI) as an investor protection body by the virtue of a special enactment, namely the SEBI Act, 199. In the past 15 years, the Indian capital market has witnessed exponential growth in terms of the volumes as well as in terms of market capitalization and in regulatory standards and practices.

Origin of Joint Stock Companies

The stock companies had its origin in the middle of the 19th century, enabling the pooling of small savings from the general public into the companies treasury and issuing shares to the investors in lieu thereof. Initially the benefit of limited liability did not attach to these corporate securities called company shares. In other words, investments in companies carried the same unlimited liability for the investor as was the case with investments in proprietorship concerns and partnership firms. The investors control the management group through their representatives at the board meetings and other company meetings, where the affairs of the company are managed by professionals. Thus the private and close associations which are noticed in a partnership firm amongst the investing partners do not exist in a joint stock company.

Soon after the concept of the joint stock companies came into being a number of companies mismanaged and lost their capital and worse still, the creditors chased the investors of the joint stock companies and attached their private properties also, to satisfy their claims on their basis of unlimited liability.

At this juncture, the joint stock concept itself received a rude shock and was about to become defunct. Firstly, at this stage the protection of limited liability was conceived and added as feature of the investments in the shares of joint stock companies. In fact this innovation was a remarkable one which paved the way for the large sized joint stock companies to emerge and mop up private savings for being channelized into productive purposes. It is therefore often held that after the invention of the Rail Road Engine, the most speculator innovation of 19th Century was the creation of joint stock companies with limited liability for the investors and with separation of ownership from management in the conduct of trade and commerce.

With the growth in corporate activity, Collection of funds towards shares in joint stock companies became common. However this involved detailed legal provisions in different enactments compelling issuers of capital to disclose all relevant information fully and fairly and to follow the laid down procedures for protecting the interests of investors, and consulting and obtaining approvals from them on matters of relevance to them. The practice of circulating annual accounts prepared by the board of directors, to the members along with the director's report and seeking their approval for appointment of directors and auditors and obtaining their consent on other statutorily prescribed matters had its origin from the above considerations.

The principle of corporate democracy was embedded in the corporate legislation from the inception so that the managements even while possessing

majority voting power in their hands were obliged to consult and give an opportunity to the minority shareholders also, to have a say in passing resolutions at the general meetings. The system of statutory audit by duly qualified accountants holding certificate of practice and observing standard accounting procedure and disclosure norms followed in due course.

The capital market is a market for financial investments that are direct or indirect claims to capital. The capital market comprises the complex of institutions and mechanism through which intermediate- term funds and long-term funds are pooled and made available to business, Government and individuals.

The capital market also encompasses the process by which securities already outstanding and transferred[5]. The capital market is a place where the suppliers and end users of capital meet to share one another's views, and where a balance is sought to be achieved among diverse market participants. The securities decouple individual's acts of saving and investment over time, space and entities and thus allow savings to occur without concomitant investment.

Moreover, yield baring securities makes present consumption more expensive relative to future consumption, including people to save. The composition of savings changes with less of it being held in the form of idle money or unproductive assets, primarily because more divisible and liquid assets are available[6].

The capital market facilitates mobilization of savings of individuals and pools them into reservoir of capital which can be used for the economic development of a country. An efficient capital market is essential for raising capital by the corporate sector of the economy and for the protection of the interest of the investors in

corporate securities. There arises a need to strike a balance between rising of capital for economic development on one side and protection of investors on the other. Unless the interests of investors are protected, rising of capital, by corporate is not possible. An efficient capital market can provide a mechanism for raising capital and also by protecting investors in corporate securities [7].

Classification of Capital Market:

The capital market[8] has two interdependent and inseparable segments,

a. Primary Market and

b. Stock Market (Secondary Market)

a. Primary Market:

The primary market provides the channel for sale of new securities. The issuer of securities sells the securities in the primary market to raise funds for investment and \or to discharge. In other words, the market where in resources are mobilized by companies through issues of new securities is called primary market. These resources are required for new projects as well as for existing projects with a view to expansion, modernization, and diversification and up gradation.

The issue of securities by companies can take place in any of the following methods:-

- Initial Public Offer (Securities issued for the first time to the public by the company);
- Further issue of capital ;
- Rights issue to the existing shareholders(on their renunciation, the shares can be sold by the company to others also);

- Offer of securities under reservation \firm allotment basis to;
    i. Foreign partners and collaborators,
    ii. Mutual funds
    iii. Merchant bankers
    iv. Banks and institutions
    v. Non Resident Indians and Overseas corporate bodies.
    vi. Employees.
- Offer to public
- Bonus issue

The primary market is of great significance to the economy of a country. It is through the primary market that funds flow for productive purposes from investors to entrepreneurs. The latter use the funds for creating new products and rendering services to customers in India and abroad. The strength of the economy of a country is gauged by the activities of the stock exchanges. The primary market creates and offers the merchandise for the secondary market.

Secondary Market:

Secondary market refers to a market where securities are traded after being initially offered to the public in the primary market and\or listed on the Stock Exchange. Majority of the trading is done in the secondary market. Secondary market comprises equity markets and the debt markets.

The Secondary markets enable participants who hold securities to adjust their holdings in response to changes in their assessment of risk and return. They also sell securities for cash to meet their liquidity needs. The secondary market has further two components, namely the over the counter (OTC) market and the exchange traded

market. OTC is different from the market place provided by the Over the Counter Exchange of India Limited. OTC markets are essentially informal markets where trades are negotiated. Most of the trades in Government securities are the OTC markets. All the spot trades where the securities are traded for immediate delivery and payment take place in the OTC market. The exchanges do not provide facility for spot trades in a strict sense. Closet to spot market is the cash market where settlement takes place after some time. Trades taking place over a trading cycle i.e. a day under rolling settlement, or settled together after a certain time. Trades executed on the leading exchange are cleared and settled by a clearing corporation which provides notation and settlement guarantee.

A variant of secondary market is the forward market, where securities are traded for future delivery and payment. Pure forward is outside formal market. The versions of forward in formal market are futures and options. In futures market, standardized securities are traded for future delivery and settlement. These futures can be on a basket of securities like an Index or an individual security.

In case of options, securities are traded for conditional future delivery. There are two types of options – A put option permits the owner to sell a security to the writer of options at a predetermined price while a call option permits the owner to purchase a security from the writer of the option at a predetermined price. These options can also be on individual stock or basket of stock like index. Two exchanges namely NSE and the BSE, provide trading of derivatives of securities.

Products and Participants of Capital Markets:

Transfer of resources from those with idle resources to others who have a productive need for them is perhaps most efficiently achieved through the securities markets. Stated formally, securities markets provide channels for reallocation of savings to investments and entrepreneurship and there by decouple these two activities. As a result, the savers and investors are not constrained by their individual abilities, but by the economy's abilities to invest and save respectively, which inevitably enhance the savings and investment in the economy.

Savings are linked to investment by a variety of intermediaries through a range of complex financial products called "securities" which is defined [9] in the Securities Contracts (Regulation) Act, 1956 to include:

- Shares, scripts, stocks, bonds, debentures, debenture stock or other marketable securities of a like nature in or of any incorporated company or body corporate;
- Derivatives;
- Units of any other instrument issued by any collective investment scheme to the investors in such schemes;
- Units or any other such instrument issued to the investors under any mutual fund scheme;
- Any certificate or instrument (by whatever name called), issued to an investor by any issuer being a special purpose distinct entity which poses any debt or receivable, including mortgage debt, assigned to such entity and acknowledging beneficial interest of such investors in such debt or receivable, including mortgage debt, as the case may be;

- Government securities;
- Such other instruments may be declared by central Government as securities; and rights or interest in securities.

There are a set of economic units who demand securities in lieu of funds and others who supply securities for funds. this demand for and supply of securities and funds determine, under competitive market conditions in both goods and securities market, the prices of securities which reflect the present value of future prospects of the issuer, adjusted for risks and also prices of funds.

It is not that the users and suppliers of funds meet each other and exchange funds for securities. It is difficult to accomplish such double coincidence of wants. The amount of funds supplied by the supplier may not be the amount needed by the user. Similarly, the risk, liquidity and maturity characteristics of the securities issued by the issuer may not match preference of the supplier. In such cases, they incur substantial search cost to find each other. Search costs are minimized by the intermediaries who match and bring the suppliers and users of funds together. These intermediaries may act as agents to match the needs of users and suppliers of funds for a commission, help suppliers and users in creation and sale of securities for a fee or buy the securities issued by users and in turn, sell their own securities to suppliers to book profit. It is, thus, misnomer that a securities market disintermediates by establishing a direct relationship between the savers and the users of funds.

The securities market, thus, has essentially three categories of participants, namely the issuers of securities, investors in securities and the intermediaries. The issuers and investors are the consumers of services rendered by the intermediaries while the investors are consumers (They subscribe for and trade in securities) of

securities issued by issuers. In pursuit of providing a product to meet the needs of each investor and issuer, the intermediaries churn out more and more complicated products. They educate and guide them in their dealings and bring them together. Those who receive fund in exchange for securities and those who receive securities in exchange for funds often need to reassure that it is safe to do so. This reassurance is provided by the law and by custom, often enforced by the regulator. The regulator develops fair market practices and regulates the conduct of issuers of securities and the intermediaries so as to protect the interest of suppliers of funds. The regulator ensures a high standard of service from intermediaries and supply of quality securities and non-manipulated demand for them in the market.

Capital Market Instruments:

Capital market instruments can be classified into three categories:

1. Pure
2. Hybrid and
3. Derivatives

1. Pure Instruments:

Pure instruments can be classified into a. Equity Shares b. Preference shares and c. debentures\bonds which are issued with their basic characteristics intact without mixing features of other classes of instruments are called pure instruments.

***a. Equity shares*:** commonly referred to as ordinary share also represents the form of fractional ownership in which a shareholder, as fractional owner, undertakes the maximum entrepreneurial risk associated with a business venture. The holder of such share is a member of the company and has voting rights. A company may issue shares with differential rights as to voting, payment of dividend etc.

***b.Preference Share*:** Owners of this kind of shares are entitled to a fixed dividend or dividend calculated at a fixed rate to be paid regularly before dividend can be paid in respect of equity shares. They also enjoy privities over the equity shareholders in payment of surplus. But in the event of liquidation their claims rank below the claims of company's creditors, bond holders \ debenture holders. Following kinds of preference shares are dealt with by the companies:-

- **Cumulative Preference shares:** in the case of this type of share the dividend payable every year becomes a first claim while declaring dividend by the company in case the company does not want to pay preference dividend, it gets accumulated for being paid subsequently.
- **Non-cumulative preference shares:** In the case of these shares, dividend does not accumulate. If there are no profits or the profits are inadequate in any year, the shares are not entitled to any dividend for that year unless there is a specific provision in the Articles of Association of the company.
- **Convertible Preference shares :** If the term of issue of preference shares includes right for converting them into equity shares at the end of a specified period they are called convertible preference shares
- **Redeemable preference shares:** If the article of a company so authorize, redeemable preference shares can be issued. This is in contrast to the principle that the company normally cannot redeem \buy back its own shares vide section 77 of the companies act, 1956, except by following the procedure for reduction of capital and getting the sanction of the high court in pursuance of section 100 to 104 or section 402 of the companies.

- **Irredeemable preference shares:** If the terms of issue provide that the preference shares are not redeemable except on the happening of 10 certain specified events which may not happen for an indefinite period such as winding up, these are called irredeemable preference shares.
- **Participating preference shares:** Preference share holders are not entitled to dividend more than what has been indicated as part of the terms of issue, even in a year in which the company has made huge profits. Subject to provision in the terms of issue these shares can be entitled to participate in the surplus profits left after payment of dividend to the preference and the equity share holders to the extent provided therein.
- **Non Participating preference shares:** Unless the term of issue indicate specifically otherwise, all preference shares are to be regarded as non-participating preference shares.

Debentures [10]: Debentures include debenture stock, bonds and any other securities of a company, whether constituting a charge on the assets of the company or not. Debenture is a document evidencing a debt or acknowledging it. Debentures are issued in the following forms:-

- **Naked or Unsecured Debentures:** Debentures of this kind do not carry any charge on the assets of the company.
- **Secured Debentures:** Debentures that are redeemable on expiry of certain period are called redeemable debentures. Such debentures after redemption can be reissued in accordance with the provisions of section 121 of the Company's Act 1956.

- **Perpetual Debentures:** If the debentures are issued subject to redemption on the happening of specified events which may not happen or an indefinite period that is winding up they are called perpetual debentures.
- **Bearer Debentures:** Such debentures are payable to bearer and are transferable by mere delivery. The name of the debenture holder is not registered in the books of the company, but the holder is entitled to claim interest and principle as and when due.
- **Registered Debentures:** such debentures to the registered holders whose name appears on the debentures certificate \ letter of allotment and is registered on the companies register of debenture holder maintained as per section 152 of the Companies Act, 1956.

Based on convertibility, debentures can be classified into three categories:-

- **Fully Convertible Debentures (FCDs):** These are converted into equity shares of the company with or without premium as per terms of the issue on the expiry of specified period or periods.
- **Non-Convertible Debentures (NCDs):** these debentures do not carry the option of conversion into equity shares and are therefore redeemed on the expiry of the specified period or periods.
- **Partly Convertible Debentures (PCDs):** These may be of two kinds namely – convertible and non-convertible. The convertible portion is to be converted into equity shares at the expiry of specified period.

2. Hybrid Instruments:

Hybrid instruments are those which are created by combining the features of equity with bond, preference and equity etc. Examples of hybrid instruments are:

convertible preference shares, cumulative convertible preference shares, non-convertible debentures with equity warrants, partly convertible debentures, partly convertible with buy back arrangement, optionally convertible debenture, warrants convertible into debentures or shares, secured premium notes with warrants etc.,

- **Secured Premium Notes:** These instruments are issued with detachable warrants and are redeemable after a notified period say 4 to 7 years. The warrants enable the holder to get equity shares allotted, Provided the secured premium notes are fully paid. During the lock in period no interest is paid. The holder has an option to sell back the SPN to the company at par value after the lock in period.
- **Equity Shares with Detachable Warrants:** Essar Gujarat, Ranbaxy and Reliance issued this type of instrument. The holder of the Warrant is eligible to apply for the specified number of shares on the appointed date at the predetermined price. These warrants are separately registered with the stock exchanges and traded separately. The practice of issuing non-convertible debentures with detachable warrants also exists in the Indian market. Reliance has used this method.
- **Deep Discount Bond:** IDBI and SIDBI had issued this type of instrument. For a deep discount price of Rs. 2700/- in IDBI the investor got a bond with face value of Rs. 100000/-. The bond appreciates to its face value over the maturity period of 25 years. Alternatively, the investor can withdraw from the investment periodically after 5 years.
- **Tracking Stocks:**

Dr. JJ Irani Expert Committee constituted by the Government to make recommendation on the Concept Paper on Company Law has recommended in its report for the introduction of 'Tracking Stocks' in the Indian Capital Market. A Tracking stock is a type of common stock that "tracks" or depends on the financial performance of a specific business unit or operating division of a company, rather than the operations of the company as a whole. As a result, if the unit or division performs well, the value of the tracking stocks may increase, even if the company's performance as a whole is not up to mark or satisfactory. The opposite may also be true.

BONDS: Following kinds of bonds may be issued:-

a. Disaster Bonds: These are issued by companies and institutions to share the risk and expand the capital to link investors return with the size of insurer losses. The bigger the losses and the smaller the return and vice versa. The coupon rate and the principal of the bonds are decided by the occurrence of the casualty of disaster and by the possibility of borrower defaults.

b. Option Bonds: This instrument covers those cumulative and non-cumulative bonds where interest is payable on maturity or periodically and redemption premium is offered to attract investors.

c. Easy Exit Bonds: This instrument covers both bonds which provide liquidity and an easy route to the investor by way of redemption or buy back where investors can get ready encashment in case of need to withdraw before maturity.

d. Pay In Kind Bonds : This refers to bonds wherein interest for the first time three to five years is paid through issue of additional bonds, which are called baby bonds as they are derived from parent bond.

e. Split Coupon Debentures: This instrument is issued at a discounted price and interest accrues in the first two years for subsequent payment in cash. This instrument helps better management of cash outflows in a new project depending upon cash generating capacity.

f. Other bonds like floating rate bonds and notes, clip and strip bonds, Dual Notes, Stepped coupon Bonds, Dual Option Warrants, Extendable notes, Level pay floating rate notes, Industrial Revenue Bonds, Commodity bonds, Zero Coupon Convertible Notes, Foreign Currency Convertible Bonds(FCCBs), are issued by the companies.

3. Derivatives:

Future and option belong to the categories of derivatives. Derivatives are contracts which derive their value from the value of one or more of others assets. Some of the most commonly traded derivatives are futures, forward, options and swaps.

The above list of Capital Market is not exhaustive but inclusive. Other instruments may be created with the approval of capital market regulator depending upon the requirement of the economy and industry. The instruments used by the corporate sector to raise funds are selected on the basis of – I. Investor preference for a given instrument and II. The regulatory framework, where under the company has to issue the security.

The corporate sector and financial\investment institution has been issuing new instruments to attract investors. The attraction for the instrument for both the

corporate sector and the investor lies in the investor gets a reasonable return during the initial years, followed by equity participation on conversion and the issue involves lower post tax cost of capital, thereby entailing a lesser strain on liquidity.

WHO IS AN INVESTOR: - An investor[11] is a person who is an individual or a corporate legal entity investing his capital in another venture or business but does not do the business himself or itself. "The investor has no role to play in the day- to-day management of the business or its control except as permitted by the law". Investor caries on business when they buy and sell assets, arranges for other to buy and sell assets, manages assets belonging to others, or operates collective investment schemes.

These activities are engaged by investors, but they are not having any control over the day to day activities of any corporate. Normally, an investor is a blind person; they do not know any activities made by the company. Investor cannot guide the fate or destiny of the money invested. An investor to that extent is quite fragile and is exposed to certain risks because the utilization of his money can commit mistakes. Normally they are contributing the funds for productive purpose of the company, and they are exposing him to the business decisions that the company has taken or will be taking.

Investors are a heterogeneous group, they may be large or small, rich or poor, expert or lay man and not all investors need equal degree of protection[12]. An investor has several objectives while investing his money, namely safety of invested money, liquidity position of invested money and return on investment.

TYPES OF INVESTORS:-

Investors are classified into three types. They are

1. Qualified institutional Bidders
2. Retail Individual Bidders
3. Non Institutional Bidders

1. Qualified Institutional Bidders:-

QIB's are the following entities as defined in the SEBI ICDR Regulations:

- A mutual fund, venture capital fund and foreign venture capital investor registered with the board;
- A foreign institutional investor and sub account (other than a sub account which is a foreign corporate or foreign individual), registered with SEBI;
- A public financial institution as defined in section 4 A of the Companies Act, 1956.
- A Scheduled commercial bank;
- A multinational and bilateral development financial institution.
- A state industrial development corporation;
- An insurance company registered with the Insurance Regulatory and Development Authority;
- A provident fund with minimum corpus of Rs. 25 crore;
- A pension fund with minimum corpus of Rs 25 crore;
- National Investment Fund;
- Insurance Fund setup and managed by Army, Navy, or Air force of the union of India.

2. Retail Individual Bidders:

Individual investor and HUF firms who apply for allotment of shares with bid amount not more than Rs 1 lakh come under this category. A minimum of 35% of net issue size is reserved for allotment in this category. If the issue is under Rule 19 (2)(b) of the SC (R) R where by 60% of the issue size is reserved for QIB, it is mandatory to offer 30% of the shares to retail individual investors.

3. Non Institutional Bidders:

Bids for value exceeding Rs 1 lakh from individual \ HUF investors, bodies corporate, Trusts (Registered under the societies act) and eligible investors who do not come under the category of QIB are eligible to invest in shares of the issuing entity, are considered under this category. 15% or 10 % (where 60% of the issue is Year Marked for QIBs) of the issue is ear marked to non institutional bidders.

Regulatory Framework of Indian Stock Market:

Financial market requires close monitoring and supervision. The most important of these is the large volume of transactions and the speed with which financial resources can move from market to another. Besides, financial markets are often associated with negative externalities. A failure in any one segment of these markets may affect all other segments of the market, including the non financial markets. In view of the externalities, volatility and certain other special characteristics financial markets require an efficient and separate regulatory and supervisory framework. The regulatory framework of the Indian securities market consists of four fundamental legislations governing the securities market viz. the Companies Act, 1956, the SEBI Act, 1992, The Securities Contracts (Regulation) Act, and the Depositaries Act, 1996. The Government and the Securities and Exchange Board of

India (SEBI) have framed rules and regulations under these legislations for registration and regulation of the market intermediaries and for prevention of unfair trade practices.

The Companies Act, 1956:

It deals with the issue, allotment and transfer of securities and various aspects relating to company management. It provides for standards disclosure in the public issues, particularly in the fields of company management and projects, information about other listed companies under the same management and management perception of risk factors. It also regulates underwriting, the use of premium and discounts on issues, rights and bonus issues, payment of interest and dividends, supply of annual reports and other information.

The Securities Contracts Regulation Act, 1965 (SCRA):

The securities Contracts (Regulation) Act of 1965 gives the Central Government for virtually all aspects of the securities trading including the running of stock exchanges with an aim to prevent undesirable transactions in securities. It gives the Government regulatory jurisdiction over (a) stock exchanges through a process of recognition and continued supervision, (b) contracts in securities and (c) listing of securities on stock exchanges. A stock exchange should comply with the requirements prescribed by the Central Government for getting recognition for trading.

The Depositories Act, 1996:

It provides for the establishment of depositories for securities to ensure transferability of securities with speed, accuracy and security. For this three provisions have been made: (a) making securities of public limited companies freely transferable subject to certain exceptions, (b) dematerializing the securities in the

depository mode, and (c) providing for maintenance of ownership records in a book entry form. In order to stream line the settlement process, the act envisages transfer of ownership of securities electronically by book entry without moving the securities physically.

The SEBI Act, 1992:

The SEBI Act enacted in 1992, empowered SEBI with statutory powers for (a) protecting the interests of investors in securities, (b) promoting the development of the securities market, and (c) regulating the securities market. Its regulatory jurisdiction extends over corporate in the issuing of capital and all intermediaries and persons associated with securities market. SEBI can conduct enquiries, audits and inspections of all concerned participants and adjudicate offences under this Act. It has powers to register and regulate all the market intermediaries. Further, it can also penalize them in case of violations of the provisions of the Act, Rules and Regulations made there under. SEBI has full autonomy and authority to regulate and develop an orderly securities market.

Role of SEBI in Indian Capital Market:

The history of statutory regulation of the Indian Capital Market is only 15 years old. The Securities and Exchange Board of India (SEBI) was incorporated as investor protection body in 1992 by virtue of a special enactment, the SEBI Act, 1992. The basic functions of SEBI are to protect the interest of investors in securities and to promote the development of, and to regulate the securities market and for matters connected there with or incidental thereto". The SEBI Act came into force on 30th January, 1992 and with its establishment, all public issues are governed by the rules and regulations issued by the SEBI. SEBI was formed to promote fair dealing in

issue of securities and to ensure that the capital markets function efficiently, transparently and economically in the better interests of both the issuers and the investors.

The following functions have been entrusted to SEBI:

a. Regulating the business in stock exchanges and any other securities markets.
b. Registering and regulating the working of stock brokers, sub-brokers, bankers to issue, registrars to issue, merchant bankers, under writers and such other intermediaries who may be associated with securities markets in any manner.
c. Registering and regulating the working of collective investment schemes including mutual funds.
d. Promoting and regulating self-regulatory organizations.
e. Prohibiting fraudulent and unfair trade practices relating to securities market
f. Promoting investor's education and training of intermediaries of securities market
g. Prohibiting insider trading in securities
h. Regulating substantial requisition of shares and takeover of companies.
i. Calling for information from, undertaking inspection, conducting enquiries and audits of the stock exchanges, intermediaries and self regulatory organizations in the securities market.
j. Conducting research for the above purposes
k. Performing such other functions as may be prescribed.

Reforms in Capital Market of India:

Establishment of SEBI: the Securities and Exchange Board of India (SEBI) was established in 1998 and it got a legal status in 1992. SEBI was primarily setup to regulate the activities of the merchant banks, to control the operations of mutual funds, to work as a promoter of the stock exchange activities and to act as a Regulatory authority of new issue activities of companies. The SEBI was setup with the fundamental objective, "To protect the interest of investors in securities market and for matters connected there with or incidental thereto".

Establishment of Creditors Rating Agencies: Three creditors rating agencies viz. The credit rating information services of India limited (CRISIL-1998), the investment information and credit rating agency of India limited ICRA-1991 and Credit Analysis and Research Limited (CARE) were setup in order to assess the financial health of different financial institutions and agencies related to the stock market activities. It is a guide for the investors also in evaluating the risk of their investments.

Increasing of Merchant Banking Activities: Many Indian and foreign commercial banks have setup their merchant banking divisions in the last few years. These divisions provide financial services such as underwriting facilities, issue organizing, consultancy services, etc. It has proved as a helping hand to factors related to the capital market.

Candid Performance of Indian Economy: In the last few years, Indian economy has grown at a good speed. It has attracted a huge inflow of Foreign Institutional Investment (FII). The massive entry of FIIs in the Indian capital market has given good appreciation for the Indian investors in recent times. Similarly many new

companies are emerging on the horizon of the Indian capital market to raise capital for their expansions.

Rising Electronic Transactions: Due to the technological development in the last few years, the physical transactions with more paper work is reduced and now paperless transactions are increasing at a rapid rate. It saves money, time and energy of investors. Thus it has made investing safer and hassle free, encouraging more people to join the capital market.

Growing Mutual Fund Industry: The growing of mutual funds in India has certainly helped the capital markets to grow. Public sector banks, foreign banks, financial institutions, and joint mutual funds between the Indian and foreign firms have launched many new funds. A big diversification in terms of schemes, maturity, etc. has taken place in mutual funds in India. It has given a wide choice for the common investors to enter the capital market.

Growing Stock Exchanges: The number of various stock exchanges in India is increasing. Initially the BSE was the main exchange, but now after the setting up of the NSE and the OTCEI, stock exchanges have spread across the country. Recently a new interconnected stock exchange of India has joined the existing stock exchanges.

Investor's Protection: under the purview of the SEBI the central Government of India setup the investor's education and protection fund (IEPF) in 2011. It works in educating and guiding investors. It tries to protect the interest of small investors from frauds and mal practices in the capital market.

Growth of Derivative Transactions: In June 2000, the NSE introduced the derivatives trading in equities. In November 2001 it also introduced the future and

options transactions. These innovative products have given variety for the investment leading to the expansion of the Capital Market.

Insurance Sector Reforms: Indian Insurance sector has also witnessed massive reforms in the last few years. The insurance regulatory and development authority (IRDA) was setup in 2000. It paved the entry of insurance firms in India.

Commodity Trading: Along with the trading of ordinary securities, the trading in commodities is also recently encouraged. The multi commodity exchange (MCX) is setup. The volume of such transactions is growing at a splendid rate.

Conclusion: The Indian financial system has undergone structural transformation over the past decade. The financial sector has acquired strength, efficiency and stability by the combined effect of competition, regulatory measures, and policy environment. The competition, consolidation and convergence have been recognized as the key drivers of the financial sector in the coming years.

References:

1. C.Paramasivan and T. Subramaniam, “Financial Management”, New Age International Publishers, www.newagepublishers.com.
2. C.Paramasivan and T. Subramaniam, “Financial Management”, New Age International Publishers, www.newagepublishers.com
3. Sunil Kumar, “Protection of Investment and Shareholders: A critical study of role of SEBI**”**, Maharshi Dayanand University, June, 2011.
4. T.V.V. Phani Kumar, “Retail Investors Perspective on Capital Market”, Department of commerce and Business Administration, Acharya Nagarjuna University, September, 2010.
5. Doug all, He and Jace E. Gauminitz; capital market and institutions, Prentice Hall, new Jersy, 1986
6. G N Bajpai; Developments of capital Market in India at London School of Economics On 2nd October, 2006.
7. Vashisht, A K Gupta and R K (2005) “Investment Management and Stock Market: Strategies for Successful Investing” Deep & Deep Publications Pvt Ltd. New Delhi, I Edition, PP: 35-40.
8. Manual of NSE-NCFM
9. Section 2(h) of the Securities Contracts (Regulation) Act, 1956
10. Section2 (12) of the companies Act, 1956
11. Vashish, A K Gupta and R K (2005) “Investment Management and Stock Market: Strategies for Successful Investing” Deep & Deep Publications Pvt Ltd. New Delhi, I Edition.PP.5-10.
12. Mayya MR, (1996) “Investor Protection” Bharat Law House Pvt Ltd. New Delhi, First Edition, PP.1

Chapter – III

METHODOLOGY

Need for the Study:

Investors vary from small individual investors to large institutional investors. Further they can be classified as experienced investors, middle aged investors, wealthy investors, active investors and so on. The investing patterns of these investors may vary from one to another. One may prefer low risk while another may prefer high risks. One may seek advice of experts to invest while another may invest on his own. One may invest with his resources while another may borrow or pledge his properties and make investments. The study mainly tries to find out whether the perception of the investors towards investment in equity market based on their self-monitoring have any effect on their selection of portfolio and their returns.

Objectives of the study:

Investors are the back bone of the capital market of a developing economy, like India and it needs a growing amount of investor savings to flow to corporate enterprises.

In this context the present study is planned to investigate the investor's perception of investment equity market in Hyderabad City. Specifically the objectives are:

- To understand the demographic profile and investment profile of investors.
- To indentify the investment objectives of investors
- To analyze the risk and return perception and investment preferences of investors
- To determine the factors influencing investment evaluation and decision.
- To investigate the problems faced by investors in the equity market.

Hypothesis:

The following hypotheses were formulated and tested by selecting the variables age, gender, education, occupation, and monthly income of the investors for the purpose of the study.

Hypothesis - 1:

There is no significant difference in the importance of investment objectives among age groups.

Hypothesis - 2:

There is no significant difference in the importance of investment objectives among the gender.

Hypothesis - 3:

There is no significant difference in the importance of investment objectives among the respondents with different education level.

Hypothesis - 4:

There is no significant difference in the importance of investment objectives among occupation.

Hypothesis - 5:

There is no significant difference in the importance of investment objectives among monthly income.

Hypothesis - 6:

There is no significant difference in the satisfaction of investment objectives among age group.

Hypothesis - 7:

There is no significant difference in the satisfaction of investment objectives among gender.

Hypothesis - 8:

There is no significant difference in the satisfaction of investment objectives among respondents with different level of education.

Hypothesis - 9:

There is no significant difference in the satisfaction of investment objectives among occupation.

Hypothesis - 10:

There is no significant difference in the satisfaction of investment objectives among monthly income.

Hypothesis - 11:

There is no significant association between risk in investment preferences and selected demographic variables (age, gender, education, occupation and monthly income)

Hypothesis - 12:

There is no significant association between return in investment preferences and selected demographic variables (age, gender, education, occupation and monthly income)

Methodology for the Study:

Research methodology is the procedural framework within which the research is conducted. In general, research methodology describes the overall shape and design of this study and the entire data collection process. The source of data and the analysis techniques chosen are discussed in detail.

Data collection

The present study is mainly based on two sources of data: primary data and secondary data.

The secondary data pertaining to the theoretical concepts of capital markets and SEBI was collected from the official websites. With respect to the review of literature and previous studies it was collected from articles and research papers from various journals, magazines and the departmental library of management studies SKD.

The survey method was employed for the collection of primary data from the selected sample respondents. The sample respondents here are collected from investors in Hyderabad city. Convenience sampling technique is used to collect data from sample size of 516 various brokerage (trading) houses in Hyderabad city. Primary data collected through structured questionnaire. A questionnaire is a list of carefully structured questions aimed at eliciting the information from the respondents. The questionnaires were pre-tested with 10 respondents from investors in Hyderabad. Based on the views and feedback of the respondents changes were made and the questionnaire was finalized.

The data related to the investors in Hyderabad city is collected from the institutions like India bulls, Angel Broking, India Infoline and Individual investors from Gandhi hospital and IT companies etc.,

Questionnaire Design:

The source of any survey based research is a structured questionnaire. Therefore, questionnaire forms the main tool in the collection of data from the sample respondents.The questionnaire is divided into several parts. Firstly the demographic profile, investment profile and pattern of investors are evaluated then identify the objectives of investors followed by analyzing the investment preferences with source of investment information and finally understanding the problems of investors. Items

of investor perception variables are measured on a five point likert scale, with 1 for "Very low", 2 for "Low", 3 for "Moderate", 4 for "High", 5 for "Very High". And also other variables are measured on a five point likert scale 1 for "Highly Dissatisfied", 2 for "Dissatisfied", 3 for "Neutral\Undecided", 4 for "Satisfied", and 5 for "Highly satisfied". And the variables in problems faced by the investor are measured on a scale 1 for "Very low", 2 for "Low", 3 for "Moderate", 4 for "High", 5 for "Very High" and 6 for "not affected".

Statistical tools for Data Analysis

The primary data was analyzed using the statistical package for social sciences (SPSS – 16.0 versions). The data is processed by using the:

1. Frequency for the demographic variables.
2. ANOVA test is used to find out the difference between the demographic variables age, gender, education, occupation and monthly income of the respondents and importance and satisfaction of investment objectives.
3. Chi-square analysis is used to find out the relation between demographic variables ages, gender, education, occupation and monthly income of the respondents and risk and return involved in investment preferences.

Chi-Square test:

The degree of relationship of the independent demographic variables to the respondent's in investment preferences is measured

a. Age
b. Gender
c. Education

d. Occupation

e. Monthly income

In order to find the degree of influence a chi-square test was used and the formula is given below.

The value of the test-statistic is

$$X^2 = \sum_{i=1}^{\pi} \frac{(O_i - E_i)^2}{E_i}$$

Where

X^2 = Pearson's Cumulative test statistic, which asymptotically approaches an X^2 distribution.

O_i = an observed frequency;

E_i = an expected (theoretical) frequency, asserted by the null hypothesis;

Π = the number of cells in the table.

4. Reliability analysis to find out the internal consistency of the questionnaire. The chronbach alpha coefficient is used.

Limitations of the Study:

The study has the following limitations:

1. The study is limited to Hyderabad city; hence limited analysis could be derived from the study.
2. The findings of the opinions of the investors are limited to Hyderabad City only.

Presentation of the Study:

The entire study is presented in VII chapters

Chapter I is the introductory chapter which provides an insight into the definition of financial system, capital market and concept of investment.

Chapter II deals with the theoretical frame work for capital market, concept of SEBI and regulatory bodies of capital market.

Chapter III Need for the present study, objectives, methodology, statistical tools, limitations of the study and the chapter design.

Chapter IV deals with the literature review on investor's perception towards investment in equity market, capital market and financial market.

Chapter V focuses on analysis of demographic profile, investment profile and pattern of investor.

Chapter VI focuses on relationship of demographic 2variables such as age, gender, education, occupation and monthly income to the investment objectives, satisfaction and investment preferences and problems faced by the investors in Hyderabad city.

Chapter VII presents summary, findings, suggestions & conclusions.

Chapter - IV

REVIEW OF LITERATURE

Review of literature

This chapter makes an attempt to review the literature of earlier studies nationally and internationally pertaining to the concept of investor's perception towards investment decisions in equity market, capital market and financial market, risk and return perception of investors and development of stock market, protection policies and measures, factors influencing investment evaluation and investment decisions undertaken by various authors.

Reviews of Investment Decisions:

Xuewuwang (2004)[1] explained the profitability of the sentiment strategies. Using the aggregate closed-end fund discount as a proxy for investor sentiment, a simple sentiment strategy is constructed on the basis of the exposure of stock returns to the closed-end fund discount. The sentiment strategies buy stocks with highest exposure to closed-end fund discount and sell stocks with lowest exposure to closed-end fund discount in the past 48 months. It is shown that such a strategy can lead to an annualized profit of 11% .The source of the profitability is explored and it is found that neither the market risk nor momentum anomaly can account for the profitability.

Al-Tamimi (2005)[2] determined that there are six most influencing factors that affect the behavior of individual investor. The factors in order of importance were: expected earnings, get rich quick, stock marketability, past performance of the firm's stock, government holdings and the creation of the organized financial markets. He also found five least influencing factors in order of importance that are expected losses in international financial markets, family member opinions and gut feeling on the

economy. The most influencing group was by order of importance, accounting information, self-image\firm image confidence, neutral information, advocate recommendation and personal financial needs. Two factors had unexpectedly least influenced the behavior of the UAE investors behavior namely the religious beliefs and the factors of family member opinions.

Qiang and Terry (2005)[3] examined the link between managers' equity incentive. They hypothesize that mangers with high equity incentives are likely to sell shares in the future and this motivates these managers to engage in earning in management to increase the value of the shares to be sold. The document that managers with high equity incentives sell more shares in subsequent periods. As expected, they find that managers with high equity incentives are more likely to report earnings that meet or just beat analysts' forecasts. This is consistent with the wealth of these managers being more sensitive to future stock performance, which leads to increased reserving of current earnings to avoid future earnings disappointments. Collectively, our results indicate that equity incentives lead to incentives for earnings management.

Andreas and Tom (2005)[4] proposed the actual reporting behavior and information flow of the private equity (mainly venture capital) fund manager to the fund investors, based on access to a fund investor's database. Overall, the study revealed that the European private equity industry has improved their reporting qualitatively and quantitatively, especially in terms of shorter delivery times of reports. This change is mainly due to the introduction of the EVCA reporting guidelines and willingness by both, fund managers and investors, to report voluntarily are contractually bind by contract with report in accordance to these standards.

Baker et al. (2006)[5] conducted a study on 'investor sentiment and the cross-section of stock returns to identify how investor sentiment affects the cross-section of stock returns and they have found that when beginning of period sentiments are low, subsequent returns are relatively high for small stocks, young stocks, high volatility stocks, un-profitable stocks, non-dividend-paying stocks, extreme growth stocks, distressed stocks. When sentiment is high on the other hand, these categories of stock earn relatively low subsequent returns.

John and Alok (2006)[6] In their study entitled, "Do dividend Clienteles Exist? Evidence on dividend preferences of Retail Investors", studied the stock holding and trading behavior of more than 60,000 households and found evidence consistent with dividend clienteles. Retail Investors stock holding indicate a preference for dividend yield that increases with age and decreases with income, consistent with age and tax clienteles respectively. Trading patterns reinforce this evidence.

Gnana Desigan (2006)[7] examined the investment pattern of the equity investors and the problems equity share investors in primary and secondary market. He revealed the attitude and perception of the investors towards equity share investment. He found that most of the investors prefer balance risk and prefer to monitor their investments daily. It is clear that speculative value is the main factor to make investments in equity shares. The main problems faced by the equity share investors are non-receipt of share certificate and delay in payment. Investors can be induced to invest more in equities provided measures are taken to overcome the problems.

Minh Quang (2006)[8] examined the impact of investment climate indicators on gross capital formation in developing countries. Based on data from the World Bank investment climate surveys for a sample of thirty-six developing countries, they find

that corruption constraint as measured by the share of senior managers that ranked "corruption" as a major or very severe constraint in the investment structure.

Ming Dong et al (2006)[9] indicated that they want dividends, partly because the transaction costs of cashing in dividends are lower than the transaction cost involved in selling shares. The behavioural finance theory of it is confirmed for stock dividends. Finally, the results indicated that the individual investors do not tend to consume a large part of their dividends. This raises some doubt as to the effectiveness of the reduction or elimination of the dividend taxes in order to stimulate the economy.

Michael (2006)[10]investigated the current and past earnings surprises and subsequent market reactions for listed US capital companies over the period 1983-1999. The results suggested that investors simultaneously exhibit short-term under reactions 'earnings announcements' and long term overreaction to 'past highly unexpected earnings'. A potential explanation for the reported overreaction phenomenon was the representativeness bias. The author showed that overreaction and the later reversal is stronger for events which exhibit a long series of similar past earnings surprises.

Chattopadhyay and Ranjan (2006)[11] The Indian stock market is considered to be one of the earliest in Asia, which is in operation since 1875 the reform of the Indian stock market started with the establishment of securities and exchange board of India (SEBI) although it became more effective after the stock market scam in 1991 with the establishment of SEBI and technological advancement. Indian stock market has now reached the global standard. They found that contrary to general belief, Indian stock market is co-integrated with the developed market as well. It is derived from the study that all though some positive steps have been taken up, which are responsible

for the substantial improvement of the Indian stock market, these are perhaps not sufficient enough to become a matured one.

Larry Wall (2007)[12] in his article "on investing in the equity of small firms", this comment provided a brief discussion of the roles of different investors in small business firms. It then evaluated the contribution made in papers by in this issue Robinson and Cottrell on informal investors in Alberta, Canada, and by Pintado, Perez de lema, and van Auken on venture capital investment in Spain.

Som Sankar et al (2007)[13] explored significant impact of exchange rate on stock market liquidity. Taking monthly data on both BSE and NSE the paper reveals the positive relationship between exchange rate on stock market liquidity in concurrent, lagged and lead forms. Using statistic it shows a considerable variation in liquidity is explained by exchange rate in both the major stock exchanges in India.

Gerben et al (2007)[14] developed a reinvestment strategy for private equity which aims to keep its portfolio weight equals to a desired strategic allocation, while taking into account the illiquid nature of private equity. Historical simulations showed that our dynamic strategy was capable of maintaining a stable investment level that is close to the target. This does not hold for unrestricted portfolios, but also for investments limited to buy-out or venture capital, a specific region, or management experience. This finding was of great importance for investors, because private equity funds have a finite lifetime and uncertain cash flows.

Michael et al (2007)[15] identified three main types of informal investors in private equity market: relationship investor, opportunity-based investors, and angel investors. They found evidence that the first two investor types are a major total source of

capital and they prefer to invest smaller amounts close to home and in the context of existing relationships. With respect to angel investors, determined evidence of stratification in their desired investment amount which was consistent with a model where their investment amounts by this type of investor increase the amount of capital available for early-stage firms.

Nagarajan (2008)[16] in his article, "Green shoe option in IPO", for stabilizing post–listing share price, a company making an Initial Public Offer(IPO) through the book building mechanism can hold the Green shoe option. This is an option that allows underwriter of an Initial Public Offering to sell additional shares to the public. The challenge for the regulator would be to keep fraudulent issues away from the market. In order to avoid fraudulent issues investors too should do their home work before investing in IPO, because it is investor's hard earned money and he should invest it carefully.

Gangadhar and Naresh (2008)[17] aimed at examining the investment trends and patterns of FIIs and their impact on stock market liquidity and volatility. Liquidity with reference to capital market refers to easy conversion of capital market securities into cash. Whereas the stock market volatility implies the fluctuations in the stock market returns over a time period. Volatility is the inconsistency or variability in the returns of aggregate market portfolio.

Kameshwari (2008)[18] identified developing countries like India have investment requirements far greater than their domestic savings can meet. Their investment deficits can be bridged by foreign capital flows in the form of Foreign Direct Investment and portfolio Investment. But the huge flows of foreign capitals may introduce some problems like inflation. In the interest of future economic growth and

development a developing economy has to institute some safeguards in the national interest while welcoming the foreign investment. This article studies how India is fairing in its efforts to attract Foreign Direct Investment and in channelizing the flows for the growth of economic development.

Selvam et al. (2008) [19] Discussed in detail the current trend of equity culture, its implications and its revival and remedial measures. The study suggested intervention by government, a SEBI and RBI and evaluation of suitable credit policy for projects in order to assure safety and assured returns to the investors, in order to restore investor confidence.

Sen. and Ghosh (2008) [20] studied comparison between BSE and NSE in terms of Stock Market Liquidity during the study period of January 1995 to December 2005. They reported that mean liquidity of NSE is higher than that of BSE during this period. It also revealed that in most of the months BSE remains more vulnerable than NSE during this span of time in terms of liquidity. A monthly pattern of liquidity could be observed in case of NSE but no such monthly pattern is there in case of BSE. Finally a positive correlation between these two exchanges has been reported indicating no significant movement of volume from one exchange to another.

Nissim (2008) [21] proposed an index for evaluating the internalization of an analyst's recommendations by investors at various points of time that follow the recommendation day. The results indicated that investors in Israeli stock market internalize a recommendation 14 days after its publication. Internalization continues 30 days after the publication day. The importance of this paper was that the first time an index for evaluating investor's reaction to analyst's recommendation in various

stock markets had been proposed. Such information is valuable, since it can improve investment strategies that follow the publication of an analyst's recommendations.

Mohanty (2008) [22] before economic reforms were initiated in 1991, companies in the Indian corporate sector has to function amidst the license regime, quotas and restrictions, high taxes and host of other rules and regulations. Companies are now allowed to borrow from and invest abroad quite liberally. All this has done wonders for corporate India. Over the past 15 years of reforms, corporate profits have gone from Rs, 6440 crore in financial year 1991 to Rs, 1,67,801 crore in financial year 2006.

Brimberg et al. (2008) [23] they founded that the plant location problem under the objective of maximizing return-on-investment. However, in place of the standard assumption that all demands must be satisfied, they imposed a minimum acceptable level on market share. The model presented takes the form of a linear fractional mixed integer program. Based on properties of the model, a local search procedure is developed to solve the problem heuristically. Thus, a useful extension of the simple plant location is examined and heuristics are developed for the first time to solve realistic instances of this problem

Kenneth and Tarun (2008) [24] analyzed the relationship between institutional cross-border portfolio flows, and domestic and foreign equity returns. In emerging markets, institutional flows forecast statistically indistinguishable movements in country closed-end fund NAV returns and price returns. In contrast, closed-end fund flows forecast price returns, but not NAV returns. Furthermore, institutional flows display trend-following (trend-reversing) behavior in response to symmetric (asymmetric) movements in NAV and price returns. The results suggest that institutional cross-

border flows are linked to fundamentals, while closed-end fund flows are a source of price pressure in the short run.

Shollapur and Kuchanur (2008) [25] They addressed that the investors hold different perceptions on liquidity, profitability, collateral quality, statutory protection, etc., for various investment avenues. In addition, they fix their own priorities for these perceptions. The formation of perceptions triggers the investment process in its own ways, often leading to unrealistic apprehensions especially among individual investors. This study attempted to measure the degree of investor's agreeableness with the selected perceptions as well as to trace the gaps between their perceptions and the underlying realities. Failure to deal with the gaps tends to lead the investment clientele to a wrong direction. Hence there is a need to help investors develop a realistic perceptive of the investment avenues and their attributes.

Eva and Hoffman et al. (2008) [26] They opined that the moral decision making in financial markets incorporate moral considerations into investment decisions, some rational decision theorists argue that moral consideration would introduce inefficiency to investment decision. The investment decisions are influenced by both financial and moral considerations. Several modules can be applied to explain moral behavior. The study tested the suitability of (a) multiple attribute utility theory (MAUT), (b) theory of planned behavior, and (c) issue-contingent module of ethical decision making in organizations. Results indicate that moral considerations influence investment decisions, controlling for profit.

Subha (2009) [27] in her article entitled, "Indian Capital Market-A Road Ahead", addressed the current issues in the Indian capital market, lack of individual participation and the ways of restoring investor confidence. The article concluded that

the responsibility of creating an environment of trust and confidence lies with the regulators, stock exchanges and companies. Each of them should act in a responsible way and provide a healthy atmosphere for the functioning of an efficient capital market.

Ai Jun Hou (2009) [28] examined the spillover effects from the movement of short term interest rates to equity markets with in Euro area. The result indicated stock market in the Euro area two significant regimes with distinct characteristics. They proposed that there is a significant impact from fluctuations in short-term interest rates on the conditional variance and conditional returns in the Economic and Monetary Union countries. This impact is asymmetrical and appears to be stronger in bear markets and when interest rates change upward.

Alexander and Richardson (2009) [29] pointed the investment behavior of private equity fund managers. Based on recent theoretical advances, we link the timing of fund's investment and exist decisions, and the subsequent returns they earn on their portfolio companies, to changes in the demand for private equity in a setting where the supply of capital is sticky in the short run. They showed that existing funds accelerate their investment flows and earn higher returns when investment opportunities improve and the demand for capital increases. Increases in supply lead to tougher competition for deal flow, and private equity fund managers respond by cutting their investment spending. These findings provided complementary evidences to recent papers documenting the determinants of fund-level performance in private equity.

Al-Tamimi et al. (2009) [30] conducted a study on 'Financial literacy and Investment Decision of UAE Investors' and found that the most influencing factor that affects the

investment decision is religious reasons and the least affecting factor is rumors. They also found that women have lower level of financial literacy than men and financially educated investors help financial markets to operate efficiently, as they take better trading decisions based on fundamental and or technical analysis instead of acting irrationally.

Batni Raghavendra (2009)[31]studied the diversification entailed scouting of investment avenues in terms of risk and return. It calls for developing a portfolio of assets or securities in such a way to minimize the risk. The individual investors hardly can match up to the institutional investors in terms of the expertise and also majority of them are not market savvy. In this context, Exchange traded funds (ETFs) come in handy to help out the individual investors in the stock market. ETFs are the safe bets and provide scrupulous diversification. In fact in the developed markets ETFs are the most sought after means of investing in the equities. In India ETSs are yet to catch up the attention of the investors.

Mammur and Nishat (2009) [32] stated that investors are a necessary element of the stock market. They help to finance rapid expansion in developing countries. They explored the components of market structure that contribute to the satisfaction level of retail investors. Around 300 retail investors from 25 randomly selected brokerage houses registered with the Dhaka Stock Exchange, Bangladesh, were surveyed using a structured questionnaire. Analyses revealed that most investors were young and inexperienced but educated, with shortages of skills and income. They suggested the importance of effective regulation, disclosure requirements to ensure a supply of quality information, investor education and technology driven trading in brokerage houses for overall investor's satisfaction.

Santi Swarup (2009) [33] analyzed the decision taken by the investors while investing in primary markets, the factors affecting primary market situation in India and evaluated various revival measures available for improving investor confidence. The survey was conducted in 10 cities in India by mailing questionnaire. The survey results of 367 investors revealed that the investors give importance to own analysis and market price as compared to broker's advice.

Henry and Burg (2009) [34] presented that the social responsibility had any bearing on the decision making of institutional investors who prefer socially aligned organizations, and also explored to what extent the corporate actions and/or social/environmental investments influenced their decisions. Finally results suggested that there are specific variables that affect the perceived value of the organization, leading to decisions to not only invest, but whether to hold or sell the shares, and therefore having a consequential impact on the capital markets valuation.

Mahabaleswara Bhatta (2009) [35] had made an attempt to throw light on the investors biases that influence decision making processes. Empirical studies have time and again proved that the irrational behaviors have caused stock market bubbles and cashes. The knowledge so developed through the studies would provide a framework of behavioral principles within which the investors react. The article suggested for a time bound program to educate and counsel the individual investors about the wisdom required in stock trading and be aware of unethical and tactical practices of brokers, shady dealings of the companies and the insider trading.

Alok Kumar (2009) [36] founded that the socio-economic and psychological factors, which are known to influence lottery purchases, led to excess investment in lottery-type stocks. The results indicated that, unlike institutional investors, individual

investors prefer stocks with lottery-type features. The demand for lottery-type stocks increased during bad economic times and demand shifts influenced the returns and volatility of those stocks. The evidence indicated that people's attitudes towards gambling are reflected in their stock investment choices and stock returns.

Suder and Alikhan (2009) [37] addressed that Foreign Direct Investment had a major source of long term capital which provided bundle of other benefits to the host country company. They made an attempt to examine the financing pattern of foreign and domestic owned pharmaceutical companies in India. It had hypothesized that there is no significant difference between the financing pattern of domestic and foreign owned companies. The financing pattern had analyzed based on traditional methodology such as common size statement, trend analysis and ratio analysis. They suggested that the domestic companies are highly levered than foreign owned companies in pharmaceutical industry.

William and Henderson (2009) [38] stated that the nature of private-equity investment significance had changed as two dynamics have evolved in recent years: portfolio companies have begun to experience serious financial distress, and general partners have started to diversify and desegregate their investment strategies. Both developments have led private-equity shops once exclusively interested in acquiring equity positions through leveraged buyouts to invest in other trenches of the investment spectrum, most particularly public debt. By investing now in both private equity and public debt of the same issuer, general partners are generating a host of new conflicts of interest between themselves and their limited partners, between multiple general partners in the same consortia, and between private investors and public shareholders.

Diptendusimlai (2009) [39] opined that stock market operated since its inception in the 18th century with the establishment of the Bank of Hindustan (1770) in Calcutta, laid the foundation of the modern capital market in India according to A.K Sur, a noted stock market economist of his time (Sur, Evolution of Capital Market in India, Economic Affairs, Nov-Dec/1960). He observed the entire study had divided into four periods. The first covers the 18th and 19th centuries. The second extends from the early 20th century up to 1947, the year of Independence. For the enormous impact of the economic reforms upon the capital market, the post-Independence era has been divided into two periods: one ending with 1990 and the other starting with 1991.

Yadagiri and Rajender (2009) [40] based on direct interview of a very large sample of 5908 household heads over 90 cities and across 24 states were analyzed. They determined that the price volatility, price manipulation and corporate mismanagement/fraud had persistently been the household investor's top three worries in India. A large percentage of investors had a negative opinion on company management. A majority of retail investors in India do not regard mutual fund equity schemes as a superior investment alternative to direct holding of equity shares. Retail investors preferred bank deposits rather than liquid/money market funds. Middleclass investors are long term and conservative. Equity shares have achieved a much higher degree of penetration among middle class households compared to other capital market instruments.

Rashid and Nisha (2009) [42] addressed investment has become a highly competitive, information-sensitive decision with plenty of available options. Individuals searching for an alternative source of investment have started to invest in stock market through brokerage firms, dealers and portfolio managers, which has created newer challenges

to market regulation and created a need for changes in the transaction system, online technology and overall economic stability. They explored the factors of structural efficiency that are responsible for satisfactory stock investment among retail in Bangladesh.

Gnana Desigan et al. (2010) [43] identified the investment pattern preference, influencing factors and problems of women investors in Erode town. The findings of the study reveal that, women investors prefer to invest in bank deposits and jewellery, they are influenced by safety and liquidity and the problems faced by them are cumbersome procedures and formalities, commission and brokerage.

Raja and Sudhakar (2010) [44] examined the capital market that was said to be efficient with respect to an information item if the prices of securities fully impound the return implications of that item. The efficiency with which the capital formation is carried out depends on the efficiency of the capital markets and financial institutions. A capital market is said to be efficient with respect to corporate event announcement (stock split, buyback, rights issue, bonus announcements, merger & acquisition, dividend etc) contained information and its disseminations. The information contained on how quickly and correctly the security prices reflect show the efficiency of stock markets. It was an attempt to test the efficiency of Indian stock market with respect to bonus issue announcement by IT companies.

Roopan and Narendra (2009) [45] observed that the banking stock portfolio served as a representative of all the banking stocks traded on Bombay Stock Exchange and testing the beta instability of the banking sector stock portfolio over various phases in the Indian stock market. They also evaluated the monthly stock price returns of the banking portfolio vis-a-vis the market portfolio from the period ranging from July

1994 to December 2008. The journey of Sensex during the pan of past fourteen years in the post liberalization period has been divided into three phases based upon technical analysis. An attempt is made to evaluate the under/over performance of the banking stock portfolio returns under various phases.

Pandian and Benjamin (2010) [46] conducted a study entitled, "A study on Equity Investor Awareness" in order to study the stock market literacy of the investors about the company, stock exchanges as well as capital market regulatory bodies. The primary data using multiple regression, path analysis and chi-square test along with ANOVA clearly revives difference in the awareness among the investors. They found that the awareness index is high among young male investor, post-graduates and meticulous business men.

Chattopadyay (2010) [47] emphasized on the equity cult and a growing stress of what is termed market capitalization. Ultimately the investors' need for safety and security of the money invested along with the promise of augmented yield. He identified that the investors required the government and the regulatory bodies to provide necessary systems and methods for safeguarding the interests of the small, retail investors. The Securities and Exchange Board of India has recently mooted a proposal to the effect that in the cases of retail investors seeking to subscribe to the share offers by the public limited companies, case transactions should take place only after the allotment has been made. Least of all proposal may not restore parity between the institutional and retail investors, which is the major objective of the new approach.

Gaurav Kabra (2010) [48] in his study entitled "Factors Influencing Investment Decision of Generations in India: An Econometric Study", stated the factors which affect individual investment decision and differences in the perception of investors in

the decision of investing on the basis of gender and found that investor's age and gender predominantly decides the risk taking capacity of investors.

Manoj Kumar (2010)[49] has stated that the modern investor is a mature and adequately groomed person. In spite of the phenomenal growth in the security market and quality Initial Public Offerings (IPOs) in the market, the individual investors prefer investments according to their risk preference. For e.g. Risk averse people choose life insurance policies, fixed deposits with banks and post office, PPF and NSC. Occasions of blind investments are scarce, as a majority of investors are found to be using some source and reference groups for taking decisions. They determined the variables such as demographic characteristics (age, gender) and investment patterns could be used individually or in combination to both differentiate among levels of men and women investment decisions and risk tolerance are considered as major important factors to invest in instruments.

Shobana and Jayalakshmi (2011)[50] discussed the investors' preferences, the level of investor awareness and the factors influencing investor awareness of 100 respondents in Salem District. They revealed that real estate, bank deposits and jewellery were the preferred investments. Investors above 50 years of age, post graduates and professionals had high level of awareness. Age and education do not have any significant influence over investor awareness but occupational status leads to difference in the awareness level of people.

Meir Statman et al. (2011)[51] proposed that investors were overconfident about their valuation and their trading skills could explain high observed trading volume. With biased self-attribution, the level of investor's overconfidence and trading volume vary with past returns. They tested the trading volume predictions of formal

overconfidence models and found that share turnover was positively related to lag returns for many months. The relationship holds for both market-wide and individual security turnover, which is interpreted as evidence of investor overconfidence and the disposition effect, respectively. Security volume is more responsive to market return shocks than to security return shocks, and both relationships are more pronounced in small-cap stocks and in earlier periods where individual investors hold a greater proportion of shares.

Stephanie et al. (2011)[52] demonstrated strategies that entailed country selection based on relative strength (momentum) posted significant market risk-adjusted returns over the past 30 years , but relative-value strategies based on book value of equity to market value of equity did not. Because these two fixed-style strategies are negatively correlated, using them for style diversification and for style timing (rotation) is potentially rewarding. In the study described here, style diversification enhanced return and lowered risk but style timing provided consistent risk-adjusted performance that was superior to the performance of fixed- style strategies or style diversification.

Shivkumar et al. (2011)[53] stated that a strong and vibrant capital market assisted corporate world initiatives, finance and exploration of new processes and instruments facilitated management of financial risk. Retail investor is the backbone of the capital market. But with the expansion of the capital market, scams and anomalies, also multiplies. It ultimately leads to the dilution of the faith of the small investor, mutual funds, pension funds, Foreign Institutional Investor and insurance companies in the capital. They found that the government made capital market reforms to easily grab the investors. This includes educating capital market participants regarding their rights and duties for proper functioning of capital market.

Grinblatt and Mattikeloharju (2011)[54] analyzed the extent to which past returns determine the propensity to buy and sell. The study revealed that foreign investors tend to be momentum investors, buying past winning stocks and selling past losers. Domestic investors, particularly households contradicted the same. This difference in investor behavior was consistent in regular intervals. The portfolios of foreign investors outperformed the portfolios of households, even after controlling the behavior difference.

Rajarajan (2011)[55] conducted the study with the objective of analyzing the investor's life styles and to analyze the investment size, pattern, preference of individual investors on the basis of their life styles. The investors were classified into 3 groups' viz., active investors, individualists and passive investors. He revealed that the level of expenses, earnings and investment were associated with the size of the household. Active investor group was dominated by officers, individual group by clerical cadre and passive investors group by professionals. The expected rate of return from investments varied between investment styles. It indicated that market performance of the share, company's operating level, capital performance and the expectation of the investors were found to influence the risk perception of the investors.

Bandgar (2011)[56] cited the existing pattern of financial instruments in India and the performance of middle class investors, their behavior and problems. Average, skewness, chi-square test and Fisher Irving Test were used to analyze the data. He revealed that only 16% of the investors were facing difficulties in buying and selling securities. Middle-class investors were highly educated but they were lacking skill and knowledge to invest. Female investors preferred to invest in risky securities as compared to male investors. It also revealed that there was a moderate and continuing shift from bank deposits to shares and debentures, and a massive shift towards

traditional financial instruments namely, life insurance policies and government securities.

Ebenezer Bennet et al. (2011)[57] in their study entitled, "Factors influencing Retail Investor's, Attitude towards Investing in Equity Stocks: A Study in Tamil Nadu",stated that out of the total 26 variables, it was found out that five factors had very high influence over the retail investor's attitude towards investing in equity stocks. They were namely investor's tolerance for risk, strength of Indian economy, media focus on the stock market, political stability and finally government policy towards business. Hence this study was concluded that the factors had very high influence over the retail investor's attitude towards investing in equity stocks.

Dechow et al. (2011)[58] in their study entitled "Mastering Finance", found that analyst's growth forecasts were routinely over optimistic around new equity offerings, but the most over optimistic were those analysts employed by the lead underwriters of the offerings.

Panda et al. (2011)[59] attempted to identify the investor's awareness and attitude towards public issues. One hundred and twenty five investors covering the salaried and business class, from the city of Bhubaneswar were selected at random. They revealed that majority of the investors relied on newspapers as the source of information. Financial journals and business magazines were ranked next to newspapers. A large number of investors were of the opinion that they were not in a position to get the required information from the company in time. A sizeable number of investors were found to face problems while selling securities. 'Safety and Regular Return' stood first and second with regard to the factors associated with investment activities. Equity shares were preferred for their higher rate of return by the investors.

Palmon and Sudit (2011)[60]explored the possibilities and merits of offering shareholders an equity instrument designed to protect their investments from managerial opportunism. They proposed a special class of shares, the Shareholders Defensive Security Shares (SDSS), which obliged Boards of Directors to declare a pre-specified extra dividend whenever executive pay exceeds a contractually pre-determined threshold. SDSS could be extended into a larger class of Defensive Security Instruments (DSI) that includes regular bonds, convertible bonds, and preferred stocks. They argued that defensive equity, the Shareholders Defensive Security, or SDSS could be beneficial to managers as well as shareholders.

Iran and Stuart (2011)[61] described the current state of the UK Private equity market. It also considers the extent to which private equity promotes efficiency by facilitating the 'shake-up' of business, and whether the success of investment houses in attracting substantially increased funds for investment poses any threats to financial stability. Private equity comprises equity investment in all types of unquoted companies, whether provided by individuals, funds or institutions. They also concentrated on larger transactions and excluded start-up and early-stage venture capital finance, which in effect forms a distinct market with different characteristics.

Abdul Majeeb et al. (2012)[62] evaluated that the level of importance assumed by the retail equity investors on various investment objectives was based on the socio economic variables and selective investment profile factors viz., like liquidity, quick gain, capital appreciation, safety and dividends on various classes of investors based on residence, age, sex, marital status, educational background, size of family, members of family, market experience place of residence, monthly family income, type of investor, category of investor, type of market operation and etc,. It found that

the investors give more importance to liquidity, quick gain, capital appreciation and safety compared to others.

Faruk and Shelinan (2012)[63]revealed that the most important principal factors influencing retail investors were company specific attributes\reputation, net asset value, and accounting information. They suggested that the extent of importance given to each of the factors excluding ownership structure significantly differs with at least one demographic characteristic of sample respondents like gender, age, occupation, income, education, and experience. Level of importance given to publicity differs significantly with educational level and length of trading experience of respondent. The overall results can be improved by including new variables and observations. Finally the reliability of the findings of the study can be investigated by conducting similar research in other countries.

Lubna Riaz et al. (2012)[64]elaborated a model to describe the impact of risk propensity, asymmetric information and problem framing on investor's behavior while making decisions through the mediating role of risk perception; also it determined how much weight attached to each independent variable by investors when they make their decisions. It concluded that the investor's behavior depends on the available information presented to them and how much they are prone to taking risk while making decisions; thus playing a significant role in determining the investment style of an investor.

Rajeev Jain (2012)[65] examined three important attitudes displayed by the investors. They are : ' Expectations', those investors have about the future performance of the stock market in India; ' Confidence' that investors have regarding their investments;

and ‘Herd Instincts’ so investors tend to herd together. It also analyzes the investor’s preference towards traditional trading and online trading.

Bennet et al. (2012)[66] investors were administered a structured schedule, containing pre-validated scales to measures the investors sentiment. Once the constructs were found to be both reliable and valid, the impact of Herd Behavior, Internet Led Access to Information Trading, Macro Economic Factors, Risk and Cost Factors, Performance Factors and Confidence levels of Institutional Investors etc,. It was found from the interactions with selected investors that Provident Fund and Gratuity would not be able to cover the investor’s old age/ retirement life. Therefore to manage the retirement/old age, the investors know that they would need to save and invest in stock market. Out of various vehicles to invest, the investors found the Indian stock market to be very attractive. The low returns offered by post office Government Bonds etc,. Make them relatively unattractive and persuade them to invest in stocks.

Brahamabhatt et al. (2012)[67] presented that the awareness of investment knowledge, and investment opportunities were quite high. These people are helped by financial portals, financial news channels, financial newspapers; various markets related T.V shows, Expert talks, magazines. For Indian public-money is everything so they are more sensitive about their money.They will think hundred times before investing in any markets and will expect more than that. They felt that they are having enough money, time, resources and opportunities with them for investing. Though they are having sound knowledge of financial market and economic condition of India yet they lack the edge above the others as this field is very unpredictable and vast hence they must be backed by a financial planner.

Sanjay Kant Das (2012)[68] believed that trading behavior of individual investors rarely influenced the stock prices. With this perception about the individual investors, majority of trading strategies and stock market policies are designed and focused to their institutional counterparts, there by ignoring the individual investor's interests to some extent. From this he found that a majority of the sample small investors in Assam took into consideration all the 38 factors before selecting the stocks to invest. The average value of the Top 5 highly influential factors are, financial statements of companies with a mean value of 4.90, Referral value of 4.86, public information with a mean value of 4.72 and profitability variables with a mean value of 3.84 of the Firm and so on. According to him, there were four factors with the lowest priority which had low influence on the stock selection decision.They are Government policies (1.66), calculation of risk (1.86), Economic variables (2.24) and discounted cash flow tools (2.54).

Murty and Sastry (2012)[69] concluded that investors assign different risk and return ratings for each type of investment and the rating vary with the socio economic and investment profile of the investors. Mean Differences revealed that Shares, Debentures\Bonds, Mutual Funds, NSC/PPF/PF,Fixed Deposits, Insurance, Policies, Real Estate, Gold\Silver are perceived to generate greater relative return than relative risk by all classes of investors as a whole. Out of the above Real Estate was perceived as the best investment followed by Gold/Silver and Insurance Policies as a whole especially by young and middle aged investors. Moreover, in India percentage of participation investing in equities is too low comparatively to other investment avenues. Hence better to bring the Government or regulatory bodies like SEBI to

create awareness and encourage in retail investors in equities to become greater part of development of economic system for making investment on long term basis.

Bannet (2013)[70] found that during the period of post Global Crisis, investors participation was influenced by one of the stock specific factors namely financial characteristic. The financial characteristic comprises various financial ratios pertaining to the company and now-a-days investors take into consideration these aspects before they specifically invest in any particular stock. Finally it is concluded that the overall Stock specific factors did not have much influence on investor's sentiment in India.

Rahnuma and Sultan (2013)[71] observed that most of the investors were regularly reading the articles published in the daily newspapers, collected information from internet, TV talk shows. Money market conditions also influenced investor's decision. Individual investor's decision was strongly affected by advice of brokers, friends and family. Affordable price, positive movement, ease of obtaining borrowed fund, past performance could also influence investment decision. The role of media was correct and appropriate for our stock market. The media has an impact on the stock markets and the economy in general. They found that the media played a role in the recovery of the broken stock market.

Heena Kothari (2013)[72] compared the different avenues that can be preferred, provided it is put forth before young and different age group investors in the desired form. If the younger generation starts investing at such an early stage on regular basis, they will be able to save more for their future. Facts revealed in this study highlighted the perception of varied age group investors who desire to invest in different avenues which give high returns and growth prospect.

Samitakher and Shende (2013)[73] in their study titled, "A Study of Investment Pattern of Central Government Employees after the Implementation of Sixth Pay", identified the hike in salaries and the change in pay scales as was reflected in the investing pattern of employees. Employees in the public sector, hitherto invested only in portfolios which they considered as safe, which were low risk aspects and also yielded satisfactory returns or commensurate returns, but post pay commission, their investment in avenues like share markets, real estates etc., have also risen.

Durga Rao et al. (2013)[74] investigated Shares, Debentures\Bonds, Mutual Funds, NSC/PPF/PF, Fixed Deposits, Insurance Policies, Real Estate, Gold/Silver generate greater relative returns than relative risk in all category of investors irrespective of their age. Out of the above, young and middle aged investors' perceived investment in Real Estate as the best, followed by Gold/Silver and Insurance policies where as old investors perceived investment in Gold/Silver as the best, followed by Real Estate and Insurance policies. It became common to assume that investors seek to put investment which maximize risk for an expected level for return that maximizes the expected rate of return for a given level of risk. The returns expected by retail investors are sometime influenced by more than anticipated risks levels.

Mohd Alnajjar (2013)[75] endorsed an investor based psychological decision making model to recognize the irrational attitude on investor in the stock market. It confirmed that investor showed irrational behavior while investing in the market. Traditional finance theory is not enough to describe the investor behavior. As investor behaves contrary to the traditional finance theory while considering variation in policies related to the investors protection, the government should strengthen their policies and listed companies regulations for increasing investor protection. Government should

emphasize more on stock market policies stability and on better stock market risk management.

Anitha and Phani (2014)[76] analyzed the significance of demographic factors that influence the investors decision towards making investments. They identified different demographic variables and its effect on decision making behavior in a risky situation. The direct effects of these demographic factors on risk perception and propensity ultimately on risky decision making have been established.It also covered that old age investors have more risk perception and younger perceives the risk differently. Gender effects the decision in a manger that females have less risk preferences than males and thus affects the risky decision-making behavior negatively and are reluctant to take risky decision.

Ruta and Anjali(2014)[77] observed that the perception of the investors did differ from the impact of macroeconomic performance on stock market behavior with respect to different individual factors like age and years of market investment experience. It had been a possibility as more and more investors are doing market study before investing. Moreover, it would be definitely of great help to fund management companies and for financial planners who will seek the information to understand the awareness level of the investors and would able to build investment strategies accordingly.

Ambrose and Vincent (2014)[78] established the factors influencing investment decisions at the Nairobi Stock Exchange. They tested the tenets of the behavioral finance theory on the factors that influence investment decisions under conditions of uncertainty. The analysis performed on the data collected appears to give a fairly accurate view of the average equity investors in the NSE. They revealed that there

seems to be a certain degree of correlation between the factors that behavioral finance theory and previous empirical evidence identify as the influencing factors for the average equity investor, and the individual behavior of active investors in the NSE influenced by the overall trends prevailing at the time of the survey in the NSE.

Mayadevi and Mohana (2014)[79] discussed some interesting facts about the investment perception of government employees. Majority of the government employees have investment habits in bank. In addition to bank investment they have strong investment preferences towards real estate, gold, chit funds and other tax saving schemes. Regular returns, future safety, tax savings etc are major concern of Govt. employees while making investment. Increased investment participation from different sectors of the economy facilitates increased momentum to financial intermediation process which will in turn facilitate rapid economic development. Thus by actively participating in the stock market, government employees can directly and indirectly promote the density of Indian financial system.

Mohammad (2014)[80] tested to gain Knowledge about key factors that influence investment behaviour in different countries and the ways these factors impact investment risk tolerance and decision making process among men and women and among different age groups. The factors can be grouped into demographic, economic, social and psychological.The other factors that influenced the investors were stock marketability, expected losses in international financial markets, perceived ethics of the firm, diversification purpose, tax consequences of an investment, inflation, trading opportunity, publicity and composition of the board of directors of companies, brand perception, social responsibility, economic expectation and control orientation.

Reena Rani (2014)[81] concluded that there were various factors that influence the individual investor's behavior in stock market. Some factors affect majorly while others have slight role in influencing the behavior of an individual investor. The factors can be classified into demographic, economic, social and psychological in nature. The most general factors that have a significant impact on the investor's behavior are herding, over- reaction, and cognitive bias, confidence (over or under), gender, age, income, education, risk factor, dividends influence of people opinion (friends or family), past performance of the company, accounting information, ownership structure, expected corporate earnings.

Sandip Chattopadhyay (2014)[82] concluded that the higher call option prices and lower put options imply positive investors' sentiment and vice versa. They concluded that in inefficient market conditions,agency costs, illiquidity of assets and tax liabilities prevail in the market. Generally, when investors' sentiment is high, discount is low. On an overall basis, if the investor's sentiment is high, discount is low. On an overall basis, if the investors look at the markets from a short-term perspective, index/stock returns, primary market activities, trading volume and momentum, and market technical influence their sentiment. However, when they take a long-term call on the markets, their sentiment is driven by overall market nature and fundamentals, presence of a strong regulatory and investors'-friendly market environment, information distribution patterns and also influenced the domestic and foreign institutional investors.

Rakesh (2014)[83] investigated the results of the factor analysis and descriptive statistics had led that there are multiple factors that have greater influence on the behavior of commodity market investors in India. The main factors that have such

greater influence are: information asymmetry, objective knowledge, high return and low risk. The influence of all these four factors on the commodity market investors' behaviour is found to be significant with 95 percent confidence level.

Baburaju et al. (2014)[84] empirically examined that investors not always act in a rational manner due to the cognitive and psychological errors that they had to deal with. The behavioral factors are important in financial markets because they influence the investors who make the financial decisions. It is obvious that the separation of investors personality and their investment decision making is not possible. Therefore, it cannot be ignored the importance of understanding of the individual financial behavior of capital market investors. Behavioral finance represents a revolution in financial theory. The combination of financial theory with other social sciences resulted into the appearance of behavioral finance. This is a relatively young and promising field of modern finance which has registered remarkable progress in the last decades.

Aroni et al.(2014)[85]proposed that financial information acquisition had the potential to improve investors' decisions on overall portfolio performance. Both the stock market regulators and financial advisers educated the investors to improve their financial analysis knowledge about the investment preference to the investors. It found that the managers of listed companies deliberated endeavour to avail financial information to the public in a timely manner, preferably by posting the annual reports on the website as announcement updates. This avoided information asymmetry and ensure the market operates in near perfect competition which enhanced confidence, and make market participants to fully appreciate the role of financial information in investment decision making.

Prabakaran (2015)[86] observed that the bullish trend of stock market attracts many equity investors in the recent past days. Though many investors trade on their own, they require the experts help as investment tips to trade. The main objective of the study is to tract the investors' risk profile and their perception towards investing in stock market. The result of the chi-square test showed that, the demographic variables like gender, age, education & sources of income were significantly associated with type of investment, investment experience and stock selection period of investment, investment objectives and decision taken during uncertainty.

Vallaippan.M (2015)[87] found that the different investment avenues with varying degrees of risk and return. The real world of investment is so lively and unstable that it attracts the investor, the speculator and gambler. No investor wants to lose money. Capital gains and dividends are the important ingredients that investors regard as return on investment. To avoid wrong decisions, one may need expert and professional guidance. The research primarily aims at evaluating the risk bearing ability of investors in equity market. The secondary objectives were to identify the investor's perception towards Indian Stock Market, to know the investment pattern of Indian equity investors in general and investment preference Viz. risk-return perception to a limited level. It was discovered that majority of the investors were normal traders who were not ready to take more risk, and lack of knowledge about market was the real challenge faced by investors in equity market.

Namrata et al.(2015)[88] determined a positive correlation between stock market development and economic growth. Well-developed stock markets mobilize savings and boost investments. However, the Indian retail investors exhibit a remarkable reluctance in investing in the stock market. Analysis of the views of 234 Indian

investors, who don't invest in the stock market, reveals seven factors that impede stock market investments-myths regarding suitability of stock market instruments, volatility, poor understanding, multiple incomprehensible risks, uncertain returns, fraudulent practices and psychological fears. It is suggested that basic financial knowledge be imparted even in schools. Awareness campaigns may also be run on television, radio and newspapers to increase the level of awareness of current and prospective investors. Further, measures should also be taken to increase the awareness regarding the numerous policies instituted by SEBI to safeguard the stock market investors. There is thus a need to educate the Indian investors so that they may understand and invest in the stock market in the right spirit.

Pandey and Kathavarayan (2015)[89] examined the investment preferences towards commodity market, other investment options and also deal with investment preference from commodity market, equity market, debenture and mutual fund. It is based on the level of preference in the process of investment in commodity market, the perception and involvement in commodity market and awareness of commodity market, using the multiple regression technique. The results of the analysis significance among are of investor's awareness, perception and involvement and preference, also there was a highly significant relationship between age, education and annual income. It proved that the majority of the respondents are having full awareness about commodity market and most of the respondents prefer to invest in commodity market.

Kavitha (2015)[90] inspired by the persistent lack of local investors participating on the National Stock Exchange (NSE), the wide spread ignorance about financial assets and the continuous purchase of stocks with no information known about them by most people in the country plus the wide gap between the rich who invest in stocks and the

poor who continuously make losses in the real investment industry. It was guided by objectives with a purpose of tracking investor's attitudes and perceptions towards stock market investments. It made several recommendations among which to increase investor awareness as a means of encouraging local investors to list on the stock exchange.The regulatory authorities should improve on their performance in order to increase the confidence of local investor. Further, there is a significant relationship between the local investor's perception of stock market regulations and their intention to participate at NSE.

Hemandra (2015)[91] identified investment in equity as always been considered as risky investment by investor and its high volatility and fear of erosion of principle has evaded many investors from venturing into it. Many Asset management companies and financial planners have been advocating the investing systematically in equity market for getting high and safe return from equity market. It also tries to evaluate whether there is any significant difference in volatility and return while investing monthly thus taking benefit of rupee cost averaging rather than investing lump sum. It can be concluded that investing systematically through SIP or doing monthly regular investment has not shown a substantial difference in return and neither in reducing risk.

Parimalakanthi and Ashok Kumar (2015)[92] aimed to find the behavior of individual investors from Coimbatore city towards available investment avenues in Indian financial markets. This also analyzes factors affecting the investment decision and to find out the risk tolerance level of individual investors with respect to demographic variables. It also concluded that safety and capital appreciation was also a foremost preferred aspect in fixed income and investment for safety. Additional

income was the most preferred aspect on liquidity investments. The factors namely gender and investment ratios in real estate do influence the investment behavior.

Conclusion:

There are considerable number of studies on Indian stock markets and its related activities. However, most of these studies concentrated either on overall development, growth, development and performance of capital market in India or on the recent trends of change after liberalization. Most of the studies reviewed above have mainly covered the aspects at macro level, like the ownership patterns in the capital market, age-wise, gender-wise, occupation-wise and their life cycle also influence to break up of paid up value of shareholdings of individuals, ownership pattern of shares/debentures, and geographical distribution of share ownership in India. Though there are some specific studies on the investment pattern of individual, they mainly focused their attention on individual investors' problems and need for their protection. There are no specific studies exclusive on investment perception towards investment in equity, his evaluation process of investment, his investment pattern, risk perception and return preferences. It is needless to emphasize that the behavior of the small and household is a very crucial area in the formulation of policies and procedures for the orderly growth and development of securities markets in any nation. There are only a few studies covering the issue of investor perception and behavior at micro/regional level. Hence, the present investigation includes investment pattern, the most preferred objectives of investors, and investment evaluation and decisions and problems of investors in equity market. Moreover, this study is mainly undertaken in Hyderabad city, with the hope that observations and conclusion of the study are of immense use.

References:

1 Xuewuwang (2004), "Sentiment Strategies", The ICFAI journal of Behavioral Finance, December, pp: 60-72.

2 Al-Tamimi HAH (2005), "Factors Influencing Individual Investors Behavior: An Empirical Study of the UAE Financial Market", IBRC Athens, Aryan Hellas Limited.

3 Qiang Cheng, Terry D. Warfield (2005), "Equity incentives and earnings management", the accounting Review, Volume 80, No.2, pp: 441-476.

4 Andreas Kemmerer and Tom Weidig (2005), "Reporting Value to the private Equity Fund Investor", University of Frankfurt, Working paper, pp: 1-49.

5 Baker, M&Wurgler, J (2006), "Investor Sentiment and the Cross- Section of Stock Returns", Journal of Finance, Volume LXI, No. 4, pp: 55-78.

6 John R. Graham, Alokkumar (2006), "Do Dividend Clienteles Exist? Evidence on Dividend Preferences of Retail Investors", The Journal of Finance, Vol. 61, Issues 3, June, pp: 1305-1336.

7 GnanaDesign C. (2006), "Investors Perception towards Equity Share Investment – An Empirical Study", Journal of Organization Management, Vol. XXII, No. 1, pp: 24-30.

8 Minh Quang Dao (2006), "The impact of investment climate indicators on Gross Capital Formation in Developing Countries", Eastern Illinois University, USA, working paper, pp: 1-10.

9 Ming Dong, Chris Robison and Chrisveld (2006), "Why individual investors want dividends", The ICFAI Journal of Behavioral Finance, Vol. III, No. 2, pp: 27-62.

10 Michael Kaestner (2006), "Investors' misreaction to unexpected earnings: evidence of simultaneous overreaction and under reaction", The ICFAI Journal of Behavioral Finance, March, pp: 32-42.

11 Sadhan Kumar Chattopadhyay and Samir RanjanBehera (2006), "Financial Integration for Indian Stock Market", Department of Economic Analysis and policy of the RBI,pp: 1-29.

12 Larry D. Wall (2007), "On investing in the Equity of small firms", Journal of small Business management, volume 45(1), pp: 89-93.

13 Sen. S.S., B.K. Ghosh and Santanu Kumar Ghosh (2007),"Stock market liquidity and Exchange Rate – A case study on BSE & NSE", The Management Accountant ICWAI Journal Vol.42, No.10 October, pp: 820-821 & 830.

14 Gerben dezwart, Brian Frieser and Dick van Dijk (2007), "A recommitment strategy for long term private equity funds investor", ERIM report series research in management, ERS- 2007-097 – F&A, pp: 1-46.

15 Michael J. Robinson and Thomas J. Cottrell (2007), "Investment patterns of informal investors in the Alberta private Equity Market", Journal of small Business Management Vol. 45, No. 1 pp: 47-67.

16 Nagarajan R(2008), "Green Shoe option in IPO", The Management Accountant ICWAI Journal Vol.40, No.5, May, pp: 398-401.

17 Gangadhar V. and G. Naresh Reddy (2008), "The Impact of Foreign Institutional Investment on Stock Market Liquidity and Volatility in India", the Management Accountant ICWAI Journal Vol.43, No. 3, March, pp: 179-84.

18 Kameswari (2008), "Foreign Direct Investment and its role in Developing Indian Economy", the Management Accountant ICWAI Journal Vol.43, No. 7, July, pp: 510-517.

19 Selvam M, Rajagopalam V, Vanitha S, Babu M (2008), "Equity culture in Indian Capital Market", Sajosps, Vol. 4, No.1, July, pp: 66-78.

20 Sen. Som Sankar and Santanu Kumar Ghosh (2008), "Stock Market Liquidity of BSE and NSE: A comparative study, " The Management Accountant ICWAI Journal Vol.43, No.2, February, pp:55-60.

21 Nissim Ben David (2008), "An indicator for internalization of analyst's recommendations by investors, "The ICFAI University Journal of Behavioral Finance, Vol. V, No. 3, pp: 23-35.

22 Mohanty B.K (2008), "Market Capitalization: A suitable growth approach for share holder's value creation", The Management Accountant ICWAI Journal Vol.43, No.8, August, pp:399-401.

23 Brimberg J., P. Hansen, G. Laporte, N. Mladenovic and D. Urosevil (2008), "The Maximum return-on-investment plant location problem with market share,"Journal of the operational Research society Vol. 59 No. 3, pp: 399-406.

24 Kenneth A.Foot and TarunRamadorai (2008), “Institutional Portfolio Flows and international investments,”The Review of Financial studies Vol. 21 No.2, pp: 1-36.

25 Shollapur M.R. and A B Kuchanur (2008), “Identifying Perceptions and perceptual Gaps: A study on individual investors in selected investment avenues”, “The ICFAI University Journal of Behavioral Finance, Vol. V, No. 2, pp: 47-61.

26 Eva Hofmann, Erik Hoelzl and Erich Kirchler (2008), “A comparison of models describing the impact of moral decision making on investment decision”, Journal of Business Ethics, Vol. 82, and pp: 171-187.

27 Subha M.V (2009), “Indian Capital Markets- A Road Ahead”, Indian Journal of Marketing, Vol. XXXVI, No. 12, March, pp: 21-22.

28 Ai Jun Hou (2009), “EMU Equity Market return variance and spillover effects from short-term interest rates”, Department of Economics, Lund University, Sweden, pp: 1-35.

29 Alexander L Jungquist and Matthew Richardson (2009),”The investment Behaviour of Private Equity Fund Managers”, Nyvistern, New York University, Leonard N. Stern School of Business, Department of Finance, Working paper series, pp: 1-38.

30 Al-Tamimi, HAH &Kalli (2009), “Financial Literacy and Investment Decisions of UAE Investors”, AAB.

31 BatniRaghavendra Rao (2009), “Exchange Traded Funds- The cardinal investment option in turbulent times”, The Management Accountant ICWAI Journal Vol.44, No.6, June, pp:464-467.

32 Mamunur Rashid1 and Md. AinumNishat (2009),”Satisfaction of Retail Investors on the Structural Efficiency of the Market: Evidence from a developing country context”, Asian Academy of Management Journal, Vol. 14. No.2, July, pp: 41-64.

33 SantiSwarup K (2009), “Measures for Improving Common Investor Confidence in Indian Primary Market: A Survey”, Research Publication.

34 Henry L Petersen and HarrieVreden Burg (2009), “Morals or Economics? Institutional Investor Preferences for Corporate Social Responsibility”, Journal of Business Ethics Vol. 90, pp: 1-14.

35 MahabaleswaraBhatta H.S (2009), “Behavioral Finance – A discussion on the individual investor biases”, The Management Accountant ICWAI Journal Vol.44, No.2, February, pp: 138-141.

36 AlokKumar (2009), “Who Gambles In the Stock Market? University of Notre Dame, Mendoza College of Business, IN 46556, pp: 1-53.

37 Kuntluru S. and Md. Akbar Ali Khan (2009), “Financing pattern of foreign and domestic owned Pharmaceutical companies in India”, The Management Accountant ICWAI Journal Vol.44, No.12, December, pp: 984-991.

38 William A. Birdthistle and M. Todd Henderson (2009), “One hat Too many? Investment Desegregation in private Equity”, The University of Chicago Law, pp: 45-82.

39 Diptendusimlai (2009), “An Inquiry in to the origin and Growth of the modern capital market in India, “The Management Accountant ICWAI Journal Vol.44, No.3, March, pp: 205-209.

40 Yadagiri M, and P.Rajender (2009), “Analysis of Investment Portfolio of Scheduled Commercial Banks”, the Management Accountant ICWAI Journal Vol.44, No.10, October, pp: 780-788.

41 Gupta L.C, Naveen Jain and Team (2009), “Indian Household Investors Survey- 2004”, Society for Capital Market Research and Development”, Delhi.

42 Mamunur Rashid and Md. Ainun Nishant (2009), “Satisfaction of Retail Investor on the Structural Efficiency of the Market”, Asian Academy of Management Journal, Vol. 14, No.2, July, pp: 41-64.

43 GnanaDesign C, KalaiSelvi S, Anusya L (2009), “Women Investors Perception towards Investment- An Empirical Study”, Indian Journal of Marketing, Vol.XXXVI, No.4.April, pp: 14-37.

44 Raja M and J Clement Sudhahar (2010), “An Empirical test of Indian Stock Market Efficiency in Respect of Bonus Announcement”, Asia pacific Journal of Finance and Banking Research Vol.4 No.4, pp: 1-14.

45 Roopam Kothari and Narendra Sharma (2010), “Testing the Beta Stability of Banking Sector over various phases in Indian Stock Market”, The Management Accountant ICWAI Journal Vol.45, No.7, July, pp: 591-595.

46 Maruthupandian P, Benjamin Christopher S (2010), “A Study on Equity Investor Awareness”, Doctoral Dissertation at Bharathiar University.

47 Chattopadhyay P (2010) “Retail Investors in IPO subscription”, The Management Accountant ICWAI Journal Vol.45, No.3, March, pp: 194-198.

48 GauravKabra, Prashant Mishra and Manoj Dash (2010), “Factors Influencing Investment Decision of Generations in India: An Econometric Study”, Asian Journal of Management Research Journal of Finance and Economics, Vol.1, Issue 1,pp: 308-326.

49 Manoj Kumar Dash (2010), “Factors Influencing Investment Decision of Generations in India”, International Journal of Business Management and Economic Research, Vol.1, pp: 15-26.

50 Shobana V.K. and Jayalakshmi J (2011), “Investor Awareness and Preferences”, Organizational Management, Vol. XXII, No.3, December, pp: 16-18.

51 Meir Statman, Steven Thorley and Keith Vorkink(2011), “Investor overconfidence and Trading volume”, The Review of Financial Studies Vol.19, No.4, pp: 1531-1565.

52 Stephanie Desrosiers, Jean-Francois L Her and Jean-Francois Plante (2011), “Style Management in Equity Country Allocation”, Financial Analysts Journal, CFA Institute, Vol.60, No.6, pp: 40-54.

53 ShivkumarDeene, Madari D.M and Gangashetty (2011), “Capital Market Reforms: some issues”, Working paper, pp: 1-12.

54 Mark Grinblatt, Mattikeloharju (2011), “The Investment Behavior and performance of Various Investor Types: Study of Finland’s unique Data set”, Journal of Financial Economics, Vol.55, pp: 43-67.

55 Rajarajan V (2011), “Investors Life Styles and Investment Characteristics”, Finance India, Vol. XIV, No. 2, pp: 465-478.

56 Bandgar, P.K (2011), “A Study of Middle Class Investor’s Preferences for Financial Instruments in Greater Bombay”, Finance India, Vol. XIV. No.2, PP: 574-576.

57 Ebenezer Bennet, MurugesanSelvam, GunasekaranIndhumathi, Ramachandran Rajesh Ramkumar and VenkatramanKarpagam (2011), “Factors Influencing Retail Investors Attitude Towards Investing in Equity

Stocks: A Study in Tamil Nadu", Journal of Modern Accounting and Auditing, Vol.7, No.3, March.

58 Dechow, Patricia, Hutton, Amy and Sloan, Richard (2011), "Mastering Finance", Business standards 12 part series on corporate finance Financial Markets and Investment Management, New Delhi.

59 Panda k, Tapan N.P and Tripathi (2011), "Recent Trends in Marketing of Public Issues: An Empirical Study of Investors Perception", Journal of Applied Finance, Vol.7, No.1,PP: 1-6.

60 Dan Palmon and Fred Sudit (2011), "Shareholders' defensive security Shares", International Journal of Disclosure and Governance Vol.4,3, Palgrave Macmillan Ltd PP: 195-203

61 Iran Peacock and Stuart Cooper (2011), "Private equity: implications for financial efficiency and stability," Bank of England quarterly Bulletin, February,PP: 69-76.

62 Abdul Majeeb Pasha Shaik , Dr T.N. Murty, R Vamsee Krishna, V. Hemantha Gopi Kiran(2012), "Investment objectives Of The Retail Equity Investors In India", International Journal Objectives Of the Retail Equity Investors In India", International Journal Of Social Scneince & Interdisciplinary Research Vol.1 Issue 7, July.

63 FarukHossain and ShelinaNarsin (2012), "Factors Affecting Selection of Equity Shares: The Case of Retail Investors in Banlgadesh", European Journal of Business and Management, Volume 4, No.20.

64 LubnaRiaz, Ahmed Imran Hunjra and Raug-iAzam (2012), "Impact of Psychological Factors on Investment Decision Making Mediating by Risk Perception", Middle-East Journal of Scientific Research, Volume 45, NO 46-60.

65 Rajeev Jain (2012), "Investor's Attitude towards Secondary Market Equity Investments and Influence of Behavioural Finance", International Journal on Emerging Technologies 3(2), No 67-79.

66 E. Bennet, M Selvam, N. Vive and Eva Esther Shalin (2012), "The Impact of invetors sentiment on the equity market: Evidence from Indian stock market", African Journal of Business Management Vol. 6(32), pp 9317-9325, 15 Aug.

67 Brahamabhatt,, P.S Raghu Kumari and ShamiraMalekar (2012), " A Study of Investor Behaviour on Investment Avenues in Mumbai Fenil", (TAJMMR) TRANS Asian Journal of Marketing & Management Research, Vol.1, Issue 1, September.

68 Sanjay Kanti Das (2012), "Small Investor's Behaviour On Stock Selection Decision: A Case of Guwahati Stock Exchange", International Journal of Advanced Research in Management and Social Sciences(IJARMSS), Vol.1 No. 2, August.

69 T.N. Murty and P.V.S.H.Sastry (2012), "Investment Perception of Small Investors", Abhinav National Monthly Refereed Journal of Research in Commerce & Management, Volume 20, Number 1, February.

70 Bennet, E. and Selvam, M(2013), "The Influence of Stock Specific Factors on the Sentiment of Equity Investors: Stock Market", Proceedings of ASBBS, Volume 20, Number 1, February.

71 RahhnumaAkther and Sultan Ahmed (2013), "Beharvioural Aspects of Individual Investors for Investment in Bangladesh Stock Market", International Journal of Ethics in Social Sciences, Vol 1, No. 581, December.

72 Heena Kothari (2013), "Investors Behaviour towards Investment Avenues: A Study With Reference To Indore City", Altius Shodh Journal of Management and Commerce, ISSN 2348-8891.

73 SamitaKher and P.N Shende (2013), "A Study of Investment Pattern of Central Government Employees after the Implementation of Sixth Pay", SUMEDHA Journal of Management, Vol.2, No.1, March.

74 P.V Durga Rao, G.V Chalam (2013) , T.N Murty, "Perception of Equity Investors on Risk – Return In Indian Capital Market – A Scientific Analysis", International Journal of Finance Resource Research Review, Volume 1 , Issue 10 December.

75 MohadAlnajjar (2013), "Investors Based Psychologial Decision Making Model", Far East Research Cetre, Vol. 11, No. 3, June.

76 Anitha and Phani Bhargavi D (2014), "Investors Perception towards Investment", Global Journal of Finance and Management, Vol. 6 No. 2 pp, 185-190.

77 RukaKhaparde, Anjali Bhute (2014), “Investors Perception towards Impact of Macroeconomic Performance on Stock Market Behaviour”, the International Journal of Management, Vol 3 , Issue.1, January.

78 Ambrose Jagongo and Vincent S. Mutswenje (2014), “A Survey of the Factors influencing Investment Decisions: The Case of Individual Investors at the NSE”, International Journal of Humanities and Social Science Vol. 4 No. 4, February.

79 Mayadevithampatty and mohanakrishnan P.C (2014), “A study on the perception of stock market investments among government employees in Calicut city”, Asian Journal of Management Research, Volume 4, Issue 3.

80 Mohammad Shafi (2014), “Determinants Influencing Individual Investor Behaviour in Stock Market”, Arabian Journal of Business and Management, Vol. 2, No. 1.

81 Reena Rani (2014), “Factors Affecting Investors Decision Making Behaviour in the Stock Market: An Analytical Review”, Indian Journal Of Applied Research, Vol.4, Issue.9, September.

82 Sandip Chattopadhyay (2014), “Stock Market – Driven Factors of Investors Sentiment”, European Journal of Business and Management,IISN 2222-1905 (paper) ISSN 2222-2839 (Online) Vol.6, No.17.

83 Rakesh H M (2014), “Individual Investor Behavior: A Study of commodity Market”, International journal in management and social science (IJMSS), Vol.02, Issue-01, ISSN : 2321-1784, January.

84 Baburaju k.Bhatt and Apurva A. Chauhan (2014), “Behavioral Finance: A New paradigm of Finance”, International Journal of Application or Innovation in Engineering and Management (IJAIEM), Volume3, Issue 2, February.

85 Joshua Aroni, G. Namusonge, MauriceSakwa (2014), “The Effect of Financial Information on Investment in Shares- A Survey of Retail Investors in Kenya”, International Journal of Business and Commerce, Vol.3, No.8, April.

86 V. Prabakaran (2015), “Investors’ risk profile analysis and their perception towards investing in stock market”, Zenith International Journal of Business Economics & Management Research(ZIJBEMR), ISSN 2249-8826, Vol.5(8),PP.13-22, August.

87 Vallaippan.M (2015), “Risk bearing ability of investors in Indian stock market”, International Journal of Education and Research (IJER), ISSN: 0972-9380, Volume 12(2), PP: 287-293.

88 Namrata Sandhu, Dilpreet Singh, Niharika Mankotia (2015), “Perceptual Factors Impeding Stock Market Investment”, International Conference On Technology and Business Management, March 23-25.

89 N.S.Pandey and P.Kathavarayan (2015), “Investment Preferences towards Commodity Market and other Investments options”, Pacific Business Review International, Volume 7, Issue7, January.

90 C.Kavitha (2015), “Investors Attitude towards Stock Market Investment”, International Journal of scientific research and management (IJSRM), volume 3, issue 7, pp: 3356-3362, July.

91 Hemendra gupta (2015), “A study on performance of sensex and evaluation of investing lumpsum or monthly regular investment in equity on risk and return for investor”, International journal of development research, ISSN: 2230-9926 Vol.5, issue.05, PP.4323-4327, May.

92 Parim Ashok Kumar Alakanthi K and M (2015), “A Study Pertaining to Investment Behavior of Individual Investors in Coimbatore City”,International Journal of Advance Research in computer Science and Management Studies, ISSN: 2321-7782, Volume 3, Issue 6, July, PP.149-15.

Chapter –V

INVESTOR PERCEPTION OF EQUITY INVESTMENT (DEMOGRAPHIC & INVESTMENT PROFILE)

Investor perception of Equity Investment

An investment in shares is one of the welcoming trends in the investment sector. These investments are found in the primary market and secondary market. An investment decision always includes the sacrifice of immediate benefits for better future returns. An investment is always made with certain specific objectives in mind. The perception of investors differs on the basis of different factors like age, income, experience of investing, investment objectives and individual social needs. Investment decision generally means the determination made by investors as to where, when, how and how much funds will be invested on various avenues of financial products/ instruments with the objective of generating income or appreciation in value. Better understanding of the fundamental factors and technical factors influencing investment evaluation and decision will help the investors to take an appropriate investment decision and also help them to avoid their repeating mistakes in future in extracting the best financial investment preferences. Usually, the investors evaluate the risk and return of an investment decisions. The decision making perception of an investor is affected by their attitude towards risk. At different levels of risk perception, the individual investors think differently about their investment and make decisions. A successful investor is the one who studies the market, understands his risk taking ability, sets the clear cut investment objectives, determines the expected rate of return, decides the time and period of investment and makes huge profits.

A Brief Profile of Hyderabad City

Hyderabad is the capital of the southern Indian state of Telangana. Occupying 650 square kilometres (250 sq mi) along the banks of the Musi River, it has a population of about 6.7 million and a metropolitan population of about 7.75 million, making it the fourth most populous city and sixth most populous urban agglomeration in India. In 2014, for the newly formed state of Telangana which was split from Andhra Pradesh Hyderabad city became the joint capital of the two states, a transitional arrangement scheduled to end by 2025. Hyderabad is the third most important city in South India and the sixth most important city in India. Hyderabad has a thriving IT industry and is the second most popular software hub in the country. The city is well connected with air, rail and road. Hyderabad is the historic city established by Muhammad Quli Qutb Shah on the banks of the River Musi. Hyderabad is twinned with neighboring Secunderabad. Many historic and tourist sites lie in south central Hyderabad, such as the Charminar, the Mecca Masjid, the Salar Jung Museum, the Nizam's Museum and the Falaknuma Palace.

Economy:

Hyderabad is also named "City of Pearls", considering pearl trade in the city. Industrialization began under the Nizams rule in the late 19th century. Hyderabad has major Indian enterprises, such as Bharat Heavy Electricals Limited (BHEL), Nuclear Fuel Complex (NFC), National Mineral Development Corporation (NMDC), Bharat Electronics (BEL), Electronics Corporation of India Limited (ECIL), Defense Research and Development Organization(DRDO), Hindustan Aeronautics Limited (HAL), Centre for Cellular and Molecular Biology (CCMB), Centre for DNA Fingerprinting and Diagnostics (CDFD), State Bank of Hyderabad (SBH) and Andhra Bank (AB) . The city is home to Hyderabad Securities formerly known as Hyderabad

Stock Exchange (HSE), and houses the regional office of the Securities and Exchange Board of India (SEBI).

The growth of information technology (IT), IT-enabled services (ITES), insurance and financial institutions has expanded the service sector.The city is home to more than 1300 IT and ITES firms including the industry giants like Microsoft, Apple, Amazon, Google, IBM, Yahoo!, Oracle Corporation, Dell, Face book, and major Indian firms including Tech Mahindra, Infosys, Tata Consultancy Services (TCS), Polaris and Wipro. In 2009 the World Bank Group ranked the city as the second best Indian city for doing business and these primary economic activities have boosted the ancillary sectors of trade and commerce, transport, storage, communication, real estate and retail.

Also Hyderabad has great foot print in the pharma industry manufacturing one third of India's bulk drugs and 16% of biotechnology products, contributing to its reputation as "India's pharmaceutical capital" and the "Genome Valley of India"

Government of Telangana has sanctioned SEZ's for IT, Pharma, Food processing, Manufacturing, aeronautical, automobile, gems and jewelry. The aerospace park proposed over 1,000 acres near Ibrahimpatnam (Eliminedu Village) started functioning, which houses Tata's four units in joint venture with global majors like Sikorsky, Lockheed Martin and RUAG Aviation.

Demographic Profile of Hyderabad City

Hyderabad is a metropolitan city with people from various parts of the country. The population of Hyderabad in 1897 was around 400 thousands and today the population is 6,809,970 making it the fourth most populated city in the country.

There are 3,500,802 male and 3,309,168 female citizens. Today the city of Hyderabad, covers an area of 650 square kilometers. The sex ratio of Hyderabad city is 945 female per 1000 males, higher than the national average of 926 per 1000. Among children aged 0–6 years, 373,794 are boys and 352,022 are girls, giving rise to the ratio of 942 girls per 1000 boys. The city's population density is 18,480/km2 Hyderabad city's literacy rate is 82.96% (male 85.96% and female 79.79%), higher than the national average of 74.04%. Hyderabad city is governed by Greater Hyderabad Municipal Corporation. Telugu and Urdu are the official languages of Hyderabad, while English is commonly used. Hindi, Marathi, Bengali, Kannada, Tamil and Malayalam are the other languages significantly used.

Growth of Stock Broking Firms in Hyderabad City:

The growth of stock broking firms in Hyderabad city has begun with establishment of Hyderabad Stock Exchange (HSE) in 1941.Some leading bankers and brokers formed the share and stock Brokers Association in Hyderabad. HSE is the 6th Stock Exchange recognized under Securities Contract Act, after the Premier Stock Exchanges, Ahmedabad, Bombay, Calcutta, Madras, and Bangalore Stock Exchange. In 2005 the Hyderabad Stock Exchange Ltd was derecognized and SEBI started functioning. Many other stock broking firms like karvy stock broking limited, Stock Holding corporation of India limited, India bulls securities limited, ICICI web trade limited, Geogit Financial Services, Kotak Securities lt, India info line, Angel broking, Share Khan Limited were established.

Part - : Demographic Profile of Investors:

The influence of investor's demographics on their investment preferences has not been established fairly so far. Hence, the present study is conducted with the objective of identifying the association between demographics of individual investors and their behavior. It examines the null hypothesis that the investment preferences of individual investors are not dependent on the demographic characteristics such as age, sex, income, occupation, employment status and family size. To begin with we shall present a brief profile of the sample respondents. The rest of the chapter presents the analysis of the data pertaining to investor's preference across their demographics.

Age

Investment factor often goes with age. Age factor distinguishes the investor behavior. Many investing options have carved out a place in the equity shares by concentrating on a specific age segment. The age of the investors plays a crucial role to identify the investment behavior. It is considered as a useful demographic variable to segment the investors based on their perception of the investment pattern. The respondents have been divided into four groups, namely less than 30, 31-40, 41-50 and above 51.

Table - 5.1: Age of the Respondents

Age in years	Frequency	Percentage
Below 30 years	144	29.8
31-40 years	214	41.5
41-50 years	100	19.4
Above 51 years	48	9.3
Total	516	100.0

Table 5.1 presents age of the respondents. Out of the total respondents 41.5 percent are in the age group of 31-40 years, 29.8 percent are in the age group of below 30 years. Further, 19.4 percent are in the age group of 41-50 years and 9.3 percent are aged above 51 years. It can be concluded that majority of the respondents (71%) are in below the age of 40 years.

Gender

Gender is a useful variable for the equity shares investment because it seems to reflect the attitudes, options and prudential motives of the investors. Gender is an important factor to identify the behavior of the investors. In general, most of the investors in equity shares are males. Females are not much exposed to the effectiveness of retail investment and their consequences.

Table - 5.2: Gender of the Respondents

Gender	Frequency	Percentage
Male	354	68.6
Female	162	31.4
Total	516	100.0

Table 5.2 depicts the gender of respondent. It can be observed from the sample that majority of the respondents i.e., 354 out of 516 total respondents representing 68.6 percent are males, whereas the remaining 162 respondents 31.4 percent are females.

Marital Status

Marital Status affects the investment pattern of investors. The marital sentiments force them to invest for their future prospects. This state makes the

investor to think twice before investment. The marital status is considered to be one of the major determinants for investors. Due to various family commitments, the married investors concentrate more on investment in the equity shares expecting high returns.

Table - 5.3: Marital Status of the Respondents

Marital Status	Frequency	Percentage
Un married	86	16.7
Married	420	81.4
Others	10	1.9
Total	516	100.0

Table 5.3 represents the marital status of the respondents. Among the total respondents 81.4 percent are married and 16.7 percent are unmarried. 1.9 Percent respondents are others (include widows and divorced).

Total Number of Earning Members

Generally, it is observed that with increase in earning members in the family, the quantum of income is multiplied and accordingly the standard of living of the concerned family is improved. At the same time they prefer and adopt new products and services. In the present day Indian context where the prices are increasing, it is highly difficult to manage a family with the income of one earning member. Multiple earning members in a family facilitate investment in financial instruments. So the equity has been made to ascertain about the number of earning members of respondent's family.

Table - 5.4: Number of Earning Members in the Family

Number of earning members in the Family	Frequency	Percentage
One	256	49.6
Two	190	36.8
Three	42	8.1
More than three	28	5.4
Total	516	100.0

Table 5.4 depicts the number of earning members in the family of the respondents. It can be observed from the sample that majority of the respondents i.e., 256 out of 516 total respondents representing 49.6 percent represents only one person earning in the family. Whereas 190 respondents representing 36.8 percent represents two earning members and 42 respondents representing 8.1 percent possess three earning members and 28 respondents representing 5.4 percent represents more than three earning members in the house.

Education

Education is the important factor required for all round development of human being. Education completely expresses the values of investment, creates attitudinal changes among investors, more broadly, it reflects a life style with many investment options in the equity shares. Education is a powerful background for the investor's analysis about the pros and cons of investment in equity shares.

Table - 5.5: Education of the Respondents

Education	Frequency	Percentage
SSC	58	11.2
Inter	30	5.8
Graduate	158	30.6
Post Graduate	172	33.3
Professional degree	86	16.7
Others	12	2.3
Total	516	100.0

The education qualification of the respondents is shown in the table 4.5. Out of the total respondents 33.3 percent have completed their post Graduation, 30.6 percent have finished their Graduation. Also, 16.7 percent have done their professional degree, 11.2 percent are from SSC, 5.8 percent represents Inter completed people and 2.3 percent represents others. Most of the educated people (80%) show interest towards investment in capital market of their surplus income.

Occupation

Many investment companies and stock brokers have found that occupational category can also be used to distinguish the investment pattern. Occupation of the investors paves the way and also induces the investment pattern of the investors.

Table - 5.6: Occupation of the Respondents

Occupation	Frequency	Percentage
Government Employee	156	30.2
Private Employee	216	41.9
Retired Employee	28	5.4
Business	70	13.6
Professional Service	46	8.9
Total	516	100.0

Occupational has great influence on investor perception and investment pattern. Table 5.6 presents the occupation of respondents. Out of total respondents, 216 respondents representing 41.9 percent are private employees and 156 respondents representing 30.2 percent are Government employees. 70 respondents representing 13.6 percent are doing business, whereas 46 respondents representing 8.9 percent are working in professional services, while the remaining 28 respondents representing 5.4 percent are retired employees.

Monthly Income

Income has long been an important variable for distinguishing investment segments. It is known that affluent investors are much enthusiastic in investment and expect better returns. The respondents are divided into four income groups according to their annual income. Income is the most important factor for all the investors to allocate separate amount for the investment, which will be used for their future purpose. Income is the most important factor which can influence the investor's perception, investment pattern and financial decision making.

Table - 5.7: Monthly Income of the Respondents

Monthly Income	Frequency	Percentage
Below Rs. 20,000	88	17.1
Rs. 20001 – Rs. 40,000	162	31.4
Rs. 40001 – Rs. 60,000	170	32.9
Rs. 60001 – Rs. 80,000	60	11.6
Rs. 80001 – Rs. 1,00,000	22	4.3
Above Rs. 1,00,000	14	2.7
Total	516	100.0

Table 5.7 shows the monthly income of the respondents. Out of the total respondents i.e. 170 representing 32.9 percent monthly income between Rs. 40,001 – 60,000, while 162 respondents representing 31.4 percent belongs to the monthly income between Rs. 20,001 – Rs. 40,000. Further, 88 respondents representing 17.1 percent belongs to the monthly income below Rs. 20,000, whereas 60 respondents representing 11.6 percent belongs to have a monthly income between Rs. 60,001 – Rs. 80,000 followed by 22 respondents representing 4.3 percent belongs to have monthly income Rs. 80,001 – Rs.1, 00,000 respectively and the remaining 14 respondents representing 2.7 percent belongs to the monthly income above Rs. 1, 00,000.

Monthly Savings

Capital formation process starts from savings; even small savings can create a huge fund. Investors are very interested to invest their surplus income in to securities so that they should get returns on their investment. Investor's perception, investment pattern, quantity of investment and risk tolerance are largely dependent on quantity of

savings of an investor. An investor can take higher risk if his savings are more and prefers to invest in stock markets.

Table - 5.8: Monthly Savings of the Respondents

Monthly Savings	Frequency	Percentage
Up to Rs. 2500	44	8.5
Rs. 2501 – Rs. 3500	84	16.3
Rs. 3501 – Rs. 4500	30	5.8
Rs. 4501 – Rs. 5500	40	7.8
Rs. 5501 – Rs. 6500	50	9.7
Rs. 6501 – Rs. 7500	14	2.7
Rs. 7501 – Rs. 8500	16	3.1
Rs. 8501 – Rs. 9500	6	1.2
Rs. 9501 – Rs. 10,500	16	3.1
Above Rs. 10,500	216	41.9
Total	516	100.0

Table 5.8 shows the monthly savings of the respondents. Out of total respondents, 216 respondents representing 41.9 percent belong to monthly savings above Rs. 10,500 while 84 respondents representing 16.3 percent belong to monthly saving between Rs. 2501 – Rs. 3500 whereas 50 respondents representing 9.7 percent under the monthly savings between Rs. 5501 – Rs. 6500. Further 44 respondents representing 8.5 percent belong to monthly savings up to Rs. 2500 and 40 respondents representing 7.8 percent belong to monthly savings between Rs. 4501 – Rs. 5500.

Part – B: Investment Profile and Pattern:

Type of investors

There are two types of investors in share market of India. The hereditary investors develop the investment habit as their character and some investors are induced by the liberalization and transparency of share market investment.

Table - 5.9: Type of Investor of the Respondents

Type of Investor	Frequency	Percentage
Hereditary investor	112	21.7
New Generation Investor	404	78.3
Total	616	100.0

Table 5.9 depicts type of investor of the respondents. It can be observed from the sample that majority of the respondents (78.3 percent) i.e., 404 out of 516 belong to new generation investors whereas the remaining 112 respondents representing 21.7 percent belong to hereditary investors. This implies that maximum number of investors is new generation and motivated by policies of liberalization and transparency in Indian Capital Market.

Term of Investment

The investors differ in their pattern of investment, i.e., long term investment, short term investment and daily trading approach, in Indian share market.

Table - 5.10: Investment pattern of the respondents

Category of investor	Frequency	Percentage
Long term investor	306	59.3
Short term investor	132	25.6
Day trader	44	8.5
All	34	6.6
Total	516	100.0

Table 5.10 depicts the investment pattern of the respondents. It can be observed from the sample that majority of the respondents i.e., 306 out of 516 total respondents representing 59.3 percent belong to long term investors while 132 respondents representing 25.6 percent are short term investors whereas 44 respondents representing 8.5 percent belong to day traders and remaining 34 respondents representing 6.6 percent investors belong to all category (include Long, Short term and day traders). It is inferred that maximum number of respondents are interested towards long term investment and short term investment of shares.

Type of Market

There are two types of markets operated by investors in share market of India. The primary market creates new securities and offers them to the public. In secondary market, the securities issued in the primary market are bought and sold. Here one can buy a share directly from a seller and the stock exchange or brokers act as an intermediary between two parties.

Table - 5.11: Market Operations of the Respondents

Market Operations	Frequency	Percentage
Primary market	132	25.6
Secondary market	166	32.2
Both	218	42.2
Total	516	100.0

Table 5.11 shows the type of market operated by the respondents. Out of the total respondents 218 respondents representing 42.2 percent are operating both primary and secondary while 166 respondents representing 32.2 percent are operating in only secondary market and remaining 132 respondents representing 25.6 percent are investing in only primary market.

Mode of Trading

Mode of Trading of investor may be depending on reliable brokers/ intermediaries, self-trading and both applied by the investor. It plays a vital role to the investors in investing their surplus funds into instruments to get more returns.

Table - 5.12: Mode of Trading of the Respondents

Mode of trading	Frequency	Percentage
Brokers	258	50.0
Self trading	148	28.7
All	110	21.3
Total	516	100.0

Mode of trading of the respondents is presented in table 5.12. Out of total respondents 258 respondents representing 50 percent are trading with help of brokers while 148 respondents representing 28.7 percent are self-traders and the remaining 110 respondents representing 21.3 percent are both self-traders and trading with the help of brokers.

Number of years of Experience with Securities Market:

Investment behavior of the investor can be easily analyzed through the number of years of dealing with securities markets. In fact, the experience makes a man perfect by dealing in the securities markets so that the investor may come to know how to invest and make profit in securities markets. It is believed that wisdom comes only from one's own experience.

Table - 5.13: Experience in the Equity Market

Experience in Equity Market	Frequency	Percentage
Less than 5 years	304	58.9
6 – 10 years	150	29.1
11 – 15 years	40	7.8
16 years & above	22	4.3
Total	516	100.0

Table 5.13 depicts the Respondents Experience in the Equity Market. Out of total respondents, 304 respondents representing 58.9 percent having experience in less than 5 years while 150 respondents representing 29.1 percent have an experience in between 6 to 10 years. Further 40 respondents (7.8%) have gained practical experience between 11-15 years whereas the remaining 22 respondents representing

4.3 percent have experience of more than 16 years. So the percentage analysis revealed that most of the investors are having the experience in the securities market just below 5 years which shows that young investors and educated persons are now entering into the securities markets.

Number of Companies Invested

People have several means to know about the available investment schemes in different companies in different sectors and these sources are motivating the potential investors to make investments in particular companies.

Table - 5.14: Respondents Investment in Number of Companies

Number of companies	Frequency	Percentage
Less than 10	370	71.7
11 – 20	88	17.1
21 & above	58	11.2
Total	516	100.0

Table 5.14 shows the respondents investment in number of companies. Out of total respondents, 370 respondents (71.7%) invested in less than 10 companies while 88 respondents (17.1%) invested in 11 to 20 companies. Further remaining 58 respondents (11.2%) invested in more than 21 companies. This denotes that maximum number of customers invested in less than 10 companies.

Source of Investment

The investors enthusiastically invest their own funds or borrowed funds to derive maximum return with in short span of time.

Table - 5.15: Source of Investment of the Respondents

Source of Investment	Frequency	Percentage
Own savings	402	77.9
Borrowings	70	13.6
Both	44	8.5
Total	516	100.0

Table 5.15 presents the source of investment of the respondents. Out of total respondents, 402 respondents (77.9%) have source of investment income as own savings while 70 respondents (13.6%) source of investment income is Borrowing. Whereas remaining 44 respondents (8.5%) use both own savings and borrowed funds to invest in companies.

Percentage of Savings Invested in Securities Markets

The Behavior of investors in equity market can be easily analyzed from the percentage of savings invested in the securities markets. In fact the surplus income induces the investors to participate in the securities market in order to earn high returns. Propensity to invest can be defined as the percentage of current income invested; it's known that investments are made out of surplus income. If the proportion of investment to income is higher, then the propensity is said to be higher. In this study three classifications have been considered namely below 15%, 15 – 30%, 30% and above of savings invested in to the securities markets.

Table - 5.16: Percentage of Savings Invested in Shares

Percentage of savings Invested in shares	Frequency	Percentage
Less than 15%	298	57.8
15% - 30%	160	31.0
30% & above	58	11.2
Total	516	100.0

Table 5.16 shows the percentage of savings invested in shares by the respondents. Out of total respondents, 298 respondents (57.8%) invested less than 15 percent of savings in shares, while 160 respondents (31%) invested in shares between 15 percent to 30 percent. Further 58 respondents (11.2%) invested above 30 percent.

Investors' awareness about criteria, forum, and malpractices of intermediaries and mode of trading financial sector reforms are highlighted in the following discussion.

Frequency of the portfolio valuation

Frequency of the portfolio valuation can assist in monitoring and calculating a weekly, monthly, half-yearly and annual net asset value of instrument of the investors in the securities market. Portfolios may be held by individual investors and managed by financial professionals, hedge funds, banks and other financial institutions. It is generally accepted principle that a portfolio is designed according to the investors' risk tolerance, time frame and investment objectives.

Table - 5.17: Portfolio Valuation of the Respondents

Portfolio Valuation	Frequency	Percentage
Weekly	66	12.8
Monthly	216	41.9
6 Months	148	28.7
Annually	86	16.7
Total	516	100.0

Table 5.17 depicts the frequency of the portfolio valuation of the respondents. Out of total respondents, 41.9 percent (216 respondents) involves portfolio valuation on monthly basis while 148 respondents representing 28.7 percent have a portfolio valuation for every six months. Further 86 respondents representing 16.7 percent have a portfolio valuation once in a year (annually). Whereas remaining 66 respondents representing 12.8 percent do portfolio valuation weekly.

Expected Rate of Return

The investors expect different percentage of returns on investment with safety and security. Both the new companies and the existing ones can raise capital on the new issue market. The prime function of the new issue market is to facilitate the transfer of funds from the willing investors to the entrepreneurs setting up new corporate enterprise or going in for expansion, diversification, growth or modernization. Besides, helping corporate enterprises in securing their funds, the new issue market channelizes the saving of individuals and others into investment. In this study four classifications have been considered namely below 12%, 12% – 24%, 24%- 36% and 36% above as the returns.

Table - 5.18: Expected Rate of Return on Investment per Annum (ROR)

Expected Rate of Return Per Annum (ROR)	Frequency	Percentage
Less than 12 %	184	35.7
12% - 24%	234	45.3
24% - 36%	56	10.9
36% & above	42	8.1
Total	516	100.0

Respondents' expected rate of return per annum (ROR) is presented in table 5.18. Out of total respondents, 234 respondents representing 45.3 percent expected rate of return is 12 percent to 24 percent, while 184 respondents representing 35.7 percent expected rate of return belongs to less than 12 percent. Further 56 respondents representing 10.9 percent expected rate of return is between 24 percent to 36 percent. Whereas remaining 42 respondents expected rate of return is above 36 percent.

Chapter –VI

INVESTOR PERCEPTION OF EQUITY INVESTMENT

(INVESTMENT OBJECTIVES, SATISFACTION, PREFERENCES & RISK RETURN)

Part – C: Investment Objectives and Investment Satisfaction:

The objectives of an investment vary from investor to investor because it depends on various parameters like future financial goals, the present and future income, level of risk tolerance, and the current needs etc. as an investor progresses on his career his financial goals also change. Each investor tries to build a profitable portfolio. For this purpose first of all investors goals and objectives of holding assets should be considered while choosing an alternatives. One goal is that the investor wants to earn a rate of return on his portfolio. But the investor is concerned not only with the return he obtains but also with the safety of his investments. If the investor wants a high return, he must be willing to accept a high risk or alternately, if he wants a low risk he must be willing to accept a low return. The objectives of investors' portfolio is to meet the requirements depending upon several factors such as income, family status, tax and fiscal concessions, institutional considerations and legal restrictions etc.

Age and Importance of Investment Objectives:

Hypothesis - 1: There is no significant difference in the importance of investment objectives among age groups.

Table - 6.19: Age and Importance of Investment Objectives

ANOVA						
AGE		Sum of Squares	df	Mean Square	F	Sig.
DIVIDENDS-I	Between Groups	117.684	5	23.537	19.926	.000
	Within Groups	602.409	510	1.181		
	Total	720.093	515			
CAPITAL-PPRECIATION-I	Between Groups	37.874	5	7.575	5.580	.000
	Within Groups	692.364	510	1.358		
	Total	730.238	515			
QUICK-GAIN-I	Between Groups	9.179	5	1.836	1.403	.221
	Within Groups	667.106	510	1.308		
	Total	676.285	515			
LIQUIDITY-I	Between Groups	28.331	5	5.666	4.525	.000
	Within Groups	638.661	510	1.252		
	Total	666.992	515			
SAFTY-I	Between Groups	8.679	5	1.736	1.195	.311
	Within Groups	741.063	510	1.453		
	Total	749.742	515			
TAX_BENEFITS-I	Between Groups	15.851	5	3.170	3.157	.008
	Within Groups	512.071	510	1.004		
	Total	527.922	515			
RETIREMENT-BENEFITS-I	Between Groups	132.975	5	26.595	31.197	.000
	Within Groups	434.768	510	.852		
	Total	567.742	515			
MEET-CONTINGENCIES-I	Between Groups	56.477	5	11.295	11.704	.000
	Within Groups	492.195	510	.965		
	Total	548.672	515			
HEDGE-AGAINST-INFLATION-I	Between Groups	45.498	5	9.100	10.336	.000
	Within Groups	448.983	510	.880		
	Total	494.481	515			

From The above ANOVA Table – 6.19 reveals that the Age and Importance of Investment Objective Dividends between Groups Sum of Squares is 117.684. Within Groups Sum of Squares is 602.409 and Between Groups Mean Square is 23.537 Within Groups is 1.181. The F value is 19.926 at 5% significance level. The ANOVA table shows the significance (5,510) is 0.000 the p value is < 0.05. Hence, it concludes that there is significance between Age and Objective of Dividends.

The Age and Importance of Investment Objective Capital Appreciation between Groups Sum of Squares is 37.874, Within Groups Sum of Squares is 692.364 and Between Groups Mean Square is 7.575 Within Groups is 1.358. The F value is 5.580 at 5% significance level. The ANOVA table shows the significance (5,510) is 0.000 the p value is < 0.05. Hence, it can be concluded that there is significance between Age and Objective of Capital Appreciation.

The Age and Importance of Investment Objective Quick Gain between Groups Sum of Squares is 9.179, Within Groups Sum of Squares is 667.106 and Between Groups Mean Square is 1.836 Within Groups is 1.308. The F value is 1.403 at 5% significance level. The ANOVA table shows the significance (5,510) is 0.221 the p value is > 0.05. Hence, it concludes that there is no significance between Age and Objective of Capital Appreciation.

The Age and Importance of Investment Objective Liquidity between Groups Sum of Squares is 28.331, Within Groups Sum of Squares is 638.661 and Between Groups Mean Square is 5.666 Within Groups is 1.252. The F value is 4.525 at 5% significance level. The ANOVA table shows the significance (5,510) is 0.000 the p value is < 0.05. Hence, it concludes that there is significance between Age and Objective of Liquidity.

The Age and Importance of Investment Objective Safety between Groups Sum of Squares is 8.679, Within Groups Sum of Squares is 741.063 and Between Groups Mean Square is 1.736 Within Groups is 1.453. The F value is 1.195 at 5% significance level. The ANOVA table shows the significance (5,510) is 0.311 the p value is > 0.05. Hence, it concludes that there is no significance between Age and Objective of Safety.

The Age and Importance of Investment Objective Tax Benefits between Groups Sum of Squares is 15.851, Within Groups Sum of Squares is 512.071 and Between Groups Mean Square is 3.170 Within Groups is 1.004. The F value is 3.157 at 5% significance level. The ANOVA table shows the significance (5,510) is 0.008 the p value is < 0.05. Hence, it can be concluded that there is significance between Age and Objective of Tax Benefits.

The Age and Importance of Investment Objective Retirement Benefits between Groups Sum of Squares is 132.975, Within Groups Sum of Squares is 434.768 and Between Groups Mean Square is 26.595 Within Groups is 0.852. The F value is 31.197 at 5% significance level. The ANOVA table shows the significance (5,510) is 0.000 the p value is < 0.05. Hence, it concludes that there is significance between Age and Objective of Retirement Benefits.

The Age and Importance of Investment Objective Meet Contingencies between Groups Sum of Squares is 56.477, Within Groups Sum of Squares is 492.195 and Between Groups Mean Square is 11.295 Within Groups is 0.965. The F value is 11.704 at 5% significance level. The ANOVA table shows the significance (5,510) is 0.000 the p value is < 0.05. Hence, it can be concluded that there is significance between Age and Objective of Meet Contingencies.

The Age and Importance of Investment Objective Hedge against Inflation between Groups Sum of Squares is 45.498, Within Groups Sum of Squares is 448.983 and Between Groups Mean Square is 9.100 Within Groups is 0.880. The F value is 10.336 at 5% significance level. The ANOVA table shows the significance (5,510) is 0.000 the p value is < 0.05. Hence, it concludes that there is significance between Age and Objective of Hedge against Inflation.

Hence it can be concluded that Age and Dividends, Capital there, Liquidity, Tax Benefits, Retirement Benefits meet contingencies and hedge against inflation is a significant difference of perceptions in importance of investment objectives. There is no significant difference among Age, Quick Gain and Safety.

Gender and Importance of Investment Objectives:

Hypothesis - 2: There is no significant difference in the importance of investment objectives among the gender.

Table - 6.20: Gender and Importance of Investment Objectives

ANOVA						
GENDER		Sum of Squares	df	Mean Square	F	Sig.
DIVIDENDS_I	Between Groups	2.398	1	2.398	1.717	.191
	Within Groups	717.695	514	1.396		
	Total	720.093	515			
CAPITAL_APPRECIATION_I	Between Groups	.071	1	.071	.050	.824
	Within Groups	730.168	514	1.421		
	Total	730.238	515			
QUICK_GAIN_I	Between Groups	11.941	1	11.941	9.239	.002
	Within Groups	664.343	514	1.292		
	Total	676.285	515			
LIQUIDITY_I	Between Groups	1.217	1	1.217	.939	.333
	Within Groups	665.776	514	1.295		
	Total	666.992	515			
SAFTY_I	Between Groups	.310	1	.310	.213	.645
	Within Groups	749.432	514	1.458		
	Total	749.742	515			
TAX_BENEFITS_I	Between Groups	1.173	1	1.173	1.145	.285
	Within Groups	526.749	514	1.025		
	Total	527.922	515			
RETIREMENT_BENEFITS_I	Between Groups	2.340	1	2.340	2.128	.145
	Within Groups	565.402	514	1.100		
	Total	567.742	515			
MEET_CONTINGENCIES_I	Between Groups	.885	1	.885	.831	.363
	Within Groups	547.787	514	1.066		
	Total	548.672	515			
HEDGE_AGAINST_INFLATION_I	Between Groups	.347	1	.347	.361	.548
	Within Groups	494.134	514	.961		
	Total	494.481	515			

The above ANOVA Table-6.20 reveals that the **Gender** and Importance of Investment Objective Dividends between Groups Sum of Squares is 2.398, Within Groups Sum of Squares is 717.695 and Between Groups Mean Square is 2.398 Within Groups is 1.396. The F value is 1.717 at 5% significance level. The ANOVA table shows the significance (1,514) is 0.191 the p value is > 0.05. Hence, it can be concluded that there is no significance between **Gender** and Objective of Dividends.

The **Gender** and Importance of Investment Objective Capital Appreciation between Groups Sum of Squares is 0.071, Within Groups Sum of Squares is 730.168 and Between Groups Mean Square is 0.071 Within Groups is 1.421. The F value is 0.050 at 5% significance level. The ANOVA table shows the significance (1,514) is 0.824 the p value is > 0.05. Hence, it can be concluded that there is no significance between **Gender** and Objective of Capital Appreciation.

The **Gender** and Importance of Investment Objective Quick Gain between Groups Sum of Squares is 11.941, Within Groups Sum of Squares is 66.343 and Between Groups Mean Square is 11.941 Within Groups is 1.292. The F value is 9.239 at 5% significance level. The ANOVA table shows the significance (1,514) is 0.002 the p value is < 0.05. Hence, it can be concluded that there is significance between **Gender** and Objective of Capital Appreciation.

The **Gender** and Importance of Investment Objective Liquidity between Groups Sum of Squares is 1.217, Within Groups Sum of Squares is 665.776 and Between Groups Mean Square is 1.217 Within Groups is 1.295. The F value is 0.939 at 5% significance level. The ANOVA table shows the significance (1,514) is 0.333 the p value is > 0.05. Hence, it can be concluded that there is no significance between **Gender** and Objective of Liquidity.

The **Gender** and Importance of Investment Objective Safety between Groups Sum of Squares is 0.310, Within Groups Sum of Squares is 749.432 and Between Groups Mean Square is 0.310 Within Groups is 1.458. The F value is 1.195 at 5% significance level. The ANOVA table shows the significance (1,514) is 0.213 the p value is > 0.05. Hence, it can be concluded that there is no significance between **Gender** and Objective of Safety.

The **Gender** and Importance of Investment Objective Tax Benefits between Groups Sum of Squares is 1.173, Within Groups Sum of Squares is 5226.749 and Between Groups Mean Square is 1.173 Within Groups is 1.025. The F value is 1.145 at 5% significance level. The ANOVA table shows the significance (1,514) is 0.285 the p value is > 0.05. Hence, it can be concluded that there is no significance between **Gender** and Objective of Tax Benefits.

The **Gender** and Importance of Investment Objective Retirement Benefits between Groups Sum of Squares is 2.340, Within Groups Sum of Squares is 565.402 and Between Groups Mean Square is 2.340 Within Groups is 1.100. The F value is 2.128 at 5% significance level. The ANOVA table shows the significance (1,514) is 0.145 the p value is > 0.05. Hence, it can be concluded that there is no significance between **Gender** and Objective of Retirement Benefits.

The **Gender** and Importance of Investment Objective Meet Contingencies between Groups Sum of Squares is 0.885, Within Groups Sum of Squares is 547.787 and Between Groups Mean Square is 0.885 Within Groups is 1.066. The F value is 0.831 at 5% significance level. The ANOVA table shows the significance (1,514) is 0.363 the p value is > 0.05. Hence, it can be concluded that there is no significance between **Gender** and Objective of Meet Contingencies.

The **Gender** and Importance of Investment Objective Hedge against Inflation between Groups Sum of Squares is 0.347, Within Groups Sum of Squares is 494.134 and Between Groups Mean Square is 0.347 Within Groups is 0.961. The F value is 0.361 at 5% significance level. The ANOVA table shows the significance (1,514) is 0.548 the p value is > 0.05. Hence, it can be concluded that there is no significance between **Gender** and Objective of Hedge against Inflation.

Hence it can be concluded that Gender and Dividends, Capital there ,Liquidity, Tax Benefits, Retirement Benefits meet contingencies, hedge against inflation and Safety is not having significant difference of perceptions in importance of investment objectives. There is a significant difference between Gender and Quick Gain.

Education and Importance of Investment Objectives:

Hypothesis - 3: There is no significant difference in the importance of investment objectives among the respondents with different education level.

Table – 6.21: Education and Importance of Investment Objectives

ANOVA						
EDUCATION		Sum of Squares	Df	Mean Square	F	Sig.
DIVIDENDS-I	Between Groups	32.931	5	6.586	4.888	.000
	Within Groups	687.162	510	1.347		
	Total	720.093	515			
CAPITAL-APPRECIATION-I	Between Groups	63.328	5	12.666	9.686	.000
	Within Groups	666.911	510	1.308		
	Total	730.238	515			
QUICK-GAIN-I	Between Groups	45.881	5	9.176	7.424	.000
	Within Groups	630.404	510	1.236		
	Total	676.285	515			
LIQUIDITY-I	Between Groups	28.887	5	5.777	4.618	.000
	Within Groups	638.105	510	1.251		
	Total	666.992	515			
SAFTY-I	Between Groups	10.204	5	2.041	1.407	.220
	Within Groups	739.538	510	1.450		
	Total	749.742	515			
TAX-BENEFITS-I	Between Groups	21.129	5	4.226	4.252	.001
	Within Groups	506.794	510	.994		
	Total	527.922	515			
RETIREMENT_BENEFITS_I	Between Groups	18.651	5	3.730	3.465	.004
	Within Groups	549.091	510	1.077		
	Total	567.742	515			
MEET-CONTINGENCIES-I	Between Groups	10.296	5	2.059	1.951	.085
	Within Groups	538.377	510	1.056		
	Total	548.672	515			
HEDGE-AGAINST-NFLATION-I	Between Groups	17.890	5	3.578	3.829	.002
	Within Groups	476.590	510	.934		
	Total	494.481	515			

From the above ANOVA Table – 6.21 revels that the **Education** and Importance of Investment Objective Dividends between Groups Sum of Squares is 32.931, Within Groups Sum of Squares is 687.162 and Between Groups Mean Square is 6.586Within Groups is 1.347. The F value is 4.888at 5% significance level. The ANOVA table shows the significance (5,510) is 0.000 the p value is < 0.05. Hence, it can be concluded that there is significance between **Education** and Objective of Dividends.

The **Education** and Importance of Investment Objective Capital Appreciation between Groups Sum of Squares is 63.328, Within Groups Sum of Squares is 666.911 and Between Groups Mean Square is 12.666 Within Groups is 1.308. The F value is 9.686at 5% significance level. The ANOVA table shows the significance (5,510) is 0.000 the p value is > 0.05. Hence, it can be concluded that there is no significance between **Education** and Objective of Capital Appreciation.

The **Education** and Importance of Investment Objective Quick Gain between Groups Sum of Squares is 45.881, Within Groups Sum of Squares is 630.404 and Between Groups Mean Square is 9.176Within Groups is 1.236. The F value is 7.424 at 5% significance level. The ANOVA table shows the significance (5,510) is 0.000 the p value is < 0.05. Hence, it can be concluded that there is significance between **Education** and Objective of Capital Appreciation.

The **Education** and Importance of Investment Objective Liquidity between Groups Sum of Squares is 28.887, Within Groups Sum of Squares is 638.105 and Between Groups Mean Square is 5.777 Within Groups is 1.251. The F value is 4.618 at 5% significance level. The ANOVA table shows the significance (5,510) is 0.000

the p value is < 0.05. Hence, it can be concluded that there is significance between **Education** and Objective of Liquidity.

The **Education** and Importance of Investment Objective Safety between Groups Sum of Squares is 10.204, Within Groups Sum of Squares is 7739.538 and Between Groups Mean Square is 2.041Within Groups is 1.450. The F value is 1.407at 5% significance level. The ANOVA table shows the significance (5,510) is 0.220 the p value is > 0.05. Hence, it can be concluded that there is no significance between **Education** and Objective of Safety.

The **Education** and Importance of Investment Objective Tax Benefits between Groups Sum of Squares is 21.129, Within Groups Sum of Squares is 506.794 and Between Groups Mean Square is 4.226 Within Groups is 0.994. The F value is 4.252at 5% significance level. The ANOVA table shows the significance (5,510) is 0.001 the p value is < 0.05. Hence, it can be concluded that there is significance between **Education** and Objective of Tax Benefits.

The **Education** and Importance of Investment Objective Retirement Benefits between Groups Sum of Squares is 18.651, Within Groups Sum of Squares is 549.091 and Between Groups Mean Square is 3.730Within Groups is 1.077. The F value is 3.465at 5% significance level. The ANOVA table shows the significance (5,510) is 0.004 the p value is < 0.05. Hence, it can be concluded that there is significance between **Education** and Objective of Retirement Benefits.

The **Education** and Importance of Investment Objective Meet Contingencies between Groups Sum of Squares is 10.296, Within Groups Sum of Squares is 538.377 and Between Groups Mean Square is 2.059 Within Groups is 1.056. The F value is

1.951 at 5% significance level. The ANOVA table shows the significance (1,510) is .085 the p value is > 0.05. Hence, it can be concluded that there is no significance between **Education** and Objective of Meet Contingencies.

The **Education** and Importance of Investment Objective Hedge Against Inflation Between Groups Sum of Squares is 17.890, Within Groups Sum of Squares is 476.590 and Between Groups Mean Square is 3.578 Within Groups is 0 .934. The F value is 0.361 at 5% significance level. The ANOVA table shows the significance (5,510) is 0.002 the p value is < 0.05. Hence, it can be concluded that there is significance between **Education** and Objective of Hedge against Inflation.

Hence it can be concluded that Education and meet contingencies, and Safety is no significant difference of perceptions in importance of investment objectives. There is a significant difference Education and Dividends, Capital there, Liquidity, Tax Benefits, Retirement Benefits Quick Gain and hedge against inflation.

Occupation and Importance of Investment Objectives:

Hypothesis - 4: There is no significant difference in the importance of investment objectives among occupation.

Table – 6.22: Occupation and Importance of Investment Objectives

ANOVA						
OCCUPATION		Sum of Squares	Df	Mean Square	F	Sig.
DIVIDENDS-I	Between Groups	18.154	3	6.051	4.414	.004
	Within Groups	701.939	512	1.371		
	Total	720.093	515			
CAPITAL-APPRECIATION-I	Between Groups	1.248	3	.416	.292	.831
	Within Groups	728.990	512	1.424		
	Total	730.238	515			
QUICK-GAIN-I	Between Groups	15.203	3	5.068	3.925	.009
	Within Groups	661.081	512	1.291		
	Total	676.285	515			
LIQUIDITY-I	Between Groups	10.773	3	3.591	2.802	.039
	Within Groups	656.219	512	1.282		
	Total	666.992	515			
SAFTY-I	Between Groups	6.422	3	2.141	1.474	.221
	Within Groups	743.321	512	1.452		
	Total	749.742	515			
TAX-BENEFITS-I	Between Groups	2.033	3	.678	.660	.577
	Within Groups	525.890	512	1.027		
	Total	527.922	515			
RETIREMENT-BENEFITS-I	Between Groups	.308	3	.103	.093	.964
	Within Groups	567.434	512	1.108		
	Total	567.742	515			
MEET-CONTINGENCIES-I	Between Groups	4.173	3	1.391	1.308	.271
	Within Groups	544.500	512	1.063		
	Total	548.672	515			
HEDGE-AGAINST-INFLATION-I	Between Groups	.668	3	.223	.231	.875
	Within Groups	493.813	512	.964		
	Total	494.481	515			

From the above ANOVA Table – 6.22 reveals that the **Occupation** and Importance of Investment Objective Dividends between Groups Sum of Squares is 18.154, Within Groups Sum of Squares is 701.939 and Between Groups Mean Square is 6.051 Within Groups is 1.371. The F value is 4.414 at 5% significance level. The ANOVA table shows the significance (3,512) is 0.004 the p value is < 0.05. Hence, it can be concluded that there is significance between **Occupation** and Objective of Dividends.

The **Occupation** and Importance of Investment Objective Capital Appreciation between Groups Sum of Squares is 1.248, Within Groups Sum of Squares is 728.990 and Between Groups Mean Square is 0.416Within Groups is 1.424. The F value is 0.292 at 5% significance level. The ANOVA table shows the significance (3,512) is 0.831 the p value is > 0.05. Hence, it can be concluded that there is no significance between **Occupation** and Objective of Capital Appreciation.

The **Occupation** and Importance of Investment Objective Quick Gain between Groups Sum of Squares is 15.203, Within Groups Sum of Squares is 661.081 and Between Groups Mean Square is 5.068Within Groups is 1.291. The F value is 3.925 at 5% significance level. The ANOVA table shows the significance (3,512) is 0.009 the p value is < 0.05. Hence, it can be concluded that there is significance between **Occupation** and Objective of Capital Appreciation.

The **Occupation** and Importance of Investment Objective Liquidity between Groups Sum of Squares is 10.773, Within Groups Sum of Squares is 656.219 and Between Groups Mean Square is 3.591Within Groups is 1.282. The F value is 2.802 at 5% significance level. The ANOVA table shows the significance (3,512) is 0.039

the p value is < 0.05. Hence, it can be concluded that there is significance between **Occupation** and Objective of Liquidity.

The **Occupation** and Importance of Investment Objective Safety between Groups Sum of Squares is 6.422, Within Groups Sum of Squares is 743.321 and Between Groups Mean Square is 2.141Within Groups is 1.452. The F value is 1.474 at 5% significance level. The ANOVA table shows the significance (3,512) is 0.221 the p value is > 0.05. Hence, it can be concluded that there is no significance between **Occupation** and Objective of Safety.

The **Occupation** and Importance of Investment Objective Tax Benefits between Groups Sum of Squares is 2.033, Within Groups Sum of Squares is 525.890 and Between Groups Mean Square is 0.678 Within Groups is 1.027. The F value is 0.660 at 5% significance level. The ANOVA table shows the significance (3,512) is 0.557 the p value is > 0.05. Hence, it can be concluded that there is no significance between **Occupation** and Objective of Tax Benefits.

The **Occupation** and Importance of Investment Objective Retirement Benefits between Groups Sum of Squares is 0.308, Within Groups Sum of Squares is 549.091 and Between Groups Mean Square is 0.103 Within Groups is 1.108. The F value is 0.093 at 5% significance level. The ANOVA table shows the significance (3,512) is 0.964 the p value is > 0.05. Hence, it can be concluded that there is no significance between **Occupation** and Objective of Retirement Benefits.

The **Occupation** and Importance of Investment Objective Meet Contingencies between Groups Sum of Squares is 4.173, Within Groups Sum of Squares is 544.500 and Between Groups Mean Square is 1.391 Within Groups is 1.063. The F value is

1.308 at 5% significance level. The ANOVA table shows the significance (3,512) is 0.271 the p value is > 0.05. Hence, it can be concluded that there is no significance between **Occupation** and Objective of Meet Contingencies.

The **Occupation** and Importance of Investment Objective Hedge against Inflation between Groups Sum of Squares is 0.668, Within Groups Sum of Squares is 493.813 and Between Groups Mean Square is 0.223Within Groups is 0.964. The F value is .231 at 5% significance level. The ANOVA table shows the significance (3,512) is 0.875 the p value is > 0.05. Hence, it can be concluded that there is no significance between **Occupation** and Objective of Hedge against Inflation.

Hence it can be concluded that Occupation and Capital appreciation, Safety, Tax Benefits, Retirement Benefits ,meet contingencies, and Hedge Against Inflation is not having significant difference of perceptions in importance of investment objectives. There is a significant difference Occupation and Dividends, Quick Gain, and Liquidity.

Monthly Income and Importance of Investment Objectives:

Hypothesis - 5: There is no significant difference in the importance of investment objectives among monthly income.

Table - 6.23: Monthly Incomes and Importance of Investment Objectives

ANOVA						
MONTHLY INCOME		Sum of Squares	Df	Mean Square	F	Sig.
DIVIDENDS-I	Between Groups	48.169	3	16.056	12.235	.000
	Within Groups	671.924	512	1.312		
	Total	720.093	515			
CAPITAL-APPRECIATION-I	Between Groups	46.833	3	15.611	11.696	.000
	Within Groups	683.405	512	1.335		
	Total	730.238	515			
QUICK-GAIN-I	Between Groups	11.234	3	3.745	2.883	.035
	Within Groups	665.050	512	1.299		
	Total	676.285	515			
LIQUIDITY-I	Between Groups	12.396	3	4.132	3.232	.022
	Within Groups	654.597	512	1.279		
	Total	666.992	515			
SAFTY-I	Between Groups	.430	3	.143	.098	.961
	Within Groups	749.313	512	1.464		
	Total	749.742	515			
TAX-BENEFITS-I	Between Groups	22.079	3	7.360	7.449	.000
	Within Groups	505.844	512	.988		
	Total	527.922	515			
RETIREMENT-BENEFITS-I	Between Groups	4.056	3	1.352	1.228	.299
	Within Groups	563.686	512	1.101		
	Total	567.742	515			
MEET-CONTINGENCIES-I	Between Groups	7.078	3	2.359	2.230	.084
	Within Groups	541.595	512	1.058		
	Total	548.672	515			
HEDGE-AGAINST-INFLATION-I	Between Groups	4.302	3	1.434	1.498	.214
	Within Groups	490.179	512	.957		
	Total	494.481	515			

From the above ANOVA Table – 6.23 reveals that the **Monthly Income** and Importance of Investment Objective Dividends between Groups Sum of Squares are 48.3169, Within Groups Sum of Squares is 671.924 and Between Groups Mean Square is 16.056 Within Groups is 1.312. The F value is 12.235 at 5% significance level. The ANOVA table shows the significance (3, 512) is 0.000 the p value is < 0.05. Hence, it can be concluded that there is significance between **Monthly Income** and Objective of Dividends.

The **Monthly Income** and Importance of Investment Objective Capital Appreciation between Groups Sum of Squares are 46.833, Within Groups Sum of Squares is 683.405 and Between Groups Mean Square is 15.611 Within Groups is 1.335. The F value is 11.696 at 5% significance level. The ANOVA table shows the significance (3, 512) is 0.000 the p value is < 0.05. Hence, it can be concluded that there is significance between **Monthly Income** and Objective of Capital Appreciation.

The **Monthly Income** and Importance of Investment Objective Quick Gain between Groups Sum of Squares are 11.234, Within Groups Sum of Squares is 665.050 and Between Groups Mean Square is 3.745 Within Groups is 1.299. The F value is 2.883 at 5% significance level. The ANOVA table shows the significance (3, 512) is 0.039 the p value is < 0.05. Hence, it can be concluded that there is significance between **Monthly Income** and Objective of Capital Appreciation.

The **Monthly Income** and Importance of Investment Objective Liquidity between Groups Sum of Squares are 12.396, Within Groups Sum of Squares is 654.597 and Between Groups Mean Square is 4.132 Within Groups is 1.279. The F value is 3.222 at 5% significance level. The ANOVA table shows the significance (3,

512) is 0.022 the p value is < 0.05. Hence, it can be concluded that there is significance between **Monthly Income** and Objective of Liquidity.

The **Monthly Income** and Importance of Investment Objective Safety between Groups Sum of Squares are 0.430, Within Groups Sum of Squares is 749.313 and Between Groups Mean Square is 0.143 Within Groups is 1.464. The F value is 0.098 at 5% significance level. The ANOVA table shows the significance (3, 512)) is 0.961 the p value is > 0.05. Hence, it can be concluded that there is no significance between **Monthly Income** and Objective of Safety.

The **Monthly Income** and Importance of Investment Objective Tax Benefits between Groups Sum of Squares is 22.079, Within Groups Sum of Squares is 505.844 and Between Groups Mean Square is 7.360 Within Groups is 0.988. The F value is 7.449 at 5% significance level. The ANOVA table shows the significance (3, 512) is 0.000 the p value is > 0.05. Hence, it can be concluded that there is no significance between **Monthly Income** and Objective of Tax Benefits.

The **Monthly Income** and Importance of Investment Objective Retirement Benefits between Groups Sum of Squares are 4.056, Within Groups Sum of Squares is 563.686 and Between Groups Mean Square is 1.352 Within Groups is 1.101. The F value is 0.1.228 at 5% significance level. The ANOVA table shows the significance (3, 512) is 0.299 the p value is > 0.05. Hence, it can be concluded that there is no significance between **Monthly Income** and Objective of Retirement Benefits.

The **Monthly Income** and Importance of Investment Objective Meet Contingencies between Groups Sum of Squares is 7.078, Within Groups Sum of Squares is 541.595and Between Groups Mean Square is 2.359 Within Groups is

1.058. The F value is 2.230 at 5% significance level. The ANOVA table shows the significance (3, 512) is 0.084 the p value is > 0.05. Hence, it can be concluded that there is no significance between **Monthly Income** and Objective of Meet Contingencies.

The **Monthly Income** and Importance of Investment Objective Hedge against Inflation between Groups Sum of Squares is 4.302, Within Groups Sum of Squares is 490.179 and Between Groups Mean Square is 1.434 Within Groups is 0.957. The F value is 1.498 at 5% significance level. The ANOVA table shows the significance (3, 512) is 0.214 the p value is > 0.05. Hence, it can be concluded that there is no significance between **Monthly Income** and Objective of Hedge against Inflation.

Hence it can be concluded that Monthly Income and Safety, Retirement Benefits, meet contingencies, and Hedge against Inflation is no significant difference of perceptions in importance of investment objectives. There is significant difference of Monthly Income and Dividends, Capital Appreciation, Quick Gain, Tax Benefits, and Liquidity.

Age and Satisfaction of Investment Objectives:

Hypothesis - 6: There is no significant difference in the satisfaction of investment objectives among age group.

Table - 6.24: Age and Satisfaction of Investment Objectives

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
DIVIDENDS-S	Between Groups	20.970	5	4.194	4.396	.001
	Within Groups	486.511	510	.954		
	Total	507.481	515			
CAPITAL-APPRECIATION-S	Between Groups	15.387	5	3.077	3.365	.005
	Within Groups	466.355	510	.914		
	Total	481.742	515			
QUICK-GAIN-S	Between Groups	46.729	5	9.346	9.730	.000
	Within Groups	489.868	510	.961		
	Total	536.597	515			
LIQUIDITY-S	Between Groups	23.123	5	4.625	3.990	.001
	Within Groups	591.177	510	1.159		
	Total	614.300	515			
SAFTY-S	Between Groups	35.919	5	7.184	6.454	.000
	Within Groups	567.678	510	1.113		
	Total	603.597	515			
TAX-BENEFITS-S	Between Groups	68.525	5	13.705	13.228	.000
	Within Groups	528.380	510	1.036		
	Total	596.905	515			
RETIREMENT-BENEFITS-S	Between Groups	16.169	5	3.234	3.149	.008
	Within Groups	523.730	510	1.027		
	Total	539.899	515			
MEET-CONTINGENCIES-S	Between Groups	22.519	5	4.504	4.560	.000
	Within Groups	503.735	510	.988		
	Total	526.254	515			
HEDGE-AGAINST-INFLATION-S	Between Groups	61.645	5	12.329	12.542	.000
	Within Groups	501.353	510	.983		
	Total	562.998	515			

From the above ANOVA Table – 6.24 reveals that the **Age** and Satisfaction of Investment Objective Dividends between Groups Sum of Squares is 20.970, Within Groups Sum of Squares is 486.511 and Between Groups Mean Square is 4.194 Within Groups is 0.954. The F value is 4.396 at 5% significance level. The ANOVA table shows the significance (5,510) is 0.001 the p value is < 0.05. Hence, it can be concluded that there is significance between **Age** and Objective of Dividends.

The **Age** and Satisfaction of Investment Objective Capital Appreciation between Groups Sum of Squares is 15.387, Within Groups Sum of Squares is 466.355 and Between Groups Mean Square is 3.077 Within Groups is 0.914. The F value is 3.365 at 5% significance level. The ANOVA table shows the significance (5,510) is 0.005 the p value is < 0.05. Hence, it can be concluded that there is significance between **Age** and Objective of Capital Appreciation.

The **Age** and Satisfaction of Investment Objective Quick Gain between Groups Sum of Squares is 46.729, Within Groups Sum of Squares is 489.868 and Between Groups Mean Square is 9.346 Within Groups is 0.961. The F value is 9.730 at 5% significance level. The ANOVA table shows the significance (5,510) is 0.000 the p value is < 0.05. Hence, it can be concluded that there is significance between **Age** and Objective of Capital Appreciation.

The **Age** and Satisfaction of Investment Objective Liquidity between Groups Sum of Squares is 23.123, Within Groups Sum of Squares is 591.177 and Between Groups Mean Square is 4.625 Within Groups is 1.159. The F value is 3.990 at 5% significance level. The ANOVA table shows the significance (5,510) is 0.001 the p value is < 0.05. Hence, it can be concluded that there is significance between **Age** and Objective of Liquidity.

The **Age** and Satisfaction of Investment Objective Safety between Groups Sum of Squares is 36.919, Within Groups Sum of Squares is 567.678 and Between Groups Mean Square is 7.184 Within Groups is 1.113. The F value is 6.454 at 5% significance level. The ANOVA table shows the significance (5,510) is 0.000 the p value is < 0.05. Hence, it can be concluded that there is significance between **Age** and Objective of Safety.

The **Age** and Satisfaction of Investment Objective Tax Benefits between Groups Sum of Squares is 68.525, Within Groups Sum of Squares is 528.380 and Between Groups Mean Square is 13.705 Within Groups is 1.036. The F value is 13.228 at 5% significance level. The ANOVA table shows the significance (5,510) is 0.000 the p value is < 0.05. Hence, it can be concludes that there is significance between **Age** and Objective of Tax Benefits.

The **Age** and Satisfaction of Investment Objective Retirement Benefits between Groups Sum of Squares is 16.169, Within Groups Sum of Squares is 523.730 and Between Groups Mean Square is 3.234 Within Groups is 1.027. The F value is 3.149 at 5% significance level. The ANOVA table shows the significance (5,510) is 0.008 the p value is < 0.05. Hence, it can be concluded that there is significance between **Age** and Objective of Retirement Benefits.

The **Age** and Satisfaction of Investment Objective Meet Contingencies between Groups Sum of Squares is 22.519, Within Groups Sum of Squares is 503.735 and Between Groups Mean Square is 4.504 Within Groups is 0.988. The F value is 4.560 at 5% significance level. The ANOVA table shows the significance (5,510) is 0.000 the p value is < 0.05. Hence, it can be concluded that there is no significance between **Age** and Objective of Meet Contingencies.

The **Age** and Satisfaction of Investment Objective Hedge against Inflation between Groups Sum of Squares is 61.645, Within Groups Sum of Squares is 501.353 and Between Groups Mean Square is 12.329 Within Groups is 0.983. The F value is 12.542 at 5% significance level. The ANOVA table shows the significance (5,510) is 0.000 the p value is > 0.05. Hence, it can be concluded that there is no significance between **Age** and Objective of Hedge against Inflation.

Hence it can be concluded that Age and Safety, Retirement Benefits, meet contingencies, Hedge against Inflation, Dividends, Capital Appreciation, Quick Gain, Tax Benefits, and Liquidity there is a significant difference of perceptions in Satisfaction of Investment Objectives.

Gender and Satisfaction of Investment Objectives:

Hypothesis - 7: There is no significant difference in the satisfaction of investment objective among gender.

Table - 6.25: Gender and Satisfaction of Investment Objectives

ANOVA						
		Sum of Squares	Df	Mean Square	F	Sig.
DIVIDENDS-S	Between Groups	1.048	1	1.048	1.063	.303
	Within Groups	506.433	514	.985		
	Total	507.481	515			
CAPITAL-APPRECIATION-S	Between Groups	1.323	1	1.323	1.416	.235
	Within Groups	480.419	514	.935		
	Total	481.742	515			
QUICK-GAIN-S	Between Groups	26.350	1	26.350	26.544	.000
	Within Groups	510.246	514	.993		
	Total	536.597	515			
LIQUIDITY-S	Between Groups	.734	1	.734	.615	.433
	Within Groups	613.566	514	1.194		
	Total	614.300	515			
SAFTY-S	Between Groups	9.281	1	9.281	8.027	.005
	Within Groups	594.316	514	1.156		
	Total	603.597	515			
TAX-BENEFITS-S	Between Groups	15.271	1	15.271	13.496	.000
	Within Groups	581.634	514	1.132		
	Total	596.905	515			
RETIREMENT-BENEFITS-S	Between Groups	13.377	1	13.377	13.059	.000
	Within Groups	526.522	514	1.024		
	Total	539.899	515			
MEET-CONTINGENCIES-S	Between Groups	6.793	1	6.793	6.722	.010
	Within Groups	519.461	514	1.011		
	Total	526.254	515			
HEDGE-AGAINST-INFLATION-S	Between Groups	1.152	1	1.152	1.054	.305
	Within Groups	561.846	514	1.093		
	Total	562.998	515			

The above ANOVA Table – 6.25 reveals that the **Gender** and Satisfaction of Investment Objective Dividends between Groups Sum of Squares is 1.048, Within Groups Sum of Squares is 506.433 and Between Groups Mean Square is 1.048 Within Groups is 0.985. The F value is 1.063 at 5% significance level. The ANOVA table shows the significance (1,514) is 0.303 the p value is > 0.05. Hence, it can be concluded that there is no significance between **Gender** and Objective of Dividends.

The **Gender** and Satisfaction of Investment Objective Capital Appreciation between Groups Sum of Squares is 1.323, Within Groups Sum of Squares is 480.419 and Between Groups Mean Square is 1.323 Within Groups is 0.935. The F value is 1.416 at 5% significance level. The ANOVA table shows the significance (1,514) is 0.236 the p value is > 0.05. Hence, it can be concluded that there is significance between **Gender** and Objective of Capital Appreciation.

The **Gender** and Satisfaction of Investment Objective Quick Gain between Groups Sum of Squares is 26.350, Within Groups Sum of Squares is 510.246 and Between Groups Mean Square is 26.350 Within Groups is 0.993. The F value is 26.544 at 5% significance level. The ANOVA table shows the significance (1,514) is 0.000 the p value is < 0.05. Hence, it can be concluded that there is significance between **Gender** and Objective of Capital Appreciation.

The **Gender** and Satisfaction of Investment Objective Liquidity between Groups Sum of Squares is 0.734, Within Groups Sum of Squares is 613.566 and Between Groups Mean Square is 0.734 Within Groups is 1.194. The F value is 0.615 at 5% significance level. The ANOVA table shows the significance (1,514) is 0.433 the p value is > 0.05. Hence, it can be concluded that there is no significant between **Age** and Objective of Liquidity.

The **Gender** and Satisfaction of Investment Objective Safety between Groups Sum of Squares is 9.281, Within Groups Sum of Squares is 594.316 and Between Groups Mean Square is 9.281 Within Groups is 1.156. The F value is 8.027 at 5% significance level. The ANOVA table shows the significance (1,514) is 0.005 the p value is < 0.05. Hence, it can be concluded that there is significance between **Gender** and Objective of Safety.

The **Gender** and Satisfaction of Investment Objective Tax Benefits between Groups Sum of Squares is 15.271, Within Groups Sum of Squares is 581.634 and Between Groups Mean Square is 15.271 Within Groups is 1.132. The F value is 13.496 at 5% significance level. The ANOVA table shows the significance (1,514) is 0.000 the p value is < 0.05. Hence, it can be concluded that there is significance between **Gender** and Objective of Tax Benefits.

The **Gender** and Satisfaction of Investment Objective Retirement Benefits between Groups Sum of Squares is 13.377, Within Groups Sum of Squares is 526.522 and Between Groups Mean Square is 13.377 Within Groups is 1.024. The F value is 13.059 at 5% significance level. The ANOVA table shows the significance (1,514) is 0.000 the p value is < 0.05. Hence, it can be concluded that there is significance between **Gender** and Objective of Retirement Benefits.

The **Gender** and Satisfaction of Investment Objective Meet Contingencies between Groups Sum of Squares is 6.793, Within Groups Sum of Squares is 519.461 and Between Groups Mean Square is 6.793 Within Groups is 1.011. The F value is 6.793 at 5% significance level. The ANOVA table shows the significance (1,514) is 0.010 the p value is < 0.05. Hence, it can be concluded that there is no significance between **Gender** and Objective of Meet Contingencies.

The **Gender** and Satisfaction of Investment Objective Hedge against Inflation between Groups Sum of Squares is 1.152, Within Groups Sum of Squares is 561.846 and Between Groups Mean Square is 1.152 Within Groups is 1.093. The F value is 1.054 at 5% significance level. The ANOVA table shows the significance (1,514) is 0.305 the p value is > 0.05. Hence, it can be concluded that there is no significance between **Gender** and Objective of Hedge against Inflation.

Hence it can be concluded that Gender and Dividends, Capital Appreciation, Liquidity, Hedge against Inflation, there is a significant difference of perceptions in Satisfaction of Investment Objectives. There is a significant difference of Gender and Quick Gain, Safety, Tax Benefits, Retirement Benefits, and Meet Contingencies,

E**ducation and Satisfaction of Investment Objectives:**

Hypothesis - 8: There is no significant difference in the satisfaction of investment objectives among respondents with different level of education.

Table - 6.26: Education and Satisfaction of Investment Objectives

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
DIVIDENDS-S	Between Groups	21.394	5	4.279	4.489	.001
	Within Groups	486.087	510	.953		
	Total	507.481	515			
CAPITAL-APPRECIATION-S	Between Groups	25.915	5	5.183	5.799	.000
	Within Groups	455.828	510	.894		
	Total	481.742	515			
QUICK-GAIN-S	Between Groups	35.842	5	7.168	7.301	.000
	Within Groups	500.755	510	.982		
	Total	536.597	515			
LIQUIDITY-S	Between Groups	30.032	5	6.006	5.243	.000
	Within Groups	584.268	510	1.146		
	Total	614.300	515			
SAFTY-S	Between Groups	9.788	5	1.958	1.681	.137
	Within Groups	593.809	510	1.164		
	Total	603.597	515			
TAX-BENEFITS-S	Between Groups	24.309	5	4.862	4.330	.001
	Within Groups	572.596	510	1.123		
	Total	596.905	515			
RETIREMENT-BENEFITS-S	Between Groups	13.054	5	2.611	2.527	.028
	Within Groups	526.845	510	1.033		
	Total	539.899	515			
MEET-CONTINGENCIES-S	Between Groups	42.766	5	8.553	9.022	.000
	Within Groups	483.488	510	.948		
	Total	526.254	515			
HEDGE-AGAINST-INFLATION-S	Between Groups	26.462	5	5.292	5.031	.000
	Within Groups	536.536	510	1.052		
	Total	562.998	515			

The above ANOVA Table – 6.26 reveals that the **Education** and Satisfaction of Investment Objective Dividends between Groups Sum of Squares is 21.394, Within Groups Sum of Squares is 4863087 and Between Groups Mean Square is 4.279 Within Groups is 0.953. The F value is 4.489 at 5% significance level. The ANOVA table shows the significance (5,510) is 0.001 the p value is < 0.05. Hence, it can be concluded that there is significance between **Education** and Objective of Dividends.

The **Education** and Satisfaction of Investment Objective Capital Appreciation between Groups Sum of Squares is 25.915, Within Groups Sum of Squares is 455.828 and Between Groups Mean Square is 5.183 Within Groups is 0.894. The F value is 5.799 at 5% significance level. The ANOVA table shows the significance (5,510) is 0.000 the p value is < 0.05. Hence, it can be concluded that there is significance between **Education** and Objective of Capital Appreciation.

The **Education** and Satisfaction of Investment Objective Quick Gain between Groups Sum of Squares is 35.842, Within Groups Sum of Squares is 500.755 and Between Groups Mean Square is 7.168 Within Groups is 0.982. The F value is 7.301 at 5% significance level. The ANOVA table shows the significance (5,510) is 0.000 the p value is < 0.05. Hence, it can be concluded that there is significance between **Education** and Objective of Capital Appreciation.

The **Education** and Satisfaction of Investment Objective Liquidity between Groups Sum of Squares is 30.032, Within Groups Sum of Squares is 584.268 and Between Groups Mean Square is 6.006 Within Groups is 1.146. The F value is 5.243 at 5% significance level. The ANOVA table shows the significance (5,510) is 0.000 the p value is < 0.05. Hence, it can be concluded that there is significance between **Age** and Objective of Liquidity.

The **Education** and Satisfaction of Investment Objective Safety between Groups Sum of Squares is 9.788, Within Groups Sum of Squares is 593.809 and Between Groups Mean Square is 1.958 Within Groups is 1.164. The F value is 1.681 at 5% significance level. The ANOVA table shows the significance (5,510) is 0.137 the p value is > 0.05. Hence, it can be concluded that there is no significance between **Education** and Objective of Safety.

The **Education** and Satisfaction of Investment Objective Tax Benefits between Groups Sum of Squares is 24.309, Within Groups Sum of Squares is 572.596 and Between Groups Mean Square is 4.862 Within Groups is 1.123. The F value is 4.330 at 5% significance level. The ANOVA table shows the significance (5,510) is 0.001 the p value is < 0.05. Hence, it can be concluded that there is significance between **Education** and Objective of Tax Benefits.

The **Education** and Satisfaction of Investment Objective Retirement Benefits between Groups Sum of Squares is 13.054, Within Groups Sum of Squares is 526.845 and Between Groups Mean Square is 2.611 Within Groups is 1.033. The F value is 2.527 at 5% significance level. The ANOVA table shows the significance (5,510) is 0.028 the p value is < 0.05. Hence, it can be concluded that there is significance between **Education** and Objective of Retirement Benefits.

The **Education** and Satisfaction of Investment Objective Meet Contingencies between Groups Sum of Squares is 42.766, Within Groups Sum of Squares is 483.488 and Between Groups Mean Square is 8.553 Within Groups is 0.948. The F value is 9.022 at 5% significance level. The ANOVA table shows the significance (5,510) is 0.000 the p value is < 0.05. Hence, it can be concluded that there is no significance between **Education** and Objective of Meet Contingencies.

The **Education** and Satisfaction of Investment Objective Hedge against Inflation between Groups Sum of Squares is 26.462, Within Groups Sum of Squares is 536.536 and Between Groups Mean Square is 5.292 Within Groups is 1.062. The F value is 5.031 at 5% significance level. The ANOVA table shows the significance (5,510) is 0.00 the p value is > 0.05. Hence, it can be concluded that there is no significance between **Education** and Objective of Hedge against Inflation.

Hence it can be concluded that Education and Safety, there is a significant difference of perceptions in Satisfaction of Investment Objectives. There is a significant difference Education and Dividends, Capital Appreciation, Liquidity, Hedge against Inflation, Quick Gain, Tax Benefits, Retirement Benefits, and Meet Contingencies,

Occupation and Satisfaction of Investment Objectives:

Hypothesis - 9: There is no significant difference in the satisfaction of investment objectives among occupation.

Table - 6.27: Occupation and Satisfaction of Investment Objectives.

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
DIVIDENDS-S	Between Groups	1.899	3	.633	.641	.589
	Within Groups	505.582	512	.987		
	Total	507.481	515			
CAPITAL-APPRECIATION-S	Between Groups	2.571	3	.857	.916	.433
	Within Groups	479.171	512	.936		
	Total	481.742	515			
QUICK-GAIN-S	Between Groups	10.842	3	3.614	3.520	.015
	Within Groups	525.754	512	1.027		
	Total	536.597	515			
LIQUIDITY-S	Between Groups	.471	3	.157	.131	.942
	Within Groups	613.829	512	1.199		
	Total	614.300	515			
SAFTY-S	Between Groups	6.414	3	2.138	1.833	.140
	Within Groups	597.182	512	1.166		
	Total	603.597	515			
TAX-BENEFITS-S	Between Groups	6.622	3	2.207	1.915	.126
	Within Groups	590.283	512	1.153		
	Total	596.905	515			
RETIREMENT-BENEFITS-S	Between Groups	1.383	3	.461	.438	.726
	Within Groups	538.516	512	1.052		
	Total	539.899	515			
MEET-CONTINGENCIES-S	Between Groups	.432	3	.144	.140	.936
	Within Groups	525.822	512	1.027		
	Total	526.254	515			
HEDGE-AGAINST-INFLATION-S	Between Groups	7.262	3	2.421	2.230	.084
	Within Groups	555.736	512	1.085		
	Total	562.998	515			

The above ANOVA Table – 6.27 reveals that the **Occupation** and Satisfaction of Investment Objective Dividends between Groups Sum of Squares is 1.899, Within Groups Sum of Squares is 505.582 and Between Groups Mean Square is 0.633 Within Groups is 0.987. The F value is 0.641 at 5% significance level. The ANOVA table shows the significance (3,512) is 0.589 the p value is > 0.05. Hence, it can be concluded that there is no significance between **Occupation** and Objective of Dividends.

The **Occupation** and Satisfaction of Investment Objective Capital Appreciation between Groups Sum of Squares is 2.571, Within Groups Sum of Squares is 479.171 and Between Groups Mean Square is 0.857 Within Groups is 0.936. The F value is 0.916 at 5% significance level. The ANOVA table shows the significance (3,512) is 0.433 the p value is > 0.05. Hence, it can be concluded that there is no significance between **Occupation** and Objective of Capital Appreciation.

The **Occupation** and Satisfaction of Investment Objective Quick Gain between Groups Sum of Squares is 10.842, Within Groups Sum of Squares is 525.754 and Between Groups Mean Square is 3.614 Within Groups is 1.027. The F value is 3.520 at 5% significance level. The ANOVA table shows the significance (3,512) is 0.015 the p value is < 0.05. Hence, it can be concluded that there is significance between **Occupation** and Objective of Capital Appreciation.

The **Occupation** and Satisfaction of Investment Objective Liquidity between Groups Sum of Squares is 0.471, Within Groups Sum of Squares is 613.829 and Between Groups Mean Square is 0.157 Within Groups is 1.199. The F value is 0.131 at 5% significance level. The ANOVA table shows the significance (3,512) is 0.942

the p value is > 0.05. Hence, it can be concluded that there is no significance between **Age** and Objective of Liquidity.

The **Occupation** and Satisfaction of Investment Objective Safety between Groups Sum of Squares is 6.414, Within Groups Sum of Squares is 597.182 and Between Groups Mean Square is 2.138 Within Groups is 1.166. The F value is 1.833 at 5% significance level. The ANOVA table shows the significance (3,512) is 0.140 the p value is > 0.05. Hence, it can be concluded that there is no significance between **Occupation** and Objective of Safety.

The **Occupation** and Satisfaction of Investment Objective Tax Benefits between Groups Sum of Squares is 6.622, Within Groups Sum of Squares is 590.283 and Between Groups Mean Square is 2.207 Within Groups is 1.153. The F value is 1.915 at 5% significance level. The ANOVA table shows the significance (3,512) is 0.126 the p value is > 0.05. Hence, it can be concluded that there is no significance between **Occupation** and Objective of Tax Benefits.

The **Occupation** and Satisfaction of Investment Objective Retirement Benefits between Groups Sum of Squares is 1.383, Within Groups Sum of Squares is 538.899 and Between Groups Mean Square is 0.461 Within Groups is 1.052. The F value is 0.468 at 5% significance level. The ANOVA table shows the significance (3,512) is 0.726 the p value is >0.05. Hence, it can be concluded that there is no significance between **Occupation** and Objective of Retirement Benefits.

The **Occupation** and Satisfaction of Investment Objective Meet Contingencies between Groups Sum of Squares is 0.432, Within Groups Sum of Squares is 525.822 and Between Groups Mean Square is 0.144 Within Groups is 1.027. The F value is

0.140 at 5% significance level. The ANOVA table shows the significance (3,512) is 0.9360 the p value is > 0.05. Hence, it can be concluded that there is no significance between **Occupation** and Objective of Meet Contingencies.

The **Occupation** and Satisfaction of Investment Objective Hedge against Inflation between Groups Sum of Squares is 7.262, Within Groups Sum of Squares is 555.736 and Between Groups Mean Square is 2.421 Within Groups is 1.085. The F value is 2.230 at 5% significance level. The ANOVA table shows the significance (3,512) is 0.084 the p value is > 0.05. Hence, it can be concluded that there is no significance between **Occupation** and Objective of Hedge against Inflation.

Hence it can be concluded that Occupation and Dividends, Capital Appreciation, Liquidity, Safety, Tax Benefits, Retirement Benefits, Hedge against Inflation, and Meet Contingencies, there is a significant difference of perceptions in Satisfaction of Investment Objectives. There is a significant difference between Occupation and Quick Gain,

Monthly Income and Satisfaction of Investment Objectives:

Hypothesis - 10: There is no significant difference in the satisfaction of investment objectives among monthly income.

Table - 6.28: Monthly Income and Satisfaction of Investment Objectives

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
DIVIDENDS-S	Between Groups	15.524	3	5.175	5.385	.001
	Within Groups	491.957	512	.961		
	Total	507.481	515			
CAPITAL-APPRECIATION-S	Between Groups	21.315	3	7.105	7.901	.000
	Within Groups	460.427	512	.899		
	Total	481.742	515			
QUICK-GAIN-S	Between Groups	98.981	3	32.994	38.602	.000
	Within Groups	437.616	512	.855		
	Total	536.597	515			
LIQUIDITY-S	Between Groups	19.665	3	6.555	5.644	.001
	Within Groups	594.635	512	1.161		
	Total	614.300	515			
SAFTY-S	Between Groups	25.544	3	8.515	7.542	.000
	Within Groups	578.053	512	1.129		
	Total	603.597	515			
TAX-BENEFITS-S	Between Groups	38.428	3	12.809	11.743	.000
	Within Groups	558.477	512	1.091		
	Total	596.905	515			
RETIREMENT-BENEFITS-S	Between Groups	9.701	3	3.234	3.123	.026
	Within Groups	530.198	512	1.036		
	Total	539.899	515			
MEET-CONTINGENCIES-S	Between Groups	2.766	3	.922	.902	.440
	Within Groups	523.487	512	1.022		
	Total	526.254	515			
HEDGE-AGAINST-INFLATION-S	Between Groups	.858	3	.286	.260	.854
	Within Groups	562.140	512	1.098		
	Total	562.998	515			

The above ANOVA Table – 6.28 reveals that the **Monthly Income and** Satisfaction of Investment Objective Dividends between Groups Sum of Squares is 15.524, Within Groups Sum of Squares is 491.957 and Between Groups Mean Square is 5.175 Within Groups is 0.961. The F value is 5.385 at 5% significance level. The ANOVA table shows the significance (3,512) is 0.001 the p value is < 0.05. Hence, it can be concluded that there is significance between **Monthly Income and** Objective of Dividends.

The **Monthly Income and** Satisfaction of Investment Objective Capital Appreciation between Groups Sum of Squares is 21.315, Within Groups Sum of Squares is 460.427 and Between Groups Mean Square is 7.105 Within Groups is 0.899. The F value is 7.901 at 5% significance level. The ANOVA table shows the significance (3,512) is 0.000the p value is < 0.05. Hence, it can be concluded that there is significance between **Monthly Income and** Objective of Capital Appreciation.

The **Monthly Income and** Satisfaction of Investment Objective Quick Gain between Groups Sum of Squares is 98.981, Within Groups Sum of Squares is 437.616 and Between Groups Mean Square is 32.994 Within Groups is 0.855. The F value is 38.605 at 5% significance level. The ANOVA table shows the significance (3,512) is 0.000 the p value is < 0.05. Hence, it can be concluded that there is significance between **Monthly Income and** Objective of Capital Appreciation.

The **Monthly Income and** Satisfaction of Investment Objective Liquidity between Groups Sum of Squares is 19.665, Within Groups Sum of Squares is 594.635 and Between Groups Mean Square is 6.555 Within Groups is 1.161. The F value is 5.644 at 5% significance level. The ANOVA table shows the significance (3,512) is

0.001 the p value is < 0.05. Hence, it can be concluded that there is significance between **Age** and Objective of Liquidity.

The **Monthly Income and** Satisfaction of Investment Objective Safety between Groups Sum of Squares is 25.544, Within Groups Sum of Squares is 578.053 and Between Groups Mean Square is 8.515 Within Groups is 1.129. The F value is 7.542 at 5% significance level. The ANOVA table shows the significance (3,512) is 0.000 the p value is < 0.05. Hence, it can be concluded that there is significance between **Monthly Income and** Objective of Safety.

The **Monthly Income and** Satisfaction of Investment Objective Tax Benefits between Groups Sum of Squares is 38.428, Within Groups Sum of Squares is 558.477 and Between Groups Mean Square is 12.809 Within Groups is 1.091. The F value is 11.743 at 5% significance level. The ANOVA table shows the significance (3,512) is 0.000 the p value is <0.05. Hence, it can be concluded that there is significance between **Monthly Income and** Objective of Tax Benefits.

The **Monthly Income and** Satisfaction of Investment Objective Retirement Benefits between Groups Sum of Squares is 9.701, Within Groups Sum of Squares is 530.198 and Between Groups Mean Square is 3.234 Within Groups is 1.036. The F value is 3.128 at 5% significance level. The ANOVA table shows the significance (3,512) is 0.026 the p value is <0.05. Hence, it can be concluded that there is significance between **Monthly Income and** Objective of Retirement Benefits.

The **Monthly Income and** Satisfaction of Investment Objective Meet Contingencies between Groups Sum of Squares is 2.766, Within Groups Sum of Squares is 523.487 and Between Groups Mean Square is 0.922 Within Groups is

1.022. The F value is 0.902 at 5% significance level. The ANOVA table shows the significance (3,512) is 0.440 the p value is > 0.05. Hence, it can be concluded that there is no significance between **Monthly Income and** Objective of Meet Contingencies.

The **Monthly Income and** Satisfaction of Investment Objective Hedge against Inflation between Groups Sum of Squares is 0.858, Within Groups Sum of Squares is 562.140 and Between Groups Mean Square is 0.286 Within Groups is 1.098. The F value is 0.260 at 5% significance level. The ANOVA table shows the significance (3,512) is 0.854 the p value is > 0.05. Hence, it can be concluded that there is no significance between **Monthly Income and** Objective of Hedge against Inflation.

Hence it can be concluded that Monthly Income and, Hedge against Inflation, Meet Contingencies there is a significant difference of perceptions in Satisfaction of Investment Objectives. There is a significant difference of Monthly Income and, Quick Gain, Dividends, Capital Appreciation, Liquidity, Safety, Tax Benefits, Retirement Benefits

Part-D: Investment Preferences And Risk Return Perceptions:

Investors' perceptions regarding the risk and return characteristics of a particular stock or the stock market are commonly assumed to be key drivers of their decision making. Using choice experiments and investor surveys, recent work in behavioral finance showed how such investor perceptions are capable of explaining individual's stock market attitudes, hypothetical investment choices, self reported willingness to invest in the stock market, or self indicated risky asset portfolio composition. Financial risk tolerance is defined as the maximum amount of

uncertainty that someone is willing to accept when making a financial decision. Although the importance of assessing financial risk tolerance is well documented, in practice the assessment process tends to be very difficult due to the subjective nature of risk taking (the risk of investor willing to reveal their risks tolerance) and objective factors. Risk tolerance represents person's attitude towards taking risk. This indication is an important concept that has implications for both financial service providers (asset management institution or other financial planner) and consumers (investors). For the latter, risk tolerance is one factor which may determine the appropriate composition of many assets in a portfolio which is optimal and satisfied investors invest preference in terms of risk and return relative to the needs of the individual investors.

Hypothesis - 11: There is no significant association between risk in investment preferences and selected demographic variables (Age, Gender, Education, Occupation and Monthly Income).

Null Hypothesis (Ho): There is no significant association among the variables. If the p value is more than 0.05, it is more than of significance level (rejected region). Hence it is conferred that there is no significant association between variables.

Alternative Hypothesis (Ha): There is a significant association among the variables. If the p value is less than 0.05, it is less than of significance level (accepted region). Hence it is conferred that there is significant association between variables.

Table - 6.29: Chi – Square Test for Testing the Significance between the Age and Investment Preferences with Risk

S No	Comparison of variables (Investment preferences)	Chi-square values	d.f.	P value	Significant
1	Age and National saving certificate	195.911	12	0.000	Insignificant
2	Age and post office schemes	52.494	12	0.00	Insignificant
3	Age and provident fund	250.298	12	0.000	Insignificant
4	Ages and Chits	265.216	12	0.000	Insignificant
5	Age and insurance schemes	218.180	12	0.000	Significant
6	Age and Mutual fund schemes	145.626	12	0.000	Insignificant
7	Age and Bank fixed deposits	122.329	12	0.000	Insignificant
8	Age and Saving bank account	44.719	12	0.000	Insignificant
9	Age and company fixed deposits	29.347	12	0.015	Significant
10	Age and shares	104.230	12	0.000	Significant
11	Age and Bonds/Debentures	30.125	12	0.001	Insignificant
12	Age and Exchange traded funds	52.494	12	0.000	Insignificant
13	Age and purchases of real estate/fixed assets	250.298	12	0.000	Insignificant
14	Age and Gold/Silver	265.216	12	0.000	Insignificant
15	Age and Derivation	218.180	12	0.000	Insignificant

The above table 6.29 reveals that Age and National Saving Certificate the degrees of freedom is 12 at 5% significant level Chi-Square Value is 195.911 and the p value is 0.000. Hence, it can be concluded that if the value of p is < 0.05, there is no association between Age and National Saving Certificate.

In Age and post office schemes the degree of freedom is 12 at 5% significant level Chi-Square Value is 52.494 and the p value is 0.000. Hence, it can be concluded that if the value of p is < 0.05, there is no association between Age and post office schemes.

In age and provident fund the degree of freedom is 12 at 5% significant level Chi-Square Value is 250.298 and the p value is 0.000. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Age and provident fund.

In age and chits the degree of freedom is 12 at 5% significant level Chi-Square Value is 265.216 and the p value is 0.000. Hence, it can be concluded that if the value of p is < 0.05, there is no association between Age and chits.

In age and insurance schemes the degree of freedom is 12 at 5% significant level Chi-Square Value is 218.180 and the p value is 0.000. Hence, it can be concluded that if the value of p is < 0.05, there is no association between Age and insurance schemes.

In age and Mutual funds schemes the degree of freedom is 12 at 5% significant level Chi-Square Value is 145.626 and the p value is 0.000. Hence, it can be concluded that if the value of p is < 0.05, there is no association between Age and Mutual funds schemes.

In age and Bank Fixed Deposits the degree of freedom is 12 at 5% significant level Chi-Square Value is 122.329 and the p value is 0.000. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Age and Bank Fixed Deposits.

In Age and saving bank account the degree of freedom is 12 at 5% significant level Chi-Square Value is 44.719 and the p value is 0.000. Hence, it can be concluded that if the value of p is < 0.05, there is no association between Age and saving bank account.

In Age and company fixed deposits the degree of freedom is 12 at 5% significant level Chi-Square Value is 29.347 and the p value is 0.000. Hence, it can be concluded that if the value of p is < 0.05, there is no association between Age and company fixed deposits.

In Age and shares the degree of freedom is 12 at 5% significant level Chi-Square Value is 104.230 and the p value is 0.000. Hence, it can be concluded that if the value of p is < 0.05, there is no association between Age and shares.

In Age and Bonds/debentures the degree of freedom is 12 at 5% significant level Chi-Square Value is 30.125 and the p value is 0.000. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Age and Bonds/debentures.

In Age and Exchange trade funds the degree of freedom is 12 at 5% significant level Chi-Square Value is 52.494 and the p value is 0.000. Hence, it can be concluded that if the value of p is < 0.05, there is no association between Age and Exchange trade funds.

In Age and real estates/fixed assets the degree of freedom is 12 at 5% significant level Chi-Square Value is 250.298 and the p value is 0.000. Hence, it concluded that if the value of p is < 0.05, there is no association between Age and real estate's/fixed assets.

In Age and gold/silver the degree of freedom is 12 at 5% significant level Chi-Square Value is 265.216 and the p value is 0.000. Hence, it can be concluded that if the value of p is < 0.05, there is no association between Age and gold/silver.

In Age and derivation the degree of freedom is 12 at 5% significant level Chi-Square Value is 218.180 and the p value is 0.000. Hence, it can be concluded that if the value of p is < 0.05; there is no association between Age and derivation.

Hence , it can be concluded that there no association between Age and investment preferences with risk of National Savings Certificates, Post office Schemes, Provident fund, Chits, insurance schemes, Mutual fund schemes, Bank fixed depots, Savings accounts, company fixed deposits, shares, Bonds/debentures, exchange traded funds, real estates, gold /silver and derivations.

Table - 6.30: Chi-square Test for Testing the Significance between the Gender and Investment Preferences with Risk

S. No	Comparison of Variables (Investment Preferences)	Chi-square Value	d.f.	P Values	Sig.
1	Gender and National saving certificates	19.802	4	0.001	Insignificant
2	Gender and post office schemes	35.167	4	0	Insignificant
3	Gender and provident fund	14.93	4	0.005	Insignificant
4	Gender and Chits	11.826	4	0.019	Insignificant
5	Gender and Insurance schemes	48.048	4	0	Insignificant
6	Gender and mutual fund schemes	19.795	4	0.001	Insignificant
7	Gender and Bank fixed deposits	23.97	4	0	Insignificant
8	Gender and saving bank account	3.918	4	0.27	Insignificant
9	Gender and company fixed deposits	1.9	4	0.593	Insignificant
10	Gender and shares	10.62	4	0.014	Insignificant
11	Gender and bonds/Debenture	4.426	4	0.109	Insignificant
12	Gender and Exchange traded funds	35.167	4	0	Significant
13	Gender and purchase of real estate/fixed assets	14.93	4	0.005	Significant
14	Gender and Gold/Silver	11.826	4	0.019	Insignificant
15	Gender and Derivatives	48.048	4	0	Insignificant

The above table 6.30 reveals that in Gender and National Saving Certificate the degrees of freedom is 4 at 5% significant level, Chi-Square Value is 19.802 and the p value is 0.001. Hence, it can be concluded that the value of p is< 0.05, there is no association between Gender and National Saving Certificate.

In Gender and post office schemes, the degree of freedom is 4 at 5% significant level, Chi-Square Value is 35.167 and the p value is 0.000. Hence, it can be concluded that if the value p is < 0.05, there is no association between Gender and post office schemes.

In Gender and provident fund, the degree of freedom is 4 at 5% significant level, Chi-Square Value is 14.93 and the p value is 0.005. Hence, it can be concluded that if the value p is < 0.05, there is no association between Gender and provident fund.

In Gender and chits the degree of freedom is 4 at 5% significant level, Chi-Square Value is 11.826 and the p value is 0.019. Hence, it can be concluded that if the value of p is < 0.05, there is no an association between Gender and chits.

In Gender and insurance schemes the degree of freedom is 4 at 5% significant level, Chi-Square Value is 48.048 and the p value is 0.000. Hence, it can be concluded that if the value of p is < 0.05, there is no association between Gender and insurance schemes.

In Gender and Mutual funds schemes the degree of freedom is 4 at 5% significant level, Chi-Square Value is 19.795 and the p value is 0.001. Hence, it can be concluded that if the value of p is < 0.05, there is no association between Gender and Mutual funds schemes.

In Gender and Bank Fixed Deposits the degree of freedom is 4 at 5% significant level, Chi-Square Value is 23.97 and the p value is 0.000. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Gender and Bank Fixed Deposits.

In Gender and saving bank account the degree of freedom is 4 at 5% significant level, Chi-Square Value is 3.918 and the p value is 0.27. Hence, it can be concluded that if the value of p is> 0.05, there is an association between Gender and saving bank account.

In Gender and company fixed deposits the degree of freedom is 4 at 5% significant level, Chi-Square Value is 1.9 and the p value is 0.593. Hence, it can be concluded that if the value of p is> 0.05, there is an association between Gender and company fixed deposits.

In Gender and shares the degree of freedom is 4 at 5% significant level, Chi-Square Value is 10.62 and the p value is 0.014. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Gender and shares.

In Gender and Bonds/debentures the degree of freedom is 4 at 5% significant level, Chi-Square Value is 4.426 and the p value is 0.109. Hence, it can be concluded that if the value of p is> 0.05, there is an association between Gender and Bonds/debentures.

In Gender and Exchange trade funds the degree of freedom is 4 at 5% significant level, Chi-Square Value is 35.167 and the p value is 0.000. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Gender and Exchange trade funds.

In Gender and real estate's/fixed assets the degree of freedom is 4 at 5% significant level, Chi-Square Value is 14.93 and the p value is 0.005. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Gender and real estate's/fixed assets.

In Gender and gold/silver the degree of freedom is 4 at 5% significant level, Chi-Square Value is 11.826 and the p value is 0.019. Hence, it can be concluded that if the value of p is < 0.05, there is no association between Gender and gold/silver.

In Gender and derivation the degree of freedom is 4 at 5% significant level, Chi-Square Value is 40.048 and the p value is 0.000. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Gender and derivation.

Hence, it can be concluded that there is no association between Gender and investment preferences with risk of National Savings Certificates, Post office Schemes, Provident fund, Chits, insurance schemes, Mutual fund schemes, Bank fixed depots, shares, exchange traded funds, real estates,gold /silver and derivations. There is an association between Gender and Savings accounts, company fixed deposits, and Bonds/debentures.

Table - 6.31: Chi-Square Test for Testing the Significance between the Education and Investment Preferences with Risk

S. No	Comparison of Variables (Investment Preferences)	Chi-square Value	d.f.	P Values	Sig.
1	Education and National saving certificates	78.097	20	0.000	Insignificant
2	Educating and post office schemes	61.113	20	0.000	Insignificant
3	Education and provident fund	80.332	20	0.000	Insignificant
4	Education and Chits	94.569	20	0.000	Insignificant
5	education and Insurance schemes	135.747	20	0.000	Insignificant
6	education and mutual fund schemes	91.038	20	0.000	Insignificant
7	Education and Bank fixed deposits	71.232	20	0.000	Insignificant
8	Education and saving bank account	70.678	20	0.000	Significant
9	Education and company fixed deposits	65.324	20	0.000	Insignificant
10	Education and shares	82.428	20	0.000	Insignificant
11	Education and bonds/Debenture	62.222	20	0.000	Insignificant
12	Education and Exchange traded funds	61.113	20	0.000	Insignificant
13	Education and purchase of real estate/fixed assets	80.335	20	0.000	Insignificant
14	Education and Gold/Silver	94.569	20	0.000	Significant
15	Education and Derivatives	135.747	20	0.000	Insignificant

The above table 6.31 reveals that, in the Education and National Saving Certificate, the degree of freedom is 20 at 5%significant level, Chi-Square Value is 78.097 and the p value is 0.000. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Education and National Saving Certificate.

In Education and post office schemes, the degree of freedom is 20 at 5% significant level, Chi-Square Value is 61.113 and the p value is 0.000. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Education and post office schemes.

In Education and provident fund, the degree of freedom is 20 at 5%significant level, Chi-Square Value is 80.332 and the p value is 0.005. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Education and provident fund.

In Education and chits, the degree of freedom is 20 at 5%significant level, Chi-Square Value is 94.569 and the p value is 0.019. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Education and chits.

In Education and insurance schemes, the degree of freedom is 20 at 5% significant level, Chi-Square Value is 135.747 and the p value is 0.000. Hence, it can be concluded that if the value of p is < 0.05, there is no association between Education and insurance schemes.

In Education and Mutual funds schemes, the degree of freedom is 20 at 5% significant level, Chi-Square Value is 91.038 and the p value is 0.001. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Education and Mutual funds schemes.

In Education and Bank Fixed Deposits, the degree of freedom is 20 at 5% significant level, Chi-Square Value is 71.232 and the p value is 0.000. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Education and Bank Fixed Deposits.

In Education and saving bank account, the degree of freedom is 20 at 5%significant level, Chi-Square Value is 70.678 and the p value is 0.27. Hence, it can be concluded that if the value of p is> 0.05, there is an association between Education and saving bank account.

In Education and company fixed deposits, the degree of freedom is 20 at 5% significant level, Chi-Square Value is 65.324 and the p value is 0.593. Hence, it can be concluded that if the value of p is > 0.05, there is an association between Education and company fixed deposits.

In Education and shares, the degree of freedom is 20 at 5%significant level, Chi-Square Value is 82.428 and the p value is 0.014. Hence, it can be concluded that if the value of p is < 0.05, there is no association between Education and shares.

In Education and Bonds/debentures, the degree of freedom is 20 at 5% significant level, Chi-Square Value is 62.222 and the p value is 0.109. Hence, it can be concluded that if the value of p is> 0.05, there is an association between Education and Bonds/debentures.

In Education and Exchange trade funds, the degree of freedom is 20 at 5% significant level, Chi-Square Value is 61.113 and the p value is 0.000. Hence, it can be concluded that if the value of p is < 0.05, there is no association between Education and Exchange trade funds.

In Education and real estates/fixed assets, the degree of freedom is 20 at 5% significant level, Chi-Square Value is 80.335 and the p value is 0.005. Hence, it can be concluded that if the value of p is < 0.05, there is no association between Education and real estates/fixed assets.

In Education and gold/silver, the degree of freedom is 20 at 5% significant level, Chi-Square Value is 94.569 and the p value is 0.019. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Education and gold/silver.

In Education and derivation, the degree of freedom is 20 at 5%significant level, Chi-Square Value is 135.747 and the p value is 0.000. Hence, it can be concluded that if the value of p is < 0.05, there is no association between Education and derivation.

Hence, it can be concluded that there is no association between Education and investment preferences with risk of National Savings Certificates, Savings accounts, company fixed deposits, and Bonds/debentures, post office Schemes, Provident fund, Chits, insurance schemes, Mutual fund schemes, Bank fixed depots, shares, exchange traded funds, real estates, gold/silver and derivations.

Table - 6.32: Chi- Square Test for Testing the Significance between the Occupation and Investment Preferences with Risk

S. No	Comparison of Variables (Investment Preferences)	Chi-square Value	d.f.	P Values	Significant.
1	Occupation and National saving certificates	27.363	16	0.007	Significant
2	Occupation and post office schemes	13.103	16	0.362	Insignificant
3	Occupation and provident fund	20.470	16	0.059	Insignificant
4	Occupation and Chits	50.662	16	0.000	Significant
5	Occupation and Insurance schemes	18.468	16	0.102	Insignificant
6	Occupation and mutual fund schemes	31.488	16	0.002	Insignificant
7	Occupation and Bank fixed deposits	15.477	16	0.216	Insignificant
8	Occupation and saving bank account	30.068	16	0.000	Insignificant
9	Occupation and company fixed deposits	21.166	16	0.012	Significant
10	Occupation and shares	30.883	16	0.000	Insignificant
11	Occupation and bonds/Debenture	11.235	16	0.081	Significant
12	Occupation and Exchange traded funds	13.103	16	0.362	Insignificant
13	Occupation and purchase of real estate/fixed assets	20.470	16	0.059	Significant
14	Occupation and Gold/Silver	50.662	16	0.000	Significant
15	Occupation and Derivatives	18.468	16	0.102	Insignificant

The above table 6.32 reveals that in Occupation and National Saving Certificate, the degree of freedom is 16 at 5% significant level, Chi-Square Value is 27.363 and the p value is 0.007. Hence, it can be concluded that if the value of p is < 0.05, there is no association between Occupation and National Saving Certificate.

In Occupation and post office schemes, the degree of freedom is 16 at 5% significant level, Chi-Square Value is 13.103 and the p value is 0.362. Hence, it can be concluded that if the value of p is > 0.05, there is an association between Occupation and post office schemes.

In Occupation and provident fund, the degree of freedom is 16 at 5% significant level, Chi-Square Value is 20.470 and the p value is 0.059. Hence, it can be concluded that if the value of p is > 0.05, there is an association between Occupation and provident fund.

In Occupation and chits, the degree of freedom is 16 at 5% significant level, Chi-Square Value is 50.662 and the p value is 0.000. Hence, it can be concluded that if the value of p is < 0.05, there is no association between Occupation and chits.

In Occupation and insurance schemes, the degree of freedom is 16 at 5% significant level, Chi-Square Value is 18.468 and the p value is 0.0102. Hence, it can be concluded that if the value of p is > 0.05, there is no association between Occupation and insurance schemes.

In Occupation and Mutual funds schemes, the degree of freedom is 16 at 5% significant level, Chi-Square Value is 31.488 and the p value is 0.002. Hence, it can be concluded that if the value of p is < 0.05, there is no association between Occupation and Mutual funds schemes.

In Occupation and Bank Fixed Deposits, the degree of freedom is 16 at 5% significant level, Chi-Square Value is 15.477 and the p value is 0.216. Hence, it can be concluded that if the value of p is > 0.05, there is an association between Occupation and Bank Fixed Deposits.

In Occupation and saving bank account, the degree of freedom is 16 at 5% significant level, Chi-Square Value is 30.068 and the p value is 0.000. Hence, it can be concluded that if the value of p is < 0.05, there is no association between Occupation and saving bank account.

In Occupation and company fixed deposits, the degree of freedom is 16 at 5% significant level, Chi-Square Value is 21.166 and the p value is 0.012. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Occupation and company fixed deposits.

In Occupation and shares, the degree of freedom is 16 at 5% significant level, Chi-Square Value is 30.883 and the p value is 0.000. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Occupation and shares.

In Occupation and Bonds/debentures, the degree of freedom is 16 at 5% significant level, Chi-Square Value is 11.235 and the p value is 0.081. Hence, it can be concluded that if the value of p is > 0.05, there is an association between Occupation and Bonds/debentures.

In Occupation and Exchange trade funds, the degree of freedom is 16 at 5% significant level, Chi-Square Value is 13.103 and the p value is 0.362. Hence, it can be concluded that if the value of p is> 0.05, there is an association between Occupation and Exchange trade funds.

In Occupation and real estates/fixed assets, the degree of freedom is 16 at 5% significant level, Chi-Square Value is 20.470 and the p value is 0.059. Hence, it can be concluded that if the value of p is> 0.05, there is an association between Occupation and real estates/fixed assets.

In Occupation and gold/silver, the degree of freedom is 16 at 5% significant level, Chi-Square Value is 50.662 and the p value is 0.000. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Occupation and gold/silver.

In Occupation and derivation, the degree of freedom is 16 at 5% significant level, Chi-Square Value is 18.468 and the p value is 0.102. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Occupation and derivation.

Hence, it can be concluded that there is no association between Occupation and investment preferences with risk of National Savings Certificates, Savings accounts, company fixed deposits, and Chits, Mutual fund schemes, shares, and gold /silver. There is an association between Occupation and post office Schemes, Provident fund, insurance schemes, Bank fixed deposits, Bonds/debentures, exchange traded funds, real estates, and derivatives

Table - 6.33: Chi- Square Test for Testing the Significance between the Monthly Income and Investment Preferences with Risk

S. No	Comparison of Variables (Investment Preferences)	Chi-square Value	d.f.	P Values	Significant.
1	Monthly income and National saving certificate	77.021	20	0.000	Significant
2	Monthly income and post office schemes	35.078	20	0.000	Insignificant
3	Monthly income and provident fund	74.947	20	0.000	Insignificant
4	Monthly income and Chits	71.137	20	0.000	Significant
5	Monthly income and Insurance schemes	55.903	20	0.000	Significant
6	Monthly income and Mutual fund schemes	77.056	20	0.000	Significant
7	Monthly income and Bank fixed deposits	57.173	20	0.000	Insignificant
8	Monthly income and saving bank account	37.612	20	0.000	Insignificant
9	Monthly income and company fixed deposits	37.449	20	0.000	Significant
10	Monthly income and shares	43.932	20	0.000	Significant
11	Monthly income and Bonds/Debentures	42.049	20	0.000	Significant
12	Monthly income and Exchange traded funds	35.078	20	0.000	Significant
13	Monthly income and purchases of real estate/fixed assets	74.947	20	0.000	Significant
14	Monthly income and Gold/Silver	71.137	20	0.000	Significant
15	Monthly income and Derivatives	55.903	20	0.000	Significant

The above table 6.33 reveals that in Monthly Income and National Saving Certificate, the degrees of freedom is 20 at 5% significant level, Chi-Square Value is 77.021 and the p value is 0.000. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Monthly Income and National Saving Certificate.

In Monthly Income and post office schemes, the degree of freedom is 20 at 5% significant level, Chi-Square Value is 35.078 and the p value is 0.362. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Monthly Income and post office schemes.

In Monthly Income and provident fund, the degree of freedom is 20 at 5% significant level, Chi-Square Value is 74.947 and the p value is 0.059. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Monthly Income and provident fund.

In Monthly Income and chits, the degree of freedom is 20 at 5% significant level, Chi-Square Value is 71.137 and the p value is 0.000. Hence, it can be concluded that if the value of p is < 0.05, there is no association between Monthly Income and chits.

In Monthly Income and insurance schemes, the degree of freedom is 20 at 5% significant level, Chi-Square Value is 55.137 and the p value is 0.000. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Monthly Income and insurance schemes.

In Monthly Income and Mutual funds schemes, the degree of freedom is 20 at 5% significant level, Chi-Square Value is 77.056 and the p value is 0.000. Hence, it

can be concluded that if the value of p is< 0.05, there is no association between Monthly Income and Mutual funds schemes.

In Monthly Income and Bank Fixed Deposits, the degree of freedom is 20 at 5% significant level, Chi-Square Value is 57.173 and the p value is 0.216. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Monthly Income and Bank Fixed Deposits.

In Monthly Income and saving bank account, the degree of freedom is 20 at 5% significant level, Chi-Square Value is 37.612 and the p value is 0.000. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Monthly Income and saving bank account.

In Monthly Income and company fixed deposits, the degree of freedom is 20 at 5% significant level, Chi-Square Value is 37.449 and the p value is 0.000. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Monthly Income and company fixed deposits.

In Monthly Income and shares, the degree of freedom is 20 at 5% significant level, Chi-Square Value is 43.932 and the p value is 0.000. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Monthly Income and shares.

In Monthly Income and Bonds/debentures, the degree of freedom is 20 at 5% significant level, Chi-Square Value is 42.049 and the p value is 0.081. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Monthly Income and Bonds/debentures.

In Monthly Income and Exchange trade funds, the degree of freedom is 20 at 5% significant level, Chi-Square Value is 35.078 and the p value is 0.000. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Monthly Income and Exchange trade funds.

In Monthly Income and real estates/fixed assets, the degree of freedom is 20 at 5% significant level, Chi-Square Value is 74.947 and the p value is 0.000. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Monthly Income and real estates/fixed assets.

In Monthly Income and gold/silver, the degree of freedom is 20 at 5% significant level, Chi-Square Value is 71.137 and the p value is 0.000. Hence, it concluded that if the value of p is < 0.05, there is no association between Monthly Income and gold/silver.

In Monthly Income and derivation, the degree of freedom is 20 at 5% significant level, Chi-Square Value is 55.903 and the p value is 0.000. Hence, it concluded that if the value of p is< 0.05, there is no association between Monthly Income and derivation.

Hence , it can be concluded that there is no association between Monthly Income and investment preferences with risk of National Savings Certificates, Savings accounts, company fixed deposits, and Chits, Mutual fund schemes, shares, gold /silver, post office Schemes, Provident fund, insurance schemes, Bank fixed depots, Bonds/debentures, exchange traded funds, real estates, and derivatives.

Hypothesis - 12: There is no significant association between return in investment preferences and selected demographic variables (Age, Gender, Education, Occupation and Monthly Income).

Table - 6.34: Chi- Square Test for Testing the Significance between the Age and Investment Preferences with Return

S. No	Comparison of Variables (Investment Preferences)	Chi-square Value	d.f.	P Values	Sig.
1	Age and National saving certificate	145.626	12	0	Insignificant
2	Age and post office schemes	122.329	12	0	Insignificant
3	Age and provident fund	44.719	12	0	Insignificant
4	Ages and Chits	29.347	12	0.015	Insignificant
5	Age and insurance schemes	104.23	12	0	Insignificant
6	Age and Mutual fund schemes	30.125	12	0.001	Insignificant
7	Age and Bank fixed deposits	250.298	12	0	Insignificant
8	Age and Saving bank account	265.216	12	0	Insignificant
9	Age and company fixed deposits	218.18	12	0	Insignificant
10	Age and shares	145.626	12	0	Insignificant
11	Age and Bonds/Debentures	122.329	12	0	Insignificant
12	Age and Exchange traded funds	44.719	12	0	Insignificant
13	Age and purchases of real estate/fixed assets	29.347	12	0.15	Insignificant
14	Age and Gold/Silver	104.23	12	0	Insignificant
15	Age and Derivation	30.125	12	0.001	Insignificant

The above table 6.34 reveals that in Age and National Saving Certificate, the degree of freedom is 12 at 5% significant level, Chi-Square Value is 145.626 and the p value is 0.000. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Age and National Saving Certificate.

In Age and post office schemes, the degree of freedom is 12 at 5% significant level, Chi-Square Value is 122.329 and the p value is 0.362. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Age and post office schemes.

In Age and provident fund, the degree of freedom is 12 at 5% significant level, Chi-Square Value is 44.719 and the p value is 0.059. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Age and provident fund.

In Age and chits, the degree of freedom is 12 at 5% significant level, Chi-Square Value is 29.347 and the p value is 0.015. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Age and chits.

In Age and insurance schemes, the degree of freedom is 12 at 5% significant level, Chi-Square Value is 104.23 and the p value is 0.000. Hence, it concluded can be that if the value of p is< 0.05, there is no association between Age and insurance schemes.

In Age and Mutual funds schemes, the degree of freedom is 12 at 5% significant level, Chi-Square Value is 30.125 and the p value is 0.001. Hence, it can be concluded that if the value of p is < 0.05, there is no association between Age and Mutual funds schemes.

In Age and Bank Fixed Deposits, the degree of freedom is 12 at 5% significant level, Chi-Square Value is 250.298 and the p value is 0.000. Hence, it can be concluded that if the value of p is < 0.05, there is no association between Age and Bank Fixed Deposits.

In Age and saving bank account, the degree of freedom is 12 at 5% significant level, Chi-Square Value is 265.216 and the p value is 0.000. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Age and saving bank account.

In Age and company fixed deposits, the degree of freedom is 12 at 5% significant level, Chi-Square Value is 218.18 and the p value is 0.000. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Age and company fixed deposits.

In Age and shares, the degree of freedom is 12 at 5% significant level, Chi-Square Value is 145.626 and the p value is 0.000. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Age and shares.

In Age and Bonds/debentures, the degree of freedom is 12 at 5% significant level, Chi-Square Value is 122.329 and the p value is 0.000. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Age and Bonds/debentures.

In Age and Exchange trade funds, the degree of freedom is 12 at 5% significant level, Chi-Square Value is 44.719 and the p value is 0.000. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Age and Exchange trade funds.

In Age and real estates/fixed assets, the degree of freedom is 12 at 5% significant level, Chi-Square Value is 29.347 and the p value is 0.15. Hence, it can be concluded that if the value of p is> 0.05, there is an association between Age and real estates/fixed assets.

In Age and gold/silver, the degree of freedom is 12 at 5% significant level, Chi-Square Value is 104.23 and the p value is 0.000. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Age and gold/silver.

In Age and derivation, the degree of freedom is 12 at 5% significant level, Chi-Square Value is 30.125 and the p value is 0.001. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Age and derivation.

Hence, it can be concluded that there is no association between Age and investment preferences with Return of National Savings Certificates, Savings accounts, company fixed deposits, and Chits, Mutual fund schemes, shares, gold /silver, post office Schemes, Provident fund, insurance schemes, Bank fixed depots, Bonds/debentures, exchange traded funds, and derivatives. There is an association between Age and investment preferences with return of real estates/fixed assets

Table - 6.35: Chi-Square Test for Testing the Significance between the Gender and Investment Preferences with Return.

S. No	Comparison of Variables (Investment Preferences)	Chi-square Value	d.f.	P Values	Significant
1	Gender and National saving certificates	19.795	4	0.001	Insignificant
2	Gender and post office schemes	23.97	4	0	Insignificant
3	Gender and provident fund	3.918	4	0.27	Insignificant
4	Gender and Chits	1.9	4	0.583	Insignificant
5	Gender and Insurance schemes	10.62	4	0.014	Insignificant
6	Gender and mutual fund schemes	4.426	4	0.109	Insignificant
7	Gender and Bank fixed deposits	35.167	4	0	Insignificant
8	Gender and saving bank account	14.93	4	0.005	Insignificant
9	Gender and company fixed deposits	11.825	4	0.019	Insignificant
10	Gender and shares	48.048	4	0	Insignificant
11	Gender and bonds/Debenture	19.795	4	0.001	Insignificant
12	Gender and Exchange traded funds	23.97	4	0	Significant
13	Gender and purchase of real estate/fixed assets	3.918	4	0.27	Significant
14	Gender and Gold/Silver	1.9	4	0.593	Insignificant
15	Gender and Derivatives	10.62	4	0.014	Insignificant

The above table 6.35 reveals that in Gender and National Saving Certificate, the degree of freedom is 4 at 5% significant level Chi-Square Value is 19.795 and the p value is 0.001. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Gender and National Saving Certificate.

In Gender and post office schemes, the degree of freedom is 4 at 5% significant level Chi-Square Value is 23.97 and the p value is 0.000. Hence, it can be concluded that if the value of p is < 0.05, there is no association between Gender and post office schemes.

In Gender and provident fund, the degree of freedom is 4 at 5% significant level, Chi-Square Value is 3.918 and the p value is 0.27. Hence, it can be concluded that if the value of p is> 0.05, there is an association between Gender and provident fund.

In Gender and chits, the degree of freedom is 4 at 5% significant level, Chi-Square Value is 1.9 and the p value is 0.583. Hence, it can be concluded that if the value of p is > 0.05, there is an association between Gender and chits.

In Gender and insurance schemes, the degree of freedom is 4 at 5% significant level, Chi-Square Value is 10.62 and the p value is 0.014. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Gender and insurance schemes.

In Gender and Mutual funds schemes, the degree of freedom is 4 at 5% significant level Chi-Square Value is 4.426 and the p value is 0.109. Hence, it can be concluded that if the value of p is> 0.05, there is an association between Gender and Mutual funds schemes.

In Gender and Bank Fixed Deposits, the degree of freedom is 4 at 5% significant level, Chi-Square Value is 35.167 and the p value is 0.000. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Gender and Bank Fixed Deposits.

In Gender and saving bank account, the degree of freedom is 4 at 5% significant level, Chi-Square Value is 14.93 and the p value is 0.005. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Gender and saving bank account.

In Gender and company fixed deposits, the degree of freedom is 4 at 5% significant level, Chi-Square Value is 11.825 and the p value is 0.019. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Gender and company fixed deposits.

In Gender and shares, the degree of freedom is 4 at 5% significant level, Chi-Square Value is 48.048 and the p value is 0.000. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Gender and shares.

In Gender and Bonds/debentures, the degree of freedom is 4 at 5% significant level, Chi-Square Value is 19.795 and the p value is 0.001. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Gender and Bonds/debentures.

In Gender and Exchange trade funds, the degree of freedom is 4 at 5% significant level, Chi-Square Value is 23.97 and the p value is 0.000. Hence, it can be concluded that if the value of p is < 0.05, there is no association between Gender and Exchange trade funds.

In Gender and real estates/fixed assets, the degree of freedom is 4 at 5% significant level, Chi-Square Value is 3.918 and the p value is 0.593. Hence, it can be concluded that if the value of p is> 0.05, there is an association between Gender and real estates/fixed assets.

In Gender and gold/silver, the degree of freedom is 4 at 5% significant level, Chi-Square Value is 1.9 and the p value is 0.593. Hence, it can be concluded that if the value of p is> 0.05, there is an association between Gender and gold/silver.

In Gender and derivation, the degree of freedom is 4 at 5% significant level, Chi-Square Value is 10.62 and the p value is 0.014. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Gender and derivation.

Hence, it can be concluded that there is no association between Gender and investment preferences with Return of National Savings Certificates, Savings accounts, company fixed deposits, shares, post office Schemes, insurance schemes, Bank fixed depots, Bonds/debentures, exchange traded funds, and derivatives. There is an association between Gender and investment preferences with return of Provident fund, real estates/fixed assets, Chits, Mutual fund schemes, and gold /silver.

Table - 6.36: Chi-Square Test for Testing the Significance between the Education and Investment Preferences with Return

S. No	Comparison of Variables (Investment Preferences)	Chi-square Value	d.f.	P Values	Sig.
1	Education and National saving certificates	91.038	20	0	Insignificant
2	Education and post office schemes	71.232	20	0	Insignificant
3	Education and provident fund	70.678	20	0	Insignificant
4	Education and Chits	65.324	20	0	Insignificant
5	Education and Insurance schemes	82.428	20	0	Insignificant
6	Education and mutual fund schemes	62.22	20	0	Insignificant
7	Education and Bank fixed deposits	61.113	20	0	Insignificant
8	Education and saving bank account	80.335	20	0	Insignificant
9	Education and company fixed deposits	94.569	20	0	Insignificant
10	Education and shares	91.038	20	0	Insignificant
11	Education and bonds/Debenture	71.232	20	0	Insignificant
12	Education and Exchange traded funds	70.678	20	0	Insignificant
13	Education and purchase of real estate/fixed assets	65.324	20	0	Insignificant
14	Education and Gold/Silver	82.428	20	0	Insignificant
15	Education and Derivatives	62.22	20	0	Insignificant

The above table 6.36 reveals that in Education and National Saving Certificate, the degree of freedom is 20 at 5% significant level, Chi-Square Value is 91.038 and the p value is 0.000. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Education and National Saving Certificate.

In Education and post office schemes, the degree of freedom is 20 at 5% significant level, Chi-Square Value is 71.232 and the p value is 0.000. Hence, it can be concluded that if the value of p is < 0.05, there is no association between Education and post office schemes.

In Education and provident fund the degree of freedom is 20 at 5% significant level, Chi-Square Value is 70.678 and the p value is 0.27. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Education and provident fund.

In Education and chits, the degree of freedom is 20 at 5% significant level, Chi-Square Value is 65.324 and the p value is 0.000. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Education and chits.

In Education and insurance schemes, the degree of freedom is 20 at 5% significant level, Chi-Square Value is 82.428 and the p value is 0.000. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Education and insurance schemes.

In Education and Mutual funds schemes, the degree of freedom is 20 at 5% significant level, Chi-Square Value is 62.22 and the p value is 0.000. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Education and Mutual funds schemes.

In Education and Bank Fixed Deposits, the degree of freedom is 20 at 5% significant level, Chi-Square Value is 61.113 and the p value is 0.000. Hence, it can be concluded that if the value of p is < 0.05, there is no association between Education and Bank Fixed Deposits.

In Education and saving bank account, the degree of freedom is 20 at 5% significant level, Chi-Square Value is 80.335 and the p value is 0.000. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Education and saving bank account.

In Education and company fixed deposits, the degree of freedom is 20 at 5% significant level, Chi-Square Value is 94.569 and the p value is 0.000. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Education and company fixed deposits.

In Education and shares, the degree of freedom is 20 at 5% significant level, Chi-Square Value is 91.038 and the p value is 0.000. Hence, it can be concluded that if the value of p is < 0.05, there is no association between Education and shares.

In Education and Bonds/debentures the degree of freedom is 20 at 5% significant level, Chi-Square Value is 71.232 and the p value is 0.001. Hence, it can be concluded that if the value of p is< 0.05, there is no an association between Education and Bonds/debentures.

In Education and Exchange trade funds, the degree of freedom is 20 at 5% significant level, Chi-Square Value is 70.678 and the p value is 0.000. Hence, it can be concluded that if the value of p is < 0.05, there is no association between Education and Exchange trade funds.

In Education and real estates/fixed assets, the degree of freedom is 20 at 5% significant level, Chi-Square Value is 65.324 and the p value is 0.000. Hence, it can be concluded that if the value of p is> 0.05, there is an association between Education and real estates/fixed assets.

In Education and gold/silver, the degree of freedom is 20 at 5% significant level, Chi-Square Value is 82.428 and the p value is 0.000. Hence, it can be concluded that if the value of p is> 0.05, there is an association between Education and gold/silver.

In Education and derivation, the degree of freedom is 20 at 5% significant level, Chi-Square Value is 52.22 and the p value is 0.000. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Education and derivation.

Hence , it can be concluded that there is no association between Education and investment preferences with Return of National Savings Certificates, Savings accounts, company fixed deposits, shares, post office Schemes, insurance schemes, Bank fixed depots, Bonds/debentures, exchange traded funds, derivatives Provident fund, real estates/fixed assets, Chits, Mutual fund schemes, and gold /silver.

Table - 6.37: Chi-Square Test for Testing the Significance between the Occupation and Investment Preferences with Return.

S. No	Comparison of Variables (Investment Preferences)	Chi-square Value	d.f.	P Values	Significant
1	Occupational and National saving certificates	31.488	16	0.002	Insignificant
2	Occupational and post office schemes	15.477	16	0.216	Insignificant
3	Occupational and provident fund	30.068	16	0	Insignificant
4	Occupational and Chits	21.166	16	0.012	Insignificant
5	Occupational and Insurance schemes	30.883	16	0	Significant
6	Occupational and mutual fund schemes	11.235	16	0.081	Insignificant
7	Occupational and Bank fixed deposits	20.47	16	0.059	Insignificant
8	Occupational and saving bank account	50.662	16	0	Significant
9	Occupational and company fixed deposits	18.468	16	0.102	Insignificant
10	Occupational and shares	31.488	16	0.002	Insignificant
11	Occupational and bonds/Debenture	15.477	16	0.216	Significant
12	Occupational and Exchange traded funds	30.068	16	0	Significant
13	Occupational and purchase of real estate/fixed assets	21.166	16	0.012	Significant
14	Occupational and Gold/Silver	30.883	16	0	Significant
15	Occupational and Derivatives	11.235	16	0.081	Insignificant

The above table 6.37 reveals that in Occupation and National Saving Certificate the degree of freedom is 16 at 5% significant level Chi-Square Value is 31.488 and the p value is 0.002. Hence, it can be concluded that if the value of p is< 0.05, there is no an association between Occupation and National Saving Certificate.

In Occupation and post office schemes, the degree of freedom is 16 at 5% significant level, Chi-Square Value is 15.477 and the p value is 0.216. Hence, it can be concluded that if the value of p is> 0.05, there is an association between Occupation and post office schemes.

In Occupation and provident fund, the degree of freedom is 16 at 5% significant level, Chi-Square Value is 30.068 and the p value is 0.000. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Occupation and provident fund.

In Occupation and chits, the degree of freedom is 16 at 5% significant level, Chi-Square Value is 21.166 and the p value is 0.012. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Occupation and chits.

In Occupation and insurance schemes, the degree of freedom is 16 at 5% significant level, Chi-Square Value is 30.883 and the p value is 0.000. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Occupation and insurance schemes.

In Occupation and Mutual funds schemes, the degree of freedom is 16 at 5% significant level, Chi-Square Value is 11.233and the p value is 0.081. Hence, it can be concluded that if the value of p is> 0.05, there is an association between Occupation and Mutual funds schemes.

In Occupation and Bank Fixed Deposits, the degree of freedom is 16 at 5% significant level, Chi-Square Value is 20.47 and the p value is 0.059. Hence, it can be concluded that if the value of p is > 0.05, there is an association between Occupation and Bank Fixed Deposits.

In Occupation and saving bank account, the degree of freedom is 16 at 5% significant level, Chi-Square Value is 50.662 and the p value is 0.000. Hence, it can be concluded that if the value p is < 0.05, there is no association between Occupation and saving bank account.

In Occupation and company fixed deposit, the degree of freedom is 16 at 5% significant level, Chi-Square Value is 18.468 and the p value is 0.102. Hence, it can be concluded that if the value of p is > 0.05, there is an association between Occupation and company fixed deposits.

In Occupation and shares, the degree of freedom is 16 at 5% significant level, Chi-Square Value is 31.488 and the p value is 0.002. Hence, it can be concluded that if the value of p is < 0.05, there is no association between Occupation and shares.

In Occupation and Bonds/debentures, the degree of freedom is 16 at 5% significant level, Chi-Square Value is 15.477and the p value is 0.216. Hence, it can be concluded that if the value of is p > 0.05, there is an association between Occupation and Bonds/debentures.

In Occupation and Exchange trade funds the degree of freedom is 16 at 5% significant level, Chi-Square Value is 30.068 and the p value is 0.000. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Occupation and Exchange trade funds.

In Occupation and real estates/fixed assets the degree of freedom is 16 at 5% significant level, Chi-Square Value is 21.166 and the p value is 0.012. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Occupation and real estates/fixed assets.

In Occupation and gold/silver, the degree of freedom is 16 at 5% significant level, Chi-Square Value is 30.883 and the p value is 0.000. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Occupation and gold/silver.

In Occupation and derivation, the degree of freedom is 16 at 5% significant level, Chi-Square Value is 11.235 and the p value is 0.081. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Occupation and derivation.

Hence, it can be concluded that there is no association between Occupation and investment preferences with Return of National Savings Certificates, Savings accounts, shares, insurance schemes, exchange traded funds, Provident fund, real estates/fixed assets, Chits and gold /silver. There is an association between Occupation and post office Schemes, Mutual fund schemes, Bank fixed depots, company fixed deposits, Bonds/debentures, and derivatives.

Table - 6.38: Chi-Square Test for Testing the Significance between the Monthly Income and Investment Preferences with Return

S. No	Comparison of Variables (Investment Preferences)	Chi-square Value	d.f.	P Values	Significant
1	Monthly income and National saving certificate	77.056	20	0	Insignificant
2	Monthly income and post office schemes	57.173	20	0	Insignificant
3	Monthly income and provident fund	37.612	20	0	Significant
4	Monthly income and Chits	37.449	20	0	Significant
5	Monthly income and Insurance schemes	43.932	20	0	Insignificant
6	Monthly income and Mutual fund schemes	42.049	20	0	Significant
7	Monthly income and Bank fixed deposits	74.947	20	0	Insignificant
8	Monthly income and saving bank account	71.137	20	0	Significant
9	Monthly income and company fixed deposits	55.903	20	0	Significant
10	Monthly income and shares	77.056	20	0	Significant
11	Monthly income and Bonds/Debentures	57.173	20	0	Significant
12	Monthly income and Exchange traded funds	37.612	20	0	Significant
13	Monthly income and purchases of real estate/fixed assets	37.449	20	0	Significant
14	Monthly income and Gold/Silver	43.932	20	0	Insignificant
15	Occupational and Derivatives	41.235	16	0.000	Insignificant

The above table 6.38 reveals that in Monthly Income and National Saving Certificate, the degree of freedom is 20 at 5% significant level Chi-Square Value is 77.056 and the p value is 0.002. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Monthly Income and National Saving Certificate.

In Monthly Income and post office schemes, the degree of freedom is 20 at 5% significant level, Chi-Square Value is 57.173 and the p value is 0.000. Hence, it can be concluded that if the value of p is< 0.05, there is an association between Monthly Income and post office schemes.

In Monthly Income and provident fund, the degree of freedom is 20 at 5% significant level, Chi-Square Value is 37.612 and the p value is 0.000. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Monthly Income and provident fund.

In Monthly Income and chits, the degree of freedom is 20 at 5% significant level, Chi-Square Value is 37.449 and the p value is 0.000. Hence, it can be concluded that if the value of p is < 0.05, there is no association between Monthly Income and chits.

In Monthly Income and insurance schemes, the degree of freedom is 20 at 5% significant level, Chi-Square Value is 43.932 and the p value is 0.000. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Monthly Income and insurance schemes.

In Monthly Income and Mutual funds schemes, the degree of freedom is 20 at 5% significant level, Chi-Square Value is 42.049 and the p value is 0.000. Hence, it

can be concluded that if the value of p is< 0.05, there is no association between Monthly Income and Mutual funds schemes.

In Monthly Income and Bank Fixed Deposits, the degree of freedom is 20 at 5% significant level, Chi-Square Value is 74.947 and the p value is 0.000. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Monthly Income and Bank Fixed Deposits.

In Monthly Income and saving bank account, the degree of freedom is 20 at 5% significant level, Chi-Square Value is 71.137 and the p value is 0.000. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Monthly Income and saving bank account.

In Monthly Income and company fixed deposits, the degree of freedom is 20 at 5% significant level, Chi-Square Value is 55.903 and the p value is 0.000. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Monthly Income and company fixed deposits.

In Monthly Income and shares, the degree of freedom is 20 at 5% significant level, Chi-Square Value is 77.056 and the p value is 0.000. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Monthly Income and shares.

In Monthly Income and Bonds/debentures, the degree of freedom is 20 at 5% significant level, Chi-Square Value is 57.173 and the p value is 0.000. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Monthly Income and Bonds/debentures.

In Monthly Income and Exchange trade funds, the degree of freedom is 20 at 5% significant level, Chi-Square Value is 37.612 and the p value is 0.000. Hence, it can be concluded that if the value of p is < 0.05, there is no association between Monthly Income and Exchange trade funds.

In Monthly Income and real estates/fixed assets, the degree of freedom is 20 at 5% significant level, Chi-Square Value is 37.449 and the p value is 0.000. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Monthly Income and real estates/fixed assets.

In Monthly Income and gold/silver, the degree of freedom is 20 at 5% significant level, Chi-Square Value is 43.932 and the p value is 0.000. Hence, it can be concluded that if the value of p is< 0.05, there is no association between Monthly Income and gold/silver.

In Monthly Income and derivation, the degree of freedom is 20 at 5% significant level, Chi-Square Value is 41.235 and the p value is 0.000. Hence, it can be concluded that if the value of p is < 0.05, there is no association between Monthly Income and derivation.

Hence, it can be concluded that there is no association between Monthly Income and investment preferences with Return of National Savings Certificates, Savings accounts, shares, insurance schemes, exchange traded funds, Provident fund, real estates/fixed assets, Chits and gold /silver post office Schemes, , Mutual fund schemes, Bank fixed depots, company fixed deposits, Bonds/debentures, and derivatives.

Chapter Summary:

It is evident from the study that a majority of the respondents are between the age group of below 30 and 31-40 years, are male, married and have completed their degree or post graduation. Majority of the respondents are private employees and government employees earning a monthly income between Rs.20, 000 – Rs. 40,000 and Rs.40, 001- Rs. 60,000 and have capacity to invest their monthly savings into instrument above Rs.10,500. Majority of the respondents are new generation investors and preferred long term investment in both primary and secondary market. Most of the investors are traded with the help of brokers and they have an experience in more than 6-10 years in the capital market. Generally the portfolio valuation of the investors is monthly and half yearly and expected rate of return per annum is 12%-24%.

The study has identified that the investors have difference of perceptions about importance and satisfaction of investment objectives with demographic variables (Age, Gender, Education, Occupation and Monthly Income).

Investors also have an association with risk and return involved in investment preferences with demographic variables such as Age, Gender, Education, Occupation and Monthly Income.

It has also evaluated that the prioritization of order of preference for the investment alternatives, source of investment information and sectoral stocks for which the investors used to invest in instrument to increase the returns and to reduce the risk.

The study confirmed that the fundamental and technical factors involved in investment evaluation, decisions and problems faced by the investors' influenced the investment in equity market.

Chapter – VII

SUGGESTIONS AND CONCLUSIONS

Suggestions and Conclusions

The economic prosperity of a country ultimately depends upon its financial system. As long as its financial system is well managed and maintained efficiently, effectively and on sound lines, the country's economy would maintain its upward swing and sustain all round growth. Such a situation gives the public a lot of confidence in the system to channelize their savings into the financial institutions, which is very necessary for all developing economies. Mobilizing adequate resources for development and for being self-reliant such channelizing is very necessary. The effective functioning of the two important constituents of the financial system viz., financial institutions and Markets, decide the development of the economy, particularly in the developing countries like India. Therefore effective management of financial institutions and financial markets has assumed greater importance all over the globe. These have become key areas to decide a country's reputation and progress.

A nation embarking upon accelerated economic development and industrialization has to make planned efforts to develop organized and healthy money and capital markets with an adequate institutional setup; market for credit (money and capital market) and business enterprises must go hand-in-hand to ensure quick industrialization in a developing democratic country. The capital market in India was not well organized and developed during the British rule because the British government was not interested in the economic growth of the country. As a result, many foreign companies depended on the London capital market for funds rather than on the Indian capital market.

The capital market is directly responsible for the following activities:

1. Mobilization or concentration of national savings for economic development,
2. Mobilization and import of foreign capital and foreign investment capital plus skill to fill up the deficit in the required financial resources to maintain the expected rate of economic growth,
3. Productive utilization of resources and
4. Directing the flow of funds of high yields and also strives for balanced and diversified industrialization.

The microscopic cross examinations of the primary and secondary data reveal the following results. Primary and secondary data are explored completely to ascertain the important factors of the study, to identify the reasons of investors for investing in retail investment, impact of investment decision, relationship between financial sector reforms and equity retail investment. Now the investors possess greater awareness through TV, newspaper and other sources of information. The classification of markets paved way to the investors to select their own lucrative choice and make them to employ various strategies to overcome the impediments in investment procedures.

Every individual employee possesses different mindset when it comes to deciding about investing in a particular investment avenue such as national saving certificates, post office schemes, provident fund, chits, insurance schemes, mutual fund schemes, bank fixed deposits, saving bank account, company fixed deposits, shares, bonds/debentures, exchange traded funds, real estate/fixed assets, gold/silver and derivatives etc. In general, every investor desires that his hard earned money be

invested in most secure avenues and should bring about the maximum returns. The decision to invest into various avenues however varies for every investor depending on their risk taking ability and the purpose for which such investment is made. Purpose of investment can be related to saving objective.

Each individual investor selects the investment option for certain time period looking at their personal financial goals. Investment behavior of an investor reveals the need to allocate the surplus financial resources to various instruments available for investment. The investment behavior consists of why they want to invest, how much of their disposable income they want to invest, for how many years or months they want to invest and most importantly the timing of such investment. Based on the knowledge about these kinds of behaviors, the study has progressed with these different objectives.

This chapter focuses on the investor perception of investment in equity market with the objectives of identifying the demographic profile, investment profile and investment pattern of investors, the importance and satisfaction of the investment objectives of the investors. The study also focused on the significant association of the demographic profile of the investor with risk and return in investment preferences and problems faced by the investor. Conclusions are drawn from the results obtained and suggestions for future research are provided.

Findings:

Demographic Profile of the Investors:

- Age is considered as a prime factor in understanding the profile and it has an important bearing on social phenomena. The study found that 41.5% of the respondents are in the age group of 31-40 years, 29.8 percent are in the age

group of below 30 years. Further, 19.4 percent are in the age group of 41-50 years and 9.3 percent are aged above 51 years.

- It is observed from the study that 68.6% of respondents belong to male category whereas the remaining 31.4% respondents belong to female category.
- The marital status of the respondents revealed that 81.4 percent are married and 16.7 percent are unmarried. 1.9 Percent respondents were include others (widows and divorced).
- The number of earning members in the house of the respondents,i.e., 49.6 percent represents only one person as an earning member in their family. Whereas 190 respondents represents two members earning income and 42 respondents possesses three members earning income and 28 respondents represents more than three members earning income in their house.
- Education is a basic factor for enlightenment and emancipation of people. In the study it is found that majority of 33.3 percent have completed their post Graduation, 30.6 percent have finished their Graduation. Also, 16.7 percent have done their professional degree, 11.2 percent are from SSC, 5.8 percent represents completed their Inter and 2.3 percent represents others.
- Occupation has great influence on investor perception and investment pattern. It is found that the 41.9 percent are private employees and 156 respondents representing 30.2 percent are Government employees. 70 respondents representing 13.6 percent are doing business, whereas 46 respondents represent 8.9 percent working in professional services, while the remaining 28 respondents representing 5.4 percent are retired employees.
- Regarding the monthly income it is found that 170 representing 32.9 per cent monthly income is between Rs. 40,001- 60,000, while 162 respondents belong

to the monthly income group between Rs. 20,001 – 40,000. Further, 88 respondents belong to the monthly income group below Rs. 20,000, whereas 60 respondents 11.6 percent belongs to have a monthly income between Rs. 60,001 – 80,000 followed by 22 respondents 4.3 percent belongs to have monthly income Rs. 80,001 – 1,00,000 respectively and the remaining 14 respondents 2.7 percent belongs to the monthly income above Rs. 1,00,000.

- The monthly savings of the investor representing 216 respondents have monthly savings above Rs. 10,500 while 84 respondents have monthly saving between Rs. 2501 – 3500 whereas 50 respondents have the monthly savings between Rs. 5501 – 6500. Further 44 respondents have monthly savings up to Rs. 2500 and 40 respondents have monthly savings between Rs. 4501 – 5500.

Investment Profile and Investment Pattern

- The investors belong to new generation investors whereas the 21.7 percent belongs to hereditary investors.
- The category of investors 306 representing 59.3 percent belong to long term investors while 132 respondents representing 25.6 percent are short term investors whereas 44 respondents representing 8.5 percent belong to day traders and remaining 34 respondents belong to all categories (includes long, short term and day traders).
- The type of market operated by 218 investors representing 42.2 percent are operating in both primary and secondary markets while 166 respondents 32.2 percent are operating in only secondary market and the remaining 132 respondents are investing in only primary market.

- It is established from the study that the 258 respondents representing 50 percent are trading with the help of brokers while 148 respondents representing 28.7 percent are self-traders and the remaining 110 respondents representing 21.3 percent are both self-traders and trading with the help of brokers.
- The experience in the market of 304 respondents representing 58.9 percent are having experience less than 5 years while 150 respondents representing 29.1 percent have an experience in between 6 to 10 years. Further 40 respondents representing 7.8 percent have gain practical experience between 11-15 years whereas the remaining 22 respondents representing 4.3 percent experience have more than 16 years of experience in the market.
- 370 respondents representing 71.7 percent belong to made an investment less than 10 companies while 88 respondents representing 17.1 percent have made investment in 11 to 20 companies. Further remaining 58 respondents representing 11.2 percent have made an investment in more than 21 companies.
- The maximum number of investors invest in own funds to obtain better returns. A maximum of 402 respondents representing 77.9 percent have source of investment income in own savings while 70 respondents representing 13.6 percent reference of investment income is from borrowing. The remaining 44 respondents representing 8.5 percent have an origin of both own savings and borrowing funds to make an investment in companies.
- It is discovered that 298 respondents representing 57.8 percent have less than 15 percent of savings invested in shares while 160 respondents representing 31 percent have the savings invested in shares between 15 percent to 30 percent.

Further 58 respondents representing 11.2 percent have above 30 percent savings.

- Investor's expected rate of return is noticed that the 234 respondents representing 45.3 percent are between 12% to 24%, while 184 respondents have less than 12 percent. Further 56 respondents are between 24 percent to 36 percent. Whereas the remaining 42 respondents expected rate of return is above 36 percent.

Investment Objectives and Investment Satisfaction:

Importance and Demographic Variables (Age, Gender, Education, Occupation and Monthly Income):

- Investors have different perceptions about the importance of safety as investment objectives.
- It is observed that the investors have same perception in importance in dividends, capital appreciation, quick gain, liquidity, tax benefits, and retirement benefits, meet contingencies and hedge against inflation based on age.
- Gender has no difference in the perception of importance of investment objectives. Male and females gave equal importance in all investment objectives.
- The educated people have difference in the perception of importance of safety in investment objectives.
- There is no difference in the perception of importance in dividends, capital appreciation, quick gain, liquidity, tax benefits, retirement benefits, meet contingencies and hedge against inflation based on education.

- There is difference in the perception of importance in liquidity, tax benefits, meet contingencies and safety based on occupation.
- There is no difference in the perception of dividends, capital appreciation, quick gain, retirement benefits and hedge against inflation in investment objective based on occupation.
- There is difference in the perception of importance in capital appreciation, quick gain and hedge against inflation based on monthly income.
- There is no difference in the perception of importance in dividends, liquidity, safety, tax benefits and retirement benefits and meet contingencies to invest as an investment objective based on monthly income.

Satisfaction and Demographic Variables (Age, Gender, Education, Occupation and Monthly Income):

- There is difference in the perception of satisfaction of safety, liquidity and meet contingencies based on age group.
- There is no difference in the perception of satisfaction in dividends, capital appreciation, quick gain, tax benefits, retirement benefits and hedge against inflation to invest as an investment objective based on age group.
- There is no difference in the perception of satisfaction in investment objective based on education.
- There is difference in the perception of satisfaction in capital appreciation and tax benefits based on occupation.
- There is no difference in the perception of satisfaction in dividends, quick gain, liquidity, safety, retirement benefits, meet contingencies and hedge against inflation based on occupation.

- It scrutinized that there is no difference in the perception of satisfaction in investment objective based on monthly income.

Investment Preferences & Risk Return Perception:

Investment preferences with Risk and Demographic Variables (Age, Gender, Education, Occupation and Monthly Income):

- Age has association with risk in investment preferences in insurance schemes, shares and company fixed deposits.
- Age has no association with risk in investment preferences in national saving certificate, post office schemes, provident fund, chits, mutual fund schemes and bank fixed deposits, saving bank account, bonds/debentures exchange traded funds, purchase of real estate/fixed assets, gold/silver and derivatives.
- Gender has an association with risk in investment preferences in purchase of real estate/fixed assets and gold/silver.
- Gender has no association with the level of risk in investment preferences in national saving certificate, post office schemes, provident fund, chits, insurance schemes, mutual fund schemes, bank fixed deposits, saving bank account, company fixed deposits, shares, bonds/debentures and exchange traded fund and derivatives.
- Education has an association with risk in investment 2 chits, insurance schemes, mutual fund schemes, bank fixed deposits, saving bank account, company fixed deposits, shares, bonds/ debentures and exchange traded funds, purchase of real estate/ fixed assets and derivatives.

- Occupation has an association with risk in investment preferences in national saving certificate, chits, company fixed deposits, bonds/debentures, purchase of real estate/fixed assets and gold/silver.
- Occupation has an association with risk in investment preferences in post office schemes, provident fund, insurance schemes, mutual fund schemes, bank fixed deposits, saving bank account, shares, exchange traded funds, and derivatives.
- Monthly income has an association with risk in investment preferences in national saving certificate, chits, insurance schemes, mutual fund schemes, company fixed deposits, shares, bonds/debentures and exchange traded funds, purchase of real estate/fixed assets, gold/silver and derivatives.
- Monthly income has no association with the level of risk in investment preferences in post office schemes, provident fund and bank fixed deposits, saving bank account.

Investment preferences with Return and Demographic Variables (Age, Gender, Education, Occupation and Monthly Income):

- Age has no association with return in investment preferences in national saving certificate, post office schemes, provident fund, insurance schemes, mutual fund schemes, bank fixed deposits, saving bank account, company fixed deposits, shares, bonds/debentures and exchange traded funds, purchase of real estate/fixed assets, gold/silver and derivatives.
- Gender has an association with return in investment preferences in exchange traded funds and purchase of real estate/fixed assets.

- Gender has no association with level of return in investment preferences in national saving certificate, post office schemes, provident fund, chits, insurance schemes, mutual fund schemes, bank fixed deposits, saving bank account, company fixed deposits, shares, bonds/debentures, gold/silver and derivatives.
- Education has an association with return in investment preferences in exchange traded funds and purchase of real estate/fixed assets.
- Education has no association with the return in investment preferences in national saving certificate, post office schemes, provident fund, chits, insurance schemes, mutual fund schemes, bank fixed deposits, saving bank account, company fixed deposits, shares, bonds/debentures, gold/silver and derivatives.
- Occupation has an association with return in investment preferences in insurance schemes, saving bank account, bonds/debentures and exchange traded funds, purchase of real estate/fixed assets and gold/silver.
- Occupation has no association with return in investment preferences in national saving certificate, post office schemes, provident fund, chits, mutual fund schemes, bank fixed deposits, and company fixed deposits, shares and derivatives.
- Monthly income has an association with return in investment preferences in provident fund, chits and mutual fund schemes, saving bank account, company fixed deposits, shares, bonds/debentures and exchange traded funds, purchase of real estate/fixed assets and derivatives.

- Monthly income has no association with the level of return in investment preferences in national saving certificate, post office schemes, insurance schemes and bank fixed deposits and gold/silver.

Preference to the Investment Preferences in Investment Decision:

It is identified that the order of preference in the investment alternatives is mutual fund scheme, shares, purchase of real estate/fixed assets, bank fixed deposits, Bonds/debentures, gold/silver, insurance schemes, chits, provident fund, company fixed deposits, savings bank account, post office schemes, national saving certificate, exchange traded fund, derivatives.

Preference to the sources of Investment information:

It is investigated that the preferences to source of investment information are in this order namely Friends, Relatives, Newspaper, Journals & Magazines, brokers/Analyst, TV Channels, Investment related websites, Technical analysis, Investor Forum, company announcements, stock Exchange announcements, abridged prospects.

Preferences to the sectoral stocks:

It is determined that the preferences for the sectoral stocks are in this order namely power, telecom, information technology, Banking, oil, gas, petrol, pharmacy, automobiles and manufacturing.

Problems Faced By the Investors in Equity Market:

The problems faced by the investors in equity market are analyzed using factor analysis. It generated six components from the 16 variables. These components are named as payment procedures, lack of knowledge, lack of information, unfair practices, market volatility and price manipulation.

- It can be found that the factors loaded in payment procedures are delay in payment of dividends on shares, complicated IPO application procedure, need of prepayment of full amount and late refund on unsuccessful applications. These factors explained the total variance of 24.424. Hence these variables have highly influenced the investor to investment in equity market.
- It can be observed that the factors loaded in lack of knowledge are difficult in operating online trading, unauthorized transactions by brokers and frequent changes in the norms by regulatory bodies.
- It can be noted that the factors loaded in lack of information are no proper advice by brokers and multiple perceptions are given by the different channels on the same market.
- It can be identified that the factors loaded unfair practices are change of transaction password frequently, unfair practices of brokers and unfair method of share allotment.
- It can be studied that the factors loaded in market volatility are trading pressure from brokers, lack of reliability of market institutions & infrastructure and too much volatility.
- It can be determined that the factors loaded in price manipulation is too much price manipulation.

Suggestions:

Majority of the respondents were found to be in the age of below 40 years. Investors have different perceptions about importance of safety as investment objective based on age. They have different perceptions about satisfaction of investment objectives in safety, liquidity and meet contingencies. Age has an

association with risk in investment preferences in insurance schemes, shares and company fixed deposits. It has no association with return in investment preferences.

Investors above 40 years are generally risk averse to invest in stock market. In order to increase their participation they can take advice from the intermediaries to invest in equity market to minimize the risk and maximize the returns. It is suggested to create the environment to instill confidence on investing public with regard to the safety of their investment schemes.

- Only male investors have an interest to invest in equity shares. Gender has no difference in the perception of importance and satisfaction in investment objectives. It has an association with risk in investment preferences in purchase of real estates/fixed assets and gold/silver. It also has an association with return in investment preferences in exchange traded funds and purchase of real estates/fixed assets.

  It is suggested that investors forums can educate and motivate females to invest in equity market by creating awareness about investment instruments to get high returns. It is suggested that government should take necessary steps to reduce the illegal activities in real estate business and investors should also verify the title of the ownership to avoid duplicate registrations.
- Majority of the employees of both Government and private sector who are professionally qualified showed high preference towards investment in equity market. Occupation has a difference in the perception of importance of liquidity, meet contingencies and safety in investment objectives. It has also a difference in the perception of satisfaction in capital appreciation and tax benefits in investment objectives. Occupation has an association with risk in

investment preferences in national saving certificate, chits, company fixed deposits, bonds/debentures, purchase of real estates/fixed assets and gold/silver. They also have an association with return in investment preferences in insurance, saving bank account, bonds/debentures, exchange traded funds, purchase of real estates/fixed assets and gold/silver.

- Majority of the respondents have monthly income between Rs. 20,000 - 40,000 and Rs. 40,000 -60,000. Monthly income has an influence on the perception of importance in capital appreciation, quick gain and hedge against inflation as investment objectives but has no influence on the perception of satisfaction as investment objectives. Monthly income has an association with risk in investment preferences in national saving certificate, chits, insurance schemes, mutual fund schemes, company fixed deposits, shares, bonds/debentures, exchange traded funds, purchase of real estate/fixed assets, gold/silver and derivatives. It has also an association with return in investment preferences in provident fund, chits, and mutual fund schemes, saving bank account, company fixed deposits, shares, bonds/debentures, and exchange traded funds, purchase of real estate/fixed assets, gold/silver and derivatives.

  Depending on the income levels of the investors they divert their savings to profitable investment opportunities. The savings are to be pooled and canalized into productive investment, there by returns to investors may be enhanced. It may further accelerate investment in corporate securities in future on a large scale. SEBI and companies trading in these investments should provide information about risk and return to the investors.

- Investors rank their order of preferences for investment in mutual fund highly preferred followed by shares. It is suggested that the mutual fund companies

can design and promote new schemes to grab the interest of the investors. SEBI should also control the mutual fund companies to protect investment in mutual fund. Investors gave second preference to shares. In order to retain the equity investors, SEBI has to protect their interest by controlling the illegal activities of the companies and intermediaries.

- Investors are depending on the friends and relatives on their investment information. SEBI and companies should provide reliable information to the existing share holders to continue their investment in equity market. If they are satisfied with their investment objectives they will motivate their friends and relatives towards investment in equity market. The business newspapers, journals and magazines should provide useful information about the various factors influencing the equity market to help the investors to take investment decisions. To make profitable investment decisions, investors should explore other sources of information like the investment websites, business channels etc.
- Investors are generally preferred their investment in different sectors in power, telecom and information technology. They believed that these sectors have a boom in investment in current trend. Hence it is suggested that the market players should control the artificial boom in a particular sectors. This will help the investors from the uncertainties and get the maximum returns.
- Majority of the investors felt that the company management variables loaded in fundamental factors influence the investment evaluation and decisions have a greater influence on investors to invest in equity market. Investors also feel that the company image variables loaded in technical factors influence on

investment evaluation and decisions highly influence to invest in equity market.

It is suggested that the company/ organization has to increase its image by improving the performance of the company. Promoters and board of directors should actively participate in the company management and they should design the policies along with improving the company performance by the well organized management to protect investors.

- The investors face the problem in equity market in payment procedure variables loaded in problems faced by the investors. These factors have high impact on investment in equity market.

  It is suggested that the SEBI has to develop the transparent payment procedure and IPO application with important easily readable information. Resolve the problems regarding the late refund on unsuccessful applications and any other problems of the investors. Investor grievance redressal must be the prime concern for the SEBI.

- It is suggested that basic financial market knowledge be imparted in schools. Awareness campaigns may also be run on television, radio and newspapers to increase the level of awareness of current and prospective investors.

- Measures should be taken to increase the awareness regarding the numerous policies instituted by SEBI to safeguard the stock market investors. Knowledge of these policies shall make the investors feel safe and thereby encourage them to invest in the stock market.

- The Government should take proper steps to regulate the market operations and protect the investors from the unethical and illegal activities of the actors of the stock market and other financial companies.

Conclusion:

Capital markets are a barometer of the health of the economy. An efficient and a vibrant capital market facilitate sustainable development of the economy. A developing economy, like India needs a growing amount of investor savings to flow in corporate enterprises. Investors are the backbone of capital market.

There are different investment avenues with varying degrees of risk and return. The advent of the capital market has offered a number of investment choices to the investors. The real world of investment is so lively and unstable that it attracts the investor, the speculator and the gambler. No investor wants to lose money. Capital appreciation, quick gain and dividends are the important ingredients that investors regard as return on investment. To avoid wrong decisions, one may have to improve knowledge, need expert and professional guidance.

Individual investor perception can influence the development of stock market and this in turn can influence the state of the economy. So the players and regulators should endeavor to protect the interests of individual investors and create confidence in their mind. The task of the regulators has been to establish a vibrant capital market where financial assets are fairly priced on their intrinsic value so that they release the right signals for right investment decisions. The protection of the interests of the investors especially the individual investors is an imperative for the development and smooth functioning of the capital market.

Scope for Further Research:

The study of investors behavior plays an important role to mobilize savings and investment activities in economy. Similar type of research can be conducted with the large sample size covering major area of investors population. A census survey of

investors like other developed countries on the income and investment patterns of investment sector can be helpful for the financial system of the country. There is an upsurge of need for the coordinated research on individual portfolio and data available for savings and investments. If a conceptual model can be developed in investment and saving sector, it can be helpful for individual investors for the construction of their optimal financial portfolio. This can be done by government agencies working for investors community welfare.

BIBLIOGRAPHY

Abdul MajeebpashShalk, Dr.T.N.Murty. R.VamseeKrishn. V.Hemantha Gopalkiran (2012), "Investment Objectives of the retail equity investors in India". International journal of social science & interdisciplinary research Vol.1 issue 7.

Agarwal Karunesh Kumar (2010), "Regulation of capital market & Investors protection in India" Rochka Publishing Company Limited.

Af Jun Hou (2009), "EMU Equity markets retrunvariabce and spillover effects from short term interest rates", Department of Economics, Lund University, Sweden, working paper, PP; 1-38.

Alexander L Jungquist and Matthew Richardson (2009), " The investment Behaviour of private equity Fund managers", Nyvistern, New York University, Leonard N. Stern School of Business, Department of Finance, working paper series, PP; 1-35.

Alok Kumar (2009), "Who gambles in the stock Market"? University of Notre Dame, Mendoza college of Business, IN 46556, PP; 1-53

Al-Tamimi, HAH &Kalli (2009), Financial literacy and investment decision of UAE investors, AAB.

Ambrose Jugongo and Vincent S. Mutswenje (2014), "A survey of the factors influencing investment decisions: The case of individual investors at the NSE", International Journal of Humanities and Social Science Vol.4 No.4, February.

Andreas Kemmerer and Tom Weidig (2005), "Reporting value to the private equity fund investors," University of Frankfurt, working paper, PP: 1-49

Anitha and PhaniBhargavi (2014), "Investors Perception Towards investment", Global Journal of Finance and Management, ISSN 0975-6477 Volume 6, Number 2, PP.185-190

Arvid OI Hoffmann and Wander Jager (2005), "The effect of different needs, decision making process and network structures on investor behavior and stock market dynamics: A simulation approach", the ICFAI Journal of behavioral finance, June, PP: 49-64

Baburaju K. Bhatt and Apurva A. Chauhan (2014), "Behavioral Finance: A New Paradigm of finance", International Journal of Application or Innovation in Engineering and Management (IJAIEM), Volume3, Issue 2, February.

Baker, M &Wurgler, J (2006) "Investor sentiment and the cross-section of stock returns", Journal of Finance, volume LXI No.4.

Bandgar, P.K (2010), "A study of middle class investors preferences for financial instruments in greater Bombay", Finance India, vol. XIV. No.2 PP: 574-576

Banerjee Arindam (2006), "Institutional investors emerging trends", the ICFAI University Press, Hyderabad.

Barber, B.M., and Odean, T. (2001), "Boys will be boys, gender overconfidence, and common stock investment", Quarterly Journal of Economics, 116 (1), 261- 292.

BatniRaghavendra Rao (2009), "Exchange traded fund the cardinal investment option in turbulent times, "The Management Accountant ICWAI journal, Vol.44 No.6, June, PP: 4640-467.

Bennet, E. and Selvam (2013), M, "The influence of stock specific factors on the sentiment of equity investors: evidence from Indian stock market", Proceedings of ASBBS, Volume 20, Number 1, February.

Black, (1972), "Capital market equilibrium with restricted borrowing", Journal of Business, Vol.45, 1972, PP: 444-445

Brahamabhatt, P.S Raghu Kumari and ShamiraMallekar (2012), "A study of investor behavior on investment avenues in Mumbai fennel", (TAJMMR) TRANS Asian Journal of Marketing & Management research, Vol.1, September.

Brimberg J., P.Hansen, G.Laporte, .Malydenovic and D.Urosevil (2008), "The maximum return on investment plant location problem with market share," Journal of the Operational Research Society Vol.59 No.3, 15 Aug, PP: 399-406.

C.Kavitha (2015), "Investors attitudes towards stock market investment", International Journal of Scientific Research and Management (IJSRM0, volume 3, issue 7, July, PP: 3356-3362.

Chattopadhyay P. (2010), "Retail investors in IPO subscription", The Management Accountant ICWAI journal Vol, 45, No. 3 March, PP: 191-198.

Dan Palmon and Fred sudit (2010), "Shareholders defensive security shares", International Journal of Disclosure and Governance Vol.4, 3, Palgrave Macmillan Ltd, pp. 195-203.

Dechow, Patricia, Hutton, amy and Sloan, Richard (2011), "Mastering finance", Business Standards 12 part series on Corporate Finance Financial markets and Investment Management New Delhi.

Diptondusimlai (2009), "A inquiry into the origin and growth of the modern capital market in India, "The Management Accountant ICWAI Journal Vol.44 No.3 March, PP. 205-209.Doug all, He and Jace E. Gauminitz (1986), "Capital Market and Institutions", Prentice Hall, New Jersey.

E. Bennet, M. Selvam, N. Vive, and Eva Esther Shalin (2015), "The impact of investors sentiment on the equity market: evidence from Indian stock market", African Journal of Business Management, Vol. 6(32), PP. 9317-9325.

Ebenezer Bennet, MurugesanSelvam, GunasekaranIndhumathi, Ramachandran Rajesh Ramkumar and venkatramanKarpagam (2011), "Factors influencing retail investors attitude towards investing in equity stocks, a study in Tamil Nadu", Journal of Modern Accounting and Auditing. March, Vol.7, No.3

Eva Hofmann, Erik Hoeizl and Erich Kirchier (2008), "A comparison of models describing the impact of moral decision making on investment decision", Journal of Business Ethics, Vol.82, PP.171-187.

Faruk Hossain and ShelinaNasrin (2012) "Factors affecting selection of equity shares, the case of retail investors in Bangladesh", European Journal of Business and Management, Volume 4, No.20.

G N Bajpai (2006), "Developments of capital market in India", at London School of Economics, 2nd October.

Gangadhar V. ad g. Naresh Reddy (2008) "The impact of foreign institutional investment on stock market liquidity and volatility in India", The Management Accountant ICWAI Journal vol.43, No.3, March, PP.179-84.

Gaurav Kabra, Prashant Mishra and ManojDesh (2010), "Factors influencing investment decision of generations in India: an econometric study" Asian Journal of Management Research Journal of Finance and Economics, Vol.1, Issue 1, PP.308-326.

GerbenDezwart, Brian Frieser and Dick Van Dijk (2007), "A Recommitment strategy for long term private equity fund investor," ERIM report series Research in Management, ERS-2007-097 – F&A, PP.1-46

GnanaDesigan C (2006), "Investor's perception towards equity share investment an empirical study", Journal of Organization Management, Vol. XXII, No.1, PP.24-30.

GnanaDesigan C, KalaiSelvi S, Anusya L (2010), "Women investors perception towards investment an empirical study", Indian Journal of Marketing, Vol.XXXVI, No.4, April, PP.14-37.

Graham J.R., Harvey C.R., and Huang H., (2009) "Investor competence, trading frequency, and home bias", Management Science, Vol.55, No.7, P.1094-1106.

Graham, J.F., Stendardi Jr., E. J., Myers, J.K., & Graham, M. J. (2002), "Gender differences in investment strategies: an information processing perspective", International Journal of Bank Marketing, Volume 20(1), PP: 17-26.

Gupta L.C, Naveen Jain and Team (2009) "Indian Household investors survey 2004", Society for Capital Market Research and Development, Delhi.

HeenaKotharia (2010), "Investors behavior towards investment avenues, a study with reference to Indore city", Altiusshodh Journal of Management & Commerce, ISSN 2348-8891.

Hemendra Gupta (2015), "A Study on performance of Sensex and evaluation of investing lump sum or monthly regular investment in equity on risk and return for investor", International Journal of Development Research, May, ISSN. 2230-9926, Vol.5, issue C5, PP.4323-4327.

Henry L. Petersen and HarrieVreden Burg (2009), "Morals or Economics? Institutional investor preferences for corporate social responsibility. "Journal of Business Ethics Vol. 90, PP: 1-14.

Iran Peacock and Stuart cooper (2000), "Private equity: implication for financial efficiency and stability ", Bank of England Quarterly Bulletin, February, PP: 69-76

Jenkins (1991), as quoted in J.K. Nayak, Analysis of the Indian capital market: pre and post liberalization", Vilakshan, XIMB Journal of Management.

Jenkins and J. K. Nayak (1991), "Analysis of the Indian capital market: pre and post liberalization," Vilakshan, XIMB Journal of Management.

John R. Graham, Alokkumar (2006), "Do dividend clienteles exist? Evidence on dividend preferences of retail investors", The Journal of Finance, Vol.61, Issue 3, Jun, PP. 1305-1336.

Joshua Aroni, G. Namusonge, Maurice Sakwa (2014), "The effect of financial information on investment in shares: A survey of retail investors in Kenya", International Journal of Business and Commerce, Apr, Vol. 3, No.s.

Kameswari (2008), "Foreign direct investment and its role in developing Indian economy," The Management Accountant ICWAI Journal Vol.43 No.7 July, PP.510-571.

Kenneth A.Froot and TarunRamadorai (2008), "Institutional portfolio flows and international investments", The Review of Financial Studies Vol. 21 No.2, PP, 1-36.

Kuntluru S. and Md. Akbar Ali khan (2009), "Financing pattern of foreign and domestic owned pharmaceutical companies in India", The Management Accountant ICWAI Journal Vol.44 No. 12 December, PP. 984-991.

Larry D. Wall, (2007), "On investing in the equity of small firms", Journal of small Business Management, 45(1) PP. 89-93.

LubnaRia, Ahmed Imran Hunjra and Rauf-i-Azam (2012), "Impact of psychological factors on investment decision making dedicating by risk perception", Middle East Journal of Scientific Research.

Mac Crimmon, K. R. &Wehrung, D.A. (1986), "Taking Tisks", The Free Press, New York.

MahabaleswaraBhatta H.S. (2009), "Behavioral finance a discussion his individual investor biases", The Management Accountant ICWAI Journal Vol.44 No. 2, February, PP. 138-141.

Mamunur Rashid and Md, AinunNishai (2009), "Satisfaction of retail investors on the structural efficiency of the market, ," Asian academy of management journal, Vol.14 No. 2. PP. 41-64.

MamunurRashidi and Md. AinumNishat (2009), "satisfaction of retail investors on the structural efficiency of the market: Evidence from a developing country context," Asian Academy of Management journal, Vol. 14 No. 2, July, PP. 41-64

Manoj Kumar Dashi (2010), "Factors influencing investment decision of generations in India", International Journal of Business Management and Economic Research, Vol. 1, PP. 15-26.

Nissim Ben David (2008), "An indicator for internalization of analyst's recommendations by investors, "The ICFAI University Journal of Behavioral Finance Vol. V. No. 3, PP. 23-25.

P.V Durga Rao, G.V Chalam, T.N. Murty (2013), "Perception of equity investors on risk return in Indian capital market. A Scientific Analysis" International Journal or Finance Resource Research Review, Volume 1. Issue 3, 10, December.

P.Varadharajan and P. Vikkraman (2011), "A study on investor's perception towards investment decision in equity market", International Journal of Management, IT and Engineering, ISSN: 2249-0558, Volume, Issue 3, August, PP. 60-80.

Panda K, Tapan N.P and Tripathi (2001), "Recent Trends in Marketing of public issues, an empirical study of investors perception", Journal of Applied Finance, Vol. 7. No.1, PP. 1-6.

Parlmalakanthi. K and Ashok Kumar. M (2015), "A study pertaining to investment behavior of individual investors in Coimbatore city", International Journal of Advance Research in Ccomputer Science and Management Studies, ISSN: 2321- 7782, Volume 3, Issue 6, Jun, pg. 149-157.

Qiangcheng and Terry D. Warfield (2005), "Equity incentives and earnings management," The Accounting Review Vol. 80, No. 2, PP. 441-476.

Rahnuma Akhter, sultan ahmed (2013), "Behavioural aspects of individual investors for investment in Bangladesh stock market", International Journal of Ethics in Social Sciences, December, Vol. 1, No.58.

Raja M. andj. Clementsudhahar (2010), "An empirical test of Indian stock market efficiency in resepect of bonus announcement", Asia Pacific Journal of Finance and Banking Research Vol. 4 No.4, PP. 1-14.

Rajarajan V (2010), "Investors life styles and investment characteristics", Finance India, Vol.XIV, No.2, and PP.465-478.

Rajeev Jain (2012), "Investors attitude toward secondary Market equity investments and influence of behavioral finance", International Journal on Emerging Technologies, Vol2, No.67-79.

Rakesh H M (2014), "Individual investor behavior a study of commodity market", International Journal in Management and Social Science (IJMSS), Vol.02, Issue 01 ISSN, 2321-1778, January.

Reeua Rani (2014), "Factors affecting investors decision making behavior in the stock market, an analytical review", Indian Journal of Applied Research Vol, 4, Issue 9, September.

RoopamKthari and Narendrasharma (2010), "Testing the beta stability of banking sector over various phases in Indian stock market", The Management Accounting ICWAI Journal Vol.45 No.7 July PP. 591-595.

Roszkowski, M.J., Snelbecker, G.E., &Leimberg, s.R. (1993), "Risk tolerance and risk aversion", The Tools and Techniques of Financial Planning (4^{th}ed,. PP.210- 225).

Ratakhaparde, Anjali Bhute (2014), "Investors perception towards impact of macroeconomic performance on stock market behavior", The International Journal of Management, Vol.3, Issue.1, January.

Sadhan Kumar Chattopadhyay and Samir RanjanBehera (2006), "Financial integration for Indian stock market", Department of Economic Analysis and Policy of the RBI, working paper, PP.1-29.

Samitakher and P.N. Shende (2013), "A study of investment pattern of central government employees after the implementation of sixth pay", SUMEDHA Journal of Management, Vol.2, No.1, January-March.

SandipChattopadhyay (2014), "Stock market driven factors of investor's sentiment", European Journal of Business and Management, ISSN 2222-1905 paper ISSN 2222-2839 online Vol.6, No.17.

Sanjay Kanti Das (2012), "Small investor's behavior on stock selection decision, a case of Guwahati stock exchange", International Journal of Advanced Research in Management and Social Sciences (IJARMSS), Vol.1, No.2, August.

Santiwarup K (2009), "Measures for improving common investor confidence in Indian primary market, a survey", Research publication, nesindia.com. Section 2(12) of the companies act, 1956.

Selvam M, Rajagopalan V, Vantitha S, Babu M (2008), "Equity culture in Indian capital market", SAJOSPS, Vol.4, No.1, July-Dec, PP.66-78.

Sen S.S., B.K. Ghosh and santanu Kumar Ghosh (2007), "Stock market liquidity and exchange rate-A case study on BSE & NSE", the management Accountant ICWAI Journal Vol.42, No.10 October, PP.820-821 & 830.

SenSomSankar and santanu Kumar Ghosh (2008), "Stock market liquidity of BSE and NSE: a comparative study (1999-2005), "Management Accountant ICWI Journal Vol.43, No.2 February, PP.55-60.

Shhykumardeen, Madari D.M and Gangashetty (2011), "Capital market reforms: Some issues", working paper, PP. 1-12.

Shobana V.K. and Jaylakshmi J (2011), "Investor awareness and preferences", Organizational Management, Vol. XXII, No.3, Oct-Dec, and PP. 16-18.

Shollapur M.R. and A B Kuchanuar (2008), "Identifying perceptions and perceptual gaps a study on individual investors in selected investment avenues", The ICFAI University Journal of Behavioural Finance, Vol.V, No.2, PP.47-61.

Stephanie Desrosiers, Jean Francois L Her and Jean Francois planet (2011), "Style management in equity country allocating", Financial Analysis Journal, CFA Institute, Vol.60, No.6, PP. 40-54.

Subha M.V (2009), "Indian capital markets a road ahead", Indian Journal of Marketing, Vol.6, PP.40-54.

Sung, J. & Hanna, S. (1996b), "Factors related to risk tolerance". Financial Counseling and Planning, Vol.7, PP. 11-20.

Suull Kumar (2011), "Protection of investors and shareholders, a critical study of role of SEBI",

T.N. Murty and P.V.S.H Sastry (2012), "Investment research in commerce & management, Vol. 2, Issue. 12 ISSN 2277-1166".

T.V.V Phani Kumar (2012), "Retail investor perspective on capital market", Department of Commerce and Business Administration. Achrya Nagarjuna University, September.

UmeshRawal (2011), "Investors behavior in financial market", Bhavnagar University, September.

UmeshRawal (2011), "Investors in financial market", Bhavnagar university, Bhavnagar, September.1, PP. 1-14.

V.Praba Karan (2015), "Investors risk profile analysis and their perception towards investing in stock market", Zenith International Journal of Business Perception of Small Investors, Abhinav national monthly refereed Journal of Economics & Management Research (ZIJBEMR), ISSN 2249-8826, Vol.5, (8), PP.13-22, August.

Vallaippan.M (2015), "Risk bearing ability of investors in Indian stock market", International Journal of Education and Research (IJER), ISSN. 0972-9380, Vol.12 (2), PP.287-293.

Vashisht, A.K Gupta and R K (2005), "Investment management and stock market, strategies for successful investing," Deep & Deep publications Pvt Ltd. New Delhi, I Edition, PP.5, 10.

William A. Birdthistle and M. Todd Henderson (2009), "One hat too many? Investment desegregation in private equity", The University of Chicago Law Review, PP.45-82.

Xuewuwang (2004), "Sentiment strategies," The ICFAI Journal of Behavioral Finance, December, PP.60-72.

Yadagiri M. and P.Rajender (2009), "Analysis of investment portfolio of scheduled commercial banks", The Management Accountant ICWAI Journal Vol.44, No.10, October, PP.780-788.

TEXT BOOKS:

- A R. Aryasri (2005), "Managerial Economics and Financial Analysis", second edition, Tata McGraw Hill publishing Company Limited, New Delhi, PP.12.2-12.5.
- Avadhani V.A (1994), "Investment and securities market in India", Himalaya Publishing House, New Delhi.
- Bhole L M (1992), "Financial Institution & Markets: Structure growth and Innovation", II edition, Tata McGraw Hill, Delhi, PP.527.
- C. Paramasivan and T.Subramanian, "Financial Management", New Age International Publication.
- Chandra Prasanna (1990), "Indian capital market: Pathways of development", ASCI Journal of Management, Vol.20, No.2-3 (Sept-Dec), PP.129-137.
- Choudhary C.M. (2009), "Financial market in India", Indus Valley Publication
- Desai Vasant (1997), "Indian financial system", Himalaya Publishing House, New Delhi.
- **Vashisht and Gupta (2005),** "Investment Management and Stock Market, strategies for successful investing" Deep & Deep Publications Pvt Ltd. New Delhi, I Edition PP.5, 10.

WEBSITES:

- www.bseinida.com
- www.investopedia.com
- www.meritnatin.com
- www.newagepublishers.com
- www.nseinida.com
- www.thehindusbusinessline.com

Questionnaire

INVESTORS' PERCEPTION OF INVESTMENT IN EQUITY MARKET IN HYDERABAD CITY

Dear Sir/ Madam

This study is being conducted to understand the investors' perception towards investment in Equity Market in Hyderabad city. Please kindly co-operate and spare a few minutes of your valuable time to fill the questionnaire. Your information will be used only for academic purpose.

Thank you for your co-operation

Yours sincerely,

N. Renuka

(Research Scholar, Department of Management Studies, Sri Krishna

Devaraya University)

Part – A: Socioeconomic Profile of Investors:

Name of the Respondent: (Optional) _____

1. Age (in years)
   (a) Below – 30 years (b) 31 – 40 years (c) 41 – 50 years (d) Above 51 years
2. Gender
   (a) Male (b) Female (c) Other
3. Marital Status
   (a) Unmarried (b) Married (c) Other
4. Number of earning adults in the house
   (a) One (b) Two (c) Three (d) More than Three
5. Education
   (a) SSC (b) Intermediate (c) Graduate (d) PG (e) Professional Degree (f) Others
6. Occupation
   (a) Government Employee (b) Private Employee (c) Retired Employee (d) Business (e) Professional Services
7. Monthly Income
   (a) Below Rs 20,000 (b) Rs.20, 000 – Rs. 40,000 (c) Rs. 40,001 – Rs. 60,000

(d) Rs.60, 001 – Rs.80, 000 (e) Rs.80, 001 – Rs. 1, 00,000

(f) Above Rs, 1, 00,000

8. Monthly Savings

(a) Up to 2500 (b) 2501 – 3500 (c) 3501 – 4500 (d) 4501 – 5500 (e) 5501 – 6500

(f) 6501 – 7500 (g) 7501 – 8500 (h) 8501 – 9500 (i) 9501 – 10,500 (j) Above 10,500

Part –B: Investment Profile and pattern

9. Type of Investor

(a) Hereditary Investor (b) New Generation Investor (c) Category of Investor

10. Category of Investor

(a) Long Term Investor (b) Short Term Investor (C) Day Trader (d) All

11. Type of Market Operated

(a) Primary Market (b) Secondary Market (c) All

12. Mode of Trading

(a) Brokers (b) Self Trading (c) both

13. Experience in the market

(a) Less than 5 years (b) 6 – 10 years (c) 11 – 15 years (d) 16 years & Above

14. Number of companies in which investment is made

(a) Less than 10 (b) 11 – 20 (c) 21 & Above

15. State the source of Investment

(a) Own Savings (b) Borrowing (c) Both

16. State the percentage of your savings invested in Shares

(a) Less than 15% (b) 15% - 30% (c) 30% and Above

17. Are you a Member of any Investor Forum?

(a) Yes (b) No

If yes, specify the name of the forum _____

18. Frequency of Portfolio Valuation

(a) Weekly (b) Monthly (c) Half yearly (d) Annually

19. State the expected rate of return (ROR) per annum.

(a) Less than 12% (b) 12% - 24% (c) 24% - 36% (d) 36% & Above

Part –C: Investment Objectives and Investment Satisfaction

20. State the level of importance and the level of satisfaction of the following investment objectives. Please put ✓ mark in any one 1. Very Low 2. Low 3. Moderate 4. High 5. Very High and also put ✓ mark for satisfaction in any one 1. Highly Dissatisfied 2. Dissatisfied 3. Neutral/Undecided 4. Satisfied 5. Highly Satisfied.

Level of Importance					**Investment Objectives**	**Level of Satisfaction**				
VH	**H**	**M**	**L**	**VL**		**HD**	**D**	**N**	**S**	**HS**
					Dividends					
					Capital Appreciation					
					Quick Gain					
					Liquidity					
					Safety					
					Tax Benefits					
					Retirement benefits					
					Meet contingencies					
					Hedge against Inflation					

Part-D: Investment Preferences & Risk Return Perceptions

21. Rank your Investment Preferences (1-Highest to 15-Least), the level of risk and return associated with the following investments. Please put (✓)mark in any one 1. Very Low 2. Low 3. Moderate 4. High 5.Very High

Level Risk					**Particulars**	**Level of Return**					
V L					**Investment Preferences**						**V H**
					National saving certificate						
					Post office schemes						
					Provident fund						
					Chits						
					Insurance schemes						
					Mutual fund schemes						
					Bank fixed deposits						
					Saving bank account						
					Company fixed deposits						
					Shares						
					Bonds/ debentures						
					Exchange traded fund						

					Purchase of real estate/ fixed assets						
					Gold/ silver						
					Derivatives						

Part-E Sources of Investment Information

22. Rank the following sources of investment information based on usage. (Highest to 10-Least)

S.No	Sources of investment information	Rank
A	Abridged prospectus	
B	Newspaper journals & magazines	
C	TV channels	
D	Investments related websites	
E	Brokers/ analysts forecast	
F	Investor forum	
G	Technical analysis	
H	Company announcements	
I	Stock exchange announcements	
J	Friends, relatives	

23. State your sectoral preferences for stocks and rank them as 1, 2, 3, and 4……..etc up to 10. 1 is the highest and 10 is least .e.g. power, oil, gas telecom, petrol etc….

s.no	Sectoral stocks	Ranks
a.		
b.		
c.		
d.		
e.		

f.		
g.		
h.		
i.		

24. .How much you are affected by the following problems. Please put (✓)mark in anyone as 1.very low 2.low 3.moderate 4.hight 5.very high 6.not affected.

S.NO	Problem faced	VL	L	M	H	VH	NA
1.	No prepared advice by						
2.	Multiple opinions are given by the different channels on the same market						
3.	Different in operating online trading						
4.	Change of transaction password frequently						
5.	Unauthorized transaction by brokers						
6.	Trading pressure from brokers						
7.	Lack of reliability of market intuitions & infrastructure						
8.	Frequent change in the norms by regulatory bodies						
9.	Delay in payments of dividends on shares						
10.	Too much volatality						
11.	Too much price manipulation						
12.	Unfair practices of brokers						
13.	Unfair method of share allotment						
14.	Complicated IPO application Procedure						
15.	Need of prepayment of full amount						
16.	Late refund on unsuccessful applications						

25. State your suggestions for equity stock market Development !

……
……
……
…..……..……

Thank you very much for your time and participation!