

A Study of Awareness about Investments in Stock Market Among the Students of Satara District

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ABSTRACT: An individual is concerned with investing in small amounts of securities for his or her own account. The stock market is a platform for various buyers and sellers to trade in shares and its derivatives. It is a highly regulated secondary market for trading purposes. The objective of the research is to study the awareness and the preferences of students towards investment in stock market. The study will also incorporate the study of factors behind investing in stock market of young generation in Satara district. Lastly limitations and recommendations are included to aid the future researchers to have better findings.

Key words: Behavioural Finance, Investor behaviour, Investment in stock market, Students, Satara, NEP 2020.

BACKGROUND TO STUDY

Investment decisions are made by individual investors and investment managers. Investors generally perform investment analysis by utilizing fundamental analysis, technical analysis and judgment.

Investment decisions are frequently upheld by choice apparatuses. It's expected that data structure and variables inside the market efficiently impact people's investment decisions likewise as market results. Investor market conduct derives from mental standards of choosing to explain why individuals purchase or sell stocks. These factors will centre upon how investors decipher and follow up on data to make investment decisions

Individual Investments behaviour thinks with decisions about acquisition of small quantities of securities for their own account. Despite what extent an investor is well educated, has done research, concentrated profoundly about the avenues prior to investing, he actually acts unreasonably with the dread of misfortune of what's to come. This distinctive behaviour inside the individual investors is brought about by different factors which compromise the investor rationality.

In regular financial hypothesis, investors are thought to be level-headed wealth-maximisers, keeping fundamental investment guidelines and investment strategies absolutely on their risk-return consideration. Nonetheless, practically speaking, the degree of risk each investor ready to undertake is certainly not same, and relies basically upon their own mentalities to risk. Exploration in behavioural finance has grown quickly as of late and gives proof that investor's financial decisions are also impacted by internal and external social factors.

It is commonly accepted that investment decisions are an element of a few factors. The explores on factors impacting investor behaviour, proposed that traditional wealth – maximization standards are imperative to investors, yet they have different rules when picking investment avenues. Contemporary concerns like local or worldwide activities, environmental track record and thusly the ethical stance seem to have just cursory thought. The recommendations of broker houses, singular stock merchants, family members go to a great extent unnoticed.

OBJECTIVES

1. To identify the relationship between financial literacy and investment awareness among students.
2. To analyse the students preference towards investment in stock market.
3. To know the male female ratio of investment in stock market.

REVIEW OF LITRATURE

- Brad M. Barber and Terrance Odean in year 2001 wrote a book “Boys Will Be Boys: Gender, Overconfidence and Common Stock Investment” in which they say

that gender plays an important role in investment decision. Men are more overconfident than women and that the overconfident investors trade excessively.

- Dimitrios I. Maditinos, Zeljko Sevic, and Nikolaos G. Theriou (2007) said that individual investors rely more on newspapers/media and noise in the market while professional investors rely more on fundamental and technical analysis.
- Kabra et al. (2010), Patidar (2010) concluded that investors' age and gender predominantly decides the risk-taking capacity of investors.
- Raheja and Lamba (2013) concluded that there are various investment avenues available in the market and different people prefer to invest in different avenues according to their choice. It was also concluded that life cycle stages and investment objectives are dependent on each other.
- Obamuyi (2013) characteristics of investors' age, gender, marital status and educational qualifications significantly influenced the investment decisions of investors in Nigeria.
- Jagongo and Mutswenje (2014) found that the most important factors that influence individual investment decisions were: reputation and firms' status in industry, expected corporate earnings, past performance firms' stock, and expected dividend by investors.
- Aregbeven and Mbadiugha, 2011 and Sultana and Pardhasaradhi, (2012) said that the process of decision making is usually a cognitive process and before reaching to a final decision every individual evaluates all possible alternatives by weighing them and finally choose the best one. However, at the time of taking decision individuals are influenced by various factors and change their behaviour. Similar things happen in case of decision-making process of investor.

RESEARCH METHODOLOGY

1) Research Type: The study is descriptive and analytical

2) Nature of study: Quantitative study

3) Sampling Plan:

- Sampling size: 300
- Sampling method: Convenient Sampling Method
- Class of respondents: Students of various colleges in Satara District

4) Tools of Data Collection: This study is based on primary and secondary data

- Primary source of data collection: Survey and interview method through structured questionnaire.
- Secondary source of data collection: Books, journals, published reports and related websites

5) Questionnaire: Structured questionnaire using multiple choice questions was developed.

FINDINGS

From this study, the researcher observed that male students invest more in stock market as compared to female students.

1. From this research, it was observed that students are aware of stock market in general but less aware about the currency and commodity section.
2. There was increase in investment in stock market during Covid-19 pandemic period.
3. The students in the age group of 18-22 invest more in stock market than the age group of 23- 27.
4. Most students view stock market as a easy way to earn the money.
5. Researcher also found that all the students who invest in stock market prefer the online mode of investing.
6. Approximately 53% students invest in stocks that are in ₹ 500 - ₹1000 range, while others prefer penny stocks.
7. Also, less than 10% students are aware about the concept of Blue-chip companies.
8. Students are unaware of the tax benefits that stock market provides.
9. Most students are disinterested in long term investment in stock market.
10. Students are less aware about the investing opportunities in crypto currency.

SUGGESTIONS

1. The awareness of stock market should be increased in female students.
2. All the students should be encouraged to acquire the thorough knowledge of all the sections of stock market before investing.

3. Awareness about crypto currency should be increased in students.

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