

A Study on Investors Behaviour towards Stock Market in Chennai

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Abstract: Investment decision-making is a challenging process that calls for in-depth research. To determine the factors influencing investors' inclinations and investing decisions, research has been done. The study's sample size consisted of 107 citizens of Chennai. In this study, ANOVA, chi square, and percentages were used to analyze the data. Economic factors, including currency strength and legal considerations, have been found to influence investment decisions.

INTRODUCTION

Stock market is one of the most important savings modes that is usually used by a large number of people. These are used as a source of income generating source by a lot of people in India. A vast majority of the people invest in stock market. Saving is a crucial strategic component of the idea of economic growth. Savings was emphasized by traditional economists such as Adam Smith, Ricardo, and Mill as a key determinant of economic advancement. Gaining riches provides a person with a security blanket and the ability to guard against unanticipated circumstances

OBJECTIVES OF THE STUDY

- A study on investors behaviour towards stock market in Chennai.
- To study the characteristic of investors behaviour towards the stock market.
- To study the impact of demographic factors on investment choices and also people investment choices
- To examine the effect of market trends and economic indicators

NEED FOR THE STUDY

The study seized the chance to comprehend investor behaviour in the stock market and across different market sectors. The study is dependent on how investors behave in relation to the stock market and how well-informed they are about certain stock

market investment decisions and how convenient they are with investing to comprehend the possibility and preference for investing in bonds, derivatives, and stocks. The report identifies investment and savings ideas for investors.

SCOPE OF THE STUDY

The study gauges investors' preferences for different stock market segments. To Learn more about stock market investment opportunities for investors. The study calculates the average rate of return on investment and the investors' investment period. To identify and solve investors hindrances and to make investments possible for them.

LIMITATIONS OF THE STUDY

- ❖ The study is confined within Chennai city.
- ❖ The study is based upon the investor behaviour towards stock market.
- ❖ The data collected for the research is fully on primary data given by the respondents. There is chance for personal bias. So, the accuracy may not be true

REVIEW OF LITERATURE

- Keskin, Meltem (2022) The risk variables that investors should take into account are described in the report. To reduce risk, investors often use a variety of investment methods. When it comes to investing and taking action, a person's decision-making process is influenced by a variety of things, not only financial facts and study. Among these are social elements, psychology, personal characteristics, emotions, and experiences. Individual behavioral aspects are proven to have more significant influence than the financial sector can currently anticipate. Because of the implications for behavioral finance, it is even more important to study these

developments. This study uses secondary data to assess the origins of market investor activity.

- Patel, Chandresh (2022) The research claims that financial and investment products are increasingly becoming a common and important component of leading a healthy lifestyle. The research established the main objectives of the investment and investor code of conduct. One of the research's key conclusions is that investors want long-term investments with minimal risk and high returns. Strong returns from their array of investment choices are also of great interest to them. Investors seek advice from financial experts and do their own self-analysis since they are aware of the factors affecting their investment objectives. Men are more inclined than women to invest in financial products, according to the report.
- Babu, Manivannan & J Gayathri & Gunasekaran (2020) The study increases knowledge of the trends in equities market investor behavior. Economic growth in a country is significantly influenced by its financial market. Investors' perspectives on risk and awareness vary. The average return and risk of investments are now viewed differently by investors according to their everyday attitude. Therefore, the study's objective is to investigate investors' awareness of the stock market and risk tolerance. According to the study's findings, investors' decision to invest may be influenced by their level of education.
- C.Kavitha (2015) in her study, — The purpose of the research "Investors' Attitudes Towards Stock Market Investment" was to ascertain the attitudes of investors about stock market investments. The study was cross-sectional and descriptive in order to assess the awareness and attitudes of potential local investors. To collect primary data, a semi-structured questionnaire was employed. present were 125 persons present, including 100 well-known investors, 10 creative businesspeople, and 11 staff of the booking office. A positive and substantial correlation was found between the level of investor knowledge and stock market investment ($r = 0.410$, $P 0.01$). Thus, the more favorable the mindset, the simpler it is for local investors to invest in the stock market.

RESEARCH METHODOLOGY

Research methodology is mainly needed for the purpose of framing the research process and the designs and tools that are to be used for the project purpose. Research methodology helps to find the level of investors behaviour towards stock market in Chennai.

Research design:

Research design is the framework of research methods and techniques chosen by a researcher to conduct a study. The design allows researchers to sharpen the research methods suitable for the subject matter and set up their studies for success. The values are ascertained are an estimation and not exact one.

Sampling technique

Convenience sampling method

A convenience sample is one of the main types of non-probability sampling methods. A convenience sample is made up of people who are easy to reach.

SOURCES OF DATA

Primary Data:

Primary data is that data which is collected for the first time. These data are basically observed and collected by the researcher for the first time. I have used primary data for my project work. It is collected through Structured Questionnaire.

Secondary Data:

Secondary data are those data which are primarily collected by the other person for his own purpose and now we use this for our purpose. It is collected through journals, articles, books, foot notes, etc.

Sample size

The number of elements of the population is to be sampled. Total sample size for the research study is 107.

Tool used for the study:

Statistical Tools:

- Chi-square test.
- Anova
- Correlation

DATA INTERPRETATION

Table: Table indicating the Age of the Respondents

S. No	Age	No.of. respondents	Percentage
1	Below 30	47	43.9%
2	30 to 40	30	28%
3	40 to 50	14	13.1%
4	50 to 60	8	7.5%
5	60 and above	8	7.5%
Total		107	100%

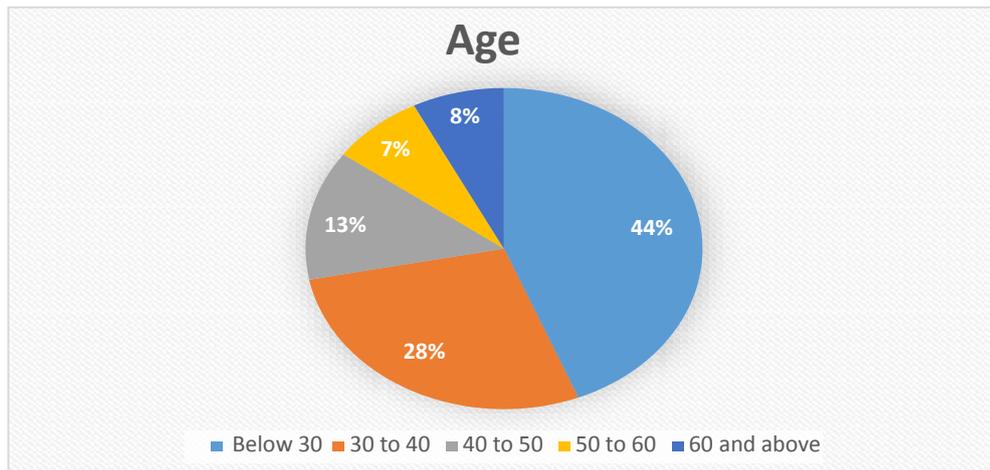


Chart: Chart represents the Age of the Respondents

Interpretation

From the above table it is interpreted that the number of respondents below 30 age is 44%, between 30 to 40 age is 28%, between 40 to 50 age is 13%, between 50

to 60 age is 7.5%, above 60 age is 7.5%.

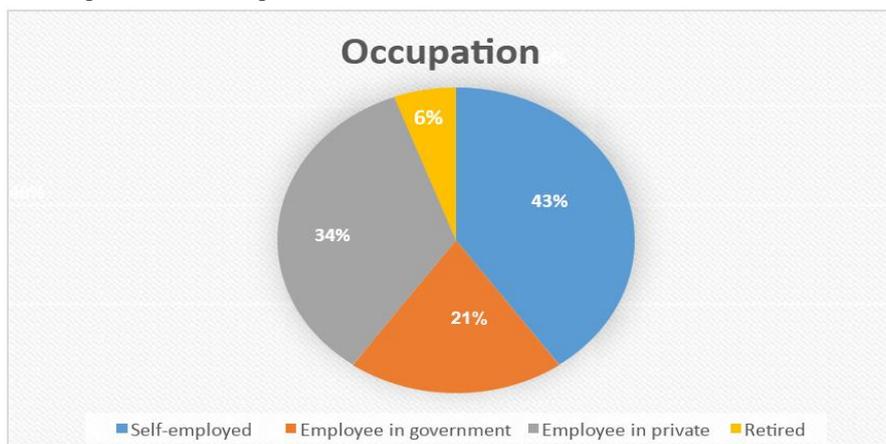
Inference

Majority (44%) of the respondents age are below 30.

Table indicates Occupation of the respondents

S. No	Occupation	No. of. Respondents	Percentage
1	Self-employed	43	40.2%
2	Employee in Government	21	19.6%
3	Employee in Private	37	34.6%
4	Retired	6	5.6%
Total		107	100%

Chart represents Occupation of the respondents



Interpretation:

From the above table it is interpreted that number of respondent self-employed are 40.2%, employee in government is 19.6%, employee in private are 34.6%, retired are 5.6%.

Inference:

Majority (40.2%) respondents are self-employed.

Chi square:

Hypothesis 1

H0(Null hypothesis): There is no significant difference between the age and preference of investment in stock market.

H1(Alternate hypothesis): There is significant difference between the age and preference of investment in stock market.

Chi-square tests

Value		df	Asymptotic Significance (2-sided)
Pearson Chi-Square	34.584 ^a	16	.005
Likelihood Ratio	39.778	16	.001
N of Valid Cases	107		

- a. 17 cells (68.0%) have expected count less than 5. The minimum expected count is .90.

Inference:

Since the p value (0.005) is less than 0.05. we reject Null hypothesis and we accept Alternative hypothesis. So, there is significant difference between the age and preference of investment in stock market.

Chi-square tests

Value		df	Asymptotic Significance (2-sided)
Pearson Chi-Square	9.868 ^a	9	.361
Likelihood Ratio	9.850	9	.363
Linear-by-Linear Association	.309	1	.578
N of Valid Cases	107		

- a. 6 cells (37.5%) have expected count less than 5. The minimum expected count is .79.

Inference:

Since the p value (0.361) is greater than 0.05. we reject Alternative hypothesis and we accept Null hypothesis. So, there is no significant difference between the occupation and annual saving of the respondents.

Hypothesis 2

H0(Null hypothesis): There is no significant difference between the occupation and annual saving of the respondents.

H1(Alternate hypothesis): There is significant difference between the occupation and annual saving of the respondents.

FINDINGS

- ❖ Majority (66.4%) of the respondents are male.
- ❖ (44%) of the respondents age are below 30.
- ❖ Majority (42%) of the respondents are graduates.
- ❖ (58.9%) respondents are Married.
- ❖ (40.2%) respondents are self-employed.
- ❖ Majority (45.9%) respondents' annual income is 2lakhs to 4 lakhs.

- ❖ (33.6%) respondents' annual savings is 25000 to 50000.
- ❖ Total (29%) respondents' preferable investment is in stocks.
- ❖ (31.8%) respondents agree they active investing often.
- ❖ (29.9%) respondents get financial decision from friends and family.
- ❖ (48.6%) respondents' average rate of earning is below 10%.
- ❖ (53.3%) respondents have less than 3 years of experience in stock market.
- ❖ (30.8%) respondents agree that investment is made for saving tax benefit.
- ❖ (33.6%) respondents agree that investment in shares for long- term gain.
- ❖ (39.3%) respondents agree that investment made in shares.

- ❖ (33.6%) respondents agree that they are aware of the Indian stock market.
- ❖ (36.4%) respondents are neutral that investing is safe in the Indian stock market.
- ❖ (32.7%) respondents agree that bank deposit is risk-free.
- ❖ (70.1%) respondents are aware of SEBI.
- ❖ Total (35.5%) respondents agree that investment in government bonds is a favorable option.
- ❖ (60.7%) respondents are aware of holding more than one demat account.
- ❖ Majority (60.7%) respondents are aware of Sensex & Nifty.
- ❖ Majority (34.6%) respondents agree Indian stock has more information so they prefer to buy Indian stock.
- ❖ Majority (46.7%) of the respondents are speculative investors.
- ❖ Most of the respondents' significant difference between the age and preference of investment in the stock market.
- ❖ Majority of the respondents are no significant difference between the occupation and annual saving of the respondents.

SUGGESTIONS

- These investment activities and quicker expansion should be made possible by a healthy investment market.
- Investing is done with the hope of earning a return that is commensurate with the risk incurred.
- It is necessary to reduce investment risk, which will lead to older professionals investing more.
- It's important to raise awareness of other investing possibilities, such as stocks, mutual funds, and digital assets.
- Put policies in place that guarantee improved risk management and evaluation.

CONCLUSION

So basically, investment is a good form of saving money but at first we should make sure that we have a basic knowledge about the investments that we are planning to do. We must have an idea of how the market works. Investment is a fundamental requirement for each. It plays a significant role in education, health, comfortable living, creating wealth, meeting emergencies, organizing major

events in one's life. Perfect investment planning will take a person through the crisis period. Investing, for future benefit, on one side is an attitude, and spending and fulfilling the immediate wants is also an attitude in the other end. But the concept of investment will always yield future returns. A study on investor behaviour towards the stock market in Chennai. It is also concentrating on the investment options they are choosing to invest their surplus fund and their awareness about these investment alternatives.

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