

A STUDY ON NON-INVESTMENT NATURE IN STOCK MARKET

Submitted in partial fulfilment of the requirement for the reward of

Bachelor of commerce

By

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Bachelor of commerce

SCHOOL OF MANAGEMENT STUDIES

SATHYABAMA

INSTITUTE OF SCIENCE AND TECHNOLOGY

(DEEMED TO BE UNIVERSITY)

**Accredited with Grade “A” by NAAC | 12B Status by UGC | Approved
by AICTE**

Jeppiaar Nagar, RAJIV GANDHI SALAI, CHENNAI – 600119

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BONAFIDE CERTIFICATE

This is to certify that this Project Report is the bonafide work of GEETHAPRIYA V (39740095) who has done the Project work entitled **A STUDY ON NON-INVESTMENT NATURE IN STOCK MARKET** under my supervision from December 2021 to February 2022.

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DECLARATION

I am GEETHAPRIYA V (39740095). Hereby declare that the Project Report entitled “A STUDY ON NON-INVESTMENT NATURE IN STOCK MARKET” done by me under the guidance of DR.M.M.DHANYA MA, MBA, PhD., School Of Management Studies is submitted in partial fulfilment of the requirements for the award of bachelor of commerce degree.

DATE:

PLACE: CHENNAI

GEETHAPRIYA V

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GEETHAPRIYA V

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ABSTRACT

The Indian stock market is considered to be one of the earliest in Asia, which is in operation since 1875. However, it remained largely outside the global integration process until 1991. A number of developing countries in association with the International Finance Corporation and the World Bank took steps to establish and revitalize their stock markets as an effective way of mobilizing and allocation of funds. As Indian investors, we have this strange love-hate relationship with the stock market. We love it when it constantly clocks upward trends – and hate it when it goes downhill. A majority of Indians avoid investing their money in equity markets. In fact, out of a population of 1.3 billion, there are only 4% of investors in market. this paper analyses the factors affect the Indian to invest in stock market. The present study carried out by the researcher, is an empirical study in nature and this is based on Survey Method. The data required for carrying out the present study were collected by the researcher. The tools for collecting the primary data were constructed by the researcher.

CHAPTER 1

INTRODUCTION

1. STOCK MARKET

1.1 DEFINITION

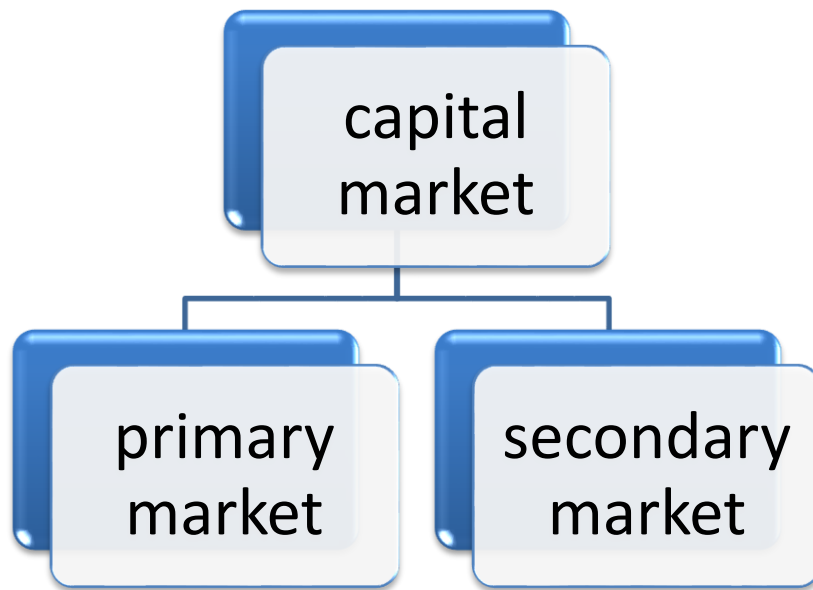
stock market, equity market, or share market is the aggregation of buyers and sellers of stocks (also called shares), which represent ownership claims on businesses; these may include securities listed on a public stock exchange, as well as stock that is only traded privately, such as shares of private companies which are sold to investors through equity crowd funding platforms. Investment in the stock market is most often done via stockbrokerages and electronic trading platforms. Investment is usually made with an investment strategy in mind.

1.2 CAPITAL MARKET

- Market for buying and selling equity and debts.
- Capital market channel savings and investment between the suppliers of capital such as retail investors and institutional investors and user

PARTICIPANTS IN MARKET:

- individual investors
- institutional investors
- mutual funds
- government
- companies
- banks and financial institution



1.3 PRIMARY MARKET

A market that issues new securities on a stock exchange. Primary market is facilitated by underwriting groups, which consist of investment banks that will set a beginning price range for a given security and then oversee its sale directly to investors.

Types of issues:

IPO [initial public offer]:

Initial public offering or stock market launch is a type of public offering whereas shares of stock in a company are sold to the general public on a securities exchange for the first time. Initial public offerings can be used to raise new equity capital for companies, to monetize the investments of private shareholders such as company founders or private equity investors, and to enable easy trading of existing holdings or future capital raising by becoming publicly traded.

RIGHTS ISSUE

A rights issue or rights offer is a dividend of subscription rights to buy additional securities in a company made to the company's existing security holders. When the rights are for equity securities, such as shares, in a public company, it can be a non-dilutive pro rata way to raise capital. Rights issues are typically sold via a prospectus or prospectus supplement. With the issued

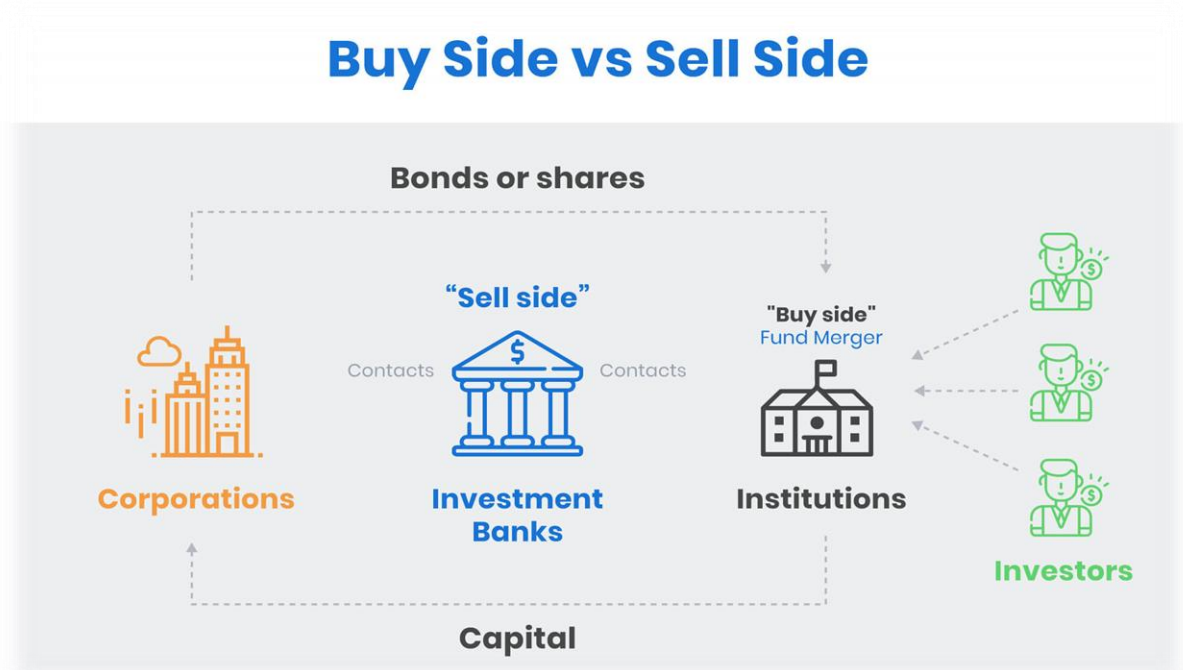
rights, existing security-holders have the privilege to buy a specified number of new securities from the issuer at a specified price within a subscription period.

PREFERENTIAL ISSUE:

A preferential issue is an issue of shares or of convertible securities by listed companies to a select group of persons under Section 81 of the Companies Act, 1956 which is neither a rights issue nor a public issue. This is a faster way for a company to raise equity capital

1.4 SECONDARY MARKET

The secondary market is where investors buy and sell securities they already own. It is what most people typically think of as the "stock market," though stocks are also sold on the primary market when they are first issued.



A secondary market acts as a medium of determining the pricing of assets in a transaction consistent with the demand and supply. The information about transactions price is within the public domain that enables investors to decide accordingly

1.5 TYPES OF STOCKS

1.5.1 COMMON STOCK

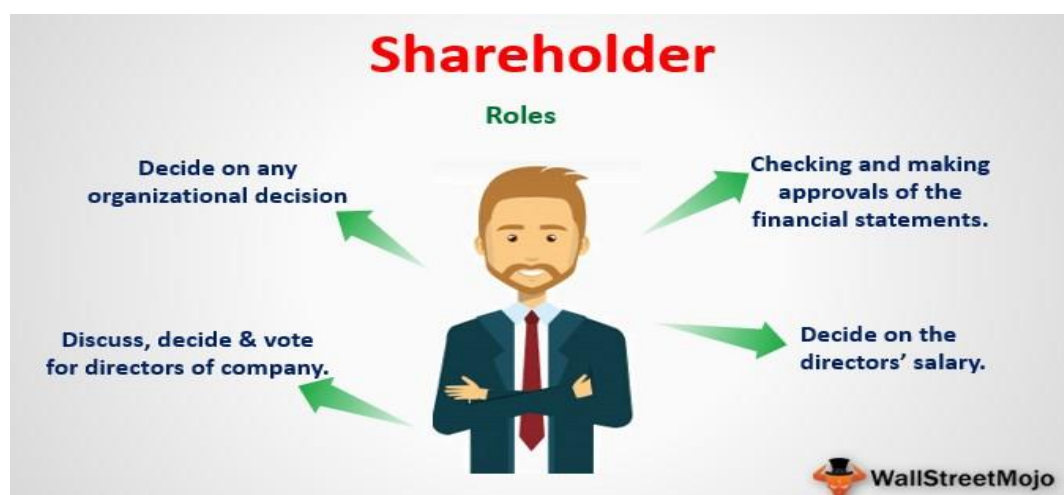
Common stock is a type of stock issued to the majority of shareholders in a company. Holders of common stock enjoy certain rights that their counterparts in preferred stock holders do not. Majority of stocks issued is in this form. Common shares represent ownership in a company and a claim on the portion of profit of profits. Common stock gives higher return than other stocks.

1.5.2 PREFERRED STOCKS

Preferred stock represents some degree of ownership in a company but usually doesn't come with the same voting rights. Preferred stocks are paid off before common stock. Preferred stock is called callable stocks. A preferred stock is a class of stock that is granted certain rights that differ from common stock.

1.6 SHAREHOLDERS

A shareholder, also referred to as a stockholder, is a person, company, or institution that owns at least one share of a company's stock, known as equity. Because shareholders essentially own the company, they reap the benefits of a business's success.



1.6.1 SHAREHOLDER'S POWER

- If a company liquidates, creditors are the first to have their debts paid from the company's assets.
- Bondholders are the next in line to receive any proceeds from liquidation.
- Common shareholders are the last to have any debts paid from the liquidating company's assets.
- Common shareholders are granted six rights: voting power, ownership, the right to transfer ownership, dividends, the right to inspect corporate documents, and the right to sue for wrongful acts.

1.7 HOW THE SHAREPRICE SET?

- When a company goes public through an initial public offering [IPO], an investment bank evaluates the company's current and projected performance and health to determine the value of the IPO for the business.
- The bank can do this by comparing the company with the IPO of another similar company, or by calculating the net present value of the firm.
- The company and investment bank will meet with investors to determine the best IPO price through a series of road shows.
- Finally, after the valuation and road shows the firm must meet with exchange, which will determine if IPO is fair.
- Once trading starts, share price are largely determined by the forces of supply and demand.

1.7.1 FACTORS THAT AFFECT THE PRICE

- Earnings report
- Political events
- Financial reports
- Economic news

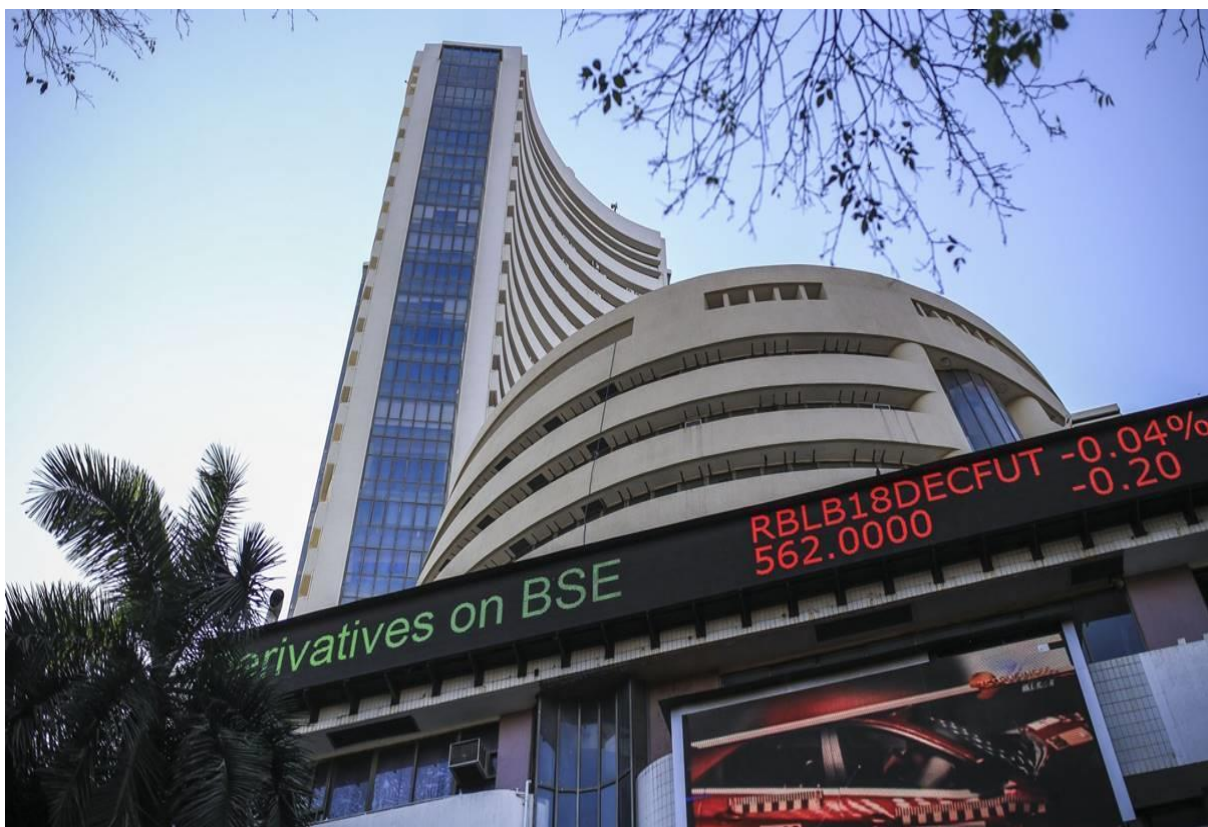
1.8 NATIONAL STOCK EXCHANGE [NSE]

- National Stock Exchange of India Limited (NSE) is the leading stock exchange of India, located in Mumbai, Maharashtra.
- National Stock Exchange has a total market capitalization of more than US\$3.4 trillion, making it the world's 10th-largest stock exchange as of August 2021. NSE's flagship index, the NIFTY 50, a 50 stock index is used extensively by investors in India and around the world as a barometer of the Indian capital market.
- NSE is ranked 4th in the world in cash equities by number of trades as per the statistics maintained by the World Federation of Exchanges (WFE) for the calendar year 2021.
- It is under the ownership of some leading financial institutions, banks, and insurance companies. NSE was established in 1992 as the first dematerialized electronic exchange in the country.
- NSE was the first exchange in the country to provide a modern, fully automated screen-based electronic trading system that offered easy trading facilities to investors spread across the length and breadth of the country.



1.9 BOMBAY STOCK EXCHANGE [BSE]

- BSE Limited, also known as the Bombay Stock Exchange (BSE), is an Indian stock exchange located on Dalal Street in Mumbai.
- It is the oldest stock exchange in Asia, and also the tenth oldest in the world. The BSE is the 9th largest stock exchange with an overall market capitalization of more than ₹255.003 trillion, as of October 2021.
- BSE is Asia's first and the Fastest Stock Exchange in world with the speed of 6 micro seconds and one of India's leading exchange groups. In 2013, BSE upgraded its technology platform to Bolt Plus, which is based on the business architecture of global giant Deutsche Börse



1.10 STOCK BROKERS

A stockbroker is a financial professional who executes orders in the market on behalf of clients. A stockbroker may also be known as a registered representative (RR) or an investment advisor. Most stockbrokers work for a brokerage firm and handle transactions for a number of individual and institutional customers. A broker is permitted to buy or sell a security only after receiving your permission to do so. But sometimes, brokers engage in unauthorized trading. The unauthorized trades can be voided and resulting losses can be recovered from your broker.

1.11 MARKET TREND

- A market trend is a tendency of a financial market to move in a particular direction over time.
- These trends are classified as secular for long time frames, primary for medium time frames and secondary short time frames.



- The terms bull market and bear market describe upward and downward market trends respectively, and be used to describe either the market as a whole or specific sectors.

➤ There are three types of market trends in stock market

1. Secular market trend
2. Primary market trend
3. Secondary market trend

1.11.1 SECULAR MARKET TREND

A secular market trend is a long term trend that lasts 5 to 25 years and consists of a series of primary trends. A secular bear market of smaller bull market and larger bear market. A secular bull market consists of smaller bear market and larger bull market.

1.11.2 MARKET TOP

A market top is usually not a dramatic event. The market has simply reached the highest point that it will for some time (usually a few years). It is retroactivity defined as market participants are not aware of it as it happens. A decline then follows usually gradually at first and later with more rapidity.

1.11.3 MARKET BOTTOM

The point in time at which a security's price begins to trend upwards after trending downwards. The price level at which a security's price begins to trend upwards after trending downwards. A bottom refers to a stock phase that begins when selling ends and buyers begin to outnumber the sellers. The lowest traded price on a bowl formation is the "bottom price.

1.11.4 SECONDARY MARKET

Secondary trends are trends are short-term changes in price direction within a primary trend. The duration is a few weeks or a few months. One type of secondary market trend is called a market correlation. A correlation is a short term price decline of 5% to 20%.

1.11.5 BULL MARKET

Bull market, in securities and commodities trading, a rising market. A bull is an investor who expects prices to rise and, on this assumption, purchases a security or commodity in hopes of reselling it later for a profit. A bullish market is one in which prices are generally expected to rise. Compare bear market. In

a bull market, the ideal thing for an investor to do is to take advantage of rising prices by buying stocks early in the trend (if possible) and then selling them when they have reached their peak.



1.11.6 BEAR MARKET

A bear market is when a market experiences prolonged price declines. It typically describes a condition in which securities prices fall 20% or more from recent highs amid widespread pessimism and negative investor sentiment. Bear markets may be contrasted with upward-trending bull markets.



CHAPTER-2

LITERATURE REVIEW

2.1 LITERATURE REVIEW

Shweta Sudhakaran, third year bachelor of management studies, university of Mumbai, (2014-2015), “study on stock market” observes the market trend of stock and analysis the Indian stock market and their techniques, describes the stock market structure and the global stock market.

Mani dan, research analyst at Singapore lead (2014), “study on Indian stock market” explains the stock market analysis with technical tools and compare the two different company’s trends using line chart and moving charts.

Sarbapriya (2012) in her study, “investing seasonal behaviour in the monthly returns: evidence from bse sensx of India” proves that the month of year effect is noticed in Indian stock market whereas an investor may dispose the loss the month of march making shares in order to avail income tax benefit.

Seetha Shrivastava & Sowmwen (2016) (mba finance) international school of management and research Pune, “journey of stock exchange” explains the Indian stock market journey from 1996 to 2016. It includes success and failures of market. It covers the history of bse and nse.

Manish.r. Pathak (2013) in his study entitled “stock market seasonality: a study of the Indian stock market” (nse) observes that day of the week effect and month of the year effect is not noticed in Indian stock market due to the increased volatility, increased awareness among Indian investors, globalization of Indian economy, reach of media, emergence of derivatives segment and increase in disposable income.

Dhanashni academy (2015) “study on stock market index”, explains the indexes and oldest exchange facilities and calculation and the market capitalization in India”

Dr. Pedapalli Neeraja and cma. Potharla Srikanth (2014) in their study entitled “anomalies in Indian stock market – an empirical evidence from seasonality effect on bseit index” examine the anomalies present in the Indian information technology companies stocks and also study the impact of overall Indian stock market conditions on the information technology company’s stocks. The result indicates of augmented dickey fuller test that returns of Indian it sectors stocks are more volatile than the overall Indian stock market. Garch model disclose that negative returns are observed in it better during the month of march and April. Similar trend is noticed in bse during the month of January, July and August.

Ahuja Juhi (2012) in her research paper entitled “Indian Capital Market: An Overview with Its Growth” has examined that there has been a paradigm shift in Indian capital market. The application of many reforms & developments in Indian capital market has made the Indian capital market comparable with the international capital markets. Now, the market features a developed regulatory mechanism and a modern market infrastructure with growing market capitalization, market liquidity, and mobilization of resources. The emergence of Private Corporate Debt market is also a good innovation replacing the banking mode of corporate finance. However, the market has witnessed its worst time with the recent global financial crisis that originated from the US sub-prime mortgage market and spread over to the entire world as a contagion.

Another prominent part comes from Shaik Abdul Majeeb Pasha (2013) during his research paper “An Evolutionary Critical approach on Indian Capital Market Developments”. In this paper the researcher has examined various kinds of changes that have taken place in Indian Capital Market before and after globalisation, liberalization and privatization (GLP) era and wants to evaluate critically capital market system as well as Securities and Exchange Board of India (SEBI) role in India. In fact, it is observed that, on almost all the operational and systematic risk management parameters, settlement system disclosures, accounting standards, the Indian Capital Market is at par with the

global standards with little bit loopholes. While concluding it has been briefly noticed that a perception is steadily growing about the Indian Capital Market, as a dynamic market.

Benson et al. (2015) analyzed the literature available on liquidity in financial markets. The study reviewed 113 research papers on liquidity and concluded that market liquidity was essentially studied concerning corporate finance, corporate announcements, stock returns, macro policy announcements, and investment management.

Amihud et al. (2006) analyzed the studies that have evaluated the effect of liquidity and liquidity risk on stock returns. The study summarized the liquidity asset pricing theories and significant results in support of these theories.

Kumar and Misra (2015) evaluated 95 articles and presented a review of literature on various aspects of stock market liquidity like measurement of liquidity, determinants of liquidity, intraday movements, and liquidity effects on firm value

Díaz and Escribano (2020) reviewed 177 articles and discussed the dimensional liquidity measures which have been used by researchers over the years in determining the liquidity of equity, bond, and treasury markets.

Joan Robinson (1952) who regarded financial development as a relatively unimportant factor in the growth process. She believed that financial development follows economic growth and not the other way round.

Khan and Senhadji (2000) provided empirical evidence for the relationship between financial development and economic growth using a cross section

of 159 countries from 1960 to 1999. The growth equation was estimated using both pure cross section samples by averaging along the time dimension and 5-year average panels which were obtained by taking a 5-year average of the original data. Their study showed that the effect of financial development on growth is positive and that the size of the effect varies with different indicators of financial development, estimation method, data frequency and the functional form of the relationship.

Boyd and Prescott (1986) and Stiglitz (1985). These models have triggered empirical research exploring the relationships between banks, stock markets and economic growth.

King and Levine (1994) proposed a model in which innovation activities serve as an engine of growth by creating a high growth rate of productivity. There are two forms of financial markets in the model. One wherein the intermediaries act like venture capital firms who evaluate, finance and monitor the risky and costly innovations.

Pradhan, Arvin, Bahmani, Hall and Norman (2017) examined the finance growth relationships in ASEAN region spanning the period from 1991 to 2011. They used four different proxies of financial development namely banking sector development, bond market development, stock market development and insurance sector development. The results showed that there was a cointegrating relationship between banking sector development, stock market development, bond market development, insurance market development and per capita economic growth in the long run.

Gerschenkron, a (1962) was of the opinion that the effect of financial development on economic growth depends on the economic backwardness of the economy under consideration. That is, countries which are economically backward require an active financial system than developed countries. In spite

of the necessity of a developed financial system for promoting economic development, economically backward countries and the low income countries remain largely financially underdeveloped.

Castleberry and Nolen (2018) state that by understanding the reviewed ideas from the existing work, a researcher can transform them into a unique one by analysing the same ideas differently. By considering the need and benefits of content analysis, the current study observed that a handful of studies have been eager in reviewing the existing literature on stock market liquidity.

Skjeltorp and Odegaard (2009) investigated the information content of stock market liquidity. The researchers also evaluated the forecasting power of market liquidity. The stock returns are influenced by variety of factors and the research scholars have shown interest to study these factors in detail. A content analysis of the literature will help us to understand the key issues which gained more attraction from the research scholars and identify the area which require more research work.

SomSankar Sen (2013) studied about an investigation of the day of the week effect on return and volatility of NSE Nifty. The descriptive statistics of daily market returns have been applying GARCH-M model on the daily NIFTY returns data. Study was clearly indicated that there was day-of- the- week effect in the daily NIFTY return during the pre T+2 rolling settlement period. To concluded that the anomaly could be due to investor optimism and thereby a will to buy stocks just before the weekend.

Venkataramanaiah M (2016), studied about a study on volatility in Indian stock market. The main aim of the study was to examined the movement of inter and intra-day volatility in BSE Sensex. The daily indices of Sensex for a period of 10 years from 1998 to 2008 have taken for the study. It was found that daily average returns and daily average volatility across the index was varying over time and space. This divergence was highly demonstrable. Sometimes provided as high as 0.04 per cent return while sometimes it was negative.

CHAPTER-3

RESEARCH METHODOLOGY

3.1 RESEARCH METHODOLOGY

Research methods are the techniques and tools by which you research a subject or a topic. Research methodology involves the learning of various techniques to conduct research and acquiring knowledge to perform tests, experiments, surveys, and critical analysis.

Research methodology simply refers to the practical “how” of any given piece of research. It’s about how a researcher systematically designs a study to ensure valid and reliable results that address the research aims and objectives.

3.2 RESEARCH DESIGN

A research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure. This Research design applied for the study is ‘Descriptive Research’.

3.2.1 DESCRIPTIVE RESEARCH DESIGN

Descriptive research aims to accurately and systematically describe a population, situation or phenomenon. It can answer what, where, when and how questions, but not why questions. A descriptive research design can use a wide variety of research methods to investigate one or more variables.

3.3 SAMPLING TECHNIQUE

Sample design is the theoretical basis and the practice mean by generalizing from characteristics of relatively few of the comprising population. It is the method by which the sample is chosen.

3.3.1 NON-PROBABILITY SAMPLING

Non-probability sampling is defined as a sampling technique in which the researcher selects samples based on the subjective judgment of the researcher rather than random selection.

3.3.2 CONVENIENCE SAMPLING

A convenience sample is a type of non-probability sampling method where the sample is taken from a group of people easy to contact or to reach.

3.4 SOURCES OF DATA

Sources of Data begins with figuring out what sort of data is needed, followed by the collection of a sample from a certain section of the population. Next, you have to utilize a certain tool to gather the data from the chosen sample. The two types of sources of data are

3.4.1 PRIMARY DATA

The Primary data for this study was collected through questionnaire.

3.4.2 SECONDARY DATA

Secondary data was collected from external sources like Websites, Journals etc

3.5 STRUCTURE OF THE QUESTIONNAIRE

The questionnaire follows a simple and basic layout. It is made easy for the participants to respond to the questionnaire without any delay or confusion. The set of question and the answer options present in the questionnaire are predetermined and are constructed by myself based on general questions regarding the main topic. The structure of questionnaire used in this project is as follows.

3.5.1 BASIC INTRODUCTION

The questionnaire begins with small and simplifies description regarding the questionnaire – Title and description of the topic.

3.5.2 PERSONAL DETAILS

The actual questionnaire begins here where the participants are asked about their personal details such as their name, age, gender and occupation.

3.5.3 RESEARCH RELATED QUESTIONS

The next set of questions in the questionnaire consists of the questions related to public where the participants are asked on their general opinion on their psychological nature on stocks.

3.5.4 LIKERT SCALING QUESTIONS

The likert scaling questions include moderate options in its scale. A 7-point Likert Scale is legendary and has been used since 1932. It offers seven different options to choose from and is majorly used by the researchers.

3.5.5 SAMPLE SIZE

The sample size for the project had a target of 100 participants. The fixed target of the sampling size has been achieved as the total number of respondents for the survey questionnaire was 115. Total of 115 responses helped the project to analyse more response and it helped to derive a conclusion recording people's perception towards a study of satisfaction of public how they consider it.

3.6 SAMPLE LOCATION

My survey location is in and around sholinganallur (Chennai).

3.6.1 SAMPLE TARGETED PEOPLE

My survey targeted people are both the Men and Women at the age group of [20-55 AND ABOVE] and the people who have bank account and the person who invest in traditional savings and their attitude towards the stock market investing.

3.7 HYPOTHESIS

3.7.1 CORRELATION:

Correlation, in the financial literacy and non-investment, is a statistic that measures the degree to which two securities move in relation to each other. Correlations are used in advanced portfolio management, computed as the correlation coefficient, which has a value that must fall between -1.0 and +1.0.

3.7.2 PERCENTAGE ANALYSIS

Percentage is calculated by taking the frequency in the category divided by the total number of participants and multiplying by 100%.

3.8 LIMITATIONS OF STUDY

- A Study is limited to investment behaviour in share market; it does not go through the deep roots on share market.
- A study is limited to the primary data and the secondary data which is analyzed during the research.
- The data collection is limited to specific location.

CHAPTER-4

DATA ANALYSIS AND INTERPRETATION

The following consist of the data analysis and interpretation of my questionnaire:

4.1 SURVEY ANALYSIS OF DATA

4.1.1. AGE OF RESPONDENTS

4.1 Table

20-29	55
30-39	26
40-49	16
50-60	3
Total	100

Interpretation:

In the chart we can observe 55% of respondent are between ages of 20-29. 26% of the respondents are between ages of 30-39. 16% of the respondents are between ages of 40-49. 3% of the respondents are between ages of 50-60. Most of the age group are between from 20-29 are involved in the research.

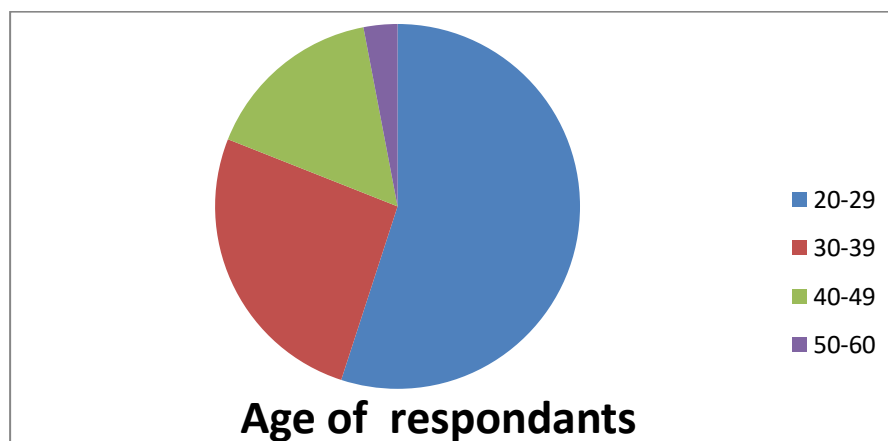


Fig 4.1 Ages of respondent

4.1.2. Gender of respondents

4.2 Table

MALE	53
FEMALE	47
TOTAL	100

Interpretation:

From the chart we observe, 53% are the male respondents and 47 % are female respondents.

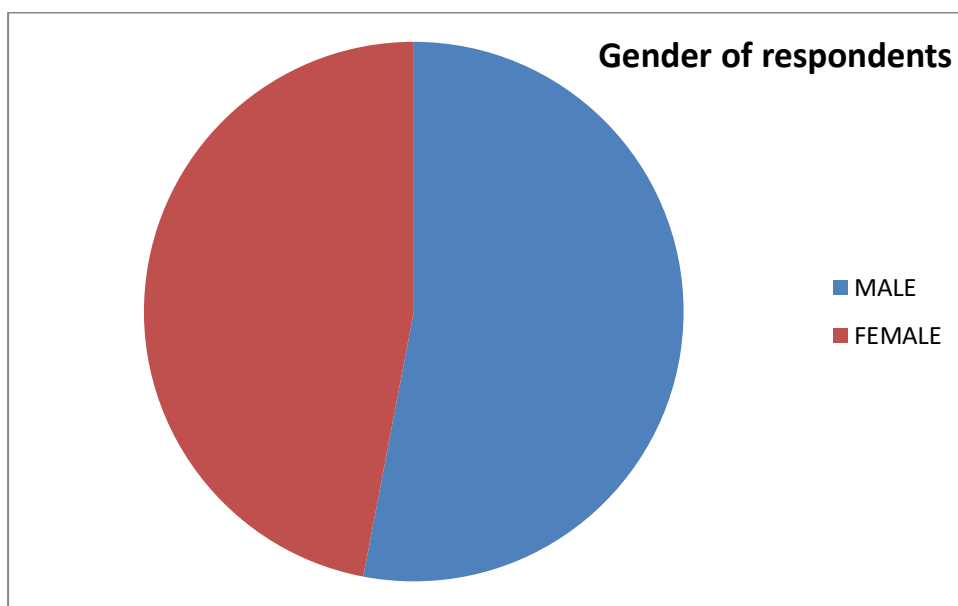


Fig 4.2 Gender of respondents

4.1.3 EDUCATIONAL QUALIFICATION OF RESPONDENTS

4.3 Table

SSLC	8
HSC	7
DIPOLMA	7
UG	63
PG	15
TOTAL	100

Interpretation:

From above chart we observe that 8% of respondents studied SSLC. 7% of respondents studied HSC. 7% of respondents studied DIPOLMA. 63% of respondents studied UG and 15% of respondents studied PG.

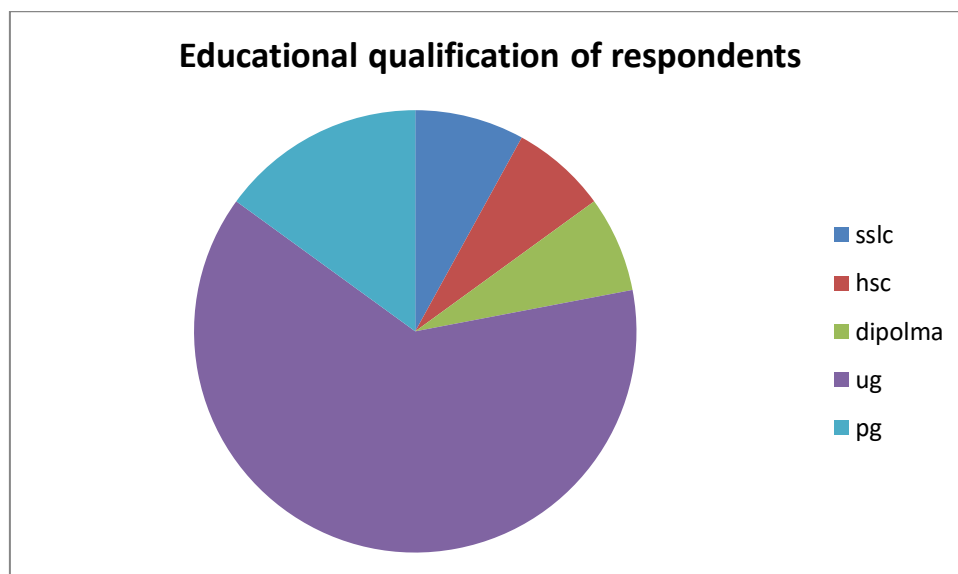


Fig 4.3 Educational qualification of respondents

4.1.4 BRANCH OF QUALIFICATION OF RESPONDENTS

4.4 Table

MEDICAL	6
PROFESSIONAL	3
COMMERCE	34
ARTS	18
ENGINEERING	30
OTHERS	4
TOTAL	100

Interpretation:

From the above chart we observe that 6% of respondents from branch of medical. 3% of respondents from branch of professional course. 34% of respondents from branch of commerce. 18% of respondents from the branch of arts. 30% of respondents from engineering. 4% of respondents from other branches.

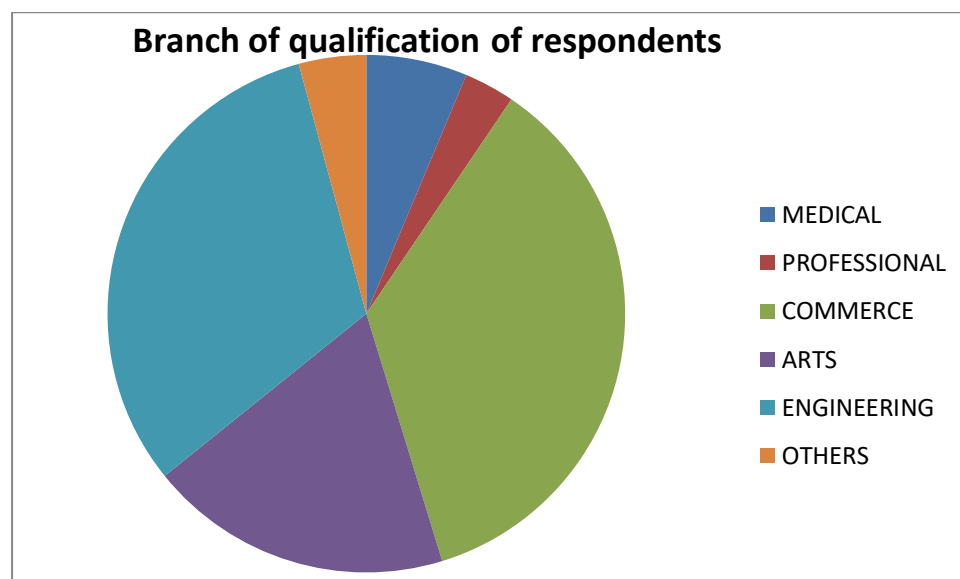


Fig 4.4 Branch of qualification of respondents

4.1.5 MONTHLY INCOME OF RESPONDENTS

4.5 Table

20000-30000	59
30001-40000	27
40001-50000	7
50001 AND ABOVE	7
TOTAL	100

Interpretation:

From above chart we observe that, 59% of respondents earn 20000-30000 as a monthly income. 27% of respondents earn 30001-40000 as a monthly income. 7% of respondents earn 40001-50000 as a monthly income. 7% of respondents earn 50001 and above as a monthly income.

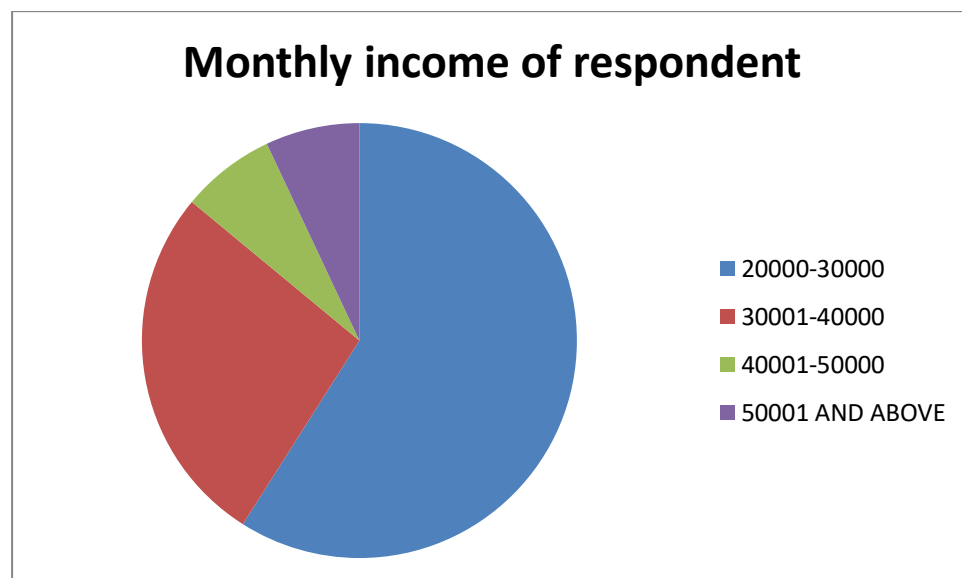


Fig 4.5 Monthly incomes of respondents

4.1.6 BANK ACCOUNT DETAILS OF RESPONDENTS

4.6 Table

YES	93
NO	7
TOTAL	100

Interpretation:

From the above table we observe that 93% of respondents have a bank account. 7% of respondents does not have a bank account.

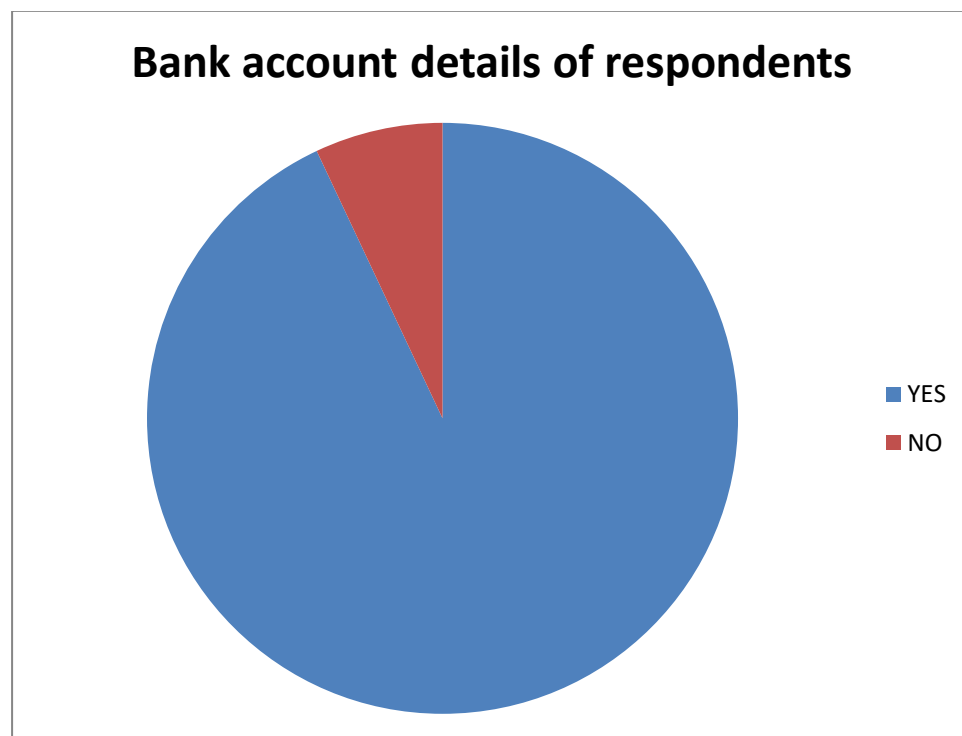


Fig 4.6 Bank account details of respondents

4.1.7 SAVING NATURE OF RESPONDENTS

4.7 Table

YES	87
NO	13
TOTAL	100

Interpretation:

From the above chart we observe that 87% of respondents save their money and 13% of respondents do not save their money.

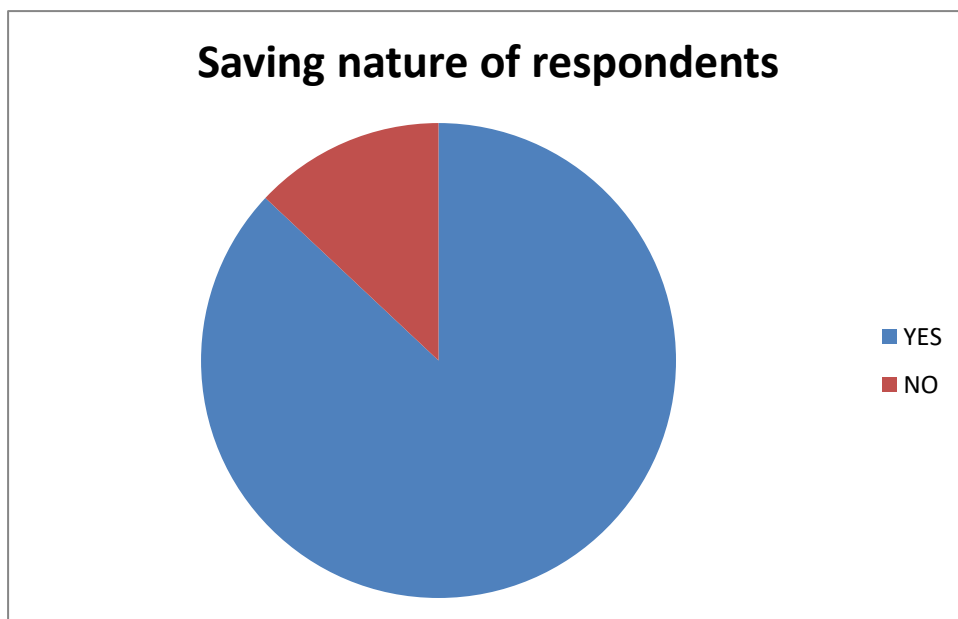


Fig 4.7 Saving nature of respondents

4.1.8 RESPONDENTS' NATURE OF INVESTMENT

4.8 Table

GOLD	39
RD OR FD	29
SHARES	9
MUTUAL FUNDS	5
BONDS	2
OTHERS	6
TOTAL	100

Interpretation:

From the above chart we observe that 39% of respondents invest in gold. 29% of respondent invest in RD OR FD. 9% of respondents invest in shares. 5% of respondents invest in mutual funds. 2% of respondents invest in bonds. 6% of respondents make other investments.

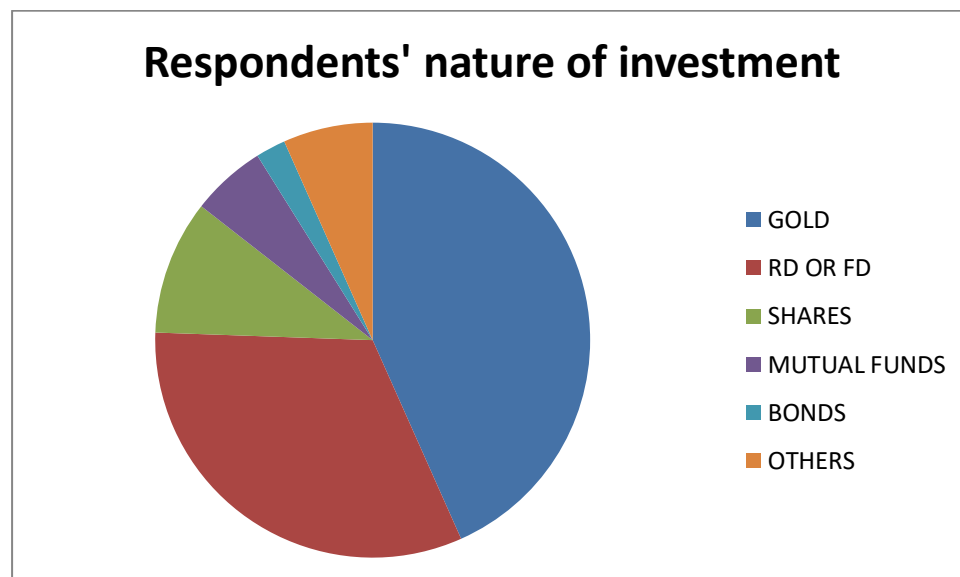


Fig 4.8 Respondents' nature of investment

4.1.9 RESPONDENTS' AWARENESS OF SHARE MARKET

4.9 Table

YES	63
NO	37
TOTAL	100

Interpretation:

From the above table we observe that 63% of respondents have awareness on share market. 37% of respondent did not have awareness on share market.

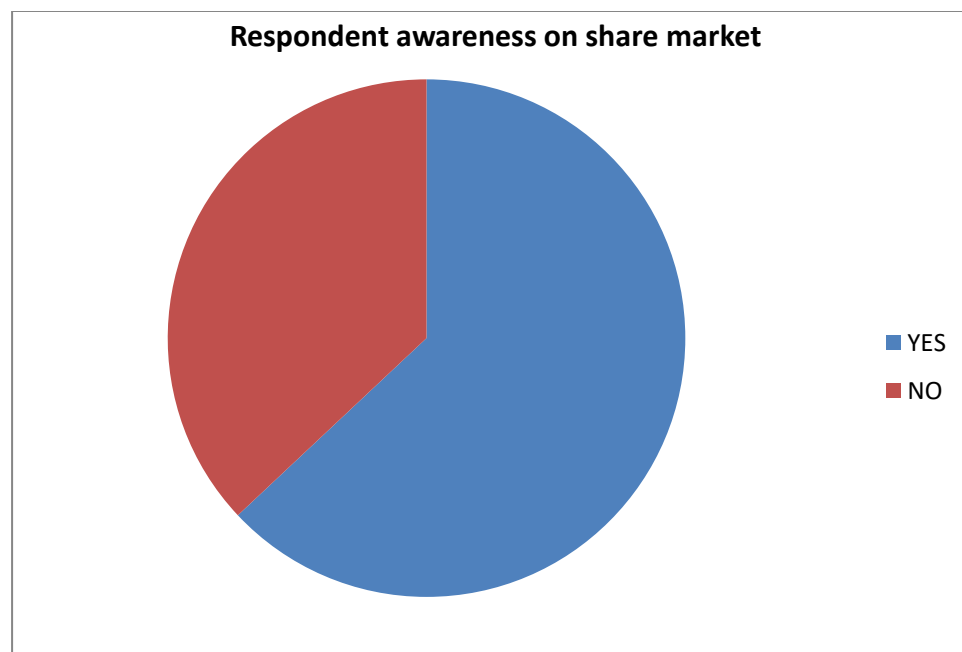


Fig 4.9 Respondents' awareness on share market

4.1.10 RESPONDENTS' LEVEL OF LITERACY IN SHARE MARKET

4.10 Table

VERY HIGH	8
HIGH	14
NEUTRAL	41
LOW	22
VERY LOW	15
TOTAL	100

Interpretation:

From the above chart we observe that 8% of respondents have very high of literacy in share market. 14% of respondents have high level of literacy. 41% of respondents have neutral level. 22% of respondents have low level of literacy and 15% of respondents have very low level of literacy in share market.

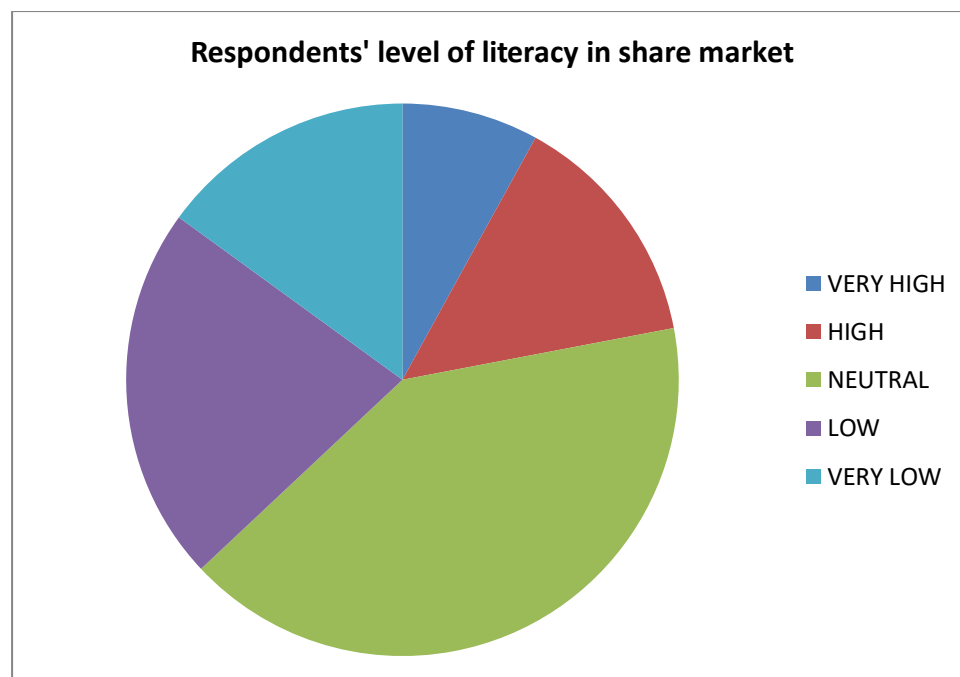


Fig 4.10 Respondents' level of literacy in share market

4.1.11 RELATIONSHIP BETWEEN FINANCIAL ILLITERACY AND NON-INVESTMENT

4.11 Table

STRONGLY AGREE	25
AGREE	38
NEUTRAL	30
DISAGREE	7
STRONGLY DISAGREE	0
TOTAL	100

Interpretation:

From the above chart we observe that 25% of respondents strongly agree to the relationship. 38% of respondents agree to the relationship. 30% of respondent's neutral to the relationship. 7% of respondents disagree to the relationship. 0% of respondents strongly disagree to the relationship between financial illiteracy and non-investment.

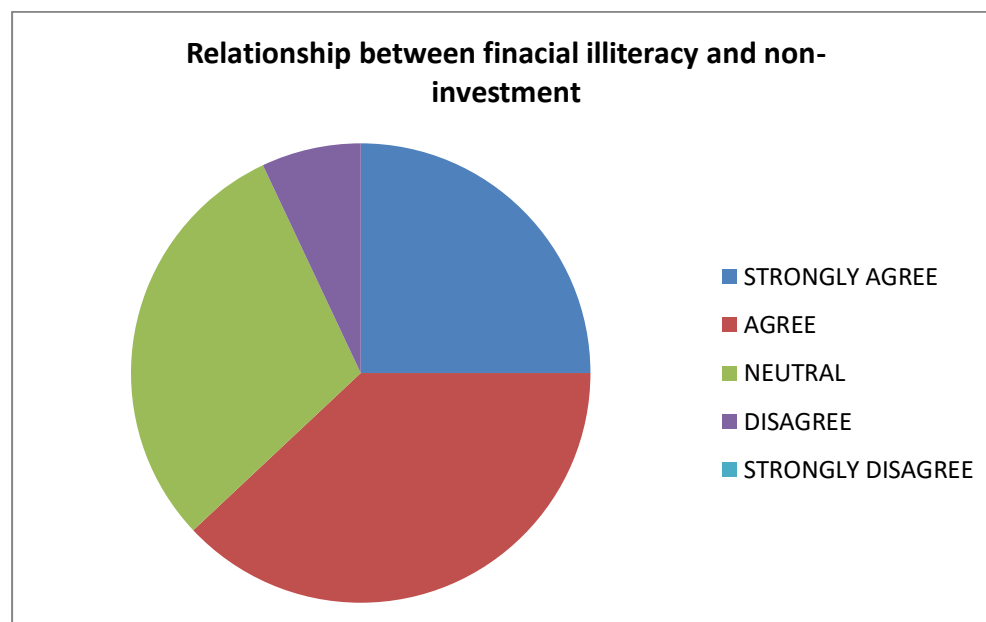


Fig 4.11 Relationship between financial illiteracy and non-investment

4.1.12 RESPONDENTS' KNOWLEDGE ON OPENING ACCOUNT IN STOCK MARKET

4.12 Table

YES	41
NO	59
TOTAL	100

Interpretation:

From the chart we observe that 41% of respondents know to open the account in share market. 59% of respondent does not know to open the account in share market.

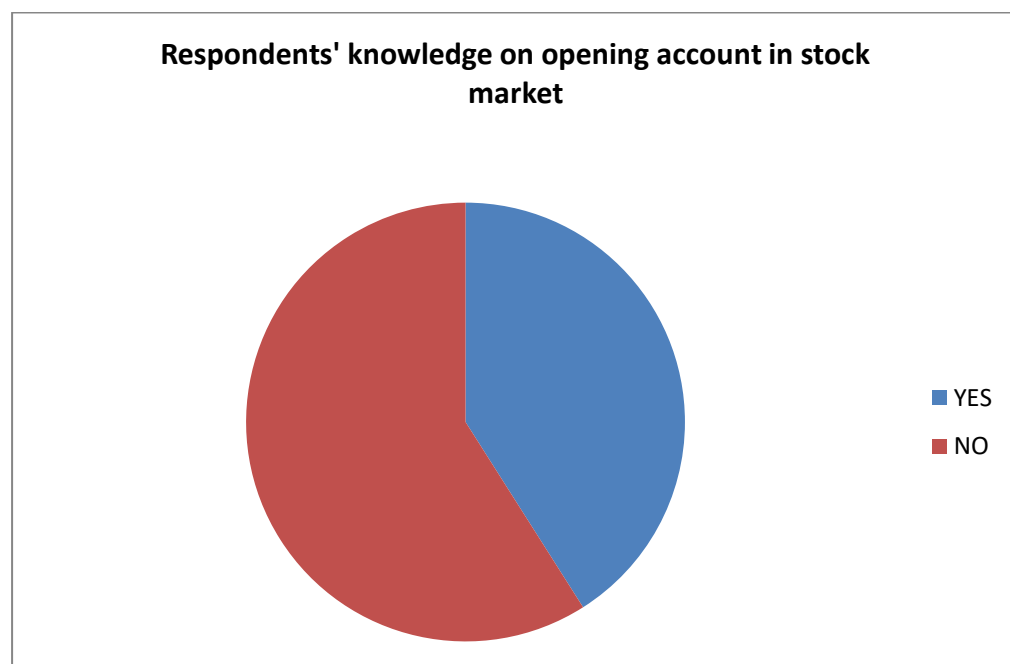


Fig 4.12 Respondents' knowledge on opening account in stock market

4.1.13 RESPONDENTS' PERFORMANCE IN SHARE MARKET

4.13 Table

YES	9
NO	91
TOTAL	100

Interpretation:

From the chart we observe that 9% of respondents invest in share market. 91 % of respondents do not invest in share market.

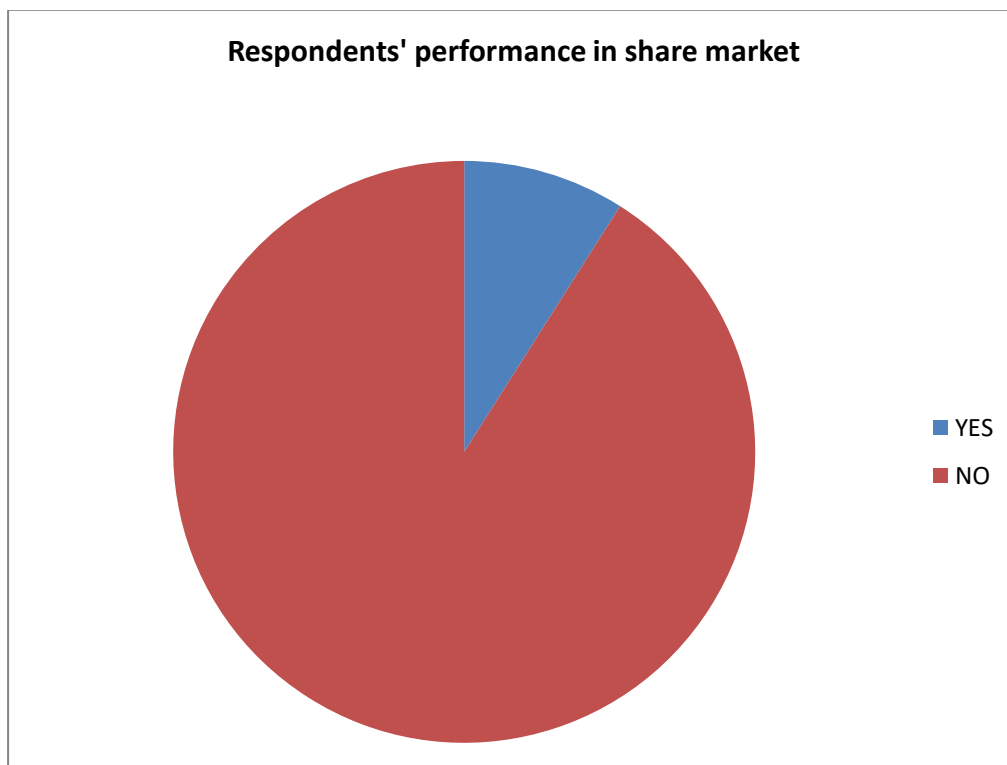


Fig 4.13 Respondents' performance in share market

4.1.14 RESPONDENTS' DEMOTIVATION TO INVEST IN SHARE MARKET

4.14 Table

FINANCIAL ILLITERACY	20
LACK OF MONEY	17
LACK OF PATIENCE	4
TRADITIONAL INVESTMENT	20
PAST EXPERIENCE	3
RISK	30
TOTAL	100

Interpretation:

From the chart we observe that 20% of respondents are demotivated because of their financial illiteracy. 17% of respondents are demotivated because of lack of money. 4% of respondents are demotivated because of lack of patience. 20% of respondents demotivated because of available traditional investment. 3% of respondents are demotivated because of their past experience in share market. 30% of respondents are demotivated because of risk factor.

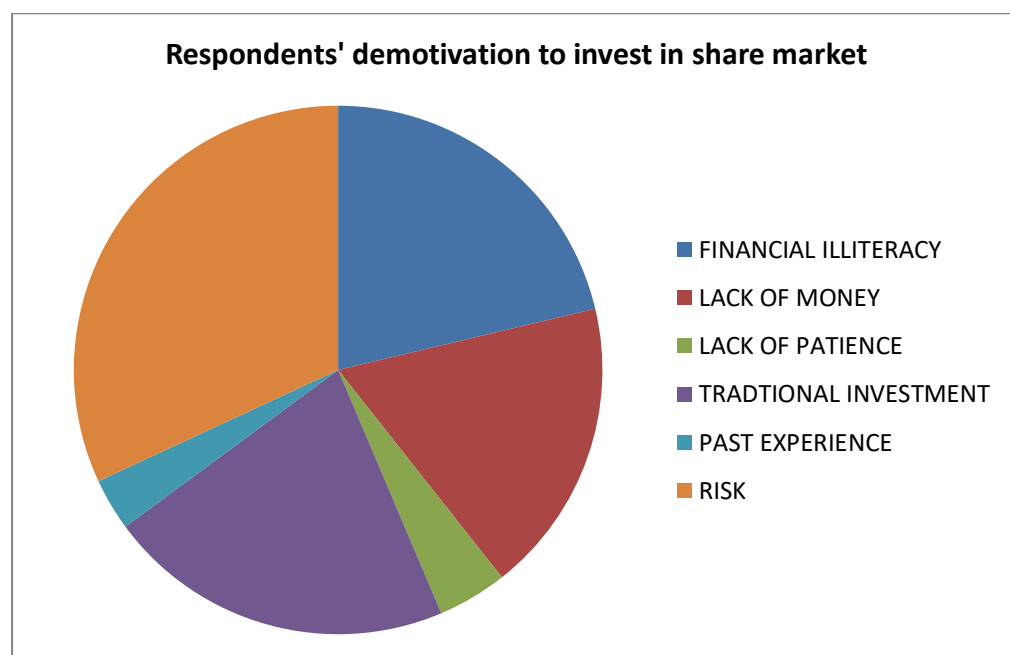


Fig 4.14 Respondents' demotivation to invest in share market

4.1.15 RESPONDENTS' ATTITUDE IN SHARE MARKET (GAMBLING)

4.15 Table

YES	20
MAYBE	40
NO	40
TOTAL	100

Interpretation:

From the chart we observe that 20% of respondents say share market is a gambling. 40% of respondents says that share market maybe a gambling. 40% of respondents says that share market is not a gambling.

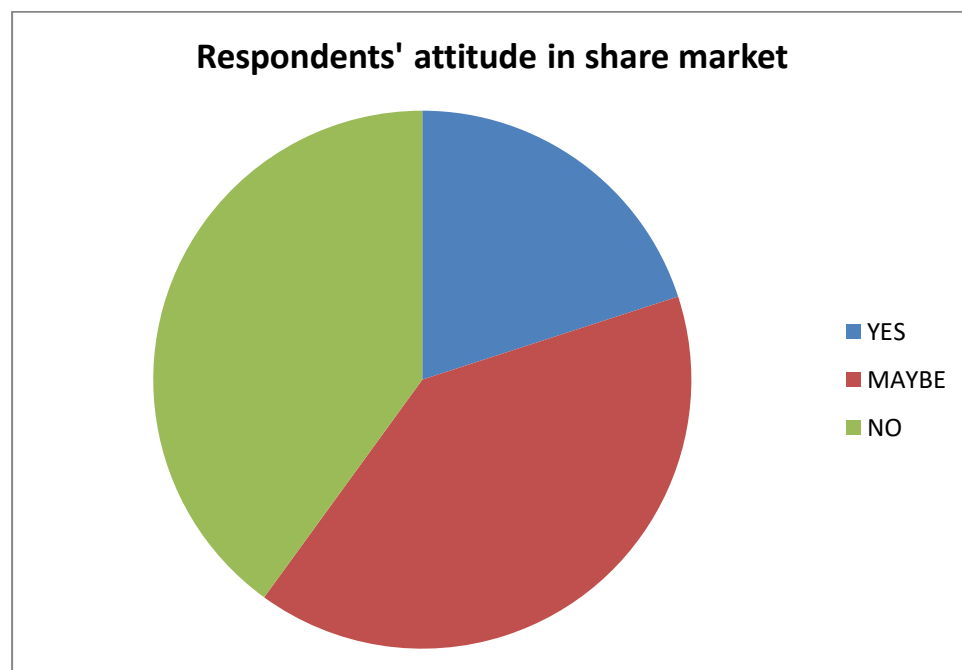


Fig 4.15 Respondents' attitude in share market

4.1.16 RESPONDENTS' THOUGHT ON SHARE MARKET AND INDIAN ECONOMY

4.16 Table

YES	80
NO	20
TOTAL	100

Interpretation:

From the chart we observe that 80% of respondents say that effect of share market will improve the Indian economy. 20% of respondents says that effect of share market will not improve the Indian economy.

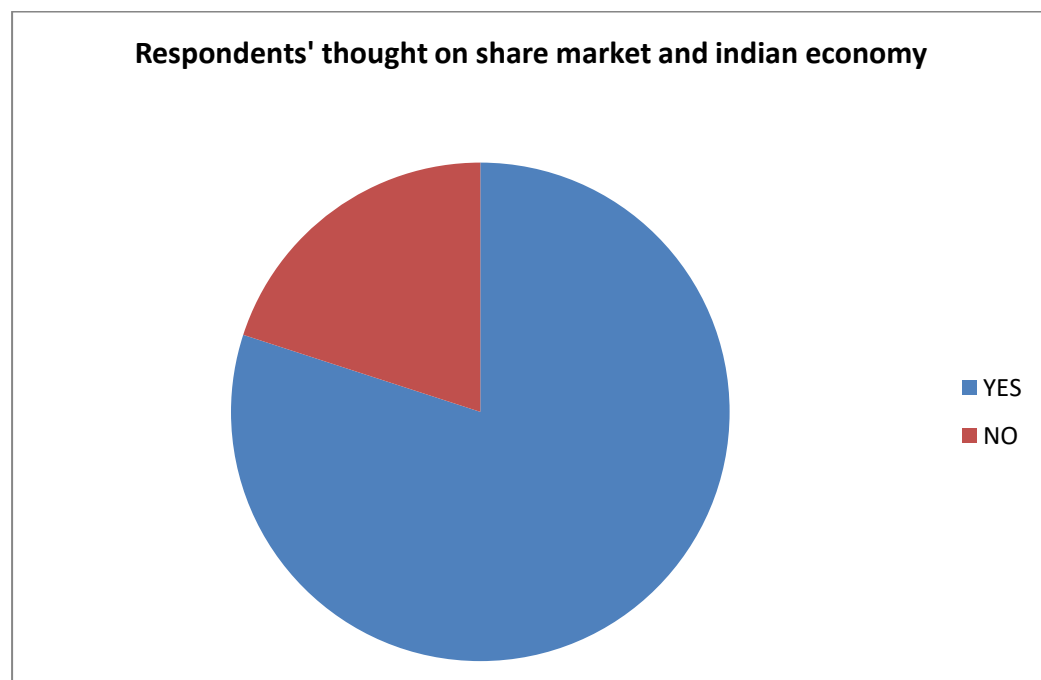


Fig 4.16 Respondents' thought on share market and Indian economy

4.1.17 ADDITION OF SUBJECT ON SHARE MARKET IN INDIAN EDUCATION SYSTEM

4.17 Table

YES	89
NO	11
TOTAL	100

Interpretation:

From the chart we observe that 89% of respondents say that it is necessary to add the subject on share market in Indian education system. 11% of respondents says that is not necessary to add the subject on share market in Indian education system.

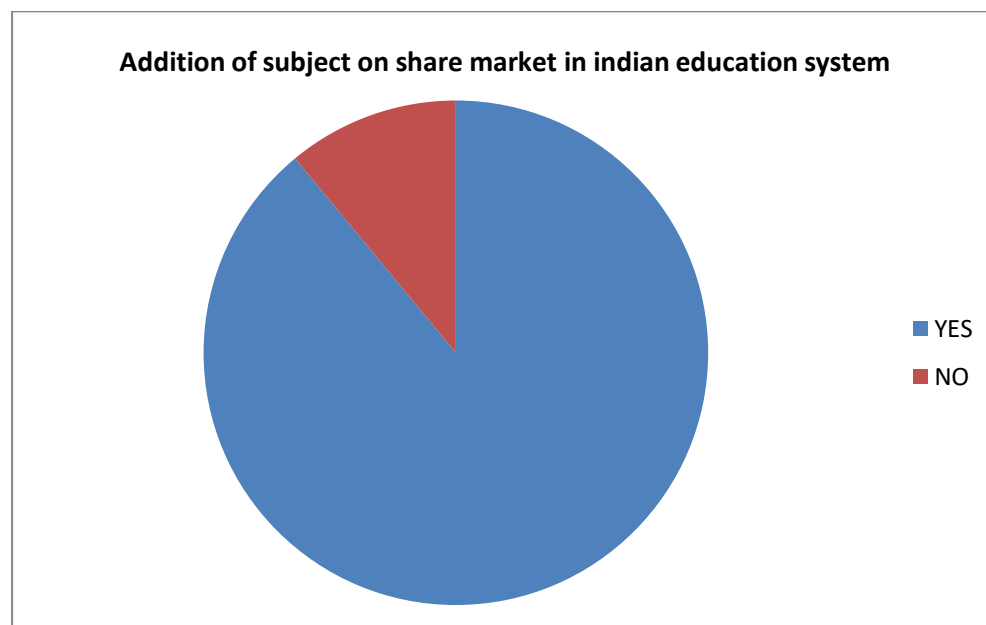


Fig 4.17 Addition of knowledge in Indian education system

HYPOTHESIS TESTING

4.2 Hypothesis

H0 NULL HYPOTHESIS

There is no association between level of financial literacy and non-investment in share market.

H1 ALTERNATIVE HYPOTHESIS

There is an association between level of financial literacy and non-investment in share market.

4.2.1 Correlation

		Correlations	
		financial literacy	non-investment
financial literacy	Pearson Correlation	1	.351**
	Sig. (2-tailed)		<.001
	N	100	100
non-investment	Pearson Correlation	.351**	1
	Sig. (2-tailed)	<.001	
	N	100	100

Correlation is significant at the 0.01 level (2-tailed)

INTERPRETATION:

From the testing the correlation we have found that there is a 0.35102951 correlation between two variables, so reject null hypothesis and accept the alternative hypothesis. There is an association between level of financial literacy and non-investment.

4.2.2 T-TEST

H0 NULL HYPOTHESIS

There is no significant difference between monthly income and investment in share market.

H1 ALTERNATIVE HYPOTHESIS

There is a significant difference between monthly income and investment in share market.

	<i>MONTHLY INCOME</i>	<i>INVESTMENT</i>
Mean	1.6	1.82
Variance	0.787878788	0.149090909
Observations	100	100
Pearson Correlation	0.053049589	
Hypothesized Mean Difference	0	
Df	99	
t Stat	-2.318223202	
P(T<=t) one-tail	0.0112473	
t Critical one-tail	1.660391156	

INTERPRETATION:

From the test, the p-value is $p < 0.05$, then we can reject the alternative hypothesis and accept null hypothesis.

CHAPTER-5

FINDINGS AND SUGGESTIONS

Based on the analysis and discussion on primary data in the previous chapter Finding, Suggestion and Conclusion of the study in logical manner.

5.1 FINDINGS

From the questionnaires the following points are found and noted

- Majority (55%) of the respondents of my questionnaire is belong to age of 20-29
- Majority (53%) of the respondents of my questionnaire is male
- Majority (63%) of the respondents of my questionnaire is under graduate.
- Majority (34%) of the respondents of my questionnaire are graduated in the branch of commerce.
- Majority (59%) of the respondents is monthly income is 20000-30000.
- Majority (93%) of the respondents has bank account.
- Majority (87%) of the respondents save money.
- Majority (39%) of the respondents invest in gold.
- Majority (63%) of the respondents aware of share market.
- Majority (41%) of the respondents have some knowledge in share market
- Majority (38%) of the respondents agree that financial illiteracy and non-investment is related.
- Majority (59%) of the respondents do not know how to open account in share market.
- Majority (91%) of the respondents do not invest in share market.

- Majority (30%) of the respondents do not invest in share market because of risk factor
- Majority (40%) of the respondents says that share market maybe a gambling.
- Majority (80%) of the respondents says that investing in share market will improve the Indian economy.
- Majority (89%) of the respondents says that it is necessary to add the syllabus of share market in educational system.

SUGGESTIONS

- We need to increase the webinars on share market because more than 30% of respondents do not aware of share market.
- We have spread awareness about modern investment and their structure and regulatory body's functions.
- We have to add syllabus on share market in educational system which will help students to live in the competitive economy.
- We have to inform about the demat account and trading account and important documents to open an account in share market because 59% of respondents do not know how to open the account in share market.
- We have to establish how share market is working because there is false acquisition that share market is gambling.
- The teachers who teaching commerce and economics in schools should have high knowledge on share market so students would gain knowledge on share market.

CONCLUSION

The share market is important to the economy which develops the economy and various sectors of economy. Every investment is inherently connected with risk. Its existence and diversity among various types of investments is one of the driving forces behind the development of the capital market. This is generally why stocks are considered riskier investments and require a higher rate of return. youngsters do not invest in market because of financial illiteracy in modern investment. Even youngsters from branch of commerce and economics do not invest in share market which is a worst thing which is happening in our society. People who are above the age of 35 believes that share market is gambling which should be resolved by contenting awareness program. From the study we found that 9% of people investing in share market out that 5% of people are from engineering background people only few are from commerce background.

Commerce background people should come forward to invest in share market which would encourage the next generation to make modern investment. 59% of people does not know how to open the demant and their purpose. This can be overcome by implementing separate subject on share market. By adding the separate subject in share market it would help to increase the investment rate in stock market and it will also help to economic growth. By this study I came across the reasons why people are not investing in share market and their attitude towards modern investment. I concluded some suggestions which will help the people to know the importance of share market. The ultimate goal is to increase the investment in share market and economic growth in India.

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QUESTIONNAIRE

STUDY ON NON-INVESTMENT NATURE IN STOCK MARKET

NOTE: THINGS ARE KEPT CONFIDENTIAL

1. NAME: _____

2. AGE

- a. 20-29
- b. 30-39
- c. 40-49
- d. 50-59

3. GENDER

- a. MALE
- b. FEMALE
- c. TRANSGENDER

4. EDUCATIONAL QAULIFICATION

- a. SSLC
- b. HSC
- c. DIPOLMAS
- d. UG
- e. PG

5. BRANCH OF QAULIFICATION

- a. MEDICAL
- b. PROFESSIONAL (LAWYER, CA, ETC;)
- c. COMMERCE
- d. ARTS
- e. ENGINEERING
- f. OTHERS

6. MONTHLY INCOME

- a. 20000-30000
- b. 30001-40000
- c. 40001-50000
- d. 50001 AND ABOVE

7. DO YOU HAVE BANK ACCOUNT?

- a. YES
- b. NO

8. DO YOU SAVE MONEY?

- a. YES
- b. NO

9. IF YES, WHAT KIND OF INVESTMENT WILL YOU DO?

- a. GOLD
- b. RD OR FD
- c. SHARES
- d. MUTUAL FUNDS
- e. BONDS
- f. OTHERS

10. ARE YOU AWARE OF SHARE MARKET?

- a. YES
- b. NO

11. WHAT IS YOUR LEVEL OF LITERACY IN SHARE MARKET?

- a. VERY HIGH
- b. HIGH
- c. NEUTRAL
- d. LOW
- e. VERY LOW

12. WHETHER FINACIAL ILLITERACY AND NON- INVESTEMENT IS RELATED?

- a. STRONGLY AGREE
- b. AGREE
- c. NEUTRAL
- d. DISAGREE
- e. STRONGLY DISAGREE

13. DID YOU KNOW THE PROCEDURE TO OPEN THE ACCOUNT IN STOCK MARKET?

- a. YES
- b. NO

14. DO YOU INVEST IN STOCK MARKET?

- a. YES
- b. NO

15. IF NO, WHAT IS REASON THAT DEMOTIVATES TO INVEST?

- a. FINANCIAL ILLITERACY
- b. LACK OF MONEY
- c. LACK OF PATIENCE
- d. TRADTIONAL INVESTMENT (GOLD, RD, FD)
- e. PAST EXPERIENCE
- f. RISK

16. DO YOU THINK SHARE MARKET IS A GAMBLING?

- a. Yes
- b. No

17. Do YOU THINK INVESTING IN SHARE MARKET WILL IMPROVE THE INDAIN ECONOMY?

a. YES

b. NO

18. WHETHER IT IS NECESSARY TO ADD THE KNOWLEDGE OF SHARE MARKET IN EDUCATIONAL SYSTEM?

a. YES

b. NO