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INVESTOR'S ATTITUDE TOWARDS EQUITY INVESTMENT IN KUMBAKONAM TOWN

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ABSTRACT

Investors are the pillars of the stock market. This study focuses the investor's attitude towards various aspects regarding to investment in equity share. This paper identifies the major factors that influence the investors' attitude in the area of equity. This study attempts to answer various unanswered questions like; for what purpose they invest in equity share; which type of risk they are facing; what are the factors influencing to invest in equity share, etc.

KEYWORDS: Investors, Equity share, Perception.

INTRODUCTION

In India, generally all the investment in share market is considered as risky one but now-a-days the trend was changed. Today all the investors expect maximum return for their investments and also equipped to take risk. So they are come forward to invest their money in share market. Share Market is only one investment avenue give higher return



compared to other investment avenues. Now Indian Equity Market is in healthy position and also it is in mounting scenario.

MEANING OF EQUITY SHARE

Shares that carry no preferential or special rights in respect of annual dividends and in the repayment of capital at the time of liquidation of the company are called equity shares. These shares carry no preferential rights; therefore, these are also known as common stock or ordinary share.

According to sec (2) of the Indian companies Act, "Equity share are those shares which are not preference share".

NEED FOR THE STUDY

This study highlights the factors influencing the attitude of investors in Equity share. It is essential for a company to identify these factors based upon which the company can attract its investors. The study of this nature is useful for the academicians to know about the recent issues on investment in shares.

OBJECTIVES OF THE STUDY

- + To study the opinion of investors about the level of return on investment in equity.
- + To find the annual investment in Equity Shares made by investors.
- + To analyse the relationship between demographic profile of investors and amount invested in equity .
- + To find the factors influencing to invest in equity shares.

LIMITATIONS OF THE STUDY

- + The present study restricted only to Equity Share.
- + Due to paucity of time the study

confined to only with 50 respondents in Mayiladuthurai town.

HYPOTHESIS:

- + There is no association between gender and Expected return on investment
- + There is no association between age and Expected return on investment.
- + There is no association between annual income and Expected return on investment.
- + There is no association between annual income and average amount invested in equity.
- + There is no association between occupation and average amount invested in equity,
- + There is no association between educational qualification and amount invested in equity

ANALYSIS AND DISCUSSION

Table-1
Demographic Profile of the Investors

Particulars	No of respondents	Percentage (%)	
Gender	Male	40	80
	Female	10	20
	Total	50	100
Age	20-30	10	20
	31-40	24	48
	41-50	14	28
	>50	2	4
	Total	50	100
Annual Income	< 1,00,000	2	4
	1,00,001-3,00,000	4	8
	3,00,001-5,00,000	4	8
	Above 5,00,001	40	80
	Total	50	100
Educational Qualification	Up to HSE	2	4
	UG	4	8
	PG	26	52
	Others	18	36
	Total	50	100
Occupation	Agriculturists	2	4
	Monthly salaried	6	8
	Business	26	52
	Professional	18	36
	Total	50	100

Source: primary data

Table 1 states the demographic background shows 80% of the investors are male and the remaining are female. Among the 50 respondents, 48% of the respondents are in the age group of 31 – 40 and 28% of investors are in age group of 41 – 50. Out of 50 sample 80% of investors earned 3,00,001 – 5,00,000 rupees. Likewise 72% of investors are qualified with PG. The majority of investors were doing business they occupied 52% total investors.

Table -2
Association between Gender and Expected Return on Investment

Particulars	Return on investment			Total
	High	Medium	Low	
Male	10	24	6	40
Female	4	4	2	5
Total	14	28	8	50
Chi-x2 value =2				
d.f=2				
Significance =5%				

Source: primary data

Table 2 shows the association between gender and expected return on investment towards the equity share. The above chi-square analysis reveals that the calculated value being 2 smaller than the table value 5.99 @ 5% level of significance with d.f=2. Therefore the null hypothesis was accepted. Hence there is no association between the gender and expected return on investment.

Table -3
Association between Age and Expected Return on Investment

Particulars	Return on Investment			Total
	High	Medium	Low	
20-30	4	6	0	10
31-40	6	14	4	24
41-50	2	8	4	14
>50	0	2	0	2
Total	12	30	8	50
Chi-x2 value =2.51				
d.f=6				
Significance =5%				

Source: primary data

Table 3 shows the relationship between age and return on investment towards the equity share. The above chi-square analysis portrays that the calculated value be 2.51 is smaller than the table value 12.59 @ 5% level of significance with d.f=6. Therefore the null hypothesis is accepted. Hence there is no association between the age and expected return on investment.

Table -4
Association between Annual Income and Expected Return on Investment

Particulars	Return on Investment			Total
	High	Medium	Low	
Less than 1,00,000	0	2	0	2
1,00,001-3,00,000	0	2	2	4
3,00,001-5,00,000	0	4	0	4
Above5,00,001	12	22	6	40
Total	12	30	8	50
Chi-x2 value =4.35				
d.f=6				
Significance =5%				

Source: primary data

Table 4 shows the association between annual income and return on investment towards the equity share. The above chi-square analysis shows that the calculated value 4.35 is smaller than the table value 12.59 @ 5% level of significance with d.f =6. Therefore the hypothesis is accepted. Hence there is a no association between the age and expected return on investment.

Table -5
Association between Annual Income and Amount Invested in Equity

Particulars	Amount Invested in Equity				Total
	<20	21-30	31-40	>40	
< 1,00,000	2	0	0	0	2
1,00,001-3,00,000	0	2	0	2	4
3,00,001-5,00,000	0	2	2	0	4
Above5,00,001	0	0	0	40	40
Total	2	4	2	42	50
Chi-x2 value =56.09					
d.f =9					
Significance =5%					

Source: primary data

Table 5 shows the association between annual income and return on investment towards the equity share. The above chi-square analysis inferred that the calculated value 56.09 is smaller than the table value 16.91@ 5% level of significance with d.f =9. Therefore the null hypothesis is rejected. Hence there is an association between the annual income and amount invested in equity.

Table -6
Association between Educational Qualification and Amount Invested in Equity

Particulars	Amount Invested in Equity				Total
	<20	21-30	31-40	>40	
Up to HSE	0	0	0	2	2
UG	0	0	0	4	4
PG	0	2	0	24	26
Others	2	2	2	12	18
Total	2	4	2	42	50
Chi-x2 value =8.61					
d.f =9					
Significance =5%					

Source: primary data

Table 6 shows the association between annual income and return on investment towards the equity share. The above chi-square analysis reveals that the calculated value 8.61 is smaller than the table value 16.91 @ 5% level of significance with d.f =9. Therefore the null hypothesis is accepted. Hence there is no association between the educational qualifications and return on investment.

Table-7
Association between Occupation and Amount Invested in Equity

Particulars	Amount Invested in Equity				Total
	<20	21-30	31-40	>40	
Agriculturists	0	0	0	2	2
Monthly salaried	2	0	0	6	8
Business	0	4	2	30	36
Professional	0	0	0	4	4
Total	2	4	2	42	50
Chi-x2 value =4.39					
d.f =9					
Significance =5%					

Source: Primary data

Table 7 shows the association between occupation and return on investment towards the equity share. The above chi-square analysis reveals that the calculated value 8.61 is smaller than the table value 16.91 @ 5% level of significance with d.f =9. Therefore the null hypothesis is accepted. Hence there is no association between the occupation and return on investment.

Table - 8
Factors influencing to invest in Equity share

S.No	Factors	RANK								TOTAL	MEAN	RANK
		I	II	III	IV	V	VI	VII	VIII			
1	Brokers	20 (160)	10 (70)	-	-	5 (20)	5 (15)	-	10 (10)	50 (275)	34	I
2	Friends and Relatives	5 (40)	10 (70)	10 (60)	5 (25)	5 (20)	5 (15)	10 (20)	-	50 (250)	31	III
3	Advertisement	-	5 (35)	10 (60)	10 (50)	10 (40)	6 (18)	5 (10)	4 (4)	50 (217)	27	IV
4	Return on Investment	5 (40)	10 (70)	10 (60)	10 (50)	10 (40)	-	5 (10)	-	50 (270)	33	II
5	Dividend Policy	5 (40)	-	10 (60)	5 (25)	-	10 (30)	10 (20)	10 (10)	50 (185)	23	VIII
6	Growth prospectus of the Company	5 (40)	5 (35)	-	10 (50)	10 (40)	14 (42)	-	6 (6)	50 (213)	26	V
7	Liquidity of shares	5 (40)	5 (35)	-	5 (25)	10 (40)	5 (25)	10 (20)	10 (10)	50 (195)	24	VII
8	Expected earnings of the company	5 (40)	5 (35)	10 (60)	5 (25)	-	5 (15)	10 (20)	10 (10)	50 (205)	25	VI
TOTAL		50	50	50	50	50	50	50	50			

Source: Primary data

The above table provides the complete information about the factors influencing to invest in Equity share. There are various factors influencing it among those Brokers occupies the First Rank, because Brokers and Broking firms play a vital role in investment in Share Market. Return of Investment ranked II, Friends and Relatives ranked III, Advertisement ranked IV, Growth and Prospectus ranked V, Expected Earning ranked VI, Liquidity of Shares ranked VII, and finally Dividend Policy stands last rank.

FINDINGS

The major findings of the study are as follows

- ✦ The maximum number (48%) of investors who are investing in equity shares coming under the age group of 31–40.
- ✦ It was found that 72% of investor's educational qualification was PG. It was inferred that 52% of respondents were doing business.
- ✦ It was found that the investors who are investing in equity share only for high return.
- ✦ It was inferred that majority of investors invest more than Rs. 40,000 in Equity share and they expects medium return.
- ✦ It was found that all the investors were doing online trading and the majority of investors investing in Retail Company.
- ✦ It was found that there was no association between Age, Gender, and Expected Return on Investment.
- ✦ It was found that there was no association between Annual Income and Return on Investment.
- ✦ It was found that there was an association between Annual Income and Average Amount Invested in Equity.
- ✦ It was found that the Broker occupies the first rank in the study area.

SUGGESTIONS:

From the above survey, many of the female investors have the fear of loss of investment they need knowledge and awareness about their investment in stock market. So each and every broking firms has conduct awareness programs frequently. Advertisement plays an important role in creating awareness on investment in share market so more weightage may be given for advertisement for increase the investment decisions of investors in share market.

CONCLUSION:

This study helps to know the current investment trend in share market especially in Equity Market. It was clearly seen from this study most of the investors habitually invest in share market but they expect medium return. All the investors have adequate knowledge about their investment in share market but they don't watch fluctuation in the price of shares. This is the only reason to them to choose less risky and more profitable instruments. The investor should track the market environment with sound knowledge about an equity would result in better return.

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