

# Understand the Perception of the General Public towards Stock Market

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**Abstract – The globalization of financial markets has been raising the dimensions of the town of list investors' over the past 2 years by giving a multitude of the market as well as investment choices. Hence, it will make the investment choices of their process more complicated. The elements influencing investor's perception are actually returning on risk, market trend, or investment, short term profitability, cost of the share, dividend policy, past economic performance, company reputation, the standing of the board, present earnings of the business as well as an expert opinion. A quantitative strategy continues to be utilized by ascertaining variables and utilizing statistical methods to recognize the perception of the general public. The foundation has been supplied for future investigation depending on the important principles of the study.**

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## I. INTRODUCTION

A stock market is actually an area in which long term capital is actually raised by commerce and industry, local authorities and the federal government and it's regarded as capital market. The cash derives from private investors, insurance companies, pension funds as well as banks and it is generally placed by issuing homes as well as merchant banks. Stock exchanges will also be part of the capital market which offers a market for the shares as well as loan which stand for the capital when it's been raised. Stock market is an area in which the securities may be offered as well as bought at an agreed value. Indian stock market is actually probably the oldest stock market incorporated in 1875. The term investment refers to the commitment of funds at present in anticipate several good rates of return in the future course of time. At this time there are 3 kinds of investors namely traditional investors, aggressive and moderate investors. Additionally, there are various avenues attainable to commit for investor's namely company securities, equity shares, preference share, debentures/ bonds/ ADRs/ GDRs, mutual funds, etcetera. The investor is able to get training about the investment of theirs out of financial institutions, financial markets, media etc.

With all the increasing speed of Investment options accessibility in the market the awareness, as well as understanding amount of the Investors, also has improved many folds. A person typically prepared to relocate the surplus selection of theirs of money with the Government Securities, Banks, as well as LICs while they were being recognized as a secure method of maintaining the savings and additionally to generate a good return on the deployed funds. slowly

the scenario has taken a change which results in the launch of market linked securities with reasonable part of other investment possibilities and risk with adaptable level strategy. This gave a chance to a private investor excessively different his/her portfolio to generate a better rate of return with a calculated level of risk. slowly the shift is being found in the dynamics of Investors towards the investment pattern of theirs. Of the 1980's the noise of Stock Market operations had become prominent among the society. With a little hesitation, people began shelling out the little part of their earning into the share buying with a sense of having a quick and optimum return in a quick span of time. Over a period, it's being recognized that the Stock Market makes the footage of it's as an identity of Market which provides optimum return but with abundant part of the risk in a quick span of time.

## II. LITERATURE REVIEW

**Dr. M.Malathy, Saranya.J (2017)** The globalization of financial markets has been raising the dimensions of the town of list investors' over the past 2 years by giving a multitude of market as well as investment choices. Hence, it will make the investment choices of theirs process more complicated. The elements influencing investor's perception are actually returning on risk, market trend, or investment, short term profitability, cost of the share, dividend policy, past economic performance, company reputation, standing of the board, present earnings of the business as well as expert opinion. This particular analysis

concentrates the primary factors influencing investor's perception.

**C.Kavitha (2015)** The researcher was influenced by the continual lack of hometown investors participating on the National Stock Exchange (NSE), the large spread ignorance regarding financial assets as well as the constant purchase of stocks without any info known about them by majority of individuals of the nation in addition to the large gap between the rich that invest in stocks as well as the poor that continually make losses in the actual investment industry. The study was guided by goals with an objective of tracking investor's perceptions and perceptions towards stock market investments. A sample of 125 respondents was utilized as well as the findings analysed utilizing SPSS. The study used a cross-sectional survey style with the application of qualitative and quantitative details. The study might also make use of descriptive and correlation techniques to set the interactions amongst the analysis variables. The study made a few suggestions among which to boost investor awareness as a means of encouraging community investors to list on the stock exchange. The regulatory authorities should get better on the effectiveness of theirs to boost the confidence of the nearby investor. Moreover, they need to bring in investor rewards to enhance the volumes traded on the exchange with an evaluation of The stock market laws with a view to make them stronger plus more appealing to hometown investors.

**Geetha N, & Ramesh M. (2012)** - "A Study on Relevance of Demographic Factors in Investment Decisions" studied the Relevance of Demographic Factors in Investment Decision and also reveals that there's significant connection between the market things for example gender, age, education, occupation, annual savings and annual income with the sources of awareness obtained by the investors.

**Shanmugasundaram, 2011)** examined the effect of behavioural dimensions of investors in Capital market and discovered that investor choices are actually affected by mental aspects in addition to behavioural dimensions and this mental outcome is actually produced by the worry of losing cash, unexpected decline of stock indices, lack and greed not enough self-belief about the decision making ability of theirs.

**R. dhivya and Sekar (2010)** have studied the investor's preference towards economic investment of Coimbatore district with a sample color of sixty respondents. The primary goal of the analysis was studying the elements influencing the investment choice of an investor as well as in order to determine the info resources influencing the option of a specific financial instrument and additionally to figure out the amount of correlation between yearly savings and yearly income. The results have revealed a high level of correlation between yearly savings and yearly

income and furthermore, the amount of expertise associated with investment choices is pretty high among the respondents.

**G. Prageetha Raju (2009)** had been carried through in Hyderabad have examined the possibility of e broking as well as the preference of investors in picking a brokerage firm with the assistance of regression analysis and the other related test. The study has examined the elements which primarily impact the option of an investor in the choice of a brokerage firm. The primary elements which influence an investor to take choice regarding brokerage firm had been the accessibility as well as dependability.

### III. RESEARCH METHODOLOGY

#### Scope of the Study

The scope of this particular study is usually to determine the relationship between different variables that impact the perception of the general public of stock market as being a gambling den.

The scope for more analysis is actually finding out the relation between the investors actions of the stock market to the perception of the general public and an in-depth research of the causes for this kind of perception of general public.

#### Methodology

A quantitative approach continues to be utilized by ascertaining variables and utilizing statistical methods such as for instance chi-square cross-tabulation analysis to recognize the perception of the general public.

#### Sample Size

The sample size is actually 200. The whole sample was used for processing data. The arbitrary sampling strategy was utilized.

#### Limitation of the study

Only a small analysis might be undertaken because of the paucity of different issues knowledge and time by general public. The sample is actually made up of pupils, consequently, the diversity in age is actually a limitation of the study.

The above-mentioned table shows the relation between Variable four - Variable five & six. It's discovered that the variables are connected to one another as the p great is 0.013 as well as 0.1029 respectively that is under 0.5. Thus, the analysis shows that there's a good relationship between the fundamental and technical information of the

investing public and they are prepared to find out about the stock market.

#### IV. FINDINGS OF THE STUDY

Null Hypothesis being – There is no relations between the two variables

Alternate Hypothesis being – The variables are interrelated with each other.

The variables statistically studied in the study are as follows:

**Table 1 – Variables**

Serial No.	Variables
Var 1	General public does consider channelizing funds into the stock market.
Var 2	General public perceives stock market as a gambling den (satta bazaar).
Var 3	General Investor is in profit or loss overall?
Var 4	Investors have a fair knowledge about the fundamental forces like inflation, trends, liquidity of the script that influences the stock price.
Var 5	The investing public is willing to learn about the forces that trigger price movements in the stock market.
Var 6	Investors have a fair knowledge about the technical forces like EPS, P/E Ratio, financial factors that influences the stock price.
Var 7	The investing public is comfortable facing financial losses while investing in stock market.
Var 8	Investors book losses immediately when prices of their stocks invested goes down

**Table 2 – Attitude of General Public**

Serial No.	Variables Cross-Tabulated	P Value	Degree of Freedom	Hypothesis Accepted
1	Var 1 – Var 2	0.091	12	Alternate

The above-mentioned table shows the relation between Variable one & Variable two. It's discovered that the variables are connected to one another as the p great is 0.091 that is under 0.5. Thus, the analysis shows that regardless of the reality that general public considers stock market as a gambling den, they think about channelizing money of the stock market.

**Table 3 – Effect of Technical Knowledge**

Serial No.	Variables Cross-Tabulated	P Value	Degree of Freedom	Hypothesis Accepted
1	Var 3 – Var 6	0.003	16	Alternate

The above-mentioned table shows the relation between Variable three & Variable six. It's discovered that the variables are connected to one another as the p great is 0.003 that is under 0.5. Thus, the analysis shows that there's a good relationship between the specialized information of

the investing public and the general income of theirs or maybe losses experienced by them.

**Table 4 – Willingness to Learn**

Serial No.	Variables Cross-Tabulated	P Value	Degree of Freedom	Hypothesis Accepted
1	Var 4 – Var 5	0.013	16	Alternate
2	Var 5 – Var 6	0.029	16	Alternate

The above-mentioned table shows the relation between Variable four - Variable five & six. It's discovered that the variables are connected to one another as the p great is 0.013 as well as 0.029 respectively that is under 0.5. Thus, the analysis shows that there's a good relationship between the fundamental and technical information of the investing public and they are prepared to find out about the stock market.

**Table 5 – Comfort of facing financial losses**

Serial No.	Variables Cross-Tabulated	P Value	Degree of Freedom	Hypothesis Accepted
1	Var 7 – Var 8	0.316	16	Alternate

The above-mentioned table shows the relation between Variable seven - Variable eight. It's discovered that the variables are connected to one another as the p great is 0.316 that is under 0.5. Thus, the analysis shows that there's a good relationship between the convenience of investors while booking monetary losses which proves the power of theirs to recognize the stock market as well as guide losses in which the script is actually analysed to take a further dip of cost.

Thus, it's discovered that the general public thinks of the stock market as being a gambling den. This's found by utilizing statistical method i.e. chi-square analysis by finding out the relation between variables like the perception of public with the information of theirs regarding the stock market, the willingness of theirs to learn to commit and the ability of theirs to recognize the market.

#### V. CONCLUSION

The results certainly suggest that there's a tremendous connection between the investors' perceptions as well as stock market investments. The greater optimistic attitude enhancement techniques are actually released, the more it's simple for regional investors to invest in the stock market. Additionally, there's a tremendous connection between the nearby investor's perception of stock market laws as well as the Intention of theirs to take part for NSE. To have more area investors participating in the NSE, efforts must be directed towards more potent

Regulation as well as the development of much more awareness.

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