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A Study On Investors Perception Towards The Stock Market Investment In India With Reference To Private Sector Salaried Employees In Pune City.

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Abstract:

Salaried employees, in general, have fix flow of income & their investment patterns are found also different. Pune is the city where people from all around the country come for their job. There are a lot of private organizations giving employment to them. In connection with this Researcher has tried to find out the perception of private salaried employees in the Pune region towards the stock market investment in India. For this purpose, data that has been collected through the structured questionnaire made from 200 respondents who are working as salaried employees in Private Sector in Pune City. It is found from the research that there is a very significant difference among the male and even the female as well as respondents of different age groups with respect to the preference of stock market investment.

Keywords: Investment, Stock Market, Attitude, Pune City etc.

Introduction:

A stock market is a place in which the long-term capital is also raised by the industry and even commerce, the government and even the local authorities and it is also regarded as the capital market. The money derives are from various private investors, insurance companies, pension funds and even banks that are usually arranged by issuing the houses and various merchant banks.

Stock exchanges are also termed as a part of the capital market which even provides a market made out for the shares and even the loan that represents the capital once which it has raised. A stock market is a place where there are securities that can be sold and also be purchased at an agreed price. Indian stock market is termed as the oldest stock market which was incorporated in 1875. The term investment also refers to the commitment made out of the funds at present in the anticipation of some positive rate of return made in the future course of time.



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There are other three types of investors i.e. namely

- Conservative investors
- Moderate
- Aggressive investors.

Various avenues are available to invest in the investor's namely i.e. corporate securities, preference share, equity shares, mutual funds, debentures/ bonds/ ADRs/ GDRs, etc. The investor can also get an education which is based on their investment made from the financial institution, financial markets, and media.

With the growing pace of Investment alternatives available in the market, the awareness and knowledge level of the Investors have also increased many folds. An Individual usually is willing to relocate their surplus amount made out of funds with the Government Securities, Banks, and even LICs as they were being recognized as a safe mode of keeping the savings and also to earn the decent return made on the deployed funds.

Gradually the scenario has taken a shift which leads to the introduction of market-linked securities with a moderate component of risk and other investment opportunities with the flexible level approach. This allowed an individual investor to diverse his/her portfolio to earn a higher rate of return with a calculated amount of risk. Gradually the shift is being observed like Investors towards their investment pattern. During the 1980s the noise of Stock Market operations had become prominent among society. With a minute hesitation, even individuals started shelling out the small part of the segment of their earning into the share which is been purchased with a feel of having them fast and maximum return made in a short period.

Over a period it was being realized that the Stock Market has been made its footage as an identity made on the Market which also gives maximum return but with the rich set of a component of risk in a shorter period. On the accounts of understanding the behavior of investors in the stock market, a large number of studies have been carried out in India. Though there are no conclusive results yet they provide the general base to further investigate the pattern in this contemporary field of research.

Literature Review:



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According to Sangeeta Johari et al. (2015) investing prudently, is an important part made on financial security. An Individual is always seeking such an investment alternative which also gives them maximum and even faster returns. As it is a well-known fact that even more returns are being accompanied by more risk. The one such alternative of this kind i.e. a faster set of returns with more chances of risk made in the investment in the stock market. It is also being observed over a period of time that even the individuals are been attracted towards the stock market caused due to the liquidity and even multifold returns, although there is a proportion of loss made on the funds which are been invested by the investors and it is also termed as very high at some instances.

Thus their study was a small attempt made to analyze the basic psychology of an Investor towards the stock market and other parameters and factors related to it. The study is based on the rationale behind to analyze the basic facts and the ideologies of an investor which is carrying and is about the stock market in general and in specific. For this purpose of the study, Primary data has been gathered from the various cross-section society of the Bhopal region by using systematic random sampling. Data has also been analyzed with the help of the descriptive analysis and the regression analysis.

C. Kavitha (2015) has also inspired all by the persistent lack of local investors which are participating in the National Stock Exchange (NSE), there is a widespread ignorance which is brought about with the financial assets and there is a continuous purchase made of the stocks with no information which is known and is about with them by most people in the country plus there is a wide gap which is carried between the rich who actually invest in the stocks and the poor who continuously make the losses in the real investment industry. Her study was also guided by various objectives to track the investor's attitudes and even in perceptions made towards the stock market investments

[1]Sangeeta Jauhari, Deepti Maheshwari, et. Al. (2015), "Perception of Investors in Stock Market: A Case Study of Bhopal Region", Research on Humanities and Social Science, Vol.5, No.13, pp 103-125.

A sample of 125 respondents was been used and the findings analyzed using SPSS. The study was used for cross-sectional survey design and with the application of quantitative and qualitative data. The study may also be used with the descriptive and even with the correlation approaches made to establish the relationships which are carried amongst the study variables.



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In her study, she also made several recommendations that are carried out to increase investor awareness as a means of encouraging the local investors to list on the stock exchange made. The regulatory authorities should also improve their performance to increase the confidence level of the local investor. Furthermore, they should also introduce their new investor incentives which are made to boost the volumes that are been traded on the exchange with a review of the stock market regulations to make them stronger and more attractive to the local investors.

According to N Renuka (2017), the investor plays a very important role in the stock market which is because of their big share made on the savings of the country. The Regulators of the stock market will never ignore the behavior made of the individual investor. This study also aims to understand the behavior made of the individual investor in the stock market, specifically their attitude and the perception with respect in the stock market. Investment in the stock market has become a common phenomenon for all individuals. The growth of the stock market also contributes to the National economic growth only when there is a growth that translates it into the increased mobilization of resources, return made from the investment, and also in minimizing the risk which is been attached to the stock market investment made. The investors are selected randomly with the aid of stock broking firms. The analysis is been divided into two parts. The profiles of the investors are also been examined through the percentage analysis and in the second part their perception which is made towards the reason for the investment in the stock market.

[1] C. Kavitha, (2015), "Investors attitude towards stock market investment, International Journal of scientific research and management (IJSRM), 3(7), 3356-3362"

[1] N. Renuka, "A study on investor attitude towards stock market investment, International Journal of Advancement in Engineering Technology, Management and Applied Science (IJAETMAS), 4(1), pp 118-126."

The scrutiny made of the perception also exhibits the main reason for the investment in the stock market is Return on Investment, liquidity and even tax benefits. The investors are selected randomly with the aid of stockbroking firms. The analysis is been divided into two parts. The profiles of the investors are also been examined through the percentage analysis and in the second part their actual perception which is made towards the reason for the investment in the stock market. The scrutiny is made of the perception



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also exhibits the main reason for the investment in the stock market is Return on Investment, liquidity and even tax benefits.

According to N.S.V.N. Raju and Anita Patra, (2016), Today in the field of investment it is even more dynamic than it was a decade ago. World events are growing drastically which alters the various values of the specific assets. The investors have made many assets to choose from, and the actual amount of the information made available to the investors which are staggering and continually growing.

The key to a successful financial plan is made to keep it apart from a larger amount of savings and even to invest it intelligently. These investments are not safe from risks, so one should try to understand what kind of risks are related to them before taking action. To understand the characteristics of each one of has different types of investment Investors must have enough financial knowledge.

The study also examines that the level of the importance is assumed by the various investors on the various investment objectives which are based on the demographic variables and selective factors. Research has been done on the selected areas of Visakhapatnam District (A.P.) with the actual help of the primary data that has been collected using a structured questionnaire by adopting a five-point Likert scale and has been analyzed by using the percentage method, Chi-Square test, weighted average ranking method. Primary data is also been collected from 200 respondents by using the convenience sampling method and it has been reviewed with the related research papers for the conceptual understanding.

According to Charkha, Sanket & Lanjekar, Jagdeesh, (2018) investment is a type of activity that is also engaged in by the people who have to do the savings i.e. investments that are made from their savings, or in other words, it is the people who invest their savings.

A variety of different investment options are easily available with the bank, i.e.

- Gold
- Real estate
- Post services
- Mutual funds



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Investors are always trying to invest their money with different types of purposes and objectives such as profit, security, appreciation, Income stability. The researcher here in this paper has studied the different types and the avenues made of the investments as well as various factors that are required while selecting the investment with the sample size of 60 salaried employees by actual conducting of the survey through a questionnaire in Pune city of, India.

The present study also identifies the preferred investment avenues which are made among the individual investors via using their self-assessment test. The researcher has also analyzed and has found that salaried employees are considered as safety as well as a good return on investment that is been invested regularly. Respondents are much more aware of the different investment avenues that are available in India except for female investors.

This Current study also deals with the Saving and Investment Pattern of Salaried Class People with Special Reference to Pune City (India).

[1] NSVN Raju and Dr. Anita Patra (2016), "A Study on Investor's Attitude towards Investment in Equity Stocks with Reference to Visakhapatnam District (Andhra Pradesh)", International Journal of Latest Technology in Engineering, Management & Applied Science (IJLTEMAS), Volume V, Issue XI, November 2016 | ISSN 2278-2540. Pp 94-99.

[1] Charkha, Sanket & Lanjekar, Jagdeesh. (2018). Research Paper - "A STUDY OF SAVING AND INVESTMENT PATTERN OF SALARIED CLASS PEOPLE WITH SPECIAL REFERENCE TO PUNE CITY (INDIA)"., https://www.researchgate.net/publication/326292735_Research_Paper_-_A_STUDY_OF_SAVING_AND_INVESTMENT_PATTERN_OF_SALARIED_CLASS_PEOPLE_WITH_SPECIAL_REFERENCE_TO_PUNE_CITY_INDIA

Statement of Problem:

Salaried employees, in general, have fix flow of income & their investment patterns are found also different. Pune is the city where people from all around the country come for their job. There are a lot of private organizations giving employment to In connection with this Researcher has tried to find out the perception of private salaried employees in the Pune region towards the stock market investment in India. It will also be helpful to analyze the investment preferences made of the salaried employees. The research



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paper will also become the helping hand to the research scholars as well as students made for their further studies in their respective area

Objectives of the Study:

1. To Study the investment preference which is among the salaried people working in different Private sectors in Pune City, Maharashtra, India towards the stock market investments.
2. To Analyze the factors that are influencing various investment behaviors of the salaried employees.
3. To Evaluate the association carried between demographic variables and stock market investment preference of the salaried employees.

Hypothesis of the Study:

The following hypotheses have been framed for the study:

1. There is significant association made between the preference of stock market investment among male and female investors.
2. There is no significant association made between the preference of stock market investment among male and female investors.
3. There is association between preferences of stock market investment among investors of different age groups
4. There is no association between preferences of stock market investment among investors of different age groups.

Scope of the Study:

This study is also focusing on the preference of stock market investments by private salaried class people in Pune city only and it will also be helpful to analyze the attitude of private salaried class employees towards stock market investments.



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Research Design:

The present study was descriptive to the extent of measuring the level of awareness made of the private salaried employees and their attitudes towards the Stock Market investments.

Data Collection:

The study has used both primary and secondary data:

Primary Data: Primary Data has been collected from private salaried employees working in Pune city through a structured questionnaire.

Secondary Data: Secondary Data was collected from various books, reports, journals, newspapers and the other form of electronically stored information like the internet and other data accounts. Also, relevant literature has been reviewed to provide a basis for the interpretation made on the responses

Sampling Unit:

Sampling Unit consists of 200 respondents who are working as a salaried employee in the Private Sector in Pune City.

Sample Size:

Data has been collected through the structured questionnaire from 200 respondents who are working as a salaried employee in the Private Sector in Pune City.

Analysis Tools: The data collected is sorted out and has been analyzed systematically through graphical representation and the hypothesis has been testing using One-Way ANOVA.

Data Analysis and Interpretation

After analyzing the demographic profile is made of the respondents, it was observed that 55% of respondents are males. 28% and 44% of the respondents fall in the age group of 25-30 years and 31-40 years respectively. Around 41.50% of respondents have an annual income of Rs. 5-10 lakhs.



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The majority of the respondents are married.

Table 1: Demographic characteristics of respondents

Variable		Frequency	Percentage
Gender	Male	110	55.00%
	Female	90	45.00%
Age	25-30	56	28.00%
	31-40	88	44.00%
	41-50	41	20.50%
	51 and Above	15	7.50%
Annual Income (Rs.)	Up to Rs. 2,00,000	14	7.00%
	Rs. 2,00,000 - Rs. 5,00,000	57	28.50%
	Rs. 5,00,000 - Rs. 10,00,000	83	41.50%
	Rs. 10,00,000 - Rs. 15,00,000	23	11.50%
	Above Rs. 15,00,000	23	11.50%
Marital Status	Married	144	72.00%
	Unmarried	56	28.00%

Considering the overall investment pattern of respondents it is found that the majority of the respondents i.e. 38% prefer to invest in Shares, followed by 20% of respondents who prefer to invest in Bonds being considered less risky. 17% of respondents prefer to invest in Debentures, followed by 13% in Fixed Deposits and 12% in Mutual Funds.

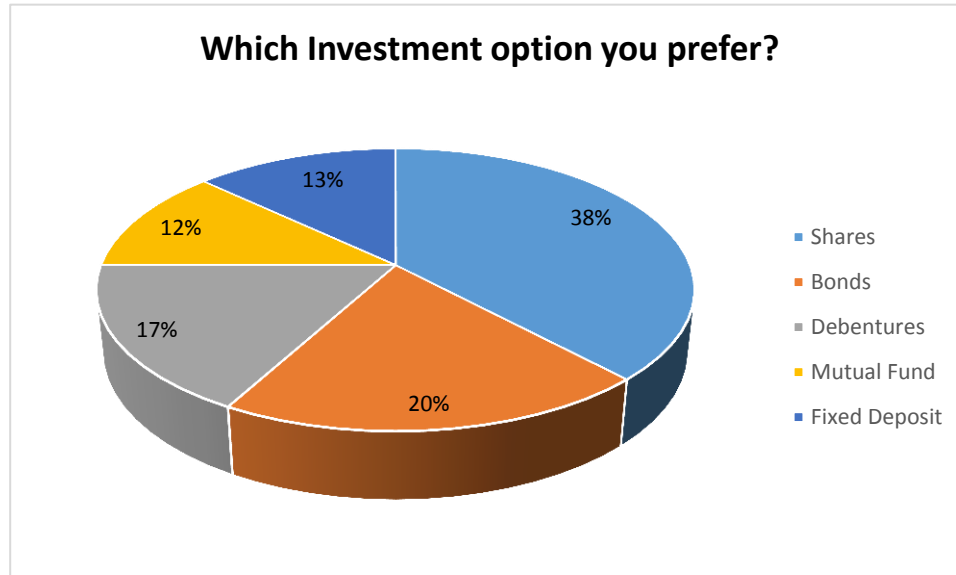


Fig. 1 Investment options preferred by salaried employees.

To test the hypothesis "There is no significant association made between the preference of stock market investment among both the male and female investors" Chi-square test is applied on Gender and Investment Option. The result also shows that the majority of the male respondents prefer to invest in risky investments like shares, Bonds, and Debentures but the majority of the females have preferred to invest in Mutual Funds and Fixed Deposits being the investment less risky.

Table 2 Gender * Investment Option Cross tabulation

Count

		Investment Option					Total
		Share	Bonds	Debentures	Mutual Funds	Fixed Deposits	
Gender	Male	54	18	19	9	10	110
	Female	22	22	15	15	16	90
Total		76	40	34	24	26	200



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Table 3 Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	15.383 ^a	4	.004
Likelihood Ratio	15.685	4	.003
Linear-by-Linear Association	10.949	1	.001
N of Valid Cases	200		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 10.80.

Table 3 represents the Chi-Square test where the X^2_{cal} value obtained between gender and investment option is 15.383 ($X^2_{cal} = 15.383$), and the p-value obtained is 0.004 which is less than the alpha value of 0.05 i.e. 95% confidence level (p-value < 0.05), therefore the null hypothesis i.e. There is no significant association made between preference of stock market investment among both the male and female investors is rejected and it is concluded that there is significant difference in investment attitude among male and female.

To test the hypothesis "There is no association between preferences of stock market investment among investors of different age group" one-way ANOVA test is applied taking age as fixed factor and Investment option as a dependent factor, where the following result is obtained:

Table 4 ANOVA

Investment Option



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	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	230.998	3	76.999	86.874	.000
Within Groups	173.722	196	.886		
Total	404.720	199			

Table 4 gives the ANOVA value i.e. F-value of 86.874 and the p-value of 0.00 at a 95% level of confidence where alpha value is 0.05. It is found that the p-value calculated is 0.00 which is less than the alpha value of 0.05 ($p < 0.05$) which rejects the null hypothesis, hence it is concluded that there is a significant difference between preferences of investment among investors of different age group.

Conclusion:

From the above analysis, it was found that most of the investment in various investment avenues are made by working adults in the age group of 31 to 40 years followed by working adults of the age group 41 to 50 years. The working adults earning annually between Rs. 10 to 15 lakhs prefer investing more in those investment instruments which offer more returns and are riskier whereas working adults earning up to Rs. 2 lakhs prefer investing in safe investment instruments. Females prefer Mutual funds and fixed deposit products whereas males prefer shares, bonds, and debentures. Married respondents prefer safe investment instruments whereas unmarried respondents prefer Shares and Mutual Funds which offer more returns and are riskier. After hypothesis testing, it is found that there is a difference in the investment attitude of respondents as per age and gender.

The above research and analysis depict the investment preferences of today's working adults. This research can be helpful to different investment firms to target the right population to offer their investment instruments and decide their policies accordingly.

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