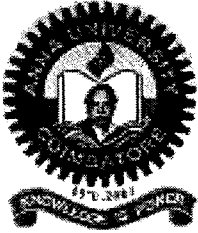


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**A STUDY ON CAPITAL MARKET AWARENESS AMONG THE
TEACHERS OF VARIOUS ENGINEERING COLLEGES AND
MANAGEMENT SCHOOLS IN PONDICHERRY**

By

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Of

**DEPARTMENT OF MANAGEMENT STUDIES
KCT BUSINESS SCHOOL
KUMARAGURU COLLEGE OF TECHNOLOGY
COIMBATORE.**

A PROJECT REPORT

Submitted to the

FACULTY OF MANAGEMENT STUDIES

In partial fulfilment of the requirements

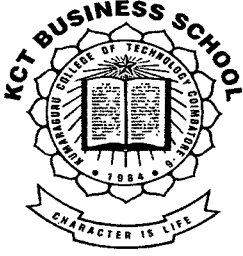
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Bonafide Certificate



KCT BUSINESS SCHOOL
DEPARTMENT OF MANAGEMENT STUDIES
KUMARAGURU COLLEGE OF TECHNOLOGY
COIMBATORE.

BONAFIDE CERTIFICATE

Certified that this project entitled '**CAPITAL MARKET AWARENESS AMONG THE TEACHERS OF VARIOUS ENGINEERING COLLEGES AND MANAGEMENT SCHOOLS IN PONDICHERRY**' is a bonafide work of **Mr. N.JAYAPRAKASH (Reg No: 0820400012)**, who carried out this research under my supervision. Certified further, that to the best of my knowledge the work reported herein was not from part of any other project report or dissertation on the basis of which a degree or award was conferred on an earlier occasion on this or any other candidate.

PROJECT GUIDE

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Evaluated and Viva-Voce held on.....14.06.10.....

EXTERNAL EXAMINER


INTERNAL EXAMINER

Dated: 19th April 2010
Pondicherry.

TO WHOMSOEVER IT MAY CONCERN

I am hereto inform you that **Mr. N.JAYAPRAKASH** (08MBA12) from **KCTBS**, has successfully completed the Final year **MBA** project in Unicon Investment Solutions for a period of 19th March 2010 To 20th May 2010.

Regards


Rajeev Ranjan Singh
(Branch Manager)





Acknowledgement

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DECLARATION

I, hereby declare that this project report entitled as “**A STUDY ON CAPITAL MARKET AWARENESS AMONG THE TEACHERS OF VARIOUS ENGINEERING COLLEGES AND MANAGEMENT SCHOOLS IN PONDICHERRY**”, has undertaken for academic purpose submitted to Anna University in partial fulfilment of requirement for the award of the degree of Master of Business Administration. The Project report is the record of the original work done by me under the guidance of Mrs.R.Hemalanini, during the academic year 2009 - 2010.

I, also declare hereby, that the information given in this report is correct to the best of my knowledge and belief.

Place: COIMBATORE

Date: 14.06.2010


(N.JAYAPRAKASH)

EXECUTIVE SUMMARY

Stock markets are highly volatile and risky. The number of stock broking service providers is increasing day by day. But the number of investors from faculty members is comparably low than other professionals in Pondicherry. The study had been conducted among 10 institutions in Pondicherry. In this study, the awareness about capital market of the engineering and management faculty members had been understood. The faculty members were aware about the trading in capital market.

The major factor which resists their investment in capital market is the mindset of them towards capital market. They had the interest to invest in capital market, but they required technical assistance for their investments.

The reference groups played a vital motivation to invest in capital market. This is the right time for the stock broking service providers to tap the market potential of the faculty members by adopting aggressive strategies.



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Introduction

CHAPTER 1

1. INTRODUCTION

A **stock market** or **equity market** is a public market (a loose network of economic transactions, not a physical facility or discrete entity) for the trading of company stock and derivatives at an agreed price; these are securities listed on a stock exchange as well as those only traded privately.

The size of the world stock market was estimated at about \$36.6 trillion US at the beginning of October 2008. The *total* world derivatives market has been estimated at about \$791 trillion face or nominal value, 11 times the size of the entire world economy.

The value of the derivatives market, because it is stated in terms of *notional values*, cannot be directly compared to a stock or a fixed income security, which traditionally refers to an actual value. Moreover, the vast majority of derivatives 'cancel' each other out (i.e., a derivative 'bet' on an event occurring is offset by a comparable derivative 'bet' on the event *not* occurring). Many such relatively illiquid securities are valued as marked to model, rather than an actual market price.

The stocks are listed and traded on stock exchanges which are entities of a corporation or mutual organization specialized in the business of bringing buyers and sellers of the organizations to a listing of stocks and securities together.

The stock market in the United States is NYSE while in Canada; it is the Toronto Stock Exchange. Major European examples of stock exchanges include the London Stock Exchange, Paris Bourse, and the Deutsche Börse. Asian examples

include the Tokyo Stock Exchange, the Hong Kong Stock Exchange, the Bombay Stock Exchange and the Karachi Stock Exchange. In Latin America, there are such exchanges as the BM&F Bovespa and the BMV.

MARKET PARTICIPANTS

A few decades ago, worldwide, buyers and sellers were individual investors, such as wealthy businessmen, with long family histories to particular corporations. Over time, markets have become more "institutionalized"; buyers and sellers are largely institutions.

The rise of the institutional investor has brought with it some improvements in market operations. Thus, the government was responsible for "fixed" fees being markedly reduced for the 'small' investor, but only after the large institutions had managed to break the brokers' solid front on fees. They then went to 'negotiated' fees, but only for large institutions. However, corporate governance has been very much adversely affected by the rise of institutional 'owners'.

THE STOCK MARKET, INDIVIDUAL INVESTORS, AND FINANCIAL RISK

Riskier long-term saving requires that an individual possess the ability to manage the associated increased risks. Stock prices fluctuate widely, in marked contrast to the stability of bank deposits or bonds. This is something that could affect not only the individual investor or household, but also the economy on a large scale. The following deals with some of the risks of the financial sector in general and the stock market in particular. This is certainly more important now that so many newcomers have entered the stock market, or have acquired other 'risky' investments.

THE BEHAVIOR OF THE STOCK MARKET

Investors may 'temporarily' move financial prices away from their long term aggregate price 'trends'. Over-reactions may occur - so that excessive optimism may drive prices unduly high or excessive pessimism may drive prices unduly low. Economists continue to debate whether financial markets are 'generally' efficient.

According to one interpretation of the efficient-market hypothesis, only changes in fundamental factors, such as the outlook for margins, profits or dividends, ought to affect share prices beyond the short term, where random 'noise' in the system may prevail.

The 'hard' efficient-market hypothesis is sorely tested by such events as the stock market crash in 1987, when the Dow Jones index plummeted 22.6 percent—the largest-ever one-day fall in the United States. This event demonstrated that share prices can fall dramatically even though, to this day, it is impossible to fix a generally agreed upon definite cause: a thorough search failed to detect *any* 'reasonable' development that might have accounted for the crash.

However, a 'soft' EMH has emerged which does not require that prices remain at or near equilibrium, but only that market participants not be able to *systematically* profit from any momentary market 'inefficiencies'. Moreover, while EMH predicts that all price movement, many studies have shown a marked tendency for the stock market to trend over time periods of weeks or longer. Various explanations for such large and apparently non-random price movements have been promulgated.

Other research has shown that psychological factors may result in *exaggerated* stock price. Psychological research has demonstrated that people are predisposed to 'seeing' patterns, and often will perceive a pattern in what is, in fact, just *noise* in the present context this means that a succession of good news items about a company may lead investors to overreact positively. A period of good returns also boosts the investor's self-confidence, reducing his risk threshold.

Another phenomenon that works against an objective assessment is *group thinking*. As social animals, it is not easy to stick to an opinion that differs markedly from that of a majority of the group. An example with which one may be familiar is the reluctance to enter a restaurant that is empty; people generally prefer to have their opinion validated by those of others in the group.

In normal times the market behaves like a game of roulette; the probabilities are known and largely independent of the investment decisions of the different players. In times of market stress, however, the game becomes more like poker. The players now must give heavy weight to the psychology of other investors and how they are likely to react psychologically.

The stock market, as with any other business, is quite unforgiving of amateurs. Inexperienced investors rarely get the assistance and support they need. In the period running up to the 1987 crash, less than 1 percent of the analyst's recommendations had been to sell. In the run up to 2000, the media amplified the general euphoria, with reports of rapidly rising share prices and the notion that large sums of money could be quickly earned in the so-called new economy stock market.

STOCK MARKET INDEX

The movements of the prices in a market or section of a market are captured in price indices called stock market indices, of which there are many, e.g., the S&P, the FTSE and the Euronext indices. Such indices are usually market capitalization weighted, with the weights reflecting the contribution of the stock to the index. The constituents of the index are reviewed frequently to include/exclude stocks in order to reflect the changing business environment.

DERIVATIVE INSTRUMENTS

Financial innovation has brought many new financial instruments whose pay-offs or values depend on the prices of stocks. Some examples are exchange-traded funds, stock index and stock options, equity swaps, single-stock futures, and stock index futures. These last two may be traded on futures exchanges, or traded over-the-counter. As all of these products are only *derived* from stocks, they are sometimes considered to be traded in a derivatives market, rather than the stock market.

LEVERAGED STRATEGIES

Stock that a trader does not actually own may be traded using short selling; margin buying may be used to purchase stock with borrowed funds; or, *derivatives* may be used to control large blocks of stocks for a much smaller amount of money than would be required by outright purchase or sale.

SHORT SELLING

In short selling, the trader borrows stock then sells it on the market, hoping for the price to fall. The trader eventually buys back the stock, making money if the price fell in the meantime or losing money if it rose. Exiting a short position by buying back the stock is called "covering a short position." This strategy may also be used by unscrupulous traders in illiquid or thinly traded markets to artificially lower the price of a stock. Hence most markets either prevent short selling or place restrictions on when and how a short sale can occur. The practice of naked shorting is illegal in most stock markets.

MARGIN BUYING

In margin buying, the trader borrows money to buy a stock and hopes for it to rise. Most industrialized countries have regulations that require that if the borrowing is based on collateral from other stocks the trader owns outright, it can be a maximum of a certain percentage of those other stocks' value. In the United States, the margin requirements have been 50% for many years.

Regulation of margin requirements was implemented after the Crash of 1929. Before that, speculators typically only needed to put up as little as 10 percent of the total investment represented by the stocks purchased. Other rules may include the prohibition of free-riding putting in an order to buy stocks without paying initially, but then selling them and using part of the proceeds to make the original payment.

NEW ISSUANCE

Global issuance of equity and equity-related instruments totaled \$505 billion in 2004, a 29.8% increase over the \$389 billion raised in 2003. Initial public offerings by US issuers increased 221% with 233 offerings that raised \$45 billion, and IPOs in Europe, Middle East and Africa increased by 333%, from \$ 9 billion to \$39 billion.

INVESTMENT STRATEGIES

One of the many things people always want to know about the stock market is, "How do I make money investing?" There are many different approaches; two basic methods are classified as either fundamental analysis or technical analysis. Fundamental analysis refers to analyzing companies by their financial statements found in SEC Filings, business trends, general economic conditions, etc.

Technical analysis studies price actions in markets through the use of charts and quantitative techniques to attempt to forecast price trends regardless of the company's financial prospects. One example of a technical strategy is the Trend following method, used by John W. Henry and Ed Seykota, which uses price patterns, utilizes strict money management and is also rooted in risk control and diversification.

Additionally, many choose to invest via the index method. In this method, one holds a weighted or unweighted portfolio consisting of the entire stock market or some segment of the stock market. The principal aim of this strategy is to maximize diversification, minimize taxes from too frequent trading, and ride the general trend of the stock market.

TAXATION

According to much national or state legislation, large arrays of fiscal obligations are taxed for capital gains. Taxes are charged by the state over the transactions, dividends and capital gains on the stock market, in particular in the stock exchanges. However, these fiscal obligations may vary from jurisdiction to jurisdiction because, among other reasons, it could be assumed that taxation is already incorporated into the stock price through the different taxes companies pay to the state, or that tax free stock market operations are useful to boost economic growth.

STOCK TRADERS AND STOCK INVESTORS

A **stock trader** or a **stock investor** is an individual or firm who buys and sells stocks or in the financial markets.

Individuals or firms trading equity on the stock markets as their principal capacity are called stock traders. Stock traders usually try to profit from short-term price volatility with trades lasting anywhere from several seconds to several weeks. The stock trader is usually a professional. Persons can call themselves full or part-time stock traders/investors while maintaining other professions.

When a stock trader/investor has clients, and acts as a money manager or adviser with the intention of adding value to their clients finances, he is also called a financial advisor or manager. In this case, the financial manager could be an independent professional or a large bank corporation employee. This may include managers dealing with investment funds, hedge funds, mutual funds, and pension funds, or other professionals in equity investment, fund management, and wealth management.

On the other hand, stock investors are firms or individuals who purchase stocks with the intention of holding them for an extended period of time, usually several months to years. They rely primarily on fundamental analysis for their investment decisions and fully recognize stock shares as part-ownership in the company.

Many investors believe in the buy and hold strategy, which as the name suggests, implies that investors will hold stocks for the very long term, generally measured in years. This strategy was made popular in the equity bull market of the 1980s and 90s where buy-and-hold investors rode out short-term market declines and continued to hold as the market returned to its previous highs and beyond. However, during the 2001-2003 equity bear market, the buy-and-hold strategy lost some followers as broader market indexes like the NASDAQ saw their values decline by over 60%.

METHODOLOGY

Stock traders/investors usually need a stock broker such as a bank or a brokerage firm to access the stock market. Since the advent of Internet banking, an Internet connection is commonly used to manage positions. Using the Internet, specialized software, and a personal computer, stock traders/investors make use of technical and fundamental analysis to help them in making decisions.

They may use several information resources, some of which are strictly technical. Using the pivot points calculated from a previous day's trading, they are able to predict the buy and sell points of the current day's trading session. These points give a cue to traders as to where prices will head for the day, prompting each trader where to enter his trade, and where to exit.

There is criticism on the validity of using these technical indicators in analysis, and many professional stock traders do not use them. Many full-time stock traders and stock investors have a formal education and training in fields such as economics, finance, mathematics and computer science, which are particularly relevant to this occupation.

EXPENSES, COSTS AND RISK

Trading activities are not free. They have a considerably high level of risk, uncertainty and complexity, especially for unwise and inexperienced stock traders/investors seeking an easy way to make money quickly. In addition, stock traders/investors face several costs such as commissions, taxes and fees to be paid for the brokerage and other services, like the buying/selling orders placed at the stock exchange.

Depending on the nature of each national or state legislation involved, a large array of fiscal obligations must be respected, and taxes are charged by jurisdictions over those transactions, dividends and capital gains that fall within their scope. However, these fiscal obligations will vary from jurisdiction to jurisdiction.

Among other reasons, there could be some instances where taxation is already incorporated into the stock price through the differing legislation that companies have to comply with in their respective jurisdictions; or that tax free stock market operations are useful to boost economic growth. Beyond these costs are the opportunity costs of money and time, currency risk, financial risk, and internet, data and news agency services and electricity consumption expenses - all of which must be accounted for.

STOCK PICKING

Although many companies offer courses in stock picking, and numerous experts report success through Technical Analysis and Fundamental Analysis, many economists and academics state that because of the efficient-market hypothesis it is unlikely that any amount of analysis can help an investor make any gains above the stock market itself. In the distribution of investors, many academics believe that the richest are simply outliers in such a distribution.

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ACCUMULATION/DISTRIBUTION METHOD

Other investors choose a blend of technical, fundamental and environmental factors to influence where and when they invest. These strategists reject the 'chance' theory of investing, and attribute their higher level of returns to both insight and discipline.

1.1 BACKGROUND OF THE STUDY

Stock market is highly volatile and risky. But still the number of stock broking service providers is increasing day by day. The persons involved in capital market trading also increasing day by day. But teachers investing and non investing proposition is comparably low than other professional's proposition. Since, the management teachers have the ability to calculate risk and return by themselves than other professionals. The study gives an insight about the factors or reasons which resist them for not investing in capital market.

1.2 REVIEW OF LITERATURE

James S. Doran, David R. Peterson and Colby Wright¹ conducted a comprehensive survey distributed to over 4,000 finance professors in the United States to assess collective opinion on the efficiency of the US stock market and explore the idea that the decision to actively or passively invest is strongly influenced by an investor's perception of the efficiency of the market.

The Study finds that twice as many respondents passively invest than actively invest, which suggests that although they may be conflicted about market efficiency, they generally behave in a way suggesting they accept markets as efficient. Alternatively, this result could be interpreted to mean that they choose to passively invest even if they believe in inefficient markets due to time, resource, or skill restraints. Again, respondents who specialize in market efficiency manifest similar investment objectives as that of the overall sample.

Investment objectives and behavior are driven by individuals' confidence in their own abilities to beat the market, regardless of their opinions about market efficiency. In spite of finance professors' education and sophistication, they seem to set investment objectives and make trades largely based on the same behavioral factor that drives amateur investors – confidence.

Dimitrios I. Maditinos, Z eljko S evic and Nikolaos G. Theriou² conducted a study and the results indicate that ININ rely more on newspapers/media and noise in the market when making their investment decisions, while professional investors rely more on fundamental and technical analysis and less on portfolio analysis. The investment horizon seems to have a direct association with the relative importance of the techniques that professionals use for stock analysis. Also, the use of specific techniques seems to have a different impact on the performance of professionals.

¹James S. Doran, David R. Peterson, Colby Wright, "Confidence, Opinions of Market Efficiency, and Investment Behavior of Finance Professors" 1/7/09

² Dimitrios I. Maditinos, Z eljko S evic, Nikolaos G. Theriou, "Investors' behaviour in the Athens Stock Exchange (ASE)", Vol. 24 No.1, 2007 pg. 32-50

Christian Weitert developed a model incorporating discrete and continuous interrelations, building upon previous work in the field of behavioral finance and artificial stock markets. Three different investor types are modeled as individual agents: fundamental analysts, technical analysts and noise traders. They differ in their intrinsic pricing mechanism and represent trading strategies that are observed in financial markets. The developed structure is able to reproduce the formation of speculative bubbles and other stochastically anomalies that are characteristic for financial time series.

Syed Tabassum Sultana³ conducted a study and implied that Indian investor today have to endure a sluggish economy, the steep market declines prompted by deteriorating revenues, alarming reports of scandals ranging from illegal corporate accounting practices like that of Satyam to insider trading to make investment decisions.

Stock market's performance is not simply the result of intelligible characteristics but also due to the emotions that are still baffling to the analysts. Despite loads of information bombarding from all directions, it is not the cold calculations of financial wizards, or company's performance or widely accepted criterion of stock performance but the investor's irrational emotions like overconfidence, fear, risk aversion, etc., seem to decisively drive and dictate the fortunes of the market.

This paper while discussing the characteristics of the Indian individual investors along makes an attempt to discover the relationship between a dependent

³ Syed Tabassum Sultana, "An Empirical Study of Indian Individual Investors' Behavior" *Global Journal of Finance and Management*, Volume 2, Number 1 (2010), pp. 19-33

variable i.e., Risk Tolerance level and independent variables such as Age, Gender of an individual investor on the basis of the survey. Indian investors are high income, well educated, salaried, and independent in making investment decisions and conservative investors. From the empirical study it was found that irrespective of gender, most of the investors (41%) are found have low risk tolerance level and many others (34%) have high risk tolerance level rather than moderate risk tolerance level. It is also found that there is a strong negative correlation between Age and Risk tolerance level of the investor. Television is the media that is largely influencing the investor's decisions. Hence, this study can facilitate the investment product designers to design products which can cater to the investors who are low risk tolerant.

Alexander Ljungqvist and Matthew Richardson conducted a study and adopted a unique dataset of private equity funds over the last two decades, this paper analyzes the investment behavior of private equity fund managers. Based on recent theoretical advances, we link the timing of funds' investment and exit decisions, and the subsequent returns they earn on their portfolio companies, to changes in the demand for private equity in a setting where the supply of capital is 'sticky' in the short run.

We show that existing funds accelerate their investment flows and earn higher returns when investment opportunities improve and the demand for capital increases. Increases in supply lead to tougher competition for deal flow, and private equity fund managers respond by cutting their investment spending. These findings provide complementary evidence to recent papers documenting the determinants of fund-level performance in private equity.

Burcu Hacibedel conducted a study and the positive price effect of index inclusion has been well-documented in the literature. The underlying cause still remains in dispute, since this finding is consistent with a number of hypotheses. In this paper, I revisit this debate by examining the price effects in the emerging markets setting using MSCI EM index changes.

I find the inclusions to have a permanent price effect, while this is not the case for the exclusions. This result contradicts the demand and new information hypotheses, but is consistent with the investor awareness hypothesis. By making use of analysts' recommendations data, I am able to show that there is a significant increase in coverage for the included stocks. This is also significantly related to the change in price.

Zhen Liu conducted a study and the notion of awareness is introduced to study Regulation Fair Disclosure, a rule implemented by the U.S. Security and Exchange Commission in 2000. The regulator aims to reduce information asymmetry among investors, and expects public forums to subsume the forbidden information channel of selective forums.

We show that even with cooperative managers and effective technology, this is only possible under the assumption of symmetric awareness. If a professional investor is aware of more uncertainties than others are, lacking the incentive to share the insights, he would not raise critical questions and acquire relevant information at public forums. This leads to inefficient information production. We also analyze the market prices and investors' welfare under different disclosure forms and awareness assumptions. At last, we discuss the implications of asymmetric awareness on the overall benefit and cost, the empirical findings, and the policies of the regulation.

1.3 STATEMENT OF THE PROBLEM

There are many stock broking service providers in Pondicherry. But the number of investors from teaching community is comparably less in number. In a regard to understand the problem behind the statement, this study had been done.

1.4 OBJECTIVES OF THE STUDY

PRIMARY OBJECTIVE

- ❖ To understand the capital market awareness among the teachers of Engineering and Management Colleges in Pondicherry.

SECONDARY OBJECTIVES

- ❖ To study the level of interest towards share trading in Teaching Profession
- ❖ To profile a prospective customer base for UNICON INVESTMENT SOLUTIONS.

1.5 HYPOTHESES FRAMED

- ❖ H_{01} : There is no significant relationship between gender of the respondents and their risk taking capacity.
- ❖ H_{a1} : There exists a significant relationship between gender of the respondents and their risk taking capacity.
- ❖ H_{02} : There is no significant relationship between monthly income of the respondents and their risk taking capacity.
- ❖ H_{a2} : There exists a significant relationship between monthly income of the respondents and their risk taking capacity.
- ❖ H_{03} : There is no significant relationship between marital status of the respondents and their risk taking capacity.
- ❖ H_{a3} : There exists a significant relationship between marital status of the respondents and their risk taking capacity.

1.6 FUTURE SCOPE OF THE STUDY

The scope of the study is to create market awareness among the teachers and to tap the market potential of the management teachers towards investment.

1.7 METHODOLOGY

1.7.1 TYPE OF STUDY

A descriptive study is undertaken in order to ascertain and be able to describe the characteristics of the variable of interest in a situation.

1.7.2 SAMPLING DESIGN

A systematic process that connects all the details of the sampling, right from the determination of sampling size to the collection of data.

The population taken for this study comprises of 10 Engineering cum Management institutions in Pondicherry. For this study, in every Institution 20 faculty members are selected based on the sampling technique. So the sample size was taken as 200 faculty members.

METHOD OF SAMPLING

Sampling method can be broadly classified as Probability Sampling, where every element of the population enjoys equal chance of being selected into the sample and Non-probability sampling, where all the elements of the population do not get equal chance of being selected into the sample. The present study adopts the probability sampling.

SAMPLING TECHNIQUE

Under probability sampling method, simple random sampling technique being adopted to this study. To select the samples based on simple random sampling technique, random number generator being used.

1.7.3 METHOD OF DATA COLLECTION

The primary source of data been used for data collection. A structured questionnaire has been framed and used as a data collection instrument.

1.7.4 TOOLS USED FOR ANALYSIS

PERCENTAGE ANALYSIS

Values of a quantitative variable that divide the ordered data into groups, so that a certain percentage is above and another percentage is below.

CROSS TABULATION

Cross tabulation display the relationship between two or more categorical variables. The size of the table is determined by the number of distinct values for each variable, with each cell in the table representing a unique combination of values. Numerous statistical tests are available to determine whether there is a relationship between the variables in a table.

CHI SQUARE

The chi-square test is used to determine whether there is a significant difference between the expected frequencies and the observed frequencies in one or more categories.

The chi-square formula used on these data is

$$X^2 = (O - E)^2 / E$$

Where O is the Observed Frequency in each category

E is the Expected Frequency in the corresponding category

df is the "degree of freedom" (n-1)

X^2 is Chi Square



Organisation Profile

1.8 LIMITATIONS OF THE STUDY

- ❖ The study is limited to engineering and management institutions in Pondicherry only.
- ❖ Since many of the targeted respondents were in summer vacation, the response rate was lower than the targeted sample size.

CHAPTER 2

ORGANISATION PROFILE

2.1 HISTORY OF THE ORGANISATION

UNICON is a financial services company which has emerged as a one-stop investment solutions provider. It was founded in 2004 by two visionary and hard working entrepreneurs, Mr. Gajendra Nagpal and Mr. Ram M. Gupta, who possess expertise in the field of Finance. The company is headquartered in New Delhi, and has its corporate office in Mumbai with regional offices in Kolkata, Chennai, Hyderabad and Noida.

UNICON is a professionally managed company led by a team with outstanding managerial acumen and cumulative experience of more than 400 man years in the financial markets. The Company is supported by more than 4500 Uniconians and has a team of over 900 business offices in 235 cities across India.

With a customer base of over 200,000 the UNICON Group has an eye for the intricate financial needs of its clients and caters to both their short – term and long – term financial needs through a comprehensive bouquet of investment services. It has been founded with the aim of providing world class investing experience to the

investing community. These services range from offline & online trading in equity, commodities and currency derivatives to debt markets to corporate finance and portfolio management services.

The company has a sizable presence in the distribution of 3rd party financial products like mutual funds, insurance products and property broking. It also provides expert Advisory on Life Insurance, General Insurance, Mutual Funds and IPO's. The distribution network is backed by in-house back office support to provide prompt and efficient customer service.

The Equity broking arm – UNICON Securities Pvt. Ltd offers personalized premium services on the NSE, BSE & Derivatives market. The Commodity broking arm Unicon Commodities Pvt. Ltd offers services in Commodity trading on NCDEX and MCX. The UNICON group also has a PCG division providing investments solutions for High Net Worth Individuals. The Corporate Advisory Services arm – Unicon Capital Services (P) Ltd offers entire gamut of Investment Banking services to corporate.

UNICON can boast of some of the most respected names in the private equity space like Sequoia Capitals, Nexus India Capital and Subhkam Ventures as its shareholders.

MISSION

To create long term value by empowering individual investors through superior financial services supported by culture based on highest level of teamwork, efficiency and integrity.

VISION

To provide the most useful and ethical Investment Solutions - guided by values driven approach to growth, client service and employee development.

2.2 MANAGEMENT TEAM

Mr. Gajendra Nagpal - Founder and Chief Executive Officer

Mr. Ram M. Gupta - President and Co-Founder

Mr. Vikas Mallan - Chief Financial Officer & Head Distribution

Mr. Arora - Head of operations

Mr. Y.P. Narang - Head, Fixed Income (Debt) Group

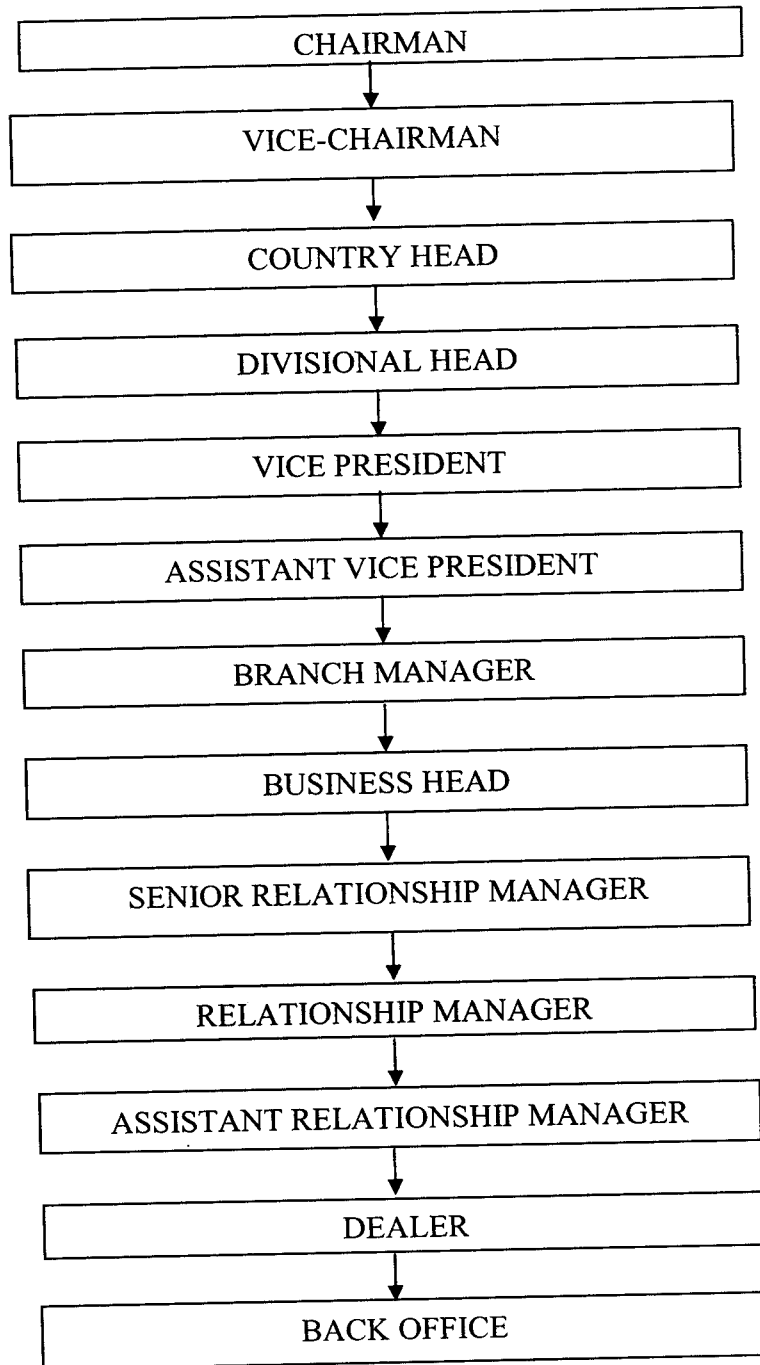
Mr. Subhash Nagpal - Director, Strategic Planning and Implementation

Mr. Vijay Chopra - National Head Business Alliances

Mr. Anurag Nayar - Chief Technology Officer

Mr. Manmohan Tiwari - Country Head, Equity Sales

2.3 ORGANISATION STRUCTURE



2.4 PRODUCTS & SERVICES

Unicon customers have the advantage of trading in all the market segments together in the same window, as understand the need of transactions to be executed with high speed and reduced time. At the same time, they have the advantage of having all Advisory Services for Life Insurance, General Insurance, Mutual Funds and IPO's also.

Unicon is a customer focused financial services organization providing a range of investment solutions to our customers. We work with clients to meet their overall investment objectives and achieve their financial goals. Our clients have the opportunity to get personalized services depending on their investment profiles. Our personalized approach enables clients to achieve their Total Investment Objectives.

- ❖ Equity
- ❖ Commodity
- ❖ Depository
- ❖ Distribution
- ❖ Properties
- ❖ NRI Services
- ❖ Back Office
- ❖ Fixed Income
- ❖ Investment Banking
- ❖ Currency Derivatives
- ❖ Portfolio Management

In Pondicherry branch, the products like Equity, Commodity and Currency derivatives are traded.

EQUITY

UNICONEASY

Browser based trading terminal that can be accessed by a unique ID and password. This facility is available to all our online customers the moment they get registered with us.

FEATURES

- ❖ Trading at NSE,BSE and Derivatives on single screen
- ❖ Greater exposure for trading on the available margin.
- ❖ Common window for order execution.
- ❖ Real time updating of exposure and portfolio while trading.
- ❖ Offline order placement facility (AMO).
- ❖ Stop-loss feature.
- ❖ Competitive Brokerages.
- ❖ Banking integration with ICICI Bank, HDFC Bank & Axis Bank,& Bank of India,& Corporation Bank, & Karnataka Bank, & Oriental bank of Commerce, & South Indian Bank, & Vijaya Bank and Yes Bank.

UNICONPLUS

Browser based trading terminal that can be accessed by a unique ID and password. This facility is available to all our online customers the moment they get registered with us.

FEATURES

- ❖ Trading at NSE, BSE and Derivatives on single screen\
- ❖ Add multiple scripts on the market watch.
- ❖ Greater exposure for trading on the available margin.
- ❖ Common window for display of market watch and order execution.
- ❖ Real time updating of exposure and portfolio while trading.
- ❖ Offline order placement facility.
- ❖ Stop-loss feature.
- ❖ Competitive Brokerages.
- ❖ Banking integration with ICICI Bank, HDFC Bank & Axis Bank, & Bank of India, & Corporation Bank, & Karnataka Bank, & Oriental bank of Commerce, & South Indian Bank, & Vijaya Bank and Yes Bank.
- ❖ Proxy link to enable trading behind firewalls.

UNICONSWIFT

Application based terminal for active traders. It provides better speed, greater analytical features & priority access to Relationship Managers.

FEATURES

- ❖ Trading at NSE, BSE and Derivatives on single screen.
- ❖ Add any number of scrips in the Market Watch.
- ❖ Tick by tick live updation of Intraday chart.
- ❖ Greater exposure for trading on the margin available
- ❖ Common window for market watch and order execution.
- ❖ Key board driven short cuts for punching orders quickly
- ❖ Real time updation of exposure and portfolio.
- ❖ Facility to customize any number of portfolios & watch lists.
- ❖ Market depth, i.e. Best 5 bids and offers, updated live for all scripts.
- ❖ Facility to cancel all pending orders with a single click.
- ❖ Instant trade confirmations
- ❖ Banking integration with ICICI Bank, HDFC Bank & Axis Bank, & Bank of India, & Corporation Bank, & Karnataka Bank, & Oriental bank of Commerce, & South Indian Bank, & Vijaya Bank and Yes Bank.
- ❖ Stop-loss feature.

COMMODITY

Unicon offers a unique feature of a single screen trading platform in MCX and NCDEX. Unicon offers both Offline & Online trading platforms.

Online Commodity Internet trading Platform through UniFlex.

- ❖ Live Market Watch for commodity market (NCDEX, MCX) in one screen
- ❖ Add any number of scrips in the Market Watch
- ❖ Tick by tick live updation of Intraday chart.
- ❖ Greater exposure for trading on the margin available
- ❖ Common window for market watch and order execution.
- ❖ Key board driven short cuts for punching orders quickly
- ❖ Real time updation of exposure and portfolio
- ❖ Facility to customize any number of portfolios & watchlists
- ❖ Market depth, i.e. Best 5 bids and offers, updated live for all scrips.
- ❖ Facility to cancel all pending orders with a single click.
- ❖ Instant trade confirmations.
- ❖ Stop-loss feature.

CURRENCY DERIVATIVES

Currently in India, futures contracts of 4 currencies are traded against the Indian Rupee (INR). US Dollar Indian Rupee (USD INR) currency futures were the first to be introduced in Aug 2008 and have seen a 1500% burst in volume growth in this period. On Feb 1, 2010 the trading of Euro (€) Rupee (EUR INR), Pound Sterling (£) Rupee (GBP INR) and Yen (¥) Rupee (YEN INR) was introduced in India. As in the case of USD INR, trading happens on 2 exchanges – NSE and MCX-SX. Unicon offers clients the opportunity to trade these products, either in online or offline mode as per their needs. The products provide ample liquidity to function both as a speculative tool and as a hedging instrument for exporters and importers. The attractive features of the product are as follows

Unlike currency forwards offered by banks, currency futures trading does not have to be backed by an underlying merchant transaction exposure

- ❖ Tight bid ask spreads; usually 0.25 paisa wide
- ❖ Margin requirements less than 5% to take exposure on a lot size of \$1000, €1000, £1000 and ¥1,00,000 respectively
- ❖ New asset class for diversification for all resident individuals
- ❖ Commodity traders can hedge against unfavourable movements since gold, crude etc.
- ❖ For exporters and importers, no credit line required from their Banker as is the case with forwards
- ❖ Ideal tool for those with smaller exposures, as in the case of travel needs, educational payments etc.



Macro Micro Analysis

CHAPTER 3

MACRO – MICRO ANALYSIS

HISTORY OF THE INDIAN CAPITAL MARKET

The history of the capital market in India dates back to the eighteenth century when East India Company securities were traded in the country. Until the end of the nineteenth century, securities trading were unorganized and the main trading centres were Bombay (now Mumbai) and Calcutta (now Kolkata). Of the two, Bombay was the chief trading centre wherein bank shares were the major trading stock. During the American Civil War (1860-61), Bombay was an important source of supply for cotton. Hence, trading activities flourished during the period, resulting in a boom in share prices. This boom, the first in the history of the Indian capital market, lasted for a half a decade. The bubble burst on July 1, 1865, when there was tremendous slump in share prices.

Trading was at that time limited to a dozen brokers: their trading place was under a banyan tree in front of the Town Hall in Bombay. These stockbrokers organized an informal association in 1875-Native Shares and Stock Brokers Association, Bombay. The stock exchanges in Calcutta and Ahmedabad, also industrial and trading centres, came up later. The Bombay Stock Exchange was recognized in May 1927 under the Bombay Securities Contracts Control Act, 1925.

The capital market was not well organized and developed during the British rule because the British government was not interested in the economic growth of the country. As a result, many foreign companies depended on the London capital market for funds rather than on the Indian capital market. In the post-independence period

also, the size of the capital market remained small. During the first and second five-year plans, the government's emphasis was on the development of the agricultural sector and public sector undertakings. The public sector undertakings were healthier than the private undertakings in terms of paid-up capital but their shares were not listed on the stock exchanges. Moreover, the Controller of Capital Issues (CCI) closely supervised and controlled the timing, composition, interest rates, pricing, allotment, and floatation costs of new issues. These strict regulations demotivated many companies from going public for almost four and a half decades.

In the 1950s, Century Textiles, Tata Steel, Bombay Dyeing, National Rayon, and Kohinoor Mills were the favourite scrips of speculators. As speculation became rampant, the stock market came to be known as 'Satta Bazaar'. Despite speculation, non-payment or defaults were not very frequent. The government enacted the Securities Contracts (Regulation) Act in 1956 which was also characterized by the establishment of a network for the development of financial institutions and state financial corporations.

The 1960s was characterized by wars and droughts in the country which led to bearish trends. These trends were aggravated by the ban in 1969 on forward trading and 'badla', technically called 'contracts for clearing.' 'Badla' provided a mechanism for carrying forward positions as well as borrowing funds. Financial institutions such as LIC and GIC helped to revive the sentiment by emerging as the most important group of investors. The first mutual fund of India, the Unit Trust of India (UTI) came into existence in 1964.

In the 1970s, badla trading was resumed under the disguised form of 'hand-delivery contracts-A group.' This revived the market. However, the capital market

received another severe setback on July 6, 1974, when the government promulgated the Dividend Restriction Ordinance, restricting the payment of dividend by companies to 12 per cent of the face value or one-third of the profits of the companies that can be distributed as computed under section 369 of the Companies Act, whichever was lower. This led to a slump in market capitalization at the BSE by about 20 per cent overnight and the stock market did not open for nearly a fortnight.

Later came buoyancy in the stock markets when the multinational companies (MNCs) were forced to dilute their majority stocks in their Indian ventures in favour of the Indian public under FERA, 1973. Several MNCs opted out of India. One hundred and twenty-three MNCs offered shares were lower than their intrinsic worth. Hence, for the first time, the FERA dilution created an equity cult in India. It was the spate of FERA issues that gave a real fillip to the Indian stock markets. For the first time, many investors got an opportunity to invest in the stocks of such MNCs as Colgate, and Hindustan Liver Limited. Then, in 1977, a little-known entrepreneur, Dhirubhai Ambani, tapped the capital market. The scrip, Reliance Textiles, is still a hot favourite and dominates trading at all stock exchanges.

The 1980s witnessed an explosive growth of the securities market in India, with millions of investors suddenly discovering lucrative opportunities. Many investors jumped into the stock markets for the first time. The government's liberalization process initiated during the mid-1980s, spurred this growth. Participation by small investors, speculation, defaults, ban on badla, and resumption of badla continued. Convertible debentures emerged as a popular instrument of resource mobilization in the primary market. The introduction of public sector bonds and the successful mega issues of Reliance Petrochemicals and Larsen and Toubro

gave a new lease of life to the primary market. This, in turn, enlarged volumes in the secondary market. The decade of the 1980s was characterized by an increase in the number of stock exchanges, listed companies, paid up-capital, and market capitalization.

The 1990s will go down as the most important decade in the history of the capital market of India. Liberalisation and globalization were the new terms coined and marketed during this decade. The Capital Issues (Control) Act, 1947 was repealed in May 1992. The decade was characterized by a new industrial policy, emergence of SEBI as a regulator of capital market, advent of foreign institutional investors, euro-issues, free pricing, new trading practices, new stock exchanges, entry of new players such as private sector mutual funds and private sector banks, and primary market boom and bust.

Major capital market scams took place in the 1990s. These shook the capital market and drove away small investors from the market. The securities scam of March 1992 involving brokers as well as bankers was one of the biggest scams in the history of the capital market. In the subsequent years owing to free pricing, many unscrupulous promoters, who raised money from the capital market, proved to be fly-by-night operators. This led to erosion in the investors' confidence. The M S Shoes case, one such scam which took place in March 1995, put a break on new issue activity.

The 1991-92 securities scam revealed the inadequacies of and inefficiencies in the financial system. It was the scam, which prompted a reform of the equity market. The Indian stock market witnessed a sea change in terms of technology and market prices. Technology brought radical changes in the trading mechanism. The Bombay

Stock Exchange was subject to nationwide competition by two new stock exchanges- the National Stock Exchange, set up in 1994, and Over the Counter Exchange of India, set up in 1992. The National Securities Clearing Corporation (NSCC) and National Securities Depository Limited (NSDL) were set up in April 1995 and November 1996 respectively form improved clearing and settlement and dematerialized trading. The Securities Contracts (Regulation) Act, 1956 was amended in 1995-96 for introduction of options trading. Moreover, rolling settlement was introduced in January 1998 for the dematerialized segment of all companies. With automation and geographical spread, stock market participation increased.

In the late 1990s, the Information Technology (IT) scrips were dominant on the Indian bourses. These scrips included Infosys, Wipro, and Satyam. They were a part of the favourite scrips of the period, also known as 'New Economy' scrips, alongwith telecommunications and media scrips. The new economy companies are knowledge intensive unlike the old economy companies that were asset intensive.

The Indian capital market entered the twenty-first century with the Ketan Parekh scam. As a result of this scam, badla was discontinued from July 2001 and rolling settlement was introduced in all scrips. Trading of futures commenced from June 2000, and Internet trading was permitted in February 2000. On July 2, 2001, the Unit Trust of India announced suspension of the sale and repurchase of its flagship US-64 scheme due to heavy redemption leading to panic on the bourses. The government's decision to privatize oil PSUs in 2003 fuelled stock prices. One big divestment of international telephony major VSNL took place in early February 2002. Foreign institutional investors have emerged as major players on the Indian bourses.

NSE has an upper hand over its rival BSE in terms of volumes not only in the equity markets but also in the derivatives market.

It has been a long journey for the Indian capital market. Now the capital market is organized, fairly integrated, mature, more global and modernized. The Indian equity market is one of the best in the world in terms of technology. Advances in computer and communications technology, coming together on Internet are shattering geographic boundaries and enlarging the investor class. Internet trading has become a global phenomenon. The Indian stock markets are now getting integrated with global markets.

CURRENT SCENARIO

The prevailing economic conditions, both domestic and global, suggest the Indian stock market is poised to continue to rally in 2010 even though US and European Markets have yet to recover from recession effect. Key factor remains the impact of Q4 results and strong GDP growth of around 8%. However point of caution needs to be the phase wise withdrawal of financial support given by Indian government to the market. So far, the recovery in India has been driven by domestic consumption and government expenditure. However, corporate investment is expected to surge in 2010 due to the strong GDP growth which will increase capacity utilization.

Stocks in the infrastructure and power sectors may be the front runners in 2010 as they receive strong policy support from the Indian government. But one must be cautious that the interest rate cycle might start moving up with the strong GDP

performance and relatively high inflation. If it does, banking stocks will be affected severely as was seen in the past. We have witnessed a global financial crisis in 2008-09 which is still very much an unforgettable incident and taught us good lessons.

During the bull rally (2003-2007) there was considerable exuberance. This was the time when interest rates were low. Credit was available and that too cheaply. Not just that, corporate profits were growing at a healthy rate. Stock markets was notching strong gains. But the global credit crisis changed all that. The abundant liquidity, not surprisingly, led to asset bubbles that finally burst. So if one learned a good lesson should go for companies with less debt, enough cash and strong return ratios. These are the ones who will be able to tide over the crisis and generate strong returns to shareholders in the long term beyond 2010.

Having fallen along with other world markets during last year's crash, it actually bucked the global trend and was nowhere near testing its multi-year lows.

India's stock market returns over the past couple of years have actually beaten most other global markets. And with good reason...

- ❖ While it's still classed as an emerging market, India's strength comes from the fact that its internal market is not only huge, but also better insulated than China, Brazil, Russia and South Korea. It operates at its own pace, seemingly oblivious to what happens around it.
- ❖ With a population of over one billion, India has a huge edge over smaller emerging markets because it has the critical mass to withstand minor shocks to the system.
- ❖ India isn't reliant on a huge export market for the bulk of its growth.

- ❖ It has a huge, educated middle class. In fact, India's middle class population is larger than that of the entire United States. Of course, this middle class earns less on average than poverty line families in America, but it has the capacity to spend enough money to buy products that were once considered luxuries (washers/dryers, TVs, cars, etc). This generates tremendous economic activity without the issues of trade balance.
- ❖ Because of India's protectionist business nature, companies tend to thrive without the threat of multi-national competition.

INFRASTRUCTURE BOOM SPELLS PROFITS FOR INDIA'S CONSTRUCTION GIANTS

Along with a growing export market, India is also in the midst of a multi-hundred billion-dollar infrastructure boom.

The investment potential within the infrastructure sector is enormous. Companies like Larson & Toubro dominate the construction and infrastructure markets and are very well positioned to profit from the increased spending.

And while there are obviously a huge number of foreign companies that operate in India, they have to deal with the unpredictability of a market that is open, yet closed.

For Indian firms, however, the sky is the limit. The home-grown successes of Tata Motors

Reliance Capital and Mittal, before it became international steel giant, Arcelor-Mittal (NYSE: MT), have allowed them to build up huge war chests of cash. They're now re-deploying it into the relatively young Indian export market.

In the current lifestyle, financial stability holds great importance. Lavish living and availing all the conveniences of life may not be possible with a single salary, especially if you stay in the city where cost of living is very high. This is the reason why both partners in a household (nuclear family) work to meet both ends meet satisfactorily or even beyond expectations. Many people have started investing in the stock market as an additional source of income to be able to meet lifestyle changes.

A CURSORY LOOK AT GLOBAL ECONOMIC DEVELOPMENTS

A look at economic developments and activity in major stock markets around the world

- ❖ BEIJING — Chinese President Hu Jintao rebuffed U.S. calls to re-value China's currency, telling President Barack Obama that any tinkering with the Yuan will be done by Beijing in accord with domestic interests.
- ❖ Hu had defended China's policy of pegging the Yuan to the dollar at a Monday meeting with Obama in Washington and said changes to the exchange rate would not come from U.S. pressure.
- ❖ "Detailed measures for reform should be considered in the context of the world's economic situation, its development and changes as well as China's economic conditions. It won't be advanced by any foreign pressure," Hu said in remarks released by China's Foreign Ministry on Tuesday. He said reform would come based on China's "own economic and social development needs."
- ❖ The benchmark Shanghai Composite Index rose 1 percent, while Japan's Nikkei 225 fell 0.8 percent, Hong Kong's Hang Seng index dropped 0.2 percent, Australia fell 0.7 percent and Malaysia slid 0.4 percent.

- ❖ ATHENS, Greece — heavily indebted Greece intends to keep tapping bond markets for much-needed cash and resist using a European financial lifeline, top officials said after successfully raising euro1.56 billion in a Treasury bill auction.
- ❖ Although investors flocked to buy the bills, the interest rate was punishingly high compared to Greece's previous short-term debt auction, underlining the difficulty Greece faces in trying to dig out from under its debt pile.
- ❖ In Europe, the FTSE 100 index of leading British shares closed down 0.3 percent, Germany's DAX fell 0.3 percent and the CAC-40 in France was 0.5 percent lower.
- ❖ PARIS — French Finance Minister Christine Lagarde says the European Union's proposed euro30 billion (\$40 billion) loan package for debt-saddled Greece eliminates any doubts over its resolve to aid a member state.
- ❖ PARIS — Recovery in the world's biggest economies could be jeopardized if crude oil prices stay over \$80 per barrel, the International Energy Agency said.
- ❖ LONDON — Britain's financial regulator fined and banned two former executives of mortgage lender Northern Rock for misreporting figures on loan arrears.
- ❖ Northern Rock was the country's first major casualty of the global credit crunch.
- ❖ The pair are the only senior executives of a British banking institution to be formally penalized for misconduct in the wake of the government's multibillion bailout of the sector in 2008.
- ❖ MUMBAI — Infosys Technologies Ltd., India's bellwether information technology outsourcing company, said quarterly profit rose 8.7 percent in

dollar terms as a revival in demand for services spread to European and manufacturing clients.

- ❖ BEIJING — China has eased requirements for companies to qualify for government purchasing of technology after a plan to favor domestic technology was met with heavy criticism from other countries and business groups.
- ❖ Beijing caused alarm among foreign companies with a November announcement that it would favor technology developed in China when buying computers and other goods on which the government spends billions of dollars each year.
- ❖ The government is the biggest customer for many types of computer and other technology.
- ❖ MANILA, Philippines — The Asian Development Bank raised its regional growth forecast this year from 6.6 percent to 7.5 percent, but warned that governments need to adjust policies to avoid shocks that could hamper their recovery.
- ❖ BEIJING — China announced antidumping duties of up to 64.8 percent on U.S. and Russian steel used by the power industry amid a series of disputes with the United States and other trading partners.
- ❖ BUCHAREST, Romania — Direct foreign investment in Romania dropped sharply for the first two months of the year compared to 2009, the central bank reported.



*Data Analysis and
Interpretation*

CHAPTER 4

DATA ANALYSIS AND INTERPRETATION

TABLE 1

The table shows the designation of the respondents

Designation of Respondents	Number of Respondents	Percentage of Respondents
Lecturer	68	34.0
Senior lecturer	61	30.5
Associate Professor	11	5.5
Assistant Professor	27	13.5
Professor	33	16.5
Total	200	100.0

INTERPRETATION

The above table shows that, among 200 respondents, 68(34.0%) respondents are lecturer and 61(30.5%) respondents are Senior Lecturer in the study made. The above table infers that most of the teachers belong to the cadre of lecturer and Senior lecturer, since many of the colleges were started in the recent years.

TABLE 2

Table shows the age of the respondents

Age of Respondents	Number of Respondents	Percentage of Respondents
20 - 30yrs	68	34.0
31 - 40yrs	61	30.5
41 - 50yrs	11	5.5
51 - 60yrs	27	13.5
above 60yrs	33	16.5
Total	200	100.0

INTERPRETATION:

The above table shows that, among 200 respondents, 68(34.0%) respondents are lecturer and 61(30.5%) respondents are Senior Lecturer in the study made. The table infers that most of the teachers belong to the age group of 20 – 30 years because many of the institutions were newly started which recruited many teachers belonged to this age group.

TABLE 3

The table shows the Gender of the respondents

Gender of Respondents	Number of Respondents	Percentage of Respondents
Male	103	51.5
Female	97	48.5
Total	200	100.0

INTERPRETATION

The above table shows that, among 200 respondents, 103 (51.5%) respondents are Male and 97 (48.5%) respondents are female in the study made. The table infers that most of the teachers are male since, they were given more preference for technical practice.

Table 4

The table shows the Marital status of the respondents

Marital status	Number of Respondents	Percentage of Respondents
married	103	51.5
Single	97	48.5
Total	200	100.0

INTERPRETATION

The above table shows that, among 200 respondents, 103 (51.5%) respondents are Married and 97 (48.5%) respondents are single in the study made. The table infers that most of the teachers are married since, they have to earn more money to run the family smoothly.

TABLE 5

The table shows the Percentage of saving of the respondents

Percentage of Saving of Respondents	Number of Respondents	Percentage of Respondents
below 30%	32	16.0
30 - 40%	50	25.0
40 - 50%	50	25.0
50 - 60%	39	19.5
above 60%	29	14.5
Total	200	100.0

INTERPRETATION:

The above table shows that, among 200 respondents, 50 (25.0%) respondents show an average savings of 40% from their salary. From the table it is inferred that more importance was given to savings for their future assessments.

TABLE 6

The table shows the monthly income of the respondents

Monthly income	Number of Respondents	Percentage of Respondents
below 15000	68	34.0
15000 – 25000	61	30.5
25000 – 40000	11	5.5
40000 – 55000	27	13.5
above 55000	33	16.5
Total	200	100.0

INTERPRETATION:

The above table shows that, among 200 respondents, 68 (34.0%) respondents receive a monthly income below 15000. From the table it is inferred that many of the respondents belongs to the cadre of lecturer and senior lecturer.

TABLE 7

The table shows the percentage of awareness in share market among the respondents

Awareness in Share market	Number of Respondents	Percentage of Respondents
yes	105	52.5
No	95	47.5
Total	200	100.0

INTERPRETATION

The above table shows that, among 200 respondents, 105 (52.5%) respondents were aware of Share Market and 95 (47.5%) respondents were not aware of that. From the table it is inferred that many of the respondents have an updated knowledge in Capital Market.

TABLE 8

The table shows the update in share market among the respondents

Update in share market	Number of Respondents	Percentage of Respondents
Media	47	23.5
Friends	67	33.5
Relatives	56	28.0
Stock broker service providers	30	15.0
Total	200	100.0

INTERPRETATION:

The above table shows that, all the respondents were updating their knowledge in share market through some means in which friends take the maximum contribution. It is inferred that the teaching profession environment have been sharing many things related to capital market.

TABLE 9

The table shows the preference of trading among the Respondents

Preference of Trading	Number of respondents	Percentage of respondents
Derivatives	16	8.0
Insurance	22	11.0
Mutual funds	41	20.5
Commodity	56	28.0
Equity	65	32.5
Total	200	100.0

INTERPRETATION

The above table shows that, among 200 respondents, 65(32.5%) respondents were giving preference towards equity and 56 (28.0%) respondents towards commodity. The table infers that many of the respondents were interested to trade in Equity shares and commodity since the price change in these variables were frequent which would earn more money in trading.

TABLE 10

Age * Awareness on online Trading

Cross Tabulation

AGE	Awareness on online trading		Total
	Yes	No	
20 - 30yrs	45	23	68
31 - 40yrs	25	36	61
41 - 50yrs	5	6	11
51 - 60yrs	16	11	27
above 60yrs	14	19	33
Total	105	95	200

INTERPRETATION

The comparison analysis was made between the age group and awareness among the respondents. From the table it is inferred that between the age group of 20 – 40 years of age were more aware about the online trading. It clearly denotes that they were highly involved in trading.

Chi - Square Analysis between Gender Of The Respondents And Their Risk

Taking Capacity

Gender * Risk Capacity

Cross tabulation

Table 11

GENDER	Risk Capacity			Total
	low	medium	high	
Male	26	44	33	103
Female	32	44	21	97
Total	58	88	54	200

Chi-Square Tests

Table 11 a

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	3.110 ^a	2	.211
Likelihood Ratio	3.131	2	.209
Linear-by-Linear Association	2.922	1	.087
N of Valid Cases	200		

Chi-Square Tests

Table 11 a

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	3.110 ^a	2	.211
Likelihood Ratio	3.131	2	.209
Linear-by-Linear Association	2.922	1	.087

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 26.19.

Hypothesis:

There is a no significant relationship between gender of the investor respondents and their risk taking capacity.

Interpretation

The above table shows that the chi-square value between gender of the investor respondents and their risk taking capacity is 3.110 with the degree of freedom as 2. The asymptote significance is 0.211. Since the value of asymptote significance is less than 0.5, the hypothesis was rejected. The above table infers that the asymptote significance (0.209) is less than 0.5, the hypothesis was rejected. So there is a significant relationship between gender of the respondents and their risk taking capacity

Table 12 a
Marital Status * Risk taking

Cross tabulation

Marital status	Risk taking			Total
	Low	medium	high	
Single	13	25	9	47
Married	45	63	45	153
Total	58	88	54	200

Table 12 b

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	2.620 ^a	2	.270
Likelihood Ratio	2.683	2	.261
N of Valid Cases	200		

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 12.69.

Hypothesis:

There is a no significant relationship between marital status of the respondents and their risk taking capacity.

Interpretation

The above table shows that the chi-square value between marital status of the investor respondents and their risk taking capacity is 0.270 with the degree of freedom as 2. The asymptote significance is 0.261. Since the value of asymptote significance is less than 0.5, the hypothesis was rejected.

Inference

The above table infers that the asymptote significance (0.261) is lesser than 0.5, the hypothesis was rejected. So there is a significant relationship between marital status of the respondents and their risk taking capacity.

Table 13 a

**Monthly income * level of risk
Cross tabulation**

Monthly income	Level			Total
	high	medium	Low	
below 15000	21	34	13	68
15000 - 25000	15	31	15	61
25000 - 40000	1	7	3	11
40000 - 55000	11	5	11	27
above 55000	9	17	7	33
Total	57	94	49	200

**Table 13 b
Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	13.015 ^a	8	.111
Likelihood Ratio	14.303	8	.074
N of Valid Cases	200		

a. 2 cells (13.3%) have expected count less than 5. The minimum expected count is 2.70.

Hypothesis

There is a no significant relationship between monthly income of the respondents and their risk taking capacity.

Interpretation

The above table shows that the chi-square value between monthly income of the investor respondents and their risk taking capacity is 0.111 with the degree of freedom as 8. The asymptote significance is 0.074. Since the value of asymptote significance is less than 0.5, the hypothesis was rejected.

Inference

The above table infers that the asymptote significance (0.074) is less than 0.5, the hypothesis was rejected. So there is a significant relationship between monthly income of the respondents and their risk taking capacity

CHAPTER 5

5.1 FINDINGS

- ❖ Most of the teachers (52.7%) are not investing in capital market.
- ❖ Male respondents have invested in capital market more than female respondents.
- ❖ Respondents on an average of 30 years age group have invested in capital market than respondents of other age groups.
- ❖ Majority of the capital market investors are married.
- ❖ Mostly Senior Lecturers and Lecturers have invested in the capital market. The Associate Professors, Assistant Professors and Professor have not yet invested in the capital market.
- ❖ Respondents belonging to 30,000 to 50,000 rupees monthly income group have invested in capital market more than respondents belong to other income groups.
- ❖ Many of the respondents save about 40 to 50% of their monthly income.
- ❖ Majority of the respondents are medium risk takers.
- ❖ Most of the respondents are aware about trading in the capital market.
- ❖ Majority of the respondents have interest to invest in capital market.
- ❖ Most of the respondents came to know about capital market trading through friends. So, reference group play a vital motivation to invest in capital market.
- ❖ Nearly half of the respondents track the capital market news through television and business newspapers.
- ❖ Most of the respondents give high preference to invest in Equity shares.
- ❖ Many of the respondents give high priority for Commodity.

- ❖ There exists no significant relationship between gender of the respondents and their risk taking capacity.
- ❖ There exists a significant relationship between monthly income of the respondents and their risk taking capacity.
- ❖ The factors like gender, marital status and monthly income have influence on investment, predominantly the mind set towards capital market influences more.

5.2 SUGGESTIONS

UNICON INVESTMENT SOLUTIONS should tap the market potential of the Engineering and management faculty members, since most of the faculty members are not investing in capital market but they have an idea to invest in capital market within a year. In the study it is clearly understood that nearly half of the faculty members referred their friends to invest in capital market, so it is easy for the company to capture the new investors by satisfying the existing investors from engineering and management faculty members.

The company have to analyse the expectation of the investors towards services provided by them, since the investors from other stock broking service providers in Pondicherry, are satisfied but not delighted. So if the company understand their expectation and take corrective measures, then it is easy to capture the existing investors of other stock broking service providers.



Conclusion

5.3 CONCLUSION

The study reveals the fact that the faculty members are aware about trading in capital market, but there is a common factor which resists their investment is the mindset of them on capital market. They fear about the risk and return from the capital market. It is the best time for the stock broking service providers to capture the bulk investors and become the market leader by acquiring aggressive strategies.

It is the best time for the stock broking service providers to capture the bulk investors and become the market leader by acquiring aggressive strategies.



Annexure

A STUDY ON CAPITAL MARKET AWARENESS AMONG THE TEACHERS OF
ENGINEERING AND MANAGEMENT SCHOOLS IN PONDICHERRY

QUESTIONNAIRE

DEAR RESPONDENT,

Greetings, As a part of my MBA project, I am doing "A STUDY ON CAPITAL MARKET AWARENESS AMONG THE TEACHERS OF ENGINEERING AND MANAGEMENT SCHOOLS IN PONDICHERRY". Kindly spare a few minutes of your valuable time to fill this questionnaire. The details of the questionnaire are purely for research purpose and we will be strictly kept confidential. Thank you.

1. Name : _____

2. Institution currently working :

3. Designation:

- a) Professor b) Associate Prof
c) Asst Prof d) Sr. Lecturer e) Lecturer

4. Age (in years) : a)20 to 30 b) 31 to 40 c) 41 to 50

d) 51 to 60 e) 61 and above

5. Gender : a) Male b) Female

6. Marital status : a) Single b)Married

7. Department attached to : _____

8. Years of experience in teaching:

- a) Below three years b) Three to five years
c) Five to Ten years e) 10 to 20 years f) Above 20 years

9. Monthly income : a) Below 15,000 b) 15,000 to 25,000
c) 25,000 to 40,000 e) 40,000 to 55,000 f) above 55,000

10. Percentage of Savings in your monthly income

- Below 30% 30 to 40%
 40 to 50% above 50%

11. Are you aware about investing in Stock market?

- Yes No
-

12. Your Risk Taking Capacity

- High Medium Low

13. Are you interested to invest in stock market?

- Yes No

10. How do you come to know about Share market trading?

- Media Friends Relatives
 Stock broking Service provider

11. How do you come to know about the stock market news?

- Business News Papers Television World Wide Web
 Others Specify

12. To which parameter you give the first preference to trade

Equity shares Commodities Mutual funds

Hedge funds Derivatives

Contact Number: _____

14. E-mail ID : _____



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