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A STUDY ON CAPITAL MARKET AWARENESS AND INVESTMENT BEHAVIOR OF MANAGEMENT FACULTY MEMBERS IN COIMBATORE

A PROJECT REPORT

Submitted by

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Reg. No. 0820400022

In partial fulfilment of the requirements

for the award of the degree

of

MASTER OF BUSINESS ADMINISTRATION

JUNE-2010

KCT Business School

Department of Management Studies

Kumaraguru College of Technology

(An autonomous institution affiliated to Anna University, Coimbatore)

Coimbatore – 641 006

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DEPARTMENT OF MANAGEMENT STUDIES

KUMARAGURU COLLEGE OF TECHNOLOGY (AUTONOMOUS)

COIMBATORE

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Place: Coimbatore

Date:

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ACKNOWLEDGEMENT

I thank the GOD, Almighty for his blessings bestowed upon me, which gave strength, confidence and health for completing this project.

I express my sincere gratitude to our beloved Chairman **Arutchelvar Dr. N.Mahalingam,** the prime guiding spirit of Kumaraguru College of Technology.

I express my sincere gratitude to our beloved Co-chairman **Dr. B.K.Krishnaraj Vanavarayar,** the prime guiding spirit of Kumaraguru College of Technology.

I express my sincere gratitude to our beloved correspondent **Mr. M.Balasubramaniam,** the prime guiding spirit of Kumaraguru College of Technology.

I express my sincere gratitude to our beloved Principal in-charge **Dr. S.Ramachandran,** the prime guiding spirit of Kumaraguru College of Technology.

I wish to express my sincere thanks to Prof. **Dr. S.V.Devanathan,** Director, KCT Business School, for his continuous encouragement throughout my project.

I wish to express deep sense of obligation to **Mr. A.Senthil Kumar** Senior Lecturer, KCT Business School, for his intensive guidance throughout my project.

I am greatly indebted to thank all other faculty members of KCT Business School for their kind patronage.

I thank **Mr. P.S. SIVARAJA,** Branch Manager, UNICON INVESTMENT SOLUTIONS COIMBATORE for his valuable guidance throughout my project.

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 among management faculty members is comparably lesser than other professionals in Coimbatore. The study had been conducted among 52 management institutions in Coimbatore. In this study, the awareness about capital market and the investment behavior of the management faculty members had been understood. The management faculty members were aware about trading in the capital market. The major factor which resists their investment is their misperception about capital market. It is observed that many respondents are attracted towards realty investments as an alternative for capital market. They have the interest to invest in capital market, but they require 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 management faculty members by adopting aggressive strategies.

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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 (and emotional ties) to particular corporations. Over time, markets have become more "institutionalized"; buyers and sellers are largely institutions (e.g., pension funds, insurance companies, mutual funds, index funds, exchange-traded funds, hedge funds, investor groups, banks and various other financial institutions). The rise of the institutional investor has brought with it some improvements in market operations. Thus, the government was responsible for "fixed" (and exorbitant) 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 (at least in the West) has been very much adversely affected by the rise of (largely 'absentee') 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 (government insured) 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 (such as 'investment' property, i.e., real estate and collectables).

THE BEHAVIOR OF THE STOCK MARKET

Investors may 'temporarily' move financial prices away from their long term aggregate price 'trends'. (Positive or up trends are referred to as bull markets; negative or down trends are referred to as bear markets.) Over-reactions may occur—so that excessive optimism (euphoria) 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 (EMH), 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. (But this largely theoretic academic viewpoint—known as 'hard' EMH—also predicts that little or no trading should take place, contrary to fact, since prices are already at or near equilibrium, *having priced in all public knowledge.*) 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. (But note that such events are predicted to occur strictly by chance , although very rarely.) It seems also to be the case more generally that many price movements (beyond that which are predicted to occur 'randomly') are *not* occasioned by new information; a study of the fifty largest one-day share price movements in the United States in the post-war period seems to confirm this.

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 (in the absence of change in fundamental information) is random (i.e., non-trending), 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. For instance, some research has shown that changes in estimated risk, and the use of certain strategies, such as stop-loss limits and Value at Risk limits, *theoretically could* cause financial markets to overreact. But the best explanation seems to be that the distribution of stock market prices is non-Gaussian (in which case EMH, in any of its current forms, would not be strictly applicable).

Other research has shown that psychological factors may result in *exaggerated* (statistically anomalous) stock price movements (contrary to EMH which assumes such behaviors 'cancel out'). Psychological research has demonstrated that people are predisposed to 'seeing' patterns, and often will perceive a pattern in what is, in fact, just *noise*. (Something like seeing familiar shapes in *clouds* or *ink blots*.) In the present context this means that a succession of good news items about a company may lead investors to overreact positively (unjustifiably driving the price up). A period of good returns also boosts the investor's self-confidence, reducing his (psychological) risk threshold.

Another phenomenon—also from psychology—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 (herding behavior takes over). 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 (and even during the 2000 - 2002 bear market, the average did not rise above 5%). 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. (And later amplified the gloom which descended during the 2000 - 2002 bear market, so that by summer of 2002, predictions of a DOW average below 5000 were quite common.)

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 (ETFs), stock index and stock options, equity swaps, single-stock futures, and stock index futures. These last two may be traded on futures exchanges (which are distinct from stock exchanges—their history traces back to commodities 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 (hypothetical) derivatives market, rather than the (hypothetical) 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 (usually from his brokerage which holds its clients' shares or its own shares on account to lend to short sellers) 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 (but not all) stock markets.

MARGIN BUYING

In margin buying, the trader borrows money (at interest) 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 (that is, if you want to make a $1000 investment, you need to put up $500, and there is often a maintenance margin below the $500).

A margin call is made if the total value of the investor's account cannot support the loss of the trade. (Upon a decline in the value of the margined securities additional funds may be required to maintain the account's equity, and with or without notice the margined security or any others within the account may be sold by the brokerage to protect its loan position. The investor is responsible for any shortfall following such forced sales.)

Regulation of margin requirements (by the Federal Reserve) was implemented after the Crash of 1929. Before that, speculators typically only needed to put up as little as 10 percent (or even less) 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 (there is normally a three-day grace period for delivery of the stock), but then selling them (before the three-days are up) and using part of the proceeds to make the original payment (assuming that the value of the stocks has not declined in the interim).

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 (IPOs) by US issuers increased 221% with 233 offerings that raised $45 billion, and IPOs in Europe, Middle East and Africa (EMEA) 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 (such as the S&P 500 or Wilshire 5000). 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 (which, in the U.S., has averaged nearly 10%/year, compounded annually, since World War II).

TAXATION

According to much national or state legislation, a large array 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 bonds (and possibly other financial assets) in the financial markets.

Individuals or firms trading equity (stock) 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. Several different types of stock trading exist including day trading, trend following, market making, scalping (trading), momentum trading, trading the news, and arbitrage.

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 (i.e. in a game of chance, they have flipped heads twenty times in a row).

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 management 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 Wright[1] conducted a comprehensive survey distributed to over 4,000 finance professors in the United States to (a) assess collective opinion on the efficiency of the US stock market and (b) 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.

[1] James S. Doran, David R. Peterson, Colby Wright, "Confidence, Opinions of Market Efficiency, and Investment Behavior of Finance Professors" http://ssrn.com/abstract=1006237 1/7/09

Dimitrios I. Maditinos, Z eljko S evic and Nikolaos G. Theriou[2] 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.

Christian Weitert[3] 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 Sultana[4] 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

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[2] Dimitrios I. Maditinos, Z eljko S evic, Nikolaos G. Theriou, "Investors' behaviour in the Athens Stock Exchange (ASE)", www.emeraldinsight.com/1086-7376.htm Vol. 24 No.1, 2007 pg. 32-50

[3] Christian Weitert, "Analysis of Investor Behavior in an Artificial Stock Market" Industrieseminar, Mannheim University Schloss, D-68131 Mannheim, Germany

[4] 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

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 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, 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[5] 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.

[5]Alexander Ljungqvist, Matthew Richardson "The Investment Behavior of Private Equity Fund Managers" October 30, 2003

Burcu Hacıbedel[6] 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[7] 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.

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[6]Burcu Hacıbedel "Does Investor Awareness Matter for Asset Pricing?"

[7]Zhen Liu "Fair Disclosure and Investor Asymmetric Awareness in Stock Markets" April 8, 2008

1.3 STATEMENT OF THE PROBLEM

There are 130 stock broking service providers in Coimbatore. 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 and investment behavior among the management faculty members in Coimbatore.

SECONDARY OBJECTIVES

- To identify the service gap in the services provided by stock broking service providers to their existing customers.
- 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 non investor respondents and their risk taking capacity.
- H_{a1}: There exists a significant relationship between gender of the non investor respondents and their risk taking capacity.

- H_{02}: There is no significant relationship between gender of the investor respondents and their risk taking capacity.

- H_{a2}: There exists a significant relationship between gender of the investor respondents and their risk taking capacity.

- H_{03}: There is no significant relationship between monthly income of the non investor respondents and their risk taking capacity.

- H_{a3}: There exists a significant relationship between monthly income of the non investor respondents and their risk taking capacity.

- H_{04}: There is no significant relationship between monthly income of the investor respondents and their risk taking capacity.

- H_{a4}: There exists a significant relationship between monthly income of the investor respondents and their risk taking capacity.

- H_{05}: There is no significant relationship between marital status of the non investor respondents and their risk taking capacity.

- H_{a5}: There exists a significant relationship between marital status of the non investor respondents and their risk taking capacity.

- H_{06}: There is no significant relationship between marital status of the investor respondents and their risk taking capacity.

- H_{a6}: There exists a significant relationship between marital status of the investor respondents and their risk taking capacity.

- H_{07}: There is no significant relationship between area of specialization of the investor respondents and the model used under fundamental analysis.

- H_{a7}: There exists a significant relationship between area of specialization of the investor respondents and the model used under fundamental analysis.

1.6 SCOPE OF THE STUDY

The scope of the study is to create market awareness among the management faculty members and to tap the market potential of the management faculty members 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 52 management institutions in Coimbatore. For this study, in every management institution 5 faculty members are selected based on the sampling technique. So the sample size taken as 260(52*5) 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 for 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.

A pilot study had been done for 5 management institutions and some of the questions were reframed and used for 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

$$\chi^2 = (O - E)^2/E$$

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)

χ^2 is Chi Square

ANOVA

In statistics, analysis of variance (ANOVA) is a collection of statistical models, and their associated procedures, in which the observed variance is partitioned into components due to different sources of variation. In its simplest form ANOVA provides a statistical test of whether or not the means of several groups are all equal, and therefore generalizes Student's two-sample *t*-test to more than two groups. ANOVAs are helpful because they possess a certain advantage over a two-sample t-test.

1.8 LIMITATIONS OF THE STUDY

- The study is limited to management institutions in Coimbatore district only.
- Since many of the targeted respondents were in summer vacation, the response rate was only 73.46% of 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

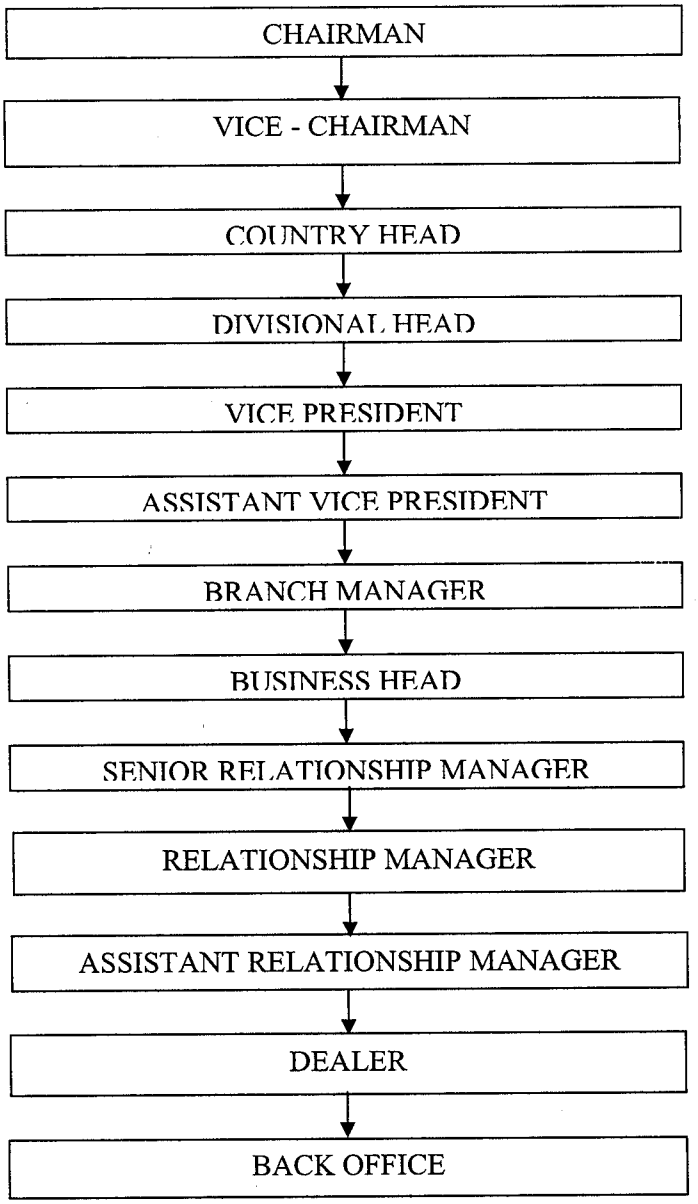
Mr. Subhash Nagpal - Director, Strategic Planning and Implementation

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 Coimbatore 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 scrip 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 scripts.
- 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 tradin 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 unfavorable 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.

CHAPTER 3

MACRO – MICRO ANALYSIS

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.

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 was 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 favorite scrips of speculators. As speculation became rempant, 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 1956s 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 a 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 undred 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 on 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 an 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 utilisation.

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 were 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.

CHAPTER 4

DATA ANALYSIS AND INTERPRETATION

TABLE 4.1 TYPES OF RESPONDENTS

Type of Respondents	No of Respondents	Percentage of Respondents
Investors in Capital Market	37	19.4%
Non Investors in Capital Market	154	80.6%
Total	191	100.0%

INTERPRETATION:

The above table shows that, among 191 respondents, 37(19.4%) respondents are investors and 154(80.6%) respondents are non investors in capital market.

INFERENCE:

The above table infers that most of the teachers (80.6%) are not investing in capital market.

TABLE 4.2 GENDER OF THE RESPONDENTS

Particulars		Gender		Total
		Female	Male	
Investors	No. of Respondents	14	23	37
	% of Respondents	17.3	20.9	19.4
Non Investors	No. of Respondents	67	87	154
	% of Respondents	82.7	79.1	80.6
Total	No. of Respondents	81	110	191
	% of Respondents	42.4	57.6	100.0

INTERPRETATION:

The above table shows that, among 191 respondents, 81(42.4%) respondents are female and 110(57.6%) respondents are male.

Among 81(42.4%) female respondents, 14(17.3%) female respondents are investors and 67(82.7%) female respondents are non investors in Capital Market.

Among 110(57.6%) male respondents, 23(20.9%) male respondents are investors and 87(79.1%) male respondents are non investors in Capital Market.

INFERENCE:

The above table infers that male respondents have invested in capital market more than female respondents.

TABLE 4.3 AGE OF THE RESPONDENTS

Particulars		Age				Total
		25 to 35 years	35 to 45 years	Above 45 years	Less than 25 years	
Investors	No. of Respondents	14	10	10	3	37
	% of Respondents	13.3	20.4	50.0	17.6	19.4
Non Investors	No. of Respondents	91	39	10	14	154
	% of Respondents	86.7	79.6	50.0	82.4	80.6
Total	No. of Respondents	105	49	20	17	191
	% of Respondents	55.0	25.7	10.5	8.9	100.0

INTERPRETATION:

The above table shows that, among 191 respondents, 17(8.9%) respondents belong to less than 25 years age group, 105(55%) respondents belong to 25 to 35 years age group, 49(25.7%) respondents belong to 35 to 45 years age group and 20(10.5%) respondents belong to above 45 years age group.

Among 17(8.9%) respondents belong to less than 25 years age group, 3(17.6%) respondents are investors and 14(82.4%) respondents are non investors in Capital Market.

Among 105(55%) respondents belong to 25 to 35 years age group, 14(13.3%) respondents are investors and 91(86.7%) respondents are non investors in Capital Market.

Among 49(25.7%) respondents belong to 35 to 45 years age group, 10(20.4%) respondents are investors and 39(79.6%) respondents are non investors in Capital Market.

Among 20(10.5%) respondents belong to above 45 years age group, 10(50%) respondents are investors and 10(50%) respondents are non investors in Capital Market.

INFERENCE:

The above table infers that respondents of above 45 years age group have invested in capital market than respondents of other age groups.

TABLE 4.4 EDUCATIONAL QUALIFICATION OF THE RESPONDENTS

Particulars		Educational Qualification			Total
		M.Phil	Ph.D	Post Graduate	
Investors	No. of Respondents	21	3	13	37
	% of Respondents	25.3	18.8	14.1	19.4
Non Investors	No. of Respondents	62	13	79	154
	% of Respondents	74.7	81.2	85.9	80.6
Total	No. of Respondents	83	16	92	191
	% of Respondents	43.5	8.4	48.2	100.0

INTERPRETATION:

The above table shows that, among 191 respondents, 83(43.5%) respondents have completed their M.Phil, 16(8.4%) respondents have completed their Ph.D and 92 (48.2%) respondents have completed their Post Graduate.

Among 83(43.5%) respondents who have completed their M.Phil, 21(25.3%) respondents are investors and 62(74.7%) respondents are non investors in Capital Market.

Among 16(8.4%) respondents who have completed their Ph.D, 3(18.8%) respondents are investors and 13(81.2%) respondents are non investors in Capital Market.

Among 92 (48.2%) respondents have completed their Post Graduate, 13(14.1%) respondents are investors and 79(85.9%) respondents are non investors in Capital Market.

INFERENCE:

The above table infers that respondents who have completed their M.Phil have invested in capital market more than the respondents having other qualifications.

TABLE 4.5 MARITAL STATUS OF THE RESPONDENTS

Particulars		Marital Status		Total
		Married	Single	
Investors	No. Of Respondents	34	3	37
	% of Respondents	24.5	5.8	19.4
Non Investors	No. of Respondents	105	49	154
	% of Respondents	75.5	94.2	80.6
Total	No. of Respondents	139	52	191
	% of Respondents	72.8	27.2	100.0

INTERPRETATION:

The above table shows that, among 191 respondents, 139(72.8%) respondents are married and 52(27.2%) respondents are single.

Among 139(72.8%) married respondents, 34(24.5%) respondents are investors and 105(75.5%) respondents are non investors in Capital Market.

Among 52(27.2%) single respondents, 3(5.8%) respondents are investors and 49(94.2%) respondents are non investors in Capital Market.

INFERENCE:

The above table infers that majority of the capital market investors are married.

TABLE 4.6 RESIDENTIAL AREA OF THE RESPONDENTS

Particulars		Residential Area			Total
		Rural	Semi-Urban	Urban	
Investors	No. Of Respondents	0	13	24	37
	% of Respondents	0	25.0	20.0	19.4
Non Investors	No. Of Respondents	19	39	96	154
	% of Respondents	100.0	75.0	80.0	80.6
Total	No. of Respondents	19	52	120	191
	% of Respondents	9.9	27.2	62.8	100.0

INTERPRETATION:

The above table shows that, among 191 respondents, 19(9.9%) respondents belong to rural area, 52(27.2%) respondents belong to semi-urban area and 120(62.8%) respondents belong to urban area.

All 19(9.9%) respondents belong to rural area are non investors in Capital Market.

Among 52(27.2%) respondents belong to semi-urban area, 13(25%) respondents are investors and 39(75%) respondents are non investors.

Among 120 (62.8%) respondents belong to urban area, 24(20%) respondents are investors and 96(80%) respondents are non investors.

INFERENCE:

The above table infers that respondents belonging to semi-urban area have invested in capital market more than the respondents belong to other areas.

TABLE 4.7 DESIGNATION OF THE RESPONDENTS

Particulars		Designation						Total
		Assistant Professor	Associate Professor	Director	Lecturer	Professor	Senior Lecturer	
Investors	No. of Respondents	18	0	3	13	3	0	37
	% of Respondents	41.9	0	42.9	14.3	37.5	0	19.4
Non Investors	No. of Respondents	25	10	4	78	5	32	154
	% of Respondents	58.1	100.0	57.1	85.7	62.5	100.0	80.6
Total	No. of Respondents	43	10	7	91	8	32	191
	% of Respondents	22.5	5.2	3.7	47.6	4.2	16.8	100.0

INTERPRETATION:

The above table shows that, among 191 respondents, 43(22.5%) respondents are Assistant Professors, 10(5.2%) respondents are Associate Professors, 7(3.7%) respondents are Directors, 91(47.6%) respondents are Lecturers, 8(4.2%) respondents are Professors and 32(16.8%) respondents are Senior Lecturers.

Among 43(22.5%) Assistant Professor Respondents, 18(41.9%) respondents are investors and 25(58.1%) respondents are non investors in Capital Market.

All 10(5.2%) Associate Professor respondents are non investors in Capital Market.

Among 7(3.7%) Director respondents, 3(42.9%) respondents are investors and 4(57.1%) respondents are non investors in Capital Market.

Among 91(47.6%) Lecturer respondents, 13(14.3%) respondents are investors and 78(85.7%) respondents are non investors in Capital Market.

Among 8(4.2%) Professor respondents, 3(37.5%) respondents are investors and 5(62.5%) respondents are non investors in Capital Market.

All 32(16.8%) Senior Professor respondents are non investors in Capital Market.

INFERENCE:

The above table infers that mostly Directors, Assistant Professors and Professors have invested in the capital market. The Associate Professors and Senior Lecturers have not yet invested in the capital market.

TABLE 4.8 INCOME OF THE RESPONDENTS

Particulars		Income				Total
		20,000 to 30,000	30,000 to 50,000	50,000 & Above	Less than 20,000	
Investors	No. Of Respondents	17	13	0	7	37
	% of Respondents	21.2	31.0	0	11.3	19.4
Non Investors	No. Of Respondents	63	29	7	55	154
	% of Respondents	78.8	69.0	100.0	88.7	80.6
Total	No. of Respondents	80	42	7	62	191
	% of Respondents	41.9	22.0	3.7	32.5	100.0

INTERPRETATION:

The above table shows that, among 191 respondents, 80(41.9%) respondents belong to 20,000 to 30,000 rupees income group, 42(22%) respondents belong to 30,000 to 50,000 rupees income group, 7(3.7%) respondents belong to above 50,000 rupees income group and 62(32.5%) respondents belong to less than 20,000 rupees income group.

Among 80(41.9%) respondents belonging to 20,000 to 30,000 rupees income group, 17(21.2%) respondents are investors and 63(78.8%) respondents are non investors in Capital Market.

Among 42(22%) respondents belonging to 30,000 to 50,000 rupees income group, 13(31%) respondents are investors and 29(69%) respondents are non investors in Capital Market.

All 7(3.7%) respondents belonging to above 50,000 rupees income group are non investors in Capital Market.

Among 62(32.5%) respondents belonging to less than 20,000 rupees income group, 7(11.3%) respondents are investors and 55(88.7%) respondents are non investors in Capital Market.

INFERENCE:

The above table infers that 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. It is worth to be noted that respondents with monthly income above 50,000 rupees have not invested in capital market.

TABLE 4.9 PERCENTAGE OF SAVINGS OF THE RESPONDENTS

Particulars		Savings				Total
		30 to 40%	40 to 50%	Above 50%	Below 30%	
nvestors	No. of Respondents	16	6	0	15	37
	% of Respondents	19.5	42.9	0	17.2	19.4
Non nvestors	No. of Respondents	66	8	8	72	154
	% of Respondents	80.5	57.1	100.0	82.8	80.6
Total	No. of Respondents	82	14	8	87	191
	% of Respondents	42.9	7.3	4.2	45.5	100.0

INTERPRETATION:

The above table shows that, among 191 respondents, 82(42.9%) respondents belong to 30 to 40% savings group, 14(7.3%) respondents belong to 40 to 50% savings group, 8(4.2%) respondents belong to above 50% savings group and 87(45.5%) respondents belong to less than 30% savings group.

Among 82(42.9%) respondents belonging to 30 to 40% savings group, 16(19.5%) respondents are investors and 66(80.5%) respondents are non investors in Capital Market.

Among 14(7.3%) respondents belonging to 40 to 50% savings group, 6(42.9%) respondents are investors and 8(57.1%) respondents are non investors in Capital Market.

All 8(4.2%) respondents belonging to above 50% savings group are non investors in Capital Market.

Among 87(45.5%) respondents belonging to less than 30% savings group, 15(17.2%) respondents are investors and 62(82.8%) respondents are non investors in Capital Market.

INFERENCE:

The above table infers that the capital market investor save about 40 to 50% of their monthly income.

TABLE 4.10 RISK CAPACITY OF THE RESPONDENTS

Particulars		Risk Capacity				Total
		High	Low	Medium	Risk Averse	
nvestors	No. Of Respondents	4	4	29	0	37
	% of Respondents	23.5	7.7	25.2	0	19.4
Non nvestors	No. Of Respondents	13	48	86	7	154
	% of Respondents	76.5	92.3	74.8	100.0	80.6
Total	No. Of Respondents	17	52	115	7	191
	% of Respondents	8.9	27.2	60.2	3.7	100.0

INTERPRETATION:

The above table shows that, among 191 respondents, 17(8.9%) respondents are having high risk taking capacity, 52(27.2%) respondents are having low risk taking capacity, 115(60.2%) respondents are having medium risk taking capacity and 7(3.7%) respondents are risk averse persons.

Among 17(8.9%) high risk taking capacity respondents, 4(23.5%) respondents are investors and 13(76.5%) respondents are non investors in Capital Market.

Among 52(27.2%) low risk taking capacity respondents, 4(7.7%) respondents are investors and 48(92.3%) respondents are non investors in Capital Market.

Among 115(60.2%) medium risk taking capacity respondents, 29(25.2%) respondents are investors and 86(74.8%) respondents are non investors in Capital Market.

All 7(3.7%) risk adverse respondents are non investors in Capital Market.

INFERENCE:

The above table infers that majority of the capital market investor are medium risk takers.

TABLE 4.11 AWARENESS AMONG THE NON INVESTORS

Particulars	No of Respondents	Percentage of Respondents
Aware	137	89.0
Not Aware	17	11.0
Total	154	100.0

INTERPRETATION:

The above table shows that, among 154(80.6%) non investors, 137(89%) respondents are aware and 17(11%) respondents are not aware about trading in the capital market.

INFERENCE:

The above table infers that most of the non investors are aware about trading in the capital market.

TABLE 4.12 INTERESTED TO INVEST IN FUTURE AMONG NON INVESTORS

Particulars	No of Respondents	Percentage of Respondents
Invest after a year	2	1.3
Invest but not decided	3	1.9
Invest but not sure	2	1.3
Invest in within 3 months	26	16.9
Invest in within 6 months	10	6.5
Invest in within a month	6	3.9
Invest in within a year	46	29.9
Not Interested	59	38.3
Total	154	100.0

INTERPRETATION:

The above table shows that among 154(80.6%) non investor respondents, 95(61.7%) respondents have an idea to invest in future and 59(38.3%) respondents have no idea to invest in capital market in future.

Among 95(61.7%) respondents, 2(1.3%) respondents have an idea to invest after a year, 3(1.9%) respondents have an idea to invest but they have not yet decided the time of invest, 2(1.3%) respondents have an idea to invest but are not sure about their investment. About 26(16.9%) respondents have an idea to invest within 3 months, 10(6.5%) respondents have an idea to invest within 6 months, 6(3.9%) respondents have an idea to invest within a month and 46(29.9%) respondents have an idea to invest within a year.

INFERENCE:

The above table infers that most of the non investor respondents have an idea to invest in capital market within a year.

TABLE 4.13 SATISFACTION LEVEL AMONG THE INVESTORS IN CAPITAL MARKET WITH THEIR STOCK BROKING SERVICE PROVIDER

Particulars	No of Respondents	Percentage of Respondents
Highly Satisfied	10	27.0
Neither satisfied nor dissatisfied	4	10.8
Satisfied	23	62.2
Total	37	100.0

INTERPRETATION

The above table shows that among 37(19.4%) investor respondents, 10(27%) respondents are highly satisfied with their existing stock broking service provider, 4(10.8%) respondents are neither satisfied nor dissatisfied with their existing stock broking service provider and 23(62.2%) are satisfied with their existing stock broking service provider.

INFERENCE

The above table infers that most of the investor respondents are satisfied with their existing stock broking service provider.

TABLE 4.14 HOW INVESTORS COME TO KNOW ABOUT CAPITAL MARKET TRADING

Particulars	No of Respondents	Percentage of Respondents
Friends	24	64.9
Media & Friends	3	8.1
Media & Service Provider	4	10.8
Stock broking Service Provider	6	16.2
Total	37	100.0

INTERPRETATION:

The above table shows that among 37(19.4%) investor respondents, 24(64.9%) respondents came to know through friends, 3(8.1%) respondents came to know through media & friends, 4(10.8%) respondents came to know through media & stock broking service provider and 6(16.2%) respondents came to know about capital market trading through stock broking service provider.

INFERENCE:

The above table infers that most of the investor respondents came to know about capital market trading through friends. So, reference group play a vital motivation to invest in capital market.

TABLE 4.15 METHOD OF TRADING INVESTORS INVOLVED

Particulars	No of Respondents	Percentage of Respondents
Offline trading	16	43.2
Online Trading	21	56.8
Total	37	100.0

INTERPRETATION:

The above table shows that among 37(19.4%) investor respondents, 16(43.2%) respondents are involved in offline trading, 21(56.8%) respondents are involved in internet based online trading.

INFERENCE:

The above table infers that most of the investor respondents are involved in internet based online trading.

TABLE 4.16 TYPE OF TRADING INVESTORS INVOLVED

Particulars	No of Respondents	Percentage of Respondents
Both type	12	32.4
Delivery	22	59.5
Intraday	3	8.1
Total	37	100.0

INTERPRETATION:

The above table shows that among 37(19.4%) investor respondents, 3(8.1%) respondents are involved in intraday trading, 22(59.5%) respondents are involved in delivery trading and 12(32.4%) respondents are involved in both type of trading.

INFERENCE:

The above table infers that half of the investor respondents prefer delivery based online trading.

TABLE 4.17 INVESTOR'S INVOLVEMENT IN SHORT SELLING

Particulars	No of Respondents	Percentage of Respondents
Involved	9	24.3
Not Involved	28	75.7
Total	37	100.0

INTERPRETATION:

The above table shows that among 37(19.4%) investor respondents, 9(24.3%) respondents are involved in short selling, 28(75.7%) respondents are not involved in short selling.

INFERENCE:

The above table infers that three – fourth of the investor respondents do not prefer short selling.

TABLE 4.18 TRADING FREQUENCY OF THE INVESTORS

Particulars	No of Respondents	Percentage of Respondents
Daily	3	8.1
Monthly	6	16.2
Occasionally	21	56.8
Weekly	7	18.9
Total	37	100.0

INTERPRETATION:

The above table shows that among 37(19.4%) investor respondents, 3(8.1%) respondents trade daily, 6(16.2%) respondents trade monthly, 21(56.8%) respondents trade occasionally and 7(18.9%) respondents trade weekly.

INFERENCE:

The above table infers that half of the investor respondents occasionally trade in the capital market.

TABLE 4.19 INVESTOR'S INVESTMENT IN INITIAL PUBLIC OFFERINGS

Particulars	No of Respondents	Percentage of Respondents
Invest	31	83.8
Not Invest	6	16.2
Total	37	100.0

INTERPRETATION:

The above table shows that among 37(19.4%) investor respondents, 31(83.8%) respondents invest in Initial Public Offerings, 6(16.2%) respondents do not invest in Initial Public Offerings.

INFERENCE:

The above table infers that more than three - fourth of the investor respondents invest in Initial Public Offerings.

TABLE 4.20 INVESTMENT VALUATION OF THE INVESTORS

Particulars	No of Respondents	Percentage of Respondents
Fundamental Analysis	15	40.5
Technical Analysis	3	8.1
Both Analysis	13	35.1
Others	6	16.2
Total	37	100.0

INTERPRETATION:

The above table shows that among 37(19.4%) investor respondents, 15(40.5%) respondents use only fundamental analysis, 3(8.1%) respondents use only technical analysis, 13(35.1%) respondents use both analyses and 6(16.2%) respondents use other analyses for their investment valuation.

INFERENCE:

The above table infers that nearly half of the investor respondents use fundamental analysis for their investment valuation.

TABLE 4.21 IMPORTANCE OF FINANCIAL RATIOS AND CHARACTERISTIC OF THE FIRM WHILE MAKING INVESTMENTS BY INVESTORS

Particulars	Less Important		Important		Most Important	
	No of Respondents	% of Respondents	No of Respondents	% of Respondents	No of Respondents	% of Responder
Market apitalisation	10	27.0	14	37.8	13	35.1
Book to arket Ratio	14	37.8	19	51.4	4	10.8
Dividend ield Ratio	17	45.9	7	18.9	13	35.1
Price Earnings Ratio	10	27.0	10	27.0	17	45.9

INTERPRETATION:

The above table shows that among 37(19.4%) investor respondents, 14(37.8%) respondents gave importance, 10(27.0%) respondents gave less importance and 13(35.1%) respondents gave more importance to market capitalisation in making investments.

Among 37(19.4%) investor respondents, 14(37.8%) respondents gave less importance, 19(51.4%) respondents gave importance and 4(10.8%) respondents gave more importance to book to market ratio in making investments.

Among 37(19.4%) investor respondents, 17(45.9%) respondents gave less importance, 7(18.9%) respondents gave importance and 13(35.1%) respondents gave more importance to dividend yield ratio in making investments.

Among 37(19.4%) investor respondents, 10(27%) respondents gave less importance, 10(27%) respondents gave importance and 17(45.9%) respondents gave more importance to price earnings ratio in making investments.

INFERENCE:

The above table infers that among the various financial ratios and characteristics of the firm, most of the investor respondents gave more importance to price earnings ratio, gave importance to market capitalization and book to market ratio and gave less importance to dividend yield ratio in making investments.

TABLE 4.22 RESEARCH REPORTS PROVIDED BY THE STOCK BROKING SERVICE PROVIDER TO THE INVESTORS

Particulars	No of Respondents	Percentage of Respondents
Not Provided	17	45.9
Provided	20	54.1
Total	37	100.0

INTERPRETATION:

The above table shows that among 37(19.4%) investor respondents, 17(45.9%) respondents said that the stock broking service providers doesn't provide research reports to them and the remaining 20(54.1%) respondents said that they are provided with research reports.

INFERENCE:

The above table provides a mixed response that half of the stock broking service providers provide research reports while another half do not provide any research reports to their client investors.

TABLE 4.23 HOW INVESTORS COME TO KNOW ABOUT CAPITAL MARKET NEWS

Particulars	No of Respondents	Percentage of Respondents
Business News Papers	9	24.3
Television	7	18.9
Television & Business News Papers	15	40.5
www	3	8.1
WWW & Business News Papers	3	8.1
Total	37	100.0

INTERPRETATION:

The above table shows that among 37(19.4%) investor respondents, 9(24.3%) respondents track the capital market news through business newspapers only, 3(8.1%) respondents through World Wide Web, 3(8.1%) respondents through www and business newspapers, 7(18.9%) respondents through television and 15(40.5%) respondents through television and business newspapers.

INFERENCE:

The above table infers that nearly half of the investor respondents track the capital market news through television and business newspapers.

TABLE 4.24 IMPORTANCE OF COPPORATE EVENTS WHILE MAKING INVESTMENTS BY INVESTORS

articulars	Less Important		Important		Most Important	
	No of Respondents	% of Respondents	No of Respondents	% of Respondents	No of Respondents	% of Respondent
ock Splits	17	45.9	10	27.0	3	8.1
Stock purchases	14	37.8	9	24.3	7	18.9
itial Public Offerings	10	27.0	6	16.2	14	37.8
Seasoned Equity Offerings	10	27.0	20	54.1	0	0
Listing Switches	17	45.9	10	27.0	3	8.1
Dividend nitiation or Increase	14	37.8	7	18.9	9	24.3
Merger & Acquisition	6	16.2	10	27.0	14	37.8

INTERPRETATION:

The above table shows that among 37(19.4%) investor respondents, 7(18.9%) respondents gave incomplete response.

Among 37(19.4%) investor respondents, 10(27%) respondents gave importance, 3(8.1%) respondents gave more importance and 17(45.9%) respondents gave less importance to stock splits in making investments.

Among 37(19.4%) investor respondents, 14(37.8%) respondents gave less importance, 9(24.3%) respondents gave importance and 7(18.9%) respondents gave more importance to stock repurchases in making investments.

Among 37(19.4%) investor respondents, 6(16.2%) respondents gave less importance, 10(27.0%) respondents gave importance and 14(37.8%) respondents gave more importance to initial public offerings in making investments.

Among 37(19.4%) investor respondents, 10(27%) respondents gave less importance and 20(54.1%) respondents gave importance to seasoned equity offerings in making investments.

Among 37(19.4%) investor respondents, 10(27%) respondents gave importance, 17(45.9%) respondents gave less importance and 3(8.1%) respondents gave more importance to listing switches in making investments.

Among 37(19.4%) investor respondents, 14(37.8%) respondents gave less importance, 7(18.9%) respondents gave importance and 9(24.3%) respondents gave to dividend initiation or increase in making investments.

Among 37(19.4%) investor respondents, 10(27%) respondents gave importance, 6(16.2%) respondents gave less importance and 14(37.8%) respondents gave more importance to merger and acquisition in making investments.

INFERENCE:

The above table infers that among the various corporate events, most of the investor respondents gave more importance to initial public offerings and merger & acquisition, gave importance to seasoned equity offerings and gave less importance to stock splits, stock repurchases, listing switches and dividend initiation or increase in making investments.

TABLE 4.25 INVESTOR'S RECOMMENDATION TO OTHERS TOWARDS INVESTMENT

Particulars	No of Respondents	Percentage of Respondents
Not Recommend	13	35.1
Recommend	24	64.9
Total	37	100.0

INTERPRETATION:

The above table shows that among 37(19.4%) Investor respondents, 13(35.1%) respondents don't recommend others, 24(64.9%) respondents recommend others towards investing in capital market.

INFERENCE:

The above table infers that most of the Investor respondents prefer to be positive reference group by recommending others towards investing in the capital market.

TABLE 4.26 RANK ANALYSIS FOR THE FIXED INCOME SAVINGS OPTION GIVEN BY NON INVESTOR RESPONDENTS

Fixed Income Savings options	Total Score	Rank
Bank Deposits	491	1
Insurance	392	2
Postal Savings	302	3
Bonds	236	4
Debentures	169	5

INTERPRETATION

The above table shows that among the various fixed income savings option, they give the priority to bank deposits (Total Points – 491, Rank 1), insurance (Total Points – 392, Rank 2), Postal savings (Total Points – 302, Rank 3), bonds (Total Points – 236, Rank 4) and debentures (Total Points – 169, Rank 5)

INFERENCE

The above table infers that the non investor respondents give high priority to bank deposits among the various fixed income savings option.

TABLE 4.27 RANK ANALYSIS FOR THE VARIABLE INCOME SAVINGS OPTION GIVEN BY NON INVESTOR RESPONDENTS

Variable Income Savings options	Total Score	Rank
Equity Shares	218	2
Mutual Funds	236	1
Derivatives	104	3

INTERPRETATION

The above table shows that among the variable income savings option, they give the top priority to invest in mutual funds (Total Points – 236, Rank 1), next for equity shares (Total Points – 218, Rank 2) and finally derivatives (Total Points – 104, Rank 3).

INFERENCE

The above table infers that the non investor respondents give high priority to invest in mutual funds.

TABLE 4.28 RANK ANALYSIS FOR THE OTHER SAVINGS OPTION GIVEN BY NON INVESTOR RESPONDENTS

Other Savings options	Total Score	Rank
Realty	152	1
Bullion	140	2

INTERPRETATION

The above table shows that amongst the various other savings option, the top priority is given to realty investments (Total Points – 152, Rank 1), and next for bullion (Total Points – 140, Rank 2).

INFERENCE

The above table infers that the non investor respondents give high priority for real estate investments.

TABLE 4.29 RANK ANALYSIS FOR THE FIXED INCOME SAVINGS OPTION GIVEN BY INVESTOR RESPONDENTS

Fixed Savings options	Total Score	Rank
Bank Deposits	128	1
Insurance	102	2
Postal Savings	102	2
Bonds	70	4
Debentures	48	5

INTERPRETATION

The above table shows that among the various fixed income savings option, the respondents gave priority to bank deposits (Total Points – 128, Rank 1), insurance (Total Points – 102, Rank 2), Postal savings (Total Points –102, Rank 3), bonds (Total Points – 70, Rank 4) and debentures (Total Points – 48, Rank 5).

INFERENCE

The above table infers that the investor respondents give high priority to bank deposits among the various fixed income savings option.

TABLE 4.30 RANK ANALYSIS FOR THE VARIABLE INCOME SAVINGS OPTION GIVEN BY INVESTOR RESPONDENTS

Variable Savings options	Total Score	Rank
Equity Shares	90	1
Mutual Funds	90	1
Derivatives	42	3

INTERPRETATION

The above table shows that among the variable income savings option, the respondents gave high priority to equity shares (Total Points – 90, Rank 1), mutual funds (Total Points – 90, Rank 1), derivatives (Total Points – 42, Rank 3).

INFERENCE

The above table infers that the investor respondents give high priority to equity shares and mutual funds among the various variable income savings option.

TABLE 4.31 RANK ANALYSIS FOR THE OTHER SAVINGS OPTION GIVEN BY INVESTOR RESPONDENTS

Other Savings options	Total Score	Rank
Realty	53	1
Bullion	46	2

INTERPRETATION

The above table shows that among the various other savings option, the top priority is for realty (Total Points – 53, Rank 1) and next the bullion (Total Points – 46, Rank 2).

INFERENCE

The above table infers that the investor respondents give high priority to real estate investments.

HYPOTHESIS:

H_{01}: There is no significant relationship between gender of the non investor respondents and their risk taking capacity.

H_{a1}: There exists a significant relationship between gender of the non investor respondents and their risk taking capacity.

TABLE 4.32 a. CHI - SQUARE ANALYSIS BETWEEN GENDER OF THE NON INVESTOR RESPONDENTS AND THEIR RISK TAKING CAPACITY

Particulars		Risk Capacity				Total
		High	Low	Medium	Risk Averse	
Gender	Female	7	29	31	0	67
	Male	6	19	55	7	87
Total		13	48	86	7	154

TABLE 4.32 b. TEST SUMMARY

Particulars	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	13.488[a]	3	.004
Likelihood Ratio	16.062	3	.001
N of Valid Cases	154		

a. 2 cells (25.0%) have expected count less than 5. The minimum expected count is 3.05.

INTERPRETATION

The above table shows that the chi-square value between gender of the non investor respondents and their risk taking capacity is 13.488 with the degree of freedom as 3. The asymptote significance is 0.004. Since the value of asymptote significance is less than 0.05, the null hypothesis is rejected and the alternate hypothesis is accepted.

INFERENCE

There exists a significant relationship between gender of the non investor respondents and their risk taking capacity.

HYPOTHESIS:

H_{02}: There is no significant relationship between gender of the investor respondents and their risk taking capacity.

H_{a2}: There exists a significant relationship between gender of the investor respondents and their risk taking capacity.

TABLE 4.33 a. CHI - SQUARE ANALYSIS BETWEEN GENDER OF THE INVESTOR RESPONDENTS AND THEIR RISK TAKING CAPACITY

Particulars		Risk Capacity			Total
		High	Low	Medium	
Gender	Female	0	0	14	14
	Male	4	4	15	23
Total		4	4	29	37

TABLE 4.33 b. TEST SUMMARY

Particulars	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	6.213[a]	2	.045
Likelihood Ratio	8.914	2	.012
N of Valid Cases	37		

a. 4 cells (66.7%) have expected count less than 5. The minimum expected count is 1.51.

INTERPRETATION

The above table shows that the chi-square value between gender of the investor respondents and their risk taking capacity is 6.213 with the degree of freedom as 2. The asymptote significance is 0.045. Since the value of asymptote significance is less than 0.05, the null hypothesis is rejected and the alternate hypothesis is accepted.

INFERENCE

There exists a significant relationship between gender of the investor respondents and their risk taking capacity.

HYPOTHESIS

H_{03}: There is no significant relationship between monthly income of the non investor respondents and their risk taking capacity.

H_{a3}: There exists a significant relationship between monthly income of the non investor respondents and their risk taking capacity.

TABLE 4.34 a. CHI - SQUARE ANALYSIS BETWEEN MONTHLY INCOME OF THE NON INVESTOR RESPONDENTS AND THEIR RISK TAKING CAPACITY

Particulars		Risk Capacity				Total
		High	Low	Medium	Risk Averse	
Income	20,000 to 30,000	3	15	40	5	63
	30,000 to 50,000	0	12	17	0	29
	50,000 & Above	0	5	2	0	7
	Less than 20,000	10	16	27	2	55
Total		13	48	86	7	154

TABLE 4.34 b. TEST SUMMARY

Particulars	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	21.423[a]	9	.011
Likelihood Ratio	23.674	9	.005
N of Valid Cases	154		

a. 9 cells (56.3%) have expected count less than 5. The minimum expected count is .32.

INTERPRETATION

The above table shows that the chi-square value between monthly income of the non investor respondents and their risk taking capacity is 21.423 with the degree of freedom as 9.The asymptote significance is 0.011. Since the value of asymptote significance is less than 0.05, the null hypothesis is rejected and the alternate hypothesis is accepted.

INFERENCE

There exists a significant relationship between monthly income of the non investor respondents and their risk taking capacity.

HYPOTHESIS

H_{04}: There is no significant relationship between monthly income of the investor respondents and their risk taking capacity.

H_{a4}: There exists a significant relationship between monthly income of the investor respondents and their risk taking capacity.

TABLE 4.35 a. CHI - SQUARE ANALYSIS BETWEEN MONTHLY INCOME OF THE INVESTOR RESPONDENTS AND THEIR RISK TAKING CAPACITY

Particulars		Risk Capacity			Total
		High	Low	Medium	
Income	20,000 to 30,000	0	4	13	17
	30,000 to 50,000	4	0	9	13
	Less than 20,000	0	0	7	7
Total		4	4	29	37

TABLE 4.35 b. TEST SUMMARY

Particulars	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	12.655[a]	4	.013
Likelihood Ratio	15.126	4	.004
N of Valid Cases	37		

a. 6 cells (66.7%) have expected count less than 5. The minimum expected count is .76.

INTERPRETATION

The above table shows that the chi-square value between monthly income of the investor respondents and their risk taking capacity is 12.655 with the degree of freedom as 4.The asymptote significance is 0.013. Since the value of asymptote significance is less than 0.05, the null hypothesis is rejected and the alternate hypothesis is accepted.

INFERENCE

There exists a significant relationship between monthly income of the investor respondents and their risk taking capacity.

HYPOTHESIS

H_{05}: There is no significant relationship between marital status of the non investor respondents and their risk taking capacity.

H_{a5}: There exists a significant relationship between marital status of the non investor respondents and their risk taking capacity.

TABLE 4.36 a. CHI - SQUARE ANALYSIS BETWEEN MARITAL STATUS OF THE NON INVESTOR RESPONDENTS AND THEIR RISK TAKING CAPACITY

Particulars		Risk Capacity				Total
		High	Low	Medium	Risk Averse	
Marital Status	Married	0	34	64	7	105
	Single	13	14	22	0	49
Total		13	48	86	7	154

TABLE 4.36 b. TEST SUMMARY

Particulars	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	32.821[a]	3	.000
Likelihood Ratio	36.897	3	.000
N of Valid Cases	154		

a. 3 cells (37.5%) have expected count less than 5. The minimum expected count is 2.23.

INTERPRETATION

The above table shows that the chi-square value between marital status of the non investor respondents and their risk taking capacity is 32.821 with the degree of freedom as 3. The asymptote significance is 0.000. Since the value of asymptote significance is greater than 0.05, the null hypothesis is rejected and the alternate hypothesis is accepted.

INFERENCE

There exists a significant relationship between marital status of the non investor respondents and their risk taking capacity.

HYPOTHESIS

H_{06}: There is no significant relationship between marital status of the investor respondents and their risk taking capacity.

H_{a6}: There exists a significant relationship between marital status of the investor respondents and their risk taking capacity.

TABLE 4.37 a. CHI - SQUARE ANALYSIS BETWEEN MARITAL STATUS OF THE INVESTOR RESPONDENTS AND THEIR RISK TAKING CAPACITY

Particulars		Risk Capacity			Total
		High	Low	Medium	
Marital Status	Married	4	4	26	34
	Single	0	0	3	3
Total		4	4	29	37

TABLE 4.37 b. TEST SUMMARY

Particulars	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	.901[a]	2	.637
Likelihood Ratio	1.533	2	.465
N of Valid Cases	37		

a. 5 cells (83.3%) have expected count less than 5. The minimum expected count is .32.

INTERPRETATION

The above table shows that the chi-square value between marital status of the investor respondents and their risk taking capacity is 0.901 with the degree of freedom as 2. The asymptote significance is 0.637. Since the value of asymptote significance is greater than 0.05, the null hypothesis is accepted and the alternate hypothesis is rejected.

INFERENCE

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

HYPOTHESIS

H_{07}: There is no significant relationship between area of specialization of the investor respondents and the model used under fundamental analysis.

H_{a7}: There exists a significant relationship between area of specialization of the investor respondents and the model used under fundamental analysis.

TABLE 4.38 ANALYSIS OF VARIANCE BETWEEN AREA OF SPECIALIZATION OF THE INVESTOR RESPONDENTS AND THE FINANCIAL MODELS USED UNDER FUNDAMENTAL ANALYSIS

Particulars	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	4.340	4	1.085	1.583	.213
Within Groups	15.767	23	.686		
Total	20.107	27			

INTERPRETATION

The above table shows that the F value between area of the specialization of the investor respondents and the financial models used under fundamental analysis is 1.583.The asymptote significance is 0.213. Since the value of significance is greater than 0.05, the null hypothesis is accepted and the alternate hypothesis is rejected.

INFERENCE

There exists no significant relationship between area of the specialization of the investor respondents and the financial models used under fundamental analysis. Hence, the respondents across specialization like finance, marketing, human resource, systems, operations invariably use various financial models like constant growth dividend model, variable growth dividend model, PE multiple variation model and other valuation models.

CHAPTER 5

CONCLUSIONS

5.1 FINDINGS

- Most of the teachers (80.6%) are not investing in capital market.
- Male respondents 23(20.9%) have invested in capital market more than female respondents 14(17.3%).
- Respondents of above 45 years age group 10(50%) have invested in capital market than respondents of other age groups.
- Respondents who have completed their M.Phil 21(25.3%) have invested in capital market more than the respondents having other qualifications.
- Majority of the capital market investors 34(24.5%) are married.
- Respondents belonging to semi-urban area 13(25%) have invested in capital market more than the respondents belong to other areas.
- Mostly Directors 3(42.9%), Assistant Professors 18(41.9%) and Professors 3(37.5%) have invested in the capital market. The Associate Professors and Senior Lecturers have not yet invested in the capital market.
- Respondents belonging to 30,000 to 50,000 rupees monthly income group 13(31%) have invested in capital market more than respondents belong to other income groups. It is worth to be noted that respondents with monthly income above 50,000 rupees have not invested in capital market.
- Capital market investors save about 40 to 50% of their monthly income.
- Majority of the capital market investor 29(25.2%) are medium risk takers.
- Most of the non investors (89%) are aware about trading in the capital market.
- Majority of the non investor respondents 46(29.9%) have an idea to invest in capital market within a year.
- Most of the investor respondents 23(62.2%) are satisfied with their existing stock broking service provider.

- Most of the investor respondents 24(64.9%) came to know about capital market trading through friends. So, reference group play a vital motivation to invest in capital market.
- Most of the investor respondents 21(56.8%) are involved in internet based online trading.
- Half of the investor respondents prefer delivery based online trading.
- Three – fourth of the investor respondents do not prefer short selling.
- Half of the investor respondents occasionally trade in the capital market.
- More than three - fourth of the investor respondents invest in Initial Public Offerings.
- Nearly half of the investor respondents use fundamental analysis for their investment valuation.
- Among the various financial ratios and characteristics of the firm, most of the investor respondents gave more importance to price earnings ratio, gave importance to market capitalization and book to market ratio and gave less importance to dividend yield ratio in making investments.
- Half of the stock broking service providers provide research reports while another half do not provide any research reports to their client investors.
- Nearly half of the investor respondents track the capital market news through television and business newspapers.
- Among the various corporate events, most of the investor respondents gave more importance to initial public offerings and merger & acquisition, gave importance to seasoned equity offerings and gave less importance to stock splits, stock repurchases, listing switches and dividend initiation or increase in making investments.
- Most of the Investor respondents 24(64.9%) prefer to be positive reference group by recommending others towards investing in the capital market.
- Non investor respondents give high priority to bank deposits among the various fixed income savings option.
- Non investor respondents give high priority to invest in mutual funds.
- Non investor respondents give high priority for real estate investments.

- Investor respondents give high priority to bank deposits among the various fixed income savings option.
- Investor respondents give high priority to equity shares and mutual funds among the various variable income savings option.
- The investor respondents give high priority to real estate investments.
- There exists a significant relationship between gender of the non investor respondents and their risk taking capacity.
- There exists a significant relationship between gender of the investor respondents and their risk taking capacity.
- There exists a significant relationship between monthly income of the non investor respondents and their risk taking capacity.
- There exists a significant relationship between monthly income of the investor respondents and their risk taking capacity.
- There exists a significant relationship between marital status of the non investor respondents and their risk taking capacity.
- There exists no significant relationship between marital status of the investor respondents and their risk taking capacity.
- There exists no significant relationship between area of the specialization of the investor respondents and the financial models used under fundamental analysis.
- The factors like gender, marital status and monthly income have influence on investment, predominantly the mind set towards capital market influences more.
- Among investors, the age influences the speculative investments.
- Among investors, the age influences the method of trading they adopted.

5.2 SUGGESTIONS

UNICON INVESTMENT SOLUTIONS should tap the market potential of the 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 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 Coimbatore are satisfied but not delighted. So if the company understands their expectation and take corrective measures, then it is easy to capture the existing investors of other stock broking service providers.

The company must concentrate on the research reports provided to the investors, since half of the investors agreed that their existing stock broking service providers didn't provide research reports.

The company can go for a tie up with the management institutions to conduct the awareness programmes for faculty members as well as students. This helps to capture the market of faculty members as well as students.

The investors amongst management faculty members are spread among the various stock broking service providers in Coimbatore. So there is no dominance among the service providers in Coimbatore. If the company takes some immediate steps to capture the market and achieve bulk investors, then the dominance will be achieved.

5.3 CONCLUSION

A descriptive study to understand the capital market awareness and investment behaviour of the faculty members working in faculty of management institutions in Coimbatore. The study was also intended to profile a prospective customer base for UNICON INVESTMENT SOLUTIONS, COIMBATORE. The responses from 191 respondents were collected through a structured questionnaire. The study reveals the fact that the management 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.

The behaviour of the investors from management faculty members had been studied. Most of them understand the market and then invest in the market. The speculative investors from management faculty members are comparably low than the investors from other segments.

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

ANNEXURE – I

QUESTIONNAIRE BEFORE PILOT STUDY

QUESTIONNAIRE FOR NON INVESTORS:

DEAR RESPONDENT,

Greetings. As a part of my MBA project, I am doing **"A STUDY ON CAPITAL MARKET AWARENESS AND INVESTMENT BEHAVIOR OF MANAGEMENT FACULTY MEMBERS IN COIMBATORE".** Kindly spare a few minutes of your valuable time to fill this questionnaire. The details of the questionnaire are purely for research purpose and will be strictly kept confidential. Thank you.

1. Name : _____

2. Gender :

   ☐ Male ☐ Female

3. Age :

   ☐Less than 25 yrs ☐25 to 35 yrs

   ☐35 to 45 yrs ☐above 45 yrs

4. How many members are in your family?

   _____ Adults _____ Kids

5. Educational qualification

   ☐ Post Graduate ☐ M.Phil ☐ Ph.D

6. Marital status :

☐Single ☐ Married

7. Your residential area is

☐Urban ☐Semi-urban ☐Rural

8. Institution Name :

9. Designation:

☐ Lecturer ☐ Senior Lecturer ☐ Assistant Professor

☐ Associate Professor ☐ Professor ☐ Director

10. Your area of Specialization:

☐ Marketing ☐ Finance ☐ Human Resource

☐ Systems ☐ Operations

11. Income (Including salary) per month in Rupees:

☐ Less than Rs 20,000 ☐ Rs 20,000 to 30,000

☐ Rs. 30,000 to 50,000 ☐ Rs. 50,000 & above

12. Percentage of Savings in your monthly income

☐ Below 30% ☐ 30 to 40%

☐ 40 to 50% ☐ above 50%

13. Give your priority for various Savings option according to your preference (Rank 1 being your high preference):

Fixed Income Sources

Parameters	Rank
Bank Deposit	
Insurance	
Postal Savings	
Bonds	
Realty	
Bullion	
Debentures	

Variable Income Sources

Parameters	Rank
Equity Shares	
Mutual Funds	
Hedge Funds	
Derivatives	
Commodities	

14. Are you aware about investing in Stock market?

☐ Yes ☐ No

If yes, reasons for not investing in Stock Market _____

15. Your Risk Taking Capacity

☐ Low ☐ Medium ☐ High ☐ Risk Averse

16. Are you interested to invest in stock market in future?

☐ Yes ☐ No

If yes, then when you plan to invest?

- ☐ Within a month
- ☐ Within next 3 months
- ☐ Within next 6 months
- ☐ Within a year

17. Contact Number: _____

18. E-mail ID : _____

THANK YOU

QUESTIONNAIRE FOR INVESTORS:

DEAR RESPONDENT,

Greetings. As a part of my MBA project, I am doing **"A STUDY ON CAPITAL MARKET AWARENESS AND INVESTMENT BEHAVIOR OF MANAGEMENT FACULTY MEMBERS IN COIMBATORE"**. Kindly spare a few minutes of your valuable time to fill this questionnaire. The details of the questionnaire are purely for research purpose and will be strictly kept confidential. Thank you.

1. Name : _____

2. Gender :

   ☐ Male ☐ Female

3. Age :

   ☐ Less than 25 yrs ☐ 25 to 35 yrs

   ☐ 35 to 45 yrs ☐ above 45 yrs

4. Educational qualification

   ☐ Post Graduate ☐ M.Phil ☐ Ph.D

5 Marital status :

   ☐ Single ☐ Married

6. Your residential area is

   ☐ Urban ☐ Semi-urban ☐ Rural

7. Institution Name :

8. Designation:

☐ Lecturer ☐ Senior Lecturer ☐ Assistant Professor

☐ Associate Professor ☐ Professor ☐ Director

9. Your area of Specialization:

☐ Marketing ☐ Finance ☐ Human Resource

☐ Systems ☐ Operations

10. Income (Including salary) per month in Rupees:

☐ Less than Rs 20,000 ☐ Rs 20,000 to 30,000

☐ Rs. 30,000 to 50,000 ☐ Rs. 50,000 & above

11. Percentage of Savings in your monthly income

☐ Below 30% ☐ 30 to 40%

☐ 40 to 50% ☐ above 50%

12. Give your priority for various Savings option according to your preference (Rank 1 being your high preference):

Fixed Income Sources

Parameters	Rank
Bank Deposit	
Insurance	
Postal Savings	
Bonds	
Realty	
Bullion	
Debentures	

Variable Income Sources

Parameters	Rank
Equity Shares	
Mutual Funds	
Hedge Funds	
Derivatives	
Commodities	

13. Are you satisfied with your existing stock broking service provider?

☐Highly satisfied ☐Satisfied ☐Neither satisfied nor dissatisfied

☐ Dissatisfied ☐ Highly Dissatisfied

14. Your Risk Taking Capacity

☐ High ☐Medium ☐Low ☐Risk Averse

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

☐ Media ☐Friends ☐Relatives ☐Stock broking Service provider

16. Your Method of stock market investment

☐ Offline Trading ☐ Internet Based Online Trading

17. Which type of trading are you engaged?

☐ Intraday trading ☐ Delivery trading ☐ Both type

18. Are you involved in short selling?

☐ Yes ☐ No

19. How often you trade?

☐ Daily ☐ Weekly ☐ Monthly ☐ Occasionally

20. Do you invest in Initial Public Offerings (IPOs)?

☐ Yes ☐ No

If yes, within the last six months, how many IPOs have you subscribed _____

21. Your Primary investment valuation is based on

☐ Fundamental Analysis ☐ Technical Analysis

☐ Both Analyses

If Fundamental analysis or both, then when considering buying or selling a stock, which of the following stock valuation model is used?

☐ The constant Growth Dividend Valuation Model

☐ The Variable Growth Dividend Valuation Model

☐ The PE Multiple Valuation Model

☐ Other Multiples Valuation Models (such as Price to cash flow and Price to sales)

22. When you are considering buying or selling a stock, how important are the following financial ratios and firm characteristics in making your decision?

Parameters	Most Important	Important	Less Important
Market Capitalization			
Book-to-Market Ratio			
Dividend Yield Ratio			
Price-to-Earnings Ratio			

23. Does your stock broking service provider provide research reports?

☐ Yes ☐ No

If yes, when you are considering buying or selling a stock, which of the following is considered as important in making your decision?

☐ Analyst buys and sell recommendations

☐ Analyst earnings estimates

☐ Analyst target prices

☐ Changes to analyst buy and sell recommendations

☐ Changes to analyst earnings estimates

☐ Changes to analyst target prices

☐ The Qualitative content of analyst reports

☐ The dispersion in analyst earnings forecasts or target prices

☐ None of the above

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

☐ Business News Papers ☐ Television ☐ World Wide Web

☐ Others Specify

25. When you are considering buying or selling a stock, how important are the following corporate events in making your decision?

Corporate Events	Most Important	Important	Less Important
Stock Splits			
Stock Repurchases			
Initial Public Offerings			
Seasoned Equity Offerings			
Listing Switches			
Dividend Increase or Initiations			
Mergers and Acquisitions			

26. Have you recommended other persons for Share market trading?

☐ Yes ☐ No

27. Specify your Service provider _____

28. What do you think as best service from your service provider?

_____

29. Contact Number: _____

30. E-mail ID : _____

ANNEXURE – II

QEUESTIONNAIRE ATFER PILOT STUDY

QUESTIONNAIRE FOR NON INVESTORS:

DEAR RESPONDENT,

Greetings. As a part of my MBA project, I am doing **"A STUDY ON CAPITAL MARKET AWARENESS AND INVESTMENT BEHAVIOR OF MANAGEMENT FACULTY MEMBERS IN COIMBATORE"**. Kindly spare a few minutes of your valuable time to fill this questionnaire. The details of the questionnaire are purely for research purpose and will be strictly kept confidential. Thank you.

1. Name : _____

2. Gender : ☐ Male ☐ Female

3. Age :
   ☐ Less than 25 yrs ☐ 25 to 35 yrs
   ☐ 35 to 45 yrs ☐ above 45 yrs

4. Educational qualification
   ☐ Post Graduate ☐ M.Phil ☐ Ph.D

5. Marital status
   ☐ Single ☐ Married

6. How many members are in your family?
   _____ Adults _____ Kids

7. Your residential area is
   ☐ Urban ☐ Semi-urban ☐ Rural

8. Institution Name :

9. Designation:

☐ Lecturer ☐ Senior Lecturer ☐ Assistant Professor

☐ Associate Professor ☐ Professor ☐ Director

10. Your primary area of Specialization:

☐ Marketing ☐ Finance ☐ Human Resource

☐ Systems ☐ Operations

11. Income (Including salary) per month in Rupees:

☐ Less than 20,000 ☐ 20,000 to 30,000

☐ 30,000 to 50,000 ☐ 50,000 & above

12. Percentage of Savings in your monthly income

☐ Below 30% ☐ 30 to 40%

☐ 40 to 50% ☐ above 50%

13. Give your priority for various Savings option according to your preference (Rank 1 being your high preference):

Fixed Income Sources

Parameters	Rank
Bank Deposit	
Insurance	
Postal Savings	
Bonds	
Debentures	

Variable Income Sources

Parameters	Rank
Equity Shares	
Mutual Funds	
Derivatives	

Other Sources

Parameters	Rank
Realty	
Bullion	

14. Are you aware about investing in Stock market?

☐ Yes ☐ No

If yes, reasons for not investing in Stock Market _____

15. Your Risk Taking Capacity

☐ Low ☐ Medium ☐ High ☐ Risk Averse

16. Are you interested to invest in stock market in future?

☐ Yes ☐ No

If yes, then when you plan to invest?

☐ Within a month

☐ Within next 3 months

☐ Within next 6 months

☐ Within a year

17. Contact Number: _____

18. E-mail ID : _____

THANK YOU

QUESTIONNAIRE FOR INVESTORS:

DEAR RESPONDENT,

Greetings. As a part of my MBA project, I am doing **"A STUDY ON CAPITAL MARKET AWARENESS AND INVESTMENT BEHAVIOR OF MANAGEMENT FACULTY MEMBERS IN COIMBATORE"**. Kindly spare a few minutes of your valuable time to fill this questionnaire. The details of the questionnaire are purely for research purpose and will be strictly kept confidential. Thank you.

1. Name : _____

2. Gender :

   ☐ Male ☐ Female

3. Age :

   ☐ Less than 25 yrs ☐ 25 to 35 yrs

   ☐ 35 to 45 yrs ☐ above 45 yrs

4. Educational qualification

   ☐ Post Graduate ☐ M.Phil ☐ Ph.D

5. Marital status :

   ☐ Single ☐ Married

6. Your residential area is

   ☐ Urban ☐ Semi-urban ☐ Rural

7. Institution Name:

8. Designation:

☐ Lecturer ☐ Senior Lecturer ☐ Assistant Professor

☐ Associate Professor ☐ Professor ☐ Director

9. Your primary area of Specialization:

☐ Marketing ☐ Finance ☐ Human Resource

☐ Systems ☐ Operations

10. Income (Including salary) per month in Rupees:

☐ Less than 20,000 ☐ 20,000 to 30,000

☐ 30,000 to 50,000 ☐ 50,000 & above

11. Percentage of Savings in your monthly income

☐ Below 30% ☐ 30 to 40%

☐ 40 to 50% ☐ above 50%

12. Give your priority for various Savings option according to your preference (Rank 1 being your high preference):

Fixed Income Sources

Parameters	Rank
Bank Deposit	
Insurance	
Postal Savings	
Bonds	
Debentures	

Variable Income Sources

Parameters	Rank
Equity Shares	
Mutual Funds	
Derivatives	

Other Sources

Parameters	Rank
Realty	
Bullion	

13. Are you satisfied with your existing stock broking service provider?

☐ Highly satisfied ☐ Satisfied ☐ Neither satisfied nor dissatisfied

☐ Dissatisfied ☐ Highly Dissatisfied

14. Your Risk Taking Capacity

☐ High ☐ Medium ☐ Low ☐ Risk Averse

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

☐ Media ☐ Friends ☐ Relatives

☐ Stock broking Service provider

16. Your Method of stock market investment

☐ Offline Trading ☐ Internet Based Online Trading

17. Which type of trading are you engaged?

☐ Intraday trading ☐Delivery trading ☐Both type

18. Are you involved in short selling?

☐ Yes ☐ No

19. How often you trade?

☐ Daily ☐ Weekly ☐ Monthly ☐ Occasionally

20. Do you invest in Initial Public Offerings (IPOs)?

☐ Yes ☐ No

If yes, within the last six months, how many IPOs have you subscribed _____

21. Your Primary investment valuation is based on

☐ Fundamental Analysis ☐Technical Analysis

☐ Both Analyses ☐ Others

If Fundamental analysis or both, then when considering buying or selling a stock, which of the following stock valuation model is used?

☐ The constant Growth Dividend Valuation Model

☐ The Variable Growth Dividend Valuation Model

☐ The PE Multiple Valuation Model

☐ Other Multiples Valuation Models (such as Price to cash flow and Price to sales)

22. When you are considering buying or selling a stock, how important are the following financial ratios and firm characteristics in making your decision?

Parameters	Most Important	Important	Less Important
Market Capitalization			
Book-to-Market Ratio			
Dividend Yield Ratio			
Price-to-Earnings Ratio			

23. Does your stock broking service provider provide research reports?

☐ Yes ☐ No

If yes, when you are considering buying or selling a stock, which of the following is considered as important in making your decision?

☐ Analyst buy and sell recommendations

☐ Analyst earnings estimates

☐ Analyst target prices

☐ Changes to analyst buy and sell recommendations

☐ Changes to analyst earnings estimates

☐ Changes to analyst target prices

☐ The Qualitative content of analyst reports

☐ The dispersion in analyst earnings forecasts or target prices

☐ None of the above

24. How do you come to know about the stock market news?(Tick your appropriate options)

☐ Business News Papers ☐ Television ☐ World Wide Web

☐ Others Specify

25. When you are considering buying or selling a stock, how important are the following corporate events in making your decision?

Corporate Events	Most Important	Important	Less Important
Stock Splits			
Stock Repurchases			
Initial Public Offerings			
Seasoned Equity Offerings			
Listing Switches			
Dividend Increase or Initiations			
Mergers and Acquisitions			

26. Have you recommended other persons for Share market trading?

☐ Yes ☐ No

27. Specify your Service provider_____

28. What do you think as best service from your service provider?

_____

29. Contact Number: _____

30. E-mail ID : _____

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