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A STUDY ON INVESTMENT PATTERNS OF STOCK MARKET INVESTORS – A CASE STUDY WITH REFERENCE TO ANANTAPUR DISTRICT IN A.P.

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ABSTRACT

Stock markets play a crucial role in the acceleration of the pace of growth in a developing economy like India. Today the stock markets in India are scaling new and all-time highs. The Foreign Institutional Investors (FIIs) and the domestic investors, mainly the mutual funds, appear to have been showing their persistent faith and unshaken confidence in Indian stock markets. The investors' confidence and faith in stock markets is an essential prerequisite for the smooth, steady and stimulating performance of the stock markets in any country. Moreover, the spread of investment culture among the small and retail investors, especially among the rural investors also goes a long-way in the sustained development of stock markets and helps in capital formation in the country.

Further with the advent of second phase of economic reforms, especially the reforms in the stock markets, the subject of 'investor protection' have been subjected too much debate and increased emphasis. Today, the small and rural investors are more exposed to investments risks because of insider trading, price rigging by organized brokers, manipulative and fraudulent practices of market intermediaries. It is in this context, the present work entitled "Investment Patterns of Stock Market investors".

KEY WORDS: *Investment Patterns, Stock Market investors, Investment Patterns in Stock Markets, Investment Patterns of Stock Market investors, Investment Patterns of Stock Market investors in Anantapur.*

INTRODUCTION

Stock markets play a crucial role in the acceleration of the pace of growth in a developing economy like India. Today the stock markets in India are scaling new and all-time highs.

The Foreign Institutional Investors (FIIs) and the domestic investors, mainly the mutual funds, appear to have been showing their persistent faith and unshaken confidence in Indian stock markets. The investors' confidence and faith in stock markets is an essential prerequisite for the smooth, steady and stimulating performance of the stock markets in any country. Moreover, the spread of investment culture among the small and retail investors, especially among the rural investors also goes a long-way in the sustained development of stock markets and helps in capital formation in the country.

Further with the advent of second phase of economic reforms, especially the reforms in the stock markets, the subject of 'investor protection' have been subjected too much debate and increased emphasis. Today, the small and rural investors are more exposed to investments risks because of insider trading, price rigging by organized brokers, manipulative and fraudulent practices of market intermediaries. It is in this context, the present work entitled "Investment Patterns of Stock Market investors" has been taken up.

REVIEW OF LITERATURE

It is extremely important for the policy makers and regulatory authorities to understand the investors' perceptions, preferences and their concerns about the financial markets and specifically on the stock market. This has become necessary on account of dramatic withdrawal of small investors from the capital market and it resulted in a virtual collapse of the capital market as a source of corporate financing after the mid-1990s. Despite great technological strides in the market's trading system, we have not yet truly recovered from this collapse.

Mitra declares that the asymmetric treatment given to the investors and the promoters for facilitating industrial growth in an otherwise contractual situation, the law now obligates itself to specially design the public law for investor's protection. In public issues, people at large can participate simply based on a standard form offer document, which hides more than it discloses. The entire offer-acceptance based on the offer document has many obscure sides and moral hazards, which the public is quite unaware of.

Mishra opined that there are possibilities for increasing investment, if the small investors are made to understand the significance of corporate securities. Further, the middle-income group people can be drawn to strengthen the flow of savings into the corporate sector through the corporate securities market, in spite of their accessibility to the lucrative small savings schemes.

Prasanna Chandra stated in his article entitled, "Indian Capital Market - Pathways of Development", that there is a need to expand the base of investor community and to spread the investment culture to semi-urban and rural areas by augmenting the supply of acceptable investment instruments, by educating the public about the opportunities for investment in corporate securities and by reserving a portion of the public issues of securities for the rural investors.

The need for investor's education, expansion of the network of stock exchanges to tap savings of the people living in remote areas was perceived by Laxman Swaroop and Shadi Lall²⁶ emphasized unity among the investors and the need for investor awareness.

The SEBI has been promoting education and awareness among the countrywide investors about the legal provisions, administrative guidelines and remedies available for their grievances through the issue of press releases from time to time. The Institute of Company Secretaries of India in its Investor Education Series III entitled, 'Investment Decision Making by a Lay Investor' (1991) explained the pre-conditions for investment decision making, analysis and evaluating the risks. Sharma and Prashar in their empirical investigation enquired into the information needs of the investors for taking their investment decisions.

An overview of the above studies reveal that some of them are of research studies, while the rest belongs to general studies focusing on the Indian capital market scenario and the related issues taken place over period of time representing times of pre and post reform period. Though some of them had a focus on motives and preferences of investors in Indian capital market in general, the absence of studies in this regard at regional level with particular reference to Anantapur of Andhra Pradesh has been felt very much. Moreover, it is an undisputable fact to mention that the socio economic characteristic features of investors in terms of their Investment Patterns, motives and preferences definitely varies form region to region, necessitating to take up the study in this direction in the Anantapur District of Andhra Pradesh.

In view of the above and to identify the possible areas for future research, the present study is a modest attempt to study the investment patterns of stock market investors in Anantapur District of Andhra Pradesh.

NEED FOR THE STUDY

After thorough review of literature, there is a need to study the motives and perceptions of investors, a very crucial area in the formulation of policies and procedures for the orderly growth and development of securities markets in any nation. Most of the studies reviewed have mainly covered the aspects at macro level, like the ownership patterns in the capital market, occupation-wise break up of paid up value of share holdings of individuals, ownership pattern of shares/ debentures, geographical distribution of share ownership in India.

There are only a few studies covering the issue of investor motives and perceptions at district level. Especially in the context of decline in the participation of small and household investors in the primary market operations, withdrawal of investors from the capital market, diversion of household savings into other safer investment avenues, it becomes all the more important to study and analyze the investment patterns of stock market investors and investment avenues available to them in the securities markets.

STATEMENT OF THE PROBLEM

As stated, the small and household investors constitute a vital segment of the Indian securities market and greater understanding of the motives and preferences of these investors is very vital in the policy formulation on development and regulation of the securities market to ensure the promotion and protection of interests of small and household investors. The present research work, thus attempts to study the socio-economic profile of the investors in the most backward district of Andhra Pradesh i.e, Anantapur District, their perceptions; and

behaviour in respect of various investment avenues. The study also aims to study the needs, concerns, and problems of the small investors in the given socio-economic backdrop. The present research work also provides a foundation of facts relating investors' behaviour towards various types of securities and assessment of investment risks.

Hence, the present study is an attempt to know the investment pattern of investors. The study is made to examine investment patterns of stock market investors and to analyse the investment objectives of investors and the evaluation of investment made by the investors.

OBJECTIVES OF THE STUDY

The basic objective of the present research work is to study the investment patterns of stock market investors. The specific objectives of the study are as follows:

1. To examine the socioeconomic profile of stock market investors in Anantapur District.
2. To find out the source of awareness for investors about stock market.
3. To identify whether the investors has invested in different avenues of stock market.
4. To study whether the investors has invested in different sectors of stock market.
5. To analyse the opinion of investors towards risk associated with investment made in different avenues and sectors of stock market.
6. To offer suitable suggestions for investors and policy makers.

METHODOLOGY OF THE STUDY

PRIMARY DATA: Primary data has been collected through structured questionnaire.

SECONDARY DATA: Data and information has been collected from Primary as well as Secondary sources. The secondary data has been collected from Books, Journals, Magazines, Business News papers, SEBI publications, BSE, NSE reports, RBI publications etc.

AREA SELECTION FOR PRIMARY DATA COLLECTION

Anantapur District of Andhra Pradesh has been selected for the study. Anantapur is the largest district in the state of Andhra Pradesh in terms of geographical area (19,13,000 ha) with nearly 13% of the district's area under forests. The district has a population of 36,40,478 with 5,89,465 rural households. The rural literacy rate is 61.6% with over 67% of the work force engaged in agriculture and the rest in non-agricultural activities. Three important towns like Anantapur, Dharmavaram and Hindupur in Anantapur District have been taken up for the study.

SAMPLING DESIGN

As the universe of the study is entire Anantapur District. A sample of 175 respondents from each city/town has been collected for the purpose of the study. The total sample size is 525 respondents as given under:

S.No	Name of the Town	Sample Size
1	Anantapur	175
2	Dharmavaram	175
3	Hindupur	175
TOTAL:		525

After elimination of few partially filled questionnaires, the resultant sample size is 513.

HYPOTHESIS

HYPOTHESIS 1

H_{01} = Technology Sector is a highly secured for investment

H_{11} – Metal Sector is a highly secured for investment

HYPOTHESIS 2

H_{02} = Low Risk in Information Technology for investment

H_{12} = Low Risk in Public Sector undertaking for investment

HYPOTHESIS 3

H_{03} = Corporate Mismanagement and fraud are very common in India Stock Market

H_{13} = Corporate Mismanagement and fraud are not very common in India Stock Market

HYPOTHESIS 4

H_{04} = There is no significant differences between investment avenues

H_{14} = There is significant differences between investment avenues

TOOLS OF ANALYSIS

The statistical tools used to carry out the analysis are given below. The mean scores, frequencies, percentages for all the variables used in the study are calculated. The nature of distribution of the variables examined in the study could be assessed from mean scores and standard deviations of the same. For selected variables, based on the scores given by the sample respondents, ranks are also awarded in order to know their level of significance. Chi-Square analysis and ANOVA have been used.

SCOPE OF THE STUDY

The present study aims at analyzing the investment patterns of individual investors with special reference to Anantapur. Hence, the scope of the present study is confined to the study of motives and preferences of small and household investors of Anantapur district in the state of Andhra Pradesh. Three major towns of Anantapur district have been taken for study.

ANALYSIS AND INTERPRETATION

EDUCATION

TABLE 1: EDUCATIONAL BACKGROUND OF RESPONDENTS

S.No	Educational Qualification	Sample Size	Percentage
1	Up to S.S.C.,	78	15.20
2	S.S.C., and +2	105	20.47
3	Diploma	39	7.60
4	Graduation	117	22.81
5	Post-Graduation	33	6.43
6	Professional Qualification	141	27.49
	Total:	513	100.00

Source: Field Survey

INFERENCE: It can be interpreted from the above table that, a majority of the respondents (27.49 percent) are having professional qualification, followed by 22.81 percent are graduates, followed by 20.47 percent belong to S.S.C., and Intermediate group, followed by 15.20 percent up to S.S.C., followed by 7.60 percent belong to diploma level and 6.43 percent of the respondents are post-graduates.

OCCUPATION

High level occupations that produce high incomes usually require advanced educational training. For the purpose of the study categories are selected: Employee,

Business, Professional, Agriculture, Students and others. An attempt has been made to know the relationship between occupation and investment behaviour.

TABLE 2: OCCUPATIONAL BACKGROUND OF RESPONDENTS

S.No	Occupation	Sample Size	Percentage
1	Employee	153	29.82
2	Business	96	18.71
3	Professional	147	28.65
4	Agriculture	78	15.20
5	Student	15	3.51
6	Others	24	4.68
	Total:	513	100.00

Source: Field Survey

INFERENCE: It can be inferred from the above table that, a majority of the respondents (29.82 percent) are employees, followed by 28.65 percent are professionals, followed by 18.71 percent belong to business group, followed by 15.20 percent belong to agriculture segment, followed by 4.68 percent belong to other occupations (house wives etc) and 3.51 percent of the respondents are students.

SIZE OF THE FAMILY

TABLE 3: FAMILY SIZE OF RESPONDENTS

S.No	Number of Family Members	Sample Size	Percentage
1	Up to 3	69	13.45
2	Above 3 and up to 5	411	80.12
3	Above 5	33	6.43
	Total:	513	100.00

Source: Field Survey

INFERENCE: It can be interpreted from the above table that, a majority of (80.12 percent) the respondents' family size is 3 to 5 members, followed by 13.45 percent of the respondents family size is up to 3 and a small segment of 6.43 percent of the respondents family size is above 5.

INCOME**TABLE 4: INCOME LEVEL OF RESPONDENTS**

S.No	Income per Month	Sample Size	Percentage
1	Up to Rs. 10,000/-	39	7.60
2	Above Rs. 10,000/- and up to Rs. 20,000/-	114	22.22
3	Above Rs. 20,000/- and up to Rs. 30,000/-	147	28.65
4	Above Rs. 30,000/-	213	41.52
	Total:	513	100.00

Source: Field Survey

INFERENCE: It can be evident from the above table that, a majority of (41.52 percent) the respondents are having family monthly income above Rs. 30,000/-, followed by 28.65 percent of the respondents are having family monthly income above Rs. 20,000/- and below Rs. 30,000/-, followed by 22.22 percent of the respondents are having family monthly income above Rs. 10,000/- and below Rs. 20,000/-, and a small segment of respondents 7.60 percent are having family monthly income less than Rs. 10,000/-.

DURATION OF OPERATION**TABLE 5: DURATION OF OPERATION IN STOCK MARKET**

S.No	Particulars	Sample Size	Percentage
1	Less than 1 year	189	36.84
2	1 to 3 years	163	31.77
3	3 to 6 years	114	22.22
4	Above 6 years	47	9.16
	TOTAL:	513	100 percent

Source: Field Survey

INFERENCE: It can be inferred from the above table that, a majority of (36.84 percent) the respondents have been operating in the stock market for less than 1 year. 31.77 percent of the respondents have been operating in the stock market for 1 to 3 years. 22.22 percent of the respondents have been operating in the stock market for 3 to 6 years. 9.16 percent of the respondents have been operating in the stock market for above 6 years. It can be concluded that most of the respondents are new entrants.

AWARENESS ABOUT STOCK MARKETS**TABLE 6: AWARENESS ABOUT STOCK MARKETS**

S.No	Particulars	Sample Size	Percentage
1	Media	233	45.42
2	Family members	55	10.72
3	Friends	176	34.31
4	Colleagues	32	6.24
5	Others	17	3.31
TOTAL		513	100.00

Source: Field Survey

INFERENCE: It can be analyzed from the above table that, a majority of (45.42 percent) the respondents revealed that they came to know about the stock market through media. 34.31 percent of the respondents revealed that they came to know about the stock market through friends. 10.72 percent of the respondents revealed that they came to know about the stock market through family members. 6.24 percent of the respondents revealed that they came to know about the stock market through colleagues and 3.31 percent of the respondents revealed that they came to know about the stock market through other sources like dealers, brokers etc. It can be concluded from the above table that, mode of awareness is mainly by media and friends. Hence, it is suggested in view of the importance of media, more programmes on stock market operations should be carried out to increase awareness level of investors. The business newspapers and magazines should also give technical analysis and fundamental analysis about different companies and industries in all regional languages understandable to all the investors across India irrespective of their educational level.

Average number of companies in which the respondent and his family members own shares

TABLE 7: AVERAGE NUMBER OF COMPANIES IN WHICH THE RESPONDENT AND HIS FAMILY MEMBERS OWN SHARES

S.No	Particulars	Sample Size	Percentage
1	1 to 5 companies	374	72.90
2	5 to 10 companies	69	13.45
3	10 to 15 companies	51	9.94
4	15 to 20 companies	17	3.31
5	Above 25 companies	5	0.97
TOTAL		513	100.00

Source: Field Survey

INFERENCE: It can be seen from the above table that, a majority of (72.90 percent) the respondents revealed that they hold shares of 1 to 5 companies. 13.45 percent of the respondents revealed that they hold shares of 5 to 10 companies. 9.94 percent of the respondents revealed that they hold shares of 10 to 15 companies. 3.31 percent of the respondents revealed that they hold shares of 15 to 20 companies and a very small fraction of 0.97 percent of the respondents revealed that they hold shares of more than 25 companies. It can be concluded from the above table that, majority are small scale investors.

INVESTMENT WITH REGARD TO DIFFERENT AVENUES OF CAPITAL MARKETS

TABLE 8: INVESTMENT WITH REGARD TO DIFFERENT AVENUES OF CAPITAL MARKETS

S.No	Particulars	INVESTED		NOT INVESTED	
		Sample Size	Percentage	Sample Size	Percentage
1	Equity shares	427	83.24	86	16.76
2	Debentures	18	3.51	495	96.49
3	Mutual Funds	276	53.80	237	46.20
4	Unit Linked Plans	152	29.63	361	70.37
5	Gold Traded Funds	58	11.31	455	88.69
6	Futures & Options	96	18.71	417	81.29
7	Commodities	45	8.77	468	91.23
TOTAL		1072	29.85	2519	70.15

Source: Field Survey

INFERENCE: It can be inferred from the above table that, majority of (83.24 percent) the respondents revealed that they have invested in equity shares. 53.80 percent of the respondents revealed that they have invested in mutual funds. 29.63 percent of the respondents revealed that they have invested in unit linked plans. 18.71 percent of the respondents revealed that they have invested in futures and options. 11.31 percent of the respondents revealed that they have invested in gold traded funds. 8.77 percent of the respondents revealed that they have invested in commodities and a small segment of 3.51 percent of the respondents revealed that they have invested in debentures. It can be concluded from the above table that, majority of the respondents have invested in equity shares.

INVESTMENTS WITH REGARD TO DIFFERENT SECTORS OF STOCKS IN STOCK MARKET

TABLE 9: INVESTMENT WITH REGARD TO DIFFERENT SECTORS OF STOCKS IN STOCK MARKET

S.No	Particulars	INVESTED		NOT INVESTED	
		Sample Size	Percentage	Sample Size	Percentage
1	Automobile sector	116	22.61	397	77.39
2	Banking sector	163	31.77	350	68.23
3	Consumer Durables sector	95	18.52	418	81.48
4	FMCG sector	187	36.45	326	63.55
5	Information Technology sector	151	29.43	362	70.57
6	Oil and Gas sector	78	15.20	435	84.80
7	Public Sector Undertakings sector	64	12.48	449	87.52
8	Realty sector	133	25.93	380	74.07
9	Health Care sector	99	19.30	414	80.70
10	Metals sector	134	26.12	379	73.88
11	Technology sector	118	23.00	395	77.00
12	Power sector	76	14.81	437	85.19
13	Electronic Goods sector	147	28.65	366	71.35
TOTAL		1561	23.41	5108	76.59

Source: Field Survey

INFERENCE: It can be inferred from the above table that, a majority of (22.61 percent) the respondents have invested in automobile sector. 31.77 percent of the respondents have invested in banking sector. 18.52 percent of the respondents have invested in consumer durables sector. 36.45 percent of the respondents have invested in FMCG sector. 29.43 percent of the respondents have invested in information technology sector. 15.20 percent of the respondents have invested in oil and gas sector. 12.48 percent of the respondents have

invested in public sector undertakings sector. 25.93 percent of the respondents have invested in Realty sector. 19.30 percent of the respondents have invested in health care sector. 26.12 percent of the respondents have invested in metals sector. 23.00 percent of the respondents have invested in technology sector. 14.81 percent of the respondents have invested in power sector. 28.65 percent of the respondents have invested in electronic goods sector.

OPINION TOWARDS NATURE OF RISK ASSOCIATED WITH INVESTMENT OF EQUITY SHARES

TABLE 10: OPINION TOWARDS NATURE OF RISK ASSOCIATED WITH INVESTMENT IN EQUITY SHARES

S.No	Particulars	Sample Size	Percentage
1	Absolutely safe	341	66.47
2	Reasonably safe	118	23.00
3	Unsafe	54	10.53
TOTAL		513	100.00

Source: Field Survey

INFERENCE: It can be analyzed from the above table that, majority of (66.47 percent) the respondents revealed that, equity shares are absolutely safe mode of investment in stock market. 23.00 percent of the respondents revealed that, equity shares are reasonably safe mode of investment in stock market and 10.53 percent revealed that, equity shares are unsafe mode of investment in stock market. It can be concluded from the above table that, for majority of the respondents equity shares are safe form of investment in stock market.

OPINION TOWARDS NATURE OF RISK ASSOCIATED WITH INVESTMENT IN DEBENTURES

TABLE 11: OPINION TOWARDS NATURE OF RISK ASSOCIATED WITH INVESTMENT IN DEBENTURES

S.No	Particulars	Sample Size	Percentage
1	Absolutely safe	31	6.04
2	Reasonably safe	43	8.38
3	Unsafe	439	85.58
TOTAL		513	100.00

Source: Field Survey

INFERENCE: It can be observed from the above table that, majority of (85.58 percent) the respondents revealed that, debentures are unsafe mode of investment in stock market. 8.38 percent of the respondents revealed that, debentures are reasonably safe mode of investment in stock market and 6.04 percent revealed that, debentures are absolutely safe mode of investment in stock market. It can be concluded from the above table that, for majority of the respondents debentures are unsafe form of investment in stock market.

OPINION TOWARDS NATURE OF RISK ASSOCIATED WITH INVESTMENT IN MUTUAL FUNDS

TABLE 12: OPINION TOWARDS NATURE OF RISK ASSOCIATED WITH INVESTMENT IN MUTUAL FUNDS

S.No	Particulars	Sample Size	Percentage
1	Absolutely safe	245	47.76
2	Reasonably safe	192	37.43
3	Unsafe	76	14.81
TOTAL		513	100.00

Source: Field Survey

INFERENCE: It can be seen from the above table that, a majority of (47.76 percent) the respondents revealed that, mutual funds are absolutely safe mode of investment in stock market. 37.43 percent of the respondents revealed that, mutual funds are reasonably safe mode of investment in stock market and 14.81 percent revealed that, mutual funds are unsafe mode of investment in stock market. It can be concluded from the above table that, for majority of the respondents mutual funds are safe form of investment in stock market.

OPINION TOWARDS NATURE OF RISK ASSOCIATED WITH INVESTMENT IN UNIT LINKED PLANS

TABLE 13: OPINION TOWARDS NATURE OF RISK ASSOCIATED WITH INVESTMENT IN UNIT LINKED PLANS

S.No	Particulars	Sample Size	Percentage
1	Absolutely safe	78	15.20
2	Reasonably safe	144	28.07
3	Unsafe	291	56.73
TOTAL		513	100.00

Source: Field Survey

INFERENCE: It can be inferred from the above table that, majority of (56.73 percent) the respondents revealed that, unit linked plans are unsafe mode of investment in stock market. 28.07 percent of the respondents revealed that, unit linked plans are reasonably safe mode of investment in stock market and 15.20 percent revealed that, unit linked plans are absolutely safe mode of investment in stock market. It can be concluded from the above table that, for majority of the respondents unit linked plans are unsafe form of investment in stock market.

OPINION TOWARDS NATURE OF RISK ASSOCIATED WITH INVESTMENT IN GOLD TRADED FUNDS

TABLE 14: OPINION TOWARDS NATURE OF RISK ASSOCIATED WITH INVESTMENT IN GOLD TRADED FUNDS

S.No	Particulars	Sample Size	Percentage
1	Absolutely safe	59	11.50
2	Reasonably safe	81	15.79
3	Unsafe	373	72.71
TOTAL		513	100.00

Source: Field Survey

INFERENCE: It can be inferred from the above table that, a majority of (72.71 percent) the respondents revealed that, gold traded funds are unsafe mode of investment in stock market. 15.79 percent of the respondents revealed that, gold traded funds are reasonably safe mode of investment in stock market and 11.50 percent revealed that, gold traded funds are absolutely safe mode of investment in stock market. It can be concluded from the above table that, for majority of the respondents gold traded funds are unsafe form of investment in stock market.

OPINION TOWARDS NATURE OF RISK ASSOCIATED WITH INVESTMENT IN FUTURES AND OPTIONS

TABLE 15: OPINION TOWARDS NATURE OF RISK ASSOCIATED WITH INVESTMENT IN FUTURES AND OPTIONS

S.No	Particulars	Sample Size	Percentage
1	Absolutely safe	77	15.01
2	Reasonably safe	62	12.09
3	Unsafe	374	72.90
TOTAL		513	100.00

Source: Field Survey

INFERENCE: It can be analyzed from the above table that, majority of (72.90 percent) the respondents revealed that, futures and options are unsafe mode of investment in stock market. 12.09 percent of the respondents revealed that, futures and options are reasonably safe mode of investment in stock market and 15.01 percent revealed that, futures and options are absolutely safe mode of investment in stock market. It can be concluded from the above table that, for majority of the respondents futures and options are unsafe form of investment in stock market.

OPINION TOWARDS NATURE OF RISK ASSOCIATED WITH INVESTMENT IN COMMODITIES

TABLE 16: OPINION TOWARDS NATURE OF RISK ASSOCIATED WITH INVESTMENT IN COMMODITIES

S.No	Particulars	Sample Size	Percentage
1	Absolutely safe	36	7.02
2	Reasonably safe	68	13.26
3	Unsafe	409	79.73
TOTAL		513	100.00

Source: Field Survey

INFERENCE: It can be observed from the above table that, majority of (79.73 percent) the respondents revealed that, commodities are unsafe mode of investment in stock market. 13.26 percent of the respondents revealed that, commodities are reasonably safe mode of investment in stock market and 7.02 percent revealed that, commodities are absolutely safe mode of investment in stock market. It can be concluded from the above table that, for majority of the respondents commodities are unsafe form of investment in stock market.

OPINION TOWARDS NATURE OF RISK ASSOCIATED WITH INVESTMENT IN AUTOMOBILE SECTOR

TABLE 17: OPINION TOWARDS NATURE OF RISK ASSOCIATED WITH INVESTMENT IN AUTOMOBILE SECTOR

S.No	Particulars	Sample Size	Percentage
1	Absolutely safe	256	49.90
2	Reasonably safe	159	30.99
3	Unsafe	98	19.10
TOTAL		513	100.00

Source: Field Survey

INFERENCE: It can be seen from the above table that, a majority of (49.90 percent) the respondents revealed that, it is absolutely safe to invest in automobile sector. 30.99 percent of the respondents revealed that, it is reasonably safe to invest in automobile sector and 19.10 percent of the respondents revealed that, it is unsafe to invest in automobile sector. It can be concluded that, majority of the respondents opined that, it is absolutely safe to invest in automobile sector.

OPINION TOWARDS NATURE OF RISK ASSOCIATED WITH INVESTMENT IN BANKING SECTOR

TABLE 18: OPINION TOWARDS NATURE OF RISK ASSOCIATED WITH INVESTMENT IN BANKING SECTOR

S.No	Particulars	Sample Size	Percentage
1	Absolutely safe	263	51.27
2	Reasonably safe	149	29.04
3	Unsafe	101	19.69
TOTAL		513	100.00

Source: Field Survey

INFERENCE: It can be inferred from the above table that, a majority of (51.27 percent) the respondents revealed that, it is absolutely safe to invest in banking sector. 29.04 percent of the respondents revealed that, it is reasonably safe to invest in banking sector and 19.69 percent of the respondents revealed that, it is unsafe to invest in banking sector. It can be concluded that, majority of the respondents opined that, it is absolutely safe to invest in banking sector.

OPINION TOWARDS NATURE OF RISK ASSOCIATED WITH INVESTMENT IN CONSUMER DURABLES SECTOR

TABLE 19: OPINION TOWARDS NATURE OF RISK ASSOCIATED WITH INVESTMENT IN CONSUMER DURABLES SECTOR

S.No	Particulars	Sample Size	Percentage
1	Absolutely safe	213	41.52
2	Reasonably safe	139	27.10
3	Unsafe	161	31.38
TOTAL		513	100.00

Source: Field Survey

INFERENCE: It can be inferred from the above table that, a majority of (41.52 percent) the respondents revealed that, it is absolutely safe to invest in consumer durables sector. 27.10 percent of the respondents revealed that, it is reasonably safe to invest in consumer durables sector and 31.38 percent of the respondents revealed that, it is unsafe to invest in consumer durables sector. It can be concluded that, among the respondents, large section opined that, it is absolutely safe to invest in consumer durables sector.

OPINION TOWARDS NATURE OF RISK ASSOCIATED WITH INVESTMENT IN FMCG SECTOR

TABLE 20: OPINION TOWARDS NATURE OF RISK ASSOCIATED WITH INVESTMENT IN FMCG SECTOR

S.No	Particulars	Sample Size	Percentage
1	Absolutely safe	284	55.36
2	Reasonably safe	151	29.43
3	Unsafe	78	15.20
TOTAL		513	100.00

Source: Field Survey

INFERENCE: It can be analyzed from the above table that, a majority of (55.36 percent) of the respondents revealed that, it is absolutely safe to invest in FMCG sector. 29.43 percent of the respondents revealed that, it is reasonably safe to invest in FMCG sector and 15.20 percent of the respondents revealed that, it is unsafe to invest in FMCG sector. It can be concluded that, among the respondents, majority opined that, it is absolutely safe to invest in FMCG sector.

OPINION TOWARDS NATURE OF RISK ASSOCIATED WITH INVESTMENT IN INFORMATION TECHNOLOGY SECTOR

TABLE 21: OPINION TOWARDS NATURE OF RISK ASSOCIATED WITH INVESTMENT IN INFORMATION TECHNOLOGY SECTOR

S.No	Particulars	Sample Size	Percentage
1	Absolutely safe	121	23.59
2	Reasonably safe	117	22.81
3	Unsafe	275	53.61
TOTAL		513	100.00

Source: Field Survey

INFERENCE: It can be observed from the above table that, a majority of (55.61 percent) the respondents revealed that, it is unsafe to invest in information technology sector. 22.81 percent of the respondents revealed that, it is reasonably safe to invest in information technology sector and 23.59 percent of the respondents revealed that, it is absolutely safe to invest in information technology sector. It can be concluded that, among the respondents, majority opined that, it is unsafe to invest in information technology sector.

OPINION TOWARDS NATURE OF RISK ASSOCIATED WITH INVESTMENT IN OIL AND GAS SECTOR

TABLE 22: OPINION TOWARDS NATURE OF RISK ASSOCIATED WITH INVESTMENT IN OIL AND GAS SECTOR

S.No	Particulars	Sample Size	Percentage
1	Absolutely safe	185	36.06
2	Reasonably safe	149	29.04
3	Unsafe	178	34.70
TOTAL		513	100.00

Source: Field Survey

INFERENCE: It can be seen from the above table that, a majority of (36.06 percent) of the respondents revealed that, it is absolutely safe to invest in oil and gas sector. 29.04 percent of the respondents revealed that, it is reasonably safe to invest in oil and gas sector and 34.70 percent of the respondents revealed that, it is unsafe to invest in oil and gas sector. It can be concluded that, among the respondents, almost more than one third opined that, it is unsafe to invest in oil and gas sector.

OPINION TOWARDS NATURE OF RISK ASSOCIATED WITH INVESTMENT IN PUBLIC SECTOR UNDERTAKING SECTOR

TABLE 23: OPINION TOWARDS NATURE OF RISK ASSOCIATED WITH INVESTMENT IN PUBLIC SECTOR UNDERTAKING SECTOR

S.No	Particulars	Sample Size	Percentage
1	Absolutely safe	118	23.00
2	Reasonably safe	272	53.02
3	Unsafe	123	23.98
TOTAL		513	100.00

Source: Field Survey

INFERENCE: It can be inferred from the above table that, a majority of (53.02 percent) the respondents revealed that, it is reasonably safe to invest in public sector undertakings sector. 23.98 percent of the respondents revealed that, it is unsafe to invest in public sector undertakings sector and 23.00 percent of the respondents revealed that, it is absolutely safe to invest in public sector undertakings sector. It can be concluded that, among the respondents, majority opined that, it is reasonably safe to invest in public sector undertakings sector.

OPINION TOWARDS NATURE OF RISK ASSOCIATED WITH INVESTMENT IN REALTY SECTOR

TABLE 24: OPINION TOWARDS NATURE OF RISK ASSOCIATED WITH INVESTMENT IN REALTY SECTOR

S.No	Particulars	Sample Size	Percentage
1	Absolutely safe	173	33.72
2	Reasonably safe	129	25.15
3	Unsafe	211	41.13
TOTAL		513	100.00

Source: Field Survey

INFERENCE: It can be inferred from the above table that, a majority of (41.13 percent) the respondents revealed that, it is unsafe to invest in Realty sector. 33.72 percent of the respondents revealed that, it is absolutely safe to invest in Realty sector and 25.15 percent of the respondents revealed that, it is reasonably safe to invest in Realty sector. It can be concluded that, among the respondents, only one third has opined that, it is absolutely safe to invest in Realty sector.

OPINION TOWARDS NATURE OF RISK ASSOCIATED WITH INVESTMENT IN HEALTH CARE SECTOR

TABLE 25: OPINION TOWARDS NATURE OF RISK ASSOCIATED WITH INVESTMENT IN HEALTH CARE SECTOR

S.No	Particulars	Sample Size	Percentage
1	Absolutely safe	196	38.21
2	Reasonably safe	154	30.02
3	Unsafe	163	31.77
TOTAL		513	100.00

Source: Field Survey

INFERENCE: It can be analyzed from the above table that, a majority of (38.21 percent) the respondents revealed that, it is absolutely safe to invest in health care sector. 31.77 percent of the respondents revealed that, it is unsafe to invest in health care sector and 30.02 percent of the respondents revealed that, it is reasonably safe to invest in health care sector. It can be concluded that, among the respondents, only little more than one third has opined that, it is absolutely safe to invest in health care sector.

OPINION TOWARDS NATURE OF RISK ASSOCIATED WITH INVESTMENT IN METALS SECTOR

TABLE 26: OPINION TOWARDS NATURE OF RISK ASSOCIATED WITH INVESTMENT IN METALS SECTOR

S.No	Particulars	Sample Size	Percentage
1	Absolutely safe	288	56.14
2	Reasonably safe	175	34.11
3	Unsafe	50	9.75
TOTAL		513	100.00

Source: Field Survey

INFERENCE: It can be observed from the above table that, a majority of (56.14 percent) the respondents revealed that, it is absolutely safe to invest in metals sector. 34.11 percent of the respondents revealed that, it is reasonably safe to invest in metals sector and 9.75 percent of the respondents revealed that, it is unsafe to invest in metals sector. It can be concluded that, among the respondents, majority has opined that, it is absolutely safe to invest in metals sector.

OPINION TOWARDS NATURE OF RISK ASSOCIATED WITH INVESTMENT IN TECHNOLOGY SECTOR

TABLE 27: OPINION TOWARDS NATURE OF RISK ASSOCIATED WITH INVESTMENT IN TECHNOLOGY SECTOR

S.No	Particulars	Sample Size	Percentage
1	Absolutely safe	214	41.72
2	Reasonably safe	107	20.86
3	Unsafe	192	37.43
TOTAL		513	100.00

Source: Field Survey

INFERENCE: It can be seen from the above table that, a majority of (41.72 percent) the respondents revealed that, it is absolutely safe to invest in technology sector. 37.43 percent of the respondents revealed that, it is unsafe to invest in technology sector and 20.86 percent of the respondents revealed that, it is reasonably safe to invest in technology sector. It can be concluded that, among the respondents, there is a conflict of opinion that almost same number opined that, it is absolutely safe and unsafe to invest in technology sector.

OPINION TOWARDS NATURE OF RISK ASSOCIATED WITH INVESTMENT IN POWER SECTOR

TABLE 28: OPINION TOWARDS NATURE OF RISK ASSOCIATED WITH INVESTMENT IN POWER SECTOR

S.No	Particulars	Sample Size	Percentage
1	Absolutely safe	225	43.86
2	Reasonably safe	141	27.49
3	Unsafe	147	28.65
TOTAL		513	100.00

Source: Field Survey

INFERENCE: It can be inferred from the above table that, a majority of (43.86 percent) of the respondents revealed that, it is absolutely safe to invest in power sector. 28.65 percent of the respondents revealed that, it is unsafe to invest in power sector and 27.49 percent of the respondents revealed that, it is reasonably safe to invest in power sector. It can be concluded that, among the respondents, a large section opined that, it is absolutely safe to invest in power sector.

OPINION TOWARDS NATURE OF RISK ASSOCIATED WITH INVESTMENT IN ELECTRONIC GOODS SECTOR

TABLE 29: OPINION TOWARDS NATURE OF RISK ASSOCIATED WITH INVESTMENT IN ELECTRONIC GOODS SECTOR

S.No	Particulars	Sample Size	Percentage
1	Absolutely safe	216	42.11
2	Reasonably safe	159	30.99
3	Unsafe	138	26.90
TOTAL		513	100.00

Source: Field Survey

INFERENCE: It can be inferred from the above table that, a majority of (42.11 percent) of the respondents revealed that, it is absolutely safe to invest in electronic goods sector. 26.90 percent of the respondents revealed that, it is unsafe to invest in electronic goods sector and 30.99 percent of the respondents revealed that, it is reasonably safe to invest in electronic goods sector. It can be concluded that, among the respondents, a large section opined that, it is absolutely safe to invest in electronic goods sector.

WORRIES ABOUT STOCK MARKET – TOO MUCH VOLATILITY AND PRICE FLUCTUATION

TABLE 30: WORRIES ABOUT STOCK MARKET- TOO MUCH VOLATILITY AND PRICE FLUCTUATION

S.No	Particulars	Sample Size	Percentage
1	1 st reason to worry	152	29.63
2	2 nd reason to worry	157	30.60
3	3 rd reason to worry	204	39.77
TOTAL		513	100.00

Source: Field Survey

INFERENCE: It can be analyzed from the above table that, a majority of (39.77 percent) of the respondents revealed that, it is too much volatility and price fluctuation is the third reason to worry about the stock markets. 30.60 percent of the respondents revealed that, it is too much volatility and price fluctuation is the second reason to worry about the stock markets and 29.63 percent of the respondents revealed that, it is too much volatility and price fluctuation is the first reason to worry about the stock markets. It can be concluded that, among the respondents a large section has opined that too much volatility and price fluctuation is the third reason to worry about the stock markets.

WORRIES ABOUT STOCK MARKET – CORPORATE MISMANAGEMENT AND FRAUD

TABLE 31: WORRIES ABOUT STOCK MARKET- CORPORATE MISMANAGEMENT AND FRAUD

S.No	Particulars	Sample Size	Percentage
1	1 st reason to worry	184	35.87
2	2 nd reason to worry	171	33.33
3	3 rd reason to worry	158	30.80
TOTAL		513	100.00

Source: Field Survey

INFERENCE: It can be observed from the above table that, a majority of (35.87 percent) of the respondents revealed that, it is corporate mismanagement and fraud is the first reason to worry about the stock markets. 33.33 percent of the respondents revealed that, it is corporate mismanagement and fraud is the second reason to worry about the stock markets and 30.80 percent of the respondents revealed that, it is corporate mismanagement and fraud is the third reason to worry about the stock markets. It can be concluded that, among the respondents a large section has opined that corporate mismanagement and fraud is the first reason to worry about the stock markets. Hence, it is suggested that the companies should practice good corporate governance by disclosing true accounting and financial position. The indulgence in unethical and unscrupulous activities will erode the investor confidence in the companies. The balance sheet should be transparent and reflect the true financial position of the company.

WORRIES ABOUT STOCK MARKET – UNFAIR PRACTICES OF BROKERS

TABLE 32: WORRIES ABOUT STOCK MARKET- UNFAIR PRACTICES OF BROKERS

S.No	Particulars	Sample Size	Percentage
1	1 st reason to worry	177	34.50
2	2 nd reason to worry	185	36.06
3	3 rd reason to worry	151	29.43
TOTAL		513	100.00

Source: Field Survey

INFERENCE: It can be seen from the above table that, a majority of (36.06 percent) the respondents revealed that, it is unfair practices of brokers is the second reason to worry about the stock markets. 34.50 percent of the respondents revealed that, it is unfair practices of brokers is the first reason to worry about the stock markets and 29.43 percent of the respondents revealed that, it is unfair practices of brokers is the third reason to worry about the stock markets. It can be concluded that, among the respondents a large section has opined that unfair practices of brokers is the second reason to worry about the stock markets.

BEST METHOD OF INVESTMENT IN SHARES**TABLE 33: BEST METHOD OF INVESTMENT IN SHARES**

S.No	Particulars	Sample Size	Percentage
1	Buying through IPO	211	41.13
2	Buying through stock exchange	259	50.49
3	Can't say	43	8.38
TOTAL		513	100.00

Source: Field Survey

INFERENCE: It can be inferred from the above table that, majority of (50.49 percent) of the respondents opined that it is best to buy shares through stock exchange i.e., secondary market. 41.13 percent of the respondents opined that it is best to buy shares through IPO i.e., primary market and 8.38 percent of the respondents can't say any opinion. It can be concluded that majority of the respondents opined that it is best to buy shares through stock exchange i.e., secondary market.

USUAL POLICY OR STRATEGY OF INVESTING IN EQUITY SHARES**TABLE 34: USUAL POLICY OR STRATEGY OF INVESTING IN EQUITY SHARES**

S.No	Particulars	Sample Size	Percentage
1	Mostly sell the shares in days or weeks	252	49.12
2	Mostly hold and sell the shares in months	197	38.40
3	Mostly hold and sell the shares in years	64	12.48
TOTAL		513	100.00

Source: Field Survey

INFERENCE: It can be inferred from the above table that, a majority of (49.12 percent) of the respondents strategy is to sell shares in days or weeks. 38.40 percent of the respondents strategy is to hold and sell shares in months and 12.48 percent of the respondents strategy is to hold and sell shares in years. It can be concluded that, a large section of the respondents have adopted a short term strategy.

MONITORING OF SHARE PRICE MOVEMENTS IN MEDIA**TABLE 35: MONITORING OF SHARE PRICE MOVEMENTS IN MEDIA**

S.No	Particulars	Sample Size	Percentage
1	Daily and continuously	316	61.60
2	Irregularly	169	32.94
3	Very rarely	28	5.46
TOTAL		513	100.00

Source: Field Survey

INFERENCE: It can be analyzed from the above table that, a majority of (61.60 percent) of the respondents monitor share prices in media daily and continuously. 32.94 percent of the respondents monitor share prices in media irregularly and 5.46 percent of the respondents monitor share prices in media very rarely. It can be concluded that, majority of respondents monitor share prices in media daily and continuously. Hence it is suggested that the media should guide the investors properly in investing their hard earned money. The media should invite stock market experts to give valuable tips to the potential investors through their programmes. The media should also conduct programmes to create awareness about investment in stock market operations. They should also educate the uneducated investors about technical analysis and fundamental analysis and intricacies involved in stock market trading.

ROLE OF SEBI IN REGULATING THE MARKET**TABLE 36: ROLE OF SEBI IN REGULATING THE MARKET**

S.No	Particulars	Sample Size	Percentage
1	Active role	229	44.64
2	Not so active	253	49.32
3	Can't say	31	6.04
TOTAL		513	100.00

Source: Field Survey

INFERENCE: It can be observed from the above table that, a majority of (49.32 percent) of the respondents opined that SEBI is not playing active role in regulation of stock market. 44.64 percent of the respondents opined that SEBI is playing active role in regulation of stock market and 6.04 percent of the respondents can't decide about the role of SEBI. It can be concluded that, majority of respondents opined that, SEBI is not playing an active role in regulation of stock market. Hence, it is suggested that SEBI has to play very active role in protecting the interest of the investors by regulating the companies. They should check the

irregularities, corporate mis-governance, insider trading and price rigging of companies. The SEBI should be given proper teeth to check and to regulate the activities of companies.

OVERALL SATISFACTION TOWARDS REGULATION OF STOCK MARKET

TABLE 37: OVERALL SATISFACTION TOWARDS REGULATION OF STOCK MARKET

S.No	Particulars	Sample Size	Percentage
1	Highly Satisfied	53	10.33
2	Moderately Satisfied	217	42.30
3	Dissatisfied	293	57.12
TOTAL		513	100.00

Source: Field Survey

INFERENCE: It can be seen from the above table that, a majority of (57.12 percent) the respondents expressed their opinion as dissatisfaction, 42.30 percent are moderately satisfied and 10.33 percent are highly satisfied. It can be concluded that there is lot of dissatisfaction with regard to overall satisfaction towards regulation of stock markets.

TESTING OF HYPOTHESIS

HYPOTHESIS TO TEST WHETHER RISK IS ASSOCIATED WITH INVESTMENT IN METALS SECTOR AND TECHNOLOGY SECTOR

1. **STATEMENT OF THE PROBLEM:** Whether there is any secured investment in Metal Sector or Technology sector.

2. **HYPOTHESIS 1**

H_0 = Technology Sector is a highly secured for investment

H_1 – Metal Sector is a highly secured for investment

3. **STATE THE DECISION RULE:** Accept the null hypothesis H_{03} if the calculated value of χ^2 is less than or equal to the table value. Reject H_{03} if the calculated value of χ^2 is more than the table value.

Particulars	Technology (Actual)	Metal (Actual)	Tech (Expected)	Metal (Expected)
Absolutely safe	214	288	251	251
Reasonably safe	107	175	141	141
Unsafe	192	50	121	121

The χ^2 statistic for the above data = 9.49

4. TABLE VALUE

$$d.f (c-1) (r-1) = (2-1) (3-1) = 2.$$

For 2 d.f the table value χ^2 at 5% LOS = 5.99.

5. **MAKE DECISION:** Since the calculated value of χ^2 (=9.49) is greater than the table value of χ^2 (= 5.99) at 0.05%, as per decision rule reject the H_{03} i.e., accept H_{13} . That means Technology sector is an unsecured for investment and Metal sector is highly secured and absolutely safe for investment.

HYPOTHESIS TO TEST WHETHER RISK IS ASSOCIATED WITH INFORMATION TECHNOLOGY AND PUBLIC SECTOR

1. **STATEMENT OF THE PROBLEM:** Whether the investment in Information Technology and Public sectors undertaking are too risky for investment.

2. HYPOTHESIS 2

H_0 = Low Risk in Information Technology for investment

H_1 = Low Risk in Public Sector undertaking for investment

3. **STATE THE DECISION RULE:** Accept the null hypothesis H_{04} if the calculated value of χ^2 is less than or equal to the table value. Reject H_{04} if the calculated value of χ^2 is more than the table value.

Particulars	IT (Actual)	Public Sector (Actual)	IT (Expected)	Public Sector (Expected)
Absolutely safe	121	118	119.5	119.5
Reasonably safe	117	272	194.5	194.5
Unsafe	275	123	199	199

The χ^2 statistic for the above data = 9.44

4. TABLE VALUE

$$d.f (c-1) (r-1) = (2-1) (3-1) = 2.$$

For 2 d.f the table value χ^2 at 5% LOS = 5.99.

5. **MAKE DECISION:** Since the calculated value of χ^2 (= 9.44) is greater than the table value of χ^2 (= 5.99) at 0.05%, as per decision rule reject the H_{04} i.e., accept H_{14} . That means Public Sector Undertaking is a Low risk and absolutely safe for investment and Information Technology sector is highly risk for investment.

HYPOTHESIS TO TEST WHETHER THE OPINION THAT CORPORATE MISMANAGEMENT AND FRAUD IS VERY COMMON IN INDIA STOCK MARKET

1. **STATEMENT OF THE PROBLEM:** Whether the investment in Information Technology and Public sectors undertaking are too risky for investment.

2. HYPOTHESIS 3

H_0 = There is a Corporate Mismanagement and fraud is very common in India Stock Market

H_1 = There is no Corporate Mismanagement and fraud is very common in India Stock Market

3. **STATE THE DECISION RULE:** Accept the null hypothesis H_{05} if the calculated value of χ^2 is less than or equal to the table value. Reject H_{05} if the calculated value of χ^2 is more than the table value.

Particulars	IT (Actual)	Not invested (Expected)
Absolutely safe	184	0.988
Reasonably safe	171	0
Unsafe	158	0.988

The χ^2 statistic for the above data = 1.976

4. TABLE VALUE

$$d.f (c-1) (r-1) = (2-1) (3-1) = 2.$$

For 2 d.f the table value χ^2 at 5% LOS = 5.99.

5. **MAKE DECISION:** Since the calculated value of χ^2 (= 1.976) is less than the table value of χ^2 (= 5.99) at 0.05%, as per decision rule accept the H_0 . That means reasonably safe in Corporate Mismanagement and fraud is very common in India Stock Market.

ANALYSIS OF VARIANCE

1. **STATEMENT OF THE PROBLEM:** Whether the opinion towards nature of risk associated with different investment avenues of capital markets

2. HYPOTHESIS 4

H_0 = There is no significant differences between investment avenues

H_1 = There is a significant differences between investment avenues

S.No	Particulars	IT	O&G	PSU	Metal	EG
1	Absolutely safe	121	185	118	288	216
2	Reasonably safe	117	149	272	175	159
3	Unsafe	275	178	123	50	138

ANOVA: Single Factor

Groups	Count	Sum	Average	Variance
Row 1	5	928	185.6	5038.3
Row 2	5	872	174.4	3425.8
Row 3	5	764	152.8	6810.7

ANOVA TABLE

Source of Variation	SS	df	MS	Computed F	P-value	F crit
Between Groups	2779.733	2	1389.867	0.272972	0.765715	3.885294
Within Groups	61099.2	12	5091.6			
Total	63878.93	14				

INTERPRETATION: Tabulated value of F for 5% significance level with degrees of freedom 2, 12 ($F_{2,12,0.05}$) = 3.88. Since the computed value is (0.2729) less than the tabulated

value (3.88), we reject H_1 and accept H_0 and concluded that there is no significant difference in the investment avenues. Hence all investments avenues are reasonable safe for investment.

SUGGESTIONS

1. It is suggested in view of the importance of media, more programmes on stock market operations should be carried out to increase awareness level of investors. The business newspapers and magazines should also give technical analysis and fundamental analysis about different companies and industries in such a language understandable to all the investors across India irrespective of their educational level.
2. It is suggested that a great deal of awareness about futures and options must be created among potential investors in view of the importance of futures and options trade. The awareness level is very low. As such SEBI and other government agencies have to undertake adequate measures to create awareness.
3. It is suggested that a great deal of awareness about commodities trading must be created among potential investors in view of the importance of commodities trade. The awareness level is very low. As such SEBI and other government agencies have to undertake adequate measures to create awareness.
4. It is suggested that the companies should practice good corporate governance by disclosing true accounting and financial position. The indulgence in unethical and unscrupulous activities will erode the investor confidence in the companies. The balance sheet should be transparent and reflect the true financial position of the company.
5. It is suggested that the media should guide the investors properly in investing their hard earned money. The media should invite stock market experts to give valuable tips to the potential investors through their programmes. The media should also conduct programmes to create awareness about investment in stock market operations. They should also educate the uneducated investors about technical analysis and fundamental analysis and intricacies involved in stock market trading.
6. It is suggested that SEBI has to play very active role in protecting the interest of the investors by regulating the companies. They should check the irregularities, corporate mis-governance, insider trading and price rigging of companies. The SEBI should be given proper teeth to check and to regulate the activities of companies.
7. It is suggested that awareness levels of potential investors towards debentures should be increased in view of the safety and security of debentures.
8. It is suggested that awareness levels about unit linked plans should be increased as they serve the dual purpose – investment and insurance.
9. It is suggested that measures must be taken to create awareness about gold traded funds so as to avoid the possibility of wear and tear and depreciation associated with custody of gold.
10. For small investors and investors without much knowledge about stock market operations, mutual funds prove to be Best Avenue for investment. Hence, it is suggested

that measures should be taken to develop confidence among investors about mutual funds.

LIMITATIONS OF THE STUDY

In a study of this magnitude though, meticulous care has been taken in each and every aspect of study. Certain limitations are likely to be there in the study.

1. Since the study is a sample based and undertaken in Anantapur District, Andhra Pradesh, the findings of the study may have the limitation of generalization to the entire population.
2. Despite the care taken to understand the feelings and opinions of the respondents, some articulation error may have crept into the study.
3. Some respondents may not be aware of certain latest procedures and aspects of stock market.
4. A few respondents were hesitant to give details.
5. There might be a sense of bias crept in answers given by the respondents.
6. The conclusion may or may not be generalized since the study is confined to Anantapur District of Andhra Pradesh only.

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