

## **A Comprehensive Study of Investors' Attitudes Towards Equity Investments in Navi Mumbai**

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### **Abstract**

Based on prior research, this paper provides the view of people about equity investment. The entire economy of India depends upon the status of stock market. It is the market where buying and selling of securities takes place. It is important from both the point of view industries as well as investors. It is a platform of trading various securities. The objective of this study is to check the mindset of people for investment in shares. It is found that 80% of population are not investing in share market and those who are investing are doing short term investment. It is observed that people do not have risk bearing capacity.

**Keywords:** Perception, Investor, Stock Market, BSE, NSE

### **Introduction**

Stock market plays a very important role for growth and development of Indian economy. It also helps to increase the value of Indian currency in international market. In India hardly 1% of investors are interested to invest in equity. Stock market is the place where shares of listed companies are traded. Company issue shares in the market and raise capital from the public for growth and expansion of the business. There are total 22 stock exchanges in India and two of them are biggest, those are Bombay Stock Exchange and National Stock Exchange. Stock market is an important part of the economy of our country. Company can raise money without incurring any debt. There are two ways to describe the general condition of the stock market. Bull market and Bear market. Bull market is the market where the prices of shares are on upward movement and Bear market is the market where the prices of the shares are downward movement. Share market is directly effect to Indian currency. In today's date the value of Indian currency is very low. For increasing the value of Indian currency in world market it is very necessary to increase the value of shares of Indian companies. When the value of shares of Indian Companies will increase it will help to boost the economy, and when Indian economy will increase it will attract foreign investors to invest in our companies and help to increase the value of Indian currency in foreign market.

### **Research Methodology**

Descriptive research is used to collect the information for knowing the investor's behavior towards equity shares. Research methodology includes interview, survey method, questionnaire and observation method.

### **Objectives of the Study**

1. To identify the factors that influence investors' decisions to invest in equity shares.
2. To examine the level of awareness and knowledge of investors about equity investment.
3. To analyze the risk perception and return expectations of investors regarding equity investments.

### **Scope of the Study**

1. Area of the study is limited to Navi Mumbai.
2. Number of respondents are 100.

### Research Design

Based on the objectives of the study questionnaire is prepared and interview had taken.

### Limitations of the Study

1. **Geographical Limitation:** The study is limited to investors residing in Navi Mumbai, so the findings may not represent investors in other cities or regions.
2. **Sample Size Limitation:** The study is based on a limited number of respondents, which may not fully represent the entire investor population.
3. **Time Constraint:** The research is conducted within a limited time period, which may restrict the depth of analysis.
4. **Response Bias:** The study relies on responses given by investors, and some respondents may provide incomplete or biased information.
5. **Limited Scope of Factors:** The research considers only selected factors influencing investor perception, while other important factors may not be included.
6. **Changing Market Conditions:** Investors' perceptions towards equity investments may change over time due to fluctuations in the stock market and economic conditions.

### Data Collection and Analysis

Information has been collected from both Primary and Secondary Data.

- **Secondary Data:** Secondary data is collected from newspapers, books related to stock market, internet and review old research papers.
- **Primary Data:** Questionnaire and personal interview by phone.

### Literature Review

**C.Venkataiah1, Prof. B.K. Surya Prakasha Rao2, (2018)** "Perception towards various investment avenues-A study in Vijayawada city of Andhra Pradesh" this research survey examines the investors perception towards various investment avenue. It is found that when people has more money they prefer to go for investment in different investment avenues like gold, bonds shares, mutual fund, post office schemes, bank deposits etc. Knowledge of different investment avenue helps investors to choose correct option. It is observed that there is a changing trend in investment behavior of investors from traditional to new debt and equity scheme, but this changing rate of investors are very low, because investors feel insecure in managing their investment on the stock market, it is difficult for an individual to identify the growth making companies. Even after identifying the growth oriented companies the trading practices are also complicated it is difficult task for investors to trade in all the exchange and follow up on post trading formalities. It is found that the equity investment decisions are influenced by few factors like good corporate earnings, stock marketability, Opinion from family/friends/colleagues, broker's recommendation, and other professional advice.

**Vijay. S, Dr. Ch. Balanageswara Rao(2018)** "A Study on Investors Perception Towards Sharemarket in Sharekhan Ltd" This research was conducted to know the behavior of investor and their awareness about different stock market avenues. He found that maximum investors prefer to invest in different avenues of investment and not only one. Investors want higher return in minimum duration with low risk.

**Prof. (Dr) Iqbal Thonse Hawaldar, Dr. Habeeb Ur Rahiman (2019)** "Investor's Perception Towards Stock Market: An Exploratory Approach" This study is undertaken to understand the investor's personal factors affecting their investment behavior and attitude. This study also conduct to know that how much investor's are aware about share market investment. It is observed that, there are many factors influencing investors decision those are risk, return, duration, tax benefit, safety. Risk is the major factor. Most of the investors are invest with their own and some of them are influenced through newspapers, advertisements, seminars and workshops. It is concluded that, those investors are ready to take high risk are investing in shares

and those are not ready to take risk are avoiding to invest more in stocks.

**Mr. Sudam Balasaheb Shinde1, Dr. Preeti Mahesh Kulkarni(2018)** “Perception of Women Investors towards investing in the Equity Market” This study is based on to understand the women's perception to investment in equity market. In this study researcher determine how much knowledge the women have towards share market. The main purpose of this study is to attract the female investors and open their depository accounts with brokerage firms. Development of economy is depend on the investors behavior. In this study it is found that women are ready to invest in equity but do not have sufficient knowledge.

**Deepa Chavan, Makarand Upadhyaya, Abdulsattar Abdulbaqi Alazzawi, Hatem Mohamed EL-Shishini (2017)** “An empirical study on investors investment initiatives in Indian capital market” Aim of this study is to analyze the initiative taken by the investors and awareness about investment in share market. Capital market plays an important role for development of an economy. In capital market government and business enterprises raise long term fund that is more than a year. Indian stock market is the oldest stock market in Asia. This study is to analyze the resent initiative in share market also check the trends in price movement of stocks.

**Dr.S.Suriya Murithi B.Narayanan M.Arivazhagan (2012)**“Investors behavior in various investment avenues” Study is based on the investors behavior of investment; correct investment plays a very important role for increasing a personal wealth. Proper investment strategy helps the investors to choose the correct investment option. This individual investment helps corporate companies to raise their capital through financial market. Investment mantra is “prevention is better than cure”. Objectives of this study is to find out how investors are motivated to invest in various financial instruments also investors preference towards the investment. It is found that most investors are choosing two or more sources of information for taking investment decision and also discuss with their friends and relatives. Percentage of investment is depends on their annual income. Women prefer to invest in gold as compare to choosing other investment avenues.

**Rakesh H M (2014)**“A study on individuals investors behavior in stock market of India” The objective of this study is to understand the behavior of individual investor in stock market. Study also finds the factors affecting the investment behavior of individual investor and the duration of investment. Investment has different meaning in the context of finance and economics. In finance, investing money on something with expectation of return more than principal within a certain period of time. Whereas economics investment refers to the creation of capital or goods capable of producing other goods or services. It is concluded that saving is depend on individual income.

**Arup Kumar Sarkar (2017)** “Analysis of Individual Investors Behavior of Stock Market” the main objective of this study is to analyze the effect of demographic factors, on investment behavior of individual, in stock market. A psychological study of individual can explain why people buy and sell a particular stock. Better understanding of the behavior of investors help the company and government to devising appropriate asset allocation strategies, future financial plans, required legislations and macroeconomic policy respectively. Respective study says that, mostly people of ages between 28 years to 37 years invest in the stock market of India and maximum investors are graduate and above, businessman, high income level i.e. 100000 and above monthly income.

**P Hemavathy and S Gurusamy (2015)**“Perception of the Indian Working Women Considering Equity as an Investment Avenue: An Empirical Study” This paper find the financial literacy among working women. Working women are afraid to invest in shares because of inadequate knowledge, fear of loss etc. it is found that they are quite behind while taking equity investment decision and more interested in gold investmet. It is concludes that retail investors are the backbone of equity market.

**M. Madhuri Devi1 and Anjali Hinduja2(2018)** “Stock markets and economic growth of India

- a study on impact of market capitalization on GDP” Stock market highly contributes to raise financial system of Indian economy. Gross Domestic Product is an important indicator for economic growth. Objective of this paper is to determine the impact of stock market on Indian economy.

**Analysis and Interpretation of Data:**

**Table: 1 Responses regarding Gender and Age respondents**

Gender	Response%	Age	Response%
Male	48	20-30 year	19
Female	52	30-40 year	56
		40-50 year	14
		50 & above	11

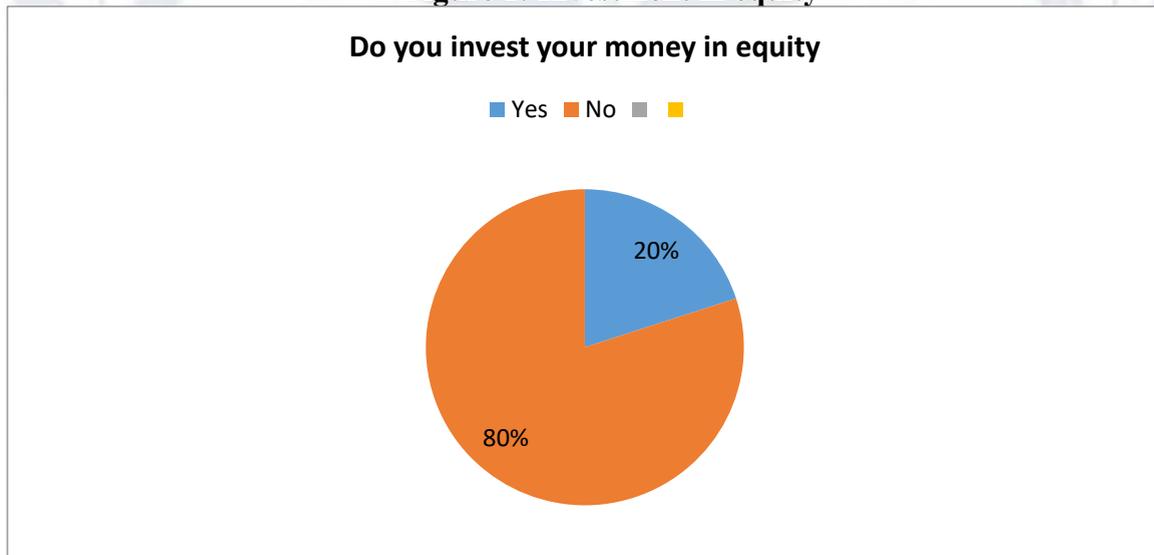
Above table shows that 48% of respondents are male and 52% of respondents are female. Maximum respondents come under the age between 30-40 years.

**Table: 2 Responses regarding monthly income and occupation**

Income	No. of respondents	Occupation	No. of respondents
20000-30000	8	Salaried	57
30000-40000	9	Business	6
40000-50000	7	Students	4
50000 & above	47	Housewife	25
None	29	Retired	8

The table shows that out of 100 respondents 8 comes under 20000-30000 income group, 9 comes under 30000-40000, 7 comes under 40000-50000, 47 comes above 50000 and 29 respondents are not in any income group. As far as occupation levels are considered, it is noted that out of 100 respondents 57 are salaried persons, 6 are doing business, 4 are students, 25 are housewife and 8 are retired persons.

**Figure 1: Investment in equity**

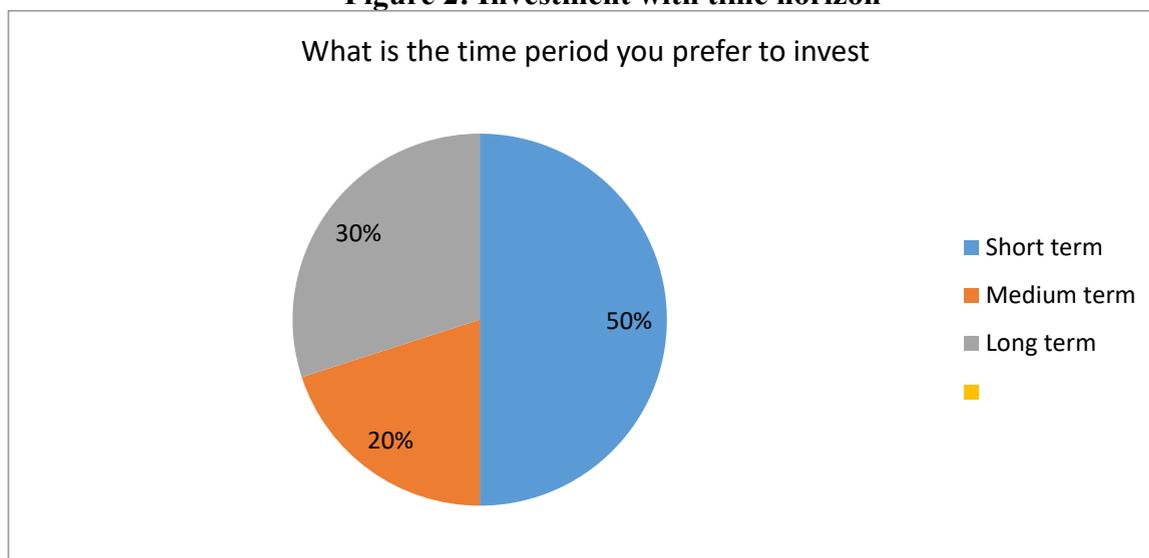


Above figure shows that out of 100 only 20% investors are investing in equity shares and 80% are not investing in equity.

**Table: 3 Responses regarding duration of investment**

Duration of investment (in years)	Responses
Short term (0-1 year)	10
Medium term (1-5 years)	4
Long term (> 5 years)	6

**Figure 2: Investment with time horizon**

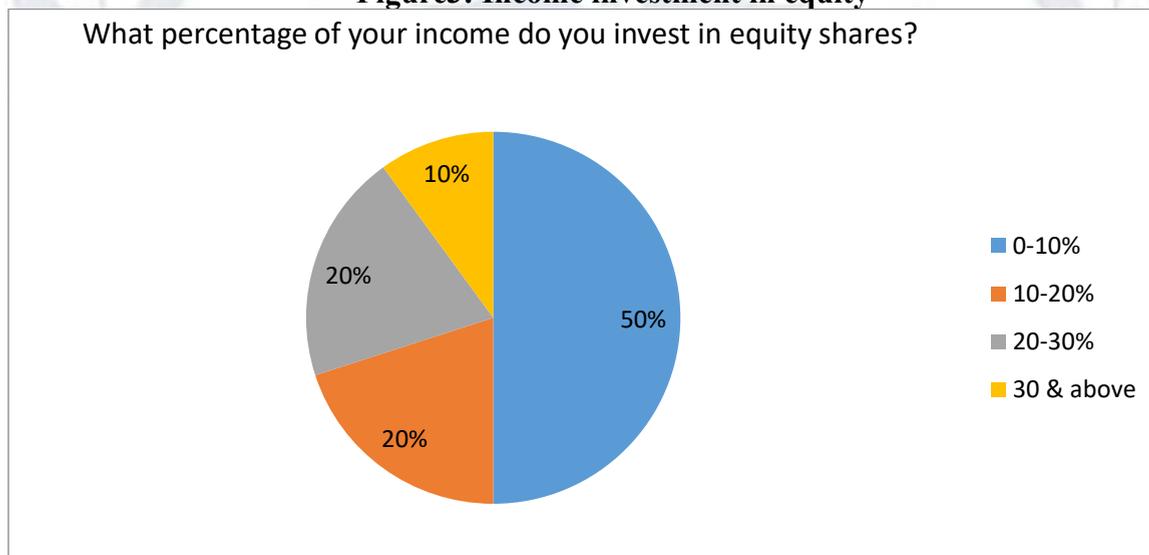


Above table and diagram shows that 10 investors prefer for short term investment, 4 for medium term investment and 6 for long term investment.

**Table: 4 Responses regarding what% of income invest in equity shares**

% of income invest in equity shares	Responses %
0-10%	50
10-20%	20
20-30%	20
30% and above	10

**Figure3: Income investment in equity**



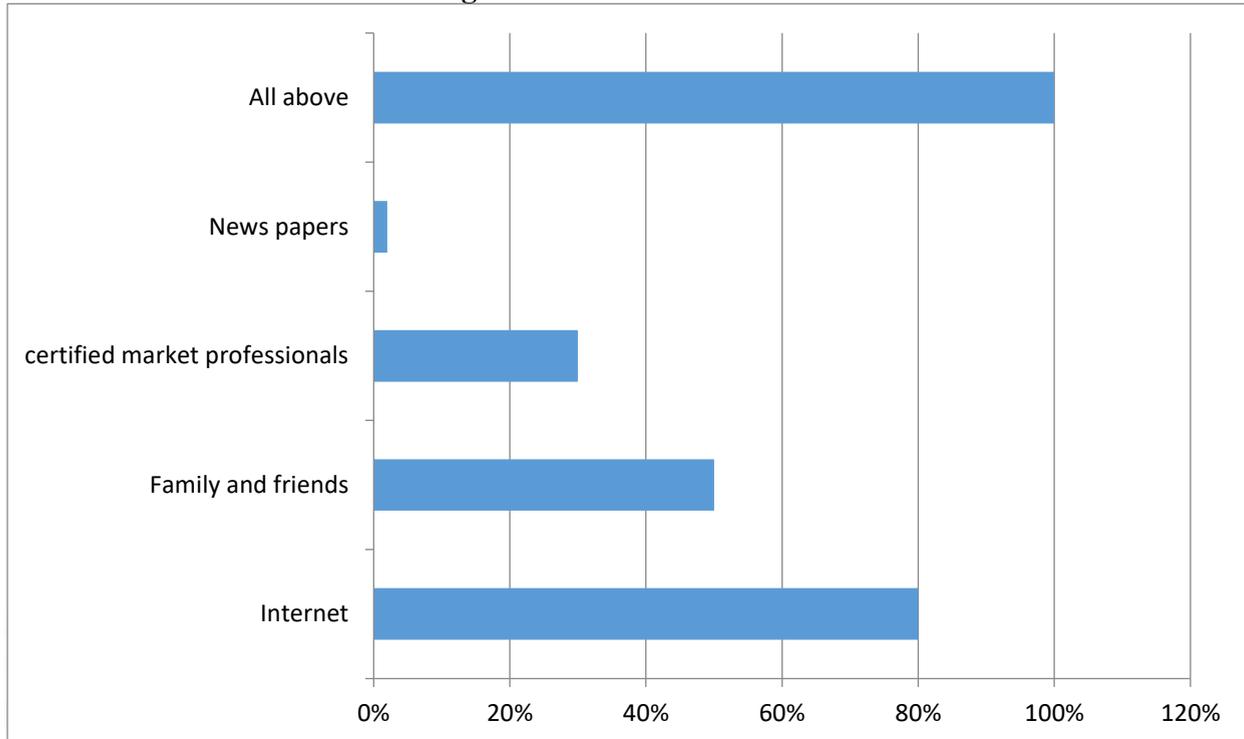
Above table and diagram shows that 50% of investors are investing 0-10% of their income in equity shares, 20% of investors are investing 10-20% of their income in equity shares, 20% of investors are investing 20-30% of their income in equity shares and 10% of investors are investing more than 30% of their income in equity shares.

**Table: 5 Responses regarding source of advice**

Sources of advice	Responses %
Internet	80
News papers	2

Certified market professionals	30
Family and friends	50
All above	100

Figure 4: Source of advice



Above given chart shows that 100% of investors follow all the sources of advice, 2% of investors get update from newspapers, 30% of investors take advice from certified market professionals, 50% of investors take advice from family and friends and 80% take information from internet.

**Findings and Conclusions**

It is observed that 80% of investors are not investing in share market and most of them are not aware about shares. Women investors are not at all interested in share market because of lack of knowledge and like to go with traditional investment pattern i.e. gold. They feel this is safe and easy. Those who are investing in share market are short term investors and investing 0-10% of their income in shares.

Thus it is concluded that investment behavior is different from person to person and it is depend on income, risk bearing capacity, knowledge, sources of information and gender. When income of person changes his/ her investment behavior also changes. The study is expected to reveal that investor perception towards equity investment is influenced by a combination of financial knowledge, risk tolerance, and behavioral factors. Investors often rely on both rational analysis and emotional judgment while making investment decisions.

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