



## A STUDY ON INVESTORS AWARENESS IN EQUITY SHARE

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**ABSTRACT** The capital market plays a most important role in the growth of an economy through the quickening of industrial growth. The main objective of the study focuses on socio economic background of the investors and awareness level of the equity investor. The investors are selected randomly and analyse their awareness level through simple percentage analysis and chi square test. The study concluded that Inter-regional disparities in awareness could be discerned and methods could be suggested to attain an equal distribution of awareness among investors.

**KEYWORDS :** Stock broking, NSE, investor behavior, share market.

**INTRODUCTION:**

The Indian capital market is one of the oldest capital markets since it has been in existence from 19th century and in terms number of listed companies, it is the second largest in the world. India is one of the few developing countries with a long history of stock exchanges, the oldest one being established in Bombay (Mumbai) as early as in 1875. During the pre-independence period, stock exchanges had a chequered career. But development in the corporate sector as well as stock exchanges gained force with India going in for a planned economy since 1951. It was during the 1990s the process of economic reforms got a thrust. A survey conducted by the SEBI in 2000 reveals that the 1990s was the decade of reforms in the Indian economy. It was a period of transformation of the Indian securities market and it was the age of the emergence of the securities market from the backwaters to the mainstream of the Indian financial system.

**OBJECTIVE**

- To assess the socio economic conditions of the equity share holders.
- To assess the factors associated with the level of awareness of equity share holders.
- To assess the idea about the awareness of equity share holders.

**SAMPLING**

- Fifty investors randomly chosen from the lists of investors obtained from Stock brokers.

**FRAMEWORK OF ANALYSIS**

- Simple percentage analysis
- Chi-square test

**REVIEW OF LITERATURE:**

Verma.P. (2012) found that awareness of various equity oriented securities among Indian investors is increasing due to various investor education programmes conducted by Securities and Exchange Board of India (SEBI) and Association of Mutual Funds in India (AMFI). He stated that, due to the increased awareness about equity oriented securities, the number of new investors is growing at a healthy rate in India. He further stated that, increased awareness is also motivating the equity investors to acquire knowledge on various investment strategies and risk minimization techniques

Maruthu Pandian, P, Benjamin Christopher (2010), conducted a study entitled, "A Study on Equity Investor Awareness" in order to study the stock market literacy of the investors about the company, stock exchanges as well as capital market regulatory bodies. The primary data using multiple regression, path analysis and chi-square test clearly revives difference in the awareness among the investors. The research work found that the awareness index is high among young male investor, postgraduates and meticulous businessmen.

**AGE FREQUENCIES****Table 1.1**

Age	Frequency	Percentage
21 – 24	0	0
25 – 40	13	26
41 – 55	18	36
55 and above	19	38
<b>Total</b>	<b>50</b>	<b>100</b>

The table 1.1 clearly indicates that a maximum percentage of 38% of investors are in the age group of 55 and above, followed by the investors in the age group 41 to 55 which is 36%. It is also found that a less percent of 26% of the investors are in the age group of above 25 - 40 and above.

**GENDER IN EQUITY SHARE****Table 1.2**

Gender	Frequency	Percentage
Male	33	66
Female	17	34
<b>Total</b>	<b>50</b>	<b>100</b>

From the table 1.2 it is clear that 66% of the investors are males and 34% are females. This profoundly reveals that males are more excited than females in equity shares investment.

**MARITAL STATUS IN EQUITY SHARE****Table 1.3**

Marital status	Frequency	Percentage
Married	32	64
Un married	18	36
<b>Total</b>	<b>50</b>	<b>100</b>

It is found that table 1.3, 64% investors are married and 36% are unmarried and the according to marital status. The married investors view these investments for their prudential purpose.

**EDUCATION IN EQUITY****Table 1.4**

Marital status	Frequency	Percentage
Up to HSC	32	64
Graduate	18	36
Post Graduate	25	50
<b>Total</b>	<b>50</b>	<b>100</b>

Table 1.4 shows that most of the investors are have a good education background 50% of the investors are post graduates, 36% are graduates and 14% are Up to HSc. This shows that the educated investors are able to analyze the advantages and disadvantages of investment in equity shares.

**INCOME LEVEL OF THE INVESTORS****Table 1.5**

Marital status	Frequency	Percentage
Below Rs 20000	11	22
Rs 20001-30000	14	28
30001-40000	12	24
Above 40001	13	26
<b>Total</b>	<b>50</b>	<b>100</b>

It is found from the table 1.5 that 26% of the investors belong to the income groups of above 40,001 and 28% investors have the income level is Rs.20,001 – 30,000, 24% are in the income of groups of Rs.30,001 – 40,001, finally 22% of the investors have income level is Below 20,000

**CHI-SQUARE**

S.No.	Hypothesis (Ho)	DF	Value	Table value	Result
1	The Companies Act 1956 governs the Companies.	2	2.051	5.991	NS
2	The investors who are not allotted shares can get back their money.	6	6.895	12.592	NS
3	You are eligible to receive an amount of interest in case of you are not allotted shares within specified time.	6	39.473	12.592	S
4	You are eligible to receive interest for delay in refund of allotment money.	6	39.473	12.592	S
5	You are eligible to receive audited report from the company.	8	32.152	15.507	S
6	You are eligible to receive the notice of Meetings from the Company.	4	90.271	9.488	S
7	You have the right to inspect the minutes of meetings	4	81.064	9.488	S
8	In case of request for transfer or sale of shares the company has to transfer shares within two months.	4	18.202	9.488	S
9	The company has to send the allotment letter and refund orders to the investors only through the registered post.	4	30.675	9.488	S
10	The company has to attach a prospectus along with the application form.	2	71.708	5.991	S
11	The company has to maintain an interval of 12 months period between 2 issues of equity shares.	2	2.864	5.991	NS

Out of 11 variables only 8 variables are having the significant relationship with awareness. They are eligible to receive an amount of interest eligible to receive interest for delay, eligible to receive audited report, eligible to receive the notice of Meetings, the right to inspect the minutes of meetings, In case of request for transfer or sale of shares the company has to transfer shares within two month, allotment letter and refund orders to the investors only, company has to attach a prospectus along with the application form. The company has to maintain an interval of 12 months period.

**CONCLUSION:**

Awareness of an investor depends on a host of factors. His socio-economic characteristics, information selling behaviour as well as the investment behaviour characteristics mainly determine the level of awareness. The chi-square test, employed to examine the significance of association that exists between each of the selected 11 variables and level of awareness results that 11 of the variables have a significant association with level of awareness.

**FINDING**

- The age group indicates that a maximum percentage of 38% of investors are in the age group of 55 and above, followed by the

investors in the age group 41 to 55 which is 36%. It is also found that a less percent of 26% of the investors are in the age group of above 25 - 40 and above

- From gender group it is clear that 66% of the investors are males and 34% are females. This profoundly reveals that males are more enthusiastic than females in equity shares investment.
- From marital status 64% investors are married and 36% are unmarried and the according to marital status. The married investors view these investments for their prudential purpose. The graphic figure – also supports the above interpretation
- It is found that most of the investors are have a good education background 50% of the investors are post graduates, 36% are graduates and 14% are Up to HSc. This shows that the educated investors are able to analyze the advantages and disadvantages of investment in equity shares.
- It is found from the table that 26% of the investors belong to the income groups of above 40,001 and 28% investors have the income level is Rs.20,001 – 30,000, 24% are in the income of groups of Rs.30,001 – 40,001, finally 22% of the investors have income level is Below 20,000

**CHI SQUARE RESULT.**

Out of 11 variables only 8 variables are having the significant relationship with awareness. They are eligible to receive an amount of interest eligible to receive interest for delay, eligible to receive audited report, eligible to receive the notice of Meetings, the right to inspect the minutes of meetings, In case of request for transfer or sale of shares the company has to transfer shares within two month, allotment letter and refund orders to the investors only, company has to attach a prospectus along with the application form, The company has to maintain an interval of 12 months period between 2 issues of equity shares.

**SUGGESTIONS****i) Suggestions to investors**

- By attending company meetings and taking active part in the deliberations of the company, investors would be in a position to enrich their awareness.
- Reading investment-related news in newspapers, magazines, circulars and reports of companies will enable the shareholders to know more about the corporate world.
- There has been no death of companies that depend on small investors. Investors can guard themselves by becoming members of investor forums to have more knowledge about the capital market..

**ii) Suggestions to the regulatory authorities**

- The department of company affairs should ensure that SEBI regulations are circulated in the various regional languages also.
- The Investor Education and Protection Fund (IE & PF) is to be utilised for conducting direct selection programmes, organizing seminars, symposia, conducting specific projects for investor protection including research activities and providing legal assistance to genuine investor litigants through investor grievance forums..

**CONCLUSION**

By any standard of measure, behaviour finance is the much sought after branch of most of the researchers in the field of finance. In fact, it promises a greener pasture to the young researchers in pursuit of better fields of research. Of the various dimensions of behaviour finance, the present study has earnestly examined the individual investor awareness of the stock market environment. The results of the study have brought out the investor attributes that determine investor awareness. The present study is a pointer to potential areas of research that can be probed into by the budding research scholars. Expanding investor geography and examining investor awareness would enable a researcher to understand the spread of awareness among investors of different cities. Inter-regional disparities in awareness could be discerned and methods could be suggested to attain an equal distribution of awareness among investors.

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