



Investors Preference On Stock Market

T RONITH ROBIN

Loyola College

ABSTRACT:

This paper shows investors preference on stock markets. This study is quantitative, where the data has been gathered from primary source of information, i.e., survey method using structured questionnaire like closed ended questions. This study intends

- 1) To find out reasons for selecting stock market
- 2) To find out Investors experience in stock market
- 3) To find out investors investment portfolio in different companies
- 4) To find out the factors influencing investing decision of investors in secondary market
- 5) To find out motivating factors in the selection of shares

The major finding of my research is that the major reason for the selection of shares is high rate of return. The investors perception regarding the influencing factors for investment decisions in secondary market is advice from brokers and movement of indices. The most motivating factors for investors were capital gains and dividend.

Keywords: Stock, investors

Introduction:

Investors act as principal key players in Indian stock market. A large percentage of investments and income, the conduct of investor character cannot be disregarded through the regulators of the stock market. The above observe is undertaken to recognize and to be aware about the factors that bears an impact on behavior and attitude of the retail investor. Basic attention lies on investors' exception of selections and their viewpoints closer to making an investment in stock market. Maximization of profits and minimization of expenses proves to be most important purpose of the investors engaged in investment. The rational conduct of the investors routes them to spare their income among expenditure and savings. Decision-making turns hard for the investors within the investing process, when chance of profit and loss is taken into consideration. Well- framed and structured questionnaire is a method adopted to recognize the perspective of investors in the stock marketplace. The personality trends of investors and their Investment choice are a element that broadly influences the Investment, so utmost care is taken as much as observe those mental traits of the investors. In this risky stock market, the notion and mind-set of the Investors toward stock market changes once in a while, considering this element, this study was undertaken to apprehend the conduct of the investors and to recognize the attention, flavor and preferences of the investors regarding the diverse investment avenues.

REVIEW OF LITERATURE:-

1) Pokharel (2018) studied about the investors preference on stock market of Nepal Stock Exchange, his studies were related with finding what market they prefer to invest (primary or secondary) and to find out what is the experience of investors.

2) BhaskarChhimwal (2021) studies about investors preference and the factors effecting investment in the stock market, they found out that Domestic investors, especially retail investors, prefer small-cap stocks and firms whose operations require local knowledge they also found out that government policies also played an important role in attraction investors.

RESEARCH METHODOLOGY:-

This study is done by using survey research design and made attempts to collect primary data from randomly selected individuals by asking them about their behaviour, attitudes and opinions. This design is taken because it was suitable to collect primary data from individuals regarding their facts about investing decisions. This type of research is conducted to find out their personal opinion about stock market. I selected a few college students and few of my relatives who invests in stock market and sent them a Google form questionnaire of closed end questions to find out their opinion and preference

about stock market

Research findings:-

The data collected through the survey based closed end questions in this study is better sorted and tabulated. The data of all the response were analyzed and shown in percentage figures and the frequency of responses with the help of Google form software. A response of a total of 74 individuals has been collected.

Table 1:- investors mode of investment

Options	Percentage	Frequency
Primary market	21.62	16
Secondary market	32.43	24
Both (primary and Secondary market)	45.95	34
Total	100	74

Table 1 represents investors mode of investment. Most of the investors out of 74 individuals, 34 individuals prefer in both primary and secondary market and 24 individuals prefer secondary market. The least just 16 out of 74 investors prefer primary market.

Table 2:- investors investment portfolio in different companies

Options	Percentage	Frequency
1 to 5	35.14	26
6 to 10	25.68	19
11 to 20	22.97	17
Above 20	16.22	12
Total	100	74

Table 2 results shows that investors investment portfolio. 26 out of 74 investors invest in 1 to 5 companies and 19 out of 74 investors invest in 6 to 10 companies. And only 12 out of 74 invest about 20 companies.

Table 3:- Investors experience in stock market

Options	Percentage	Frequency
0 to 1 year	27.03	20
More than 1 year but less than 2 years	36.49	27
More than 2 years but less than 5 year	22.97	17
More than 5 years but less than 10 years	13.51	10
Total	100	74

Table 3 shows that the investors experience in stock market. Out of 74 investors 27 have 1 to 2 years experience and 20 investors have 0 to 1 year experience. But only 10 out of 74 have more than 5 year of experience in stock market.

Table 4:- Investors view on reason for selecting the stock market

Options	Percentage	Frequency
High rate of earning	35.14	26
Liquidity	17.57	13
Marketability	13.51	10
Prestige	14.86	11
Value appreciating	5.41	4

Regular income	6.76	5
Other reasons	6.76	5
Total	100	74

Table 4 shows that the investors reason for investors selecting the stock market. 26 out of 74 have selected high rate of return (35.14%) and 13 out of 74 have selected liquidity (17.57) as their reasons for investing in stock market.

Table 5:- motivating factors in selecting stock market

Options	Percentage	Frequency
Dividend	28.38	21
Capital gains	24.32	18
Rights issue	10.81	8
Tax benefit	9.46	7
Bonus shares	8.11	6
Safety	9.46	7
Liquidity	9.46	7
Total	100	74

Table 5 shows the motivating factors in selecting stock market. Out of 74 investors 21 investors consider dividend (28.38) as their motivating factor and 18 out of 74 investors consider capital gains (24.32) as their motivating factors for selecting stock market. And Bonus shares (8.11) is consider as the least motivating factor.

Table 6:- Objective of investing in shares

Options	Percentage	Frequency
Expected returns	41.89	31
Future security	17.57	13
Capital gains	22.97	17
Liquidity	12.16	9
Other	5.41	4
Total	100	74

Table 6 shows the objective of investing in shares. The major objective of investing in shares is Expected returns (41.89%) with frequency 31 and capital gains (22.97%) with frequency 17.

Table 7:- Investors perception on factors influencing the investing decisions in secondary market.

Opinion	Percentage	Frequency
Advice of brokers	41.89	31
Change in government policies	6.76	5
Advice of website	12.16	9
Advice of dailies/periodicals	6.76	5
Market sentiments	6.76	5
Movement of indices	25.68	19
Total	100	74

Table 7 shows that investors perception on factors influencing investing decisions. 31 investors out of 74 have selected advice of (41.86) and 19 out of 74 has chosen movement of indices (25.68) as their factors influencing the decision making. Advice of dailies/ periodicals, market sentiments and change in government policies is the least in factory influencing investing decisions.

Table 8:- factors of investment

Options	Percentage	Frequency
Market value	41.89	31
Book value	8.11	6
High-low price	16.22	12
Earning per share	16.22	12
Market capitalization	8.11	6
Price per share	9.46	7
Total	100	74

Table 8 shows the factors of investment. Market value (41.89%) is chosen by 31 investors out of 74 investors and high-low price (16.22) and earning per share (16.22) both is chosen by 12 investors out of 74 investors.

Table 9:- Reasons for investing in IPO's

Options	Percentage	Frequency
Dividend purpose	37.84	28
Capital gain	44.59	33
Others	17.57	13
Total	100	74

Table 9 shows the reasons for investing in IPO's. The main reason for investing in IPO's is capital gain (44.56) as it is selected by 33 investors out of 74 investors and dividend (37.84).i.e selected by 28 investors out of 74 investors.

CONCLUSION:

The major conclusion of my research is that most motivating factor for investing in dividend and investors preference for investing in listed companies of shares was expecting rate of return and liquidity.

REFERENCES:

- <https://www.google.com/url?sa=t&source=web&rct=j&url=https://www.nepjol.info/index.php/sj/article/view/20880/17147&ved=2ahUKEwix9IOYxqP3AhUwwzgGHbDCncQFnoEAcQAQ&usg=AOvVaw1v5rMNY9XaYA6gl0v7i0C>
- <https://www.google.com/url?sa=t&source=web&rct=j&url=https://www.emerald.com/insight/content/doi/10.1108/MF-12-2019-0603/full/html&ved=2ahUKEwimsd-zqqP3AhW1mOYKHUSCCVwQFnoECCgQAQ&usg=AOvVaw34mxxQlxJ8MIqYfM9h-BjQ>
- https://www.researchgate.net/publication/305736475_Investors%27_Behavior_and_Preference_A_Case_Study_of_Indian_Stock_Market
- https://www.google.com/url?sa=t&source=web&rct=j&url=https://papers.ssm.com/sol3/papers.cfm%3Fabstract_id%3D3675190&ved=2ahUKEwiorbjsw6P3AhXRUGwGHVkhBAwQFnoEAcQAQ&usg=AOvVaw24zKkDPpeurACuk-a0jEBe
- https://www.researchgate.net/publication/338331495_Investors_Perception_Towards_Stock_Market_An_Exploratory_Approach