



A Study on Investor's behaviour *and* Attitude towards Equity Portfolio Investment

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ABSTRACT

In the twenty-first century, the markets provide a diverse range of investment options to investors looking to diversify their portfolios. Due to the degree of investing experience produced in the economy, investor behaviour varies among types and nature of investors. Risk and return are the most easily understood aspects of the investment process. As a result, risk tolerance is a key consideration in every investing decision. Investor behaviour towards stock fund investments is changing on a daily basis, which boosts investor confidence.

Keywords: Equity market, Behaviour, Investment, Attitude, Return, Portfolio

1. INTRODUCTION:

Yet it was just 4.1 lakh each month during FY2020, according to Icrs report. Moreover, the average daily turnover climbed 126% to Rs. 63.07 trillion in the nine months ending FY2022, compared to Rs. 27.92 trillion in FY2021.

According to Icrs research of 18 sample brokerage businesses, companies reported 38% year-on-year revenue increase. Moreover, brokerage companies' cost structure and operational efficiency have improved in recent years, with an emphasis on customer acquisition via digital channels and improvements in economies of scale.

Motilal Oswal Financial Services recorded YoY growth of 46% and 47% in Q2FY22 and Q3FY22, respectively, whilst ICICI Securities witnessed revenue increase by 26% and 52% in Q2FY22 and Q3FY22, respectively.

Nevertheless, in FY2023, the entire sector's sales are predicted to moderate as the revenue growth rate is expected to taper to 5-7%, with an expected industry total turnover of Rs 28,500-29,000 crore. Nonetheless, Icrs anticipates growth to be dependent on capital market performance and the continuation of recent rates.

Individual surplus for saving and investing emerged from the expansion of economic activity. Investment decisions are primarily influenced by the investors' experience and behavior in light of several elements such as market conditions, financial terms, tax legislation, political considerations, economic environment, and so on.

2. LITERATURE REVIEW

1. **S GOPI** Because of their large percentage of the country's gross savings, individual investors play a vital role in the stock market. Individual investor behavior cannot be ignored by stock market regulators. The study seeks to comprehend individual investor behavior in the stock market, especially their attitude and impression of the stock market. To achieve the paper's aims, a survey is undertaken. Respondents are divided into categories based on their income, occupation, education level, gender, and age. Primary data is gathered from a sample of around 50 Trichirappalli District investors. Lastly, there are other elements that influence individual investors' investing behavior, such as their level of knowledge, duration of investment, and so on.
2. **Lewellen Wilbur G, et al. 1977** The study goal is to examine the patterns of investment strategies and investor behavior. "Age has a greater impact, and age and risk variables are negatively connected."

3. **N. Srividya, S. Visalakshi (2013)** The study examines a variety of investment options, including government deposits, bonds, real estate, postal savings certificates, life insurance plans, mutual funds, and so on. According to the survey, the highest number of professors saves less than one lakh at government institutions, private universities, and supported universities. The majority of respondents invest in fixed deposits.
4. **N. Srividya, S. Visalakshi (2013)** The study examines several investment options such as government deposits, bonds, real estate, postal savings certificates, life insurance plans, mutual funds, and so on. According to the survey, the highest number of professors saves less than one lakh at government, private, and supported universities. The majority of respondents put their money into fixed deposits.
5. **Shanmugam 1990** to investigate the elements influencing the investment choice "Indian investors can tolerate risk more effectively than others since they are well-versed in government programmes, laws, and policies."
6. **Nagy Robert A and Robert W Obenberger 1994** to learn about the elements that influence individual investor behaviour Earnings expectations and variety of demands are major elements that drive investment behaviour.

3. OBJECTIVES

- To investigate the factors that influence investment decisions.
- To examine the investor's preferences for various investment options.
- To go through the theoretical idea of personality characteristics and investor attitude bias.

4. RESEARCH METHODOLOGY

Research design: The current study is descriptive in nature since it is concerned with public opinion and behaviour regarding equity investments during the study period. It investigates the connection between demographic characteristics and other variables such as personality traits, investor attitude bias, and investment behaviour.

Source of data: The study's data was gathered from primary sources. And the data was gathered using a questionnaire form.

Sampling method: Convenience sampling is the practise of selecting respondents who are "convenient" to the researcher. There is no pattern in obtaining these respondents; they might be recruited simply by asking individuals on the street, a public facility, or a workplace, for example.

Sampling frame: Equity investors

Sample size: 143 respondents

5. DATA ANALYSIS

There is no significant difference between news on behavioural aspects of equity investors and investor gender

Independent Samples Test

	Levene's Test for Equality of Variances		t-test for Equality of Means						
	F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
								Lower	Upper
Merfamily									
Equal variances assumed	.823	.366	-1.258	99	.211	-.241	.192	-.622	.139
Equal variances not assumed			-1.281	93.667	.203	-.241	.188	-.615	.133

Please state the agreeableness to the following statements with regard to attitude of investors towards RISK in equity investments.

Statements	Number	Mean
1.I trade very frequently with an active state	143	3.56
2.I prefer long term trading	143	3.65
3.I try to achieve long term goals	143	3.55
4. I take treads on the basis of analysis	143	4.17
5.I don't believe on rumors.	143	2.93

Please state the agreeableness to the following statements with regard to BEHAVIOURAL ASPECTS of the Equity investors.

Statements	Number	Mean
1.I consider calculative risk is more preferable	143	3.43
2. Taking risk is fun	143	2.28
3.More risky equity gives more return	143	3.57
4.I always try to minimize the risk in irrespective of return	143	3.47
5.I always prefer diversified portfolio to manage risk	143	3.72

There is no significant difference between attitude of investors towards risk in equity investment and occupation

		Sum of Squares	df	Mean Square	F	Sig.
riskinv_calrisk	Between Groups	14.109	3	4.703	3.340	.022
	Within Groups	136.585	140	1.408		
	Total	150.693	143			
riskinv_takingrisk	Between Groups	2.653	3	.884	.624	.601
	Within Groups	137.585	140	1.418		
	Total	140.238	143			
riskinv_mr_mr	Between Groups	15.833	3	5.278	5.076	.003
	Within Groups	100.860	140	1.040		
	Total	116.693	143			
riskinv_mim	Between Groups	2.359	3	.786	.805	.494
	Within Groups	94.770	140	.977		
	Total	97.129	143			
riskinv_divpm	Between Groups	2.022	3	.674	.563	.641
	Within Groups	116.215	140	1.198		
	Total	118.238	143			

6. LIMITATION OF THE STUDY

- The survey only included 145 investors.
- 2.This study examined only a subset of the characteristics influencing individual investor investment behavior.
- 3.This survey is limited to investors from Vadodara and Vijayawada.

7. RESULTS AND FINDINGS:

- Identified the major investment for equity are done by the suggestions of family and friends which is 30.8% and brokers is 22.4%

- Investors are more focusing on the calculative risk as the average of the responses is 3.43
- Minimizing their risk by making diversification of portfolio. The average is 3.74 so they are diversifying their portfolio by investing in various equities.
- Investors are investing actively as the mean is 3.56 and prefer long term investments as the mean is 3.65 which is more than natural. By understanding the financial as well as trend analysis

8. CONCLUSION:

The equity market is uncertain and its movements have a profound psychological impact on the individual investor and businesses. The present study "Investors behaviour towards equity investments" is a significant work combining Big five taxonomy personality traits and investor attitude bias with investor behaviour. The purpose of this study has focused on the relationship between demographic variables and various elements of the personality traits, the investor attitude bias and the investor behaviour towards equity investment.

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