



## Investors Awareness on Investment Securities

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### ABSTRACT:

Economic development of a country depends upon its investment. The emerging economic environment of competitive markets signifying customer's sovereignty has profound implications for their savings and investment. Investment means person's commitments towards his future. The nature of investment differs from individual to individual and is unique to each one because it depends on various parameters like future financial goals, the present & the future income model, capacity to bear the risk, the present requirements and lot more. As an investor progresses on his/her life stage and as his/her financial goals change, so does the unique investor profile.

Key Words: Economy, Investment, Investors, Stock Market.

### Introduction:

Indian Stock Markets is one of the oldest in Asia. Its history dates back to nearly 200 years ago. The earliest records of security dealings in India are meager and obscure. **The East India Company** was the dominant institution in those days and business in its loan securities used to be transacted towards the close of the eighteenth century.

Trading is a process by which a customer is given facility to buy and sell share this buying and selling can only be done through some broker and this is where Arcadia helps its customer. A customer willing to trade with any brokerage house need to have a demat account, trading account and saving account with a brokerage firm. Anyone having following document can open all the above mentioned account and can start trading.

### Research Methodology

Descriptive research involves collecting numerical through self-reports collected, through questionnaires or interviews (person or phone), or through observation. For present study, the research was descriptive and conclusion oriented.

Sample size – This refers to number of respondents to be selected from the universe to constitute a sample. The sample size of 50 Investors was taken. Convenience Sampling was used to select the sample. Convenient sampling is a non probability sampling technique that attempts to obtain a sample of convenient elements.

**Percentage, Bar Graphs and Pie Charts:** These tools were used for analysis of data.

### Data Collection

Information has been collected from both Primary and Secondary Data.

- Primary sources- Primary data are those which are fresh and are collected for the first time, and thus happen to be original in character. The primary data was collected through direct personal interviews (open ended and close ended questionnaires)
- Secondary sources- Secondary data are those which have already been collected by someone else and which already had been passed through the statistical process. The secondary data was collected through web sites, books and magazines.

### Objectives of the Study

- To study the investment behavior of investors and the factors that affects their investment decision.
- To study the problems of investors and the reasons for not investing in financial instruments.

## Analysis

### Statement-1.To Know the Satisfaction Level Of Respondents With Their Investment Option

Table no. 4.11 Important Factors for Choosing The Investment Option

Particulars	Highly Dissatisfied	Dissatisfied	Neutral	Satisfied	Highly Satisfied	Summated Score
	(1)	(2)	(3)	(4)	(5)	
Shares	10	6	14	30	40	384
Mutual funds	12	15	20	35	18	332
Bonds	20	18	35	19	8	277
Debentures	15	10	15	40	20	340
Derivatives	30	10	20	30	10	280

#### Range

Max. Score=100\*5=500 (Highly Satisfied)

Avg. Score=100\*3=300 (Neutral)

Min. Score=100\*1=100 (Highly Dissatisfied)

#### Interpretation:

Most of the respondents have given the highest summated score to shares. And the second most important investment option is debentures which influenced the decision regarding investment. Other important factor is mutual fund coverage which has the 332 summated score. Return on derivatives get the 280 summated score.

### Statement -2.Important Factors That Was Considered While Investing

Table No.2 Important Factors That Was Considered While Investing

Particulars	Highly Dissatisfied	Dissatisfied	Neutral	Satisfied	Highly Satisfied	Summated Score
	(1)	(2)	(3)	(4)	(5)	
Return on investment	0	0	4	30	66	462
Tax benefits	0	0	18	48	34	418
Capital appreciation	0	0	20	40	40	420
Maturity period	5	5	40	30	20	355
Risk	5	10	20	35	30	375
Safety of principal	10	20	40	20	10	300
Liquidity	15	15	20	30	20	325

#### Range:

Max. Score=100\*5=500 (Highly Satisfied)

Avg. Score=100\*3=300 (Neutral)

Min. Score=100\*1=100 (Highly Dissatisfied)

#### Interpretation:

Most of the respondents have given the highest summated score to Return on investment. And the second most important factor is Capital appreciation which influenced the decision regarding investment. Other important factor is Tax benefit which has the 418 summated score.

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## Findings

1. Maximum investors are aware of all the investment options.
2. Investors do not invest in a single avenue. They prefer different avenues and maximum investors prefer to invest in shares, mutual funds & debentures.
3. Majority of investors invest 15-20% of their annual income.
4. Different factors considered by investors while investing are return, risk, tax benefits, capital appreciation and the most prominent factor is the return on any investment avenue.
5. The most important factor is Return which influenced the decision regarding investment.

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## Suggestions

- India-bulls Securities Ltd have to give special preferences to trading via branch network, telephones and Internet account.
- India-bulls Securities Ltd have improved customized products for lending against shares.
- Integrated Trading and Depository Account should have to modify according to the need of the investors.
- Technology transforming desktop should have to be NEAT like terminal for Internet trading.

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## Conclusion

Indian Stock Markets is one of the oldest in Asia. Its history dates back to nearly 200 years ago. The earliest records of security dealings in India are meager and obscure. **The East India Company** was the dominant institution in those days and business in its loan securities used to be transacted towards the close of the eighteenth century. The nature of investment differs from individual to individual and is unique to each one because it depends on various parameters like future financial goals, the present & the future income model, capacity to bear the risk, the present requirements and lot more. As an investor progresses on his/her life stage and as his/her financial goals change, so does the unique investor profile. Maximum investors are aware of all the investment options. Investors do not invest in a single avenue. They prefer different avenues and maximum investors prefer to invest in shares, mutual funds & debentures. The investment decision of investors is influenced by their own decision and through friends & relatives. Majority of investors invest 15-20% of their annual income.. The most important factor is Return which influenced the decision regarding investment.

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- The Hindu
- Economics Times
- Web user
- The Economist
- New Scientist

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