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# **A STUDY ON RISK PERCEPTION AND PORTFOLIO MANAGEMENT OF EQUITY INVESTOR**

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## **ABSTRACT:**

This study investigates the financial inclusion of farmers and its implications for sustainable agricultural development. The research explores the current status of financial access among farmers, identifying challenges and opportunities. Utilizing a mixed-methods approach, including surveys and case studies, we assess the impact of financial inclusion on farmers' livelihoods, productivity, and resilience. The study aims to provide actionable insights for policymakers, financial institutions, and development organizations to design targeted interventions that enhance financial inclusivity in the agricultural sector, ultimately contributing to the overall economic well-being of farmers and fostering sustainable agricultural practices.

**KEYWORDS:** Portfolio management, investment

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## **INTRODUCTION:**

Money plays an important role in one's life. Be it a rich person or a poor, everyone wants to overcome the monetary problems of their present and future and smart ones do it by investing money. Investment is putting money into an asset with the expectation of capital appreciation, dividends, or interest earnings

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## **OBJECTIVES:**

- To bring out the significance of portfolio management of equity investors
- To understand the Investors knowledge and experience of investing in equities
- To understand the risk perception of equity investors in Hyderabad city

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## **Purpose and Scope:**

The purpose of the report is analysing the risk perceptions of current and potential investors and understanding how the decisions are made based on an individual's risk tolerance capacity. An attempt is also made to find out the factors that forms an investor's risk perception. This is done by identifying the needs and goals of customers, understanding their psychology, finding out their financial problems and then offering them a suitable investment product and create a profitable portfolio for them during the course of internship. The investor could be a novice who has no prior experience about investment market or a wizard in the same market.

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## **NEED OF THE STUDY:**

### **Investor Education:**

Understanding how investors perceive and manage risks in their portfolios can help educate them about the importance of risk diversification and strategic asset allocation.

### **Financial Stability:**

Improved risk management by investors can contribute to financial stability by reducing the likelihood of widespread panic selling during market downturns.

### **Market Efficiency:**

Insights gained from the study can enhance the understanding of market dynamics and contribute to the efficiency of financial markets by identifying factors that influence investor behavior.

### **Policy Implications:**

Policymakers can use the findings to design more effective regulations and interventions aimed at promoting investor protection and market integrity.

## REVIEW OF LITERATURE:

- Ranjit Singh, AmalshBhowal (2012) The analysis represents Associate in Nursing solely value of share doesn't influence shareholders to shop for securities however conjointly basically sturdy company are vital to influence the shareholders. Also, past monetary Record are result on equity shareholders.
- Mukesh. H. V. (2015) the investors lack awareness concerning Risk Behaviour. the way to react once the market is opposite of our mindset. Hence, it becomes necessary to make awareness among the investors through conducting seminars, workshops on the monetary market, and revealed knowledge like newspapers, magazines, and journals.
- Dr.M. Ramesh and N. Geetha (2011) performance investment behaviour is bothered with decisions about purchases of little amounts of securities, deposits, mutual funds, insurance, bill Funds. The investigator confirmed that their appearance to be a positive degree of correlation. The result delineated investment provides to a person's cash to achieve future financial gain within the kind of interest
- Patnaik and shah (2008) has analyzed the preferences of foreign and domestic institutional investors in Indian stock markets. Global and domestic institutional investors both prefer larger, widely spread firms and do not chase returns. However, we and evidence of strong differences in the behavior of Global and domestic institutional investors.
- Vyas, Madhuri; Singh, Sachin 2011 This paper describes the key structure Part that needs to be in place before the spiteful cycle of risk can be ruined. The fundamental idea behind this research paper is why risk management is needed. It outlines some of the theoretical Depend on modern bank risk management, with importance on market and credit risks. Banks are often proud of their management of risk. Self-satisfaction may well be justified for market and credit risks, but banks can learn much from industry about managing operational risk Banks have been involved in a process of advancing their risk management capabilities.

## SOURCES OF DATA:

- Primary Data—Questionnaire given to 103 respondents
- Secondary Data—Websites and Published reports & Review of literature from published articles.

## HYPOTHESIS:

### HYPOTHESIS 1

- H0- There is no significant association between Gender of the respondents and
- How often do you monitor your investments of the respondents.
- H1- There is significant association between the Gender of the respondents and the
- How often do you monitor your investments of the respondents.

### HYPOTHESIS 2

- H0- There is no significant association between age of the respondents and WHAT IS YOUR INCOME Of the respondents
- H1- There is significant association between the age of the respondents and the What is your income of the respondents

## PERCENTAGE ANALYSIS:

Research questions are always answered with a descriptive statistic generally either percentage or mean. Percentage is appropriate when it is important to know how many of the participants gave a particular answer. Generally, percentage is reported when the responses have discrete categories.

Age	No of respondents	percentage
18 to 25	10	22.3%
26 to 35	40	32%
36 to 45	45	35%
46 to 60	13	10.7%
total	103	100%

**INTERPRETATION:**

From the above it is interpretation that 22.3% of respondents are 18 to 25 years, 32% of respondents are 26 to 35 years, 35% of respondents are 36 to 45 years, 10.7% of respondents are 46 to 60 years

**INFERENCE:**

Majority 35% of respondents of my questionnaire belong to age group of 36 to 45

**INFERENCE:**

- Majority 35% of respondents of my questionnaire belong to age group of 18 to 25
- Majority 66% of respondents of my questionnaire belong to gender of male
- Majority 54.4% of respondents of my questionnaire belong to marital status of unmarried
- Majority 55.3% of respondents of my questionnaire belong to qualification of group of people
- Majority 36.9% of respondents of my questionnaire belong to income
- Majority 39.8% of respondents of my questionnaire belong to level of experience in investing in equity markets
- Majority 38.8% of respondents of my questionnaire belong to high risk investment avenue of following investment avenue
- Majority 32% of respondents of my questionnaire belong to bonds of best option for investment your money

**Chi-square:**

Row Labels	Daily	Monthly	Sometimes	Grand Total
Female	10	14	11	35
Male	19	27	22	68
Grand Total	29	41	33	103

Row Labels	Daily	Monthly	Sometimes	Grand Total
Female	9.854368932	13.932	11.2135922	35
Male	19.14563107	27.068	21.7864078	68
Grand Total	29	41	33	103

$\chi^2$	df	p value
0.009924542	2	0.99505

**Interpretation:**

Since p value 0.99505 is greater than 0.05 null hypothesis is rejected and alternate hypothesis is accepted. Here is no significance between the gender of the How often do you monitor your investments respondents and of the respondents.

Anova-single factor:

**SUMMARY:**

Groups	Count	Sum	Average	Variance
27	9	49	5.444444	55.77778
8	11	62	5.636364	22.65455
1	9	59	6.555556	20.52778

**ANOVA:**

Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	6.458377	2	3.229188	0.100311	0.904905	3.369016
Within Groups	836.9899	26	32.19192			
Total	843.4483	28				

**Interpretation:**

Since p value 0.904905 is greater than 0.05 null hypothesis is rejected and alternate hypothesis is accepted. Here is no significance between the age of the respondents and the

What is your income of the respondents

**FINDINGS**

- Majority 35% of respondents of my questionnaire belong to age group of 18 to 25
- Majority 66% of respondents of my questionnaire belong to gender of male
- Majority 54.4% of respondents of my questionnaire belong to marital status of unmarried
- Majority 55.3% of respondents of my questionnaire belong to qualification of group of people
- Majority 36.9% of respondents of my questionnaire belong to income
- Majority 39.8% of respondents of my questionnaire belong to level of experience in investing in equity markets
- Majority 38.8% of respondents of my questionnaire belong to high risk investment avenue of following investment
- of my questionnaire belong to tax saving of purpose behind investment
- Majority 84.5% avenue
- Majority 32% of respondents of my questionnaire belong to bonds of best option for investment your money
- Majority 36.9% of respondents of my questionnaire belong to for earn money of reason for selecting these option
- Majority 35.9% respondents of my questionnaire belong to growth & income investment objective
- Majority 32% of respondents of respondents of my questionnaire belong to yse
- Majority 39.8% of respondents of my questionnaire belong to monthly of monitor your investment
- Majority 41.7% of respondents of my questionnaire belong to both depends on the market conditions of investing in individual stocks or diversified funds
- Majority 51.5% of respondents of my questionnaire belong to somewhat impotrand of when selecting equity investment
- Majority capital appreciation of primary goal when investing in equities
- Majority 38.8% of respondents of my questionnaire belong to moderate of rate your confitend in your ability to manage equity investment risk
- Majority 40.8% of respondents of my questionnaire belong to moderate of rate your understanding of investment risks

**SUGGESTION:**

Most of the respondents are not aware of Portfolio Management. So, proper guidance can be given to them. This is to create awareness.

□ A regular investor friendly seminar can be organized to suit the timings of the investing public. For instance, Such seminars can be interactive sessions, arranged at frequent intervals.

**CONCLUSION:**

The study is made to find out "Risk perception and portfolio management of equity investors". The study reveals that the investors in Hyderabad city are not aware of portfolio which would minimize risk and maximize the return. And also it is clear that the investors in Hyderabad city have lowlevel of understanding about risk and the importance of portfolio management as they are not aware these factors. Hence proper should to be taken in order to improve the awareness level in the minds of the investors. Most of the respondents are not aware of Portfolio Management

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