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## **A STUDY ON AWARENESS OF INVESTMENTS IN EQUITY TRADING AND FINANCIAL ASSETS**

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### **ABSTRACT :**

This study examines the awareness of investments in equity trading and financial assets, crucial components of personal finance and wealth management. It explores various facets including risk and return dynamics, the importance of diversification, market analysis methodologies, and the significance of adopting a long-term perspective in investment decisions. Additionally, the study investigates the industrial background, focusing on capital raising strategies, investment opportunities, risk management techniques, and the role of equity trading in mergers and acquisitions.

Drawing from a review of literature, the study synthesizes key insights from previous research studies, shedding light on factors influencing investment attitudes and behaviors. The statement of the problem identifies challenges stemming from limited financial literacy, risk aversion tendencies, missed investment opportunities, and the impact of traditional income streams on retirement planning.

The objectives of the study encompass evaluating understanding of risk management, exploring knowledge of financial assets, assessing investment preferences, understanding goal alignment, and identifying future plans and preferences. Through hypotheses, the study aims to test relationships between demographic factors and awareness of investment risks.

Data collection is conducted through both primary and secondary sources, with a convenience sampling method employed. Statistical tools such as chi-square, correlation, and regression are utilized for data analysis.

Despite limitations such as challenges in data interpretation and gathering information from specific demographics, the study unveils noteworthy findings. These include a surge in interest in equity trading, the role of technology in facilitating investment participation, emphasis on diversification and long-term strategies, regulatory oversight, and the significance of continuous learning in the investment landscape.

The study offers valuable suggestions, urging individuals to understand investment goals, acquire foundational knowledge about investing, start investing early, diversify portfolios, align strategies with risk tolerance, seek professional advice, and stay informed about market trends.

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### **INTRODUCTION:**

Investing in equity trading and financial assets is a critical aspect of personal finance and wealth management. It involves allocating funds into various financial instruments with the aim of generating returns over time. Equity trading specifically refers to buying and selling shares of publicly traded companies, while financial assets encompass a broader range of investment options including stocks, bonds, mutual funds, exchange-traded funds (ETFs), real estate investment trusts (REITs), and more.

Here is a general introduction to the awareness of investment in equity trading and financial Assets

### **WHAT ARE AWARENESS OF INVESTMENTS IN EQUITY TRADING AND FINANCIAL ASSETS ?**

"A Study on Awareness of Investments in Equity Trading and Financial Assets" delves into the understanding and perception individuals have regarding investing in equity trading and various financial assets. It aims to assess the level of awareness among investors about the risks, benefits, and strategies associated with investing in these instruments. The study likely investigates factors such as financial literacy, risk tolerance, investment goals, and the sources individuals rely on for investment information. Additionally, it may explore the impact of demographic variables on investment awareness and behaviour. The study could provide insights into how individuals make investment decisions, their attitudes towards risk, and the effectiveness of educational initiatives aimed at enhancing investment awareness.

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## ***EVOLUTION OF AWARENESS OF INVESTMENTS IN EQUITY TRADING AND FINANCIAL ASSETS***

The awareness of investments in equity trading and financial assets has undergone significant evolution over time, driven by various factors such as technological advancements, regulatory changes, financial education initiatives, and market dynamics. Initially confined to a select group, awareness has now expanded to a broader audience, facilitated by the democratization of information and the rise of online platforms. Financial crises and regulatory reforms have underscored the importance of understanding investments, leading to increased awareness among investors. Furthermore, societal shifts, technological innovations, and insights from behavioural finance have influenced individuals' perceptions and behaviors towards investing. This study aims to explore the evolution of awareness of investments in equity trading and financial assets, examining the factors shaping awareness and their implications for investors and financial markets. Through a comprehensive analysis, the study provides valuable insights into the changing landscape of investment awareness and its implications for individuals' financial well-being.

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### **OBJECTIVES OF THE STUDY**

- To Evaluate understanding risk management.
- To Explore knowledge of financial assets.
- To Assess long-term and short-term investment preferences.
- To Understand financial goal alignment.
- To Identify future plans and preferences.

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### **REVIEW OF LITERATURE**

- Houriyahatrakhil&shabir (2021) (A study on the awareness stock market among Female in "saudi Arabia")
- Oskari Koivunen ((2021) (awareness and family impact as determinants of stock market participation.)
- B. Vidya and S. Magesh(2022) ("Evaluation of investor awareness on techniques used in stock trading before the investment")

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### **HYPOTHESIS OF THE STUDY**

1.To Evaluate the understanding of risk management in relation to awareness of investment in equity trading and financial assets.

Null hypothesis (H0): There is no significant relationship between Gender of the respondents and factors contributing the risk of an investment in relation to awareness of investment in equity trading and financial assets methods.

Alternative hypothesis (H1): There is a significant relationship between Gender of the respondents and factors contributing the risk of an investment in relation to awareness of investment in equity trading and financial assets methods.

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### **SOURCES OF DATA**

The data collected from both primary and secondary data

**Primary data:** A questionnaire was prepared and administered to 101 respondents.

**Secondary data:** Collected from online journals, websites & review of literature from published articles.

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### **TOOLS AND TECHNIQUES**

The study utilized a questionnaire as its research instrument for data collection.

This questionnaire was designed in alignment with the study's objectives and was administered to consumers to gather their perspectives. The information was collected using a meticulously structured questionnaire.

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### **ANALYSIS TOOL**

**PERCENTAGE ANALYSIS:** It also known as ratio analysis, is a method used to analyse financial statements and other data by expressing individual items as a percentage of a base figure. It helps in comparing different components of financial statements over time or against competitors.

## STATISTICAL TOOLS

- **CHI-SQUARE:** The chi-square test is used to analyse categorical data and determine whether there is a significant association between two categorical variables. It is commonly used to test for independence in contingency tables and to compare observed frequencies with expected frequencies.
- **CORRELATION:** Correlation Analysis is statistical method that is used to discover if there is a relationship between two variables/datasets, and how strong that relationship may be.
- **REGRESSION:** Regression analysis is a set of statistical methods used for the estimation of relationships between a dependent variable and one or more independent variables. It can be utilized to assess the strength of the relationship between variables and for modelling the future relationship between them.

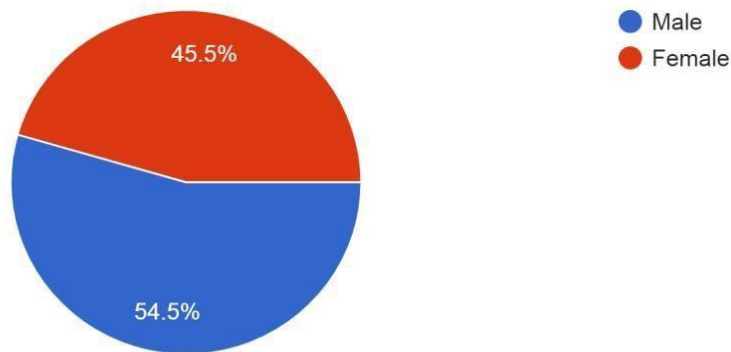
## ANALYSIS AND INTERPRETATION OF DATA

TABLE NO.: 1 GENDER WISE CLASSIFICATION

S.No	GENDER	NO.OF RESPONDENS	PERCENTAGE
1	Male	55	54.5%
2	Female	46	45.5%
	Total	101	101

Gender

101 responses



### INTERPRETATION:

From the above table, 54.5% Male and 45.5% Female.

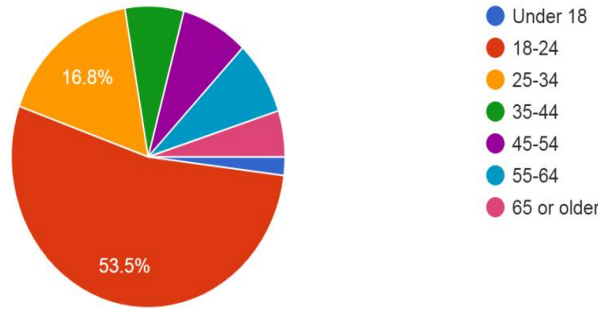
FINDINGS: This data indicates that the majority of respondents fall within the 54.5% Male.

TABLE NO:2 AGE WISE CLASSIFICATION

AGE	NO. OF RESPONDENTS	% OF RESPONDENTS
Under 18	2	2%
18-24	54	53.5%
25-34	17	16.8%
35-44	7	6.8%
45-54	8	7.9%
55-64	8	7.9%
65 or older	5	5%

Age

101 responses



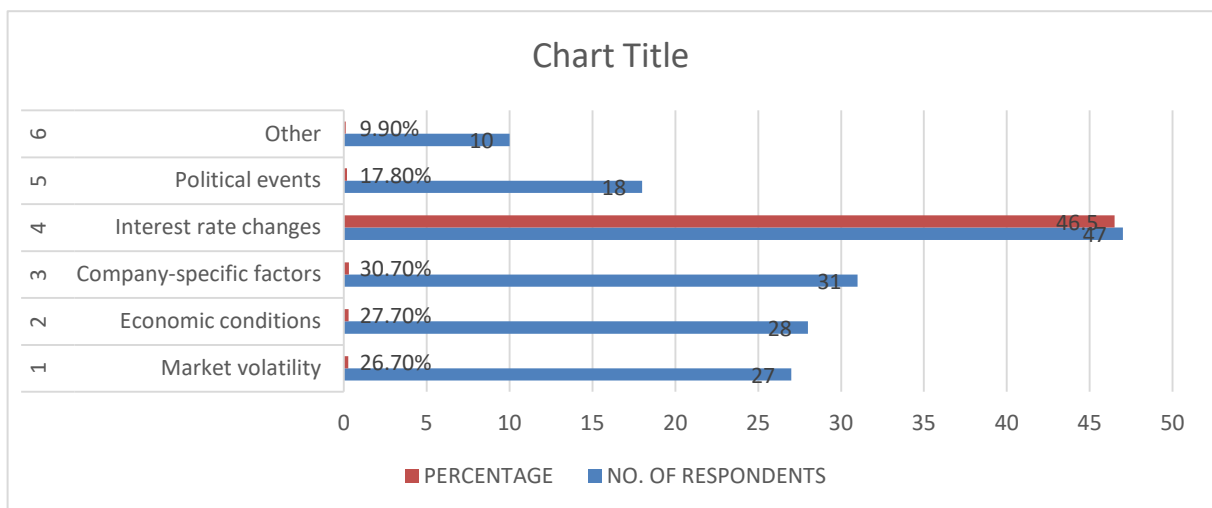
INTERPRETATION:

From the above table, 2% of the respondents are aged between Under18,53.5% of the respondents are aged between 18 and 24 years old, 16.8% are aged between 25 and 34 years old, 6.8% are aged between 35 and 44 years old, 7.9% are aged between 45 and 54 years old,7.9%ar aged between 55-64 and Only 5% are aged 65 and above

FINDINGS: This data indicates that the majority of respondents fall within the 18-24 age range.

TABLE NO:3 Factors contributing the risk of an investment

S. No	factors contribute to the risk of an investment	NO. OF RESPONDENTS	PERCENTAGE
1	Market volatility	27	26.7%
2	Economic conditions	28	27.7%
3	Company-specific factors	31	30.7%
4	Interest rate changes	47	46.5
5	Political events	18	17.8%
6	Other	10	9.9%



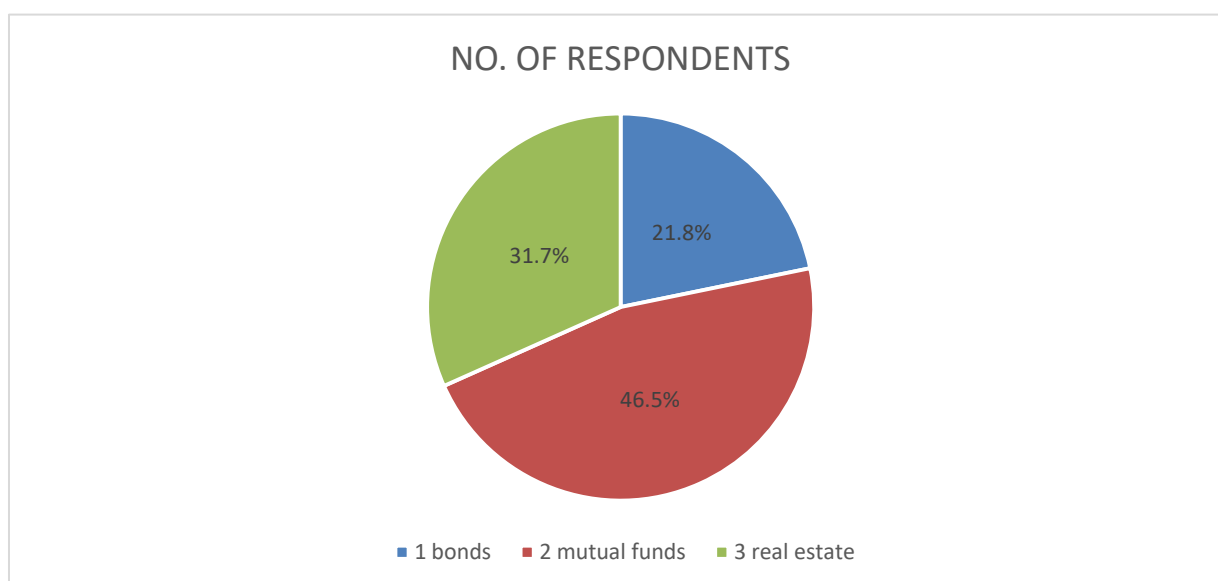
INTERPRETATION:

From the above table, 26.7% of the respondents are aged between Market volatility, 27.7% of the respondents are aged between Economic conditions, 30.7% of the respondents are aged between Company-specific factors, 46.5% are aged between Interest rate changes, 17.8% are aged between Political events, 9.9% are aged between other.

FINDINGS: This data indicates that the majority of respondents fall within the 46.5% Interest rate changes.

**TABLE NO:4 The types of financial assets which can be invested**

S.No	The types of financial assets which can be invested	NO. OF RESPONDENTS	PERCENTAGE
1	Bonds	22	21.8%
2	Mutual funds	47	46.5%
3	Real estate	32	31.7%



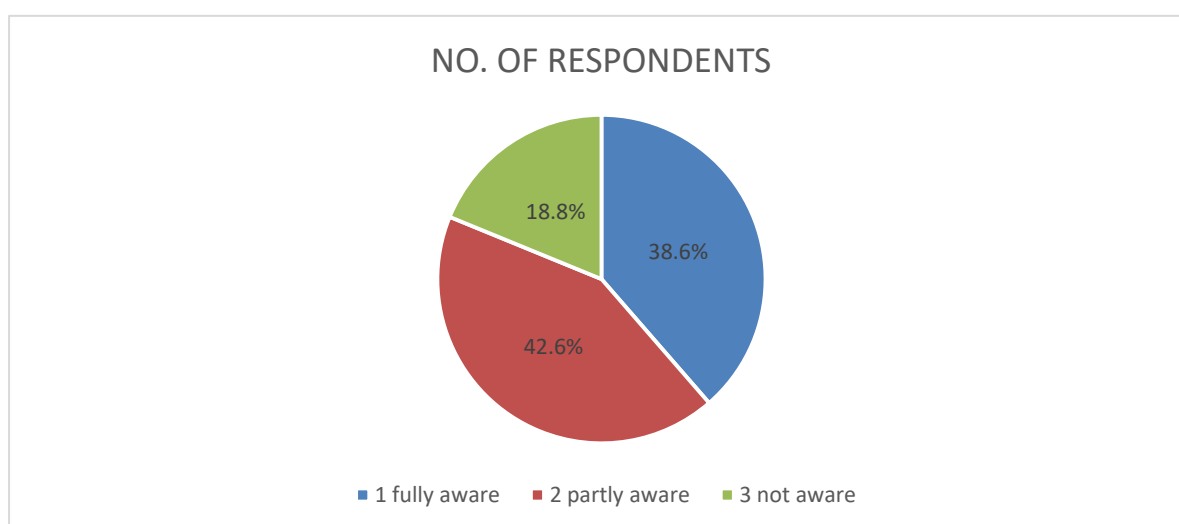
INTERPRETATION:

From the above table, 21.8% of the respondents are aged between bonds, 46.5% of the respondents are aged between mutual funds, 31.7% are aged between real estate.

FINDINGS: This data indicates that the majority of respondents fall within the 46.5% mutual funds.

**TABLE NO:5 Awareness of different investment strategies**

S.No	Awareness of different investment strategies	NO. OF RESPONDENTS	PERCENTAGE
1	Fully aware	39	38.6%
2	Partly aware	43	42.6%
3	Not aware	19	18.8%



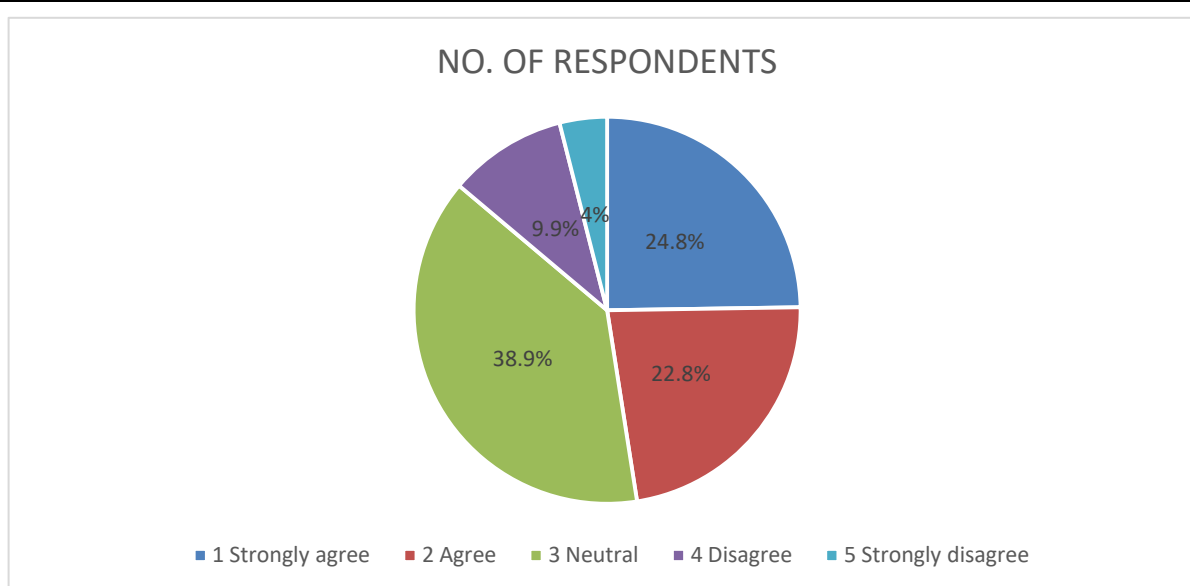
**INTERPRETATION:**

From the above table, 38.6% of the respondents are aged between fully aware, 42.6% of the respondents are aged between partly aware, 18.8% are aged between not aware.

**FINDINGS:** This data indicates that the majority of respondents fall within the 42.6% partly aware.

**TABLE NO:6 Anticipate any changes in your investment approach over the next 5-10 years**

S. No	Do you anticipate any changes in your investment approach over the next 5-10 years	NO. OF RESPONDENTS	PERCENTAGE
1	Strongly agree	25	24.8%
2	Agree	23	22.8%
3	Neutral	39	38.9%
4	Disagree	10	9.9%
5	Strongly disagree	4	4%

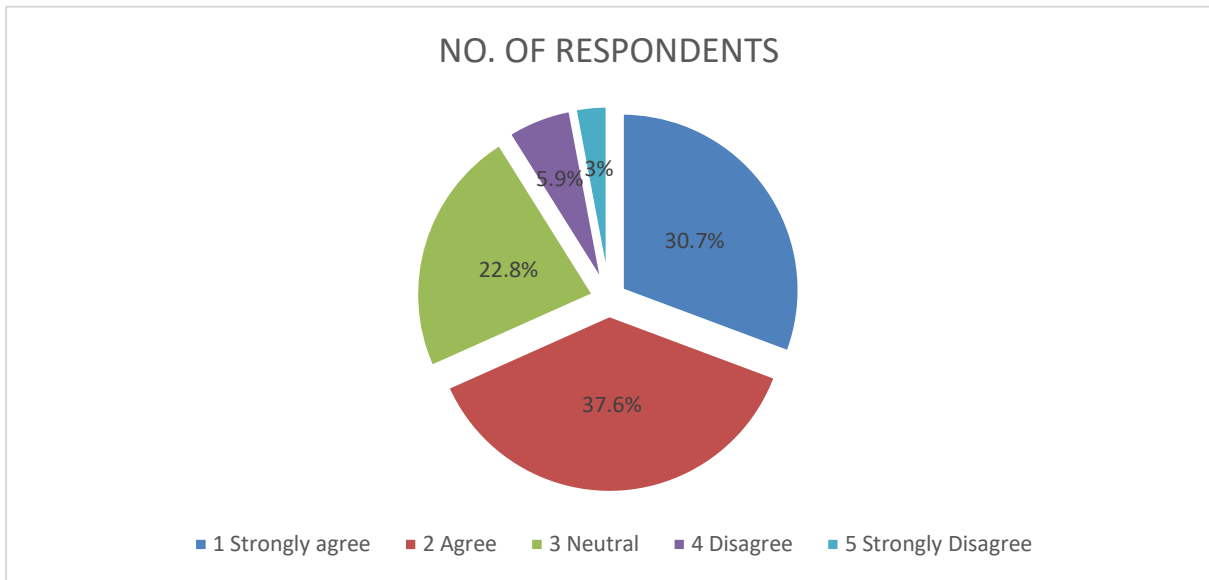
**INTERPRETATION:**

From the above table, 24.8% of the respondents are aged between Strongly agree, 22.8% of the respondents are aged between Agree, 38.9% are aged between Neutral, 9.9% are aged between Disagree, 4% are aged between Strongly disagree

**FINDINGS:** This data indicates that the majority of respondents fall within the 38.9% Neutral.

**TABLE NO:7 Plan to seek professional financial advice for your investments in the future.**

S. No	Do you plan to seek professional financial advice for your investments in the future	NO. OF RESPONDENTS	PERCENTAGE
1	Strongly agree	31	30.7%
2	Agree	38	37.6%
3	Neutral	23	22.8%
4	Disagree	6	5.9%
5	Strongly Disagree	3	3%

**INTERPRETATION:**

From the above table, 30.7% of the respondents are aged between Strongly agree, 37.6% of the respondents are aged between Agree, 22.8% are aged between Neutral, 5.9% are aged between Disagree, 3% are aged between Strongly Disagree.

**FINDINGS:** This data indicates that the majority of respondents fall within the 37.6% Agree.

**CHI-SQUARE**

O	E	O-E	(O-E) <sup>2</sup>	(O-E) <sup>2</sup> /E
15	14.59	0.41	0.1681	0.0115
14	15.13	-1.13	1.2769	0.0843
18	16.75	1.25	1.5625	0.0932
23	24.85	-1.85	3.4225	0.1377
12	10.26	1.74	3.0276	0.2950
5	5.40	-0.4	0.16	0.0296
12	12.40	-0.4	0.16	0.0129
14	12.86	1.14	1.2996	0.1010
13	14.24	-1.24	1.5376	0.1079
23	21.14	1.86	3.4596	0.1636
7	8.73	-1.73	2.9929	0.3428
5	4.59	0.41	0.1681	0.0366
Calculated value				1.4161

**INFERENCE**

Therefore, calculated value is 1.4161 is less than the table value 11.07. So, accept H<sub>0</sub>

Hence proved that there is no significant relationship between Gender of the respondents and factors contributing the risk of an investment in relation to awareness of investment in equity

trading and financial assets methods.

### CORRELATION

X	Y	X <sup>2</sup>	Y <sup>2</sup>	XY
22	39	484	1521	858
47	43	2209	1849	2021
32	19	1024	361	576
101	101	3717	3731	3455

$$r = \frac{N \sum xy - \sum x \sum y}{\sqrt{N \sum x^2 - (\sum x)^2} \sqrt{N \sum y^2 - (\sum y)^2}}$$

$$r = \frac{3(3455) - 101(101)}{\sqrt{3(3717) - (101)^2} \sqrt{3(3731) - (101)^2}}$$

$$r = \frac{10365 - 10201}{\sqrt{11151 - 10201} \sqrt{11193 - 10201}}$$

$$r = \frac{164}{\sqrt{950} \sqrt{992}}$$

$$r = \frac{164}{30.82 \times 31.49}$$

$$r = \frac{164}{970.52}$$

$$r = 0.1689$$

### INFERENCE

1 indicates a perfect positive correlation, (-1) indicates a perfect negative correlation, and 0 indicates no correlation.

That is, if the correlation coefficient is greater than zero, it is a positive relationship. Conversely, if the value is less than zero, it is a negative relationship. Therefore, a correlation coefficient of 0.1689 indicates a positive correlation between specify the types of financial assets you have invested and aware of different investment strategies.

### REGRESSION

X	Y	x=X - $\bar{X}$	y=Y - $\bar{Y}$	x <sup>2</sup>	y <sup>2</sup>	xy
25	31	5	11	25	121	55
23	38	3	18	9	324	54
39	23	19	3	361	9	57
10	6	-10	-14	100	196	140
4	3	-16	-17	256	28	272
101	101	1	1	751	678	578

Regression equation of X on Y

$$\bar{X} - \bar{X} = b_{xy} (Y - \bar{Y})$$

$$X - 20 = 0.769 (Y - 20) \quad X - 20 = 0.769Y - 15.38$$

$$X = 0.769Y - 15.38 + 20$$

$$X = 0.769Y + 4.62$$

Regression equation of Y on X

$$\bar{Y} - \bar{Y} = b_{yx} (X - \bar{X})$$

$$Y - 20 = 0.852 (X - 20)$$

$$Y - 20 = 0.852X - 17.05$$

$$Y = 0.852X - 17.05 + 20$$

$$Y = 0.852X + 2.95$$



$$\begin{aligned}r &= \sqrt{b_{xy} * b_{yx}} \\ &= \sqrt{0.769 * 0.852} \\ &= \sqrt{0.6551} \\ r &= 0.8093\end{aligned}$$

#### INFERENCE

That is, if the Regression coefficient is greater than zero, it is a positive relationship. Conversely, if the value is less than zero, it is a negative relationship.

From the above calculation it was noted that the calculated regression value was positive.

Therefore there is a relationship between analyse the anticipate any changes in your investment approach over the next 5-10 years and plan to seek professional financial advice for your investments in the future.

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#### KEY FINDINGS

- There has been a notable surge in interest among individuals towards equity trading and financial asset investment.
- The proliferation of technology, particularly mobile apps and online trading platforms, has significantly facilitated participation in equity trading and financial asset investment.
- There's a growing emphasis on diversification and long-term investing strategies among investors.
- Regulators are closely monitoring the equity trading and financial asset investment landscape to ensure investor protection and market integrity.

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#### CONCLUSION

In conclusion, this study of Investing in equity trading and financial assets offers the potential for high returns, but it also comes with risks. It's important for investors to understand the risk-return trade-off and assess their risk tolerance before making investment decisions, Investors should be aware of the importance of diversification in their investment portfolios. Diversifying across different asset classes, industries, and geographical regions can help mitigate risk and improve overall portfolio performance, Having a solid understanding of financial markets, including how they function, factors influencing them, and different investment vehicles available, is essential for making informed investment decisions.

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#### REFERENCE :

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2. Sakshi Agrawal & Simrina Singh (2019) Retail Investors Awareness Towards Equity Investment - Concerning Bhopal City, International Journal of Management.
3. <https://economictimes.indiatimes.com/markets/stocks/news/way-to-go-but-equityculture-is-taking-off-slowly-but-surely/articleshow/71660278.cms?from=mdr>.