



People's Perspective and Knowledge on Indian Stock Market

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ABSTRACT:

The Indian stock market is a critical component of the nation's financial infrastructure, serving as a platform where investors can buy and sell shares of publicly listed companies. It consists of two primary stock exchanges: The Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). BSE, established in 1875, is Asia's oldest stock exchange and one of the largest in the world by market capitalization. NSE, founded in 1992, has emerged as the largest exchange in India by trading volume, pioneering electronic trading in the country. Both exchanges facilitate the trading of a wide range of financial instruments, including equities, derivatives, bonds, and mutual funds, contributing significantly to the Indian economy.

The Indian stock market plays a pivotal role in capital formation, allowing companies to raise funds through Initial Public Offerings (IPOs) to support growth, expansion, and innovation. It also offers investors an opportunity to generate wealth by participating in the trading of stocks, benefiting from capital appreciation and dividends. The market is regulated by the Securities and Exchange Board of India (SEBI), which ensures transparency, fairness, and investor protection. Key market indices such as the BSE Sensex and NSE Nifty 50 serve as indicators of the overall market performance. With a growing number of retail investors and increasing participation from global investors, the Indian stock market has become one of the largest and most dynamic markets globally, reflecting India's economic progress and offering avenues for long-term investment growth.

Key Words: SEBI, Wealth Creation, Capital Formation.

Introduction:

The Indian Stock Market is a dynamic financial market where stocks (equity shares), bonds, derivatives, and other financial instruments are bought and sold, playing a vital role in the country's economic growth by facilitating capital formation, enabling businesses to raise funds, and providing investment opportunities for individuals and institutions. The two main stock exchanges in India are the National Stock Exchange (NSE), established in 1992, which is the largest stock exchange by market capitalization and trading volume and introduced electronic trading to make the process more transparent and efficient, and the Bombay Stock Exchange (BSE), founded in 1875, which is the oldest stock exchange in Asia, offering a platform for trading stocks, bonds, and other securities. The market operates under the regulations of the

Securities and Exchange Board of India (SEBI), ensuring transparency, fairness, and protection for investors. Investors can participate in the stock market through brokerage firms, mutual funds, or direct stock investments. Key indices representing market performance include the Sensex (BSE), which tracks the top 30 companies listed on the Bombay Stock Exchange, and the Nifty (NSE), which tracks the top 50 companies listed on the National Stock Exchange. Overall, the Indian stock market offers a wide range of investment opportunities and contributes significantly to the country's financial ecosystem.

Statement of Problem:

The Indian Stock Market, despite its significant growth and modernization over the years, faces several challenges that impact investor confidence, market efficiency, and overall economic development. One of the primary concerns is **market volatility**, which is influenced by global economic events, political instability, and domestic policy changes. This creates uncertainties for both institutional and retail investors, often leading to potential losses and a reluctance to invest. Additionally, **lack of financial literacy** remains a critical issue, with a large portion of the population unaware of the complexities of stock market investments. This knowledge gap leads to uninformed decision-making, exposing investors to high risks and contributing to a disparity between retail and institutional investor participation. Another major challenge is **market manipulation and insider trading**, which, despite the presence of regulatory bodies like SEBI, persistently undermines trust in the market, resulting in unfair trading conditions, especially for smaller investors.

Objective Of Study:

1. To analyze the performance and dynamics of the Indian stock market and its key indices.
2. To examine investor behavior, risk-taking, and decision-making in the stock market.
3. To assess the effectiveness of regulatory bodies like SEBI in maintaining market integrity.
4. To identify barriers faced by small investors and explore solutions for enhancing financial inclusion.

Research Methodology:

Research methodology for studying the Indian stock market typically follows a systematic process that involves data collection, analysis, and interpretation of stock market behavior. The first step in this process is **research design**, where the purpose of the research is defined, such as analyzing stock performance, evaluating market efficiency, or studying investor behavior. A hypothesis is formulated based on the research objective, such as testing whether there is a correlation between inflation and stock market performance in India. The type of research can be **descriptive**, **exploratory**, or **explanatory**, depending on whether the goal is to describe market trends, explore unknown patterns, or understand cause-effect relationships like how interest rate changes affect stock prices. Data collection is divided into **primary data** (surveys, interviews with investors and experts) and **secondary data** (financial reports, stock prices, market indices, and economic indicators like GDP growth and inflation). Researchers may also select specific stocks based on market capitalization or sector and choose an appropriate period for study.

Data Source:

The data sources for studying the Indian stock market can be broadly categorized into primary and secondary data sources. Below are some key sources for both:

Primary Data Sources:

1. **Surveys and Questionnaires:**
 - These can be used to gather firsthand insights from investors, brokers, analysts, or financial advisors about market behavior, trends, and investor sentiment.
2. **Interviews:**
 - Conducting interviews with market experts, institutional investors, and financial analysts can provide qualitative data on market strategies, trends, and opinions.

Secondary Data Sources:

1. **Stock Exchanges:**
 - **Bombay Stock Exchange (BSE):** Provides data on stock prices, market indices (Sensex), trading volumes, and historical performance.
 - **National Stock Exchange (NSE):** Offers similar data, including Nifty 50 index data, stock prices, trading volumes, and more.
2. **Financial Reports:**
 - Companies' annual reports, balance sheets, income statements, and other financial disclosures available through stock exchanges, company websites, and financial information platforms.

Study Objective:

The objective of studying the Indian stock market is to analyze its performance, trends, and behavior, and understand the factors influencing market movements such as economic indicators, political events, and investor sentiment. It aims to assess the efficiency of the market in terms of price discovery, liquidity, and transparency. Additionally, the study seeks to explore the role of key regulatory bodies like SEBI in ensuring market integrity and investor protection. Furthermore, it aims to identify investment opportunities, evaluate risk-return dynamics, and understand how macroeconomic factors such as inflation and interest rates impact stock market returns.

Key Objective:**1. Analyzing Market Performance and Trends**

The primary objective of studying the Indian stock market is to analyze its performance over time and understand the underlying trends that drive market behavior. This includes tracking key market indices like Sensex and Nifty 50, understanding the impact of domestic and global events on stock prices, and identifying patterns in market cycles. By examining historical data, researchers aim to identify both short-term and long-term trends that help investors make informed decisions. Analyzing market performance also involves evaluating volatility, price movements, and the correlation between market indices and macroeconomic factors.

2. Assessing Market Efficiency

Another key objective is to assess the efficiency of the Indian stock market, which refers to how well stock prices reflect all available information. The Efficient Market Hypothesis (EMH) is used to test whether stock prices adjust quickly to new information. By evaluating factors such as liquidity, transparency, and price discovery mechanisms, researchers aim to determine whether the Indian stock market is efficient and whether investors can consistently outperform the market.

ANALYSIS AND INTERPRETATION

1. ARE YOU OR YOUR FAMILY INVEST IN STOCK MARKET

YES OR NO	NO. OF RESPONSES	PERCENTAGE
YES	56	56
NO	44	44
TOTAL	100	100

The above table shows that 56 percentage of respondents were said YES and 44 percentage of respondents were said NO.

The Majority (56%) were responded YES.

2. ASSETS THAT GIVE BEST RETURNS

ASSETS	NO. OF. RESPONSES	PERCENTAGE
GOLD	24	24
REAL ESTATE	41	41
STOCK MARKET	26	26
OTHERS	9	9
TOTAL	100	100

The above table shows that 41 percent of respondents were chosen Real Estate. 26 percent were chosen Stock Market. 24 percent were chosen Gold and 9 percent of respondents were chosen Other assets.

The Majority (41%) were responded of Real Estate.

3. WILL STOCK MARKET BEAT INFLATION

YES OR NO	NO. OF. RESPONSES	PERCENTAGE
YES	61	61
NO	39	39
TOTAL	100	100

The above table shows that 61 percent of people said YES and 39 percent of people were said NO.

The majority (61%) of respondents said that stock market will beat inflation.

4. GOAL FOR INVESTING

GOALS	NO. OF. RESPONSES	PERCENTAGE
Short-term gains	47	27.01
Long-term growth	50	28.73
Passive income	38	21.83
Wealth preservation	39	22.41
TOTAL	174	100

The above table shows that 28.73 percent of people chosen Long-term growth. 27.01 percent of people were chosen Short-term gains. 22.41 percent of people were chosen Wealth preservation and 21.83 percent of people chosen Passive income.

The majority (28.73%) of respondents were chosen Long-term growth.

5.SELECTING STOCKS FOR INVESTING

SELECTING STOCKS	NO. OF. RESPONSES	PERCENTAGE
A company fundamental	31	19.13
Technical analysis	57	35.18
Expert recommendation	41	25.30
Social Media /News trends	33	20.37
TOTAL	162	100

The above table shows that 35.18 percentage of people chosen Technical analysis. 25.30 percent of people were chosen Expert Recommendation. 20.37 of people were chosen Social Media/News trends and 19.13 percent of people chosen A Fundamentals

The majority (35.18%) of respondents were chosen Technical analysis.

6.PREFERENCE OF INVESTING

PERFERENCE OF INVESTING	NO. OF. RESPONSES	PERECENTAGE
Individual stocks	28	28
ETFs/Mutual funds	38	38
Both	26	26
Not sure	8	8
TOTAL	100	100

The above table shows that 38 percent of people were chosen ETFs/Mutual funds. 28 percent of people were chosen Individual stocks. 26 percent of people were chosen Both and 8 percent were chosen Not sure.

The majority (38%) of the respondents were chosen ETFs/Mutual funds.

7.BEST INVESTMENT OPPORTUNITIES AFTER BUDGET

SECTOR	NO. OF. RESPONSES	PERCENTAGE
Technology	22	22
Healthcare	45	45
Renewable energy	23	23
Finance	9	9
TOTAL	100	100

The above table shows that 45 percent of people were chosen Healthcare. 23 percent of people were chosen Renewable energy. 22 percent of people were chosen Technology and 9 percent were chosen Finance.

The majority (45%) of the respondents were chosen Healthcare.

8.INVESTING IN INTERNATIONAL STOCKS

OPINION	NO. OF. RESPONSES	PERCENTAGE

Yes, Frequently	22	22
Yes, Occasionally	32	32
No, But I'm interested	29	29
No and I don't plan to	17	17
TOTAL	100	100

The above table shows that 32 percent of people responded Yes, Occasionally. 29 percent of people were said No, But I'm interested. 22 percent of people responded Yes, Frequently and 17 percent of people responded No and I don't plan to.

The majority (32%) of respondents were said they occasionally invest in International Stocks.

9. CRYPTOCURRENCY VS STOCKS

CRYPTO VS STOCKS	NO. OF RESPONSES	PERCENTAGE
Crypto is better investment	25	25
Stocks are safer and more reliable	34	34
Both have their place in portfolio	32	32
I don't invest in either	9	9
TOTAL	100	100

The above table shows that 34 percent of people responded Crypto is better investment. 32 percent of people were said Stocks are safer and more reliable. 25 percent of people responded Both have their place in portfolio and 9 percent of people responded I don't invest in either.

The majority (34%) of respondents were said Crypto is better investment than stocks.

10. ANALYSIS METHOD TRUST MORE

METHOD OF ANALYSIS	NO. OF RESPONSES	PERCENTAGE
Fundamental analysis	25	25
Technical analysis	36	36
Both	25	25
Neither i follow trends	14	14
TOTAL	100	100

The above table shows that 36 percent of people responded Technical analysis. 25 percent of people were said Fundamental analysis. 25 percent of people responded Both and 14 percent of people responded Neither i follow trends.

The majority (36%) of respondents were said Technical analysis.

11. PERCENTAGE OF INCOME TO INVEST

PERCENTAGE	NO OF RESPONSES	PERCENTAGE
Less than 10%	32	32
10 – 25 %	41	41
25 – 50 %	20	20
More than 50 %	7	7
TOTAL	100	100

The above table shows that 41 percent of people responded 10 – 25 %. 32 percent of people were said less than 10%. 20 percent of people responded 25 – 50% and 7 percent of people responded More than 50 %.

The majority (41%) of respondents were said 10 – 25 % of Income to invest.

12.AI AND AUTOMATION WILL CHANGE STOCK MARKET INVESTING

OPINION	NO OF RESPONSES	PERCENTAGE
Yes	28	28
Somewhat, but human decisions still matter	40	40
No, traditional investing will remain dominant	24	24
Not sure	8	8
TOTAL	100	100

The above table shows that 40 percent of people responded Somewhat, but human decisions still matter. 28 percent of people were said YES. 24 percent of people responded No, traditional investing will remain dominant and 8 percent of people responded Not Sure.

The majority (40%) of respondents were said Somewhat, but human decisions still matter.

13.SUCCESSFUL INVESTMENT

INVESTMENT METHOD	NO OF RESPONSES	PERCENTAGE
A well-known blue chip stock	35	35
A fast growing startup	36	36
A risky but rewarding bet	19	19
I Haven't had a big success yet	10	10
TOTAL	100	100

The above table shows that 36 percent of people responded A fast growing startup. 35 percent of people were said A well-known blue-chip stock. 19 percent of people responded A risky but rewarding bet and 10 percent of people responded I Haven't had a big success yet.

The majority (36%) of respondents were said A fast growing startup.

14.DIVIDEND STOCK OR GROWTH STOCK

TYPE OF STOCK	NO OF RESPONSES	PERCENTAGE
Dividend stocks for stable income	24	24
Growth stocks for high returns	38	38
Both	21	21
I don't have a preference	17	17
TOTAL	100	100

The above table shows that 38 percent of people responded Growth stocks for high returns. 24 percent of people were said Dividend stocks for stable income. 21 percent of people responded Both and 17 percent of people responded I don't have a preference.

The majority (38%) of respondents were Growth stocks for high returns.

15.INVESTMENT DECISION

DECISIONS	NO OF RESPONSES	PERCENTAGE
Personal Research	39	23.35
Financial advisor	51	30.53
Online recommendation/Social Media	41	24.55
Friends and family advice	36	21.55
TOTAL	167	100

The above table shows that 30.53 percent of people responded Financial advisor. 24.55 percent of people were said Online recommendation / Social Media. 23.35 percent of people responded Personal Research and 21.55 percent of people responded Friends and family advice.

The majority (30.53%) of respondents were Financial advisor.

16.ADVISE TO BEGINNERS

ADVICE	NO OF RESPONSES	PERCENTAGE
A start with index funds	44	27.5
Learn technical and fundamental analysis	43	26.875
Invest only what you can afford to lose	38	23.75
Follow market trends	35	21.875
TOTAL	160	100

The above table shows that 27.5 percent of people responded A start with index funds. 26.875 percent of people were said Learn technical and fundamental analysis. 23.75 percent of people responded Invest only what you can afford to lose and 21.875 percent of people responded Follow market trends.

The majority (27.5%) of respondents were A start with index funds.

17.MISTAKES NEW INVESTOR MAKE

MISTAKES	NO OF RESPONSES	PERCENTAGE
Panic selling during market drops	35	22.87
Not diversifying	39	25.49
Investing without research	45	29.41
Trying to time the market	34	22.22
TOTAL	153	100

The above table shows that 29.41percent of people responded Investing without research. 25.49 percent of people were said Not diversifying. 22.87 percent of people responded Panic selling during market drops and 22.22 percent of people responded Trying to time the market.

The majority (29.41%) of respondents were Investing without research.

18.CHECKING YOUR INVESTMENT

DURATION	NO OF RESPONSES	PERCENTAGE
DAILY	22	22

WEEKLY	35	35
MONTHLY	29	29
RARELY	14	14
TOTAL	100	100

The above table shows that 35 percent of people responded Weekly. 29 percent of people were said monthly. 22 percent of people responded daily and 14 percent of people responded rarely.

The majority (35%) of respondents were weekly.

19.MAJOR LOSS IN MARKET

MAJOR LOSS	NO OF RESPONSES	PERCENTAGE
Yes, more than 50% loss	24	24
Yes, between 20-50% loss	36	36
Minor losses under 20%	23	23
No, never faced loss	17	17
TOTAL	100	100

The above table shows that 36 percent of people responded Yes, between 20-50% loss. 24 percent of people were said Yes, more than 50% loss. 23 percent of people responded Minor losses under 20% and 17 percent of people responded No, never faced loss.

The majority (36%) of respondents were Yes, between 20-50% loss.

20.INVESTMENT STRATEGY

TYPE OF STRATEGY	NO OF RESPONSES	PERCENTAGE
Value investing	26	26
Growth investing	43	43
Day trading	18	18
No fixed strategy	13	13
TOTAL	100	100

The above table shows that 43 percent of people responded Growth investing. 26 percent of people were said Value investing. 18 percent of people responded Day trading and 13 percent of people responded No fixed strategy.

The majority (43%) of respondents were Growth investing.

CONCLUSION

In conclusion, integrating stock market education and financial literacy programs into the curricula of schools and college the financial challenges of the future. By introducing essential concepts such as investment strategies, market functioning is a vital step toward preparing students for the financial challenges of the future. By introducing essential concepts such as investment strategies, market functioning, and financial planning, educational institutions can empower students with the knowledge they need to make informed decisions about their finances. Interactive methods like workshops, real-life case studies, and simulated trading exercises offer practical learning experiences, making financial concepts more engaging and accessible. Furthermore, exposing students to industry experts helps them gain a deeper understanding of real-world financial dynamics. By fostering financial awareness early on, students will not only be equipped to navigate the complexities of the stock market but also develop critical skills such as risk management, decision-making, and strategic thinking— skills that are essential for success in both their personal and professional lives. Ultimately, promoting financial literacy ensures that the next generation will be more financially informed, capable of managing their wealth wisely, and prepared for the rapidly evolving financial landscape.

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