STOCK MARKET AND ITS UNDESTANDING AMONG HOUSEHOLDS OF SHIVALIK HILLS OF HIMACHAL PRADESH

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ABSTRACT:- A Stock market typically refers to a financial market that handles the buying and selling of company stocks, derivatives and other securities. Stock markets trade company securities that are listed in the stock exchange. Investors and security issuers both participate in stock market. Stock market investments can lead toward fast and easy money when an investor invests with experience and estimation of stock market analysis. A vivid idea and thorough knowledge about stock market is requisite before initiating the investment. , In the present study an attempt has been made to analyse about the awareness among the households of Shivalik Hills regarding investment in stock market.

Key Words:- portfolio management, standard deviation. Chi square. Liquidity,Risk and return.

INTRODUCTION:-

The issue of securities by corporate units in India is an old as the introduction of joint-stock enterprises by the British Government. Many companies were set up as joint stock enterprises with liability by shares. A vast number of businesses in major cities purchased these shares and trading started in them early in the 19th century. These were organized as voluntary non-profit making associations of brokers to regulate and protect their interests.

A Stock market typically refers to a financial market that handles the buying and selling of company stocks, derivatives and other securities. Stock markets trade company securities that are listed in the stock exchange. Investors and security issuers both participate in stock market. Stock market investments can lead toward fast and easy money when an investor invests with experience and estimation of stock market analysis. A vivid idea and thorough knowledge about stock market is requisite before initiating the investment. Here an effort has been made to analyze the investors view regarding awareness of stock market in the Shivalik Hills of Himachal Pradesh.

Dematerialization is the holding of the securities in the non-physical form such as the electronic form (fungible form) to leseen the time taken to process the dealings in the securities. The Depositories Act in 1996 was passed whereby paperless holding of shares was brought in. Before that all shares were held in physical form which made the process of transfer of shares cumbersome and time consuming. There were transfer charges to the paid in the form of stamp duty etc. After introduction of the depositories, shares automatically moved into the account of the

investor after the settlement. This has enabled millions of investors to hold shares at negligible cost and trading worth thousands of crores to take place everyday.

RESEARCH METHODOLOGY:-

The present research work has been formulated on the basis of first hand information from the households residing in Shivalik Hills, having different demographic variables such as income, sex, educational qualification and occupation etc. The present study is expected to provide various beneficial guidelines to the policy makers to mobilize the savings of the households in a stock market related instruments.

Null Hypothesis;There is no relationship between demographic variables and awareness among investors with respect to stock market awarness.

Alternate Hypothesis:- There is significant relationship between demographic variables and awareness among investors with respect to stock market awarness

In the present study, multi stage sampling has been used. At the first stage, the study area has been divided into different districts namely lower parts of districts Kangra, Sirmour, Solan, Mandi and entire districts Una, Hamirpur and Bilaspur. Out of these districts, three districts namely Kangra, Hamirpur and Una have been selected keeping in view their representation to Shivalik Hills of Himachal Pradesh on the basis of demographic features and industrial zones of the state. At the second stage, from each selected district, three tehsils i.e. one most developed, one moderately developed and one less developed have been selected. Thus, the total number of tehsils are 3X3=9.

At the third stage, two village panchayat have been selected randomly from each tehsil. This way the present study has been conducted in 9X2=18 village panchayats. At fourth stage, 30 households have been selected from each village panchayat using judgment sampling keeping in view various demographic characteristics of the population. Thus, the sample constitute 540 (18x30) respondents.

. Primary data have mainly been collected with the help of questionnaire/ schedule. It has been prepared to get information from the people living in the study area.

Keeping in view the nature of study, the data collected have been analyzed and interpreted with the help of the following methods:

❖   Mathematical Methods

❖   Statistical Methods

❖   Diagrammatic and Graphic Methods

RESULTS:-

1.1 Age-Wise Awareness Among Investors about Stock Market:

Table 1.1 and figure 1.1 reveal age-wise knowledge of respondents of Shivalik Hills regarding Stock Market.

Table 1.1: Age-wise Awareness among investors about Stock Market

Age	Awareness about Stock Market		Total
	Yes	**No**	
Age below 35	65 (46.8%)	74 (53.2%)	139 (100%)
Age 36-50	36 (16.7%)	180 (83.3%)	216 (100%)
Above 50	31 (16.8%)	154 (83.2%)	185 (100%)
Total	132 (24.4%)	408 (75.6%)	540 (100%)

χ^2 =68.587, p<0.001

Source: Data collected through questionnaire.

Note: Figures in parentheses depict percentages.

Data with regard to age-wise knowledge of respondents about Stock Market shows that young generation (below 35 years) is more aware of Stock Market than the middle age i.e. 36-50 years and higher ages (above 50 years).
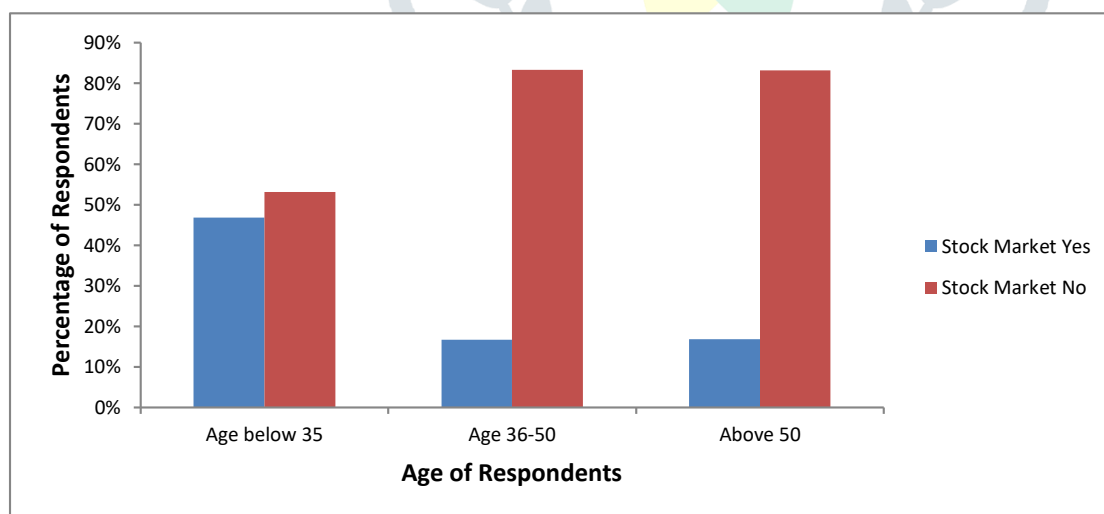

Fig. 1.1: Age-wise Awareness among investors about Stock Market

This can be verify from the fact that 46.8% followed by 16.7% and 16.8 percent respondents falls in the age group of young, middle and higher age respectively know about Stock Market. Thus it can be concluded that respondent in the age group below 35 years have significantly more

knowledge about Stock Market. It has been supported by χ^2 test as calculated value of χ^2 is more than the table value at 1 percent significance.

1.2: District-wise Awareness among investors about Stock Market:

Here an attempt to made to analyse the district-wise awareness regarding knowledge of investors regarding Stock Market. Table 1.2 and figure 1.7 have presented district knowledge of investors regarding Stock Market.

Distribution of respondents regarding awareness about knowledge of Stock Market reveals that a good percentage (52.8 percent) in Una district have the knowledge of Stock Market In comparison to Hamirpur district (10.6 percent) and Kangra district (10 percent).

Table 1.2:   District-wise awareness among investors about Stock Market

District	Awareness about Stock Market		Total
	Yes	**No**	
Kangra	18 (10.0%)	162 (90.0%)	180 (100%)
Hamirpur	19 (10.6%)	161 (89.4%)	180 (100%)
Una	95 (52.8%)	85 (47.2%)	180 (100%)
Total	132 (24.4%)	408 (75.6%)	540 (100%)

χ^2 =68.587, p<0.001
Source: Data collected through questionnaire.
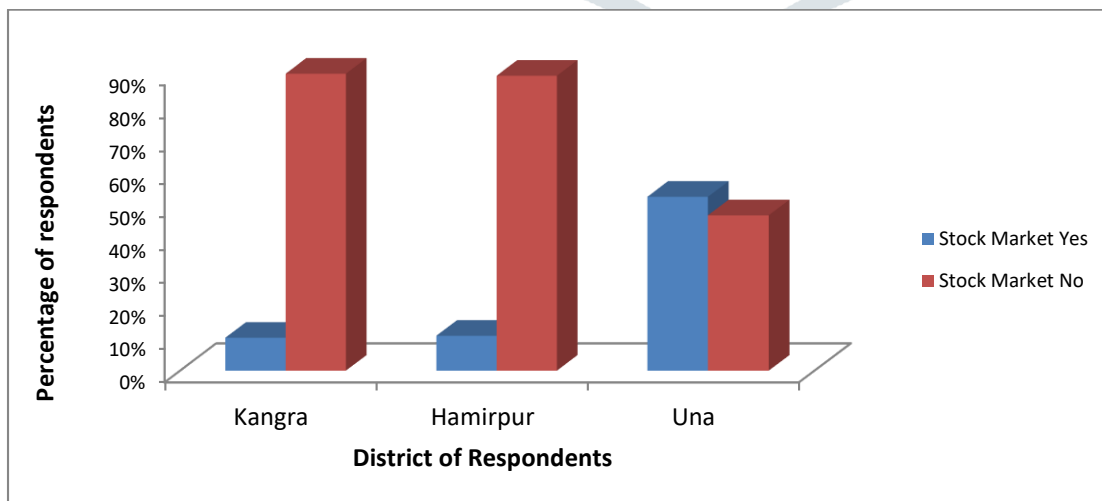Note: Figures in parentheses depict percentages.

Fig. 1.2: District-wise awareness among investors about Stock Market

It can be said that respondent of Una district are more aware about Stock Market as compare to Hamirpur and Kangra districts. On applying χ^2-test, its calculated value is greater than the table value at one percent level of significance which further supports above analysis statistically.

1.3   Educational Qualification-wise awareness among investors about Stock Market:

An educated person can understand easily their investment needs. Educational profile of any individual makes him to determine their investment needs and avenues available to them. The table 1.3 and figure 1.3 depict education wise knowledge of respondents about Stock Market.

Table 1.3:   Educational Qualification-wise awareness among investors about Stock Market

Qualifications	Awareness about Stock Market		Total
	Yes	No	
Matric and below	12 (10.3%)	105 (89.7%)	117 (100%)
10+2	13 (8.6%)	138 (91.4%)	151 (100%)
Graduate	60 (43.5%)	78 (56.5%)	138 (100%)
PG/Professional	47 (36.2%)	83 (63.8%)	130 (100%)
Any Others	0 (0%)	4 (100%)	4 (100%)
Total	132 (24.4%)	408 (75.6%)	540 (100%)

χ^2 =71.268, p<0.001

Source: Data collected through questionnaire.

Note: Figures in parentheses depict percentages.

Analysis of table shows that 36.2 percent, 43.5 percent, 8.6 percent and 10.3 percent post graduate, graduate, 10+2 and matric or below respondents have the knowledge of Stock Market, it can be observed that educated persons are well aware about the Stock Market as compare to less educated persons.
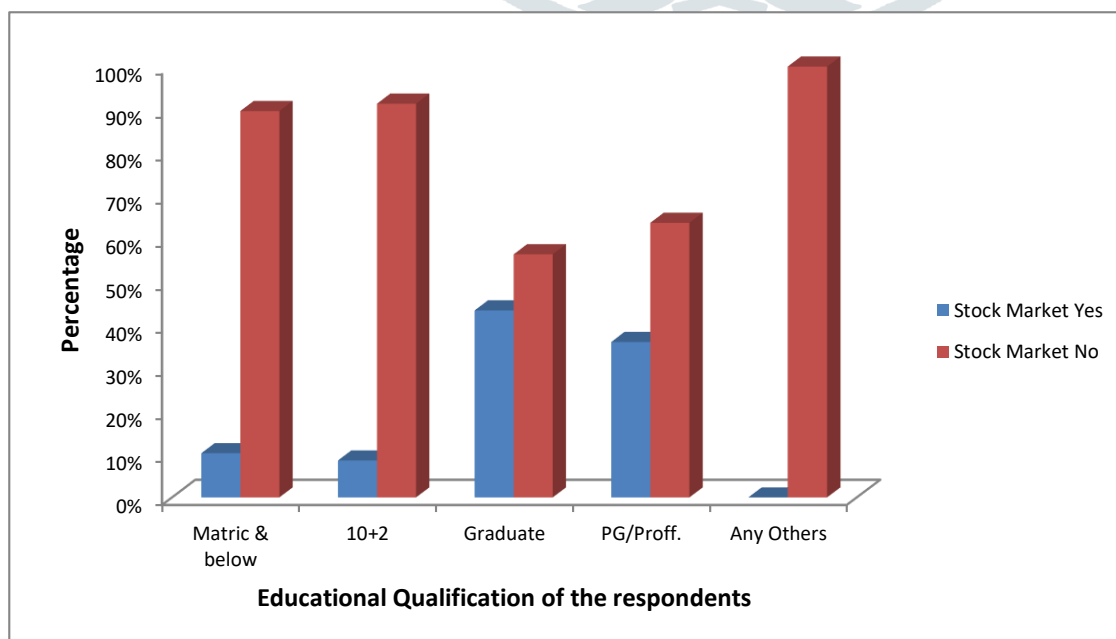

Fig. 1.3:   Educational Qualification -wise awareness among investors about Stock Market

On applying χ^2 test, the calculated value of χ^2 (71.268) is more than the table value at 1 percent level of significance, which rejects null hypothesis. Thus, it may be concluded that there is significant relationship between educational level of investors and knowledge of Stock Market.

1.4:   Primary occupation-wise awareness among investors about Stock Market:

Primary occupation is mainly concerned with the task any-one who deputes their maximum time for his earnings. The primary occupation-wise knowledge of Stock Market by the sampler investors has been presented in table 1.4 and figure 1.4.

Table 1.4:   Primary Occupation-wise awareness among investors about Stock Market.

Primary Occupation	Awareness about Stock Market		Total
	Yes	No	
Agriculture/Horticulture	0 (0%)	83 (100%)	83 (100%)
Business	60 (32.3%)	126 (67.7%)	186 (100%)
Service	72 (32.7%)	148 (67.3%)	220 (100%)
Rural Artisan	0 (0%)	11 (100%)	11 (100%)
Labour	0 (0%)	40 (100%)	40 (100%)
Total	132 (24.4%)	408 (75.6%)	540 (100%)

χ^2 =68.587, p<0.001
Source: Data collected through questionnaire.
Note: Figures in parentheses depict percentages.

Table 1.4 reveals that 32.7 percent and 32.3 percent of the investors whose primary occupation is service and business respectively have the knowledge of Stock Market. It is pertinent to mention here that respondents whose primary occupation is labour, agriculture and rural artisan are fully ignorant about Stock Market. On applying χ^2 test the calculated value of χ^2 (57.674) is greater than the table value at 1 percent level of significance, which shows the significant relationship between primary occupation and knowledge of Stock Market.
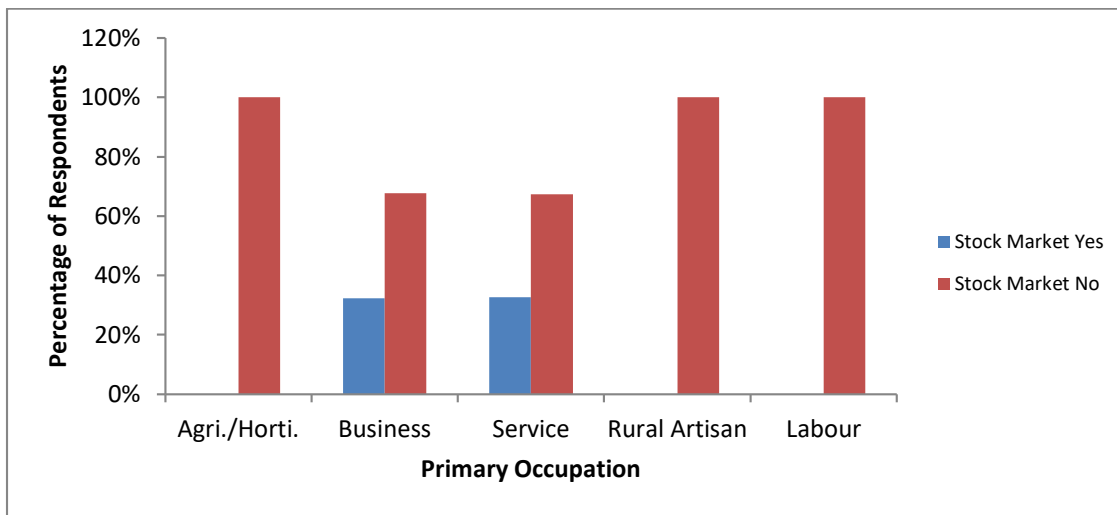
Fig. 1.4: Primary Occupation-wise awareness among investors about Stock Market

1.5 Annual income-wise awareness among investors about Stock Market:

Income plays an important role in the saving and investment pattern of the investors. Table 1.5 and figure 1.5 reveals the income wise distribution about knowledge of Stock Market.

Table 1.5:   Annual income-wise awareness among investors about Stock Market

Annual Income	Awareness about Stock Market		Total
	Yes	**No**	
Below 1 Lac	10 (9.4%)	96 (90.6%)	106 (100%)
1-3 Lac	81 (38.0%)	132 (62.0%)	213 (100%)
3-5 Lac	27 (23.3%)	89 (76.7%)	116 (100%)
5-10 Lac	14 (35.9%)	25 (64.1%)	39 (100%)
Above 10 Lac	40 (60.6%)	26 (39.4%)	66 (100%)
Total	172 (31.9%)	368 (68.1%)	540 (100%)

χ^2 =68.587, p<0.001
Source: Data collected through questionnaire.
Note: Figures in parentheses depict percentages.

Data with regard to income-wise distribution of respondents about knowledge of Stock Market shows that investors of higher annual income groups are more aware about Stock Market as compare to low income group. It is clear from the table that 59.1 percent, 25.6 percent, 21.6 percent, 25.8 percent and 2.8 percent respondents belonging to above 10 lacs, 5-10 lac, 3-5 lac, 1-3 lac and below 1 lac income groups respectively have the knowledge of Stock Market, which clearly shows that higher income groups have the knowledge of Stock Market, while low income groups are less aware about it. It has been supported by the χ^2 test as the calculated value is more than the table value of 1 percent of significance.
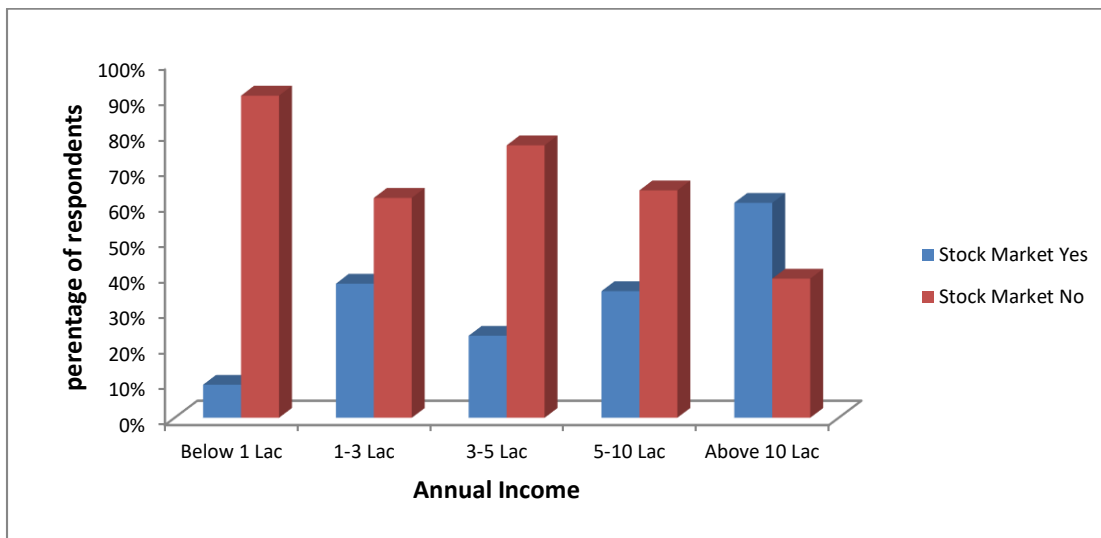
Fig. 1.5:   Annual income-wise awareness among investors about Stock Market

Knowledge is very important for holding stock market instruments. In age wise distribution, it have been analysed that the respondents of below 35 years of age group have significantly more knowledge about dematerialization as compared to the respondents of other income groups. In district wise distribution respondents of Una district have significantly outnumbered the respondents of Hamirpur and Kangra district regarding their knowledge about DEMAT account. It has also been analysed that there is significant relation between educational qualification and knowledge of stock market. Educated people are well aware about stock market as compared to less educated people. People having business and service as their primary occupation have significantly more aware about dematerialization as compared to people having labour or rural artisan as their primary occupation. It have also been analyzed that respondents having higher income are well aware of stock market as compared to low income respondents.

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