



# A STUDY OF YOUNGSTERS PERCEPTION ABOUT STOCK EXCHANGE TRANSACTIONS

Mohini Saini | Ritikesh Gupta

Mittal School of Business, Lovely Professional University, Jalandhar, Punjab, India

## Abstract

Today, investing is a young person's primary source of income. Numerous studies have been done to determine how young people see investing in the stock market. This study article aims to understand how young people up to the age of 30 are seen. The study's main goal is to determine the sources of information that young people utilise to make stock market investments.

Additionally, it is important to research how investors behave with relation to investment length. According to the study, young people invest in a variety of assets, including low-risk, moderate-risk, and high-risk ones. However, they tend to focus on moderately risky assets with a moderate risk profile. The majority of them use their salary income, up to 10% of it, as a source for investments, and they favour day trading as a trading option. The study also demonstrates that young people's primary concern is return because they prefer to withdraw their funds if they are not receiving a higher return. Young people invest money with the intention of maintaining a regular income with capital exposure, and the majority of them invest infrequently, searching for opportunities with higher returns. According to the poll, young people prefer to invest more in publicly traded companies, which are seen to be somewhat risky.

**Keywords:** Risk, Investment, Sensex, Nifty, Liquidity.

## Introduction

Young investors must invest wisely in investments as they prefer investing in moderate risky assets, since investment has recently become the foundation of a nation's countries with the Internet (73%) as the major source of information at the time of investment that are trying to build their economies. Investment, at its core, indicates that return and risk are present on both sides of the transaction and investing in stock market is considered as moderate risky with high return. And this differs depending on how the responder prefers to perceive their current and future savings.

The investment is a "salary income" that may be invested in the

stock market for moderate time period generally more than 6 months and mostly in day trading in order to use it for a productive activity. Generally, investing is the process of converting cash or money into a financial asset or a future funds. This reward is for putting money away, especially financial money, for giving up liquidity,

and finally for taking a risk Investment Pattern of Youth in India.

## Literature Review

- "Evaluation of stock trading performance of students using a web-based virtual stock trading system".

In order to evaluate the learning effectiveness for students enrolled in a financial management course, Hui-Chi Wua, Chien-Ming Tseng, Po-Chou Chan, Sue-Fen Huang, Wei-Wei Chu, and Yung-Fu Chena created a financial information system to provide students with a virtual environment in which to learn skills and gain experience with stock trading. The device enables students to interact with traders on the real stock market. It is believed that engaging students in real-world problems would boost their motivation to study.

The study concludes that either because students are growing more skilled at using analytical tools or because they tend to be less swayed by price increases and media stories, they are becoming more reasonable. (2012). Hui-Chi Wua, Chien-Ming Tseng, Po-Chou Chan, Sue-Fen Huang, Wei-Wei Chu, and Yung-Fu Chen.

- "Business school education, motivation, and young adults' stock market participation".

In Tong Dong, Florian Eugster, and Henrik Nilsson's study looked at whether enrolling in a business school increased students' interest in the stock market. The study focuses on how stock market involvement is impacted by education. They found that business school education increases student involvement rates, but only among motivated students who are drawn to the study of accounting and finance. As a sample, the information on stock ownership by students before, during, and after their studies was gathered from a prestigious Swedish

business school. Henrik Nilsson, Ting Dong, and Florian Eugster, 2022.

• **“Perception of Stock Market investment with reference to Students Studying in Karnataka”.**

In the study done by (Sharan Kumar Shetty) he focus on determining students' attitudes toward the stock market, the common excuses given for not investing in it, and the actual causes of their lack of participation in order to assess their level of satisfaction with their share purchases as well as their attitude towards the stock market in general.

According to the survey, students perceive investing in the stock market as a time-consuming risk owing to a variety of circumstances. As a result, students need to be properly informed about the stock market and encouraged to do so because doing so indirectly contributes to the nation's economic progress. (Sharan Kumar Shetty,2021).

• **“A study on investment preferences of young investors in the city of Raipur Chhattisgarh, India”.**

According to the study by (Shinki K Pandey, Abhishek Vishwakarma), they conducted research with the primary goal of understanding investment preferences among India's youthful generation. The respondent's preferences for various investment options on the market are to be ascertained.

As a result, young investors are more likely to maximise their capital through investment vehicles like mutual funds and the stock market, though some people are still drawn to less risky choices like bank deposits and post office deposits.

→ **T-Test**

[DataSet1]

Choice	Statistic	Bootstrap <sup>a</sup>			
		Bias	Std. Error	95% Confidence Interval	
				Lower	Upper
Gender 1	N	70			
	Mean	1.21	.00	.05	1.13
	Std. Deviation	.413	-.004	.035	.334
	Std. Error Mean	.049			
2	N	32			
	Mean	1.44	.00	.09	1.27
	Std. Deviation	.504	-.008	.017	.452
	Std. Error Mean	.089			

a. Unless otherwise noted, bootstrap results are based on 1000 bootstrap samples

study discovered that 25% of the Young Generation is drawn to the Equity Market, while 32% to Mutual Funds. (Shinki K Pandey, Abhishek Vishwakarma,2020).

• **“Trading habits among Indian youth during and post lockdown period”.**

A study by (Praneet Parameshwar, Rampalli Eshwara Ashok, Anuj Jain) in their study focuses on to pinpoint youth trading behaviours and their effects.

From this study, They identify that the key factors motivating young people to start trading include support from family and friends, the availability of trading platforms with low brokerage fees, and these factors. The bulk of respondents use Kite and Upstox as their primary trading platforms, with a smaller percentage using Kotak Securities, Hdfc Securities, and traditional brokers. The majority of them invest in Blue Chip businesses' stock. (Praneet Parameshwar, Rampalli Eshwara Ashok, Anuj Jain,2022).

**Significance of the Study**

The study's importance lies in helping us better understand how young investors choose their investment vehicles and how age affects those choices. Our government will be able to create policies that encourage investors to invest in the financial market and its instruments if young investors' choices of investment opportunities are good. Many young individuals, including students, wage earners, and company owners, live in the study area. Additionally, by using the information from this study, young investors will be better able to choose the financial products in which to invest and consequently plan their goals.

**Research Methodology**

The current study aims to investigate public perception of stock exchange transactions, with a focus on young people. The research data includes responses from participants who completed an online questionnaire on stock exchange transactions with a focus on young people. The survey included approximately 100 respondents from Lovely Professional University in Jalandhar, Punjab State, India. This study has four primary objectives of stock market transactions

		Independent Samples Test								
		Levene's Test for Equality of Variances				t-test for Equality of Means				
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
							Lower	Upper		
Gender	Equal variances assumed	13.363	.000	-2.359	188	.020	-.223	.095	-.411	-.035
	Equal variances not assumed			-2.195	58.829	.033	-.223	.102	-.429	-.019

as well as trends in student interest in it, which will be based on assessing attentional and engagement to quantify the motive behind the trade and revenue, and investigating the influence of psychology on generating profits by investing. This survey also helps to identify the factors influencing young people's decision-making. The researcher was able to draw a clear picture of the youngster's perception of the stock market thanks to detailed-analysis.

**Hypothesis-1**

**H0** -If There is significant change in age groups, it has no effect on investment choice option as compared to participation in share market.

**H1** - If There is significant change in age groups, it has a negative effect on investment choice option as compared to participation in share market.

As per the collected data the analyses derived using the data, interprets that as the Sign. Value is less than 0.05, then here the null hypothesis is accepted and alternate hypothesis is rejected. So **the analysis tells that there is significant relation between gender and choices for investment.** From the collected data 72% are the male investing in share market. In above data male have shown major interest in investing in share market.

**Hypothesis-2**

**H0** - If Youth males are investing more in share market, it has no effect on participation as compared to female participation in share market.

**H1** - If Youth male are investing more in share market, it has a negative effect on participation as compared to female participation in share market.

**T-Test**

[DataSet0]

Paired Samples Statistics			Bootstrap <sup>a</sup>			
Pair 1	Statistic	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval	
					Lower	Upper
Age	Mean	2.05	.407	.040	1.97	2.13
	N	102				
	Std. Deviation	.407				
	Std. Error Mean	.040				
Investment Option	Mean	4.78	.538	.053	4.68	4.88
	N	102				
	Std. Deviation	.538				
	Std. Error Mean	.053				

a. Unless otherwise noted, bootstrap results are based on 1000 bootstrap samples

**Paired Samples Correlations**

Pair 1	N	Correlation	Sig.	Bootstrap for Correlation <sup>a</sup>			
				Bias	Std. Error	Lower	Upper
Age & Investment Option	102	.049	.827	-.003	.079	-.122	.201

a. Unless otherwise noted, bootstrap results are based on 1000 bootstrap samples

**Paired Samples Test**

Pair 1	Age - Investment Option	Paired Differences				t	df	Sig. (2-tailed)	
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower				Upper
		-2.735	.659	.065	-2.865	-2.606	-41.924	101	.000

According to the collected data the analyses derived using the data interprets that as the Sign. Value is greater than 0.05, then here the null hypothesis is rejected and the alternate hypothesis is accepted. According to the data paired sample test is performed and sign. **Value derived is 0.659 which is greater than 0.05. So the analysis tells that there is no significant change in risk bearing capacity with respect of age groups.** From the collected data 68% of youngsters from the collected data are limited to take moderate risk while investing in stock market.

**Hypothesis-3**

**H0** - If There is a significant change in age groups, it has no effect on risk-bearing capacity as compared to participation in the share market.

**H1** - If There is a significant change in age groups, it has a negative effect on risk-bearing capacity as compared to participation in the share market.

**T-Test**

[DataSet0]

Paired Samples Statistics			Bootstrap <sup>a</sup>			
Pair 1	Statistic	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval	
					Lower	Upper
Age	Mean	2.05	.407	.040	1.97	2.13
	N	102				
	Std. Deviation	.407				
	Std. Error Mean	.040				
Risk Profile	Mean	2.38	.809	.080	2.22	2.53
	N	102				
	Std. Deviation	.809				
	Std. Error Mean	.080				

a. Unless otherwise noted, bootstrap results are based on 1000 bootstrap samples

**Paired Samples Correlations**

Pair 1	N	Correlation	Sig.	Bootstrap for Correlation <sup>a</sup>			
				Bias	Std. Error	Lower	Upper
Age & Risk Profile	102	.183	.066	-.003	.087	.011	.338

a. Unless otherwise noted, bootstrap results are based on 1000 bootstrap samples

**Paired Samples Test**

Pair 1	Age - Risk Profile	Paired Differences				t	df	Sig. (2-tailed)	
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower				Upper
		-.333	.836	.083	-.498	-.169	-4.025	101	.000

According to the collected data, the analyses derived using the data interprets that as the Sign. Value is greater than 0.05, then

here the null hypothesis is rejected and alternate hypothesis is accepted. According to the data paired sample test is performed and sign. Value derived is 0.66 which is greater than 0.05. **So the analysis tells that there is no significant change in Investment choice option in relation with age groups.** From the collected data 64.9% of youngsters from the collected data are interested to take moderate risk stocks while investing in stock market.

**Limitations of the study**

- The study is limited to a single city. People's investment preferences and opinions may differ in different cities.
- Because the sample size was limited to 102 people, the study's findings may not be completely generalizable.
- The study was limited to the primary level and did not consider all possible perceptions. Because we know that the younger generation does not contribute much to the equity market, further research can be conducted on professionals who trade in the equity market on a regular basis. The study was conducted in a city where the majority of them are students, and they still lack proper investment knowledge.

**Conclusion**

The analysis of the young generation's stock market investing preferences was the main objective of this study. The study indicated that while some people are interested in investing in high-risk stocks and are ready to face high risk, young investors are more likely to invest in firms with moderate risk and moderate risk-bearing ability. During the course of this study, it was shown that there is a high association between risk level and the choice of investment route, with 72% of the male Young Generation investing in the stock market and 28% of the female Young Generation investing. Additionally, it was shown that the youthful generation is not limited by the long-term or short-term time horizon aspect. Nevertheless, it instead concentrated on increasing returns regardless of time horizon. The younger generation has given up on conventional investing strategies because they are ready to accept a good risk in exchange for a decent return. They are investing in public firms as a consequence, and the study's author also finds that those in their 20s and 25s are the most enthusiastic about the stock market. The majority of individuals invest to make money, and they learn about investments via media and newspapers, according to the survey's findings. Young people are getting better at analysing the different aspects that affect the risk and reward related to investing possibilities, according to studies. To conclude, a number of variables affect how young people perceive investment opportunities, including it.