



A Study of Perception of Students towards Investment and Trading in Equity Market with reference to city of Indore

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Abstract

Studying students' perception towards investment and trading is crucial for financial and economic study of a country, understanding the market for better results can be tough for students specially with rapidly changing economic conditions, minimum financial literacy and so many cluttered channels to learn from. Investment and trading in equities and derivatives have found a new interest from students as a study shows more about 49% of new De-mat accounts opened in FY 2024 have been from investors who are under 25 years. Financial goals, behaviour and decision of students have shifted over the years as we see increase in expenses and changes in lifestyle with it.

Keywords- Investments, Students, Equity Markets, Mutual Funds, Financial Behaviour. Introduction and Review of Literature

Investments as an activity is engaged by people who have savings and are willing to earn regular returns and future growth from the same. Trading on other hand means to deal in a particular avenue or goods for generating profits. Various studies have shown that students and young generation have inclined towards trading in equity and derivatives and 9 out of 10 people make losses in doing the same. Yet with increase in returns from markets over past few years and impact of social media has increased the attention of people under 25 towards equity and derivatives market as concluded by **Manisha T, Krishna C and Dr Rajkumar S** in 2021 that return is a driving factor for investment and whenever they get higher return with little investment they take it and with less understanding of financial markets investors are bearing losses they can't afford. With that said these markets are not only loss makers we have seen many people earning well from them and making a good living trading in the markets. To understand the mind set of students we carried this study to find out what their perception and purpose for trading an investment is and how confident they are towards their knowledge of the avenues they are trading in.

Research Problem

India has the youngest population in world with less than 5% adults engaged in stock market. But trends have changed as 49% of new De-mat accounts opened in FY24 was of people under 25. With Indian financial market giving good results in last 4 years the attention of investors has increased towards financial markets. This study thus focuses on investment and trading pattern of students and their expectations from financial products and their understanding of these markets and aims to understand the perception of students towards

Investment and trading and understand how they want to pursue their financial objectives through it.

Research Methodology

The study consists of both primary and secondary data. The primary data have been collected from the students of various colleges by administering a well-structured questionnaire. And the secondary data has been taken from various books, journals and internet. The sample size is 125 and technique used is convenience sampling. The respondents are from various colleges of Indore district of Madhya Pradesh.

In order to process and analyse the data we will use standard statistical methods like measures of central tendency, statistical testing and data representation tables

Data Analysis

Table no 1. This table shows gender classification of the respondents

S.no	Gender	Number
1	Male	78
2	Female	47
	Total	125

Table no 2. This table shows educational qualification of the respondents

S.no	Qualification	Number
1	Under graduate	60
2	Post graduate	58
3	Professional course	7
	Total	125

Table no 3. This table mode of living of the respondents

S.no	Mode of living	Number
1	Single	54
2	With Family	71
	Total	125

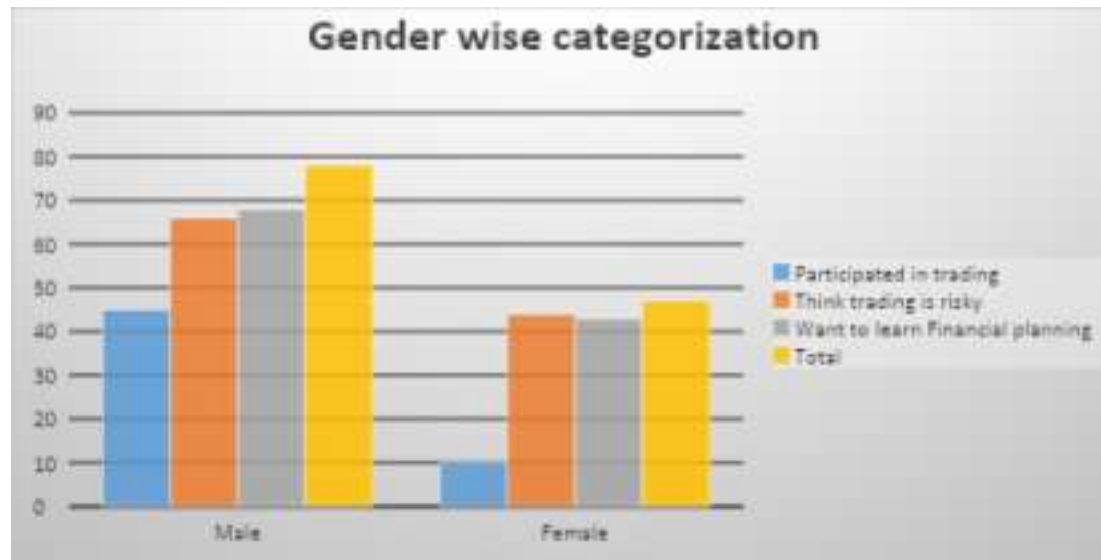
Table no 4 This table shows objectives of the respondents

S.no	Expectations	Number
1	Capital Creation	35
2	Generating Returns	49
3	Learning for better Investment	35
4	Potential Career choice	5
5	All of the above	1
	Total	125

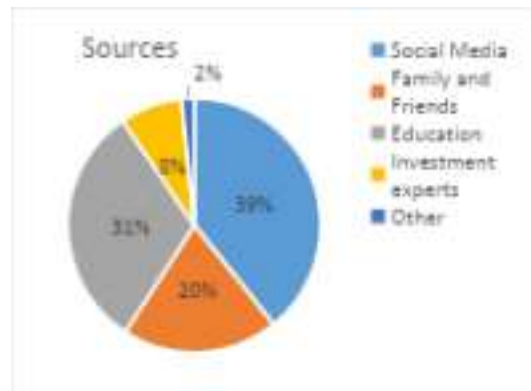
Results and Discussion

● The results are generated from total 125 respondents with mean age 21.4. ● Only 10 females have participated in trading all think it's risky and all want education to learn trading and investment, which shows that percentage of female students

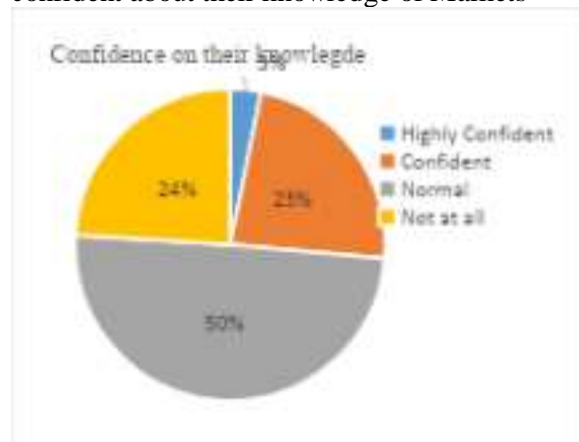
who trade is less but they are willing to learn which means they want to avoid risk of losing money, also 110 out of 125 respondents think trading is risky, 111 students out of 125 want to learn trading, 98 out of which think trading is risky



- 49 respondents have learned from social media, 39 from education while 25 from family, which shows a great impact of social media on students



- Only 27 out of 55 trading participants are confident about their knowledge, while only 26% of total respondents are confident about their knowledge of Markets



- 39% of the respondents have stated that generating returns is the main objective for learning trading and investment, while



28% want learn for better investment

- 55 out of 125 participants have participated in trading and investment activities. Out of which 50 think that trading is risky, 5 think it's not, all male. This shows that maximum participants are finding it difficult to understand the markets. Total 110 respondents think trading is risky which results in their reluctance towards the market
- Mode of living- 54 respondents stay alone, out of which 26 are participating in trading activities out of which 24 think trading is risky whereas 71 are Living with Family, 29 participate in trading out of which 26 feel trading is risky, which indicates students living alone are trying to make money out of trading to meet their expenditure
- 94 out of 125 respondents think investing will definitely help them in future, that means they are inclined towards investing to support that statement 111 out of 125 are willing to learn trading
- 53 respondents think self-learning is better while making investment and trading decisions while 53 think advice from experts will help them better while making those decisions. That means students want to invest and understand the markets but only 5 out of 125 want to pursue it as a professional career, which means maximum respondents are looking at markets to generate secondary income.

Suggestions

Students are willing to learn investing in this dynamic financial environment and they want better understanding of the products. While they also face problems Investing a majority of them think trading is risky yet want to invest for good returns and capital creation. With only 33 out of 125 respondents being confident about their investment knowledge and 38% being inspired from social media and 40% looking to generate returns the whole idea of trading and investing looks uncertain for them. It is better to create a platform in colleges where students can learn trading and understand the importance of it and make logical choices for their investments rather than having risky trades

Conclusion

Students require adequate information for making the right investment decision. Preparation for wealth creation and additional surplus through Equity markets can be a good choice and with adequate learning they can achieve. Investment should be made based on the needs, and students must have proper knowledge before putting their hand in it. They are willing to learn and think that investments in equity markets will help them in future. The elements like returns, risk, stability and growth are crucial aspect with regard to investments and for students, awareness and information regarding various investment avenues is necessary to make the right investment decision.

Limitations of the study

- This study is limited to Indore district, a district in Madhya Pradesh, hence the generalisation is limited.
- The method of study adopted for this thesis is sample survey, therefore the study is faced with the disadvantages of the sampling and it is one of the important limitation of sample survey that it may not possible to ensure the representativeness of the sample.
- This study is based on the primary and secondary sources of data. The secondary data had limitations as the available data may not be accurate as desired and up to date.

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