



e-ISSN: 2319-8753 | p-ISSN: 2347-6710

IJRSET

International Journal of Innovative Research in
SCIENCE | ENGINEERING | TECHNOLOGY

INTERNATIONAL JOURNAL OF INNOVATIVE RESEARCH

IN SCIENCE | ENGINEERING | TECHNOLOGY

Volume 12, Issue 4, April 2023

ISSN INTERNATIONAL
STANDARD
SERIAL
NUMBER
INDIA

Impact Factor: 8.423

 9940 572 462

 6381 907 438

 ijirset@gmail.com

 www.ijirset.com



A Study on Stock Market Awareness among the Educated Youth with Special Reference to Villupuram Town

Drishti Rani¹, S. Keerthana²

Assistant Professor, PG & Research of Commerce, Theivanai Ammal College for Women, Villupuram,
Tamil Nadu, India ¹

UG Student, PG & Research of Commerce, Theivanai Ammal College for Women, Villupuram, Tamil Nadu, India²

ABSTRACT: The Stock market is a formal, organized set-up which provides a common platform to various buyers and sellers to buy and sell shares and securities of numerous companies as listed on the stock exchange from time to time. Stock market awareness comes under the broader concept of financial literacy. This study is an attempt to assess the awareness of educated youth about various aspects of stock market including concepts, products, processes, institutions, investment etc. Convenient sampling method was used to collect primary data from 100 respondents residing in Villupuram town using a well framed questionnaire. Statistical tools like the Percentage Analysis and Rank Correlation were used and the results were obtained. The major findings of the study are majority 55% of the educated youth is willing to invest in stock market, 40% of the educated youth prefer to invest in gold and Real estates and 30% educated youth is investing in mutual funds. The results of the study reveal that the sample youth possess low to moderate level of stock market knowledge. It has been recommended that youngsters are required to possess an active, enthusiastic and an optimistic approach while investing into the stock market.

KEYWORDS: Financial Literacy, Investment, Stock Market, Rank Correlation

I. INTRODUCTION

The stock market is an important instrument to measure the economic condition of a country. It is referred to as the "heartbeat of the economy" or "economic mirror," reflecting the state of a nation's economy and is the secondary market where investors can buy or sell shares publicly. Investing in the stock market is rightly called as a financial adventure as it requires sufficient financial knowledge, investment skills, ability and willingness to take up risks. Even if there are subjective differences in the stock market investing process, the unanimously agreed aim is to earn maximum returns at minimum risk. The need for multiple sources of income has turned the young population to look at stock market as an avenue for earning supplementary income. These attractive opportunities encourage people to save more and invest more in securities other than investing in unproductive assets such as gold, silver etc. The stock exchange is a component of the stock market. In order to create awareness among investors all over the country, SEBI has taken a number of steps to increase awareness among people about investing in the securities market. The project "A study on stock market awareness among the educated youth with special reference to Villupuram town" is an attempt to know the awareness level of the youngsters and the factors which affects their level of awareness about stock market.

II. REVIEW OF LITERATURE

Fatima Khan et.al. (2015) Retail investors are the key players in the stock market. Their investment decisions are influenced by many factors such as demographic, cultural, regional, social and so on. The main objective of this research paper was to study the investment habits of stock market investors of Khulna city in Bangladesh. Some important components which influenced the stock trading decisions of investors include companies past performance, familiarity of the company, stock market index, companies' financial records, prices of securities, the underlying trading risk, the expected returns on investment etc.



R.Siva Sakth (2017), the study entitles consists of Investor Awareness of Stock Markets in Stock Broking Firm. The objective is to study the impact of the investor's awareness in the Stock Markets. To study the influence of stock and investment strategies in Saravana Stocks Private Limited. To study the influence of demographic profile on investors awareness on stock market in Saravana Stocks Private Limited.

A. Kamaruniza (2019), A structured questionnaire was developed to gather data from 100 retail stock market investors in Chennai. Percentages and mean values were used in the evaluation. The study demonstrates that postgraduate, professional, high-income investors are cautious of investment patterns through friends and neighbors, and they earn a high income. The research also revealed that retail investors are aware of fundamental and technical investment analysis, which helps them make better and wiser investments.

Ashwini Ajay and Shabu K R (2020) The main objective of this paper was to analyse the investment practices and priorities adopted by salaried class young employees of Kerala region. The most opted investment vehicle included bank deposits followed by gold and post office schemes due to safety reasons. Wealth appreciation and settlement of long-term debts were found to be the most common goals of investing and the popular channels of gathering money-related information included family and friends followed by internet and newspapers. It was concluded that majority of young investors were unwilling to buy risky investments. There is a need to enrich them with the latest financial knowledge and also to motivate them to buy some adventurous investments like stocks, bonds, mutual funds as per their financial needs.

Mohini Saini (2023), this 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.

Statement of Problem

Most of the researches on Stock market awareness and participation are conducted in other developed parts of the country and there are very few which are conducted in the deprived parts. There is no such research conducted before on the youngsters of an extremely deprived town. The research has been conducted in Villupuram town which is one of most deprived districts in Tamil Nadu to know about the awareness of its educated youth about the stock market.

Objectives of the study

- To measure the level of awareness of youth regarding stock market products, investment avenues, terms, institutions and services.
- To identify the awareness and participation rate in the stock market among the educated youth.
- To analyze the trading and investment behavior of the youngsters and their opinion on risk factor in stock market.

Scope of the Study

Nowadays, as the number of retail investors investing in the stock market has been rising gradually, it is important to know whether they are investing with proper knowledge or not. This study was done with the help of the data collected through primary and secondary sources and it covered 100 samples in Villupuram town. And finally, it also shows how many people save from their income and where people prefer to invest more, whether in stocks or in mutual funds or in traditional investments such as gold, and real estate.



Limitation of the study

- The study's findings were based on data obtained from a single town and cannot be applied to other investment possibilities.
- Youngster's views and ideas about investing in the stock market have been shaped by circumstances and may change over time.
- Since the sampling procedure was judgmental, the sample selected may not be true representative of the population.

III. RESEARCH METHODOLOGY

- **Data Collection**
- **Primary Data**

The data from the primary sources is based on the field survey conducted by personally approaching the respondents with the well-designed questionnaire, which was pre-tested before actually administering it.

- **Secondary Data**

Textbooks, journals, online newspaper articles, and websites were combed through for information on awareness of educated youth on stock market.

- **Sample Size**

In Villupuram town, 100 youngsters who are educated have been approached to obtain information. A simple random sampling method was adopted to collect responses within the area of Villupuram Town.

- **Statistical Tools**

The data were analyzed and interpreted by using Percentage Analysis and Rank correlation.

Data analysis and Interpretation

- Will you invest in stock market during your life time?

Content	Respondent	Cumulative	Percentage
Yes I will think about it	30	30	30%
Never	10	40	10%
Sure	05	45	05%
May be	55	100	55%
Total	100	100	100%

- **Interpretation:**

This table represent that 55% of youth are not yet willing but if they will get a chance to invest they will, 30% youth are thinking how to invest in it, 10% youth will never invest and 5% youth will surely invest in it.



• **Inference:**

Majority 55% of the youth is not yet investing but if they are willing to invest in future.

- How you invest your savings?

Content	Respondent	Cumulative	Percentage
Stocks	10	10	15%
Gold	40	50	40%
Real Estate	40	90	40%
Mutual Funds	10	100	10%
Total	100	100	100%

• **Interpretation:**

This shows that the 40% of the youth is investing in gold, 40% of them are investing in real estates and 10% each of them are investing their savings in stocks and mutual funds.

• **Inference:**

Majority i.e 40% of the youth is investing their savings in gold and Real estate respectively.

Rank Correlation

Rankings the different stock market investment options based on risk level (SPEARMAN’S RANK CORREALTION)

Types	High Risk	Neutral	Low Risk	Not that much of risk	Total	Mean	Rank
Equity (Score F1)	55 55*4 220	25 25*3 75	15 15*2 30	5 5*1 5	100 330:100	3.3	I
Mutual fund (Score F1)	40 160	30 90	20 40	10 10	100 300:100	3	II
Bonds (Score F1)	20 80	10 30	40 80	30 30	100 220:100	2.2	III
Gold ETF (Score F1)	10 40	10 30	30 60	50 50	100 180:100	1.8	IV



d=330-180

= 150

$RC=P=1-6\sum d/n(n^2-1)$

=1 - 6*150/100(9999)

=1 - 900/999900

=1-0.0009

P=0.9991

INTERPRETATION

The above tabulation through rank correlation proves that out of the available options Equity is having the highest risk followed by Mutual funds. Bonds are at the third position in terms of risk factor and finally Gold ETF is regarded as the safest option to invest in an stock market.

Findings

- According to the study, youth understand the fundamentals of the stock market and are some of them are actively investing, but some respondents are only aware of the stock market but do not participate it.
- There is a strong link between information sources and stock market investments. It means greater the number of information sources tapped, better was the quality of investing decisions.
- There is a strong positive relationship between investment aims and stock market investment awareness. It means that more and more efforts are made by the respondents to grasp the stock investing knowledge and information so as to achieve the goals of investment efficiently and effectively.

Suggestions

- Some respondents have agreed that special awareness camps should be organized in various cities, towns and villages.
- A good number of respondents have this contention that media resources such as newspapers, magazines, journals, radio, TV and cinemas have not been fully exploited to make the educated people financially literate. Hence, concrete steps should be taken in this direction by all the concerned.
- A sizable number of people have agreed that some chapters regarding various aspects of stock market and investment services should be included in the curricula of students at the school level and college level.
- Moreover, similar percentage has also wished that periodical seminars should be held in various educational institutions to publicize various aspects of finance.
- Government should launch its own platform, where individuals can use it to learn about equities and Mutual funds.

IV. CONCLUSION

After conducting research on the topic “A study on stock market awareness among the educated youth with special reference to Villupuram town” we came to know that the average literacy of the educated youth especially in Villupuram town is between low and moderate, so far as the stock market is concerned. With response to the awareness about the stock market processes and institutions, the average literacy of the youth is very low. Due to the risk involved in the financial markets, several respondents showed some non-participation. Also, the respondents who had partial knowledge of the subject were also not participating in the stock market due to the market risk involved. The youth who are not exposed to the financial market, it is wise to make investments Education in society to ensures that everyone is knowledgeable and ready about real-world stock market investing.



REFERENCES

1. Ms.Aswathy, International Journal of Advanced Research in Science, Communication and Technology (IJARSCT), 2022
2. Akshit Gupta, International Journal of Research Publication and Reviews, 2023
3. Mohini Saini, Journal of Emerging Technologies and Innovation Research, Feb 2023
4. Akhter, Aabida, and Mohi-ud-Din Sangmi. "Stock market awareness among the educated youth: a micro-level study in india." Vision, 19.3 (2015): 210- 218.
5. Manorselvi, A. "A Study on Students Attentiveness Towards Indian Stock Market." MS Ramaiah Management Review ISSN (Print)-0975-7988, 10.01 (2019): 33-40.
6. Hanuman Prasad, Devendra Meghwal and Vijay Dayama. (2018, December). Digital Financial Literacy: A Study of Households of Udaipur. The Journal of Business and Management (JBM), Volume V(Issue I), 23-32.
7. Fatima Khan, Farhana Afrin And Mirza Arifur Rehman. (2015, October). Factors influencing investor's decisions in stock market investment in Bangladesh(A study on Khulna City). Journal of Finance and Accounting, 3(6), 198-204.



INNO SPACE
SJIF Scientific Journal Impact Factor
Impact Factor: 8.423



ISSN INTERNATIONAL
STANDARD
SERIAL
NUMBER
INDIA



INTERNATIONAL JOURNAL OF INNOVATIVE RESEARCH

IN SCIENCE | ENGINEERING | TECHNOLOGY

9940 572 462 6381 907 438 ijirset@gmail.com



www.ijirset.com

Scan to save the contact details