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Investor Perception towards Online Trading Of Stock

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ABSTRACT
The stock market has flourished since its inception, providing investors with a promising opportunity. However, many potential investors are wary of the stock market because of its history of volatility. Because of the potential for loss of investment capital, many potential stock market participants express apprehension. Investors can make a lot of money in the stock market, but there are also a lot of risks involved, so they need to be well-informed before making any purchases. This study set out to answer the question, "What factors influence people's investment decisions?" with the specific goal of identifying any discrepancies between investment types. The study also looked into investors' familiarity with the stock market. A questionnaire and in-person interviews were used to gather information about the investors' perspectives, behaviours, attitudes, and general level of knowledge. Chi-square analysis was used to find a statistically significant relationship between the two variables. It was argued that many factors influence an investor's choice, including the potential for gain or loss, tax implications, time horizon, capital appreciation, and safety of principal. However, the vast majority of investors cited returns as their top priority. Most investors prefer stock investments over other options like mutual funds and derivatives. While the majority of investors made their own investment decisions independently, the research also found that some were influenced by workshops, seminars, or advertisements.

I. INTRODUCTION

The study of why people make financially irrational decisions has become its own academic subfield. Who are you as an investor? Human behaviour theory and study may shed light on this mystery. According to research conducted by Dalbar, a financial services firm, in 2001, the average investor does not achieve parity with the market index return. The S&P 500 returned 16.29% annually over the 17 years ending in December 2000, while the average equity investor earned only 5.32%. While the long term governed bond index returned 11.33 percent per year, the average fixed security returned 6.08 percent. By mediating between those with surplus funds and those with deficits, the Capital Markets bring together those with extra cash and those who need it most.

It improves the economy's overall health by redistributing resources from those who don't urgently require them to those who do. Securities, such as stocks and bonds, are another mechanism by which the economy redistributes the money saved and deposited in banks. "Going public" refers to the process by which a private company offers its stock to the public. When a company sells stock to investors, it is essentially giving each buyer a small piece of the company itself. This method of raising money is known as "equity financing."

Corporations can raise capital through a variety of methods, including the sale of bonds and other debt securities. The first time a company sells shares of stock to the general public is called a "Initial Public Offering" (IPO). This agreement between the company and its shareholders is final. The "Primary Market" is the place where freshly issued shares can be purchased. To be listed on an exchange, a company's stock must meet certain criteria regarding its finances, public distribution, and management. When these conditions are met, the company can submit an application to have its shares listed on the exchange.

Shares can be traded on the secondary market after an IPO has been completed. Bond sales occur OTC when investment dealers are used instead of an exchange. Bonds with initial maturities of more than 20 years are uncommon on the secondary debt market, but bonds with maturities ranging from one year to infinity are regularly traded. Bonds with a maturity of 12 years or more are typical of the long-term market.

The term "derivative" refers to a specific type of financial instrument. Their value is linked to that of a different asset, such as a commodity, bond, stock, or currency.

OBJECTIVE OF THE STUDY

The research hopes to uncover people's preferred investment strategies and methods. A good indicator of how investors feel about a company is how they evaluate its products and services. Today's difficult economic conditions force businesses to make difficult decisions. Knowing what investors want on a consistent basis can help you weather the storm. Management relies heavily on ongoing feedback from shareholders, partners, and staff to keep innovating and growing.

The purpose of this research is to analyse and evaluate the factors that affect investors' perceptions of the Indian stock market. The study's geographic scope has been narrowed to the NCR because that's where most Indian stock market investments are made. Based on our findings, we will advise our respondents on how to invest wisely in the securities that are traded on the Indian capital market**.**

"The main objective of the project is to find out the needs of the current and future investors."

In order to provide explanations for "When making investments, what kinds of financial instruments do people favour? How long, on average, do they expect to keep their investments?" In order to answer questions like, "How much do investors and consumers know about the market?" and "What are the most important factors they consider before investing?" we need to survey their knowledge and understanding in several key areas.

RESEARCH METHODOLOGY AND DATA COLLELCTION

The stock market and how investors feel about it is the primary focus of this research. Investors are polled via survey to collect primary data across multiple dimensions for this type of descriptive research.

PRIMARY DATA

A questionnaire schedule was prepared and the primary data was collected through survey method.

SECONDARY DATA

Company website
Books
Related information from Internet
Customer database

SAMPLING TECHNIQUE

The ultimate purpose of the study will be used to guide the initial rough draught. A preliminary test will be run to gauge the questionnaire's accuracy. A convenience sample will be drawn from the pool of investors. When conducting research, it is common practise to sample from the population based on how easily accessible the units are.

SAMPLING UNIT

The individuals who will be a part of the sampling are called sampling units. This group includes people who work for multinational corporations, government agencies, stay at home moms, run their own businesses, are professionals, or have invested in the stock market.

COMPANY PROFILE

The Indian financial sector is widely regarded as one of the strongest in the world. The RESERVE BANK OF INDIA serves as the country's central bank, and the success of the

Indian economy's financial sector has been the subject of much discussion amongst experts (RBI).

India's financial sector has thrived thanks to the country's newfound competitiveness. India's monetary system is supervised by separate agencies responsible for banking, insurance, mortgages, and the stock market. The Indian government has a significant impact on the country's financial market regulations.

It is the responsibility of India's Ministry of Finance to The Ministry of Finance releases its annual budget on February 28. The Reserve Bank of India, the country's central bank, is a key player in this process. The monetary policy implemented by the Indian government has been very successful. The financial system in India is governed by a number of different regulatory bodies, the most important of which is the Reserve Bank of India (RBI). The banking system and other financial institutions in India are regulated by the Reserve Bank of India (RBI).

Indian stock market regulation falls under the purview of SEBI, or the Securities and Exchange Board of India.

• In India, the Insurance Regulatory and Development Authority (IRDA) is in charge of keeping everything in order in the insurance sector.

The Association of Mutual Funds in India is the regulatory body for the Indian mutual fund industry (AMFI).

In India, all FDI is monitored by the Foreign Investments Promotion Board (FIPB).

The riskiness of an investment can be used to classify it into one of three broad groups. The investment's past, the organization's structure, and the government's involvement are all factors that affect the degree of risk. For one, they represent investments virtually immune to failure.

The Second, Medium-Risk Level

The third category is that of extremely risky investments.

Apart from these, there are traditional investment avenues and emerging investing avenues.

VARIOUS INVESTMENT AVENUES AVAILABLE IN INDIA

Safe\low risk avenues:
- Savings account
- Bank fixed deposits
- Public provident fund
- National savings certificates
- Post office savings
- Government securities

Moderate Risk avenues:
- Mutual funds
- Life insurance
- Debentures
- Bonds

High risk avenues:
- Equity share market
- Commodity market
- FOREX market

Traditional avenues:
- Real estate (property)
- Gold/ Silver
- Chit funds

Emerging Avenues:
- Virtual Real estate
- Hedge funds / Private equity investments
- Art and passion

II. DATA ANALYSIS

One hundred investors' responses are analysed at random. The primary objectives of this report are (1) to learn how investors respond to various investment opportunities and (2) to learn the preferences of current and potential investors.

In order to identify patterns in investors' actions, the questionnaire probes them with a wide range of inquiries about their past financial dealings.

Information from a sample of one hundred investors is used for statistical and analytical purposes. A valid and acceptable interpretation is drawn with the knowledge that it may or may not be the correct one.

All conclusions are drawn solely from the data collected through the questionnaires, and no other data or information is used in the analysis.

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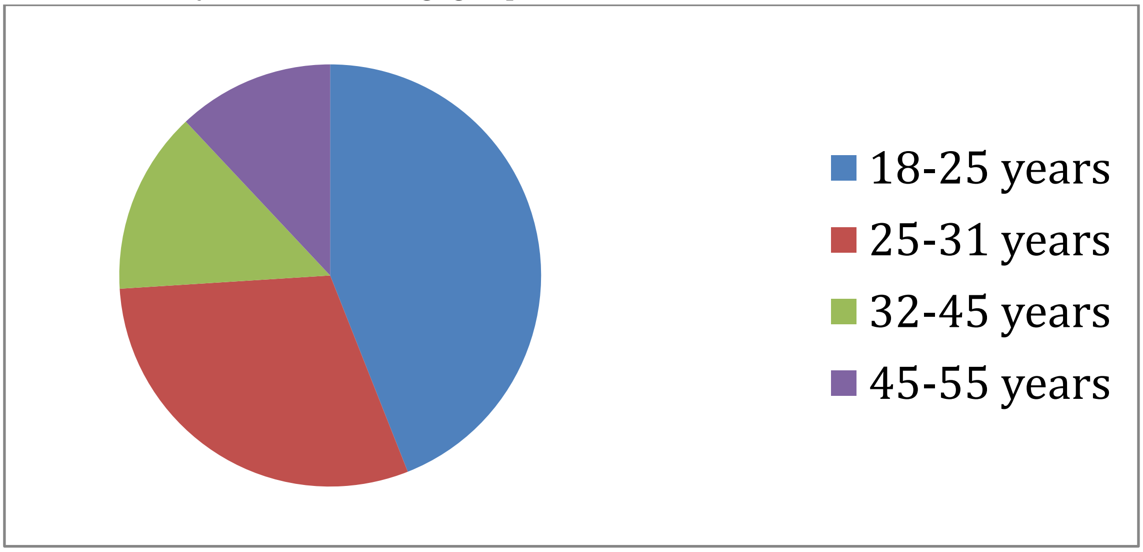
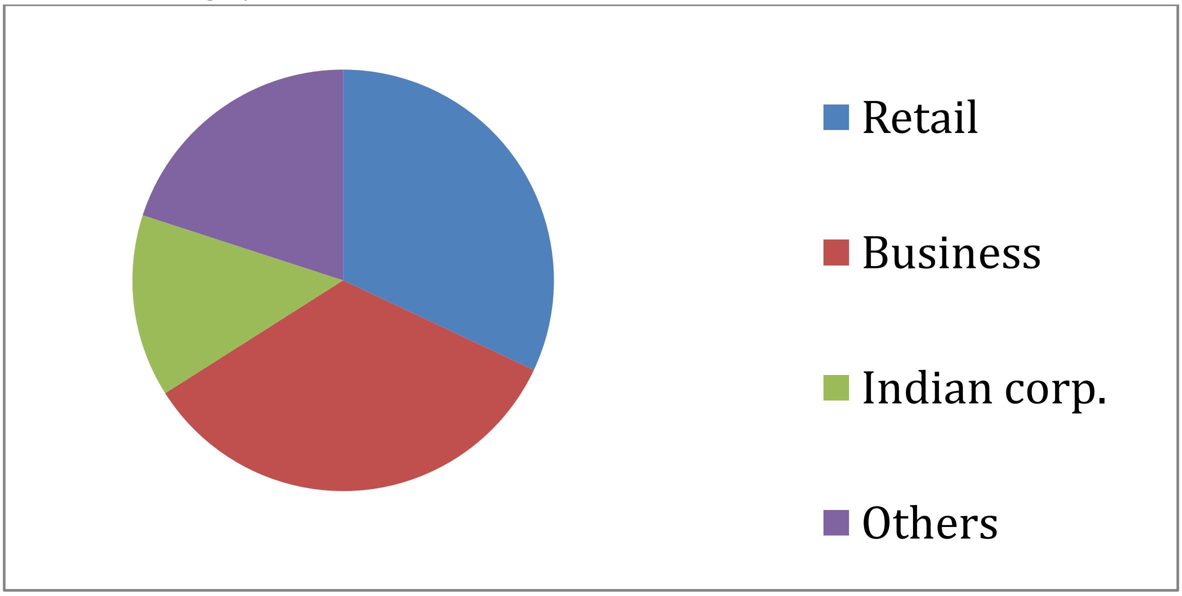
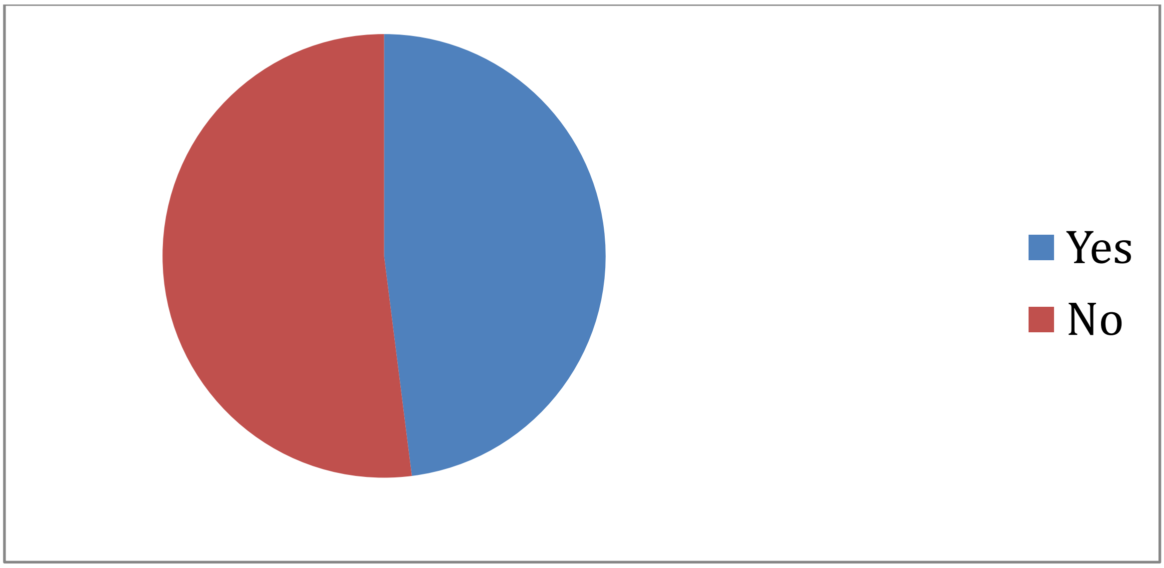
Question: Data analysed from various age groups?



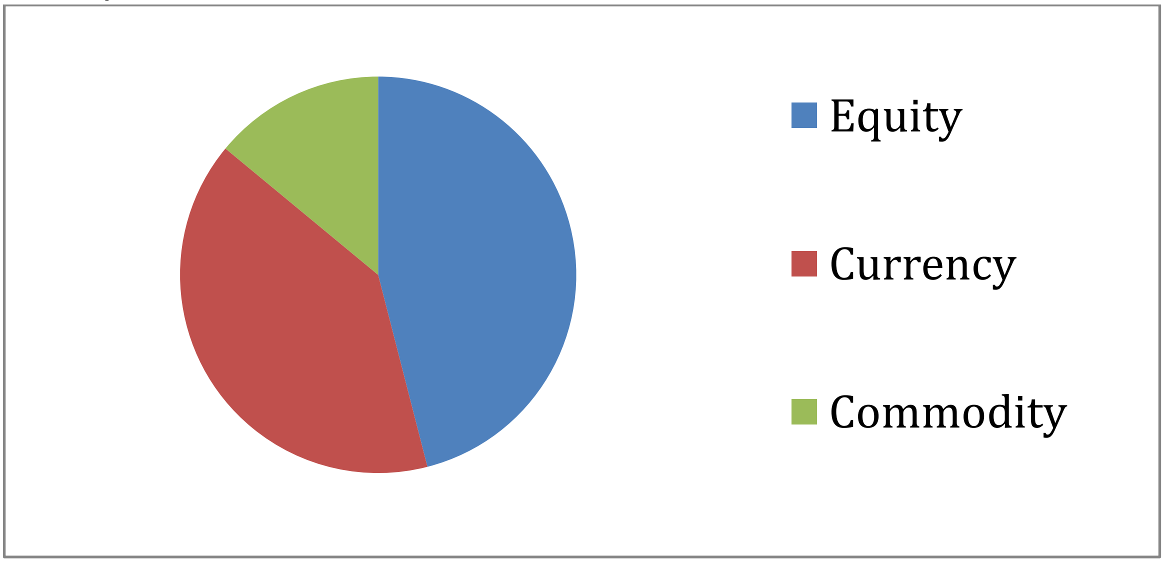
Question: The category of investors'?



Question: Have you undergone any training in derivatives from NSE, BSE or Broking Firms before starting trading in equity derivatives?



Question : you invest in which derivatives Market?



III. CONCLUSIONS

These findings lend credence to the hypothesis that investors become more risk averse as they get older. The interesting findings regarding individual investors in the current study have important implications for investment managers. Individuals still favour safe investments over those with higher potential rewards. This demonstrates that Indian investors are risk-averse and favour the status quo, despite their apparent socioeconomic advantages. Investment professionals can capitalise on people's apparent penchant for couch potato behaviour by catering to their needs with low-risk investment options.

IV. FINDINGS

Here are some of the findings from the study:

Most investors have a good grasp of the options available to them.

Financial experts know not to put all of their eggs in one basket. However, the vast majority of capital is invested in stocks, mutual funds, and debentures.

Most investors want to see their money multiply quickly.

The beliefs of the investor and the beliefs of those close to them both play a role in the investor's choice of investments.

Although risk, tax benefits, and capital appreciation all play a role, the return on investment is the most crucial factor for any investor to take into account.

Most savers set aside between fifteen percent and twenty percent of their annual income.

Most investors prefer to make investments on a monthly basis.

The vast majority of investors are content with the return on their investment.

The majority of affluent people use non-conventional investment methods.

The projected rate of return was a major factor in deciding to make the investment.

According to the data, the vast majority of India's investor population consists of men.

People who invest typically have some college under their belt.

V. LIMITATION

This analysis is based on the fact that investors would rather invest when times are good than when they are bad. This study would primarily examine investors' levels of familiarity with, and subsequent use of, a variety of financial products.

There are a few qualifiers to the study's findings. • Due to the vast number of available financial instruments, conducting a comprehensive analysis would be prohibitively expensive and time-consuming. There are a variety of sources from which the general public can acquire these types of financial instruments. Managing and analysing this kind of unique and varied data is time-consuming and labor-intensive.

The use of both primary and secondary data in the analysis means there is always the risk of sensitive information falling into the wrong hands. Respondents' reluctance to provide necessary information about themselves may reduce the reliability of the responses.

There is more room for error in questionnaire data.

REFERNCE

BOOKS

- The mindful investor, by Maria Gonzalez and Graham Bayron
- Understanding Indian Investors, by JawaharLal

RESEARCH PAPERS

An empirical study on Indian individual investors behavior, by Syed Tabassum Sultana.

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