

ANALYSIS OF ATTITUDE OF THE INVESTORS ABOUT CAPITAL MARKET INVESTMENT WITH REFERENCE TO MEERUT NCR

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ABSTRACT

The economic development of any country depends on the amount of investment in a nation's output of goods and services. The financial system provides a mechanism by which savings are converted into investments. In this research the details relating to attitude of investor about capital market are analyzed using simple percentages for assessing the respondents with respect to their investment attitude such as market security, profitability, experience before investment, liquidity, good returns, influence of investment decisions and nature of investor and other details.

Keywords: Investors, Investment, Attitude and Capital Market

INTRODUCTION

In day to day lives, every individual believe in proper utilization of fund and make effort to spend money on the items which is required to fulfill their basic needs. For example- in order to run their household activities, person make proper planning of their earned income- i.e how much to spend in the form of bills for particular month, how much can we save and how to utilize the saved amount and so on. Similarly, a proper portfolio is to be required and managed while making investment in land, property or real estate as investment once made cannot be taken out at the moment. Before making investment an individual collect full information about the property that he is going to purchase, its locality, nearby areas etc. Thus, it can be said that investment is something that can be sacrificed in present with the expectation of future profit. Investment is the combination of risk and profit. As future is uncertain, thus, it is necessary to determine how much risk one is ready to bear (Pandian, 2011).

In India, investors believe that the investment avenues are quite risky as every investor expects security of principal amount, income stability, liquidity, easy transferability and no or less volatility. If there is any chance of variation in the actual return, it is termed as investment risk. There are many investment options available as the financial system of economy is dynamic in the market such as shares, debentures, fixed deposit of banks or coma real estate, post office. The investment pattern of individuals/ investors differs from each other depending upon the choice of scheme or amount of investment.

Generally, Banks, financial institutions, HNIs etc. are the major investors of capital market. Even individuals as an investor are more likely to be observed in making investment with the hope of getting future profit or for getting tax rebate. Generally, women are seen to be less involved in making investment. No doubt, women believe in saving but traditionally, they preferred to make investment in post office, banks, jewelry or insurance sector. The propensity to save and invest in Bonds, shares, mutual fund increases with the changing scenario. More number of women has become career oriented, employed in job so their perception has also become changed (parmashivaiah, 2014).

However the present study deals with the attitude of general public towards investment in capital market.

CAPITAL MARKET

The capital market plays a significant role in the development of an economy by way of channelized the saving of investors into productive use. The capital market helps in capital accumulation and economic development of the country by allocating scarce resources transferring from savers to borrowers (Deepak chawla, 2014).

The capital market bridges a link between two parties i.e. savers and investors. The person who is lending the money, is called saver while the person borrowing the money, is called investors. The saver of money is a person who does not spend all their income and saves money, is known as 'Surplus Unit' and the borrowers known as 'Deficit Units'.

The term financial system is related with three terms- Money, credit, and finance. Money means the medium of exchange. Credit or loan is a volume of money to be returned to the monetary resources comprising debt and ownership funds.

A financial market is a market place where people trade various financial securities at low transaction costs and at price which determined by supply and demand of the commodity. Securities include shares, bonds and debentures, and commodities include rare metals and agronomics products. Financial markets are the place that provides facilities of exchange of financial securities i.e. buying and selling of financial assets. Financial markets can be categories into primary and secondary markets. Money market deals in short term claims (with a period of maturity of one year or less) where as capital market deals in long term financial assets (maturity period more than one year).

An investment refers to giving funds today with the hope of some positive rate of return in future. Now days the scale of investment is indeed wider than earlier. An investment has to deal with a way of investment avenues. Among all the investments, majority of investment is in equity. In order to earn some money from investment, one of the safest ways to invest is in shares of

feasible companies. This is because there are measurable parameters that can help to take an informed decision.

LITERATURE REVIEW

Amit Kumar Nag & Janil Shah (2022), identify the influence of financial literacy (FL) on the stock market investment decisions of individuals belonging to Gen Z in India. Attitude toward investment (AT) and perceived behavioral control (PBC) were considered as the mediating factors related to the same, while social factors (SF) and subjective norms (SN) were considered as independent factors. Financial literacy had the highest positive effect on investment intention ($\beta = 0.435$). AT and PBC, which are the mediating variables, had a total positive effect of ($\beta = 0.403$) and ($\beta = 0.275$) on investment intention, respectively. FL had a total positive effect of ($\beta = 0.358$) and ($\beta = 0.614$) on AT and PBC, respectively. SF had a total positive effect of ($\beta = 0.118$) on AT, and SN had a total positive effect of ($\beta = 0.219$) on investment intention.

Qianyi Yang (2022), defines the concepts of big data, investor sentiment and stock returns, analyzes the measurement methods of investor sentiment, and deeply analyzes the overall effect and cross-sectional effect of investor sentiment on stock returns under the background of living alone. The results show that big data technology plays a strong role in promoting the research results, can comprehensively analyze various influencing factors, and investor sentiment has a great impact on stock returns.

Dillip Anand (2022), Investing in mutual funds, stocks, and banks is compared, and the Net Asset Value (NAV) is calculated. These are all topics covered in the paper. Investors' attitudes regarding mutual funds are influenced by a variety of economic and demographic characteristics, including their age, gender, and degree of literacy, as well as their amount of income, kind of employment, and personal savings, all of which are discussed in this article. Weighted average scores and an assumed scale were used to rank aspects like gender, age, income and education of investors in order to examine different factors such as gender, age, income and education. It is hypothesised that investors' attitudes regarding mutual funds may be influenced by these variables.

Muhammad Asif Nadeem et al. (2020), investigate how investor's money attitudes shape their stock market participation (SMP) decisions. This research has concluded that investor's money attitudes are significant to affect their stock market participation decisions. Further, it was found that risk attitudes partially mediate the relationship between money attitudes and stock market participation. Moreover, financial knowledge and financial self-efficacy positively moderated the relationship between money attitudes and stock market participation. This research is one of the early attempts at studying the money attitudes of investors and introduces financial self-efficacy as a moderating construct between money attitudes and stock market participation.

Bharadwaj, S and Saxena, A. (2020) mentioned in his study that investment norms, guidelines, policies, and facilities are change with the time. Here, the study not only dealt with the investors perception out of various investment alternatives but also tried to identify the impact of demographic profile in Agra. The data collected was punched in SPSS and appropriate statistical analysis was performed. The finding of the study revealed the most prominent reasons for investment are principal stability and growth of income.

Shantha, Kalugala Vidanalage Aruna (2019), explore how learning occurs within individual investors to reduce their herd bias. The data was collected by distributing a web-based self-administrated questionnaire to a sample of 1000 individual investors of the Colombo Stock Exchange, who were randomly selected during a period from March to August 2018. The results show that learning takes place when investors cognitively evaluate past trading experiences, which is induced by their desire for learning, and, consequently, reduces their herd bias. However, as the model predicts, strengthening this cognitive reflection from the relationship with the investment advisor and social learning among investors through their peer-relationships appear to be absent due to uncertain market conditions prevailed during the study period and dominance of unsophisticated investors in the market.

As per the study of Disha, et. al. (2018) most of the investment avenues like Life insurance, Postal saving etc. are available which are very risky. The risk tolerance level help in deciding the choice of the investor.. This is the major reason why the perception of the investor changes when it comes to the investment in equity and derivatives. There is lot confusion in the investment patterns and the investment avenues to be decided between equity and derivatives. The present research study aims to compare the perception of investors towards derivatives and equity.

Sathivavani, S (2017) carried out investor's perception towards capital market was studied where focus was given on identifying the risk taken by investors for which questionnaire were deigned taking sample of 120 respondents through convenient sampling technique. Simple Percentage Analysis, Chi-Square Test & Rank Correlation as statistical tools were used. Analysis and Interpretation arrived out with the major findings and various recommendations are given which would help investors in wealth maximization.

Raju, N.S. and Patra, A (2016) in his study mentioned types of risk associated with different investment avenues. Thus, it is necessary that to have knowledge about characteristics of each one of the different types of investment. The research was carried on chosen zones of Visakhapatnam District (A.P.) for which primary source of information was gathered through questionnaires by using five point likert scale. Convenience sampling technique was used and data was collected from 200 respondents. After interpreting through percentage method, Chi- Square test, weighted average ranking method was adopted.

Panjali, N. and Kasilingam, R. (2015), "A Study of the Impact of Investors Life Style on Their Investment Behaviour," in their study state that investment behavior of investors can be studied in various ways. Lifestyle is another important factor which influences the investment behavior of the people. So now it becomes important for the intermediaries and capital market operators to know the lifestyle of the investors to design effective instruments and can motivate them to enhance their penetration in different financial avenues.

Tanvi, Lahoty; Sunita, Pathak (2014), found that bank deposits (post office deposits, provident funds and recurring deposits) were the most preferred decision for investing among investors. It shows that investors were more curious about such devices that guarantee fixed returns. Gemstones remained the second most preferred choice for investing. Real estate acquired third place after insurance (life and annuity). This study helped in identifying the investor's choice in various investment routes. According to the study, fixed deposits are the most preferred and the equity is the least preferred.

OBJECTIVES OF THE RESEARCH

The main objective of the research is to know the attitude of the public towards capital market in Meerut District (NCR).

HYPOTHESIS OF THE RESEARCH

H01: There is no significant difference in the attitude of investors towards capital market with respect to gender

H1: There is significant difference in the attitude of investors towards capital market with respect to gender

RESEARCH METHODOLOGY

The research design used in the study is descriptive research in nature. In this study both primary data and secondary data is used. Primary data is collected from Structured questionnaire distributed among the respondents. Secondary data is collected with the help of following sources: news papers, magazines, websites, general discussion with brokers of BSE, NSE and published data of BSE and NSE, Other secondary sources (e.g. previous Ph.D. thesis, M.Phil. Dissertations etc.) In the present study all the investors of Meerut district (NCR) constituted the population. The sample size of 200 respondents was taken from Meerut districts. For the present study non-probability convenient sampling technique is used. The primary data collected in the form of raw data first punched in SPSS (Statistical Package for Social Science) Computer package and then coded in numbers. Thereafter, analysis of descriptive study was done by using statistical tools such as frequency distribution and percentage analysis to identify the investment detail of the investor. The inferential statistics include testing of hypotheses by applying chi square test of good fit, student t test and ANOVA.

Table 1 Investing today in Capital Market is for better tomorrow

Response	N	%
Not sure	18	9
Agree	120	60
Strongly Agree	62	31
Total	200	100

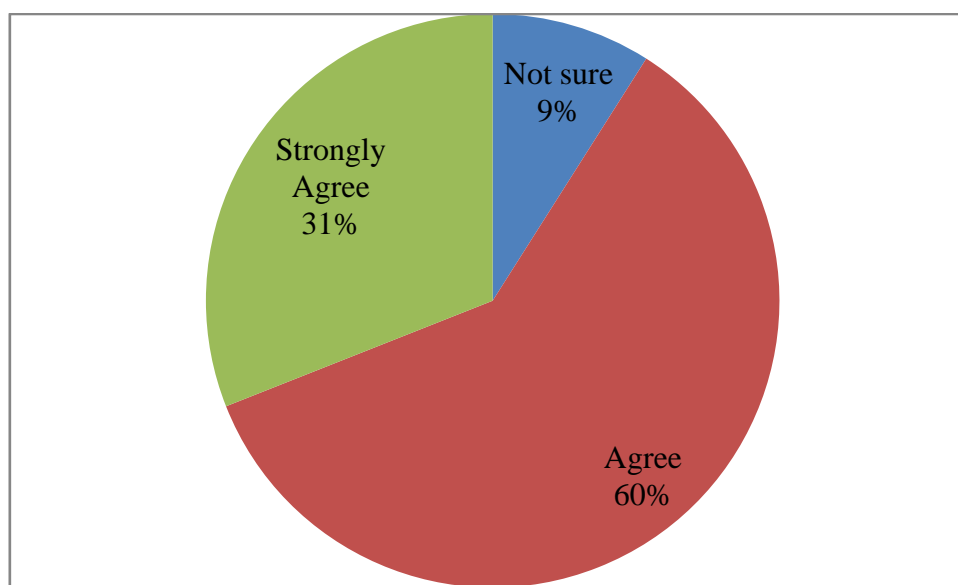


Fig. 1 % of respondent Investing today in Capital Market is for better tomorrow

The table 1 shows that majority of the investors in Meerut districts think that investment done today in capital market gives better results tomorrow. It seems that they have a positive attitude towards investment. While only very few investors are not very sure about this.

Table 2 Investment in Capital Market offers safety

Response	N	%
Disagree	9	4.5
Not sure	48	24
Agree	125	62.5
Strongly Agree	18	9
Total	200	100

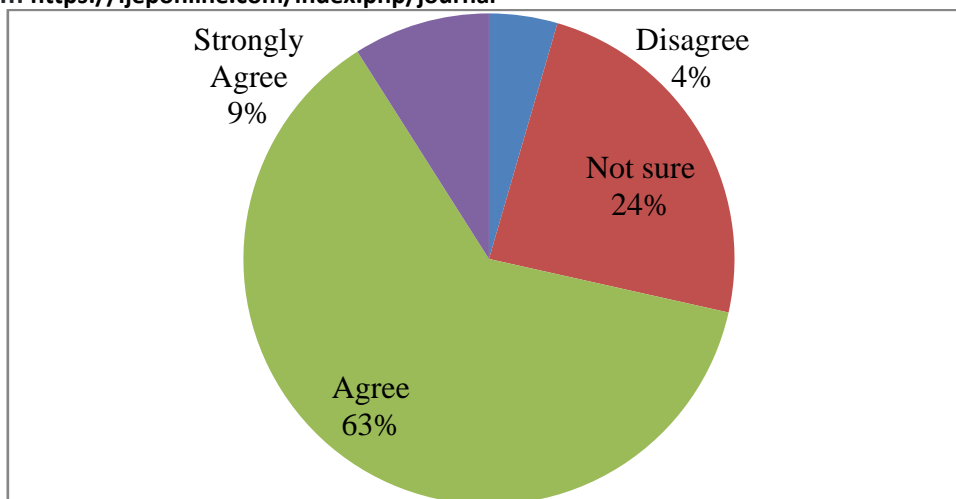


Fig. 2 % of respondent on Investment in Capital Market offers safety

The table 2 shows that the Majority of the investors in Meerut districts (NCR) agreed that investment in capital market offers safety to them. It indicates that they are not conservative towards investment. 24 per cent investors are not sure about the safety feature.

Table 3 Investment in Capital Market is profitable

Response	N	%
Disagree	5	2.5
Not sure	22	11
Agree	148	74
Strongly Agree	25	12.5
Total	200	100

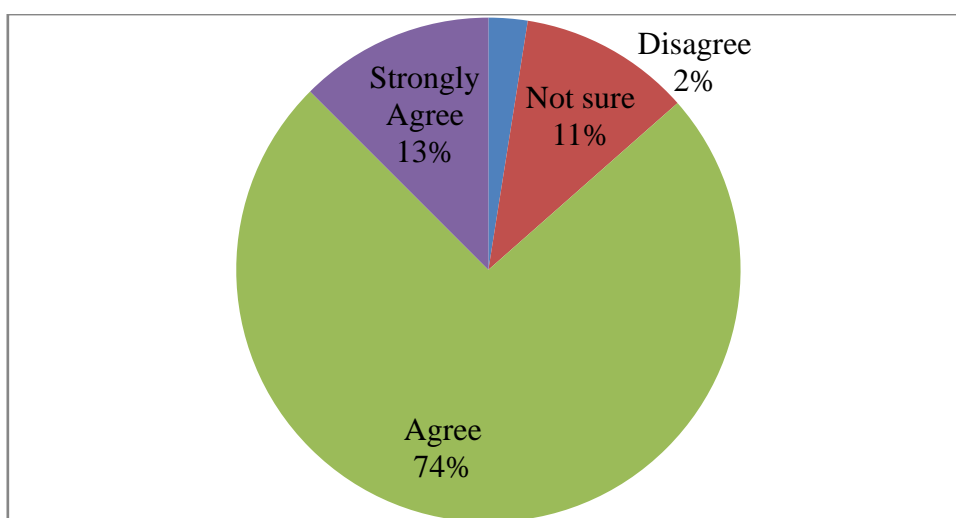


Fig. 3 % of respondents on Investment in Capital Market is profitable

The table 3 shows that majority of the investors in Meerut districts (NCR) has a positive attitude towards capital market as 74 % of the respondents believe that investment in capital market gives them profitability. It shows that they are well aware about market that it gives profitability 12.5 % of respondents are strongly agreed. Only 11 % are not sure that whether investment in capital market provides profitability or not.

Table 4 Procedure of Capital Market is difficult

Response	N	%
Disagree	148	74
Not sure	47	23.5
Agree	4	2.0
Strongly Agree	1	0.5
Total	200	100

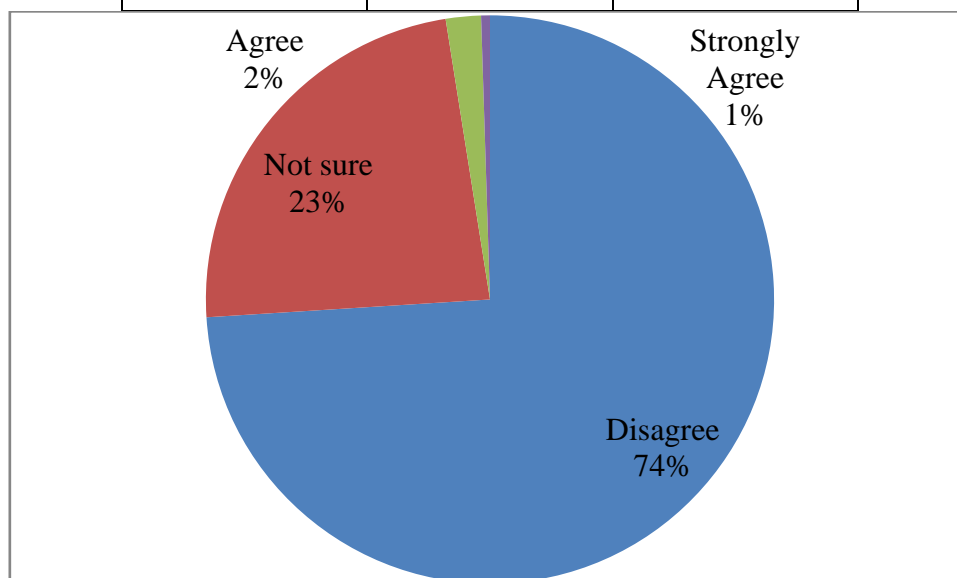


FIG. 4 % of respondents on Procedure of Capital Market is difficult

The above table 4 indicates that majority (74 %) of the respondents of believes that procedure of capital market is not difficult. It means that they are well aware about the procedure of capital market and different avenues of capital market. Only 2 % of the respondents think that procedure of investment in capital market is difficult. Some of the respondents (23.5 %) are not sure about the whether the procedure is difficult or not.

Table 5 Experience is required before investing in Capital Market

Response	N	%
Disagree	25	12.5
Not sure	12	6.0
Agree	70	35.0
Strongly Agree	93	46.5
Total	200	100

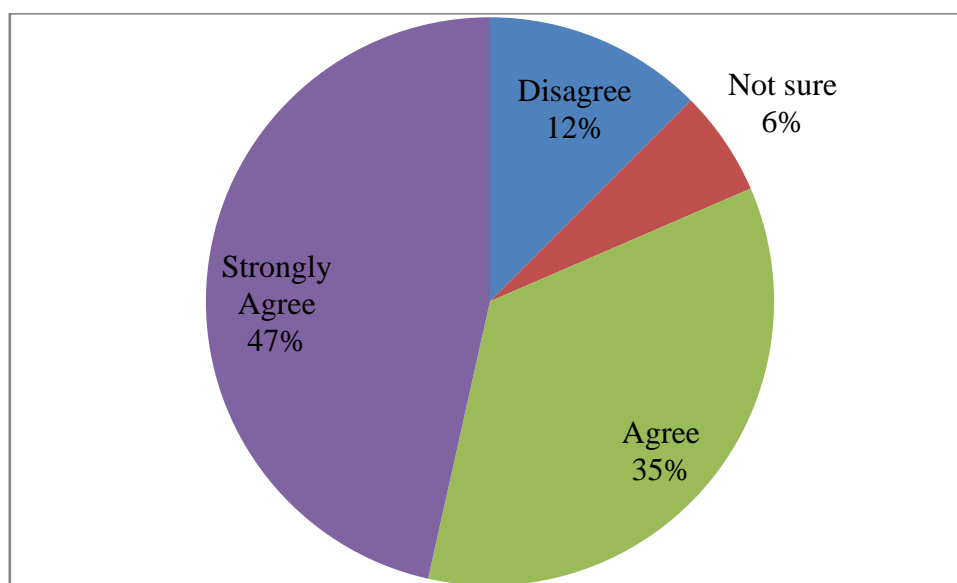


Fig. 5 % of respondents on Experience is required before investing in Capital Market

The table 5 shows that majority of the respondent of Meerut districts (NCR) believes that experience is required before making investment. It shows that people thinks that experience is very essential in terms of investment in the market. Only few respondents (12.5 %) does not think that experience is essential before investing in capital market.

Table 6 Investment in Capital Market postpones the joy of today to an uncertain tomorrow

Response	N	%
Disagree	77	38.5
Not sure	49	24.5
Agree	44	22
Strongly Agree	30	15
Total	200	100

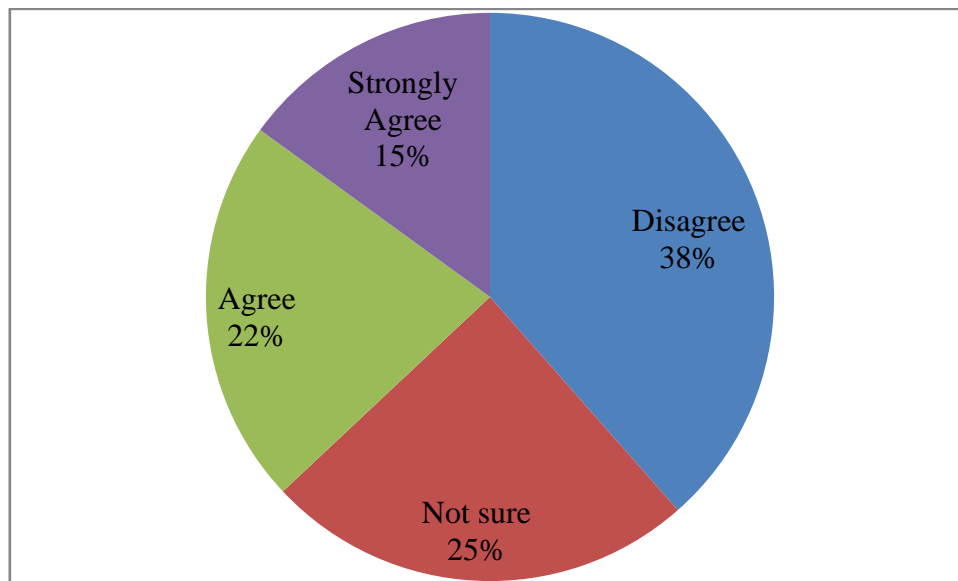


Fig. 6 % of Investment in Capital Market postpones the joy of today to an uncertain tomorrow

The table 6 shows that investors of Meerut district have mix approach towards investment. Few of them thought that investment in capital market postpones the joy of today as future in uncertain while others (38 %) thought investment is essential for future.

H01- There is no significant difference in the attitude of investors towards capital market with respect to gender

Table 7 Descriptive Statistical Analysis of Attitude and Gender

	Gender	N	Mean	SD	Error
Attitude	Male	146	49.93	3.21	.375
	Female	54	49.59	3.79	.730

Analysis of table reveals that mean of male is 49.93 and mean of female is 49.59 and the calculated value of standard deviation of male is 3.21 and female is 3.79 which shows that males are more investors in capital market. From the data collected, it has been find out there is no significant difference ($p > .05$) on basis of gender pertaining to attitude towards investment in the capital market.

Table 8 Independent Sample test

Total Attitude	Leven's test for equality of variances		t-test for equality of means					95% confidence interval of the difference	
	F	Sig.	t	Df	Sig (2-tailed)	Mean difference	Std. error	Lower	Upper
Equal variances assumed	1.35	.25	.45	198	.66	.339	.759	-1.169	1.847
Equal variances not assumed			.41	40.53	.68	.339	.821	-1.320	1.998

CONCLUSIONS

“An Analysis of attitude of the investors about capital market investment with reference to Meerut NCR” the topic undertaken by researcher helped to find out attitude of public towards investment in capital market along with the level of awareness among the investors. It has been observed from the sample that youth are attracted toward Capital Market and invest their savings in Capital Market and males dominated as Capital Market investors in Meerut districts. Females are not much interested in investing in Capital Market as compared to males. Some people made investment with the expectation of capital appreciation and some make for short term purpose as in case of Meerut district. For some people investment is a favorable plan to invest their surplus money and for some people it is risky as they invest their earning. The investment decision requires cautious decision before making investment in any of the alternatives.

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