PERCEPTION OF COMMERCE PROFESSORS OF TIER III DISTRICT TOWARDS THE STOCK MARKET

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ABSTRACT:
Investment avenues have always paved the way for individuals to get rich for several centuries in a short period. And absolutely, these avenues have gotten better over the past couple of decades. This paper is a study focusing on the perceptions of commerce professors toward the stock market. The researchers have selected 50 UG and PG college professors as a sample, to know what they think about the practical application of the subjects they teach daily and the investment avenues available for them in the stock market. And how many of them invest in the stock market. And for those who do not invest, what can be done to encourage them to start investing, and to create a portfolio to reduce the risk, as that is the major barrier for people to enter the stock market? With the help of questionnaires, the researchers collected the data, and MS Excel was used to analyse the data. In India, many investment options are available, especially in the stock market. Like Equity, Derivatives, Mutual Funds and Commodity market. In this study it was seen that professors are more likely to invest in Equity, Derivatives and MCX, also some professors are interested in learning about FOREX.

KEYWORDS: *Portfolio, Stock market, Investment avenues, Forex, MCX, Derivatives, Commodity market.*

I. INTRODUCTION

The most common place for issuing, selling, and buying shares is the stock market. Share markets allow investors to share in the profits of publicly traded companies. Most of the trading in the Indian stock market takes place in (i)NSE and (ii)BSE. The researchers, want to know what percentage of commerce professors prefer to invest in the stock market rather than traditional investment. The shares of public companies are traded through stock markets, which reflect their performance. A country's economic status is today umpired by the performance of its stock markets. As the stock markets are a significant part of the country's economy or economic system.

The researchers collected data from a tier III district (VIJAYAPUR) where most people believe in traditional investments to be safe like- gold, real estate, and Savings in the bank. And they are not aware of the inflation rate in the calculation. The major focus while investing must be to beat inflation. If a person is unable to beat inflation or is keeping his money idle, then his money is simply being depleted over time. After buying stocks from the stock market, investors earn profits either in the form of regular dividends or by the way of selling their stock for a profit if the stock prices increase from their purchase prices.

II. LITERATURE REVIEW

(Nash, 2012) The article state that most individuals lack the knowledge and awareness about the stock markets, as with this understanding, about 98% of Indian citizens don't possess a Demat account. Many articles are supportive of the information that, such studies are very less in India, whereas plenty of studies are carried out in other countries. Hence, their study is undertaken to suffice this gap with a meaningful contribution to the field.

Dr Gagan Kukreja's (2012) in their article studied that, certain demographic profiles like age and educational qualification have a significant impact on the investment decision and tax advantages. Investors' perception was examined using 119 functional variables. Measuring the investor perception from these variables had about 72% impact. Certain mediating factors for investors' perception included charges, liquidity, and investment attributes. There was a high relevance on the influences and benefits of investments.

A study conducted by **Sukhwinder Kaur et al. (2013)** shows that people prefer to invest in mutual funds, rather than buying shares. The risk factor involved in mutual funds is considerably lower than the shares, so people must select appropriate funds to invest in, contributing positively to the people's perception of the stock market.

Radha (1995) in their article attempted to find the awareness of individual investors in corporate securities in Chennai. The study reveals that the investors' socioeconomic factors significantly influence investors' awareness. The study also disclosed the use of information sources to know their awareness of corporate securities.

Dr Sangeeta Jauhari(et al., 2015) in this study examines the perception of investors toward the stock market. Even though they suffer losses, it is proved here that, many people are now getting into the stock market. This study uses regression analysis and descriptive analysis to study the data collected through systematic random sampling.

III. RESEARCH GAP

In most of the articles studied, it is evident that different authors have come up with different ways to understand the concept of the perception of respondents towards the stock market. The current study needs to ascertain the role of Commerce teachers and their investment perceptions in the stock market. The focus here is to know and understand the role of teachers, especially the commerce faculty's approach and their choice preferences towards the stock market. This would enable the knowledge dissipation to the students when these teachers are investors themselves.

IV. Research Methodology

Information is the key to knowledge building for everyone. Hence, primary, and secondary data have been used in this research. A well-organised and structured questionnaire was administered by the researcher to collect the primary data required for the study. Findings from the published papers, articles, books, news articles, earlier similar studies and various websites related to research contribute to secondary data collection.

A. Sample Design:

Sample Size: 50 Respondents
Sampling Unit: Teachers from Commerce Discipline
Sampling Frame: Vijayapur District
Statistical Tools used: Statistical Frequency Distribution Analysis is carried out to analyse the entire data. MS Excel was used to organise and analyse the data collected. Graphs Charts were prepared using MS Excel. The data collected was split into different categories those who have knowledge about the stock market and are investing in it, those who do not know, and a few who have knowledge about the stock market and are still reluctant to invest was analysed.

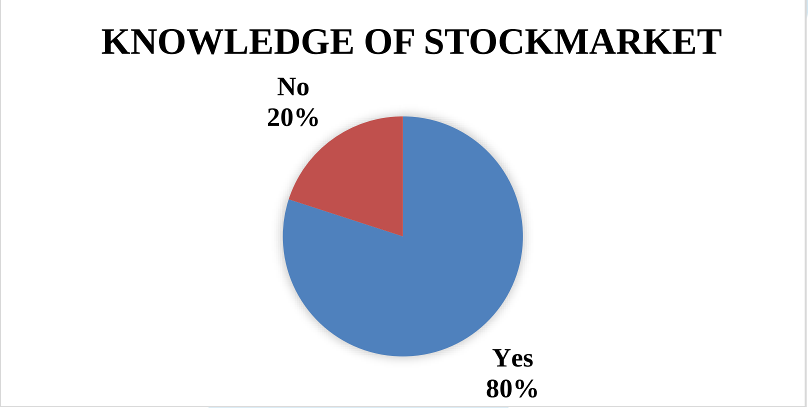
B. OBJECTIVES OF THE STUDY

- To ascertain what quantum of funds are the professors willing to invest in the stock market.
- To know the level of risk they consider while investing in the stock market.
- The factors that commerce professors take into consideration while investing in the stock market.
- To ascertain the reasons for NOT investing in the stock market.
- To analyse what should be done, so that more of the professors start investing in the stock market.

C. LIMITATIONS OF THE STUDY

- It was hard to acquire knowledge about this field in such a short period.
- The study was limited to only commerce professors.
- The study may not be accurate as some professors were hesitant to answer the questionnaire.
- The investor's response could have been biased.

V. Data Analysis and Interpretation

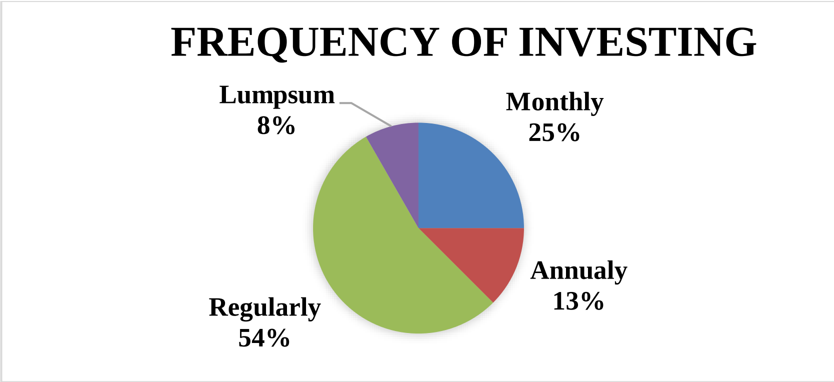


Graph 1 Stock Market Knowledge Source: Primary Data

Graph 1 depicts that, 80% of the respondents do have awareness/knowledge about the stock market.

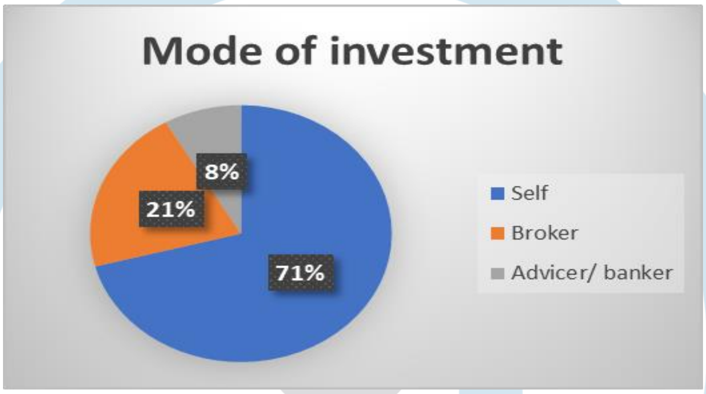
Graph 2 Investment into Stock Market ***Source: Primary Data***

From graph 2, it is evident that only 48% of the respondents are already investing in the stock market henceforth known as Investors. Whereas the remaining 52% are not investing due to various reasons, henceforth known as non-investors.



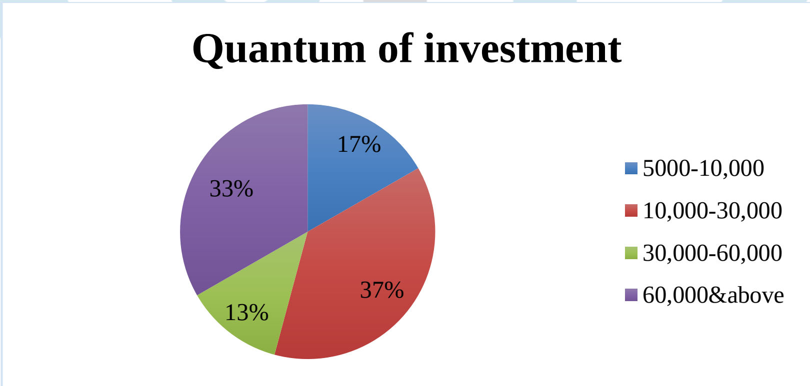
Graph 3 Frequency of Investments ***Source: Primary Data***

From graph 3, it is evident that out of 48% of the respondents, 54% are regularly investing in the stock market. And 25% of the same investors invest monthly.



Graph 4 Investment Mode ***Source: Primary Data***

71% of the investors, invest money in the stock market on their own, 21% of them invest through brokers, and the remaining 8% of the 48% of investors, seek professional advice or assistance from bankers as evident from the above graph 4.

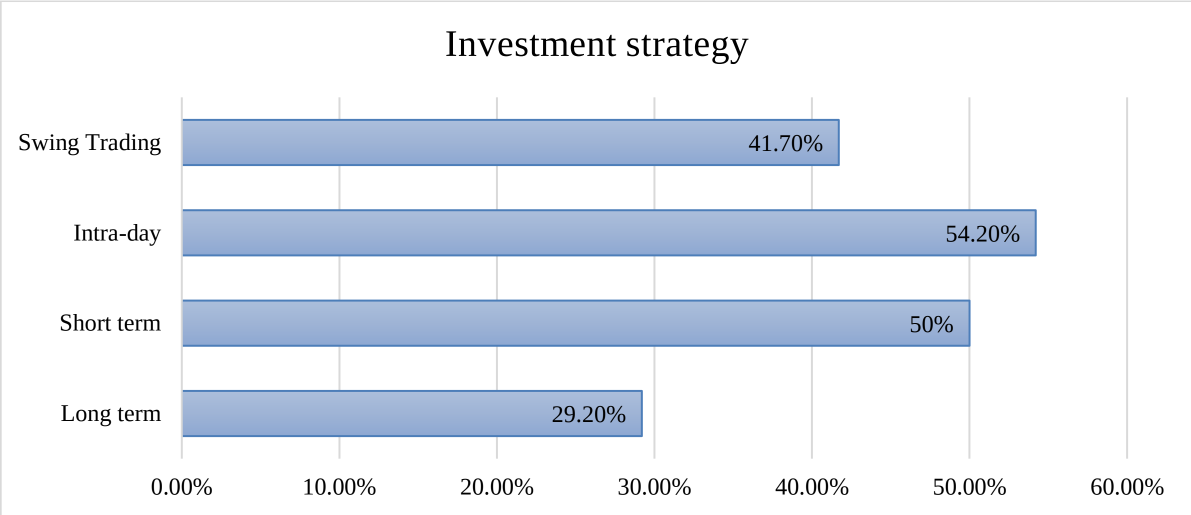


Graph 5 Investment Quantum ***Source: Primary Data***

From graph 5, 37% of the investors have invested between Rs.10,000/- to Rs.30,000/- range. And about 33% of these investors have invested at least Rs.60,000/- and above.

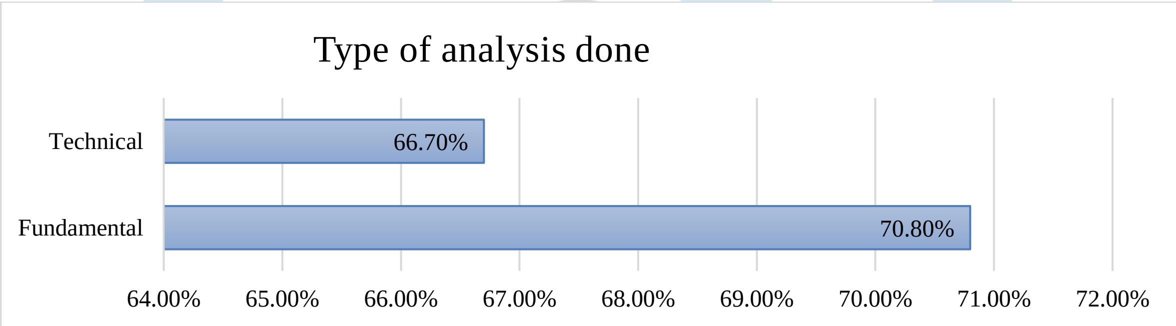
Graph 6 Interest in learning more about the stock market ***Source: Primary Data***

Graph 6 is evident that 96% of the entire respondents are interested in knowing more about the stock market and are willing to undergo any kind of knowledge-building workshop on the stock market.



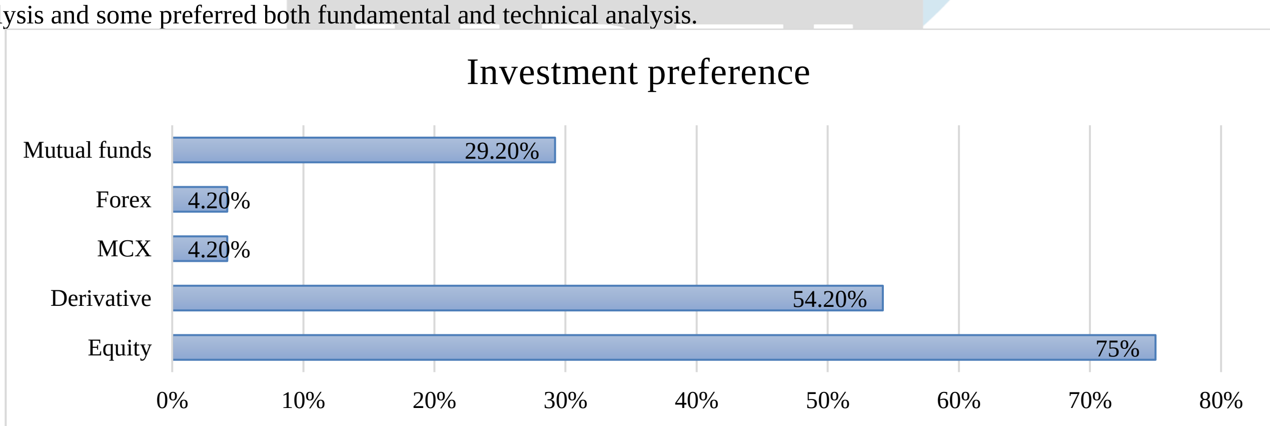
Graph 7 Investment Strategy ***Source: Primary Data***

From graph 7, 54.2% of Investors preferred investing in Intra-day trading, and 50% of them preferred investing in Short-term trading. And their third choice was swing trading. Only 29.2% of the investors preferred long-term trading.



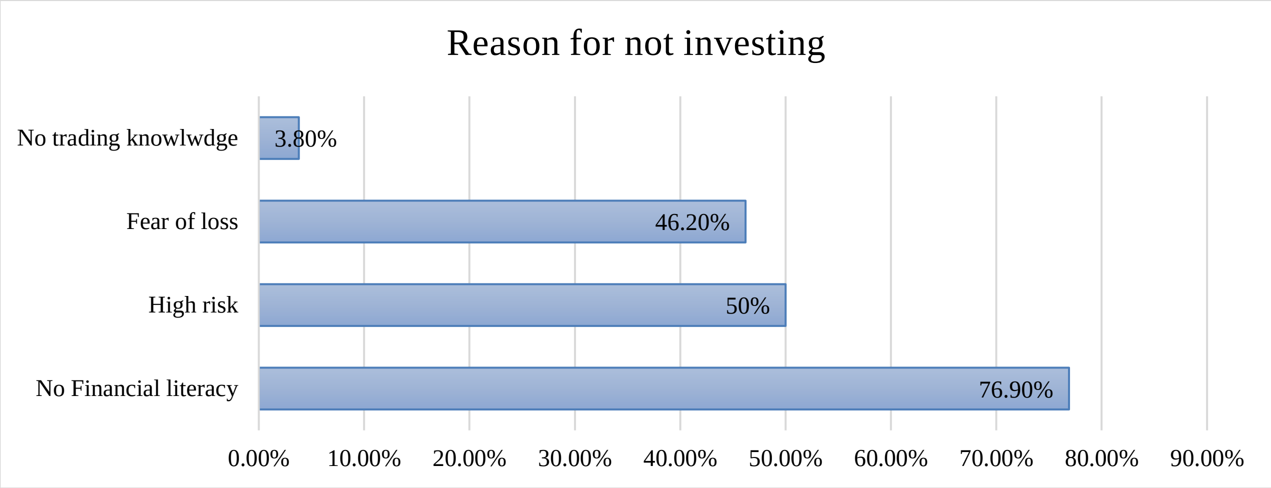
Graph 8 Type of Analysis preferred before investment ***Source: Primary Data***

From graph 8, Most investors preferred fundamental analysis before their investments. Whereas 66.7% preferred technical analysis and some preferred both fundamental and technical analysis.



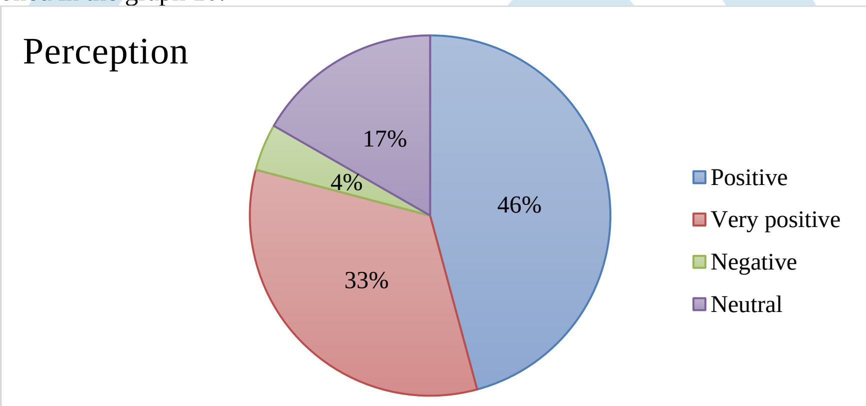
Graph 9 Preferred Investment Avenues ***Source: Primary Data***

Looking at graph 9, the researchers understand that, 75% of the investors preferred the Equity market, 54.2% preferred the Derivative market, and, 29.2% preferred mutual funds as their investment avenues.



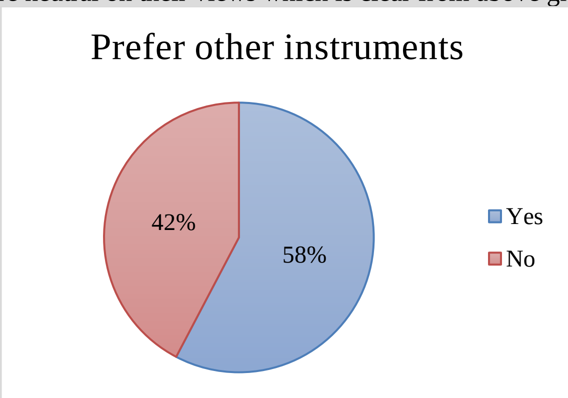
Graph 10 Reasons for not investing ***Source: Primary Data***

Out of 52% (non-investors) when analysed with the reasons for not investing, 76.9% of them said they don't have proper financial literacy, 50% of them felt these investments are of high risk, and 46.2% of the respondents said the fear of losing their hard-earned money as mentioned in the graph 10.



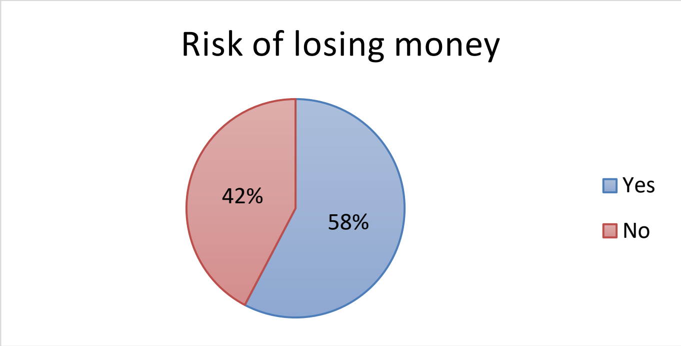
Graph 11 Perception towards the Stock Market ***Source: Primary Data***

When it comes to understanding the respondents' perceptions, 46% of the respondents are Positive about their investments, 33% of them are very positive, and 17% are neutral on their views which is clear from above graph 11.



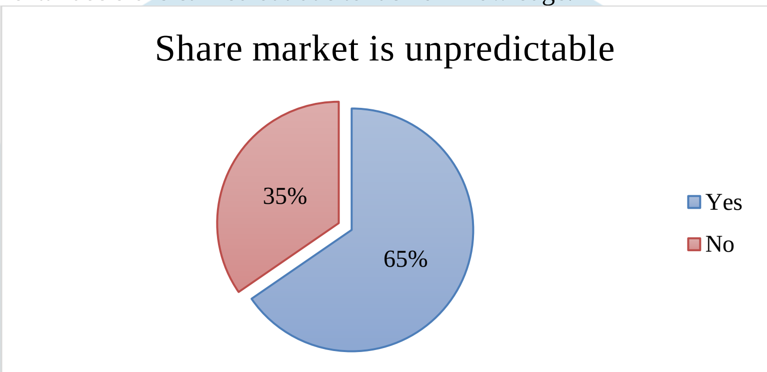
Graph 12 Other Instruments Preferred ***Source: Primary Data***

Graph 12 depicts that, 58% of the respondents preferred investments in other instruments apart from the stock market. And 42% of them said no to other instruments.



Graph 13 Risk of losing out money ***Source: Primary Data***

Graph 13 reveals that 58% of the non-investor respondents, express their fear of losing their investments due to any possible fraudulent/ wrongful judgemental decisions carried out due to lack of knowledge.



Graph 14 Opinion of the share market predictions ***Source: Primary Data***

Finally, graph 14 shares the opinion of the share market predictions, where 65% of the investors expressed that the share market is unpredictable.

VI. Findings

This study reveals that people still hesitate to invest in the stock market, as the above data reveals that commerce professors, who teach finance and finance-related subjects themselves are hesitant in investing in the stock market, the reasons being, the risk of misleading, lack of knowledge, risk of losing money, the unpredictability of share prices or simply they prefer the traditional modes of investing like Fixed Deposit in banks, post office saving schemes, real estate, gold, et The researchers have also found out that, if proper training is given, and a workshop on the stock market is conducted, then 96% of the respondents in this study are willing to learn more about the stock market.

- 48% of the respondents invest in the stock market, whereas 52% of the respondents do not invest in the stock market.
- It was observed that 71% of the respondents themselves invested in the stock market, 8% of respondents invest through a financial advisor/banker and 21% invested through brokers.
- As per the respondents' opinion, 75% of 24 respondents are investing in equity, 54.2% of 24 respondents are investing in derivatives, whereas 24.2% of 24 respondents prefer mutual funds.
- It was found that 70.8% of the respondents observe fundamental analysis while investing in stocks over technical analysis which is 66.70%. It must be noted that an investor can do both technical as well as fundamental analysis.
- The study stated that 96% of respondents are more interested in learning more about the stock market, while the rest of them want to stick with their traditional investments.
- As per the survey, 80% of the respondents know the stock market, whereas 20% of the respondents do not.

VII. Recommendations

- Training programs should be introduced to encourage trading in the stock market.
- Training sessions can be organized for the non-investors who are willing to invest but cannot, due to a lack of trading knowledge.
- More awareness should be created among people about the stock market.
- Proper training in risk management and portfolio management should be given.
- The benefits of higher returns earned must be taught.
- The benefits of dividends and wealth maximisation must be explained.
- The importance of earning an interest rate at least a little more than the inflation rate must be explained.

VIII. Scope for Future Research

- This study only deals with the Commerce college professors, so it can also be done somewhere else, like engineering colleges, medical colleges, high schools, etc.
- This study can also be conducted, in household sectors, offices, etc.

- This study only deals with the perception of the stock market, so there is scope for research on other factors like financial literacy, and barriers to investing in the stock market.
- This research deals with perception, and there is scope for factors that influence investors to invest or not to invest in the stock market.

IX. Conclusion

Individuals in the world always raise their eyebrows when it comes to investments in the stock market, and most commonly hesitate to take such risks. Any investor expects to get a high return on their investments, but there is always a high risk involved when high returns are expected. The study focused on generating a thorough understanding of the investors' behaviour, awareness levels and investment decisions in the stock market. Investment decisions, views and perceptions often vary from person to person. Hence, certain factors like the ability to bear risk, current and futuristic financial goals, expected returns and investors' needs, etc., are the most influential factors to be considered. As per the study, the researchers conclude that return on investments is the most influential factor in the investor's investment decisions. The study also concludes that most investors decide on their investments on their own and some depend on other sources to enrich their knowledge before investing. In comparison to other investment instruments, investment in stocks is highly preferred by investors. As investors expect high returns and are also ready to undertake high risks, but some individuals do not invest due to the fear of losing their hard earnings. Investing in the stock market can generate additional income to cope with the increasing needs of all sections of society and to fulfil all present and future needs. Thus, ambiguity amongst the non-investors could be reduced through proper training and enhancing their knowledge of the stock market.

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