

## **Descriptive Study On Investors Stock Market Awareness And Their Perception Towards Investment Pattern (With Special Reference To Tamil Nadu)**

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### **ABSTRACT**

An investment is a commitment of funds saved from continuous consumption in the hope that some profit will be obtained in the future. This study examines stock market perceptions. Above all, listen carefully to risks and general information. This research helped investors become obsessed with investment awareness before entering the stock market. This study is based on primary data collected from Tamil Nadu stock market investors. For data collection, a standard questionnaire was used. This study was used Confirmatory factor analysis to test the reliability of the questionnaire. This paper has been applied to statistical software for IBM SPSS AMOS 23.

**Keywords;** Investor Awareness, Stock Market Investment, Investors Preference, Stock Market Decisions.

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### **INTRODUCTION**

It is a known fact that the Investors are the pillars of the stock market. With reference to the expert's opinion, the emerging economies like India needs enormous level of savings to canalize it into the various businesses. In connection with this an investment is a flow of capital which can be used for productive purposes. Investment is very significant as it is the most important tool for the country's economic growth and development. Imperative investment tools are available today. Investors may choose investment related routes based on their specific needs, risk tolerance, and expected level of return. Usually , investment opportunities divided into economic investment and financial investment. Buying tangible assets such as buildings and equipment is an investment in money. Financial assets contribute to a net augment in the company's capital stock. Investment in stocks, bonds, insurance

securities, investment trust stocks, etc. in general, financial investment normally helps to generate wealth for the country. In the long run, investment is essential to increase productivity and making the economy more competitive. Everyone knows about this fact that absence of investment leads the economy to be imbalanced. The state has more requirements and is more progressive. In India, few states have created slot to attract investment in lathes. Because investment has a multiplier effect in nature and it creates income and employment as well as demand and consumption too.

In this contemporary age, where both men and women are employed, trained, and aware of their financial goals, financial planning which is important and promising. Venture means the dedication of an asset to at least one resource that will be preserved in a future time frame. The two main elements of speculation are the current penance and expected benefits. Many investment opportunities may save personal cash and to manage additional costs. Everyone needs to enlarge their work opportunities, doubt that everything is going well, and improve their ability to withstand what they need in their daily lives. The company is important because it helps with financial need, payment history, achieving individual goals, and justifying future threats.

Blood is ideal for the continuing life styles likewise the saving and funding are essential for pleasant destiny wishes and risks. Destiny is constantly having unsure and un stable occasions which need to be blanketed with the right safety and funding. In India, there's an extensive scope of redeemable and funding due to the lifestyles of a massive range of industrialists, commercial enterprise people, authorities, and personal organizations, and the stream of cash is likewise very high. Investors are sensitive on protection in their investments made. They need reliability in their funding. The authorities and different groups give their innovative schemes to raise the public savings, which may be fruitfully used with inside the improvement of the economy. The buyers need to have ok focus and know-how approximately the diverse funding avenues to make rational selections.

Investment attracts absolutely everyone, no matter their occupation, education, age, sex, etc. Further profits or increases inside the valve may be ended via investing. All funding usually includes a few hazards. The hazard may depends on funding model, instrument, and duration. Investment is useful for the individual, the financial system, and society.

## **II. REVIEW OF LITERATURE**

In order to find gap between present and earlier research in the same domain, we hereby collect and provide some of the observations for the readers understanding. The researchers hope that the identified and collected literature review may help to understand the contributions of other researchers

and to find the research gap to concentrate or focus on unidentified concepts or area of focus to be concentrated.

Adil, M., Singh, Y., & Ansari, M. S. (2021) analyzed the studies examining the interplay impact among male traders said that the interplay between confidence and funding choice became notably inspired via means of monetary literacy. However, due to the last three prejudices, the alternative to financial literacy is NS. Classified as dangerous disgust, vigilance and disposition, and insignificant. The interaction of financial education with overconfidence, risk prevention, nature, and grazing are statistically widespread among female shareholders.

Ah, Mand, A., Janor, H., Abdul Rahim, R., & Sarmidi, T. (2021) measured Trader crowd behavior under Shariah conformance is measured while the market is operating, enabling non-linear advertising that benefits the market. With traditional inventory management, linear advertising behavior is most effective across the market. Additionally, thinking about the complete marketplace sample, the non-linear herding conduct most effectively exists throughout the marketplace. For the upmarket, herding conduct capabilities a linear courting with the marketplace returns.

E. Velmurugan (2020) Analyzed by their study paper that they want protection and reliability for their investments. Self-finance university assistant professors' financial savings and make investments their cash in the most secure environment, want ordinary earnings from their funding made with decreased risk. It is clear from the look that a maximum of assistant professors is taken into consideration for deciding on the mode of saving and financial institution deposits are taken into consideration as the principal alternative to the funding.

Kripa. M. Das et (2020) You are concentrated on a pattern of the monetary financial savings of girl traders. Even though many programs are envisioned for funding, we conclude that the majority is interested in investing in traditional means. The choice of financing options with the help of a dealer depends on the various financing channels, willingness to take risks, and the level of knowledge of about the causes of financing.

Akhtar, F., & Das, N. (2019) Have defined that mindset became answerable for partial mediation among the connection of economic know-how and funding intention. In contrast, economic self-efficacy plays a dual role in the relationship between personality tendencies and funding intent. In contrast, individual criteria have had a positive effect on the intent of facilitating financing.

Dr. T. Sisili, (2018) Having tested the observe, it may be stated that financial savings styles of buyers blanketed with inside the observe as samples are typically now no longer structured upon demographic elements which include gender, age, schooling qualification, and employability. So, the

belief is that those who are monetarily literate and reluctant to shop for a monetary product, due to the fact they do now no longer apprehend in which to make investments and what parameters to recall at the same time as supporting.

T.M. Hemalatha, (2018) They have performed studies of salaried ladies' buyers and examine their funding behavior. It will be large to apprehend the exceptional forms of buyers. Women buyers have their very own investment styles: a few are risk-takers via means of nature, inclined to gamble big quantities of cash tremendously speculative investments.

Madan Singh Panwar (2018) concludes that funding is a want of all of the lessons of society. It found out that if you need to steady your forthcoming, regardless of the destiny desires you have, these kinds of desires may be fulfilled through first-class funding. Saving and funding cannot be disregarded these days because it affords a surety, sturdy, financially stable destiny. To come up with the growing desire of all the sections of society, saving and funding are the first-class alternatives to steady and satisfying all the prevailing and destiny desires.

Abdallah, S., & Hilu, K. (2015) Have investigated exploring determinants to explain elements of man or woman's investors' monetary behavior. This look offers a robust empirical guide for the proposed version in figuring out determinants that can be intently associated with the hazard attitudes of man or women investors. This look can offer precious steerage to researchers and practitioners to apprehend what influences investors' attitudes closer to hazard.

Dr. C. M. Shined at (2015) They've had the have a look at to decide whether or not the variables, together with demographic characteristics (age, gender) and funding styles, will be used personally or in aggregate to each differentiate amongst tiers of women and men's funding choices and chance tolerance and expand a few hints to the funding managers to layout their funding schemes via way of means of thinking about those perspectives of individuals.

Priyanka Agarwal(2015) This paper says that women need to be more knowledgeable about the investment street because of the reality they're generally counting on their spouses or distinctive personal family members. However, they are focusing on some investment avenues, viz: economic organization and putting in place regular deposits only. Due to improper knowledge about the shares, mutual funds, and distinctive investment alternatives, they can't be able to make investment choices in such kinds of alternatives confidently ".

S. Umamaheswariet (2013) Researchers pointed out the lack of buyer awareness of the flow of ideas and funding patterns. In addition, it has been observed that certain distances significantly change

the way buyers think about financing, as socio-financial variables, age, gender, income, education, and careers are affected.

### **III. OBJECTIVES OF THE STUDY**

- To identify, observe and analyze the factors which influence investment awareness in the Stock Market of Tamil Nadu.
- To examine the connectivity between Stock Market Investment Awareness, Stock Market Investment Sources of Information, Stock Market Investment Preference, and Stock Market Investment Decisions.

### **IV. RESEARCH METHODOLOGY**

In order to find facts with regard to investor's investment in the stock market in Tamil Nadu, a structured research questionnaire was prepared and administered on the individual investor's investment in the stock market in Tamil Nadu. The research questionnaire is based on various aspects of personal investor awareness; sources of investment information related to the stock market, individual investment preference and individual investment decisions in the stock market in investment and so on.

#### **Research Design**

The present research is based on descriptive research. This research illuminates the factual information and investigates the qualities of the population. The research design has been adopted to analyze investment awareness on investors in Tamil Nadu.

#### **Data Collection**

The present study is focus on primary data that has been collected from 542 individual investors in the stock market in Tamil Nadu.

#### **Research Tool**

The present work is based on data collection through a well-structured research questionnaire. Four distinct scales have been used for the dependent and independent variables of this study. The reliability statistics and test is also done and confirmatory factor analysis also tested and initiated for the present study.

## V. DATA ANALYSIS

Data analysis is measured as an important step and core theme of research in research work. After collection of data, the relevant statistical tools and techniques used to analyze and interpret the data to reach a practical solution to the existing problem. The data analysis of this present research study performed quantitatively with the help of both descriptive and inference statistics.

### Demographical Profile of the Respondent

Demographic factors define the characteristics of the population. In the Demographic study, characteristics considered are Gender, Age, Education and Qualification, Marital Status, Work Experience, Employment Status, Nature of the job, Annual Income.

**Table 1.1 Table showing the frequency distribution analysis of collected samples**

S. No	Demographical Variables	Frequency	Percentage
<b>1</b>	<b>Gender</b>		
	Male	379	69.9
	Female	163	30.1
	Total	542	100
<b>2</b>	<b>Age</b>		
	20 Under	185	34.1
	21-30	234	43.2
	31-40	119	22
	41-50	4	0.7
	Total	542	100
<b>3</b>	<b>Education and Qualification</b>		
	HSC	112	20.7
	Diploma	95	17.5
	Under Graduate	203	37.5
	Post Graduate	100	18.5
	Others	32	5.9
	Total	542	100
<b>4</b>	<b>Marital Status</b>		

	Married	203	37.5
	Unmarried	339	62.5
	Total	542	100
5	<b>Living Places</b>		
	Rural	153	28.2
	Semi-Rural	140	25.8
	Urban	249	45.9
	Total	542	100
6	<b>Occupation</b>		
	Self Employed	132	24.4
	Employed in Government	106	19.6
	Employed in Private	194	35.8
	Students	110	20.3
	Total	542	100
7	<b>Annual Income</b>		
	Below 2 Lakhs	321	59.2
	2 lakhs to 4 lakhs	100	18.5
	4 lakhs to 6 lakhs	106	19.6
	6 lakhs and above	15	2.8
	Total	542	100
8	<b>Work Experience</b>		
	0 -5 years	284	52.4
	6 – 10 years	149	27.5
	11- 15 years	109	20.1
	Total	542	100

Source: Primary data & Computed

## VI. RESULTS AND DISCUSSIONS

### Analysis of Frequency Distribution

From the above table it is observed that 69.9% of the respondents belong to the male category and 30.1% of the respondents belong to the female category respectively. In age point of view, it is found that 43.2% of the respondents are in the age groups of 21-30 years, 34.1% of the respondents are in the age group of 20 under years, 22.0% of the people in the age group of 31-40% years, .7% of the respondents are in age groups of 41-50 years respectively.

In addition, it is evident from the above table no.1 that 37.5% of the respondents are having Under Graduated with a degree, 20.7% of the respondents are having HSC, 18.5 % of the respondents are having Post Graduates, 5.9% of the respondents are having other degrees respectively. It is also observed that the Marital Status of the respondents, 37.5% of the respondents are married, 62.5% of the respondents are Unmarried respectively.

As far as domicile of the respondent is concerned that the table shows that 45.9% of the respondents are in Urban, 28.2% of the respondents are from rural, 25.8% of the respondents are Semi-Rural area respectively. From the above Table, No.1 shows the Employment status of the respondents, 35.8% of the respondents are Employed in Private, 24.4% of the respondents are self-employed, 20.3% of the respondents are students, 19.6% of the respondents are Employed in Government are respectively. It is also found that the Income-wise distribution of the respondents shows that 59.2% of the respondents are Below 2 lakhs, 19.5% of the respondents are 4 to 6 lakhs, 18.5% of the respondents are 2 to 4 lakhs, 2.8% of the respondents are 6 lakhs and above respectively. It is evident from the above Table No.1 show that Work Experience of the respondents, 52.4% of the respondents are 0 - 5 years of work experience, 27.5% of the respondents are 6- 10 years of work experience, 20.1% of the respondents are 11 – 15 years of work experience respectively.

### **Reliability Test**

"Alpha was recognized by Lee Cronbach in 1951 as a measure of internal reliability of tests or scales." Varies between 0 and 1. "Cronbach's alpha is constant internal stability. It is commonly used as a reliability assessment of the psychometric test in the test taker example. Lee Cronbach presented an additional factor in 1951. Initially called alpha, "Streiner, A. (2003) defined the internal reliability of" measures the extent to which all items in the test correspond to a similar theory or a similar paradigm. Therefore, it is related to the interrelationship of the items in the test. Before using an investigation or investigation test to verify the validity of the, you need to verify the authenticity of the internal. In addition, the reliability assessment shows the degree of dimensional error in the test. The Cronbach's

alpha can be stamped as the purpose of the number of test items and the average cross-correlation between the items. "

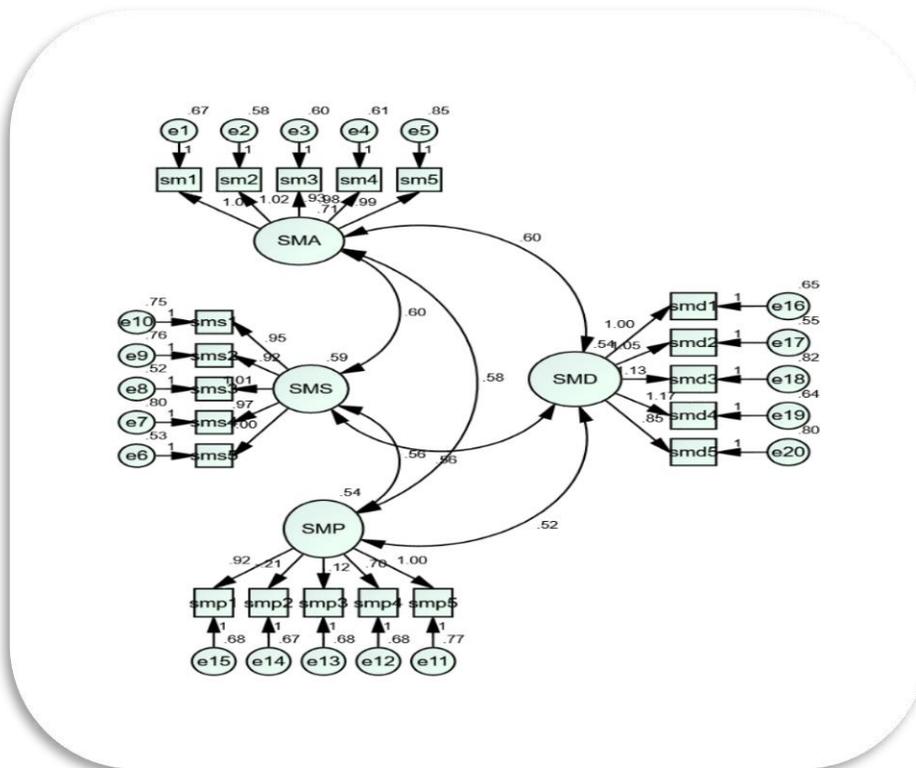
**Table 1.2 Table showing the results of Reliability statistics**

Cronbach's Alpha	N of Items
.881	29

**Source: Primary data & Computed**

From the above table it is depicted that the internal consistency which is greater than 0.5. The present research study is taking 29 items. The Reliability Values are greater than 0.5., which means the present study is reliable to continue further investigation.

**Diagram: 1.1 - Results of Confirmatory Factor Analysis**



**Source: Primary data & Computed**

In the above diagram, the confirmatory factor analysis used to test the relationship between independent variables and dependent factor. Here in this confirmatory factor analysis tries to identify the impact, effect and relationship between stock market awareness, stock market sources of

information and stock market preferences on decision making process which connects with the stock market investor's investments.

**Table 1.3 Table Showing Result of Fit Indices of Model**

Types of Fit Index	Index	Model
	NPAR	46
	DF	164
Absolute Fit Indices	CMIN (Chi-Square)	4.071
	AGFI (Greater than 0.9)	.856
	GFI (Greater than 0.9)	.887
Comparative Indices	TLI (Greater than 0.9)	.880
	NFI (Greater than 0.9)	.867
	CFI (Greater than 0.9)	.896
Thrifty Fit Indices	PNFI (Greater than 0.5)	.749
	PCFI (Greater than 0.5)	.773
	RMSEA (Lower than 0.8)	.075
	CMIN/DF (Lower than 0.5)	4.071

**Source: Primary data & Computed**

According to the Table shown above, the model fit indices have been separated into three categories: There are Absolute, Comparative/Relative, and Thrifty. The results show that among the absolute indices and Comparative indices values are closed to 1, CMIN and Thrifty indices values are also in an acceptable range. Similarly, the values gained for the thrifty indices of RMSEA and CMIN/DF are acceptable too. Therefore, the majority of the used indices denote the proper fit of the research model and, hence, the estimation results of the relationship in the research model are valid.

**Table 1.4 Table showing the result of regression weights for the final measurement model**

Variables			Estimate	S.E.	C.R.	P
sma1	<---	SMA	1.000			
sma2	<---	SMA	1.020	.061	16.599	***
sma3	<---	SMA	.934	.059	15.846	***

Variables			Estimate	S.E.	C.R.	P
sma4	<---	SMA	.979	.061	16.118	***
sma5	<---	SMA	.993	.067	14.927	***
smsour5	<---	SMS	1.000			
smsour4	<---	SMS	.973	.067	14.553	***
smsour3	<---	SMS	1.015	.061	16.708	***
smsour2	<---	SMS	.918	.064	14.283	***
smsour1	<---	SMS	.954	.065	14.671	***
smp5	<---	SMP	1.000			
smp4	<---	SMP	.697	.063	11.026	***
smp3	<---	SMP	.115	.051	2.265	.023
smp2	<---	SMP	-.210	.052	-4.084	***
smp1	<---	SMP	.924	.071	12.987	***
smd1	<---	SMD	1.000			
smd2	<---	SMD	1.046	.068	15.377	***
smd3	<---	SMD	1.127	.078	14.513	***
smd4	<---	SMD	1.169	.075	15.602	***
smd5	<---	SMD	.854	.068	12.488	***

**Source : Primary data & Computed**

**H<sub>0</sub>**: There is a significant relationship between Independent Variables and Dependent Factor.

**H<sub>1</sub>**: There is a no significant relationship between Independent Variables and Dependent Factor.

With reference to the data available in the above table, the calculated value i.e. is P Value is less than that of table value which is clearly indicated in table no.1.4. , so it is concluded that the Null hypothesis is accepted. Hence there is a relationship between Independent Variables (Stock Market Investment Awareness, Stock Market Source of Information, and Stock Market Investment Decision) and Dependent factor (Stock Market Investment Decision)

It means, there is a significant relationship and there is an effect of Stock Market Investment Awareness, Stock Market Investment Source, Stock Market Investment Preference and Stock Market Investment Decisions.

## **VII. CONCLUSION**

Investment in the different avenues entirely connects with individual person's interest, and it also depends on individual's income and age. It is essential for everyone to invest their earnings and capital in safe with reasonable return. Hence, through the Anova , confirmatory factor analysis , it was concluded that every investor should have adequate knowledge on stock market, obtaining information from various sources and how much importance, the investors have to give it for their investments to take timely, adequate investment decisions with regard to stock mark trading. It is finally concluded that the following three identified variables are very important and we cannot ignore these three dependent variable such as Stock Market Awareness, Stock Market Investment Information's are essential to the investors who are not having enough knowledge on it; if without it, if you invest your investments without having basic adequate knowledge about that particular field will leads to huge loss. Therefore, having adequate knowledge on identified variable will lead to take appropriate decisions, to succeed in stock market. Successful investor forever in stock market investments.

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