

INVESTOR'S PERCEPTION TOWARDS STOCK MARKET WITH SPECIAL REFERENCE TO CHENNAI CITY

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ABSTRACT - To examine the Investor's perception towards stock market with special reference to Chennai city. Descriptive research technique has been adopted. There are 200 respondents from Chennai city. The mean and standard were calculated based on investor's perception towards stock market. It is found that investors have highly aware the financial information, company promoters, decision making before invest and social factors. It is suggested that investors will more aware their money before invest because in recent days there are many online fraud app are available in internet.

I.INTRODUCTION

Stock Market is a platform for trading various securities and derivatives. It performs an key role of enabling corporate to raise resources through public issues. Stock market is a place where buy and sell of securities like shares, bonds, debentures etc. Investors Perception is the process of understanding the financial product by organizing and interpreting. Investors perception is varied depends upon the internal and external situation. Investors internal factors like income level, education, occupation are maximum determined the investment decision. Recent days are Stock market is most unpredicted. The corona virus has affected the all level of economic and social. Allen, D. W. and Evans, A. D. (2005) state the stock market is one of the most interested and inquisitive area for investors who always want to create massive wealth in the shortest time phase. Investors are the key stakeholders in the stock market operations.

The market predictions probably change many times, so that the return cannot be measured accurately. It is help the stock brokers, executives and financial experts. It is providing more number of tips with regard to investments in the stocks used to be traded in the market. Investors should be considered investment portfolios and minute details before going in the stock selection in the stock market. This study may help the individual investor and will be highly beneficial, giving valuable information at the time of investment in the stock market.

II.VARIABLE CONSIDERATION

Financial statements

Financial statement is the company performed financial activities for the past years. According to Jooste (2006) financial statements is completely determine the liquidity, leverage, profitability and performance of the organization hence the investors considered the financial statements before taking the investment. Further, he claimed the cash flow statement is a better indicate to evaluate the financial performance of the company.

Market-neutral strategy

A market-neutral strategy is an investor that seeks to profit from both increasing and decreasing prices in one or more markets. Market-neutral strategies are often attained by taking matching long and short positions in different stocks to increase the return from making good stock selections and decreasing the return from broad market movements.

Promoters Credibility

Promoters of the company are the key individuals in the market so it becomes necessary to know whether **promoters** are buying or selling their shares. A higher **promoter's** stake in company indicates that **promoter** has confidence in his business and is sure of further growth

Product

Product consideration is the crucial part of invest the money for the long term investment. For instance, the equity share holder must note the company product and their future demand.

Market

The market is unpredicted. Whenever, the market has been bull and bush. Hence the investors note the market in each movement and invest carefully.

Herding

Herding effects in financial market is identified as tendency of investors’ behavior to follow the others’ actions. The investors have aware about Buying and selling decisions, volume of stock to trade and choice of stock to trade.

Social

Investors has decision to do trading is influenced by friends, family, brokers.

III.METHODOLOGY

This study uses the descriptive research methods and empirical nature to identify the investors perception towards the stock market. The random sampling technique is used. The present study used primary data for the analysis. The data used is collected from questionnaires from a sample size of 200 respondents including lecturers, bank officers, government employee’s executives and managers who are involved in the stock market. Likert scales are applied in fulfill the questionnaires. Likert- style rating scale enables the respondents to be asked strongly agrees to strongly disagrees with a statement.

IV.ANALYSES AND INTERPRETATION

Table:1-Investor's Opinion towards Financial statement

	Mean	Std. Deviation
Accounting policy	3.72	1.15
Revaluation of the assets	3.96	1.25
Expected corporate earnings from financial statements e.g. EPS	3.84	1.09
Profit and position condition of income statements and balance sheet of a firm	3.70	1.12
High price of a share	3.74	1.18
Expected dividends by investors	3.91	1.19
Past performance of the firm’s stock	3.82	1.19

Source: primary data computed

Table 1 explicates the investor opinion towards financial statement about company stock. The researcher has identified seven reasons for financial statement in the study area. The inv are investors asked to rate their opinion in the five point likert scale. The scale ranged from five stands for strongly agree to one stands for strongly disagree. Based on the collected data, mean and standard deviation values are calculated from the financial information statements. The mean values are ranged between 3.70 and 3.96. The standard deviation values are lies between 1.09 and 1.25. The calculated mean values, it is noted that accounting policy (3.72), revaluation of the assets (3.96), expected corporate earnings from financial statements (3.84), income statements and balance sheet of a firm (3.70), high price of a share (3.74), expected dividends (3.91), past performance of the firm stock (3.82). It is found that the investors are given strong opinion towards the revaluation of the assets, expected dividends, expected corporate earnings, past performance of the firm’s stock, high price of a share, profit, income statements and balance sheet of a firm.

Table:2-Investor's opinion towards market-neutral strategy

Market-neutral strategy	Mean	Std. Deviation
Fluctuation of the stock index	3.71	1.18
Coverage in the press	3.68	1.21
Statements of government officials	3.77	1.11
Current economic indicators	3.78	1.19
Recent price movements of firms stock	3.79	1.07

Source: primary data computed

Table 2 explains the investor opinion towards market-neutral strategy. The respondents are raised to rate their opinion in the five-point scale. Based on the collected data, mean and standard deviation values are calculated. The mean values are ranged between 3.68 and 3.79. The standard deviation values are lies between 1.07 and 1.21. The mean value indicated that fluctuation of the stock index (3.71), coverage in the press (3.68), statements of government officials (3.77), current economic indicators (3.78), and recent price movements of firm’s stock (3.79), are high rank opinion towards the neutral information. It is found that the information obtained from the internet, recent price movements of firm’s stock, current economic indicators, statements of government officials, information obtained from internet & existing shareholders, fluctuation in the stock index and coverage in the press are higher level of neutral information.

Table:3-Investor's opinion towards Promoters Credibility

Promoters Credibility	Mean	Std. Deviation
Promoter's past performance with reference to the companies promoted by them earlier	3.60	1.10
The promoters have integrity of the business and financial activities	3.79	1.13
The promoter's knowledge and experience in the related field	3.71	1.11

Source: primary data computed

Table 3 presents the investor opinion towards risk of promoter's credibility. The researcher has identified five reasons for promoter's credibility. The respondents are stated to rate their opinion in the five point scale. Mean and standard deviation values are calculated based on the collected data. The mean values are series between 3.93 and 4.38. The standard deviation values are lies between 0.87 and 0.66. The mean value, it is perceived that the Promoter's past performance with reference to the companies promoted (3.60), the integrity of the financial activities (3.79), knowledge and experience (3.71).

It is found that the integrity of the finance, knowledge and experience of field and Promoter's past performance are higher rated opinion towards promoter's credibility.

Table:4-Investor's opinion towards Product

Product	Mean	Std. Deviation
Reliability of the demand and supply projections of the product	3.85	1.12
Competition faced in the market	4.07	1.28
If the product is export oriented, the tie-up with the foreign collaborator for the purchase of products	3.78	1.20

Source: primary data computed

Table 4 elucidates the investor opinion towards product. The researcher has identified three statements for product in the study area. The respondents are stated to rate their opinion in the five-point scale. Mean and standard deviation values are calculated. The mean values are ranged between 3.78 and 4.07. The standard deviation values are lies between 1.12 and 1.28. The mean values indicate that the respondents are stated reliability of the demand and supply projections of the product (3.85), competition faced in the market (4.07), the product is export oriented the tie-up with the foreign collaborator for the purchase of products (3.78) are higher rated opinion towards product. The competition faced in the market, reliability of the demand and supply projections of the product is export oriented the tie-up with the foreign collaborator for the purchases of products are found to be higher level opinion towards product.

Table:5-Investor's opinion towards Market

Market	Mean	Std. Deviation
Price changes	3.91	1.20

Market information	4.02	1.28
Past trends of stocks	3.79	1.09
Fundamentals of underlying stocks	3.83	1.20
Customer preference	3.86	1.27
Over-reaction to price changes	3.83	1.17

Source: primary data computed

Table 5 depicts the investor opinion towards market. The researcher has identified six reasons for market in the study area. The investors are stated to rate their opinion in the five-point scale. Mean and standard deviation values are calculated based on the collected data. The mean values are ranged between 3.79 and 4.02. The standard deviation values are lies between 1.09 and 1.28. The calculated mean values are observed that price change (3.91), market information (4.02), past trends of stocks (3.79), fundamentals of underlying stocks (3.83), customer preference (3.86), over-reaction to price changes (3.83) are higher rated opinion towards market. It is found that the market information, price change, customer preference, fundamentals of underlying stocks, over-reaction to price changes and past trends of stocks are high strong investor's opinion towards market.

Table:6-Investor's opinion towards Herding Effect

Herding Effect	Mean	Std. Deviation
Buying and selling decisions of other investors	3.75	1.17
Choice of stock to trade of other investors	3.78	1.06
Volume of stock to trade of other investors	3.69	1.14

Source: primary data computed

Table 6 depicts the investor opinion towards herding effect. The researcher has identified four reasons for herding effect. The respondents are asked to rate their opinion in the five point scale like, strongly agree to strongly disagree. Further, mean and standard deviation values are calculated for each statement. The mean values are ranged between 3.69 and 3.75. The standard deviation values are lies between 1.06 and 1.17. The calculated mean values like, buying and selling decisions of other investors (3.75), choice of stock to trade of other investors (3.78), volume of stock to trade of other investors (3.69). The buying and selling decisions, choice of stock to trade are found to be good opinion in herding.

Table:7-Investor's opinion towards Social Factors

Social factors	Mean	Std. deviation
My decision to do trading is influenced by my friends and family	3.89	1.07
My colleagues /peers influence my decision to adopt trading	3.73	1.17
People who are important to me advise trading.	3.70	1.15

Source: primary data computed

Table 7 elaborates the investor opinion towards social factors. The researcher has identified three reasons for social factors in the study area. The respondents are asked to rate their opinion in the five-point likert scale such as, five stands for strongly agree and one stands for strongly disagree. Further, Mean and standard deviation values are calculated. The mean values are lies between 3.70 and 3.89. The standard deviation values are ranged between 1.17 and 1.17. The mean value, it is perceived that they decision to do trading is influenced by their friends and family (3.89), colleagues /peers influence their decision to adopt trading (3.73) and People who are important to them advise trading (3.70). It is found that the investors are given more importance opinion towards family and friend, colleagues and adviser.

V.CONCLUSION

Indian share market has covered not more than 7% of the total population. There are thousands of stories who have got huge success in the stock market investment. It is found that investors have highly aware the financial information, company promoters, decision making before invest and social factors. It is suggested that investors will more aware their money before invest because in recent days there are many online fraud app are available in internet. Unawareness and fear led India share market investment behind the dark shade

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