

## A STUDY ON AWARENESS OF SHARE TRADING AMONG COLLEGE STUDENTS WITH SPECIAL REFERENCE TO COIMBATORE CITY

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### ABSTRACT:

This study examines the students' level of stock market awareness and participation. The study found that students who have knowledge and experience about the stock market have a tendency for a better understanding of personal finance and are more likely to make intelligent financial decisions in the future. Furthermore, participating in the stock market can give students a sense of empowerment and control over their financial future. However, we can say it's essential for students to have a solid understanding of the risks involved in stock market investing and to approach it with caution and a long-term perspective. The study suggests that incorporating financial education and stock market awareness programs in colleges could greatly benefit students' future financial endeavors.

### INTRODUCTION:

The stock market is like a gauge that shows how well a country's economy is doing. People often call it the "heartbeat of the economy" because it reflects the country's financial health. In the stock market, people can buy or sell shares of companies. The most important part of the stock market is the investors. To keep the stock market strong and interesting, it's important for investors to know about finance and how the stock market works. Understanding things like money, banking, and investing is really important for making smart decisions in the stock market.

### THE OBJECTIVE OF THE STUDY:

- To identify college students' awareness of stock market investments.
- To identify the participation rate among the students in the stock market.
- To evaluate the perception of these students about their role in spreading stock market knowledge.

### SCOPE OF THE STUDY:

- The primary scope of the study is to determine college students' awareness of investment.
- To determine the factors influencing how college students are aware of stock marketing compared to other sources.
- The results of this study will help college students to invest in the stock market.

### STATEMENT OF THE PROBLEM:

Despite having several awareness programs by Indian Stock Exchanges, investor associations, and SEBI, there's a heavy lack of awareness among the public. Thus, awareness and knowledge have remained an enormous challenge to the potency of the Indian Stock Exchanges and the investors themselves. However, access to those programs among students could be more profound thanks to attending fees or temporal order or being by selection to some categories of audience, particularly to investors solely. Several researchers have created market potency in Asian nations by testing either a weak efficient market hypothesis or a stochastic process hypothesis of stock costs and returns. During a specific period, they must mistreat daily closing

information for indices like S&P (NSE) and BSE SENSEX.

#### **LIMITATIONS OF THE STUDY:**

- The survey's applicability to other cities is limited because it was conducted solely in Coimbatore.
- The sample size is limited to 150 college people only.
- This study is based on primary data, so any inaccurate information provided by the respondents may mislead the findings.
- The study was conducted over a very short period.

#### **REVIEW OF THE LITERATURE:**

- HouriyahAlnakhli&Shabir (2022), in this research, the researcher has studied that investor plays a very important in the growth of the economy. Investors, therefore, need to have the necessary awareness of the risk-reward trade-offs of this security, as they must be able to properly plan their investments, save for the future, and know how to distribute this wealth, must have I feel it is important to understand awareness, especially among students, to increase their knowledge and concepts for saving money in the market. In this study, we tested this using regression analysis a hypothetical relationship between perception and availability of information, barriers, and channels to address markets.
- OskariKoivunen (2021), in this study, researchers examined “awareness and family impact as determinants of stock market participation.” This study examines the determinants of stock market participation, particularly perceptions of family education and investment skills. Data collection was done through a non-representative online

survey that yielded 224 observations. Two research hypotheses are tested using nine cross-sectional logistic regressions. The results show that a parent's master's degree is not important for participating in trading and perceptions of one's own invest ability are positively correlated with participation even when controlling for various socioeconomic factors, including financial literacy.

- Sharan (2021), in this research, the researcher explored how people with all educational backgrounds, including science, commerce, and the arts, could start a career in the stock market if they knew about it. Few students know about investing in the stock market. There are several reasons why students may not know about or invest in the stock market. The most common reason is that the stock market is risky, and many investments are being made, but this is incorrect. It measures student attitudes towards the stock market, reasons why students do not invest in the stock market, and student satisfaction with investing in stocks.
- Shah, P., & Shah, K. (2020). This research investigates the awareness and perception of youth regarding investment and trading in Ahmedabad City, Gujarat. It analyses the factors influencing their investment decisions and proposes strategies to improve their financial literacy.

#### **RESEARCH METHODOLOGY:**

Research Methods is defined as “tools or instruments used to accomplish the goals and attributes of study”.

#### **METHOD OF DATA COLLECTION:**

The data was collected for this study is

**Primary Date:**The primary data are those which are collected as fresh for the primary time.

**Secondary Data:**Secondary data is collected from journals, magazines and books, newspaper and internet.

**Area of study:** This study was conducted in cities of Coimbatore.

**Sample size:** The sample size is 150.

**Tools used for analysis:**Data analysing tools are Simple percentage and Chi-square test.

**Simple percentage:**Percentage base analysis helps to find which factors is significant among a number of factors.

**Chi-square:**A chi-square statistic is used to test the measures of expectation.

**ANALYSIS AND INTERPRETATION**

**Simple Percentage**

**Simple Percentage Formula**

$$number\ of\ \frac{respond}{total\ number\ of\ respond} * 100$$

**Demographic profile of the respondents**

**Table 1:** Showing the demographic profile

| S.N | Demographic      |             | No ofrespondent | Percentage |
|-----|------------------|-------------|-----------------|------------|
| 1   | Gender           | Male        | 89              | 59.3%      |
|     |                  | Female      | 61              | 40.7%      |
| 2   | Age              | Below 20    | 51              | 34%        |
|     |                  | 21-25       | 83              | 55.3%      |
|     |                  | Above 25    | 16              | 10.7%      |
| 3   | Marital status   | Married     | 122             | 81.3%      |
|     |                  | Single      | 28              | 18.7%      |
| 4   | Year Of Pursuing | UG I Year   | 24              | 16%        |
|     |                  | UG II Year  | 43              | 28%        |
|     |                  | UG III Year | 45              | 30.7%      |
|     |                  | PG I Year   | 7               | 4.7%       |

|   |                       |                      |    |       |
|---|-----------------------|----------------------|----|-------|
|   |                       | PG II Year           | 31 | 20.7% |
| 5 | Family monthly salary | Below Rs.50000       | 89 | 59.3% |
|   |                       | Rs.50000 to Rs.80000 | 47 | 31.3% |
|   |                       | Above Rs.80000       | 14 | 9.3%  |
| 6 | Type of living area   | Urban                | 49 | 32.7% |
|   |                       | Rural                | 35 | 23.3% |
|   |                       | Semi-urban           | 66 | 44%   |
| 7 | Investing the money   | Yes                  | 97 | 64.7% |
|   |                       | No                   | 9  | 6%    |
|   |                       | Sometimes            | 46 | 30.7% |

Interpretation: Table 1 clearly states the demographic profile of the sample respondents. Most of them are Male. Majority of them are at the age of 21 to 25. Majority of them are Single. Most of them are pursuing III Year. Majority of respondents family monthly income is below Rs.50000. Most of them are living in semi urban areas. Majority of them are investing their money.

### Chi-square analysis

A chi-square test is a statistical test used to compare observed value with expected value. The purpose of this test is to determine if a difference between observed data and expected data is due to chance, or if it is due to a relationship between the variables are studied.

The two variables are family monthly income and the trading times in a week.

**Table 2**

| S.N | Factors | No of | Percentage |
|-----|---------|-------|------------|
|-----|---------|-------|------------|

|   |                         |                      | <b>respondent</b> |      |
|---|-------------------------|----------------------|-------------------|------|
| 1 | Family monthly salary   | Below Rs.50000       | 89                | 59.3 |
|   |                         | Rs.50000 to Rs.80000 | 47                | 31.3 |
|   |                         | Above Rs.80000       | 14                | 9.3  |
| 2 | Trading times in a week | Less than 10 times   | 106               | 70.7 |
|   |                         | 10 to 20 times       | 34                | 22.7 |
|   |                         | More than 20 times   | 10                | 6.7  |

**Interpretation:** Table clearly states that the demographic profile of the respondents. Most of the respondents are less than 10 times.

Degree of freedom = (r-1) (c-1)

**Table 3**

| <b>Particulars</b>   | Less than 10 times | 10 to 20 times | More than 20 times | <b>Grand total</b> |
|----------------------|--------------------|----------------|--------------------|--------------------|
| Below Rs.50000       | 68                 | 16             | 5                  | <b>89</b>          |
| Rs.50000 to Rs.80000 | 28                 | 15             | 4                  | <b>47</b>          |
| Above Rs.80000       | 10                 | 3              | 1                  | <b>14</b>          |
| <b>Grand Total</b>   | <b>106</b>         | <b>34</b>      | <b>10</b>          | <b>150</b>         |

$H_0 = H_0$  is the null hypothesis. There is no relationship between the independent variable and the dependent variable.

$H_1 = H_1$  is the alternative hypothesis. There is relationship between the independent variable and the dependent variable.

**Chi square analysis formula:**

$$\chi^2 = \sum (O_i - E_i)^2 / E_i$$

**Table 4:** Chi square table

| O          | E             | (O-E) <sup>2</sup> | (O-E) <sup>2</sup> /E |
|------------|---------------|--------------------|-----------------------|
| 68         | 62.89         | 26.112             | 0.415                 |
| 16         | 20.17         | 17.389             | 0.862                 |
| 5          | 5.93          | 0.865              | 0.146                 |
| 28         | 33.21         | 27.144             | 0.817                 |
| 15         | 10.65         | 18.923             | 1.777                 |
| 4          | 3.13          | 0.757              | 0.242                 |
| 10         | 9.89          | 0.012              | 0.001                 |
| 3          | 3.17          | 0.029              | 0.009                 |
| 1          | 0.93          | 0.005              | 0.005                 |
| <b>150</b> | <b>149.97</b> | <b>91.235</b>      | <b>4.275</b>          |

$$\begin{aligned} \text{Degree of freedom} &= (r-1)*(c-1) \\ &= (3-1)*(3-1) \\ &= 2*2 \\ &= 4 \end{aligned}$$

Table value = **9.488**

Calculated value = **4.269**

**Result:** The calculated value is less than the table value (4.275 < 9.488).

Hence, the null hypothesis is accepted. Therefore, there is no significant relationship between family monthly income and the number of times trading involved in a week.

**FINDINGS:**

- Majority (59.3%) of the respondents are male.
- Majority (55.3%) of the respondents are the age of 20 to 25.
- Majority (81.3%) of the respondents are single.
- Majority (30.7%) of the respondents are UG III Year students
- Majority (59%) of the respondent’s salary is below Rs.30000.
- Majority (44%) of the respondents are living in rural areas.
- Majority (64.7%) of the respondents are invest their money.
- Majority (48.7%) of the respondents are investing their money in shares and securities.
- Majority (51%) of the respondents are fully aware of share trading.
- Majority (54%) of the respondents friends are suggested to involve in share trading.
- Majority (54%) of the respondents get Pocket money for their investment
- Majority (36%) of the respondent invest in the platform of Zerodha.
- Majority (46%) of the respondent’s motive of the investment is savings.
- Majority (70.7%) of the respondents invest less than 10 times in a week.
- Majority (33.3%) of the respondent’s friend’s advice to make decision on the investment.
- Majority (43.3%) of the respondent’s college offers monthly investment program classes.

- Majority (28.7%) of the respondent's college staffs taught about the share trading.
- Majority (82%) of the respondents attains profit in their portfolio.
- Majority (46.7%) of the respondents invest in private sectors.
- Majority (50%) of the respondents has moderate aware on their existing investment companies.
- Majority (42%) of the respondents are sell their shares because of high share price.
- Majority (56.7%) of the respondents are satisfied about their existing companies.
- Majority (62%) of the respondents are likely to recommend their investing companies to others.

#### **SUGGESTION:**

According to my research, UG III year and PG are more aware of the shares compared to I year and II year UG students. Their trading times depend on their pocket money and part time incomes, and they must invest in foreign sector companies. The colleges also want to provide some classes every week to promote their sharing habits especially for Iyear and II year Under Graduate students. The movement of the investors is good, and they should think about investing more. They also want to be aware of their investing companies, and they should sell their shares when they have a quick gain or expectation in lower prices.

#### **CONCLUSION:**

A significant number of college students, especially III year and PG students, invest their pocket money in share trading, especially in the private sector, with the help of friends and the internet in the platform of Zerodha and other share brokers like Annamalai shares and SaiRathnaFintech, which are famous in Coimbatore city. The PG respondents and the third-year students trade their shares less than 10 times a week. In contrast, they depend on their pocket money, provided by their family monthly income below Rs.50000, from an internet source to save money and for future perspectives.

Their college also provides monthly investment awareness programs. The program classes are taught by guest lectures, special program classes, and college staff, which helps to profit from investment portfolios.

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