



# AWARENESS AND PERCEPTION TOWARDS THE STOCK MARKET.

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**Abstract:** In ancient days the stock exchanges were taken place under the banyan tree. In India, the first stock exchange was taken place in Mumbai in the year 1850. The objective of the study is to overview the Indian stock market and encapsulate the various investment avenues available and to know investors' perceptions regarding investment in the stock market and the survey is done by collecting data in the form of a questionnaire. Utilizing both quantitative and qualitative methodologies, the study uses a mixed-methods research design to collect its data. Through this data which was collected gave us in depth opinion regarding the individual women's opinion regarding the investment in market. The study concluded that the Indians now a days are gradually becoming aware of investment In Indian stock market.

**Index Terms** - Awareness, Perception, Stock market, Stock Exchange.

## I. INTRODUCTION

The stock market in India has a rich history dating back to the 1850s. The first stockbrokers began trading informally under a banyan tree opposite the Town Hall of Bombay. With the introduction of the Company's Act in 1850 and the concept of limited liability, investors started showing interest in corporate securities. The brokers eventually organized themselves as the Bombay Stock Exchange (BSE) in 1875, making it the oldest stock exchange in Asia. In the late 19th and early 20th centuries, other stock exchanges emerged in India. The Ahmedabad Stock Exchange focused on trading shares of textile mills in 1894, and the Calcutta Stock Exchange started trading shares of plantations and jute mills in 1908. The Madras Stock Exchange was established in 1920. After India gained independence, the BSE became the dominant stock exchange in terms of trading volume. However, the market faced challenges due to low transparency and unreliable clearing and settlement systems, leading to the need for financial market regulation. In 1986, the Sensex (Sensitive Index) was launched by the BSE, followed by the BSE National Index in 1989.

To regulate the securities market, the Securities and Exchange Board of India (SEBI) was established in 1988 as a non-statutory body. It was later granted statutory status with the passage of the SEBI Act in 1992. The BSE transitioned to an electronic trading system in 1995, replacing the open-floor system. In 2015, SEBI merged with the Forward Markets Commission (FMC) to strengthen regulation in the commodities market and encourage domestic and foreign institutional participation. Today, besides the BSE and the National Stock Exchange (NSE), there are five recognized stock exchanges in India. Overall, the Indian stock market has

evolved over time, embracing technological advancements and regulatory reforms to facilitate efficient trading and investor participation.

A stock exchange is a place or platform which hosts a market where buyers and sellers come together to trade for specific hours during business days. The trade could be stocks, commodities or even currencies. As per SEBI's data (as of January 2020), there are about nine exchanges in India, but only a few are active and permanent. Indian stock market is one of the oldest and most robust markets among emerging economies. With the rapid improvement in the exchange infrastructure and better investor protection by the market regulator (SEBI), the trade volume is on the rise. The technological advancement such as trading via mobile apps, the traders and trade volume has shot up recently. In this regard, National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) are well-known exchanges in the country. But beyond these two, India has four other permanent exchanges. This takes the tally to a total of six exchanges.

### **List of Stock Exchanges in India.**

**1. Bombay Stock Exchange (BSE):** BSE, the oldest stock exchange in Asia, was established in 1875 as "The Native Share & Stockbrokers Association" and is located in Mumbai. It was founded by Mr Prem Chand Roychand. Initially, stockbrokers gathered under banyan trees before moving to Dalal Street in 1874. In 1986, BSE introduced Sensex, the first equity index, and has various other indices like BSE 100, BSE 200, BSE 500, and more. It is one of the top 10 valued exchanges globally and is listed on NSE. BSE offers trading in equities, derivatives, and commodities including gold, silver, crude oil, and cotton.

**2. National Stock Exchange (NSE):** NSE, one of the largest stock exchanges in India, was established in 1992 with Vikram Limaye as its CEO. It received recognition as a stock exchange by SEBI in 1993 and started operations in 1994. NSE introduced an electronic trading system, replacing the paper-based settlement system. It launched the Nifty 50 index in 1995-96, which lists the top 50 companies on the exchange. NSE expanded its offerings to include Nifty Next50, Nifty500, Nifty Midcap150, and Nifty Smallcap250. It also formed NSDL for secure electronic holding and transfer of stocks. NSE offers clearing and settlement services, as well as equity, derivatives, commodities, and currency derivatives.

**3. Multi-Commodity Exchange (MCX):** MCX is one of India's largest commodity exchanges, exclusively for trading in commodities, including agriculture. Established in 2003, it facilitates trading in various commodities such as gold, silver, crude oil, and cotton. BSE, the oldest stock exchange in Asia, was founded in 1875 as "The Native Share & Stockbrokers Association" and is located in Mumbai. It introduced Sensex in 1986, an equity index consisting of the top 30 trading companies across sectors. BSE offers trading in equities, derivatives, and commodities, including commodities derivatives. It ranks among the top 10 valued exchanges globally.

**4. National Commodity and Derivates Exchange (NCDEX):** NCDEX is another largest commodity exchanges in the country that started its operations around the same time as MCX. NCDEX, unlike MCX, only offers Agri products for trading. These include cereals and pulses (including Chana, Barley, and Moong), Oil and Oil seeds (including Castor seeds, Soybean, Mustard seed and crude palm oil), Fibres (including Kapas

and cotton), and Spices (including Turmeric and Coriander). In recent years, NCDEX also started to offer index products such as AGRIDEX.

**5.India International Exchange (India INX):** A relatively new entrant in the exchange market in the country. Opened in January 2017, India INX is India's first international stock exchange. It is also a subsidiary of BSE and is located at the International Financial Services Centre (IFSC), GIFT City, in Gujarat. It is claimed to be the world's most advanced technology platform with a turn-around time of 4 microseconds which operates 22 hours a day and six days a week. There are two sessions: 04:30:00 Hours to 17:00:00 Hours and 17:00:01 Hours to 02:30:00 Hours. India INX also launched the Global Securities Market, an international primary market platform in India that connects global investors with Indian and foreign issuers. Currently, INX offers only derivative products, including equity, currency and commodities derivatives and debt instruments, including masala bonds and foreign currency bonds. As per recent media reports, INX will soon facilitate buying and selling of shares of foreign stocks, including major US and Europe-listed companies, through its platform.

**6.NSE IFSC:** NSE IFSC Limited (NSE International Exchange), incorporated on 29th November 2016, is a wholly owned subsidiary of the National Stock Exchange (NSE) and is located at the International Financial Services Centre (IFSC), GIFT City in Gujarat. Products offerings are similar to India INX.NSE IFSC usually conducts 16 hours of daily trading over two trading sessions. Currently, there are two trading sessions, the first between 8 am and 5 pm and the second between 5.30 pm and 11.30 pm.

**7.Indian Commodity Exchange (ICEX):** ICEX is a commodity derivative exchange in India. Registered with SEBI, it is a permanent exchange and the only exchange that offers derivatives trading in diamond contracts. While it was incorporated in 2009, its trading was suspended in 2014. It started its operations again in 2017. In addition to diamond contracts, ICEX also offers Agri derivatives, including spices, oilseeds, plantations, and cereals But ICEX is mired with controversies and allegations and is expected to come out of the situation soon.

**8.Calcutta Stock Exchange (CSE):** CSE, which started under Neem Tree in the 1830s has come a long way now. It is among the oldest stock exchange and was once considered among the largest stock exchanges in the country. It was incorporated in 1908 and had been occupying building 7 in Lyons Range, Calcutta. In the year 1980, it was granted permanent recognition by the Government of India under the relevant provisions of the Securities Contracts (Regulation) Act, 1956. CSE also had an index called CSE-40, similar to Nifty50 and Sensex. CSE was once a competitor to both NSE and BSE. While it is a permanent (licensed) stock exchange registered with SEBI, it now faces an uncertain future. Its trading had been suspended for nearly nine years by SEBI due to non-compliance with certain norms. Though nearly 20 regional stock exchanges have voluntarily exited the business, CSE continues to fight its battle.

**9.Metropolitan Stock Exchange (MSE):** The Exchange was notified as a 'Recognized Stock Exchange' under the Companies Act by the Ministry of Corporate Affairs on December 21, 2012. MSE products are similar to any other stock exchange. It offers Futures and Options, currency derivatives, and debt market instruments. The need for investment will grow as you move ahead in life. Growing responsibilities will demand an increase in investment. The primary objectives of investment are listed below: Safeguard your Money, grow your savings, build fund for emergencies, secures your retired life, save tax and to know the objectives of stock

market are like to Qualify for Long-term Financing, to Raise Capital, to Protect Fraudulently, increasing the Efficiency of Trades, to Conduct Honest and Operation, Convenience, Both Honesty and Safety are Crucial, Regulation and Control of the Market, Expansion of the Economy, Teach Individuals to Save Money etc.

Indian capital markets are regulated and tracked by The Securities and Exchange Board of India (SEBI), The Reserve Bank of India, and the Ministry of Finance. The Department of Economic Affairs administers SEBI regulations, which protect the interests of traders and investors. SEBI's functions include regulating capital markets, protecting traders' interests, regulating security markets, transfer agents, stockbrokers, and merchant bankers, handling broker registration, encouraging self-regulatory organizations, promoting investor learning opportunities, and preventing malpractice.

## II. REVIEW OF LITERATURE

- **Kukreja, G. (2012)**, the aim of research is to identify the factors influencing investor's perception towards investment in Indian capital market, The study is conducted based on primary and secondary data, primary data is collected from majority Metropolitan cities in Delhi and secondary data from journals, books, magazines etc, The research analysed through Bartlett's test, explanatory factor analysis using principal component analysis, chi- square test and Cronbach's Alpha test is used throughout the research, This study conclude that investor has huge scope for current earnings and capital appreciation in emerging market like India, but this can be possible only if the elements like trust, guidance, and regulations were exist steadily in the capital market among the brokers and investors.
- **Agrawal, S., & Singh, D. S. (2020)**, The aim of the study is to analyse the factor dominating the investors in the equity market which includes use of predictive skills to outperform the market, purchase price of stock, trading on NSE, the study conducted is based on primary data analysis and it include sample size, exploratory and descriptive design throughout the research, this research conclude that the behaviour of the retail investors is guided by their predictive skill, purchase price of stock as a reference volatile.
- **Vijay, S., & Rao, B. (2018)**, The objective of the study is to take an overview of the Indian stock market and encapsulate the various investment avenues available and to know investors perception regarding investment in stock market, In the following study Questionnaire method was used for collecting the data with the help of this method of collecting data, a Sample Survey was conducted. The secondary data was collected through websites, books and magazines. The primary data was collected through direct personal interviews, Maximum investors are aware of all the investment options. Investors do not invest in Single Avenue, they prefer different Avenue and maximum investors preferred to invest in shares, mutual funds and debentures. The investment decision of investors is influenced by their own decision and friends and relatives. Majority of investors invest 15 to 20% of their annual income the most important factor is return which influence the decision regarding investment.

- **Prabu, A., & Gajendran, A. (2021)**, the main objective of the study is to identify observe and analyse the factors which influence investment awareness in the stock market. And to examine the connectivity between stock market investment awareness, stock market investment sources of information, stock market investment preference, and stock market investment decision, 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 variable of this study. The reliability statistics and test are also done and confirmatory factor analysis also tested and initiated for the present study, It is finally concluded that the following three identified variables are very important and we cannot ignore these three dependent variables 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.
- **Bhuyan, R., Singh, R., & Bhattacharjee, J. (2021)**, the main goal of the research is to create awareness regarding investments to retailers, the research is based on primary data collected using a structured questionnaire. However, secondary data is also obtained from relevant sources such as journals, official reports, newspaper, etc. for providing necessary background information of the study area, all stock market legal, environmental, awareness and technical issues and the process of equity investment different than that of other investments therefore call for adequate awareness.
- **Pawar, L. S., Byahatti, C. G., & Desai, V. (2022)**, the motto of this research is to know the risk levels involved during stock market factors that women take into consideration while investing in the stock market, to ascertain the reasons for not investing in the stock market and to analyse what should be done, so that more women start investing in the stock market, The researchers prepared a questionnaire, which would help them to gain more insight into perceptions of women towards investments in the stock market. 50 women were selected from the Vijayapura district and asked to complete the questionnaire, From the respondents of this research the responses were 100% of them were knowing regarding stock market, few were investors and few were non investors, 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. Women, especially in the Indian scenario, are most of the time not given free hand to take investment decisions. Despite such barriers, some women do take up investment decisions and succeed.
- **Sakthi, R. S., & Robert, P. W. (2017)**, the aim of the study is to analyse the factor about the perception of investors towards stock market investment, the study is totally based on primary data. Data used in this study is primary data collected through structured questionnaire. It is collected from various stock broking agencies in Chennai. It also has various statistical tools in this study, this research conclude that the investors are highly aware in investing in stock markets and the company earn profits and they also collect money from the financial institutions to develop the organizations.

- **Akhter, A., & Sangmi, M. U. D. (2015)**, the aim of the study is to analyse the factor about the perception of youth regarding stock market products, investment avenues, terms, institutions and services, The study has been drawn from both primary and secondary sources. This research was conducted in Jammu & Kashmir for educated youths, the study was collected from the respondents was tabulated with the help of customized computer programme in the excel format. The tools used for analysing the data were percentage, mean, standard deviation, t-test, this study concludes that the average literacy of the educated youth especially the graduates of Srinagar is between low and moderate, so far as the stock market is concerned.

### III. Objectives of the study

- To know the perception of individual regarding stock market.
- To create awareness among investors towards stock market.
- To study the investor behaviour and factors affecting their investment.
- To analyse the problems of investors while investing and the reasons for not investing in stock market.

### IV. NEED OF THE STUDY

- To overview the exploration of Indian financial health.
- The main motto of this research is to know the market efficiency.
- To brief the history regarding Indian stock market information regarding the structure and function of Indian stock market.

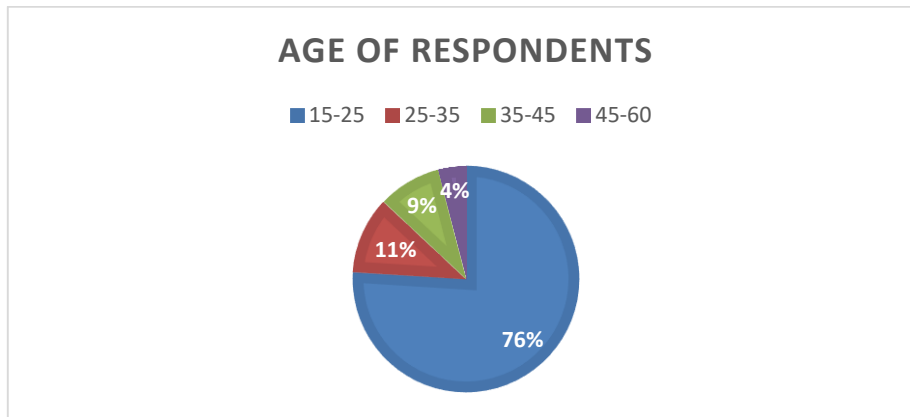
### V. RESEARCH METHODOLOGY

The research design employed in this study is descriptive, aimed at gathering comprehensive information about a specific group or phenomenon to provide an accurate representation of its characteristics and behaviours. Statistical tools, such as graphs and percentages, were utilized to summarize the dataset and determine the centre point or typical value. The research incorporated both primary and secondary data, with primary data collected through questionnaires and secondary data sourced from articles, books, magazines, websites, and journals. The sampling technique employed was convenient sampling, with 100 respondents selected for the study.

## VI. RESEARCH METHODOLOGY

The data collected is represented in the form of table and pie chart. A brief description of analysis and interpretation is given below.

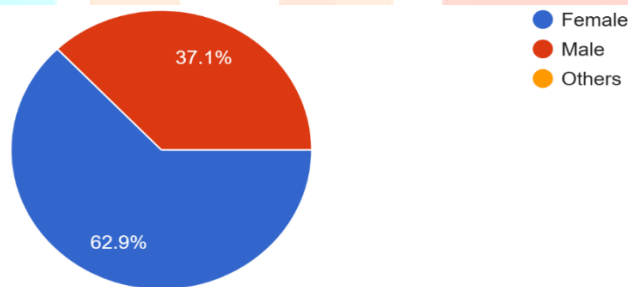
**Figure 1: Awareness and perception towards stock market on the basis of Age.**



### Interpretation:

The data was collected from various age group from the above table it is concluded that among all the respondents the level of awareness about Stock market is 76% are 15 – 25 years of age group, 11% respondents belong to 25 – 35 years of age group, 9% are from age group of 35-45 and remaining belong to age group of 45-60.

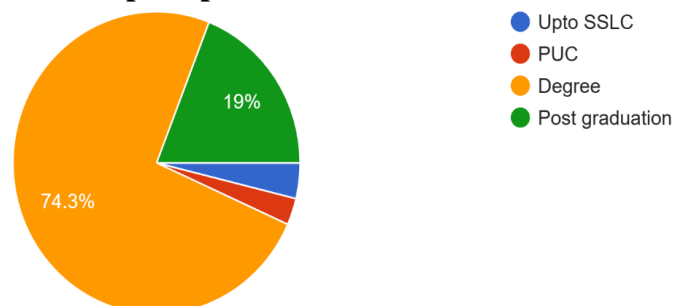
**Figure 2: Awareness and perception towards stock market on the basis of Gender.**



### Interpretation:

As per the above figure, it can be observed that, among all the respondents the level of awareness and perception towards stock market is 62.9% respondents are female and 37.1% respondents are male.

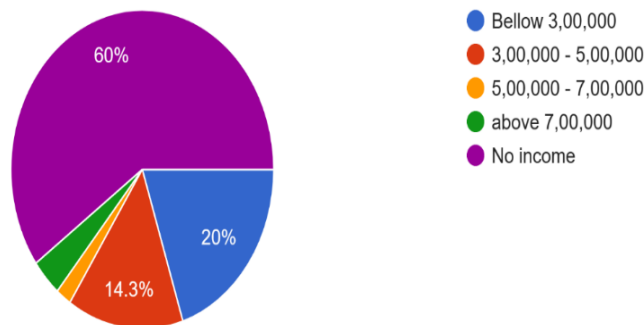
**Figure 3: Awareness and perception towards stock market on the basis of Education.**



### Interpretation:

As per the above figure, it can be observed that among all the respondents the level of awareness towards stock market is 3.3% are up to SSLC, 3.4% respondents are qualified up to PUC, 74.3% of the respondents are the degree graduates, 19% respondents are postgraduates.

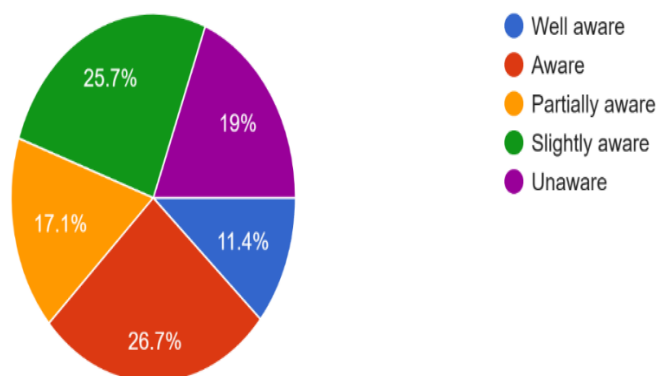
**Figure 4: Awareness of stock market on the basis of income.**



**Interpretation:**

As per the above figure, it can be observed that, among all the respondents the level of awareness and perception towards stock market and their annual income is observed by 60% respondents are student , so there is no income and 20% respondents are below ₹3,00,000 , 14.3% respondents are in the scale of ₹3,00,000 to ₹5,00,000 and 3.7% respondents are in the scale of above ₹7,00,000 and 2% respondents are in the scale of ₹5,00,000 to ₹7,00,000.

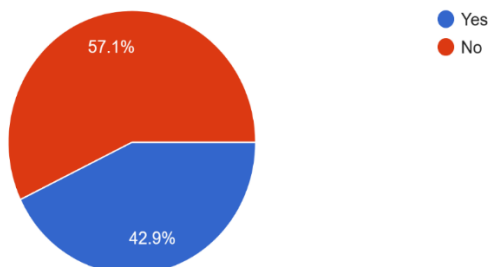
**Figure 5: Awareness of stock market among respondents.**



**Interpretation.**

The questions was asked about the awareness of various investment avenue in stock market for which, 26.7% respondents had awareness, 25.7% respondents were slightly aware, 19% respondents had no awareness, 17.1% respondents were partially aware and 11.4% respondents were well awareness about stock market exchanges.

**Figure 6: Respondents participation in stock market.**

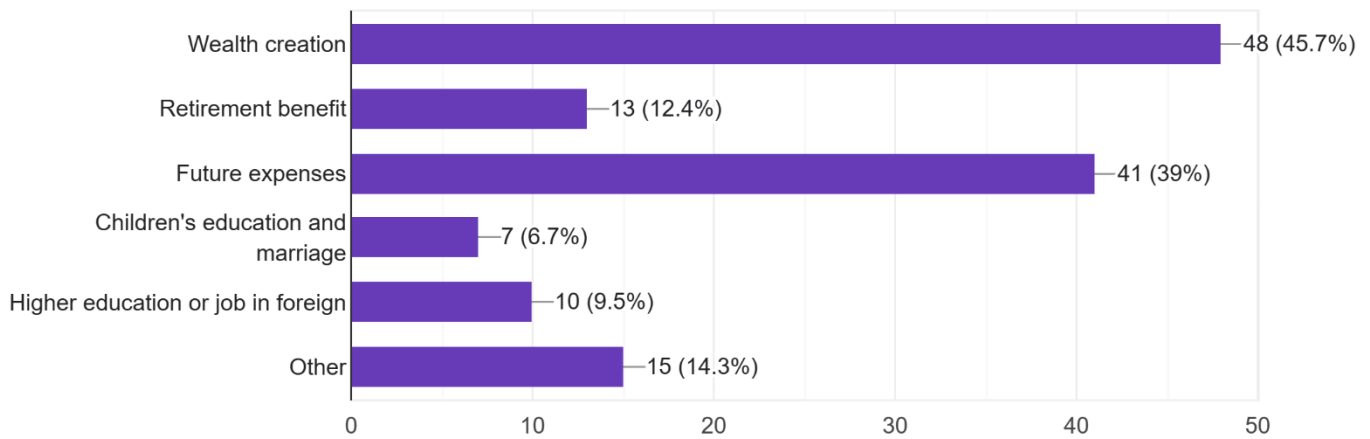


**Interpretation.**

Respondents were asked about do they invest in stock market to which, 57.1% respondents said No and 42.9% respondents said Yes.



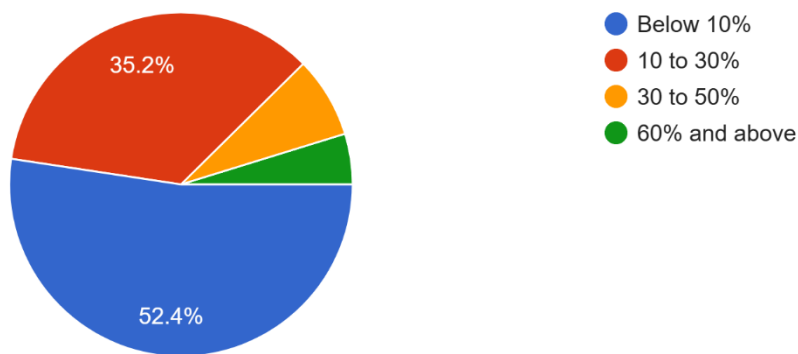
**Figure 7: Investment objective of respondents.**



**Interpretation.**

Next question was about the investment objective of respondents in stock market to which, 45.7% respondents gave importance to wealth creation, 39% respondents gave importance to future expenses, 14.3% gave importance to other factors, 12.5% respondents gave importance to retirement benefit, 9.5% respondents gave importance to higher education and job in foreign and 6.7% respondents gave importance to children marriage and education.

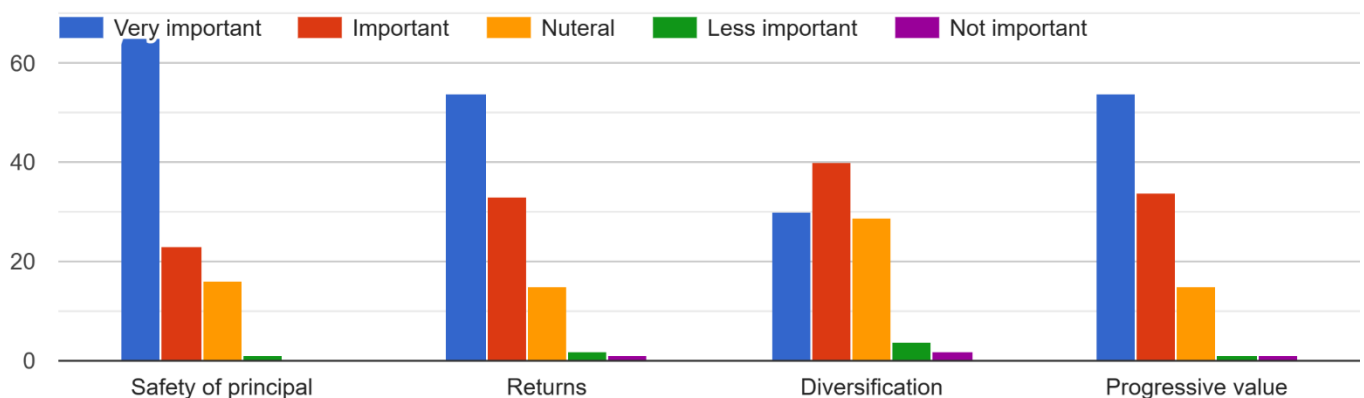
**Figure 8: Percentage of income respondents likely invest in stock market.**



**Interpretation.**

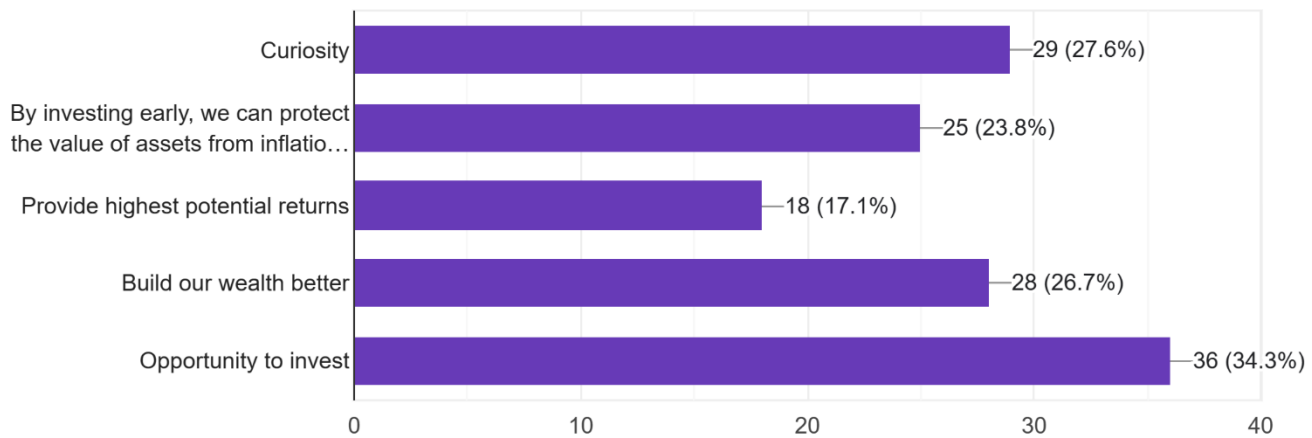
Next was about what percentage of income do respondents invest in stock market to which, 52.4% respondents gave importance to below 10% as they're to the investment, 35.2% respondents gave importance to 10% to 30%, 8.6% respondents gave importance to 30% to 50%, 3.8% respondents gave importance to 60% and above.

**Figure 9: Factors influencing investors to invest in stock market.**

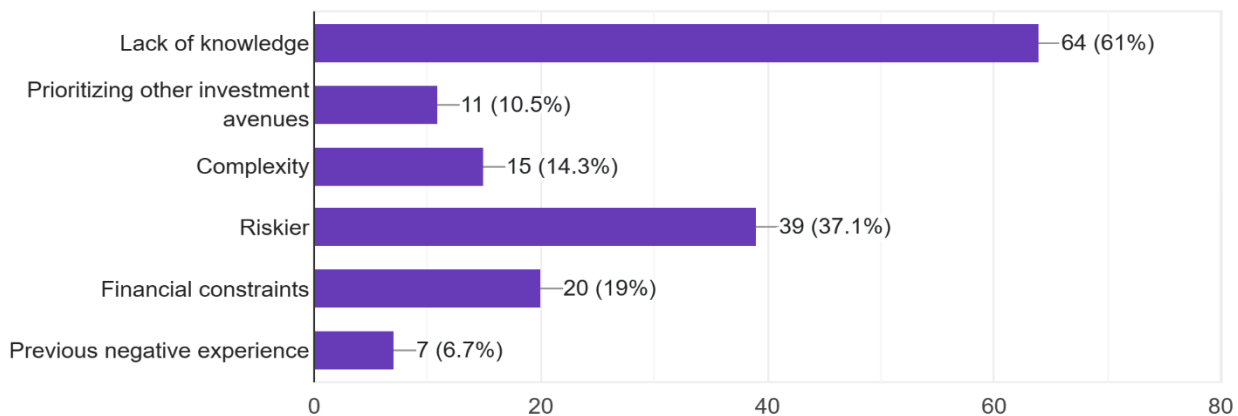


**Interpretation:**

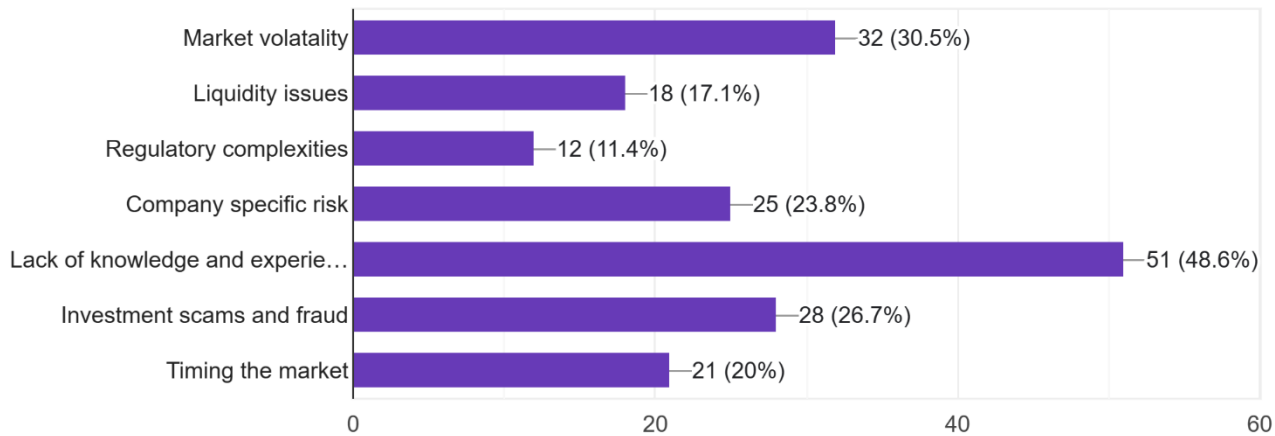
Next was about the important factors guiding investment decisions in stock market where, 60% respondents gave importance to safety of principal, 35% respondents gave importance to returns, 3% respondents gave importance to progressive value and 2% respondents gave importance to diversification.

**Figure 10: Perception on investors on investing in stock market.****Interpretation.**

And the next question was about their perception regarding stock market to which, 34.3% respondents gave importance to opportunity to invest, 27.6% respondents gave importance to curiosity, 26.76% respondents gave importance to wealth maximization, 23.8% By investing in assets and 17.1% respondents gave importance to provide highest potential return.

**Figure 11: Respondents reason for not investing in stock market.****Interpretation:**

Next was about what do you think might be the reason for not investing in stock market where 61% respondents responded to lack of knowledge, 37.1% respondents considered risk factor, 19% respondents were concerned about financial constraints, 14.3% respondents gave importance to complexity, 10.5% respondents responded to prioritizing other investment avenue. 6.7% respondents had step back due to previous negative experience.

**Figure 12: Challenges faced by investors while investing in stock market.****Interpretation.**

last question was the challenges investors face when investing on stocks in the stock market and where 48.6% respondents gave importance to lack of knowledge and exposure, 30.5% respondents were concerned about market volatility, 26.7% respondents were afraid of investment scam and fraud. 23.8% respondents were bothered about company specific risk, 20% respondents gave importance to timing the market, 17.1% respondents were concerned about liquidity issues, 11.4% respondents had problem on regular complexity of the market.

**VII. FINDINGS OF THE STUDY.**

- The analysis of age groups and awareness levels regarding the stock market reveals that a significant percentage (77%) of respondents belong to the age group of 15-25, indicating a higher awareness among the younger generation. This suggests that efforts to promote stock market awareness may be more effective among the youth.
- The gender-based analysis indicates that a higher percentage of female respondents (62.9%) are aware of and have perceptions about the stock market compared to male respondents (37.1%). This finding is interesting and highlights the need for targeted efforts to increase male participation and awareness.
- The data analysis concerning educational qualifications shows that a substantial percentage (74.3%) of respondents are degree graduates, suggesting that education plays a role in increasing awareness and engagement with the stock market. This emphasizes the importance of educational initiatives to promote financial literacy.
- When asked about investing in the stock market, 42.9% of respondents indicated that they invest. This indicates a significant proportion of individuals interested in the stock market. The data also suggests that there is room for increasing investor participation among the remaining 57.1% who don't currently invest.
- Wealth creation emerged as the primary investment objective (45.7%) among respondents, followed by planning for future expenses (39%). These findings align with common investment goals and reflect the financial aspirations of the respondents.
- The analysis of the percentage of income invested in the stock market reveals that a majority of respondents (52.4%) invest below 10% of their income. This could indicate a cautious approach to investment, but also suggests potential for greater investment as awareness and confidence increase.

- Safety of principal (60%) and returns (35%) were identified as the most important factors guiding investment decisions. This finding highlights the significance of risk management and potential gains when making investment choices.
- Respondents' perceptions regarding the stock market include opportunities for investment (34.3%), curiosity (27.6%), and wealth maximization (26.76%). These positive perceptions indicate that a significant portion of respondents view the stock market as a viable option for financial growth.
- Lack of knowledge (61%) was identified as the primary reason for not investing in the stock market. This underscores the need for educational initiatives and resources to address this knowledge gap. Other reasons include risk factors (37.1%) and financial constraints (19%).
- The challenges faced by investors include lack of knowledge and exposure (48.6%), market volatility (30.5%), and concerns about investment scams and fraud (26.7%). These challenges point to the importance of providing education, risk management strategies, and regulatory safeguards to encourage investor participation.

## VIII. CONCLUSION:

The research reveals that awareness and perception towards the stock market vary among investors. Some individuals exhibit a high level of awareness and confidence, viewing the stock market as an essential avenue for wealth creation and long-term growth. On the other hand, some participants display limited awareness, primarily driven by fear of volatility and perceived complexities associated with stock market investing.

Factors such as education, personal experience, and exposure to financial information significantly influence investors' perceptions. Additionally, the study emphasizes the role of financial literacy initiatives and investor education programs in bridging the gap and empowering individuals to make informed decisions in the stock market. Overall, the research underscores the importance of tailored educational efforts to increase awareness and foster positive perceptions towards the stock market, enabling a more inclusive participation in wealth-building opportunities offered by the financial markets.

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