



EXPLORING AWARENESS AND INVOLVEMENT IN THE STOCK MARKET: AN IN-DEPTH ANALYSIS

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ABSTRACT

The stock market is an important instrument to measure the economic condition of a country. It is referred to as the "heartbeat of the economy" or "economic mirror," reflecting the state of a nation's economy and is the secondary market where investors can buy or sell shares publicly. The core and important aspect of the securities market is thought to be investors. As a result, their education and knowledge are critical to reviving and maintaining interest in the securities market. Financial literacy and information needs are critical to understanding Money and financial services in their various forms, functions, and application. This current research aims to examine the perceptions of the general public, specifically among the younger demographic, regarding stock market investments. The study centers on the analysis of data collected through an online survey, which targeted students using a well-structured questionnaire. The participants were chosen through a process of simple random sampling. The survey received approximately 100 responses from individuals residing in Mangalore City.

KEYWORDS: Stock market, participation, awareness

I. INTRODUCTION

Money plays a crucial role in our daily existence, when it concerns finance; Indians have a reputation for their astute and clever thinking. Financial discipline and the right knowledge about managing finance is a must. This is the sector where in majority fail and makes mistakes. Having a solid gap of financial management and practicing disciplined financial habits is crucial. This field often sees many individuals stumbling and making errors.

The prevalent trend in Indian household's leans towards favouring bank deposits as the primary mode of saving money, with a small minority, less than 10 percent, opting for alternative investments such as stocks or mutual funds. Notably, assets like gold, post-office savings and real estate take precedence over stock trading and investment.

This conventional approach to saving money frequently acts as a deterrent for young individuals to explore unconventional avenues. Witnessing their older family members veer away from risky ventures, the younger generation also tends to shy away from embracing investment opportunities, due to both their lack of inclination and knowledge in this domain, thereby opting to adhere to the traditional saving approach.

While saving money in bank deposits is a sound practice, it's important to acknowledge the potential risk of value erosion caused by inflation as time goes on. This underscores the importance of introducing early education in stock trading and investment to the younger generation. Equipping them with knowledge about concepts like compounding, the stock market, portfolio diversification, and other pertinent aspects can contribute significantly to enhancing their financial acumen as they transition into adulthood.

The present study is carried out among the students of Mangalore city, to identify the level of awareness and participation in stock market.



II. REVIEW OF LITERATURE

Numerous global studies have been undertaken to gauge the level of individuals' awareness regarding financial matters, insurance, and stock markets. For instance, Bonte & Filipiak (2011) observed that a significant portion of Indian households remain unaware of various financial instruments, with only a minority actually investing in such instruments. Atkinson & Messy (2010) also highlighted a global deficiency in financial awareness, including insurance, budgeting, and stock markets. Their survey revealed that a significant portion of the Japanese population lacked knowledge about equities, bonds, financial products in general, and insurance. Similarly, Lusardi & Mitchell (2007) examined investors' understanding of concepts like interest compounding, inflation's effects, and risk diversification. They discovered a widespread lack of knowledge in these areas, particularly among the elderly, females, and those with limited education. Beal & Delpachitra (2003) conducted research to assess five key areas of financial literacy, including basic concepts, financial market instruments, planning, analysis, decision-making, and insurance. Their findings indicated a general lack of proficiency and knowledge among university students in financial matters. Similar conclusions were drawn from the Australian Financial Literacy Assessment (2005) conducted by the Commonwealth Bank Foundation, which found that approximately half of the participants struggled to interpret a bank statement. In the United States, studies indicated that a substantial percentage of American workers were not saving for retirement, and a notable portion of those with investments did not grasp the concept of investment value fluctuations. Likewise, Library of Congress reviews in 2011 emphasized the weak financial market awareness among US retail investors. These studies showcased a lack of fundamental financial understanding and an absence of knowledge about avoiding investment fraud. Subgroups such as women, African-Americans, Hispanics, the elderly, and those with lower education exhibited even greater deficits in investment knowledge.

Bonte & Filipiak (2010) found that many Indians lacked awareness of various financial instruments. Furthermore, Thilakam (2012) uncovered that nearly half of the rural population favoured safe and low-risk savings accounts. A majority of respondents had invested in life insurance policies, with a significant proportion opting for higher-risk investments in the equity share market. Transitioning to India's financial literacy landscape, only a limited number of studies have been conducted. Seth et al. (2010) echoed this sentiment by highlighting the need for enhanced financial education conducted a study examining the awareness about financial instruments and reported that around 96 percent of Indian investors have savings account in the banks, but only around 30 percent had knowledge about National Savings Certificate and Public Provident Fund. Thilakam's (2012) study also revealed that the financial knowledge of rural masses in India is primarily confined to conventional savings and investment options like bank accounts, insurance policies, equity investments, gold, and real estate.

Similar conclusions were drawn by Nash (2012), who found that a substantial 98 percent of Indian citizens do not possess a Demat account, highlighting a lack of awareness about stock markets. Despite the existence of numerous studies both within the country and internationally, as previously mentioned, India has seen a limited number of investigations in this domain. It's within this context that the current study has been undertaken, aiming to bridge this gap and provide a modest contribution to the field.

III. OBJECTIVES OF THE STUDY

1. To explore the modes of acquiring knowledge about stock market.
2. To examine the factor influencing the students to acquire knowledge about stock market.
3. To assess the level of awareness about stock market among the students.
4. To analyses the rate of students' engagement in stock market participation.

IV. METHODOLOGY OF THE STUDY

Sources of Data: This study draws upon a combination of primary and secondary data sources. Primary data was collected from postgraduate students selected from a designated sample of educational institutions. On the other hand, secondary data was sourced from various outlets, including journals, annual reports of regulatory bodies such as SEBI, BSE, and NSE, newspapers, reports from brokerage firms, as well as publications from the World Federation of Exchanges.

Sample Area and Sample Size: The objective of this present study is to analyse how the general public perceives investing within the stock market, particularly focusing on the younger demographic. The research dataset encompasses feedback gathered from individuals who participated in an online survey centred on students with



the help of a structured questionnaire. The respondents were selected using simple random sampling. The survey was completed by around 100 respondents from Mangalore City.

V. DATA ANALYSIS AND DISCUSSION

1. Age of respondents

Age	Number of Respondents	Percentage
18-20	15	15%
21-25	75	75%
26-30	08	8%
30 Above	02	2%
Total	100	100%

Source: Survey data, 2023

The above table we can interpret that majority of the respondents are between the age group of 21-25 because the respondents are students.

2. Gender wise classification of the respondents

Gender	Number of Respondents	Percentage
Male	39	39%
Female	61	61%
Total	100	100%

Source: Survey Data, 2023

Based on this data, it can be concluded that the majority of the respondents in this survey identified as female, with females comprising 61% of the total respondents. This indicates that female students in Mangalore Taluk were actively involved in the survey, showcasing their interest in stock market participation and awareness.

3. Educational qualification of the respondents

Educational Qualification	Number of Respondents	Percentage
Under graduation	26	26%
Post-graduation	61	61%
Professional degree	10	10%
Doctorate degree	02	2%
Other	01	1%
Total	100	100%

Source: Survey Data, 2023

The data suggests that a significant proportion of the respondents involved or interested in the stock market have achieved a high level of educational attainment. With 61% of the respondents holding postgraduate degrees, it indicates that the stock market participants are likely well-educated and have advanced knowledge in their respective fields.

4. Family average income of the respondents

Family Average Income (Rs.)	Number of Respondents	Percentage
Below 25000	34	34%
25000-50000	36	36%
51000-75000	14	14%
76000-100000	09	9%
Above 100000	07	7%
Total	100	100%

Source: Survey Data, 2023

The data suggests that there is a diverse range of family income levels among the student population. While some students come from lower-income households, others belong to families with moderate to higher income levels.



Understanding the income distribution can help identify potential financial challenges faced by students and inform strategies for supporting their educational needs and ensuring equal opportunities for all.

5. Respondent's participation in stock market

Investment in stock market	Number of respondents	Percentage
Yes	45	45%
No	65	65%
Total	100	100%

Source: Survey Data, 2023

The data indicates that among the respondent, this suggests that there is a significant portion of individuals who are actively involved in stock market investments, while a majority have chosen not to participate.

6. Duration of trading in stock market of the respondents

Trading in Stock Market	Number of Respondents	Percentage
Below 1 Year	75	75%
1-2 Year	18	18%
2-3 Year	05	5%
More Than 3 Year	02	2%
Total	100	100%

Source: Survey Data, 2023

The data suggests that a significant number of respondents have limited trading experience in the stock market, with the majority having less than one year of experience. This could imply that many respondents are still in the early stages of their trading journey and may be developing their skills, knowledge, and strategies.

7. Perception of the respondents towards investment

Other Option	Number of Respondents	Percentage
Insurance	17	17%
Savings	70	70%
Property	08	8%
Other	05	5%
Total	100	100%

Source: Survey Data, 2023

The data indicates that among the provided options, a significant portion of the respondents prioritize savings as their investment strategy, while a smaller proportion opts for insurance or property.

8. Advisor of the respondents to invest in stock market

Advisors of the Stock Market	Number of Respondents	Percentage
Family members	15	15%
Relatives	10	10%
By own	20	20%
Brokers	03	3%
College or university	26	26%
Other	26	26%
Total	100	100%

Source: Survey Data, 2023

Overall, the data reveals that respondents use a variety of sources for advice or guidance in the stock market. While some rely on family members, relatives, brokers, or their own knowledge, a significant portion also seek assistance from their college or university or other unspecified sources. This indicates a diverse range of approaches and preferences when it comes to seeking advice and making decisions in the stock market.

**9. Factors that influence to the respondents to stay informed about the investment**

Factors	Number of Respondents	Percentage
Financial news websites or apps	24	24%
Social media platforms	50	50%
Financial books or publications	07	7%
Professional financial advisors	18	18%
Other	01	1%
Total	100	100%

Source: Survey Data, 2023

Overall, the data shows that respondents gather information about the stock market from a variety of sources. While social media platforms have emerged as a prominent information source, financial news websites or apps and professional financial advisors also play significant roles. It's important for individuals to critically evaluate the information received and consider multiple perspectives to make informed investment decisions.

10. Sectors preferred for investment in Stock Market

Sectors	Number of Respondents	Percentage
Government	57	57%
Non-government	23	23%
Semi-government	19	19%
All	01	1%
Total	100	100%

Source: Survey Data, 2023

The data shows that a majority of the respondents prefer investing in the government sector, indicating a potential preference for stability and lower risk. However, a significant portion of respondents also choose non-government and semi-government sectors, indicating a willingness to explore other sectors for potential investment opportunities.

11. Number of shares owned by the respondents

Shares	Number of respondents	Percentage
1-10	76	76%
10-50	14	14%
50-100	05	5%
More than 100	05	5%
Total	100	100%

Source: Survey Data, 2023

The data reveals that the majority (76%) of respondents hold a relatively small number of shares, with a focus on the 1-10 share range. This could imply that many respondents have a conservative or cautious approach to stock market investments, while a smaller proportion has larger and more diversified portfolios.

12. Profit or loss in return of the respondents in stock market

Return is mostly in	Number of respondents	Percentage
Profit	70	70%
Loss	30	30%
Total	100	100%

Source: Survey Data, 2023



The data suggests that a majority (70%) of respondents have experienced profitable returns in the stock market, while a significant portion have faced losses.

13. Primary investment goal of the respondents

Primary Goal of Investment	Number of Respondents	Percentage
Savings for education expenses	39	39%
Building an emergency fund	20	20%
Long- term wealth accommodation	24	24%
Other purpose	17	17%
Total	100	100%

Source: Survey Data, 2023

The data shows that respondents have diverse investment goals, with saving for education expenses, building an emergency fund, and long-term wealth accumulation being the most prominent objectives. It highlights the importance of financial planning and investment strategies aligned with individual goals and priorities.

14. Current investment amount of the respondents

Amount	Number of respondents	Percentage
Below-5000	74	74%
5000-15000	23	23%
26000-50000	00	0%
Above 50000	03	3%
Total	100	100%

Source: Survey Data, 2023

The data shows that the majority (74%) of respondents have relatively modest investments in the stock market, with a significant percentage allocating amount below 5,000. This may reflect a cautious approach to investing or a lack of available funds for larger investment of the respondents.

15. Key factor that influences the respondent's investment decision as a student

Key factors	Number of Respondents	Percentage
Potential return on investment risk	28	28%
Risk tolerance	25	25%
Recommendation from family or friends	10	10%
Financial goal or objectives	25	25%
Availability of investment information and resources	10	10%
Other	02	2%
Total	100	100%

Source: Survey Data, 2023

The data shows that students' investment decisions in the stock market are primarily influenced by factors such as the potential return on investment risk, risk tolerance, financial goals, availability of information, and recommendations from trusted sources.

**16. Familiarity with various investment option such as stocks, bonds, mutual funds, and Real Estate of stock market known by the respondents**

Familiar with Different Investment	Number of Respondents	Percentage
Yes	66	66%
No	34	34%
Total	100	100%

Source: Survey Data, 2023

Thus, we can interpret that out of the total respondents, 66% indicated that they are familiar with various investments such as stocks, bonds, mutual funds, and real estate. This suggests that a majority of the surveyed individuals have some knowledge and understanding of these investment options within the stock market.

17. Respondent's perception towards investing in stock market

Perception of respondents	Number of respondents	Percentage
Mostly an opportunity	64	64%
Mostly a risk	36	36%
Total	100	100%

Source: Survey Data, 2023

Thus, it could be interpreted that 36% of the respondents indicated that they perceive investing in the stock market as mostly a risk. This indicates that a significant portion of the participants have concerns or reservations about the potential risks involved in investing in stocks.

18. Significant problems faced by the respondents while investing as a student

Significant Problems	Number of Respondents	Percentage
Lack of financial knowledge or education	30	30%
Limited financial resources	28	28%
Difficulty in finding suitable investment	13	13%
Uncertainty about the market condition	9	9%
Lack of guidance or professional advisor	11	11%
Other problems	09	9%
Total	100	100%

Source: Survey Data, 2023

Thus, it could be interpreted that large number (30%) of students' encounter difficulties in investing due to their constrained financial situations, potentially limiting their ability to allocate sufficient funds to investments.

19. Satisfaction of investing in stock market of the respondents

Satisfaction of investing in stock market	Number of respondents	Percentage
Yes	68	68%
No	32	32%
Total	100	100%

Source: Survey Data, 2023

Thus, it could be interpreted that majority (66%) of the respondents expressed satisfaction, a notable minority expressed dissatisfaction. These varying levels of satisfaction could be influenced by factors such as individual investment performance, risk tolerance, market conditions, and the overall investment strategies employed.

**TABLE 20: Perception about variables related to Trading**

Variable	Frequency					Mean Value	Standard Deviation Value
	Definitely	Probably	Probably Not	Never			
Recommend other to enter stock market	41%	39%	7%	13%		3.02	1.1099
Perception towards stock market	Very Positive	Positive	Neutral	Negative	Very Negative	3.6	1.0636
	21%	35%	36%	5%	3%		
Frequency of trading	Daily	Weekly	Monthly	Occasionally	Rarely	2.58	1.5711
	14%	21%	19%	16%	30%		
Knowledge about investment	Very good	Good	Neutral	Poor	Very poor	3.37	1.0792

Source: Survey Data, 2023

The subsequent analysis has been done to understand the prospective of student regarding the awareness and participation in the stock market.

Statement 1: Recommend other to enter stock market: These percentages indicate the likelihood of students recommending others to enter the stock market.

The mean value represents the average response given by the students regarding their recommendation to enter the stock market. In this case, the mean value of 3.02 suggests a moderate level of recommendation overall.

The standard deviation (1.1099) value measures the dispersion or variability of responses around the mean. A higher standard deviation indicates a wider range of responses, while a lower standard deviation suggests more agreement among respondents.

Statement 2: Perception towards stock market: These percentages represent the distribution of students' perceptions towards the stock market. The mean value of 3.6 indicates the average perception score given by the students towards the stock market. In this case, the mean value suggests an overall positive perception among the students.

The standard deviation value of 1.0636 measures the dispersion or variability of responses around the mean perception score.

Statement 3: Frequency of trading: These percentages represent the distribution of trading frequencies among the students. The mean value of 2.58 indicates the average trading frequency reported by the students. In this case, the mean value suggests that, on average, students engage in trading activities moderately, but not at a very high frequency.

The standard deviation value of 1.5711 measures the dispersion or variability of trading frequencies among the students.

Statement 4: Knowledge about investment: These percentages represent The mean value of 3.37 indicates the average trading frequency reported by the students. In this case, the mean value suggests that, on average, students engage in trading activities moderately, but not at a very high frequency.

The standard deviation value of 1.0792 measures the dispersion or variability of trading frequencies among the students.



VI. MAJOR FINDINGS AND SUGGESTIONS

After analysing and implementing on the data in the previous chapter, the following findings have been collected.

- The study revealed that the majority (75%) of the respondents, accounting for a significant proportion, belong to the age group of 21-25 years.
- The result showed that large number (36%) of the respondent's family average income belongs to 25000-50000.
- The result showed that among the respondent, this suggests that there is a significant (55%) portion of individuals who are actively involved in stock market investments.
- The study revealed that majority (75%) of the respondents investing in stock market for less than 1 year.
- The study emphasizes the respondents towards investment apart from the stock market that majority (70%) of the respondents are interested in investing saving account.
- The result showed that respondents use a variety of sources for advice or guidance in the stock market in that significant portion (26%) seek assistance from their college or university.
- As per the survey majority (50%) of the respondents are influenced by the social media platforms to stay informed about the investment.
- The analysis confirms that majority (57%) of the respondents prefer government sector to invest in stock market.
- As per the survey that majority (76%) of respondents hold a relatively small number of shares, with a focus on the 1-10 share range.
- Study revealed that a majority (70%) of respondents have experienced profitable returns in the stock market. The study emphasizes that significant portion (39%) of the respondent's primary goal of the investing in stock market is saving for education expenses.
- The study revealed that the majority (74%) of respondents have relatively modest investments in the stock market, with a significant percentage allocating amount below 5,000.
- The result showed that the majority (66%) of the respondents are familiar with various investments such as stocks, bonds, mutual funds, and real estate.
- The analysis confirms that the respondents, the potential return on investment risk and risk tolerance were identified as the most significant factors, each accounting for 28% and 25% of the total respondents, respectively.
- The studies revealed that majority (64%) of the respondents perceive investing in stock market as an opportunity.
- The study emphasizes those respondents who invest as students out of the total respondents; large number (30%) identified a lack of financial knowledge or education as a significant problem to invest in stock market.
- The study revealed that majority (68%) of the respondents expressed satisfaction with their investments in the stock market.

SUGGESTIONS

This section deals with suggestions, which is observed from the study results and respondent's opinion.

- Inviting experienced professionals from the stock market industry to deliver guest lectures and share their expertise.
- Organizing panel discussions or seminars with industry experts to facilitate knowledge sharing and networking opportunities.
- Conducting interactive workshops and training sessions focused on enhancing financial literacy, specifically in the context of stock market investments.
- Collaborating with financial institutions, stock exchanges, or market regulators to organize educational initiatives targeting college students.
- Organizing networking events, conferences, or seminars where students can connect with peers who share an interest in the stock market.
- Creating student-led stock market clubs or communities that provide opportunities for collaboration, idea sharing, and mutual support.
- Providing easy access to reliable and up-to-date information about the stock market, including online resources, research materials, and financial news platforms.
- Establishing a dedicated stock market resource centre within college campuses where students can access relevant information and data.



- Suggest specific ways to enhance financial education programs in colleges to promote stock market awareness.
- Inquire about the types of financial literacy initiatives they believe would be most effective in increasing students' understanding of the stock market.
- Motivate college students to actively participate in the stock market.

VII. CONCLUSION

In conclusion, the study on stock market awareness and participation among college students in Mangalore taluk reveals several important findings. The research aimed to assess the level of awareness and participation of college students in the stock market and its various instruments. The data collected and analysed through surveys and interviews shed light on the knowledge and engagement of students in the stock market.

One of the main reasons for this low awareness and participation is the lack of educational initiatives and formal training on financial literacy and investment in colleges. The research highlights the need for educational institutions and policymakers to emphasize the inclusion of stock market-related subjects in the college curriculum to enhance students' financial literacy and empower them to make informed investment decisions.

The implications of this research are significant for both educational institutions and regulatory authorities. By recognizing the gaps in stock market awareness and participation among college students, policymakers can design targeted interventions, such as organizing workshops, seminars, and mentorship programs, to enhance students' financial knowledge and encourage their active engagement in the stock market.

Overall, the study emphasizes the importance of fostering financial literacy and promoting stock market participation among college students in Mangalore Taluk. By equipping them with the necessary knowledge and skills, we can empower the next generation of investors and contribute to their long-term financial well-being.

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