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Awareness of Stock Market Among the College Students of Belthangady Taluk

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ABSTRACT

Stock market is a place where shares of public listed companies are traded. The stock market provides a venue where companies raise capital by selling shares of stock, or equity, to investors. Stocks give shareholders voting rights as well as a residual claim on corporate earnings in the form of capital gains and dividends. A stock exchange facilitates stock brokers to trade company stocks and other securities. A stock may be bought or sold only if it is listed on an exchange. Thus, it is the meeting place of the stock buyers and sellers. India's premier stock exchanges are the Bombay Stock Exchange and the National Stock Exchange. Stock market is an important investment avenue with multiple benefits like; dividend, capital gain, stock split, bonus shares and rights issue. Awareness about the stock market is of great use to the prospective/present investors to make money in the stock market. A thorough knowledge of the stock market would create most efficient and scientific investors. In the present study, the authors have made an attempt to understand the awareness of the stock market among the college students at Belthangady Taluk. It is an exploratory study based on both primary and secondary data. Relevant statistical tools are used for the analysis and testing of hypotheses.

KEY WORDS: Investment, investor, stock market, trading.

1 Introduction

An economy's strength is determined by the savings and investments made by each individual. The Indian economy is significantly shaped by the corporate sector. The Indian economy has grown along with the Indian stock market, which has been expanding over the years and is predicted to do so in the future. The entire capital of the business is calculated, registered, and allocated into equal-valued units. Share capital is the collective term for the units, which are referred to as shares. One of the most significant avenues for businesses to raise capital is the stock market. This makes it possible for businesses to raise more money for growth or to go public by selling their ownership shares on a public market. Stock market investment is one of the most effective investment options available to the investors. It offers appreciation in the value of investment, dividend, bonus shares, stock split and other benefits. It is possible for the investors to grab all such benefits with the proper knowledge of stock market.

2 Review of Literature

An investor's role in the expansion of the economy is crucial. Thus, in order to properly plan their investments, save for the future, and know how to distribute this

wealth, investors must have the necessary awareness of the risk-reward trade-offs of this security. It is imperative that investors, especially students, understand this in order to increase their knowledge and concepts for saving money in the market (*Houriyah Alnakhli & Shabir 2021*). "Parent's master's degree is not important for participating in trading, and perceptions of one's own investability are positively correlated with participation even when controlling for various socioeconomic factors, including financial literacy" (*Oskari Koivunen 2021*). Very few pupils have any knowledge about stock market investing. There exist multiple explanations for students' lack of knowledge or interest in the stock market. The most frequent excuse is that there is risk involved in the stock market and that a lot of money is being invested, but this is untrue. It gauges how students feel about investing in stocks, why they don't invest in the stock market, and how satisfied they are with their stock investments (*Sharan 2021*). The respondents expressed curiosity in participating in the stock market, but they were not aware of the range of options. The results also revealed issues and limitations. The research indicates that it's critical to educate the public on the benefits of stock market investing (*Wangmo Chimmi, Shelly Daly and Rinchen Dorji 2018*). Psychological, economical, and demographic variables were determined to be the primary predictors of a feeling of fairness. Financial awareness is the main factor that leads to financial well-being. A factor contributing to the financial markets'

growth is stock awareness. Understanding equity helps investors understand and manage their risks as investors, as well as their rights and duties. It also helps them make better financial decisions (*Bhattacharjee Jayashree & Ranjit Singh 2017*). There were no notable disparities in the knowledge and awareness of the stock market between the various sample groups according to the places the researcher explored; the young people in the sample ranged from low to moderate (*Aabida Akhter Mohiuddin Sangmi 2015*).

After reviewing the above research articles it was found that there were no studies on the about topic under taken by the researches in the area under study as well as during the period under study. Hence, the current study is being undertaken.

3. Objectives of The Study

- ❖ To study the level of awareness among the college students about stock market.
- ❖ To highlight the awareness of components of stock market.

HYPOTHESIS OF THE STUDY

H₀₁ = There is no significant difference in the awareness level among the students of different courses about stock market.

H₀₂ = There is insignificant difference in the awareness of stock market among the male and female students.

H₀₃ = Respondents of different area of domicile has insignificant difference in their awareness about the stock market.

H₀₄ = There is no significant difference in the awareness about stock market among the UG and PG students.

4 Scope of The Study

The focus of the study is to find out the awareness level of the college students about stock market in Belthangady taluk Hence the area of study is Belthangady taluk. The sample is selected from the traditional arts, commerce and science degree and post-graduation colleges. Professional courses were not included in the study. The study covers students of Government Colleges, private colleges and aided colleges.

5 Research Methodology

It is an empirical study. The study is based on both primary and secondary data. The primary data was collected using well designed and structured questionnaire. Google form was used to collect the data from the sample respondents. Likert's Five Point Scale was used to collect the information about awareness level of the respondents with regard to stock market. The secondary data was collected from books and websites. The sample size of the study is 100 college students. The researchers have used excel and SPSS for the analysis.

6 Data Analysis And Interpretation

Table 1: Course of the students

Course	Frequency	Percent	Valid Percent	Cumulative Percent
Arts	17	17	17	17
Commerce	53	53	53	70
Science	30	30	30	100
Total	100	100	100	

Source: Primary Data

It is clear from the above table that 53% of the respondents are from Commerce students, 30% are science students and remaining are arts students.

Table 2: Gender of the respondents

Gender	Frequency	Percent	Valid Percent	Cumulative Percent
Male	33	33	33	33
Female	67	67	67	100
Total	100	100	100	

Source: Primary Data

It is clear from the above table that 67% of the respondents are female and remaining is male.

Table 3: Area of domicile of the respondents

Area	Frequency	Percent	Valid Percent	Cumulative Percent
Rural	87	87	87	87
Semi urban	8	8	8	95
Urban	5	5	5	100
Total	100	100	100	

Source: Primary Data

It is clear from Table 3 that 87% of the respondents are rural students, 8% are semi-urban students and remaining are urban students.

Table 4: Educational Qualification of the respondents

Education	Frequency	Percent	Valid Percent	Cumulative Percent
PG	6	6	6	6
UG	94	94	94	100
Total	100	100	100	

Source: Primary Data

Table 4 reveals the fact that 94% of the respondents are UG students, and remaining are PG students.

Table 5: Stock market is regulated by SEBI

Option	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly agree	25	25	25	25
Agree	62	62	62	87
Neutral	7	7	7	94

Disagree	3	3	3	97
Strongly disagree	3	3	3	100
Total	100	100	100	

Source: Primary Data

Table 5 reveals the fact that majority (62%) of the respondents are agreed that stock market is regulated by SEBI, 25% of the respondents are strongly agreed, 7% of the respondents are neutral, 3% of the respondents disagreed, 3% of the respondents strongly disagreed.

Table 6: PAN is must to open Demat account

Option	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly agree	22	22	22	22
Agree	57	57	57	79
Neutral	12	12	12	91
Disagree	3	3	3	94
Strongly disagree	6	6	6	100
Total	100	100	100	

Source: Primary Data

It is true from Table 6 that majority (57%) of the respondents have agreed that PAN is must to open the Demat account, 22% of the respondents are strongly agreed, 12% are neutral, 6% of the respondents strongly disagreed, 3% of the respondents disagreed.

Table 7: Demat account is used to store shares.

Option	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly agree	24	24	24	24
Agree	50	50	50	74
Neutral	21	21	21	95
Disagree	4	4	4	99
Strongly disagree	1	1	1	100
Total	100	100	100	

Source: Primary Data

According to Table 7 that majority (50%) of the respondents have agreed that Demat account is used to store shares, 24% of the respondents are strongly agreed, 21% are neutral, 4% of the respondents disagreed, 1% of the respondents strongly disagreed.

Table 8: Demat account is used to purchase and sell the shares.

Option	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly agree	26	26	26	26
Agree	47	47	47	73
Neutral	18	18	18	91
Disagree	7	7	7	98
Strongly disagree	2	2	2	100
Total	100	100	100	

Source: Primary Data

According to above table that majority (47%) of the respondents have agreed that Demat account is used to purchase and sell the shares, 26% of the respondents are strongly agreed, 18% are neutral, 7% of the respondents disagreed, 2% of the respondents strongly disagreed.

Table 9: Trading account is used to store the shares.

Option	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly agree	20	20	20	20
Agree	47	47	47	67
Neutral	17	17	17	84
Disagree	10	10	10	94
Strongly Disagree	6	6	6	100
Total	100	100	100	

Source: Primary Data

It is fact from above table that majority (47%) of the respondents have agreed that trading account is used to store the shares, 20% of the respondents are strongly agreed, 17% are neutral, 10% of the respondents disagreed, 6% of the respondents strongly disagreed.

Table 10: Trading account is used to purchase and sell the shares.

Option	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly agree	25	25	25	25
Agree	48	48	48	73
Neutral	20	20	20	93
Disagree	5	5	5	98
Strongly Disagree	2	2	2	100
Total	100	100	100	

Source: Primary Data

As per above table, majority (48%) of the respondents have agreed that trading account is used to purchase and sell the shares, 25% of the respondents are strongly agreed, 20% are neutral, 5% of the respondents disagreed, 2% of the respondents strongly disagreed

Table 11: IPO helps companies to raise fund

Option	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly agree	18	18	18	18
Agree	53	53	53	71
Neutral	22	22	22	93
Disagree	4	4	4	97
Strongly disagree	3	3	3	100
Total	100	100	100	

Source: Primary Data

Table 11 shows that majority (53%) of the respondents have agreed that IPO helps companies to raise fund, 18% of the respondents are strongly agreed, 22% are neutral, 4% of the respondents disagreed, 3% of the respondents strongly disagreed.

Table 12: It is possible to sell back the shares in IPO market

Option	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly agree	12	12	12	12
Agree	51	51	51	63
Neutral	22	22	22	85
Disagree	7	7	7	92
Strongly disagree	8	8	8	100
Total	100	100	100	

Source: Primary Data

Table 12 reveals that majority (51%) of the respondents have agreed that it is possible to sell back the shares in IPO market, 12% of the respondents are strongly agreed, 22% are neutral, 7% of the respondents disagreed, 8% of the respondents strongly disagreed.

Table 13: Stock market transactions help companies to raise funds

Option	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly agree	25	25	25	25
Agree	50	50	50	75
Neutral	14	14	14	89
Disagree	10	10	10	99
Strongly Disagree	1	1	1	100
Total	100	100	100	

Source: Primary Data

It could be observed from Table 13 that majority (50%) of the respondents have agreed that stock market transactions help companies to raise funds, 25% of the respondents are strongly agreed, 14% are neutral, 10% of the respondents disagreed, 1% of the respondents strongly disagreed.

Table 14: In "day trading" we always get more profit when compared to "long term investment"

Option	Frequency	Percent	Valid Percent	Cumulative Percent
Agree	52	52	52	52
Disagree	5	5	5	57
Neutral	17	17	17	74
Strongly agree	22	22	22	96
Strongly disagree	4	4	4	100
Total	100	100	100	

Source: Primary Data

It is observed in Table 14 that majority (52%) of the respondents have agreed that in day trading we always get more profit when compared to long term investment, 22% of the respondents are strongly agreed, 17% are neutral, 5% of the respondents disagreed, 4% of the respondents strongly disagreed.

Table 15: Long term investment in stock market is worthy

Option	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly agree	27	27	27	27
Agree	46	46	46	73
Neutral	18	18	18	91
Disagree	5	5	5	96
Strongly disagree	4	4	4	100
Total	100	100	100	

Source: Primary Data

It is true from Table 15 that majority (46%) of the respondents have agreed that long term investment in stock market is worthy, 27% of the respondents are strongly agreed, 18% are neutral, 5% of the respondents disagreed, 4% of the respondents strongly disagreed

Table 16: Day trading is more risky than long term investment

Option	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly agree	16	16	16	16
Agree	45	45	45	61
Neutral	19	19	19	80
Disagree	15	15	15	95
Strongly Disagree	5	5	5	100
Total	100	100	100	

Source: Primary Data

It is observed from Table 16 that majority (45%) of the respondents have agreed that day trading is more risky than long term investment 16% of the respondents are strongly agreed, 19% are neutral, 15% of the respondents disagreed, 5% of the respondents strongly disagreed

Table 17: I have knowledge on fundamental and technical analysis

Option	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly agree	16	16	16	16
Agree	47	47	47	63
Neutral	19	19	19	82
Disagree	13	13	13	95
Strongly Disagree	5	5	5	100
Total	100	100	100	

Source: Primary Data

Table 17 shows that majority (47%) of the respondents have agreed that they have knowledge on fundamental and technical analysis, 16% of the respondents are strongly agreed, 19% are neutral, 13% of the respondents disagreed, 5% of the respondents strongly disagreed.

Table 18: I have knowledge about different types of orders in the stock market

Option	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly agree	14	14	14	14
Agree	58	58	58	72
Neutral	16	16	16	88
Disagree	10	10	10	98
Strongly disagree	2	2	2	100
Total	100	100	100	

Source: Primary Data

Table 18 reveals that majority (58%) of the respondents have agreed that they have knowledge about different types of orders in the stock market, 14% of the respondents are strongly agreed, 16% are neutral, 10% of the respondents disagreed, 2% of the respondents strongly disagreed.

Table 19: I have knowledge about derivative Trading

Option	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly agree	17	17	17	17
Agree	45	45	45	62
Neutral	19	19	19	81
Disagree	13	13	13	94
Strongly Disagree	6	6	6	100
Total	100	100	100	

Source: Primary Data

As per above table majority (45%) of the respondents have agreed that they have knowledge about derivative Trading, 17% of the respondents are strongly agreed, 19% are neutral, 13% of the respondents disagreed, 6% of the respondents strongly disagreed.

Table 20:Derivative market is more risky than spot market

Option	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly agree	17	17	17	17
Agree	46	46	46	63
Neutral	20	20	20	83
Disagree	16	16	16	99
Strongly Disagree	1	1	1	100
Total	100	100	100	

Source: Primary Data

It is crystal clear from the above table that majority (46%) of the respondents have agreed that Derivative market is more risky than spot market, 17% of the respondents are strongly agreed, 20% are neutral, 16% of the respondents disagreed, 1% of the respondents strongly disagreed

Table 21:Derivatives are used to protect against risk

Option	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly agree	22	22	22	22
Agree	50	50	50	72
Neutral	17	17	17	89
Disagree	10	10	10	99
Strongly Disagree	1	1	1	100
Total	100	100	100	

Source: Primary Data

As observed table 21 that majority (50%) of the respondents have agreed that Derivatives are used to protect against risk, 22% of the respondents are strongly agreed, 17% are neutral, 10% of the respondents disagreed, 1% of the respondents strongly disagreed.

Table 22:Derivatives are used as speculative tools

Option	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly agree	19	19	19	19
Agree	53	53	53	72
Neutral	17	17	17	89
Disagree	6	6	6	95
Strongly Disagree	5	5	5	100
Total	100	100	100	

Source: Primary Data

It is clear from the above table majority (53%) of the respondents have agreed that Derivatives are used as speculative tools, 19% of the respondents are strongly agreed, 17% are neutral, 6% of the respondents disagreed, 5% of the respondents strongly disagreed.

Table 23: Stock market acts as economic barometer of a country

Option	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly agree	21	21	21	21
Agree	52	52	52	73
Neutral	18	18	18	91
Disagree	4	4	4	95
Strongly disagree	5	5	5	100
Total	100	100	100	

Source: Primary Data

Table 23 shows that majority (52%) of the respondents have agreed that stock market acts as economic barometer of a country, 21% of the respondents are strongly agreed, 18% are neutral, 4% of the respondents disagreed, 5% of the respondents strongly disagreed.

Table 24: Short term capital gain on shares is more taxed

Option	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly agree	22	22	22	22
Agree	53	53	53	75
Neutral	19	19	19	94
Disagree	5	5	5	99
Strongly Disagree	1	1	1	100
Total	100	100	100	

Source: Primary Data

It is observed in the above table that majority (53%) of the respondents have agreed that Short term capital gain on shares is more taxed, 22% of the respondents are strongly agreed, 19% are neutral, 5% of the respondents disagreed, 1% of the respondents strongly disagreed.

Table 25: Chi-square values

Particulars	Course	Gender	Area	Education
Stock market is regulated by SEBI.	24.74*	4.889	6.300	4.03
PAN is must to open Demat account.	9.156	10.29*	7.828	4.69
Demat account is used to store shares.	5.839	10.01*	5.876	3.11
Demat account is used to purchase and sell the shares.	3.898	6.841	10.64	2.83
Trading account is used to store the shares.	6.558	8.785	3.833	10.72*

Trading account is used to purchase and sell the shares.	9.550	10.26*	8.861	3.12
IPO helps companies to raise funds.	8.476	5.927	23.4*	3.16
It is possible to sell back the shares in IPO market.	5.463	4.011	10.69	2.06
Stock market transactions help companies to raise funds.	10.051	23.40*	7.61	0.79
In "day trading" we always get more profit when compared to "long term investment".	9.052	11.182	33.8*	8.36
Long term investment in stock market is worthy.	2.809	2.899	20.1*	1.78
Day trading is more risky than long term investment.	11.793	1.391	14.64	4.07
I have knowledge on fundamental and technical analysis.	9.569	9.316	15.9*	2.94
I have knowledge about different types of orders in the stock market.	4.603	1.927	15.15	0.33
I have knowledge about derivative trading.	6.875	7.678	13.59	2.59
Derivative market is more risky than spot market.	5.870	9.815	7.82	0.34
Derivatives are used to protect against risk.	5.692	5.511	3.85	1.71
Derivatives are used as speculative tools.	6.393	1.550	10.09	2.92
Stock market acts as economic barometer of a country.	7.658	12.925	9.71	4.44
Short term capital gain on shares is more taxed.	11.497	11.303	18.99	2.99

Source: Compiled from Primary Data

It is fact from Table 25 that there is a significant difference between the opinions of students of different course with regard to the role of SEBI in stock market regulations. There is significant difference is found between male and female students with regard to role of PAN in opening the Demat account, use of Dmat account in storing the shares, role of trading account in purchase and sale of shares, role of stock market in raising the funds for the companies. There is a significant difference is observed among the students of different area of domicile with respect to role of IPO to the companies to raise funds, worthiness of long term investment, role of day trading in making more profit against long term investment and knowledge of fundamental and technical analysis. Difference of opinion is observed between the UG and PG students with regard to role of trading account in storing the shares. In total as most of the calculated Chi-square values are lesser than the critical values for all the hypotheses, we have accepted H_{01} , H_{02} , H_{03} , and H_{04} .

7 Findings and Conclusion

It is found in the study that majority (87%) of the respondents are aware about the role of SEBI in regulating the stock market. 79% of the respondents are aware about the role of PAN in opening the Dmat

account. 74% of the respondents are aware that Dmat account is used to store the shares. 73% of the respondents are aware about the role of Dmat account in purchasing and sell of shares. 67% of the respondents are aware about the role of trading account. 71% of the respondents aware about IPO in raising the funds for companies. 63% of the respondents believed that it is possible to sell back shares in IPO market. 74% of the respondents assumed that it is possible to make more profit through day trading than long term investment. 73% of the respondents agreed that long term investment in stock market is worthy. 61% of the respondents knew that day trading is more risky than long term investment. Majority of the respondents have agreed that they have knowledge about fundamental and technical analysis, different types of orders in the stock market, derivatives trading. Majority of the respondents have agreed that stock market acts as an economic barometer of the country. Majority of the respondents are aware that short term capital gain is more taxable than long term investment.

The result of the hypotheses tested reveals the fact that there is no significant difference in the awareness level of stock market among the respondents of different course, gender, area of domicile and educational background. Hence, it is concluded the awareness level of the

students at Belthangady Taluk about the basics of the stock market is good. Stock exchanges, Universities, colleges, media and similar such organisations should take initiative in creating awareness among the youth. Stock market is one of the most effective investment options. If the investment in stock market is started at the very early age, it would create huge wealth to the youth in the long run. Hence, youth should be educated and motivated to invest in the stock market and that would help the youth as well as to the nation to create huge wealth in the long run.

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