

SHARES: A PERCEPTION

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ABSTRACT

A share, in simple terms, means the proportionate ownership of a company. That is the number of shares a person is holding in a company, he is the owner by that proportion. To purchase and sell shares, one has to deal in a particular market known as the stock market. Not only shares but bonds and derivatives are also sold in this market. The two major Indian stock exchanges are the NSE& the BSE. A study of the perception of people towards the stock market was studied. To ascertain this, a study was done by collecting data from 100 respondents with different characteristics. The percentage of people investing/not investing, their age groups, the objectives behind investing, or, if they're not, then fear behind investing was studied.

KEYWORDS: Shares, Share Market, NSE, BSE, Investment, Mutual, Funds, Portfolio, Financial, Instruments, Stock, Exchange.

Introduction

Stated to be the oldest in Asia, the first organized stock exchange was started in 1875 in Bombay, India. To facilitate dealings in the shares of textile mills, the Ahmedabad Stock Exchange was started, in 1894; The Calcutta stock exchange for shares of plantations and jute mills was started in 1908, and later came The Madras Stock exchange in 1920. At present, there are 24 stock exchanges in the country, 21 of them being regional ones with allotted areas.

Shares, in simple terms, mean the proportionate ownership of a company. That is the number of shares a person is holding in a company, he is the owner by that proportion. It means the shareholder shares the profit/loss equally as shared by the company. To purchase and sell shares, one has to deal in a particular market known as the stock market. Not only shares but bonds and derivatives are also sold in this market. In India, there are two primary stock exchanges on which companies are listed- NSE& BSE. The BSE (Bombay Stock Exchange) is located on Dalal Street in Mumbai and was established in 1875 by a cotton merchant, Premchand Roychand, a Rajasthani Jain businessman. NSE was established in the year 1992, for bringing transparency to the Indian equity markets. Anyone with qualifications and with minimum financial requirements was allowed to trade, instead of trade being confined only to a group of brokers. Also, it was the first Indian Stock exchange to completely go digital by creating the National Securities Depository Limited (NSDL) which allowed the investor to hold and electronically transfer their shares and bonds securely.

As of 12th March 2022, the Indian equity market was placed in the world's top five clubs in terms of market capitalization. Higher than that of the UK with \$3.19 trillion, Canada with \$3.18 trillion, and Saudi Arabia, also with \$3.18 trillion, the Indian Share market stands at a valuation of \$3.21 trillion.

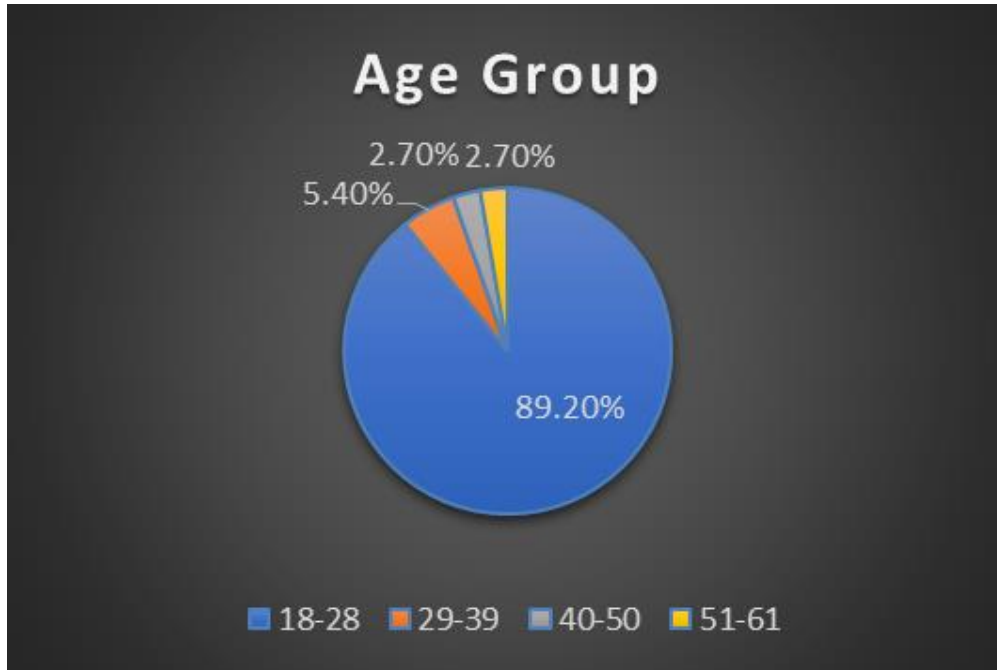
Purpose and Methodology

The purpose was to examine the characteristics, preferences, and investment objectives of investors of Jorhat Town. The methodology used was primary data collection in the form of a questionnaire from 100 respondents from the town itself. It also determined the people's view or opinion regarding the share market or their perception regarding shares and mutual funds.

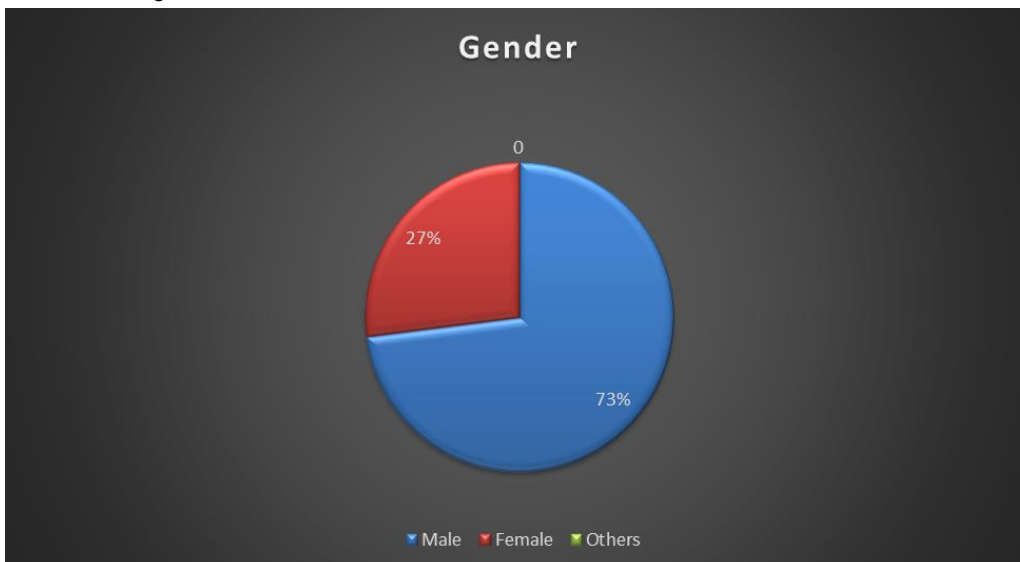
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Analysis and Inference

Age and Gender



Major of the respondents, as seen in the above chart belong to the age group 18-28 years. This may indicate that this age group has a maximum inclination for investment. But a conclusion cannot be drawn as people from the age group above 29 may not be comfortable with an online questionnaire and deferred from filling it.



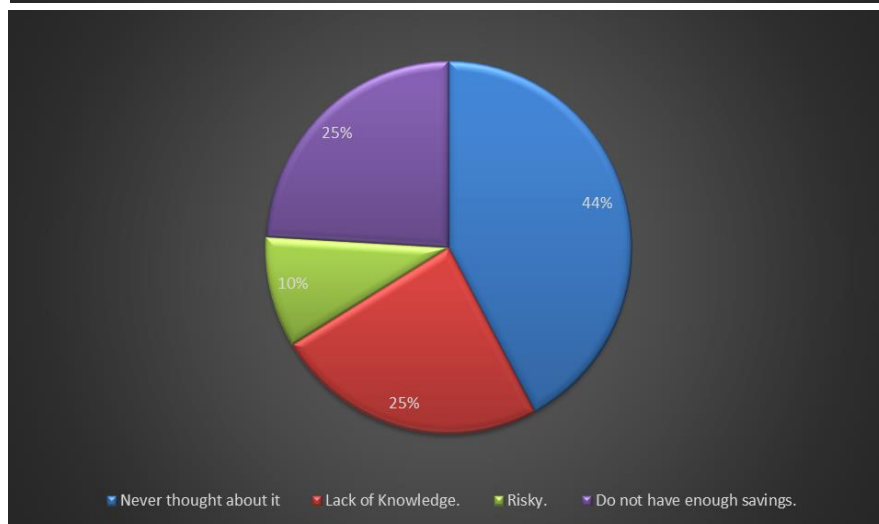
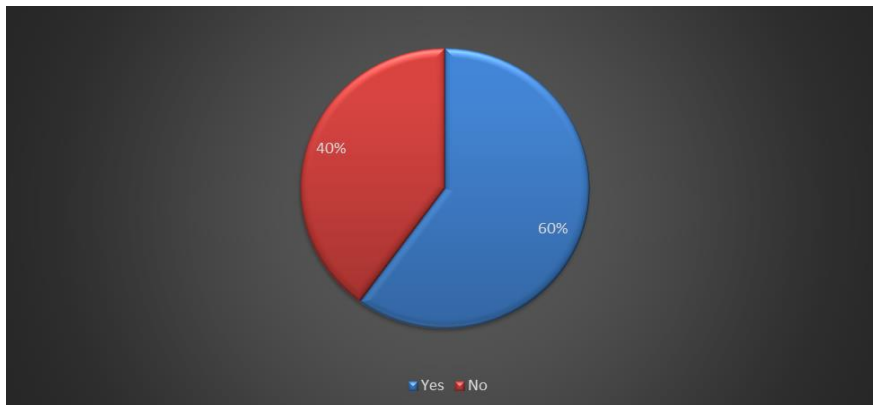
It could be observed from the table that 73% of the respondents were male and 27% of them were female. It depicted that the stock market is more widely prevalent among men than women. It showed that female members were not tapped fully and they were not given the right to take an investment decision.

Financial Independence



It can be seen that 59% of the population is financially dependent. That may be because the majority of the population studied fell in the age group 18-28 and are not independent yet. The rest as they're above 28 might have become independent.

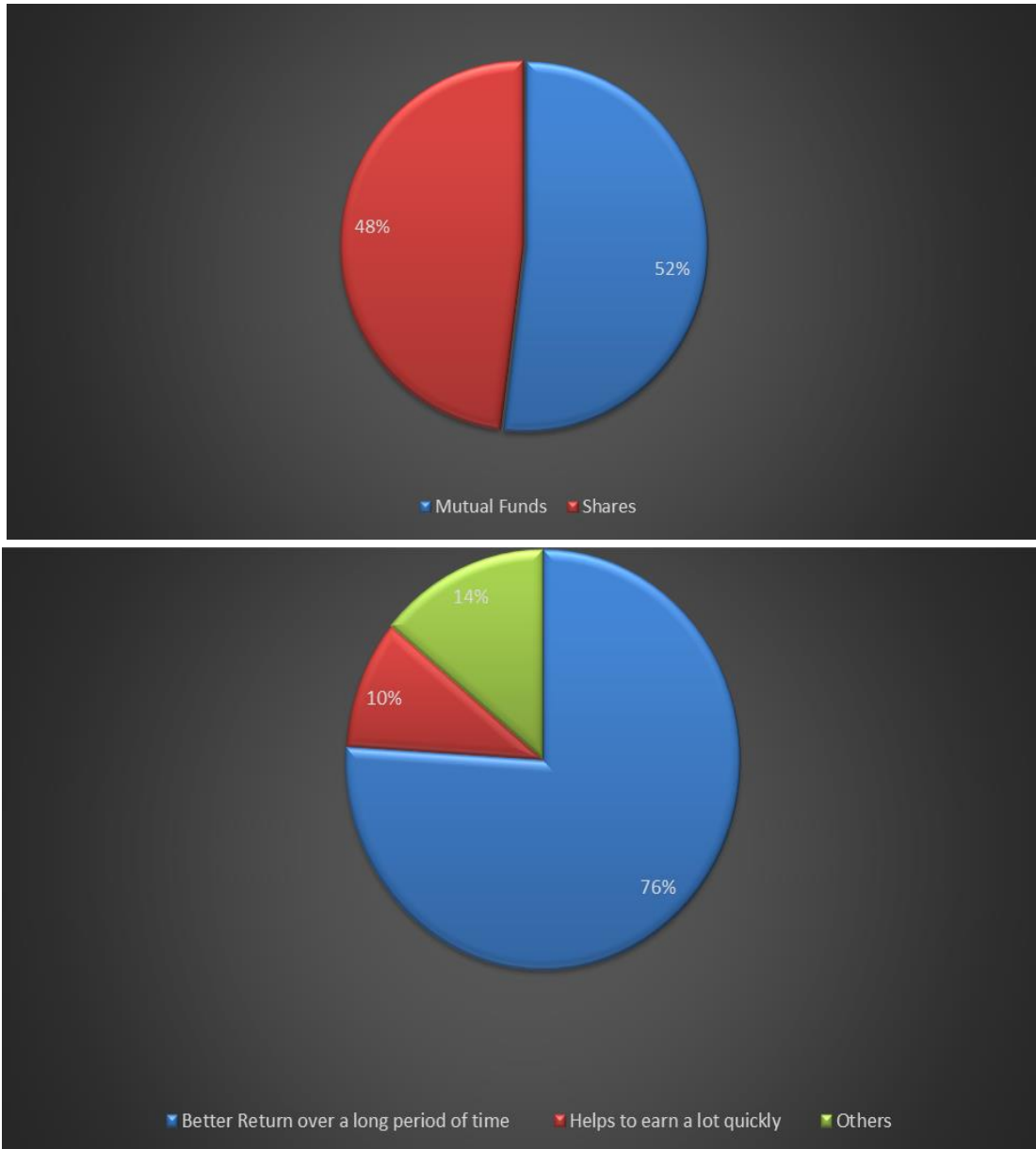
Investing/Not investing and why?



From the above charts, it can be seen that 60% of the population has an inclination towards investment either in shares or mutual funds. But the reason why 40% of the population doesn't invest can be observed from the chart.

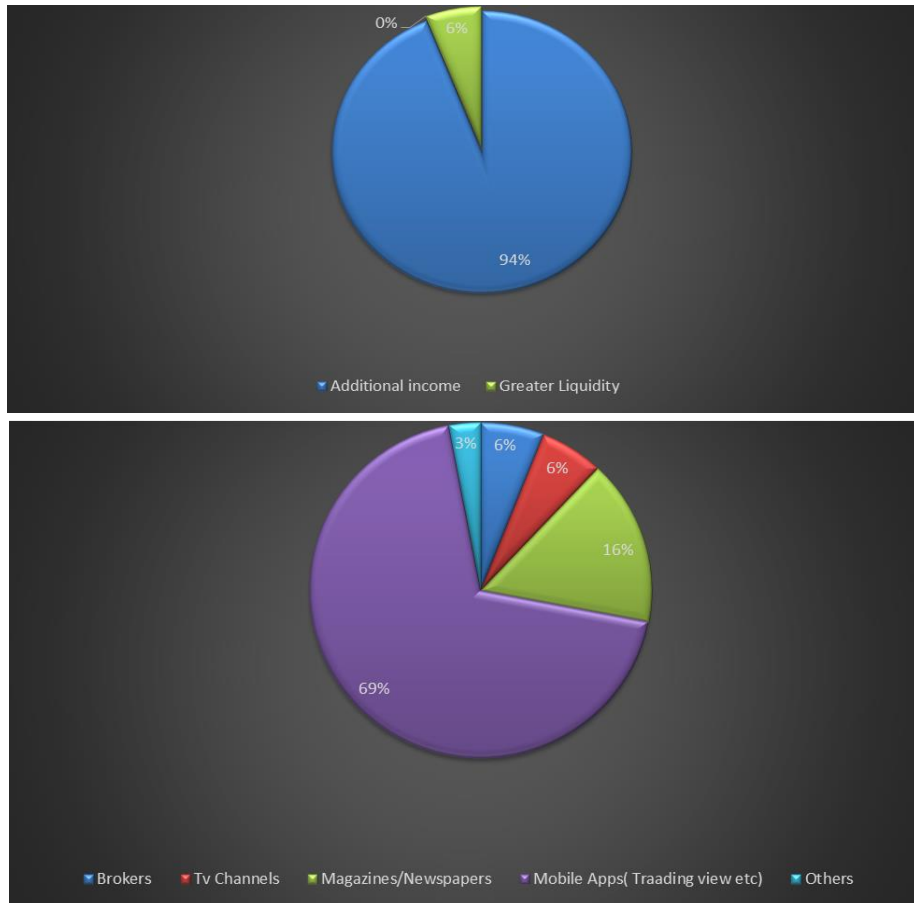
Maximum (44%) of the non-investing population had never thought about investing. 25% of the population said they had a lack of knowledge regarding financial instruments and 25% said they didn't have enough savings which can mean they spend their entire savings. The rest 10% found financial instruments to be risky.

Preference & Reason for Investment



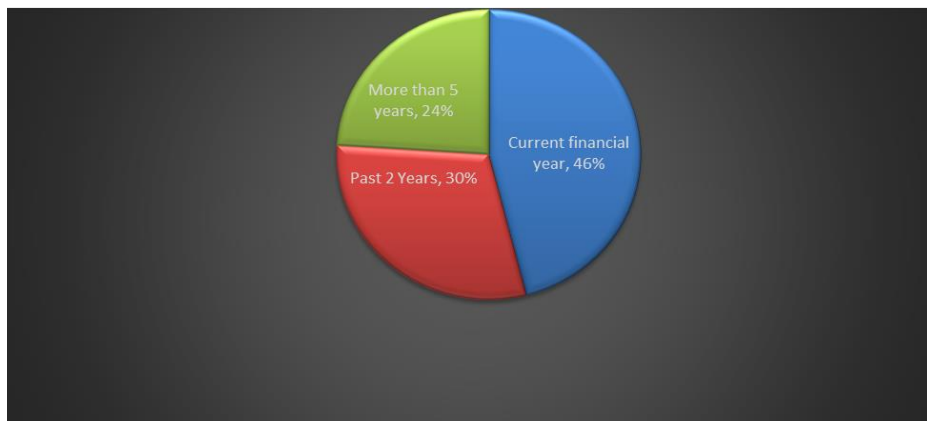
This parameter answers the question as to what the investors preferred most- shares or mutual funds and what was the reason for it. It can be seen that the maximum population invests in mutual funds citing the reason that it helps to get a better return over a long period.

Objective and Source



94% of the population wanted an additional source of income to meet their requirements or fulfil their future dreams or maybe for future emergencies. Only 6% wanted greater liquidity. Maximum (69%) used Mobile apps as their source which is a wise decision as they can get the correct information from these apps specialized in the finance sector. Moreover, information will be up to date and the decision-making will be self-made rather than someone's influence. The rest population's dependency on magazines and T.V. is also apt as they are valid information.

Time Period



The respondents who stated that they've started investing in the current financial year can conclude that as markets started reopening since the ending of last fiscal year, a sign of positive attitude developed amongst investors. The boom of sectors such as the technology sector due to work done online and the medical sector due to COVID-19 may also have prompted the category of people who started investing in the past two years to invest.

Conclusion

It can be said that there might be a fear regarding the stock market but once proper knowledge is developed, investment can be done. Investment is a necessity and is a good time, especially for the young generation as it can cater to future financial requirements. Even if one isn't financially independent yet, small amounts of savings invested can yield much greater earnings in the future. Reading business newspapers, following the stock market, and viewing business-based applications can develop an understanding of the market. One must consider if he has money kept unused and if one wants a greater future value. Even if one finds stock to be a risky affair, mutual funds are a better option. There is already an existing portfolio managed by a bunch of field experts and one need not take much tension. With a guide and self-research, one can easily access mutual funds. Thus, one can start to invest for a better financial future.

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