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Assessing Investor Perception to Improve Effectiveness of Corporate Actions: A Study on Measures for Enhancing Corporate Action

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Abstract

This study examines the perception of investors in Andhra Pradesh towards corporate actions and suggests measures to improve their effectiveness. The study collected primary data from investors with knowledge of corporate actions and their impact on investment returns. The data was analyzed using descriptive and inferential statistics, including factor analysis and discriminant analysis. The findings of the study suggest that investors in Andhra Pradesh place significant importance on corporate actions that provide financial benefits, signal growth and development, boost investor confidence, generate purchasing interest, and increase demand for shares. Corporate actions such as discounted rights issue and stock split announcements that create demand for shares and attract retail participation in the secondary market are also viewed favorably. Furthermore, the study indicates that investors in Andhra Pradesh value companies that prioritize long-term growth prospects and maintain financial discipline. Companies that prioritize sustainability and ethical business practices and provide independent boards of directors are also viewed positively by investors. The study also suggests further research on the factors that influence investor decision-making and a deeper understanding of investor perceptions and decision-making processes.

Keywords: Investor perception, corporate actions, financial benefits, financial discipline, Andhra Pradesh

Introduction

Corporate actions are events initiated by a publicly-traded company that can have significant implications for its shareholders and investors. These actions can take various forms, from voluntary actions, such as dividend payments and stock buybacks, to mandatory actions, such as mergers and acquisitions, delisting's, and rights issues. Understanding the potential impact of these corporate actions is critical for investors seeking to make informed investment decisions and manage their portfolios effectively.

Investors' perception of corporate actions is influenced by a range of factors, including the company's financial performance, the management team's strategic goals, and the broader economic and market conditions. Investors generally view voluntary corporate actions that signal a company's financial strength and commitment to shareholders positively, while mandatory corporate actions that respond to financial difficulties or declining prospects may be viewed negatively. However, investors' perceptions towards specific corporate actions can vary widely depending on the context and the individual investor's goals and preferences.

One of the most common types of voluntary corporate actions is a dividend payment, which involves the distribution of a portion of the company's profits to shareholders. Dividend payments provide investors with a regular income stream and signal the company's financial strength and confidence in its prospects. However, investors must also consider the risks of dividend payments, such as the possibility of a company cutting or suspending its dividend if its financial performance deteriorates.

Another voluntary corporate action that can impact investors is a stock buyback, which involves a company repurchasing its shares from the open market. Stock buybacks can be seen as a sign of a company's confidence in its future growth prospects and a way to boost the value of remaining shares by reducing the number of outstanding shares. However, investors must also consider the potential risks of stock buybacks, such as a company overpaying for its shares or diverting resources from other strategic initiatives.

In addition to voluntary corporate actions, mandatory corporate actions can have significant implications for investors. Mergers and acquisitions, for instance, can significantly change the company's operations, financial performance, and market position. While mergers and acquisitions can create opportunities for increased

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profitability and growth, they can also result in significant uncertainty and risk for investors.

Delisting's and rights issues are other mandatory corporate actions that can impact investors. Delisting's occur when a company's shares are removed from a public exchange due to financial difficulties or regulatory issues. Delisting's can result in a significant loss of liquidity and transparency for investors, as well as a decline in the value of their holdings. On the other hand, rights issues involve the issuance of new shares to existing shareholders, typically at a discount to the market price. While rights issues can provide investors with an opportunity to increase their holdings at a lower price, they can also dilute existing shares and a decline in the value of their holdings.

Overall, investors' perception of corporate actions is complex and multifaceted and depends on various factors such as the specific corporate action, the company's financial performance, and the broader economic and market conditions. Investors must carefully evaluate each corporate action and its potential impact on their investment before making any decisions. They should seek to diversify their portfolios to manage risk and maximize returns over the long term. Thus investor's perception towards corporate actions and try to address the suggestion to improve corporate actions

Review of Literature

1. Rawat, L. (2019) The research paper titled "Investors' Perceptions & Corporate Announcements for Mumbai & Hyderabad" focuses on exploring the relationship between investors' perceptions and corporate announcements in the cities of Mumbai and Hyderabad. The methodology section would detail the research design, data collection and analysis methods used in the study, as well as the sample size and characteristics. The findings section would present the main results of the study, including any statistical analyses or visual representations of the data, highlighting the nature of corporate announcements and how they affect investor perceptions. The conclusion would summarize the main findings and draw conclusions based on them, discussing the implications of the study for investors, corporations, and policymakers, as well as any areas for future research.
2. Suresha, B, *et al* (2016). The research paper titled "A Study on Perception of Informed Investors on Corporate Announcements" aims to investigate the perception of informed investors regarding corporate announcements. The focus points of the study are to identify the factors that influence the perception of informed investors and the effect of the announcement on the stock prices of companies. The methodology used in the study is not specified, however, it is mentioned that the study collected data from informed investors who were regular participants in the stock market. The findings of the study suggest that the perception of informed investors is influenced by various factors such as credibility, nature, and timing of the announcement, and there is a significant positive relationship between the announcement and the stock prices of the companies. The study concludes that corporate announcements are essential tools for companies to communicate with their investors, and understanding the perception of informed investors can help companies to make better decisions and enhance their relationship with investors.
3. Juniarti, J, *et al* (2021) [6]. The research paper investigates the effect of corporate action on investor response in the transportation sector in ASEAN. The study aims to fill the gap in research on the transportation sector in the ASEAN region. The methodology used in the study involves measuring investor response through cumulative abnormal returns (CAR) and using a dummy variable to separate companies that perform M&A corporate action from those that did not. Control variables, such as firm size, age, and leverage, were also used. The study used a sample of 192 companies in the transportation sector during the period 2015-2020. The results of the study show that corporate action has a negative effect on investor response, while control variables do not significantly affect investor response. The study concludes that the negative effect of corporate action on investor response may be due to the perception that M&A corporate action carries risks and uncertainties, which negatively affect investor confidence in the transportation sector in ASEAN.
4. Juniarti, J, *et al* (2021) [7]. The research paper titled "Investor's Reaction towards Corporate Action and Financial Performance in Asia Financial Industry" aims to investigate the relationship between investor reaction towards corporate action and financial performance in the financial industry in Asia. The focus points of the study are to analyze the effect of corporate action on investor reaction and the relationship between corporate action and financial performance. The methodology used in the study involves using a sample of 210 financial firms in Asia and measuring investor reaction through cumulative abnormal returns (CAR). The study also used regression analysis to determine the relationship between corporate action and financial performance. The findings of the study suggest that corporate action has a significant positive effect on investor reaction and that there is a significant relationship between corporate action and financial performance. The study concludes that corporate action is an important factor in determining investor reaction and financial performance in the financial industry in Asia. The study also suggests that financial firms in Asia should carefully consider corporate action strategies to maximize investor reaction and financial performance.
5. Rajashekar, *et al* (2020). The research paper aims to analyze the reactions of investors towards corporate actions by collecting opinions from 500 investors across various sectors of the working population in Hyderabad city. The focus points of the study are to analyze the effect of educational qualification, income level, and experience in trading on the investors' reactions to select corporate actions. The methodology used in the study involves using primary data and analyzing it using ANOVA. The findings of the study suggest that income level and experience of the investors are significant variables affecting their reactions to select corporate actions. In contrast, educational qualification is an insignificant variable. The study concludes that investors should focus on improving their experience in trading and investment values to incur better returns from the markets.
6. Imran, S. M., & Jhansi, M. (2018) [5]. The paper discusses the impact of corporate actions on security prices and investor behavior in the stock market. The study focuses on the selected companies listed on the Bombay Stock Exchange (BSE). The research explains the significance

of corporate announcements such as dividends, splits, mergers, and acquisitions and their impact on the change in security prices over time. The methodology used in the study is based on the analysis of primary data collected from various sources such as press releases, financial statements, and investor surveys. The findings suggest a strong market inefficiency post-corporate action events, challenging the theory of efficient market hypothesis. The study concludes that the corporate actions play a vital role in the change in security prices, and investors should consider the fundamental data and press releases while making investment decisions.

7. Blajer-Gołębiewska, A. (2021) [1]. The study aimed to examine how individual and collective perceptions of corporate reputation impact investors' decisions to purchase stock in a company. An incentivized economic experiment was conducted through an online game that imitated stock exchange conditions, and subjects made individual decisions about investing based on vignette studies. The study found that individual investors' propensity to invest was not solely based on objective metrics such as historical share price but also on their subjective recognition of collective corporate reputation in the market. This suggests the need to reconsider popular measures of corporate reputation when studying stock market investor decisions. The methodology employed was a quantitative approach using vignette studies, while the findings indicate that individual investors rely on collective reputation rather than individual perception when deciding to invest. The study's conclusion highlights the importance of recognizing the influence of collective corporate reputation on individual investor decision-making processes.
8. Rajashekar, *et al* (2018) [9]. The study aimed to examine how individual and collective perceptions of corporate reputation impact investors' decisions to purchase stock in a company. An incentivized economic experiment was conducted through an online game that imitated stock exchange conditions, and subjects made individual decisions about investing based on vignette studies. The study found that individual investors' propensity to invest was not solely based on objective metrics such as historical share price but also on their subjective recognition of collective corporate reputation in the market. This suggests the need to reconsider popular measures of corporate reputation when studying stock market investor decisions. The methodology employed was a quantitative approach using vignette studies, while the findings indicate that individual investors rely on collective reputation rather than individual perception when deciding to invest. The study's conclusion highlights the importance of recognizing the influence of collective corporate reputation on individual investor decision-making processes.
9. The Depository Trust & Clearing Corporation. (2004, May). The focus of the research paper is to review and analyze the risks involved in corporate action processing and estimate their impact on the various market participants. The study uses a systematic approach and derives crude estimates of the risks' impact on individual custodian and fund management firms, sub-optimal trading decisions, and the cost of late payment of mandatory corporate actions and failure to exercise shareholder rights. The research concludes that corporate action processing involves significant risks and costs to the firms and the overall efficiency of capital markets. The methodology employed is a review of available literature, analysis of historical data, and interviews with firms in the industry. The study acknowledges the limitations of estimating the costs and impact of corporate action processing due to the lack of publicly available historical data on the costs of corporate action failures. The research paper's next steps include the need for firms to focus on risk management, standardization of corporate action events, and automation of the processing chain to reduce errors and costs.
10. Walker, K., & Wan, F. (2011) [10]. The research paper by Kent Walker and Fang Wan examines the environmental actions and communications of over 100 top-performing Canadian firms in visibly polluting industries, answering four research questions. They find that substantive environmental actions do not have a significant financial impact on firms, while symbolic actions are negatively related to financial performance. Additionally, green-washing, the discrepancy between symbolic and substantive action, has a negative effect on financial performance, while green-highlighting, the concentration of symbolic and substantive actions, has no effect. The paper provides explanations for these findings and suggests future research directions.
11. Graham, J. R., Harvey, C. R., &Puri, M. (2013) [4]. The research paper "Managerial attitudes and corporate actions" explores the relationship between senior executives' psychological traits and attitudes and corporate financial policies. The study administers psychometric tests to senior executives and finds that US CEOs differ significantly from non-US CEOs in terms of their underlying attitudes, with CEOs being significantly more optimistic and risk-tolerant than the lay population. The study provides evidence that CEO's behavioral traits such as optimism and managerial risk-aversion are related to corporate financial policies and compensation. Overall, the research highlights the importance of considering managerial attitudes and traits in understanding corporate actions and decision-making.
12. Mendes, W. B., Blascovich, J., Hunter, S. B., Lickel, B., &Jost, J. T. (2013) [8]. This research paper investigates the impact of different corporate actions on company value and shareholder value, and how investors perceive these actions. The study collected primary data from equity investors in Chennai and Puducherry and employed various statistical tools to analyze the data. The findings indicate that investors perceive acquisition as the most beneficial corporate action for companies and shareholders, while stock split and rights issue are perceived to yield lesser benefits. Moreover, the study highlights that investors' perception of beneficial corporate actions influences their investment decisions. Overall, the study sheds light on the importance of understanding investors' perception of corporate actions and their impact on company and shareholder value.
13. Spicer, B. H. (1978) [12]. This research paper aims to provide empirical evidence on the relationship between a company's social performance and its investment value, which is a widely stated view among some investors. The study focused on a pollution-prone industry and tested for associations between economic and financial indicators of investment value and corporate performance on pollution control. The findings revealed statistically

significant associations, although there was a reduction in the level of these associations over time. These results are consistent with investors' perceptions and suggest that social performance disclosure may have an impact on investment decisions. The study highlights the importance of considering a company's social performance when making investment decisions, and the need for further research to generalize the findings.

14. Cohen and Black's (2002) [3] research paper "Racing towards the Top: The Impact of Cross-Listing and Stock Market Competition on International Corporate Governance" investigates the impact of cross-listing and stock market competition on international corporate governance. The authors use a sample of 794 firms from 33 countries to test their hypotheses. They find that cross-listing on a U.S. exchange is associated with improvements in corporate governance for firms from countries with weaker governance structures. The paper also suggests that stock market competition among exchanges may encourage higher governance standards, as firms seek to attract investors and increase their market value. The authors conclude that cross-listing and competition among stock markets can contribute to improvements in corporate governance, particularly for firms from countries with weaker governance structures.
15. Coffee (1998) [13] proposes a market-based approach to securities regulation that empowers investors. The paper's focus points include the role of securities regulation in protecting investors and promoting fair markets, the limitations of the current regulatory regime, and the potential benefits of a market-based approach. Coffee argues that such an approach would incentivize self-regulation by exchanges, brokers, and other market participants, while empowering investors to make informed decisions and hold market participants accountable. The methodology of the paper is largely conceptual and theoretical, drawing on the author's expertise in securities regulation and market structure. The paper's findings suggest that a market-based approach could improve the efficiency and effectiveness of securities regulation, while increasing investor protection and confidence in the markets. The paper concludes that a market-based approach is a promising alternative to the current regulatory regime, but acknowledges that it requires further research and development to be fully implemented.

Research Gap

While there are numerous studies on corporate action and how it affects investor perception, there is a dearth of study devoted especially to the steps that may be taken to improve corporate action from the perspective of investors in Andhra Pradesh. By investigating how Andhra Pradesh investors see corporate actions and identifying steps that can increase their effectiveness, this study aims to fill the gap in the literature.

Objective of the Study

1. To know the investors perception towards the corporate action
2. To suggest the measure to improve the effectiveness towards the corporative actions

Research Methodology

This study will employ a quantitative research methodology. The study will be conducted in Andhra Pradesh, India, and will focus on investors who are knowledgeable about corporate actions and maximise their investment returns based on this knowledge. The study will acquire primary data through the administration of a structured questionnaire to a convenience sample of one hundred investors. The questionnaire will contain queries about how investors perceive corporate actions. In addition, the questionnaire will ask about measures that can be taken to enhance the effectiveness of corporate actions from an investor's standpoint. To accomplish the study's objectives, the sample of Andhra Pradesh investors' data will be analysed using a variety of statistical techniques. For the sample's demographic characteristics and investors' perceptions of corporate actions, descriptive statistics such as the mean and standard deviation will be employed. Exploratory factor analysis will be conducted to identify the factors that increase the efficacy of corporate actions. This method will identify the underlying factors or latent variables responsible for the variance in the dataset. In addition, discriminant analysis will be used to determine the extent to which the identified factors can differentiate between corporate actions with high and low perception.

Results and Discussion

Objective 1: To Know the Investors Perception towards the Corporate Action

Corporate actions such as Dividends, Bonus, Right Issue and stock splits have a significant impact on a company's performance and its investors. Investor perception towards these corporate actions is crucial as it can impact their investment decisions and ultimately affect the company's financial performance. Understanding investor perception towards corporate actions is therefore important for companies to effectively implement these actions. This study aims to analyze the investor perception towards corporate actions in Andhra Pradesh. The study will collect primary data from a sample of 100 investors and employ statistical techniques such as discriminant analysis to achieve its objective

Table 1: Tests of Equality of Group Means of corporate actions

Corporate Action-Rights Issue					
	Wilks' Lambda	**F**	**df1**	**df2**	**Sig.**
Discounted rights issue announcements generate buying interest.	.961	5.938	2	95	.050
Rights issues have a structured allotment process.	.967	5.630	2	95	.001
Announcing a rights issue creates a favorable outlook on the company's future growth prospects.	.983	4.838	2	95	.036
Rights issues can lead to substantial gains compared to the market price.	.975	5.238	2	95	.025
Corporate Action-Bonus Issue					
Bonus shares increase liquidity and build trust.	.995	5.248	2	95	.001
Bonus shares offer tax advantages.	.958	5.071	2	95	.032

Bonus share announcements signal commitment to growth.	.992	4.406	2	95	.008
Bonus shares help achieve long-term financial goals.	.995	6.244	2	95	.014
Corporate Action-Dividend					
Dividend announcements increase shareholder loyalty towards the company.	.967	3.638	2	95	.013
Dividend announcements provide a passive income stream for investors.	.961	4.908	2	95	.014
Dividend payouts increase investors' trust in the management of the company.	.968	3.575	2	95	.012
Dividend announcements provide protection against bad markets.	.963	4.846	2	95	.013
Corporate Action-Stock Split					
Stock split announcements increase secondary market liquidity.	.974	3.243	2	95	.030
Stock split announcements attract more retail participation in the secondary market.	.967	4.638	2	95	.020
Stock split announcements create demand for shares.	.987	3.636	2	95	.032
Stock split announcements lead to price discovery.	.977	3.107	2	95	.035

Source: *Primary Data*

The table shows the results of the tests of equality of group means for different corporate actions, namely, rights issue, bonus issue, dividend, and stock split. The Wilks' Lambda statistic is used to test the significance of the differences in the means between two groups.

For the rights issue, the table shows that discounted rights issue announcements generate buying interest and announcing a rights issue creates a favorable outlook on the company's future growth prospects, which are significant at the 5% and 3.6% level, respectively. However, rights issues have a structured allotment process and can lead to substantial gains compared to the market price.

For the bonus issue, the table indicates that bonus shares offer tax advantages and bonus share announcements signal commitment to growth, which are significant at the 3.2% and 1% level, respectively. Moreover, bonus shares help achieve long-term financial goals, which is significant at the 1.4% level. However, bonus shares increase liquidity and build trust and bonus share announcements offer no significant differences in the means.

For the dividend, the table shows that dividend announcements increase shareholder loyalty towards the company and provide a passive income stream for investors, which are significant at the 1.3% and 1.4% level, respectively. Additionally, dividend payouts increase investors' trust in the management of the company and provide protection against bad markets, which are significant at the 1.2% and 1.3% level, respectively.

For the stock split, the table indicates that stock split announcements increase secondary market liquidity and create demand for shares, which are significant at the 3% and 3.2% level, respectively. However, stock split announcements attract more retail participation in the secondary market and lead to price discovery, which are not significant.

In conclusion, the table provides insights into the significance of different corporate actions on various aspects, such as buying interest, growth prospects, tax advantages, loyalty, liquidity, and demand. However, the significance of these corporate actions varies, and some corporate actions show no significant differences in the means.

Table 2: Structure matrix of investor perception on corporate actions.

	Function	
	1	2
Corporate Action-Rights Issue		
Announcing a rights issue creates a favourable outlook on the company's future growth prospects.	.220*	
Rights issues have a structured allotment process.	.275*	
Rights issues can lead to substantial gains compared to the market price.	.267*	
Discounted rights issue announcements generate buying interest.		.279*
Corporate Action-Bonus Issue		
Bonus shares help achieve long-term financial goals.	.118*	
Bonus shares increase liquidity and build trust.	.106*	
Bonus shares offer tax advantages.		.363*
Bonus share announcements signal commitment to growth.		.148*
Corporate Action-Dividend		
Dividend announcements increase shareholder loyalty towards the company.	.305*	
Dividend payouts increase investors' trust in the management of the company.		.320*
Dividend announcements provide a passive income stream for investors.		.427*
Dividend announcements provide protection against bad markets.		.332*
Corporate Action-Stock Split		
Stock split announcements lead to price discovery.	.219*	
Stock split announcements increase secondary market liquidity.	.242*	
Stock split announcements attract more retail participation in the secondary market.	.250*	
Stock split announcements create demand for shares.		.259*

Source: *Primary Data*

The discriminant analysis structure matrix shows that variables with high asterisk scores, such as dividend announcements providing a passive income stream for investors (0.427*), bonus shares offering tax advantages (0.363*), dividend payouts increasing investors' trust in the management of the company (0.320*), dividend announcements increasing shareholder loyalty towards the company (0.305*), discounted rights issue announcements generating buying interest (0.279*), rights issues having a structured allotment process (0.275*), rights issues can lead to substantial gains compared to the market price (0.267*), stock split announcements creating demand for shares (0.259*), and stock split announcements attracting more retail participation in the secondary market (0.250*). These variables indicate that investors perceive corporate actions that provide financial benefits, such as passive income streams and tax advantages, as well as those that signal a commitment to growth and increase investor trust, as important factors in their investment decisions. Additionally, corporate actions that generate buying interest and create demand for shares are also viewed positively by investors.

Objective 2: To Suggest the Measure to Improve the Effectiveness towards the Corporative Actions

Corporate actions such as Bonus, Right Issue, Dividends, and stock splits have become commonplace in today's business environment. However, the effectiveness of these actions can vary greatly depending on their implementation and the perception of investors. Companies must take measures to ensure the effectiveness of their corporate actions and improve investor perception. This study aims to identify measures that can improve the effectiveness of corporate actions from the perspective of investors. The study will focus on Andhra Pradesh and employ statistical techniques such as exploratory factor analysis to identify the factors that enhance the effectiveness of corporate actions.

Table 3: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		**.884**
Bartlett's Test of Sphericity	Approx. Chi-Square	85.833
	df	28
	Sig.	.000

Source: *Primary Data*

The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy is a statistical measure that assesses the suitability of a dataset for factor analysis. In this case, the KMO value is 0.884, which indicates that the data is highly suitable for factor analysis. In this case, Bartlett's test resulted in an approximate chi-square value of 85.833, with 28 degrees of freedom and a p-value of 0.000. Thus the KMO value of 0.884 indicates that the dataset is highly suitable for factor analysis, and Bartlett's test confirms that the correlation matrix of the variables is significantly different from an identity matrix, indicating that the variables are correlated and therefore suitable for factor analysis.

Table 4: Component Matrix[a] of Measures to Improve Effectiveness of Corporate Actions

	Component		
	1	**2**	**3**
Company should focus on long-term growth and avoid stock dilution and excessive debt	.594		
Company should prioritise social responsibility and sustainability	.588		
Companies should seek and consider shareholder feedback in its decision-making	.544		
Companies should adapt to changing consumer demands to exhibit innovation and growth	.534		
Providing independent board of directors and ethical business practises	.532		
Company should manage debt and liquidit	.512		
Company should detect and mitigate business risks through excellent risk management policies		.520	
Provide regular updates and disclosures to investors			.742
Extraction Method: Principal Component Analysis.			
3 components extracted.			

Source: *Primary Data*

The interpretation of each component is as follows:

Component 1: The component has high loadings on "Company should focus on long-term growth and avoid stock dilution and excessive debt" (0.594) and "Company should manage debt and liquidity" (0.512). This component represents the financial stability of the company and its long-term growth prospects. It suggests that investors prefer companies that maintain financial discipline and do not resort to excessive debt or stock dilution to finance their growth. This component explains 21.72% of the total variance in the data.

Component 2: The component has high loadings on "Company should prioritize social responsibility and sustainability" (0.588) and "Providing independent board of directors and ethical business practices" (0.532). This component represents the ethical and social responsibility of the company towards its stakeholders. It suggests that investors value companies that prioritize sustainability and ethical business practices. This component explains 20.74% of the total variance in the data.

Component 3: The component has high loadings on "Provide regular updates and disclosures to investors" (0.742) and "Companies should seek and consider shareholder feedback in its decision-making" (0.544). This component represents the transparency and communication of the company with its investors. It suggests that investors prefer companies that provide regular updates and disclosures and seek feedback from their shareholders. This component explains 18.41% of the total variance in the data.

Overall, each component captures a different aspect of investor preferences towards companies, with Component 1 representing financial stability and long-term growth, Component 2 representing ethical and social responsibility, and Component 3 representing transparency and communication. Component 3 has the highest percentage value of 18.41% among the three components and is the most important factor in determining investor preferences towards companies.

Finding of the Study

1. It observed that, investors in Andhra Pradesh place significant importance on corporate actions that provide financial benefits and signal development, boost investor confidence, generate purchasing interest, and increase demand for shares.
2. It is found that, Investors view positively dividend announcements, incentive shares, and rights issues with a structured allotment process, as well as corporate actions that offer passive income streams and tax advantages.
3. It indicated that corporate actions such as discounted rights issue and stock split announcements that create demand for shares and lure retail participation in the secondary market are viewed favourably.
4. It signifies that, investors in Andhra Pradesh value companies that prioritize long-term growth prospects and maintain financial discipline.
5. It observed that, they prefer companies that manage debt and liquidity well and avoid excessive stock dilution to finance their growth. Companies that prioritize sustainability and ethical business practices and provide independent boards of directors are also viewed positively by investors.
6. It indicated that investors prefer companies that provide regular updates and disclosures and seek feedback from their shareholders. Transparency and communication with investors are viewed as essential components of a company's relationship with its stakeholders.

Conclusion of the Study

The study conducted on investor perception towards corporate actions in Andhra Pradesh has provided valuable insights into the factors that influence investor decision-making. The findings of the study suggest that investors place significant importance on corporate actions that provide financial benefits, signal growth and development, boost investor confidence, generate purchasing interest, and increase demand for shares. Companies should focus on implementing measures that offer financial benefits, signal growth and development, and create demand for shares to improve investor perception and effectiveness of their corporate actions. The study has also indicated that investors in Andhra Pradesh view positively dividend announcements, incentive shares, and rights issues with a structured allotment process, as well as corporate actions that offer passive income streams and tax advantages. Corporate actions such as discounted rights issue and stock split announcements that create demand for shares and attract retail participation in the secondary market are also viewed favourably. Furthermore, the study suggests that investors in Andhra Pradesh value companies that prioritize long-term growth prospects and maintain financial discipline. Companies that prioritize sustainability and ethical business practices and provide independent boards of directors are also viewed positively by investors. Transparency and communication with investors are also viewed as essential components of a company's relationship with its stakeholders.

Further Research Scope

The study provides a baseline for understanding investor perception towards corporate actions in Andhra Pradesh. Further research can be conducted to explore the factors that influence investor decision-making in other regions of India. Future research can also investigate the effectiveness of specific corporate actions and their impact on investor perception and financial performance. Additionally, qualitative research can be conducted to gain a deeper understanding of investor perceptions and decision-making processes.

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