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A Study on Investments of Financial Markets in India

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Abstract

This study delves into the dynamics of investments in the financial markets of India. With its rapidly growing economy and burgeoning middle class, India has become an attractive destination for both domestic and foreign investors. The study aims to analyze the various investment opportunities, the factors influencing investment decisions, and the overall performance of financial markets in the country. To achieve this, we employs a combination of quantitative analysis, historical data, and expert opinions to provide a comprehensive understanding of the Indian financial market landscape.

Our research rivals that India offers a diverse range of investment options, including equities, bonds, mutual funds, real estate, and alternative investments. Factors such as economic indicators, political stability, regulatory environment, and investor sentiment play a crucial role in shaping investment decisions. Furthermore, the study highlights the impact of global vents and technological advancements on the Indian financial markets.

Through an examination of historical market data, we identify trends, opportunities, and challenges that investors face in India. We also explore the role of financial intermediaries, such as stockbrokers and investment advisors, in guiding investors through this complex landscape.

Keywords: Stock market, Capital market, Asset allocation, Portfolio management, Risk assessment

Introduction

Financial markets refer broadly to any marketplace where the trading of securities occurs, including the stock market, bond market, forex market, and derivatives market, among others. Financial markets are vital to the smooth operation of capitalist economies. Financial markets refer broadly to any marketplace where the trading of securities occurs. There are many kinds of financial markets, including forex, money, stock, and bond markets. These markets may include assets or securities that are either listed on regulated exchanges or else trade Over-The-Counter (OTC). Financial markets trade in all types of securities and are critical to the smooth operation of a capitalist society. When financial markets fail, economic disruption including recession and unemployment can result. Financial markets play a vital role in facilitating the smooth operation of capitalist economies by allocating resources and creating liquidity for businesses and entrepreneurs. The markets make it easy for buyers and sellers to trade their financial holdings. Financial markets create securities products that provide a return for those who have excess funds (Investors/lenders) and make these funds available to those who need additional money (borrowers). The stock market is just one type of financial market. Financial markets are made by buying and selling numerous types of financial instruments including equities, bonds, currencies, and derivatives. Financial markets rely heavily on informational transparency to ensure that the markets set prices that are efficient and appropriate. The market prices of securities may not be indicative of their intrinsic value because of macroeconomic forces like taxes. Some financial markets are small with little activity and others, like the New York Stock Exchange (NYSE), trade trillions of dollars of securities daily. The equities (stock) market is a financial market that enables investors to buy and sell shares of publicly traded companies. The primary stock market is where new issues of stocks, called initial public offerings (IPOs), are sold. Any subsequent trading of stocks occurs in the secondary market, where investors buy and sell securities that they already own. Despite covering many different asset classes and having various structures and regulations, all financial markets work essentially by bringing together buyers and sellers in some asset or contract and allowing them to trade with one another. This is often done through an auction or price-discovery mechanism. Without financial markets, capital could not be allocated efficiently, and economic activity such as commerce and trade, investments, and growth

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opportunities would be greatly diminished. Financial markets attract funds from investors and channels them to corporations—they thus allow corporations to finance their operations and achieve growth. Money markets allow firms to borrow funds on a short-term basis, while capital markets allow corporations to gain long-term funding to support expansion (known as maturity transformation). Without financial markets, borrowers would have difficulty finding lenders themselves. Intermediaries such as banks, Investment Banks, and Boutique Investment Banks can help in this process. Banks take deposits from those who have money to save on the form of Savings A/c. They can then lend money from this pool of deposited money to those who seek to borrow. Banks popularly lend money in the form of loans and mortgages. More complex transactions than a simple bank deposit require markets where lenders and their agents can meet borrowers and their agents, and where existing borrowing or lending commitments can be sold on to other parties. A good example of a financial market is a stock exchange. A company can raise money by selling shares to investors and its existing shares can be bought or sold. The financial market in India can be broadly divided into two main components that is, the money market and the capital market. Wherein, the capital market is further divided into primary and secondary markets. The regulators of financial markets in India have a special status as far as the Indian economy is concerned. Financial markets provide finance for companies so they can hire, invest and grow. The following are the financial assets that are exchanged in the financial markets are:

- **Shares:** Having shares in a company means you own part of it. Companies create shares to raise money so they can invest and grow.
- **Bonds:** Governments or large companies can raise money by issuing bonds. These are essentially a future "I Owe You (IOU)" that can be bought and sold in the financial markets. Government bonds also known as 'gilts' and are a form of government debt.
- **Currency:** People can exchange one currency for another in the foreign exchange markets.

Research Methodology

Research is a scientific and systematic search for pertinent information on a specific topic. The Research Methodology section is inclusive of all those techniques that were adopted in course of the research. The research was conducted mainly to understand the position of an Investments in Financial markets with respect to Universal and Commercial in terms of services offered. This research helps to provide rating to a company which may help investor to take a decision of investment. Research reports tell whether to buy, sell or to hold the base on a rating of a company.

Research is done by analyzing and comparing various report and performance report of the company. The study falls under the category of descriptive research and uses survey method. To collect the necessary information, various parameters were developed with the help of literature. The responses to these parameters were gathered, coded, tabulated and analysed. To measure the intensity of parameters close ended questionnaire was used.

Objectives of the Study

- To understand the concept of Investment in Financial Markets and importance to the company as well as customer.
- To study the access of the impact of services quality dimensions on Financial Markets.
- To find out the different services provided by the various Financial Market.
- To find the specialists who assist in the issue and sale of new securities.
- To identify the factors which contribute the companies to select an Investment plan in Financial Market.
- To study the attitude of the customers towards the Financial Market Approach.
- To find out the challenges faced by Investors in Financial Market.
- To know whether people are aware of various services offered by Financial Market.
- This study is aimed at providing useful insights so as to give an idea on investments in financial markets.
- To analyse the returns and risks of different investments.
- To assess the role of Investment in Financial Market for growing Indian capital market which will ultimately be examining the relationship between investor and capital market.

Scope of the Study

- The primary objective was to analysis the market and find out the potential customer and motivate or promote them to invest their money in modern Investment plan rather than traditional Investment plan.
- To promote the services offered by Financial Market.
- This study was conducted as a survey that examined public opinion with respect to their knowledge about Financial Market.
- To study how much investor are investing in different kind of financial product and which type of product investors prefer to invest.
- To create an awareness among the people for adopting new technologies available in the market after the pandemic effect.
- This study is aimed at providing useful insights so as to give an idea on investments in financial markets.
- To determine growth direction of Investment on Financial Market.

Limitation of the Study

Due to constraints of time and resources, the study is likely to suffer from certain limitations. Some of these are mentioned here under so that the findings of the study may be understood in proper perspective.

- The research was carried out in a short period of one and a half months. Therefore, the sample size and other parameters were selected accordingly so as to finish the work within the given time frame.
- The study is undertaken in Mumbai city. Personal bias and prejudice of the respondents could have affected the result of the study.
- The tools used for analysis has its own limitations.
- Only certain statistical test could be applied to validate the result of the study.

Sample Size

Sample Size refers to the number of participants or observations included in a study. In statistics, the sample size is the measure of the number of individual samples used in an experiment. A population is the entire group that you want to draw conclusions about. A sample is the specific group that you will collect data from. The size of the sample is always less than the total size of the population. The use of statistical formulas for determining the sample size implies, first of all, the choice of a significant benchmark for the measures to be made based on the results provided by thr qualitative research to be performed. Samples of 102 are selected by applying the logic of collecting small percentage of the total population who has knowledge about the subject. The respondents belong to different age groups.

Data Collection

Keeping in view the nature of requirements of the study to collect all the relevant information regarding the conceptual study on Investment in Financial Market. Data is collected through primary as well as secondary source.

Sources of Data

Primary Data: Primary data is personally developed data and it gives latest information and offers much greater accuracy and reliability. There are various sources for obtaining primary data i.e. mail survey, personal interview, field survey, panel research and observation approach etc. Questionnaire was used to collect primary data from respondents. The Questionnaire was structured type and contained questions relating to different dimension of Investments in Financial Market. In order to gather necessary data and also provide profound insight into the topic Public Awareness on Financial Market, the researcher considered the use of questionnaire for public in most suitable way.

Secondary Data: Secondary data is the published data. It is already available for using and its saves time. The mail source of secondary data is published market surveys, government publications advertising research report and internal source such as sales, sales records orders, customers complaints and other business record etc. the study has also depended on secondary data to little extent, which is collected through internal source. Secondary data was collected from the existing data sources catalogues, Internet Magazines, Case studies, Newspapers Journals, Articles are the information a collective has been consolidated in a meaningful manner for the purpose.

Literature Review

i). According to Aman Srivastava (2010) evaluated that Stock market is an important segment of the financial system of any country as it plays an important role in channelizing savings from deficit sector to surplus sector. These stock markets have always been an area of serious concern for policy makers, economists and researchers. They are often defined as the barometer of any economy because they reflect the change and direction of pressure on the economy. The movement and volatility in stock markets often reflect the direction of any economy. The available literature suggests that since the inception of stock markets researchers are making attempts to establish relationship between change in macroeconomic factors and stock market returns.

ii). According to Sanjeet Sharma (2011)-Determinants of Equity share prices in India, Journal of Arts, Science & Commerce (Vol.1, Issue-4): This study aims at studying the relation between the equity share prices and related variables such as book value of shares, Earnings per share (EPS), Dividend per share (DPS) and dividend pay-out etc. The study reveals that Earnings per share and Dividend per share are the strongest determinants of market price, and therefore the study suggests a liberal dividend policy as a good measure of attracting the investors, gaining their confidence and thereby, increasing the valuations of the company. These factors possess a strong explanation to provide future forecasts of stock prices. They also have suggested that the company data and indices be taken care of. The conclusion is statistically explained but in the current scenario, where prices are volatile Earnings per share does not stand to be a major indicator. Moreover, this analysis is possible on the basis of past data as the data for current years are received at the end. The dividend payout shall still be a relevant factor. But in cases where there are sudden crisis and price shocks, this analysis fails to be accurate. The paper also observes that in the case of a strong book value per share and a good dividend declaration policy the investors perceive lesser risk and are more comfortably placed in investing into the equity shares of those companies.

iii). Naik and Padhi. P (2012): Investigates the relationships between the Indian stock market index (BSE Sensex) and five macroeconomic variables, namely, industrial production index, wholesale price index, money supply, treasury bills rates, and exchange rates. The analysis reveals that macroeconomic variables and the stock market index are co-integrated by indicating a long-run equilibrium relationship exists between them. It is observed that the stock prices positively relate to the money supply and industrial production but negatively relate to inflation. The exchange rate and the short-term interest rate are found to be insignificant in determining stock prices. But in the Granger causality test macroeconomic variables causes the stock prices in the long-run as well as in the short-run.

iv). Rajeev Jain (2012): Investor's attitude towards secondary market equity investments and influence of behavioural finance. It's a fact that only few investors create immense wealth from a stock market and also manage to keep it for decades. These investors take the right decisions and for doing this one needs experience. But experience comes from bad decisions too. Investors who create wealth from equity markets and keep it for decades, at times for generations, do not panic when a market falls.

v). Kaushal A. Bhatt (2013): Investment and trading pattern of individuals dealing in stock market, The SIJ Transactions on Industrial, Financial & Business Management (IFBM)-The paper aims at studying the literacy and awareness of capital markets among investors regarding various investment avenues. To find and identify segments preferred more by the people and the influencing force behind the decision making, while investing in currently available options including stock markets. It concludes that investors are moving to new investment avenues such as equity market, mutual funds, bonds, and others like gold, land etc. This is due to the decreasing trend of bank rates. This also increases the scope of business for the investment companies. The investors are also risk sensitive. They want more safety and security. The stock markets have become very popular due to high rate of return but due to uncertainty and risk many people do not invest in equity markets. This stands true due to the lack of stability in the current market scenarios. The risk related to investment also defines the amount invested by people in the particular stock. The factors like age, occupation and income level are key factors in investment decision making of people. The other major factors being considered were market scenario, risk involved and other investment opportunities.

vi). Anju Bala (2013) evaluated that stock market is one of the most vibrant sectors in the financial system, marketing an important contribution to economic development. Stock market is a place where buyers and sellers of securities can enter into transaction to purchase and sell shares, bonds, debentures etc. In other words, stock market is a platform for trading various securities and derivatives. Further, it preforms an important role of enabling corporate, entrepreneurs to raise resource for their companies and business venture through public issues. Today long-term investors are interested to invest in the stock market rather than invest anywhere.

vii). Rakesh H.M (2014): A study on individual investors behaviour in stock markets of India, the paper proposes to study the behaviour of individual investors in the stock markets and the factors that influence their investment decisions, which include awareness level, investment duration etc. The research was based on the primary data collected from the city of Mysore of 150 respondents, being stock market investors. The research paper observes that only 10% of the respondents intended to stay invested into the stock market for a period of more than 5 years. In other words, the research paper observed that people do not want to stay committed for longer period of time into the stock market despite it giving better returns. The paper analyses that annual income and annual savings are given importance by investors, but the level of savings is decided by their level of income. He states that "investors are fully aware about the stock market and they feel that market movements also affect the investment pattern of investors in the stock market."

viii). Reena Rai (2014): Factors affecting investors' decision-making behaviour in the stock market-An Analytical Review-The paper under study aims to study the factors influencing an investors decision making behaviour on basis of related studies. It states that the various factors that influence include various demographic factors such as gender, age, education. It is known that men are more overconfident than women. Age plays a role on the mindset of the individual and the propensity to take risk. It also explains sometimes, the precautious attitude and conservatism. On the firm level the decision of the investors depends on capital structure average pricing, political and media exposure, trend analysis, past performance of company's stocks, expected dividend and Earning per share etc. Finally, it concludes that out of the various factors affecting behaviour of investors some factors have a slight role while some majorly impact investor behaviour. The general factors being gender, age, confidence levels, cognitive bias, risk factors, company's performance.

ix). Gurinder Singh And Navleen Kaur (2015): Investigation of the determinants to Augment Investment in the Indian Stock Market states about the perception of investors and non-investors towards Indian Stock Market. Those who are non-investors always calculate the insecurity of loss of money in the market and the risk of investing. There are other categories of people who are ready to invest but they want investor friendly schemes, which are not only simplified but also have an easy exit option. So, government and fund houses need to spread awareness about investor on a large scale. Initial tax incentive provided by government for first time investor will also encourage many people to get invested roping in celebrity to advertise as it affects the mass population. A proper clarity must be given to people through various means between trading and investment. However, a SIP (Systematic Investment Plan) thing would be a great option for low income group.

x). According to Kajal Gandhi (2015), Retail Investors Participation in Indian Stock Market-The survey has the paper findings were based on the survey which has been carried out among five cities-Mumbai, Delhi, Kolkata, Chennai and Ahmedabad. The respondents of the metro cities are more inclined towards investing in stock market as they consider it as financial tool but they don't have expertise knowledge or don't prefer to hire a professional to manage their portfolio due to which they fall prey of losses. However, people at Tier-II cities like Ahmedabad still consider the traditional investment like gold, property, gold and bank deposits are their favourite option this is due to narrow minded as there are low saving habits, low awareness of investment opportunities.

xi). According to K Ravichandran, A study on investors preferences towards various investment avenues in capital market with special reference to derivatives. The research study was intended to find preference level of investors on various capital market instruments and type of risk considered by investors. The sample was collected from 100 investors in derivative markets from Chennai from a structured questionnaire. Descriptive research type is used and convenience sampling method was adopted to gather data. Various parametric and non-parametric techniques have been used for analyzing data. The findings reveal that friends and relatives followed by brokers who pull the investors into capital market. Respondents preferred short term investments. It has been suggested by the author to develop more number of products which it can attract more number of investors

xii). According to John.E. (2019), has examined how macro-economic variables affect the stock market performance in Nigeria with four macroeconomic variables-money supply, interest rate, exchange rate, and inflation rate as independent variables and market capitalization as the dependent variable. It was found that money supply and interest rates are the two factors influencing the stock market performance in Nigeria as they exhibit a significant effect on stock market performance, whereas exchange rate and inflation rate indicate a weak performance of the stock market.

xiii). Eugene F. Fama: In efficient capital markets corporate insiders and specialists are the only two groups whose monopolistic access to information has been documented. There is no evidence that deviations from the strong form of the efficient markets model permeate down any further through the investment community. For the purposes of most investors the efficient investors the efficient market model seems good at first approximation to reality.

Data Analysis, Interpretation & Presentation

1. Age Group

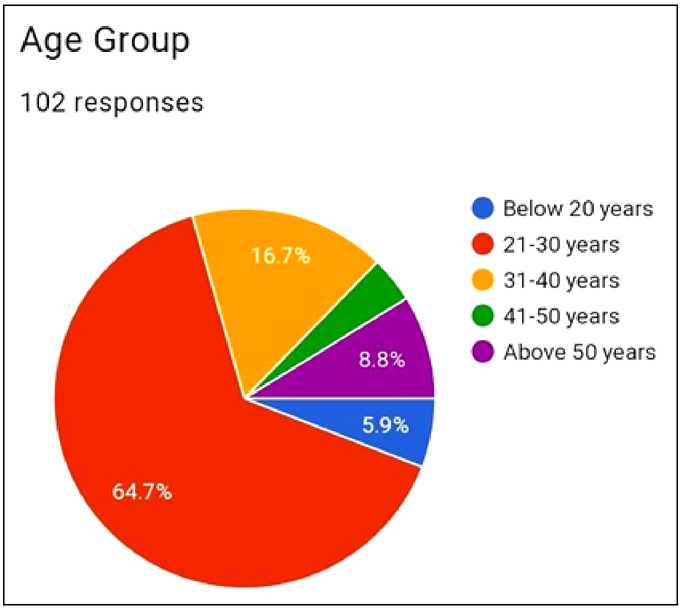

Fig 1: Showing age of respondents

Table 1:

Particulars	Respondents	Percentage
Below 20 years	6	5.9%
21-30 years	66	64.7%
31-40 years	17	16.7%
41-50 years	4	3.9%
Above 50 years	9	8.8%
Total	102	100%

Analysis & Interpretation

- There are 102 respondents from which 5.9% respondents are below 20 years i.e. 6 respondents are below 20 years age group.
- There are 64.7% respondents between 21-30 age group i.e. 66 respondents are between 21-30 age group.
- There are 16.7% respondents between 31-40 age group i.e. 17 respondents are between 31-40 age group.
- There are 3.9% respondents between 41-50 age group i.e.4 respondent is between 41-50 age group.
- There are 8.8% respondents above 50 age group i.e. 9 respondents are above 50 age group.
- From the above study we conclude the age group of 21-30 years has the highest respondents.

2. Gender

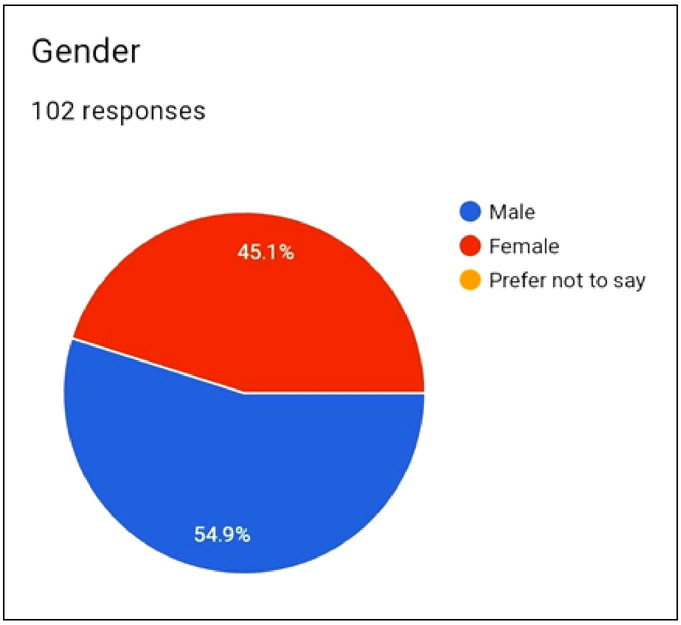

Fig 2: Showing gender of respondent

Table 2:

Particulars	Respondents	Percentage
Male	56	54.9%
Female	46	45.1%
Total	102	100%

Analysis & Interpretation

- The above diagram shows that 54.9% of respondents were male i.e. there was 56 males out of 115 respondents.
- The above diagram shows that 45.1% of respondents were female i.e. 46 females out of 115 respondents.
- More respondents were Male according to the survey.

3. What is Your Current Occupation?

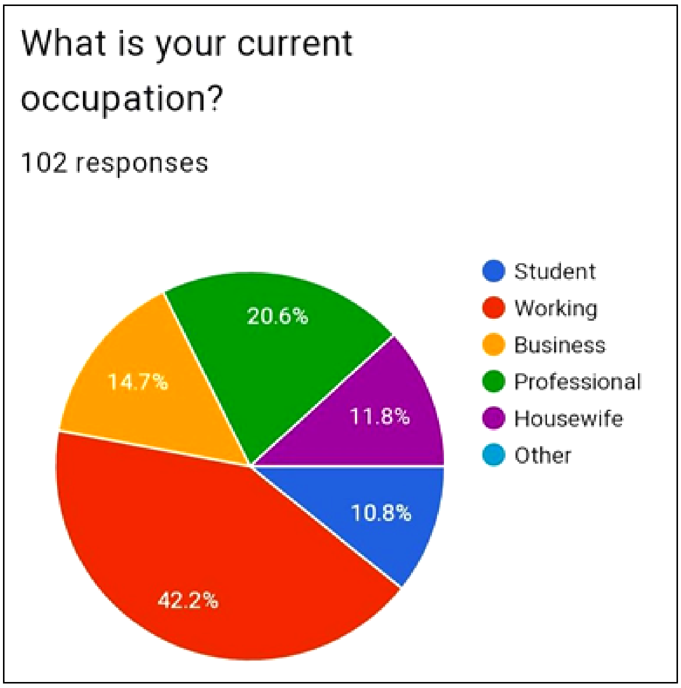

Fig 3: Showing response of what is your current occupation?

Table 3:

Particulars	Respondents	Percentage
Student	11	10.8%
Working	43	42.2%
Business	15	14.7%
Professional	21	20.6%
Housewife	12	11.8%
Other	0	0%
Total	102	100%

Analysis & Interpretation

- As per the survey, 10.8% of respondents are students i.e. 11 respondents are students out of 102 respondents.
- The above diagram shows that 42.2% of respondents are employee i.e. 43 respondents are employee out of 102 respondents.
- There are 14.7% of respondents are business i.e. 15 respondents are business out of 102 respondents.
- There are 20.6% of respondents are professional i.e. 21 respondents are professionals out of 102 respondents.
- There are 11.8% of respondents are housewife i.e. 12 respondents are housewife out of 102 respondents.
- Most of the respondents are working employees according to the survey.

4. Income Level

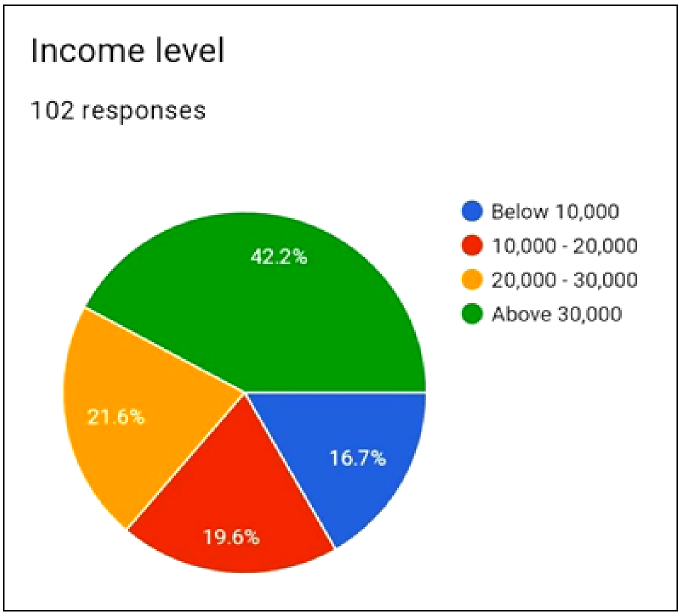

Fig 4: Showing response of Income Level

Table 4:

Particulars	Respondents	Percentage
Below 10,000	17	16.7%
10,000-20,000	20	19.6%
20,000-30,000	22	21.6%
Above 30,000	43	42.2%
Total	102	100%

Analysis & Interpretation

- The above pie chart shows that 16.7% respondents whose income levels are below 10,000 rupees which is 17 respondents out of 102 respondents.
- There are 19.6% of the respondents whose income levels are between 10,000-20,000 rupees which is 20 respondents out of 102 respondents.
- There are 21.6% of the respondents whose income levels are between 20,000-30,000 rupees which is 22 respondents out of 102 respondents.
- There are 42.2% of the respondents whose income levels are Above 30,000 rupees which is 43 respondents out of 102 respondents.
- Most of the respondent's income levels are above 30,000 rupees.

5. How Much Term of Investment Plans do You Like More?

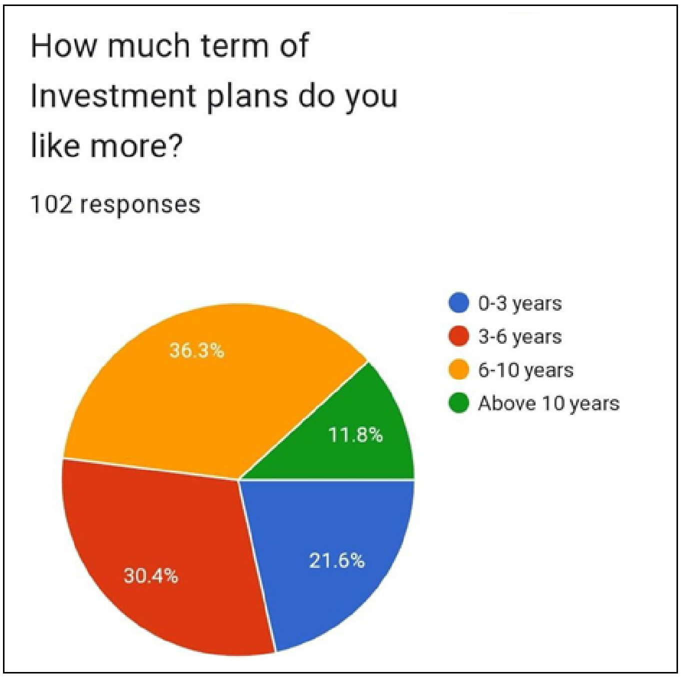

Fig 5: Showing response of how much term of investment plans do you like more?

Table 5:

Particulars	Respondents	Percentage
0-3 years	22	21.6%
3-6 years	31	30.4%
6-10 years	37	36.3%
Above 10 years	12	11.8%
Total	102	100%

Analysis & Interpretation

- From the above Pie chart, 22 respondents i.e. 21.6% respondents have selected 0-3 Years as the term of Investment plans they like.
- There are 31 respondents i.e. 30.4% respondents have selected 3-6 Years as the term of Investment plans they like.
- There are 37 respondents i.e. 36.3% respondents have selected 6-10 Years as the term of Investment plans they like.
- There are 12 respondents i.e. 11.8% respondents have selected Above 10 Years as the term of Investment plans they like.

- According to the survey, the maximum respondents have selected 6-10 Years as the term of Investment plans they like.

6. According to You Preferred Sector of Investing Money?

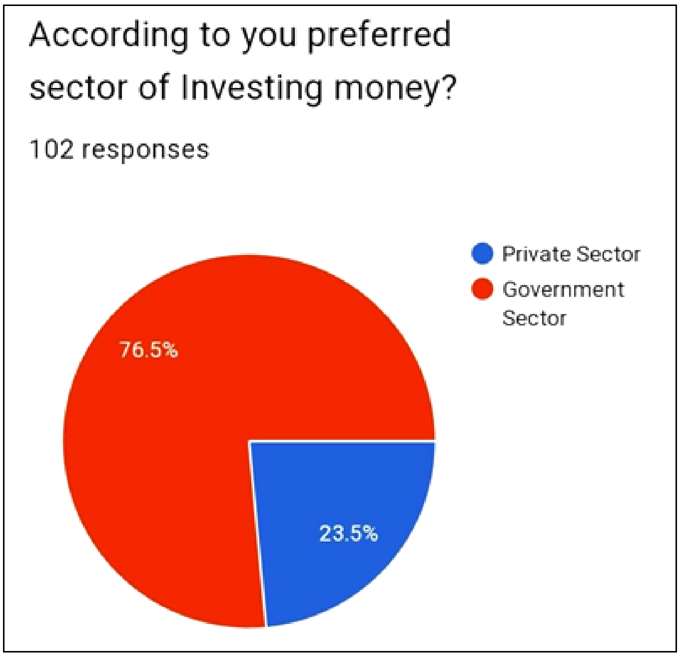

Fig 6: Showing response of sector of investing money

Table 6:

Particulars	Respondents	Percentage
Private sector	24	23.5%
Government sector	78	76.5%
Total	102	100%

Analysis & Interpretation

- From the above Pie chart, 24 respondents i.e. 23.5% respondents have selected Private sector for investing money.
- There are 78 respondents i.e. 76.5% respondents have selected Government sector for investing money.
- According to the survey, the maximum respondents have selected Government sector for investing money.

7. From Which Source You Come to Know about Various Investment Options?

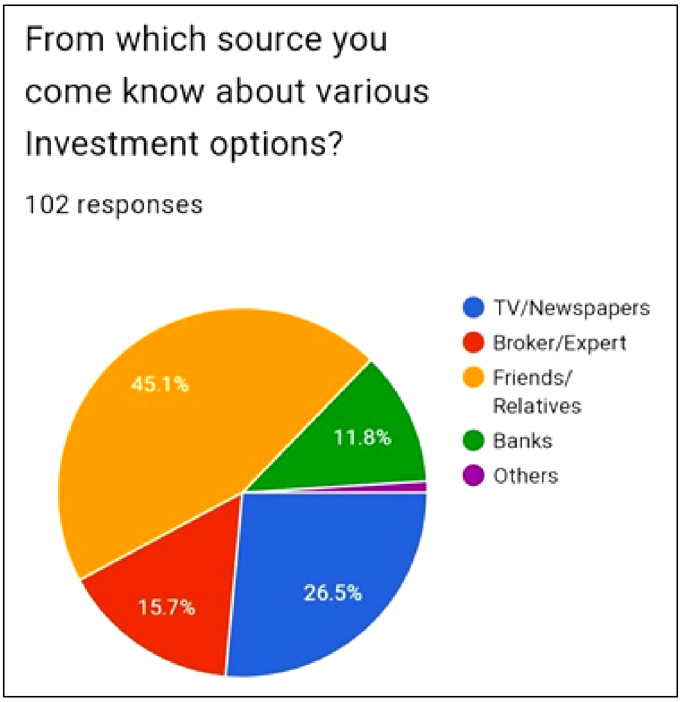

Fig 7: Showing response of various investment optios

Table 7:

Particulars	Respondents	Percentage
Tv/newspaper	27	26.5%
Broker/expert	16	15.7%
Friends/relatives	46	45.1%
Banks	12	11.8%
Others	1	0.9%
Total	102	100%

Analysis & Interpretation

- From the above pie chart there are 27 respondents i.e. 26.5% respondents have selected TV/Newspapers as the source they come to know about various Investment option.
- There are 16 respondents i.e. 15.7% respondents have selected Broker/Expert as the source they come to know about various Investment option.
- There are 46 respondents i.e. 45.1% respondents have selected Friends/Relatives as the source they come to know about various Investment option.
- There are 12 respondents i.e. 11.8% respondents have selected Banks as the source they come to know about various Investment option.
- There are 1 respondent i.e. 0.9% respondent have selected others as the source they come to know about various Investment option.
- According to the survey, maximum respondents have selected Friends/Relatives as the source they come to know about various Investment option.

8. What Factors Would Encourage You to have a Habit of Investing?

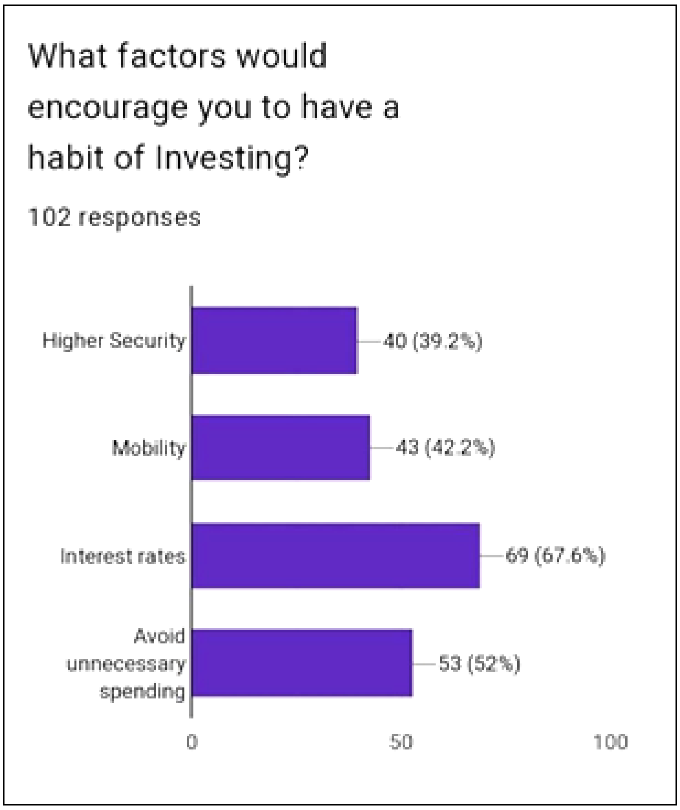

Fig 8: Showing response of having habit of investment

Table 8:

Particulars	Respondents	Percentage
Higher security	40	39.2%
Mobility	43	42.2%
Interest rates	69	67.6%
Avoid unnecessary spending	53	52%

Analysis & Interpretation

- From the above diagram where the services are given in the drop-down format. There are 40 respondents i.e. 39.2% respondents have selected Higher security as the main factor which encourage to have a habit of investing.
- There are 43 respondents i.e. 42.2% respondents have selected Mobility as the main factor which encourage to have a habit of investing.
- There are 69 respondents i.e. 67.6% respondents have selected Interest rates as the main factor which encourage to have a habit of investing.
- There are 53 respondents i.e. 52% respondents have selected Avoid unnecessary spending as the main factor which encourage to have a habit of investing.
- According to the survey, maximum respondents have selected Interest rates as the main factor which encourage to have a habit of investing.

9. According to You, Preferred Investment Plans?

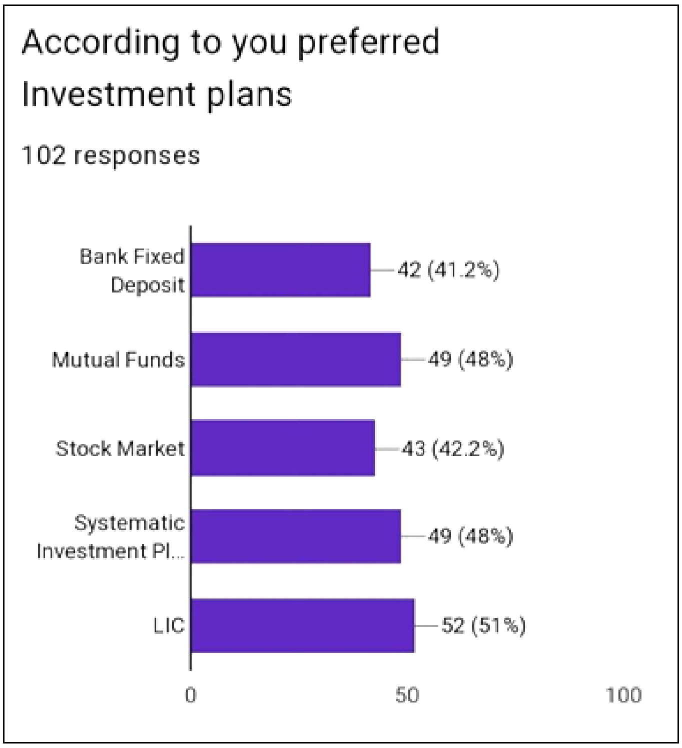

Fig 9: Showing response of investment plan

Table 9:

Particulars	Respondents	Percentage
Bank fixed deposit	42	41.2%
Mutual funds	49	48%
Stock market	43	42.2%
Systematic investment plans	49	48%
Lic	52	51%

Analysis & Interpretation

- From the above diagram where the services are given in the drop-down format. There are 42 respondents i.e. 41.2% respondents have selected Bank Fixed Deposit as the preferred Investment plans.
- There are 49 respondents i.e. 48% respondents have selected Mutual Funds as the preferred Investment plans.
- There are 43 respondents i.e. 42.2% respondents have selected Stock Market as the preferred Investment plans.
- There are 49 respondents i.e. 48% respondents have selected Systematic Investment Plans as the preferred Investment plans.
- There are 52 respondents i.e. 51% respondents have selected LIC as the preferred Investment plans.
- According to the survey, maximum respondents have selected LIC as the preferred Investment plans.

10. According to you what are the Factors Influencing Investment Plans?

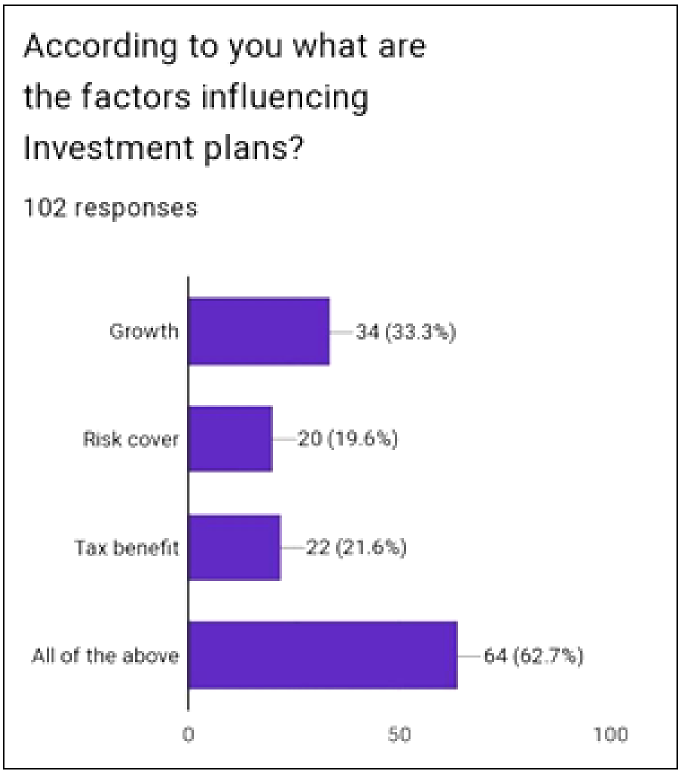

Fig 10: Showing response of influencing investment plans

Table 10:

Particulars	Respondents	Percntage
Growth	34	33.3%
Risk cover	20	19.6%
Tax benefit	22	21.6%
All of the above	64	62.7%

Analysis & Interpretation

- From the above diagram where the services are given in the drop-down format. There are 34 respondents i.e. 33.3% respondents have selected Growth as the factors influencing Investment plans.
- There are 20 respondents i.e. 19.6% respondents have selected Risk cover as the factors influencing Investment plans.
- There are 22 respondents i.e. 21.6% respondents have selected Tax benefit as the factors influencing Investment plans.
- There are 64 respondents i.e. 62.7% respondents have selected all of the above as the factors influencing Investment plans.
- According to the survey, maximum respondents have selected All of the above as the factors influencing Investment plans,

11. Do you Consider Inflation as a Significant Risk before Making Investments?

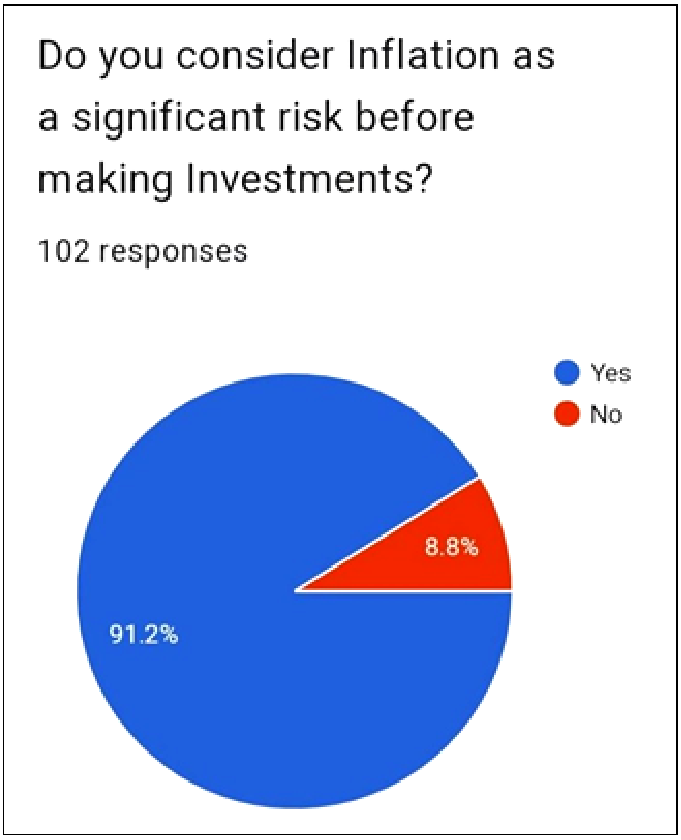

Fig 11: Showing response of significant risk before making investment

Table 11:

Particulars	Respondents	Percentage
Yes	93	91.2%
No	9	8.8%
Total	102	100%

Analysis & Interpretation

- From the above Pie chart, 93 respondents i.e. 91.2% respondents have selected Inflation as a significant risk before making Investments.
- There are 9 respondents i.e. 8.8% respondents have not selected Inflation as a significant risk before making Investments.
- According to the survey, the maximum respondents have selected Inflation as a significant risk before making Investments.

12. On a Scale of 1-5, How will you Rate your Overall Financial Knowledge on Investment Market?

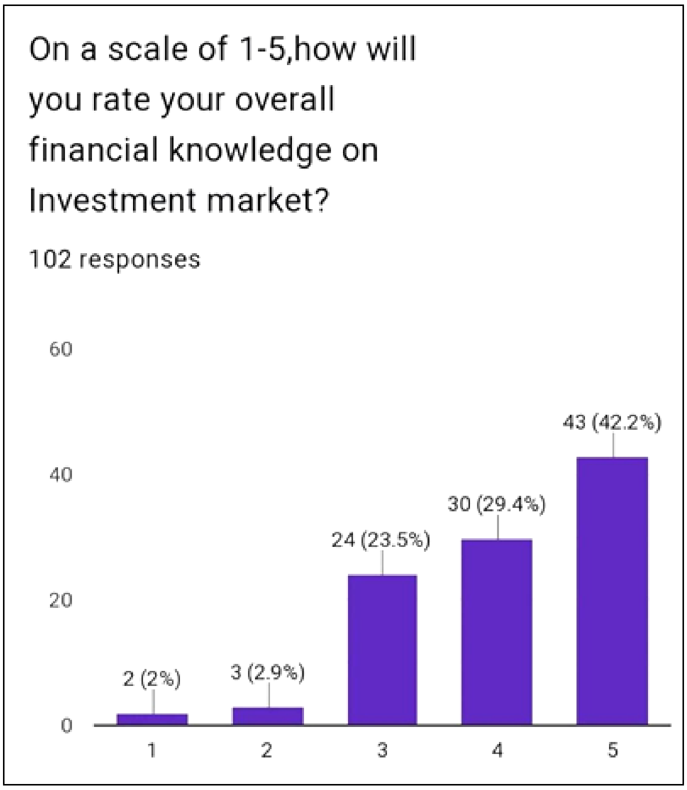

Fig 12: Showing response of financial knowledge on investment market

Table 12:

Particulars	Respondents	Percentage
1	2	2%
2	3	2.9%
3	24	23.5%
4	30	29.4%
5	43	42.2%
Total	102	100%

Analysis & Interpretation

- From the above diagram, 2 respondents i.e. 2% respondents have given the rating 1 which means having poor knowledge in Investment Banking.
- There are 3 respondents i.e. 2.9% respondents have rated 2 as the rating having knowledge in Investment Banking.
- There are 24 respondents i.e. 23.5% respondents have rated 3 as the rating having knowledge in Investment Banking.
- There are 30 respondents i.e. 29.4% respondents have rated 4 as the rating having knowledge in Investment Banking.
- There are 43 respondents i.e. 42.2% respondents have given the rating 5 which means having Excellent knowledge in Investment Banking.
- According to the survey, the maximum respondents have given the overall rating has 5 having knowledge in Investment Market.

Conclusion

In conclusion, our study on investments in the financial markets of India illuminates a multifaceted landscape with immense potential and complexity. India's financial markets offer a diverse array of investment avenues, from traditional options like equities and bonds to newer opportunities like real estate and alternative investments. However, the decision-making process for investors in this dynamic environment is influenced by various factors, including economic conditions, political stability, regulatory frame works, and investor sentiment.

In summary, investing in the financial markets of India offers great potential, but it comes with its unique set of challenges and uncertainties. By considering the factors outlined in this study and adopting a strategic approach, investors can position themselves to harness the growth prospects that India's financial markets have to offer while managing associated risks effectively.

Suggestions

The following suggestions are made, based on the findings of the study. The investors invest in a particular investment avenue or a portfolio consisting of various assets with the expectation of a return, which in turn depends on the assumption of the risk that underlies the corresponding asset class. There is a large basket of assets that the investors can choose from, depending on his objectives and goals. Such investment objectives and goals need to be clearly defined. Investors with low risk tolerance are advised to invest safer and steady investments like Bank Deposits, Provident Fund and Post Office Saving Schemes. Middle class investors with knowledge on financial markets are advised to invest in stocks and commodities as they have been giving very good returns in the recent years. Risky investors can afford to invest in Currencies and Real Estate markets. The creation of awareness about the need and importance of modern Investments is vital. New product innovation, low money investment plans and better service is crucial for the company to increase its market share. Majority of the respondents are not much aware on the returns if invested in mutual funds. So necessary measures should be taken by creating awareness about the low risk involved in investing in this product. Become more creative in capturing a wider range of customers by using multiple distribution channels.

Financial awareness programs need to be organized by the institutions to enhance the investment knowledge of the investing community. There is a real need to stimulate investing habit amongst the people. This can be done by initiating various schemes by the government both at State-level and Central-level that encourages the investing community to invest a part of their income. A push towards social-security measures is the need of the hour. Government and Employers need to facilitate measures towards retirement planning and encourage people to invest in such avenues.

Investment-cells could be placed to provide various information with regard to investment avenues, risk-return dynamics, tax-planning, marketability liquidity, safety etc.

Simplification of TDS (Tax deducted at Source) process is very much required, especially in case of salaried class. Tax planning has to be widened and many more tax-friendly investment avenues must be included. SIP (Systematic Investment Plans) investment must be aggressively promoted, since it enhances savings and investment culture and acts as an excellent mode of systematic and continuous investment. Investor guidelines must be much more transparent and miss-selling must be addressed. Investors need to personally appraise, evaluate, understand the investment that he makes and he should not be just carried away by peer pressure/brokers advise/media etc. Inflation management should be the priority governance area to the Government. Lesser inflation more disposable income, which can ultimately be translated into increased investments. It also helps economy to grow as a whole. Real-estate regulator needs to be formed at the earliest. There is a huge amount of fraudulent activities and lobbying happening in real estate. Severe actions need to be taken against such illegal activities. Hence, a need for real-estate regulator is quite significant. Due to political uncertainty, the stock market is highly volatile hence people were very scared for investment. Company is getting its most of business in investments from ULIPs and share market. Many of respondents agreed that down stock period is a good buying opportunity.

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