Retail investors perspectives towards equity investment decision on innovative business

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Abstract: The aim of this research is on perspective of retail investors towards equity investment decisions in this report its deal with how an individual or retail investor view of perspective towards equity investment.Each and every person perspective is different that will based on the situation the investor been through, education status, experience of investors towards stock, there financial positions, families, friends, relationships and lot more will be directly influenced the individual or retail investors perspectives towards the equity investment. But the thing is their perspective may be different based on lot situations but the main motivation or intention of any type of investor is the same that is to get maximum return of the investment made on the equity of the shares. And this paper helps to understand how the investors, that is the individual investors or retail investors, determine equity based on the need of investors and also their perspective among equity. Also this research report states with shares, stock market, NSE, BSE, SEBI, India economy influenced by stock markets and lot more this paper. This paper concluded with the very basic methodology of stock , share, equity of the individual or retail investors perspective in India.

Keywords: Investment, share market, Indian , Individual investor,Entrepreneurship, Innovation

INTRODUCTION

The investments is most commonly used term in finance especially in the field of share market or stock market the investment is nothing but it is making the particular amount in to double or more by putting that particular amount in share or any assets etc. In the technical term the investment defined as an assets or shares or any item acquired by an individual or group of person with intention or motto to increase and generate the income or money they pools in to the assets or shares.In generally an individual person start earning that person will spend more after a particular year in some situation they start saving the earning amount for future use saving in bank saving account or FD it gives some returns to the person in certain time but the saving will give lowest interest or return for the individual so the person start investing in to assets or stock or something else and that investment gives maximum return compared to saving of money.Working of stockholding of individual shareholder is

If the individual or person or group of person who hold more the 50% of company share or stock is known as majority stock holder that they have more power in decisions making of company or board of company and assets rights usually the majority shareholders are like company founders or CEO or managing director also they have 50% of company ownership and also equal voting rights on the company. As like the individual or person who holds less the 50% of company share or stock of ownership of companies they are known as minority shareholders. These minority shareholders have also had voting rights against the company and also act as partial owner of the company. The objective is to find Individual perspective among the stock or share and also understanding share market, analysis the demographics profile of investors based on their investment preference and critically examine the difference among the equity investors based on their personal profile and understand the perspective of investors towards the equity investment. Our research idea is based on the rich knowledge acquired by our peer teams across the university. Our research idea is based on the rich knowledge acquired by our peer teams across the university.(A.C.Gomathi, S.R.Xavier Rajarathinam, A.Mohammed Sadiqc, Rajeshkumar, 2020; Danda et al., 2009; Danda and Ravi, 2011; Dua et al., 2019; Ezhilarasan et al., 2019; Krishnan and Chary, 2015; Manivannan, I., Ranganathan, S., Gopalakannan, S. et al., 2018; Narayanan et al., 2012, 2009; Neelakantan et al., 2013, 2011; Neelakantan and Sharma, 2015; Panchal et al., 2019; Prasanna et al., 2011; Priya S et al., 2009; Rajeshkumar et al., 2019; Ramadurai et al., 2019; Ramakrishnan et al., 2019; Ramesh et al., 2016; Venugopalan et al., 2014)

REVIEW OF LITERATURE

(Barbiero et al., 2020) They Use a pan-European data set of 8.5 million firms, they has find that companies with high debt financing relatively more than otherwise same firms, and they are operations sectors viewing good

global growth opportunities. The good impact of a marginal growth in debt on investment in good-growth-opportunities sectors disclosed if company debt is already excessive, if it is controlled by little maturities, and through systemic banking turning points. Their outcomes are steady with theories of the control role of debt, as well as with models that peak the negative link between companies - and bank-related agency problems and corporate investment.

(Gutiérrez, 2020),the livetesting of the investment/unreliability relationship is not based on a careful definition of "an increase of uncertainty favours investment".

Give a rigorous definition of "an increase of uncertainty favours investment". The query is related for managerial practice; their analysis shows that the question should be designed as for which time state more uncertainty favors investment.For lot parameter structure , more uncertainty enhances investment in the short-term.

(Lin et al., 2021) they done with witnesses on the moderating effect of business strategy between CSR and over-investment.greater CSR involvement companies tend to over-invest . Defend and Prospect strategies can mitigate upon-investment by interacting with high CSR firms. The result of the Defend strategy on over-investment CSR firms is more pronounced for non-immorality stressed and non-high tech industry firms.Strategy's moderating effect is channeled through agency problems and information asymmetry.

(Hasso et al., 2020)

They study how terrorism crash individual investor behavior.

Investors low on their trading intensity, leverage-usage, and engage less in short-selling.alter in investor behavior can be described by increased risk aversion.

Investors who realise losses during the period of the attack are especially affected.

The decrease in trading leads to a growing in investors' return on investments.

(Abudy, 2020), they investigate the relationship between retail investors' involvement in trading and lump stock market liquidity. Results show a positive and notable relation between retail investors trading and share market liquidity. Study of the determinants of retail investors trading state that, on average, retail investors with high diversified trading activity leds to trade when liquidity is greater the number of their arrival to the market is not damaging by the level of liquidity, and retail investors are coming forward to trade at a less liquidity level as sellers than as buyer and retail investors trading does not create price noise at the aggregate market level. On the whole, the result states that retail investors put up to market quality.

(Ortmann et al., 2020) state retail investors' reaction to the outbreak of COVID-19? They use transaction-level trading data to look up investors notably growing on their trading activities as the COVID-19 pandemic, both at the extensive and at the intensive margin. Investors, on average, improve brokerage deposits and open more new accounts. The overall weekly trading intensity increases by 13.9% as the number of COVID-19 cases doubles. The growth in trading is particularly for male and older investors, and affects stock and index trading. the 9.99%-drop of the Dow Jones on March 12, investors importantly reduce the use of leverage.

(Hsieh et al., 2020) Attention and Herding Behavior in this paper deals with that when individual investors can get information from public resources like as Google search, the degree of investor observations to an importantly on a company is positively linked with herding behavior for retail investors.

(Massa and Zhang, 2020)they have studied how the heterogeneity in investment horizons of local organized investors affects the IPO market. Because short-term investors prefer more liquid stocks than long-term investors do and IPO stocks have high liquidity in the aftermarket, a higher presence of local short-term investors should be related to higher IPO underpricing.

(Ding et al., 2020).Extant evidence is mixed on whether local investors or foreign investors are better informed. In this study, they light on this debate by investigating whether the information asymmetries between local and foreign institutional investors relate to state ownership of publicly listed firms. Research documents that state ownership is associated with bad information asymmetry stemming from poor governance structures and financial transparency, suggest that investing in firms with state ownership requires more local knowledge and experience.

(Hsu et al., 2020) They look into the effect of stock market liberalisation on technological innovation. Using a sample on 20 economies the skill stock market liberalisation, they find that the economies put on a long level of innovation output after liberalisation and that this effect is disproportionately powerful in more unique industries. The relaxation of financial limitations ,increased risk sharing between local and foreign investors, and increased corporate governance are three channels that allow stock market liberalisation to add on innovation.

RESEARCH METHOD

The Research design is the framework research procedure and techniques chosen by a researcher. The design allows researchers to sharpen in on research methods that are accepted for the theme matter and set up their studies up for success.

The design of a research topic describes the type of research (experimental, survey, correlational, semi-experimental, review) and also its sub-type (experimental design, research problem, descriptive case-study).

There are three main types of research design

The type of research problem an organisation is facing will control the research design and The design stage of a study determines which tools to use and how they are used. Data collection is explained as the course of action of collecting, measuring and analysing accurate insights for research using standard proof techniques. researchers can evaluate their hypothesis on the basis of collected data. In most cases, data collection is the primary and most significant step for research, irrespective of the field of research. The procedure of data collection is different for different fields of study, depending on the required information. The most censorious objective of data collection is to make sure that information-rich and reliable data is collected for statistical analysis so that data-driven decisions can be made for research.

RESULT
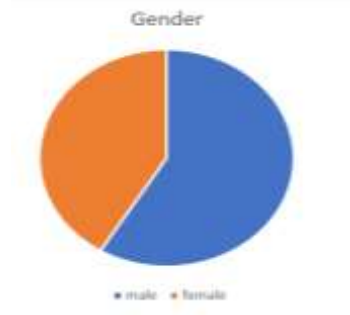The sample profile of the study is represented through the following charts.

Fig.1: shows the frequency analysis of gender. From this table it is clear from the table majority of the respondents are leading with Male 58.7% followed by Female 41.3%.
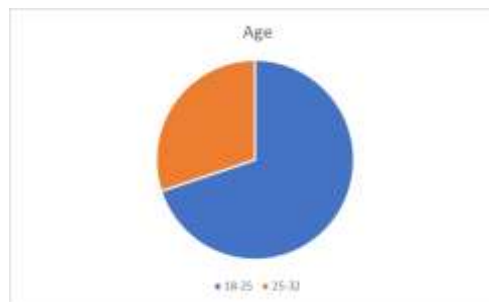

Fig.2: shows that frequency analysis of age. From this table clearly shows that the majority of people belong to 21 to 25 years of age followed by people with age 30.
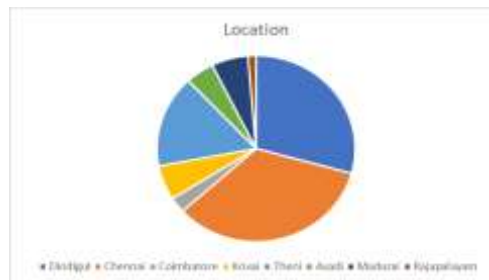

Fig.3: shows that frequency analysis of location. From this table it clearly shows the majority of people belong to Chennai with 51 % followed by Dindigul with 44%.
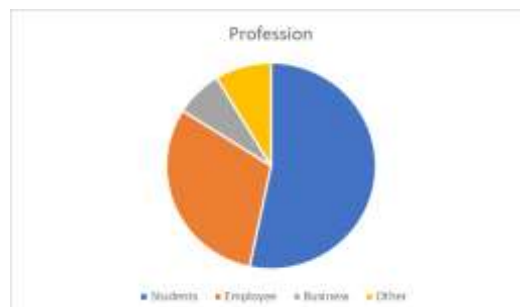
Fig.4: states that frequency analysis of professions. From this table it clearly shows that the majority of persons are students with 80% followed by employees with 46%.
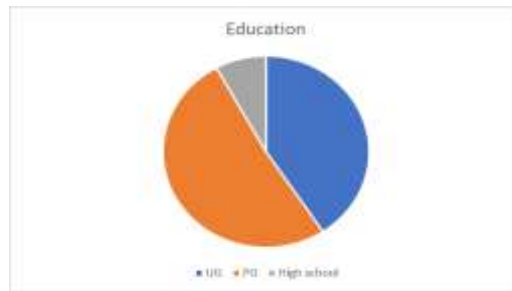

Fig.5: states that frequency analysis of education . From this table it clearly shows that the majority of persons are postgraduate with 51.3% followed by Undergraduate with 40.7%.

Fig.6: states that frequency analysis of incomes . From this table it clearly shows that the majority of persons are with less than 1 lakh with 84.7% followed by 1 lakhs to 10 lakhs with 14%.

Table 1: What investment will give high returns

Items	Mean	Rank
What investment will give you high returns on your view in below listed [Mutual funds]	3.48	1
What investment will give you high returns on your view in below listed [LIC]	3.35	3
What investment will give you high returns on your view in below listed [Bank deposits]	3.33	5
What investment will give you high returns on your view in below listed [Post office deposits]	3.19	7
What investment will give you high returns on your view in below listed [Shares]	3.26	6
What investment will give you high returns on your view in below listed [Gold]	3.34	4
What investment will give you high returns on your view in below listed [Assets]	3.43	2

The above table states that means analysis of what investment will give high returns for the individual. From the table it clearly shows the people choose and prefer high returns on mutual funds that's with mean of 3.48 and they agree on that statement. Followed by people prefer next high on Assets with 3.34 as average mean. Then people will give less preference on post office deposits that's with 3.19 average mean

Table 2: Mean analysis of level of importance in investing of shares

Items	Mean	Rank
Your level of importance in investing of shares at stock market [Returns]	3.69	1
Your level of importance in investing of shares at stock market [Capital appreciation]	3.44	4
Your level of importance in investing of shares at stock market [Safety]	3.37	5
Your level of importance in investing of shares at stock market [Risk factor]	3.25	8
Your level of importance in investing of shares at stock market [Dividend]	3.23	9
Your level of importance in investing of shares at stock market [Tax benefits]	3.32	7
Your level of importance in investing of shares at stock market [Diversification of asset holdings]	3.35	6
Your level of importance in investing of shares at stock market [Bonus]	3.47	2
Your level of importance in investing of shares at stock market [Liquidity]	3.45	3

The above table states that means analysis of people's level of importance in investing in shares at the stock market in individual. From the table it clearly shows the people choose and prefer on Return of shares that's with a mean of 3.68 and they agree on that statement. Followed by people prefer the next high on bonus shares with 3.47 as mean. Then people will give less preference on Dividend of the shares that's with 3.23 average mean.

Table 3: Most prefer in investing at shares

Item	Mean	Rank
What you most prefer in investing at shares [High risk and high returns]	1	3.52
What you most prefer in investing at shares [Low risk and high returns]	2	3.23
What you most prefer in investing at shares [High risk and low returns]	4	3.10
What you most prefer in investing at shares [Low risk and low returns]	3	3.15

The above table states that descriptive means analysis of what people prefer in investing at shares with risk and return on investment. From the table it clearly shows that people prefer more on High Returns and High Risk with Mean of 3.52 followed by people choosing Low Risk and High Returns with a mean of 3.23.

Table 4: Anova between Marital status vs how much you invest your Savings in to shares

Items	F	Significant value
Marital status and how much you invest your Savings in to shares	.920	4.33

The above table shows that ANOVA with F and significant value. It shows the table that significant value is greater or lesser than 0.05 it is concluded that significant value is greater than the frequency accepts the null hypothesis.

Table 5: Anova between Profession and Savings from the earnings

Items	F	Significant value
Profession and Savings from the earnings	2.076	.152

The above table shows that ANOVA with F and significant value. It shows the table that significant value is greater or lesser than 0.05 it is concluded that significant value is greater than the frequency accepts the null hypothesis.

Table 7: Anova between Education and Where do you invest your savings

Items	F	Significant value
Education and Where do you invest your savings	2.109	.068

The above table shows that ANOVA with F and significant value. It shows the table that significant value is greater or lesser than 0.05 it is concluded that significant value is greater than the frequency accepts the null hypothesis.

CONCLUSION

As individual investors the investors should is stronger and accept what ever happen in share market.They must give more preference to investments companies and there market holdings followed by returns, risk etc.The beginning as investors can invest in mutual funds to get basic idea on shares and stock market.The investors can seek help from financial experts if they need any help regarding stock market.Overall the investors must gain a basic knowledge on shares.This paper helps to find what investors expecting and also their personal perspective on shares and stock market.The 150 sample helps to finds the particular portion of investors mentality in basic.The investors must fellow at ethical practices and rules by government in sharemarket.

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