



INVESTMENT TRENDS OF STOCK MARKET INVESTORS IN RAYALASEEMA REGION OF ANDHRA PRADESH

Dr. G. Rama Krishna

Assistant Professor
Dept. of Management
Rayalaseema University
KURNOOL, A.P., 518 007,
Email : drgrkrishna@gmail.com,
Mobile: 9951422499.

Shaik Rasool

Research Scholar in Commerce
Rayalaseema University
Kurnool, A.P.

INTRODUCTION: In India, usually all investment avenues professed risky by the investors. The main features of investments are security of principal amount, liquidity, income stability, approval and easy transferability. Investment avenues are available such as shares, bank, companies, gold and silver, real estate, life insurance, postal savings and so on. The required level of returns and the risk tolerance decided the choice of the investor.

The investment may be differ choices from national savings certificates, provident fund, mutual fund schemes, insurance schemes, chit funds, bank fixed deposits, and company fixed deposits, company shares, bonds /debentures, government securities, postal savings schemes and real estate. It would be concluded that in this fast affecting world, we save extra money. Added risk directs to more profit. For example total liquidity, income stability, a variety of shares, banking companies, gold and silver, real estate, life insurance, postal etc., but, most of the people preferred bank deposit by the cause of more respondents invested for purchasing homes and for long-term growth but, most of the investors could not aware to invest their money in mutual funds and shares. More of debates and confusions in

the investment pattern, investment avenues.

Review of Literature

After through literature review, it is found that, though some of them had a focus on investors and investment patterns in Indian capital market in general, the absence of studies in this regard at regional level with particular reference to Rayalaseema Region has been felt very much. Moreover, it is an undisputable fact to mention that the socio economic characteristic features of investors in terms of their Investment Patterns, motives and preferences definitely varies form region to region, necessitating to take up the study in this direction in the Rayalaseema Region of Andhra Pradesh.

In view of the above and to identify the possible areas for future research, the present study is a modest attempt to study the investment trends of stock market investors in Rayalaseema Region of Andhra Pradesh.

Need for the Study

After thorough review of literature, there is a need to study the awareness levels of stock market investors, a very crucial area in the formulation of policies and procedures for the orderly growth and development of securities markets in any nation. Most of



the studies reviewed have mainly covered the aspects at macro level, like the ownership patterns in the capital market, occupation-wise break up of paid up value of share holdings of individuals, ownership pattern of shares/ debentures, geographical distribution of share ownership in India. Hence, there is an imperative need to study the investment trends of stock market investors in Rayalaseema Region of Andhra Pradesh.

Objectives of the Study

The basic objective of the present research work is to study the investment trends of stock market investors. The specific objectives of the study are as follows:

1. To study about the stock markets in India
2. To examine the investment trends of stock market investors in Rayalaseema Region of Andhra Pradesh and
3. To offer suitable suggestions for investors and policy makers.

Methodology of the Study

Primary Data: Primary data has been collected through structured questionnaire.

Secondary Data: Data and information has been collected from Primary as well as Secondary sources. The secondary data has been collected from Books, Journals, Magazines, Business News papers, SEBI publications, BSE, NSE reports, RBI publications etc.

Area Selection for Primary Data Collection

Rayalaseema Region of Andhra Pradesh has been selected for the study. Rayalaseema Region consists of four districts namely Ananthapuramu, Chithoor, Kurnool and YSR Kadapa Districts.

Sampling Design

As the universe of the study is entire Rayalaseema Region of Andhra Pradesh. A sample of 150 respondents from each district has been collected for the purpose of the study. The total sample size is 600 respondents as given under

Table No. 1 : Details of sample distribution

S.No	Name of the Town	Sample Size
1	Ananthapuramu	150
2	Chithoor	150
3	Kurnool	150
4	YSR Kadapa	150
TOTAL:		600

Source: Field Survey

After elimination of few partially filled questionnaires, **the resultant sample size is 594.**

Scope of the Study

The present study aims at analyzing the awareness levels of individual investors with special reference to Rayalaseema Region of Andhra Pradesh. Hence, the scope of the

present study is confined to the study of investment trends of small and household investors of Rayalaseema Region of Andhra Pradesh. Four districts of the Region have been taken for study.



Analysis and Interpretation

Table No. 2: Details of investment in stock market- Equity shares
 Equity shares

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Invested	428	72.1	72.1	72.1
Valid Not invested	166	27.9	27.9	100.0
Total	594	100.0	100.0	

Source: Field Survey

It can be analyzed from the Table No. 2 that, with regard to details of investment in stock market and specifically for equity shares, 72.1% of the respondents rated that they have invested and 27.9% of the respondents rated that they have not invested. It can be clearly envisioned from the above data that, majority of the respondents have invested in equity shares.

Table No. 3: Details of investment in stock market - Debentures
 Debentures

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Invested	239	40.2	40.2	40.2
Valid Not invested	355	59.8	59.8	100.0
Total	594	100.0	100.0	

Source: Field Survey

It can be concluded from the Table No. 3 that, with regard to details of investment in stock market and specifically for debentures, 40.2% of the respondents rated that they have invested and 59.8% of the respondents rated that they have not invested. It can be clearly envisioned from the above data that, majority of the respondents have not invested in debentures.

Table No. 4: Details of investment in stock market – Mutual funds
 Mutual funds

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Invested	268	45.1	45.1	45.1
Valid Not invested	326	54.9	54.9	100.0
Total	594	100.0	100.0	

Source: Field Survey

It can be described from the Table No. 4 that, with regard to details of investment in stock market and specifically for mutual funds, 45.1% of the respondents rated that they have invested and 54.9% of the respondents rated that they have not invested. It can be clearly envisioned from the above data



that, majority of the respondents have not invested in mutual funds.

Table No. 5: Details of investment in stock market – Unit linked plans
 Unit linked plans

	Frequency	Percent	Valid Percent	Cumulative Percent
Invested	219	36.9	36.9	36.9
Valid Not invested	375	63.1	63.1	100.0
Total	594	100.0	100.0	

Source: Field Survey

It can be explained from the Table No. 5 that, with regard to details of investment in stock market and specifically for unit linked plans, 36.9% of the respondents rated that they have invested and 63.1% of the respondents rated that they have not invested. It can be clearly envisioned from the above data that, majority of the respondents have not invested in unit linked plans.

Table No. 6: Details of investment in stock market – Gold traded funds
 Gold traded funds

	Frequency	Percent	Valid Percent	Cumulative Percent
Invested	212	35.7	35.7	35.7
Valid Not invested	382	64.3	64.3	100.0
Total	594	100.0	100.0	

Source: Field Survey

It can be illustrated from the Table No. 6 that, with regard to details of investment in stock market and specifically for gold traded funds, 35.7% of the respondents rated that they have invested and 64.3% of the respondents rated that they have not invested. It can be clearly envisioned from the above data that, majority of the respondents have not invested in gold traded funds.

Table No. 7: Details of investment in stock market – Futures & Options
 Futures & Options

	Frequency	Percent	Valid Percent	Cumulative Percent
Invested	205	34.5	34.5	34.5
Valid Not invested	389	65.5	65.5	100.0
Total	594	100.0	100.0	

Source: Field Survey

It can be inferred from the Table No. 7 that, with regard to details of investment in stock market and specifically for futures and options, 34.5% of the respondents rated that they have invested and 65.5% of the respondents



rated that they have not invested. It can be clearly envisioned from the above data that, majority of the respondents have not invested in futures and options.

Table No. 8: Details of investment in stock market – Commodities

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Invested	206	34.7	34.7	34.7
Valid Not invested	388	65.3	65.3	100.0
Total	594	100.0	100.0	

Source: Field Survey

It can be interpreted from the Table No. 8 that, with regard to details of investment in stock market and specifically for commodities, 34.7% of the respondents rated that they have invested and 65.3% of the respondents rated that they have not invested. It can be clearly envisioned from the above data that, majority of the respondents have not invested in commodities.

Table No. 9: Details of investment in stock market – Bonds

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Invested	217	36.5	36.5	36.5
Valid Not invested	377	63.5	63.5	100.0
Total	594	100.0	100.0	

Source: Field Survey

It can be observed from the Table No. 9 that, with regard to details of investment in stock market and specifically for bonds, 36.5% of the respondents rated that they have invested and 63.5% of the respondents rated that they have not invested. It can be clearly envisioned from the above data that, majority of the respondents have not invested in bonds.

Suggestions:

1. It is suggested in view of the importance of media, more programmes on capital market operations should be carried out to increase awareness level of investors in such a language incomprehensible

- 2. It is suggested that a more awareness should be created about futures and options among potential investors in view of the importance of futures and options trade.
- 3. It is suggested that a great deal of awareness about commodities trading must be created among potential investors in view of the importance of commodities trade. As such SEBI and other government agencies have to undertake adequate measures to create awareness.
- 4. It is suggested that awareness levels of potential investors towards debentures should be augmented in to all the investors across India irrespective of their academic levels.



view of the safety and security of debentures.

5. For small investors and investors without much knowledge about stock market operations, mutual funds prove to be Best Avenue for investment. Hence, it is suggested that measures should be taken to develop confidence among investors about mutual funds.
6. SEBI should initiate further steps to protect the interest of investors.

Limitations of the Study

In a study of this magnitude though, meticulous care has been taken in each and every aspect of study. Certain limitations are likely to be there in the study.

1. Since the study is a sample based and undertaken in Rayalaseema Region of Andhra Pradesh, the findings of the study may have the limitation of generalization to the entire population.
2. Some respondents may not be aware of certain latest procedures and aspects of stock market.
3. A few respondents were hesitant to give details.
4. The conclusion may or may not be generalized since the study is confined to Rayalaseema Region of Andhra Pradesh only.

References:

1. Grewal S.S., (1983), Making Money on the Stock Market – A Practical Hand Book, Vision Books, New Delhi, P. VI.
2. Roshni Jayakar, BSE: Then And Now, Business Today, January, 20, 2002, P. 63.
3. Preethi Singh , 2000, Investment Management- Security Analysis and Portfolio Management, Himalaya Publishing House, Mumbai, P. 25.
4. Mitra N.L., “ Report on Investor Protection”., Centre for Business Law Studies, Bangalore, 2001.
5. Mishra A. K., “Marketing of Financial Services of Corporate Security Market- The Indian Journal of Commerce, December 1992, Vol. No. XLV Part-IV, No. 173.
6. Prasanna Chandra “Investment in Corporate Securities- A Study of Small Investors in Andhra Pradesh”, Un-published Ph.D thesis, Kakatiya University, Warangal, Andhra Pradesh. p.13.
7. Laxman Swaroop., “Towards a Vibrant Capital Market”., The Journal of Commerce, September 1991, Vol. XLIV, Part-III, No.168. P.85.
8. Shadi Lal., “Working of Shareholders Association in India”, Company News and Notes, October 19971, Vol. IX, No.19 and 20.
9. P. Basaiah, unpublished Ph.D. thesis, S.K. University, Anantapur, 2011.