



A Study on Women's Attitude and Perception Towards Investment in Equity Shares

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Abstract. Capital market is inevitable in the emerging economies. Equity market has greater potential for growth in future. In the modern world, women are very much involved in all the sectors of the economy. They have dominant participation in the business world as well. The present study attempts to understand the needs and concerns of women investor's regarding investment in equity shares. This study could find out how much they are aware and involved in the capital market investments by revealing their attitude and perception towards their investment decisions and level of satisfaction with their current investment pattern. The study analyzes that dividend and capital appreciations are the major motivational factors which influence women to buy the equity shares and they are ready to take only a moderate risk by investing in A group and a combination of A and B group securities. The most of the women investors prefer to invest in banking sector and they prefer to buy it with their own savings.

Keywords: risk, investors, women's attitude, equity shares, capital market, and investment

1. Introduction

Capital market is the heart of an economy through which the savings are channelized into effective long-term investments. A developed vibrant capital market will immensely contribute towards speedy economic growth and development. Now, the Indian capital market is well organized, fairly integrated, mature, modernized and demographically well diversified. The Indian equity market is one of the best in the world in terms of technology. Advances in computer and communication technology, coming together on internet are spreading very fast across the world and enlarging the investor class across the national boundaries. Equity is the ownership interest of investors in a business. Warren Buffet, the most successful investor, writes, "To invest successfully over a life time does not require a stratospheric IQ, unusual business insight, or inside information. What's needed is a sound intellectual frame work for making a decision and the ability to keep emotions from corroding that framework." Equity market otherwise called stock market is a public entity for trading securities at an agreed price. Supply and demand in the stock market is affected by various factors that in turn affect the price of the stock (stock price volatility). Investment decisions are found to be complicated as there are various factors to be considered to choose a security to invest in or trade into. Investment decisions in equities are rational where the investors take decisions after analyzing the information related to the market. Irrational decisions may also happen due to the investor's limited capacity to process the information available. The equity investment decisions are influenced by a number of factors like good corporate earnings, price earnings ratio, investment behaviour of FIIs, company's reputation, broker's recommendation, global economic condition and other professional advices, etc.

Many studies like McAnile Powell, David Ansie, July (1997) studies whether the gender difference in risk propensity and strategy in financial decision making can be viewed as gender traits or whether they arise because of contextual factors and they came in to a conclusion that females are less risk seeking than males irrespective of familiarity and framing of cost or ambiguity. It also says that males and females adopt different strategies in financial decision environment but these strategies have no significant impact on their ability to perform. Peter Roger Eiving (1970) identifies those factors which motivates and guide the investment decision of the common stock investors. The factors include income from dividend, rapid growth, purposeful investment as a protective outlet of savings, Professional Investment Management. Shanmugam (1990) examined the factors affecting investment decision and found that the investors are high risk takers. The investors possessed adequate knowledge of Government regulations, monetary and fiscal policy. Managing money is a difficult skill for most people, but it's one of the most important skills to be possessed by all the investors. The current study i.e., 'A study on women's attitude and perception towards investment in equity shares' could help to understand women investor's level of satisfaction with their current investment pattern and the psychology that works behind equity market investment decisions. The present study attempts to understand the needs and concerns of women investor's regarding investment in equity shares by revealing their attitude and perception towards their investment decisions. This study tries to analyze the factors which influence women to buy the equity shares and to examine whether they are aware of the risk involved in the equity market. Also it tries to understand the source of fund for buying equity shares and to analyze the attitude of women towards investment in the equity shares. The variables studied are Attitude, Perception and Investment.

2. Objectives

The objective of this study is to analyze the factors which influence women to buy the equity shares, to identify the source of funds for buying the equity shares, to examine whether women are aware of the risks involved in the capital market, to analyze the attitude of women towards investment in equity shares.

3. Methodology

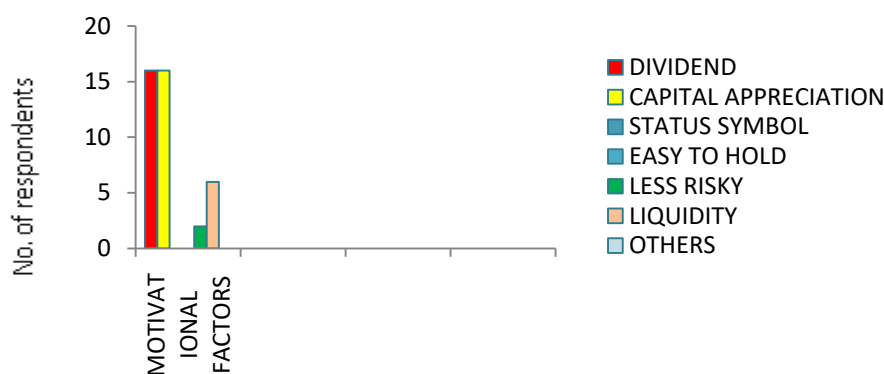
Research methodology provides various steps that can be adopted by the researcher in studying his research problem. The primary data is collected through interviewing the women investors in Cochin City, using questionnaires. Structured questionnaires are distributed to 40 women investors who are actively involved in the equity market. The sources of secondary data used in this study are internet, website, books, journals and magazines. In this research work, the universe under study is women investors in Cochin City. The sample size of the study is 40 women investors in the equity market. The sampling method used for the study is convenience sampling. Data is analyzed by calculating percentages. Various tables, graphs and charts are used as tool of presentation. The variables under study are Attitude, Perception, and Investment. Variables of the study are Attitude, Perception and Investment.

4. Analysis and interpretation

To analyse the factors which influence women to buy the equity shares: Motivational factors are those factors which motivate the investors to invest in equity shares such as dividend, capital appreciation, status symbol, easy to hold, less risky, liquidity etc.

Sl. No.	Motivational factors to Invest in equity	No. Of Respondents	Percentage (%)
1.	Dividend	16	40
2.	Capital Appreciation	16	40
3.	Status Symbol	0	—
4.	Easy to hold	0	—
5.	Less Risky	2	5
6.	Liquidity	6	15
7.	Others	0	—
	Total	40	100

(Source: Primary data)

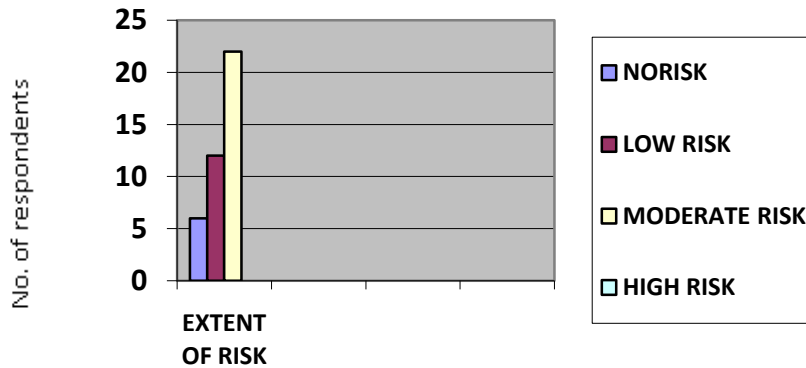


(Source: Primary data)

the women investors are investing in equity shares for dividend and capital appreciation. Also the table shows that motivational factors like status symbol and easy to hold are not much attractive factors for investing in equity shares. Sources of fund for buying the equity shares: An important factor to be considered is the sources of fund for buying the equity shares. Sources of fund for buying the equity shares includes savings, pledging the asset, borrowings, sale of asset etc. 85% of equity investors invest from their savings. It proves that investors who have savings enter the capital market and capital market is a well sought after destination for those who have savings. Only 5% of investors have chosen pledging their asset as a source of fund to invest in shares. The study shows that women investors are not at all interested in investing in equity shares by borrowing. As the capital market does not guaranty profit on investment, investment with borrowed fund will increase the risk. It also indicates that women do not want to take risk. Extent of risk the investors are prepared to take in investing in equity shares: Equity Investment is always associated with high risk. A general formula that we know about the investment is; "higher the risk, the more the chances of earning."

Sl. No.	Extent of Risk	No.of Respondents	%
1.	No risk	6	15
2.	Low risk	12	30
3.	Moderate risk	22	55
4.	High risk	0	—
	TOTAL	40	100

(Source: Primary data)



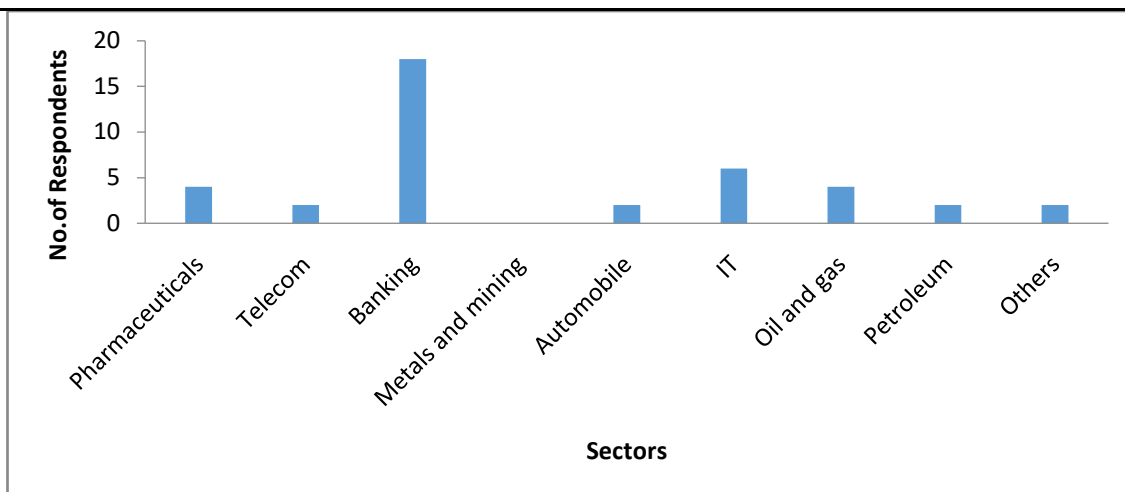
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It is clear from the table that 55% of the respondents are ready to take only a moderate risk in investing in equity shares. And none of the respondents are ready to take high risk. To analyze the attitude of women towards investment in equity shares. Attitude of women have been revealed through following: Sectors preferred by equity investors for investment: The sectors preferred by women equity investors are pharmaceuticals, telecom, banking, metal and mining, automobiles, IT, oil and gas, petroleum etc. The table below shows the information about the sectors preferred by respondents.

Sl. No.	Sectors	No. Of respondents	%
1.	Pharmaceuticals	4	10
2.	Telecom	2	5
3.	Banking	18	45
4.	Metals and mining	0	—
5.	Automobile	2	5
6.	IT	6	15
7.	Oil and gas	4	10
8.	Petroleum	2	5
9.	Others	2	5
	TOTAL	40	100

(Source: Primary data)

The most preferred sector for investment by equity investors is banking. 45% of investors are interested to invest in banking sector. It can be due to the high capital gain and low risk for the shares in the banking sector. IT sector is preferred only by 15% of investors which shows the high risk involved in the IT sector. Group of securities preferred by equity investors for investment: Listed securities are mainly classified into A group & B group. A group security is actively traded shares. These are shares of companies which have growth potential, dividend paying and with large market capitalization. Group B shares represent equity shares of companies whose shares are not included in Group A. They are also known as Non-specified shares. Group B shares are classified into B1 and B2. Among the Group B shares, those shares which are actively traded are included in B1 and the remaining shares come under B2.

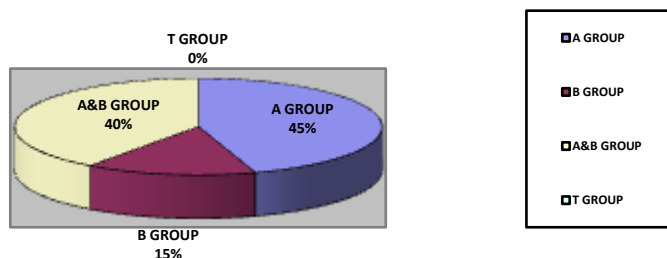


(Source: Primary data)

T-Group (Trade to Trade Segment) implies that all transactions in this share are delivery based to curtail excessive speculation i.e., purchase price of these shares should be paid and delivery of shares is compulsory. No squaring off is possible on these shares. The following table shows the group of securities preferred by the women investors.

Sl. No.	Group of securities preferred by investors	No. Of respondents	Percentage (%)
1.	A group only	18	45
2.	B group only	6	15
3.	Combination of A and B groups	16	40
4.	T group	0	–
	Total	40	100

(Source: Primary data)



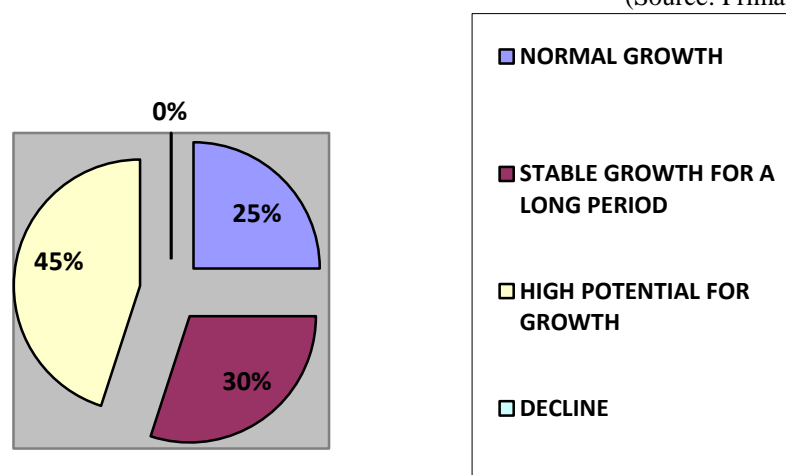
(Source: Primary data)

45% of the investors prefer to invest in A group securities. It shows that they select dividend paying companies with growth potential to invest in. T-group is not at all preferred by any of the investors. It shows that investors are aware of the risk involved in the T-group shares. A combination of both A and B groups is preferred for investment by 40% of equity investors; it is a good trend as it can reduce the risk in investment. Amount invested by respondents in equity shares in the year (2013-2014): During the year 2013-14, only 5% of the women investors have invested more than Rs.1,00,000 in the capital market. 65% of equity investors have invested less than Rs.20,000 in the equity market during the year 2013-2014. This shows the slow pace in equity market during that period. Percentage of profit earned by equity holders during the year (2013-2014): Earning profit is the motive of every investor. Profit is a motivational factor which encourages the investors to invest more. Over 45% of investors have earned a profit around 10% on their investment. Only 5% of the investors were able to make a profit of 30%-40%. 15% of the respondents have earned a profit of 20%-30% from the capital market. It indicates that a reasonable profit can be earned from the equity market with proper choice of the portfolio. None has incurred a loss during the year 2013-2014, that shows a silver line in the future of the capital market. Percentage of profit expected by investors from investment in equity shares: 45% of investors expect a profit of 10-20% from investment in the equity shares. A profit of 20%-40% is expected by 15% of the investors. If the actual profit does not match with the

expectations, the investors may desert the market. So the regulators of the market have to be cautious of the frequent ups and downs in the market and should try to eliminate such volatility in share prices. They should ensure a good investment climate and take all measures to protect the interests of the investors to retain them in the market. Future of the equity market as pointed out by the investors: Future of equity market can be normal growth, stable growth, high potential for growth and decline. Different investors have different views about the equity market. The following table shows the future of the equity market as pointed out by the respondents.

Sl. No.	Future of the equity market as pointed out by the investors	No. Of respondents	Percentage (%)
1.	Normal Growth	10	25
2.	Stable growth for a long period	12	30
3.	High potential for growth	18	45
4.	Decline	0	—
	Total	40	100

(Source: Primary data)



(Source: Primary data)

30% of the investors expect a stable growth of the equity market for a long period. 45% opined that there is high potential for growth for the market. The high expectations of investors on the growth of the market will be reflected in the quantum of investments that they will make in the market. It shows that the investors will not desert the market as they expect that the market will definitely grow. The growth can be the result of the vibrant economy and the stable Government which support the growth of equity market. None of the equity investors expect a decline in equity market.

5. Conclusion

The study analyses the attitude and perception of women towards investment in equity shares and the main objectives of this study is to analyze the factors which influence women to buy equity shares, to identify the source of funds for buying the equity shares, to examine whether women are aware of the risk involved in the capital market, to analyze the attitude of women towards investment in equity shares. The study covers the motivational factors to invest, extent of risk the investors prepared to take, sectors preferred by the women investors, group of securities preferred by the women investors, sources of fund for buying the equity shares and future of equity market as pointed out by the investors.

The certain findings are made after analyzing the tables and figures which shows the ultimate result of study.

1. Dividend and Capital appreciation are the major motivational factors for the investment in equity shares.
2. Most of the investors are ready to take a moderate risk in investing in equity shares
3. Banking sector is the most preferred sector for investment by the women investors.
4. For most of the investors, the source of fund for buying the equity shares is from their own savings.
5. Women investors do not prefer to invest in the equity market with borrowed funds.
6. A group security and a combination of A and B group securities are the most preferred group of securities for investment.
7. T-group securities are not at all preferred by the women investors.

None of the investors have incurred loss in the equity market during 2013-2014 which shows the silver line in the future of the Capital market. It is found that equity market has greater potential for growth in future. The study shows that there is growth potential in the equity market, but the investment made by the women investors is low compared to their savings. So women should be given awareness about the potential of the capital market. Equity is an investment which is easy to hold, but easy holding is not a motivational factor. So they should be made aware about the advantages of investment in equity shares. High profit is attached to high risk, but women investors are not ready to take high risk. They should be made aware

of the potential of the capital market from where high profit can be made by taking high risk. The attitude and perception of women towards risk depend on wide variety of factors including age, income and wealth, gender, marital status, educational attainment and level of financial knowledge and experience. Thus, these factors which influence the attitude of women towards investment ultimately influence the investment decisions of women in equity shares.

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