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A STUDY ON INVESTOR'S PERCEPTION TOWARDS INVESTMENT DECISION IN EQUITY MARKET

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Abstract:

The main focus of this research paper is to identify the investors' perceptions towards investment decision in equity market. The sample size for the study was 50 investors in Coimbatore and studied their attitude towards selection of stock, company, risk, equity portfolio, financial affairs and their expected return. Frequency analysis and various statistical tools were used to describe the variables. Suggestions given in the end will help the investors to sort out the errors committed by them in making investment decisions.

Key words: Investment, stock, risk, portfolio, financial affairs & investment decision**.**

Introduction:

Equity market otherwise called stock market is a public entity for trading shares or stocks of a particular company at an agreed price. Supply and demand in the stock market is affected by various factors that in turn affect the price of the stocks (stock volatility). Equity market otherwise called stock market is a public entity for trading shares or stocks of a particular company at an agreed price. Supply and demand in the stock market is affected by various factors that in turn affect the price of the stocks (stock volatility). Investment decisions in equities are sometimes rational where the investors take decisions analyzing the information in the market. Some investors take irrational decisions where they ignore certain information that is available. Irrational decisions may also be due to the investor's limited capacity to process the information available. Investors also take decisions matching the risk absorption level. Stock market is said to be peculiar though there are different methods and tools to analyze before taking decisions. Investment decisions are still found to be complicated as there are various factors to be considered to choose equity or a stock to invest in or trade into. These socioeconomic, demographic, and attitudinal factors act as key drivers for investment decisions. There is always something that is underpinning an investment decision making process as the probabilities of returns are a concern. Most of the investors feel insecure in managing their investment on the stock market because it is difficult for an individual to identify companies which have growth prospects for investment. Even after identifying the growth oriented companies and their securities, the trading practices are also complicated, making it a difficult

task for investors to trade in all the exchange and follow up on post trading formalities. Hence this is very much important to the stock dealers especially who are new to the market.The equity investment decisions are influenced by few factors like good corporate earnings, stock marketability, stock affordability, dividend announcements, Price earnings ratio, Momentum effect, Contrarian effect, Investment behavior of FIIs, firm's reputation, socially responsible investing, Current economic indicators, Opinion from family/friends/colleagues, broker's recommendation, and other professional advice.

Statement of the problem:

Investors vary from small individuals investors to large institutional investors. Further they can be classified as experienced investors, middle aged investors, wealthy investors, active investors and so on. The investing patterns of these investors may vary from one to another. One may prefer low risk while another may prefer high risks. One may seek advice of experts to invest while another may invest in his own. One may invest with his resources while another may borrow or pledge his properties and make investments. The study mainly tries to find out whether the attitudes of the investors based on their self monitoring has any effect on their selection of portfolio and their returns.

Objectives:

- Invest safely in equities through rational means rather than irrational means.
- To identify the investment pattern through certain key factors those influence the decision making of investors/traders in equities.
- To know what kind of stocks the investors trade or invest in.
- To understand the risk appetite of the investors
- To know about the investors' perceptions regarding their financial affairs.
- To attain stability of the flow of income so as to facilitate planning more accurately and systematically the re-investment or consumption of income.
- To identify the activities that is involved while trading if to take up the opinions or recommendations.

Limitations of the study:

- The behaviour of the active market participants will vary depending on market conditions. So the investment preferences in this current trend may not be the same in the future.
- Only Active market participants were included in the study.
- The study is limited to just 50 samples. Hence, it cannot be generalized for the entire active market participants in the stock market.
- The results may vary as and when the sample is seemingly higher.
- The male respondents were more than female respondents and this percentage break up would differ when the project is universalized.
- The investors who were interviewed belong only to the district of Coimbatore so the findings of this study cannot be universalized.
- The study was done during a short period of less than a month.

Theoretical framework:

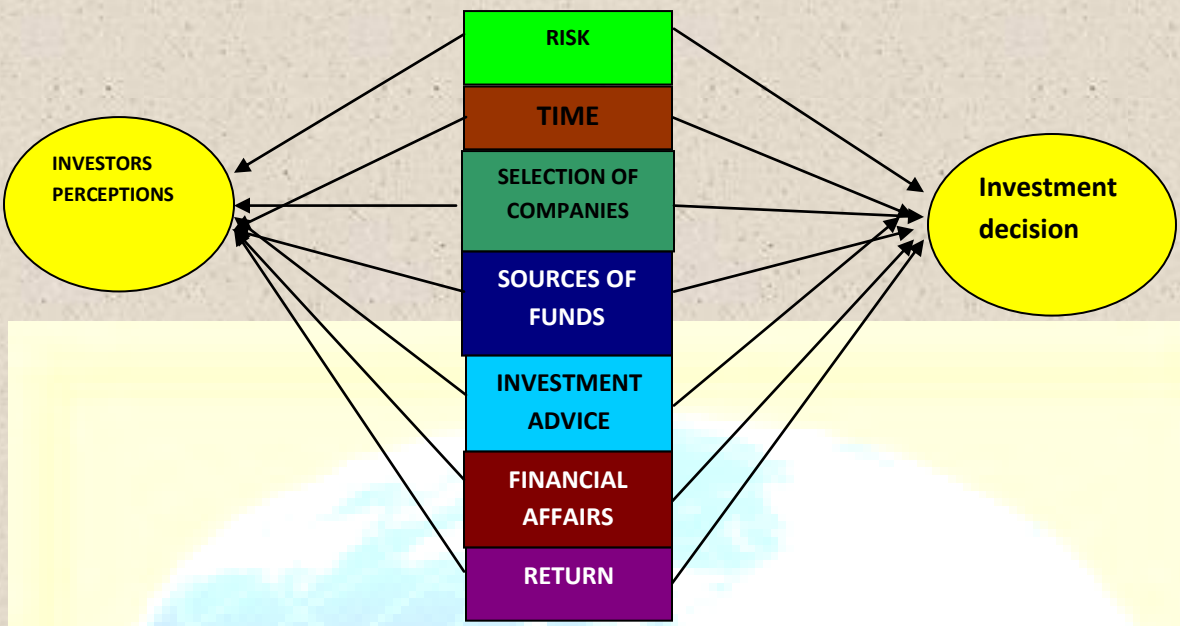
Amos Tversky, Daniel Kahnehan,(1986) According to this study there is a lack of reconciliation between the normative and the descriptive theory of choices. Normative analysis which is used to predict and explain actual behaviour is supported by three statements. First, people are effective in pursuing their goals and they are more effective when there are incentives. Secondly, competition favours rational individuals and organisations. Third, an intuitive appeal of the axioms of rational choice makes it plausible that the theory derived from these axioms support the acceptable account of choice behaviour. This paper analyses the foundations of the normative model and proves that the deviation of actual behaviour from the normative model is too widespread to be ignored, too systematic to be dismissed as a random error. Thus, the normative and descriptive model of choice cannot be reconciled. The descriptive model of choice accounts for preferences that are anomalous in the normative theory.

Gerlinde Fellner, Boris Maciejovisky, (2002), This study finds the relationship between individual risk attitudes measured by binary lotteries and certainity equivalents to market behaviour. Assessment of risk attitude is very important in the domain of financial and economic activities. Also, risk attitude is very useful in legal matters and in measures of performance and success. Also, consultants inform investors about the various investment avenues in terms of risk

criteria for which basic risk classifications are done by them. Individual Risk attitude can be measured either by cardinal utilities or psychometric methods. Cardinal utilities depend mainly on binary lottery methods with known probability distribution thus measuring risk attitude from the curvature of the utility function. Psychometric methods use questionnaires asking whether they accept a set of statements or not. Both these methods accept risk attitude as a stable personality trait. The test was done on 26 independent markets and 280 participants. Results indicate that two measures of risk preference, i.e., Binary lotteries method and Certainty equivalents methods are poorly correlated. According to binary lotteries choices method, higher the degree of risk aversion, lower the observed market activity. Certainty equivalents on the other hand are not related to market behaviour. This study reveals one more thing. According to Binary lottery choices method, females are more risk averse than males. Again, we do not observe a similar pattern with respect to certainty equivalents. However, females generally show less market activity than males.**Melainie Powell, David Ansie, July (1997)** This paper studies whether gender differences in risk propensity and strategy in financial decision making can be viewed as general traits or whether they arise because of contextual factors. The results of this study tells that females are less risky seeking than males irrespective of familiarity and framing of , costs or ambiguity. It also says that males and females adopt different strategies in financial decision environments but these strategies have no significant impact on their ability to perform. **Harrison Hong, Jeffery D.Kubik, Jeremy C.Stein.** This study proposes that stock-market participation is influenced by social interaction. Any given "social" investor finds the market more attractive when more of his peers participate this theory is supported using data from the Health and Retirement Study, and found that social households—those who interact with their neighbours, or attend church—are substantially more likely to invest in the market than non-social households. Moreover, consistent with a peer-effects story, the impact of sociability is stronger in states where stock-market participation rates are higher. **Sushant Nagpal and B S Bodla, (2009).** The author in his study observes that the individuals may be equal in all aspects, but their financial planning needs are very different. Demographics alone no longer suffice as the basis of segmentation of individual investors. It is by using lifestyles or psychographics along with demographics that synergism between investors can be generated. It was studied that the modern investor is a mature and adequately groomed person. The individual investors prefer less risky investments. Blind investments are scarce, as a majority of investors are found to be using

some source and reference groups for taking decisions. Brokers who are in direct touch with investors play a vital role in keeping the capital market lively by providing various services to investors. Investors have made media as a part of their investment life. Psychographics play an important role in determining investment behavior and preferences of individual investors. The study concludes that investors' lifestyle predominantly decides the risk taking capacity of investors. **William E. Warren, Robert E. stevens and C. William McConkey, (1990).** In this study, ***it is*** found that Demographics characteristics are a good predictor of whether investors will be light or heavy investors. None of the lifestyle characteristics proved to be a predictor of stock and bond ownership. But demographics were found to be a strong predictor of whether investors would have heavy or light concentrations in stocks and bonds. Not only do life style dimensions help differentiate between investor behavior types (active/ passive), they may also be useful in differentiating between light and heavy investors in particular investments (stock and bonds). **Manish Mittal and R K Vyas, (2007).** In this paper, it is investigated on how investment choice gets affected by the demographics of the investor. Mutual funds, followed by equity were the most preferred choices for investment and derivatives were least preferred. The results revealed that the differences are not significant for mutual funds, debentures/bonds, real estate/bullions and derivatives between male and female. However male's preferred equities and females preferred post office deposits. Young aged investors (26-35) invest in mutual fund, while middle-aged investors (36-45) invest in debentures/bond. People with income less than Rs. 1 lakh per annum invest in low-risk investments like post office deposits, while investors with income between Rs. 1 lakh-2.5 lakhs invest in mutual funds and people with income between Rs. 2.5-4 lakhs invest in equities. Investors with less education prefer high-risk investments, such as, equity and derivatives. Undergraduate investors invest in high-risk, high-return investments, such as, derivatives and real estate/bullion. Graduates prefer moderate risk and moderate return investments like debentures/bonds, while postgraduates and professionals invest in mutual funds and equity. The propensity to take risk decreases with increase in education level. Service class people like to invest in equities and mutual funds while business class have shown an inclination to invest in debentures/bonds and real estate/bullions. Housewives prefer safe investments like real estate/bullions, while professionals invest their money in post office deposits and derivatives and students prefer high investments like derivatives and equities. The study provided evidence that the investment choice depends on and is affected by the demographic variables such as

gender, age, income, education and occupation. **Meenu Verma(2008)** The author has observed that demographic profile and investor personality can be the two determinants for making perception about the investor psychology. The study revealed that real estate, followed by mutual funds are the most preferred choices for investment among the investors. It was noted males prefer real estate, PPF and equity shares as attractive avenues for investment, females prefer bank FD, insurance and bullions. Young investors find investing in equity shares/derivatives more comfortable, while old investors prefer PPF as their first choice. Middle aged investors prefer investing in mutual funds and NSC. Thus it clearly shown that as age increases, the ability to take risks decreases and people go towards safer investments. People with low income prefer investments in low risk investments like NSC. People with high income like to invest in real estate. Middle income groups prefer investing in bank FD and mutual funds. The study provides the evidence that the investment choice depends on and is affected by the demographic variables such as gender, age, income, education, occupation as well as various personality types such as conservative, medium moderate and aggressive. **Abhijeet Chandra (2009).** In this literature, the author has analyzed the impact of competence of individual investors on their trading behavior in the stock market. Individual investors take trading decisions based on their self-perceived competence that is influenced by several factors. The study examined the factors that determine the competence level of individual investors. Age, education, and income were found to be the most influencing factors of the individual investors' competence in the stock market activities and trading behavior. The results of the study reveal that a person invests as per his/her own judgments once he/she perceives himself/herself more knowledgeable about investing. It finds that investors having high, high to moderate income and professional qualification are supposed to be more confident about their competence when it comes to trading in stock markets. Thus, it can be said that competence effect rules the trading behavior of individual investors



Methodology:

The research design is descriptive in nature. Questionnaire method is used for primary data collection. Each respondent (investor) is given a questionnaire to be filled up.

Secondary data was gathered from books, journals and websites for review of literature. Simple Random Sampling method is used for this study. The sample size is restricted to 50 respondents. The test performed was ANOVA.

Analysis and Discussions:

Table 1.1 Relationship between the factors influencing the investment/trading decisions and percentage of returns obtained

Null Hypothesis (H0): There is no significant association between the factors that influence the decisions and the percentage of returns

Alternate Hypothesis (H1): There is a significant association between the factors that influence the decisions and the percentage of returns

		Sum of Squares	df	Mean Square	F	Sig.
Stocks affordability	Between Groups	8.418	3	2.806	1.335	.275
	Within Groups	96.702	46	2.102		
	Total	105.120	49			
Stocks with good financial results	Between Groups	2.980	3	.993	1.348	.271
	Within Groups	33.900	46	.737		
	Total	36.880	49			
Announcements on bonus issue/Stocks issue	Between Groups	4.560	3	1.520	1.083	.366
	Within Groups	64.560	46	1.403		
	Total	69.120	49			
Stocks marketability	Between Groups	1.548	3	.516	.485	.695
	Within Groups	48.952	46	1.064		
	Total	50.500	49			
P/E Ratio	Between Groups	2.684	3	.895	.630	.599
	Within Groups	65.316	46	1.420		
	Total	68.000	49			
Momentum effect	Between Groups	3.193	3	1.064	.885	.456
	Within Groups	55.307	46	1.202		
	Total	58.500	49			
Contrarian effect	Between Groups	8.858	3	2.953	2.305	.089
	Within Groups	58.922	46	1.281		
	Total	67.780	49			

		Sum of Squares	df	Mean Square	F	Sig.
Investment behaviour of FIIs	Between Groups	6.091	3	2.030	1.340	.273
	Within Groups	69.689	46	1.515		
	Total	75.780	49			
Firm's reputation	Between Groups	5.501	3	1.834	1.639	.193
	Within Groups	51.479	46	1.119		
	Total	56.980	49			
Socially responsible Investing	Between Groups	7.209	3	2.403	2.341	.086
	Within Groups	47.211	46	1.026		

	Total	54.420	49			
Current economic indicators	Between Groups	8.862	3	2.954	1.795	.161
	Within Groups	75.718	46	1.646		
	Total	84.580	49			
Opinion from family/friends/colleague	Between Groups	40.208	3	13.403	7.314	**.000**
	Within Groups	84.292	46	1.832		
	Total	124.500	49			
Broker's recommendation	Between Groups	32.579	3	10.860	5.555	**.002**
	Within Groups	89.921	46	1.955		
	Total	122.500	49			
Other professional advice	Between Groups	16.315	3	5.438	4.056	**.012**
	Within Groups	61.685	46	1.341		
	Total	78.000	49			

The results from the above table show that the factors **Opinion from family/friends/Colleagues, Broker's recommendation and other professional advice** show a dependency with percentage of returns. But the other factors have significant values greater than the allowable 5 %. Therefore, there is no relationship between the mentioned factors with the percentage of returns.

Table 1.2 Relationship between the factors influencing the investment/trading decisions and risk appetite

Null Hypothesis (H0): There is no significant association between the factors that influence the decisions and the risk appetite.

Alternate Hypothesis (H1): There is a significant association between the factors that influence the decisions and the risk appetite.

		Sum of Squares	df	Mean Square	F	Sig.
Stocks affordability	Between Groups	1.135	2	.568	.257	.775
	Within Groups	103.985	47	2.212		

	Total	105.120	49			
Stocks with good financial results	Between Groups	1.183	2	.592	.779	.465
	Within Groups	35.697	47	.760		
	Total	36.880	49			
Announcements on bonus issue/Stocks issue	Between Groups	2.408	2	1.204	.848	.435
	Within Groups	66.712	47	1.419		
	Total	69.120	49			
Stocks marketability	Between Groups	.742	2	.371	.351	.706
	Within Groups	49.758	47	1.059		
	Total	50.500	49			
P/E Ratio	Between Groups	2.561	2	1.280	.920	.406
	Within Groups	65.439	47	1.392		
	Total	68.000	49			
Momentum effect	Between Groups	.985	2	.492	.402	.671
	Within Groups	57.515	47	1.224		
	Total	58.500	49			
Contrarian effect	Between Groups	3.235	2	1.617	1.178	.317
	Within Groups	64.545	47	1.373		
	Total	67.780	49			

		Sum of Squares	df	Mean Square	F	Sig.
Investment behaviour of FIIs	Between Groups	3.477	2	1.738	1.130	.332
	Within Groups	72.303	47	1.538		
	Total	75.780	49			
Firm's reputation	Between Groups	3.783	2	1.892	1.671	.199
	Within Groups	53.197	47	1.132		
	Total	56.980	49			
Socially responsible Investing	Between Groups	1.344	2	.672	.595	.556
	Within Groups	53.076	47	1.129		

	Total	54.420	49			
Current economic indicators	Between Groups	2.110	2	1.055	.601	.552
	Within Groups	82.470	47	1.755		
	Total	84.580	49			
Opinion from family/friends/colleague	Between Groups	6.439	2	3.220	1.282	.287
	Within Groups	118.061	47	2.512		
	Total	124.500	49			
Broker's recommendation	Between Groups	1.894	2	.947	.369	.693
	Within Groups	120.606	47	2.566		
	Total	122.500	49			
Other professional advice	Between Groups	5.591	2	2.795	1.815	.174
	Within Groups	72.409	47	1.541		
	Total	78.000	49			

The results from the above table show that the factors have a significant value greater than the allowable 5 %. Therefore, the null hypothesis accepted and there is no relationship between any of the 14 factors and the risk appetite.

Table 1.3 Relationship between the factors influencing the investment/trading decisions and trading regularity

Null Hypothesis (H0): There is no significant association between the factors that influence the decisions and trading regularity.

Alternate Hypothesis (H1): There is a significant association between the factors that influence the decisions and trading regularity.

		Sum of Squares	Df	Mean Square	F	Sig.
Stocks affordability	Between Groups	3.522	3	1.174	.532	.663
	Within Groups	101.598	46	2.209		

	Total	105.120	49			
Stocks with good financial results	Between Groups	1.148	3	.383	.493	.689
	Within Groups	35.732	46	.777		
	Total	36.880	49			
Announcements on bonus issue/Stocks issue	Between Groups	2.458	3	.819	.565	.641
	Within Groups	66.662	46	1.449		
	Total	69.120	49			
Stocks marketability	Between Groups	1.590	3	.530	.498	.685
	Within Groups	48.910	46	1.063		
	Total	50.500	49			
P/E Ratio	Between Groups	5.909	3	1.970	1.459	.238
	Within Groups	62.091	46	1.350		
	Total	68.000	49			
Momentum effect	Between Groups	1.629	3	.543	.439	.726
	Within Groups	56.871	46	1.236		
	Total	58.500	49			
Contrarian effect	Between Groups	1.689	3	.563	.392	.759
	Within Groups	66.091	46	1.437		
	Total	67.780	49			

		Sum of Squares	df	Mean Square	F	Sig.
Investment behaviour of FIIs	Between Groups	12.235	3	4.078	2.952	.042
	Within Groups	63.545	46	1.381		
	Total	75.780	49			
Firm's reputation	Between Groups	2.256	3	.752	.632	.598
	Within Groups	54.724	46	1.190		
	Total	56.980	49			
Socially responsible Investing	Between Groups	.797	3	.266	.228	.876
	Within Groups	53.623	46	1.166		

	Total	54.420	49			
Current economic indicators	Between Groups	2.829	3	.943	.531	.664
	Within Groups	81.751	46	1.777		
	Total	84.580	49			
Opinion from family/friends/colleague	Between Groups	5.531	3	1.844	.713	.549
	Within Groups	118.969	46	2.586		
	Total	124.500	49			
Broker's recommendation	Between Groups	4.587	3	1.529	.596	.621
	Within Groups	117.913	46	2.563		
	Total	122.500	49			
Other professional advice	Between Groups	1.177	3	.392	.235	.871
	Within Groups	76.823	46	1.670		
	Total	78.000	49			

The results from the above table show that the factors are independent of the trading regularity. But the factor **Investment behavior of FIIs** alone has a significant relationship with trading regularity. Since the significant value for that particular factor is less than 0.05 and the null hypothesis is accepted.

Table 1.4 Relationship between the factors influencing the investment/trading decisions and the kind of stocks

Null Hypothesis (H0): There is no significant association between the factors that influence the decisions and the kind of stocks chosen by the investors to trade/invest.

Alternate Hypothesis (H1): There is significant association between the factors that influence the decisions and the kind of stocks chosen by the investors to trade/invest

		Sum of Squares	df	Mean Square	F	Sig.
Stocks affordability	Between Groups	20.912	5	4.182	2.185	.073
	Within Groups	84.208	44	1.914		
	Total	105.120	49			
Stocks with good financial results	Between Groups	2.172	5	.434	.551	.737
	Within Groups	34.708	44	.789		
	Total	36.880	49			
Announcements on bonus issue/Stocks issue	Between Groups	7.035	5	1.407	.997	.431
	Within Groups	62.085	44	1.411		
	Total	69.120	49			
Stocks marketability	Between Groups	6.981	5	1.396	1.412	.239
	Within Groups	43.519	44	.989		
	Total	50.500	49			
P/E Ratio	Between Groups	10.699	5	2.140	1.643	.169
	Within Groups	57.301	44	1.302		
	Total	68.000	49			
Momentum effect	Between Groups	1.731	5	.346	.268	.928
	Within Groups	56.769	44	1.290		
	Total	58.500	49			
Contrarian effect	Between Groups	1.942	5	.388	.260	.933
	Within Groups	65.838	44	1.496		
	Total	67.780	49			

		Sum of Squares	df	Mean Square	F	Sig.
Investment behaviour of FIIs	Between Groups	2.243	5	.449	.268	.928
	Within Groups	73.537	44	1.671		
	Total	75.780	49			
Firm's reputation	Between Groups	6.142	5	1.228	1.063	.394
	Within Groups	50.838	44	1.155		
	Total	56.980	49			

Socially responsible Investing	Between Groups	6.801	5	1.360	1.257	.300
	Within Groups	47.619	44	1.082		
	Total	54.420	49			
Current economic indicators	Between Groups	5.749	5	1.150	.642	.669
	Within Groups	78.831	44	1.792		
	Total	84.580	49			
Opinion from family/friends/colleague	Between Groups	3.853	5	.771	.281	.921
	Within Groups	120.647	44	2.742		
	Total	124.500	49			
Broker's recommendation	Between Groups	11.789	5	2.358	.937	.467
	Within Groups	110.711	44	2.516		
	Total	122.500	49			
Other professional advice	Between Groups	13.850	5	2.770	1.900	.114
	Within Groups	64.150	44	1.458		
	Total	78.000	49			

.The results from the above table show that the factors are independent from the kind of stocks selected by the traders/investors. Since all the factors have a significant value that is greater than 5 %, null hypothesis is accepted. The groups within the kind of stocks are Large Cap, Mid Cap and Small cap and the slot chosen to trade is independent of the 14 factors.

Findings:

- Majority of the respondents were male which shows there is a male gender dominating in this industry. 90 % are males and 10 % are females according to this sample.
- Age wise majority are between the age of 20 and 40, the next being above 50 years of age. People who are retired or who expect the source of income from other than business or service may be above 50 years of age.
- Undergraduates and people into business are involved with trading/investing into stock markets comparatively with the people in other categories and majorly have 2 to 5 years of experience and the next being 5 to 10 years of experience.

- Traders/Investors rely on Large Cap stocks and secondly on Mid Cap stocks presently. There may be navigations between these kinds of stocks as time scrolls.
- Buying low priced stocks, i.e. the stock affordability; stocks with good corporate earnings; dividend announcements; buying stocks that can be easily sold; firm's reputation; and current economic indicators play as a crucial factor in taking decisions. As it influences to the first degree in purchasing an equity
- Price earnings ratio, Momentum effect, Contrarian effect and socially responsible investing majorly have neutral opinions.
- Since the respondents take into account the corporate earnings, P/E ratio becomes inclusive in it. But still 24% of the respondents consider it as an impending factor in decision making and 30 % consider the contrarian effect significantly influencing them.
- 60% have first and second degrees of influence in Foreign Institutional Investors behavior.
- Brokers' recommendation and opinions taken from a friend or a family have a least influence in decision making.
- The independency between the entities is evident from the analysis done for this sample
- Though the percentage of females was comparatively lesser, there was no difference between the gender groups to be dependent on returns.
- Similarly, the other variables like age, educational qualification, years of experience in the equity market showed it's independency with the returns obtained.
- The returns depend on the Occupation of a person. People who are into business category obtain higher returns from the equity market when compared with those in the other category like service, student, etc.
- Generally, taking a decision in this area itself is told to be highly risky. There may be variances from time to time while taking risks as majority of the people say the investment strategies keep changing.
- According to this sample, the experience in the equity market, age of a person and the occupation of a person does not affect the risk appetite one takes. Gender bias was not also evident with this sample as the percentage of females is lesser.

- People see into a few factors to invest/trade into irrespective of their experience or returns. The kind of stocks chosen such as the Large Cap, Mid Cap and Small Cap stocks are not affected by the experience or returns obtained.
- The scenario in this sector keeps changing where the large caps outperform the mid cap and the small cap or vice versa. This denies the criteria of depending on the returns or experience to chosen the stocks based on the market capitalization.
- The percentage of returns obtained by the respondents from the equity market, the risk appetite, the kind of stocks chosen to invest/trade in and the trading regularity was tested for dependency with the 14 factors which again showed its independency.
- The opinions taken on factors stocks affordability (buying a low priced stock), stocks with good financial results, announcement of dividends, stocks marketability (stocks that can be easily sold), Price/earnings ratio, the momentum effect, the contrarian effect, Investment behavior of Foreign Institutional Investors, firm's reputation, Socially responsible Investing, Current economic indicators, Opinion from family/friends/colleague, Broker's recommendation, Other professional advice (internet, newspapers, financial journals)
- The three denying factors Opinion from family/friends/colleague, Broker's recommendation and other professional advice influence the returns. In other words, people rely on these factors wherein the returns are affected by the decisions they take.

Suggestions:

- One should invest in secured and risk-free investments rather than high-risk, highly profitable investments.
- Tracking the market environment better with sound knowledge about a particular stock would result in better returns
- Since many of the entities in this study are independent of each other, there is need to analyze on a buying decision specifically for respective stocks
- People with less experience can also be high profit makers when decisions are based on intricate fundamental and technical analyses.

Conclusion:

This study brings out the significance of investing in equity market through the factors that influence the decision making of an active participant in this sector. This sector has the great ebbs and flows and can be synonymously coded as the marketplace with stock volatility sticking to it. People with more experience are not the only profit makers as the prevalent market conditions are in such a manner. This goes in with the fact that adequate experience is not the only need to deal with high risk environments.

Every other person in the equity market is in need of profits. When there is a profit maker, there is also a loser. So taking decisions by relying completely on other's opinion may result in negative returns. This may also comply with the fact of risk appetite in taking decisions. The respondents could be self monitoring people if they have a good decision making in purchasing a stock. This aspect could be high or low in them to obtain different percentage of returns. The tactics on every single aspect to deal with a stock, lengthened continuous monitoring of a particular equity and tracking of the market is necessary. It is also evident that investment strategies of people keep changing as well as the factors that influence the decision making keeps changing. The study reveals that there exists an independency between the demographics, majority of the factors and the returns obtained.

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