

## **A STUDY ON THE LEVEL OF AWARENESS OF STOCK MARKET INVESTMENT AMONG STUDENTS WITH SPECIAL REFERENCE TO COIMBATORE DISTRICT**

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### **ABSTRACT**

This study aims to examine the level of stock market awareness and participation among the students. The stock market plays a vital role in the economic development of a nation by mobilizing savings and channeling them into productive investments. However, awareness and participation in the stock market among students remain limited. This study aims to assess the level of awareness, knowledge, and attitude of students toward stock market investments. Primary data were collected through questionnaires distributed among college students. The findings reveal that while many students are interested in learning about stock investments, only a few possess practical knowledge or experience in trading. The study suggests the need for financial literacy programs to enhance students' understanding of the stock market.

**Keywords:** *Equity Investment, Stock Market Participation, Investment Knowledge, Risk Perception, Students' Financial Literacy, Investment Awareness*

### **INTRODUCTION OF THE STUDY**

The stock market is an important instrument to measure the economic condition of a country. It is referred to as the "heartbeat of the economy" or "economic mirror," reflecting the state of a nation's economy and is the secondary market where investors can buy or sell shares publicly. The core and important aspect of the securities market is thought to be investors. As a result, their education and knowledge are critical to reviving and maintaining interest in the securities market. Financial literacy and information needs are critical to understanding Money and financial services in their various forms, functions, and applications. Individuals who wish to choose the finest payment method and handle banking in today's environment must be financially literate. Numerous surveys have been conducted around the world to measure individuals' attitudes toward financial literacy, products, procurement, and the stock market. Financial literacy is necessary for financial behaviors such as cash flow management, credit management, saving, and investing. The young generation has faced many

financial problems due to a lack of financial literacy. They have little financial knowledge of the norms and trends of different markets and how to make good investment decisions. The main goal of this research is to discover the variables that influence students' exchange participation and whether there are statistically significant differences in perceptions of people of different genders and levels of education about the impact of participating in exchanges. was to judge. In recent years, the importance of financial education has increased due to the development of financial markets and demographic, economic, and political changes. Financial markets are growing more sophisticated, and new products are being introduced on a regular basis. Customers now have easy access to a wide range of lending and savings instruments

provided by several corporations, including internet banks, brokerage firms, and community-based organizations. The survey wants to know if students are ready to make financial decisions. This research highlights many aspects that affect students when they lack sufficient knowledge about the stock market, reasons why students do not invest in the stock market, and students' attitudes regarding the stock market through deliberation. It is conducted on a variety of factors using a method that considers various factors and finds different reasons why students do not invest in the stock market.

#### **OBJECTIVE OF THE STUDY:**

- To Study the level of awareness about stock market investment among students in Coimbatore district.
- To Know the factors influencing students to invest or not invest in the stock market.
- To identify the challenges and barriers faced by students in investing in the stock market.

#### **STATEMENT OF THE PROBLEM**

The stock market has grown in importance as a means of investing and building wealth in recent years. Students are becoming more familiar with stock market activity due to the expansion of digital platforms and the ease with which financial information is accessible. But even with this greater exposure, students' knowledge and comprehension of stock market investing is still unclear, particularly in areas like the Coimbatore district. Many pupils don't understand basic concepts like shares, trading procedures, risk factors, and market volatility well enough. This lack of knowledge could result in false beliefs, investing anxiety, or poor decision-making. Students are further prevented from actively engaging in stock market investing by elements such as a lack of financial knowledge, inadequate advice, and little hands-on experience. Students participate in the stock market at a relatively low rate, despite being a potential group of future investors. This poses a significant question about whether students have the awareness and knowledge necessary to make wise investing choices. Thus, the purpose of this study is to assess the degree of stock market investing awareness among students in the Coimbatore area, pinpoint knowledge gaps, and recommend actions to raise financial literacy and promote responsible stock market involvement.

#### **RESEARCH METHODOLOGY:**

The descriptive research method is the approach that we have employed in this study to achieve the project's goals. The data needed to accomplish the study's goals came from primary sources, where we contacted students and asked them to complete surveys.

##### **Data Collection:**

###### **Primary Data:**

In order to gather the primary data, respondents were given a questionnaire using the survey method, and the data was collected online by sharing QR codes. Questions about stock market awareness and participation are included in the Likert scale questionnaire.

###### **Secondary Data:**

The study makes use of secondary data on investment trends and stock market awareness gathered from government publications, financial reports, journals, and websites.

###### **Sample Size:**

We have taken a sample size of 100 students. This sample size includes of under-graduate students.

**Sampling Method:** Probability Convenience sampling

**Research Design:**

The study adopts a descriptive research design to examine the level of awareness of stock market investment among students. This design helps in systematically describing the students' knowledge, perceptions, and attitudes toward stock market participation. Data are collected through structured questionnaires to analyze and interpret the awareness levels effectively.

**Tools for analyzing the data:**

- Percentage Analysis

**LITERATURE REVIEW**

- **Bhattacharjee Jayashree, s Ranjit Singh (2017)**, In this research, the researcher explained About "Individual Investors' Equity Investment Attitudes. The purpose of this paper is to systematically review the published literature on various aspects of equity investment attitudes. This paper highlights key issues and aspects related to equity investment awareness. It is also intended to raise specific issues for future research. Demographic, socioeconomic, and psychological factors were found to be the most important determinants of a sense of justice. Financial well-being is primarily due to financial awareness. Growth in financial markets can be attributed to stock awareness. Equity awareness helps investors make better financial decisions, be aware of their rights and responsibilities, and understand and manage their risks as investors.

**Overview of the Study**

The study investigates the level of awareness of stock market investment among students, focusing on their knowledge of investment options, risk perception, and sources of information. Despite increasing exposure through online platforms and educational programs, many students still lack sufficient understanding of market operations. Using a descriptive research design with both primary and secondary data, the study also examines the influence of demographic factors on students' awareness and participation. The findings aim to support universities and policymakers in enhancing financial literacy and promoting informed investment decisions among students.

**ANALYSIS & INTERPRATION**

**Table 1.1 Showing the Level of Awareness about Stock Market Investment**

S.No	Level of Awareness	No. of Respondents	Percentage (%)
1	Highly Aware	16	20%
2	Moderately Aware	28	35%
3	Slightly Aware	20	25%
4	Not Aware	16	20%
	<b>Total</b>	<b>80</b>	<b>100%</b>

**Interpretation:**

The table indicates that the majority of students (35%) are moderately aware of stock market investment, while only 20% are highly aware. Around 45% of students fall under slightly aware and not aware categories. This shows that although students have some level of awareness, there is still a significant gap in deep knowledge and understanding of stock market investment.

**Table 1.2 Showing the Factors Influencing Investment Decision**

S.No	Factors	No. of Respondents	Percentage (%)
1	Expected Returns	22	27.5%
2	Risk Level	18	22.5%
3	Family & Friends Influence	12	15%
4	Lack of Knowledge	16	20%
5	Availability of Funds	12	15%
	<b>Total</b>	<b>80</b>	<b>100%</b>

**Interpretation:**

The analysis shows that expected returns (27.5%) is the most influential factor, followed by risk level (22.5%). Lack of knowledge (20%) also significantly affects students' decisions. Social influence and financial constraints each account for 15%. This indicates that both financial expectations and awareness levels play a key role in determining whether students invest in the stock market.

**Table 1.3 Showing the Challenges in Stock Market Investment**

S.No	Challenges / Barriers	No. of Respondents	Percentage (%)
1	Lack of Financial Knowledge	26	32.5%
2	Fear of Loss	22	27.5%
3	Lack of Funds	12	15%
4	Complexity of Market	10	12.5%
5	Lack of Guidance	10	12.5%
	<b>Total</b>	<b>80</b>	<b>100%</b>

**Interpretation:**

The table reveals that lack of financial knowledge (32.5%) is the major barrier faced by students, followed by fear of loss (27.5%). Other challenges like lack of funds, complexity of the market, and lack of guidance also affect participation. This suggests that improving financial literacy and providing proper guidance can significantly increase student involvement in stock market investment.

**FINDINGS**

1. The study reveals that students have a moderate level of awareness about stock market investment, but a considerable number still lack sufficient knowledge and understanding.
2. Expected returns and risk level are the key factors influencing students' investment decisions, while lack of knowledge and limited funds also affect their participation.
3. The major barriers faced by students are lack of financial knowledge and fear of loss, along with other challenges like market complexity, lack of guidance, and financial constraints, which restrict their involvement in stock market investment.

**CONCLUSION**

Students in the Coimbatore district have a moderate understanding of stock market ideas, according to a research on the subject. There is a financial literacy gap, as evidenced by the fact that while a small percentage of students are highly aware, a sizable part still have just basic or limited knowledge. The data also demonstrates that variables like risk tolerance and anticipated returns have a significant impact on students' investment choices. However, many

students are discouraged from engaging in the stock market due to a lack of information and inadequate financial resources. Their actions are somewhat influenced by social pressure from friends and relatives. The survey also outlines major obstacles that students encounter, such as inadequate guidance, fear of loss, and a lack of financial literacy. Despite their potential interest, these obstacles keep students from actively participating in stock market investing. The study's overall conclusion is that academic programs, workshops, and hands-on experience are necessary to improve students' financial literacy. Students' financial growth and future stability can be enhanced by raising awareness and offering appropriate counsel to help them make well-informed investment decisions and promote increased stock market participation.

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