

EXPLORING ATTITUDES OF COLLEGE STUDENTS TOWARDS STOCK MARKET INVESTMENT: AN ANALYSIS OF RAJKOT, GUJARAT (INDIA)

Pratik Pravin, Research Scholar, Department of Commerce, Saurashtra University, Rajkot
Dr. Shailesh J. Parmar, Professor and Head, Department of Commerce, Saurashtra University, Rajkot

Abstract

A person's attitude is a reflection of their feelings and beliefs about something. It can range from positive to negative and can be seen in their behavior and body language. Attitude is also a way of interpreting and reacting to circumstances, and it shapes how an individual responds to different situations. The goal of this study is to explore the attitude of college students towards stock market investment in Rajkot, Gujarat (India). Therefore, this research was conducted on students who have invested in the stock market. Data were collected from a sample of 169 respondents by structured questionnaire and for analysis Researcher has used Chi-square and test, Mann-Whitney U test and Kruskal-Wallis H test for testing the hypothesis. The statistical results indicate no significant difference between gender and investors' attitude towards the stock market. However, there were differences based on educational background.

Keywords: Stock Market, Behavioural Finance, Attitude, Risk, College Students, Investment.

I. Introduction

Gujarat is a major economic hub in India with a strong industrial base and a growing services sector. There is a great deal of optimism about the prospects of the stock market in Gujarat due to the region's strong growth. Gujarat is home to some of the leading companies in India, such as Reliance Industries, Tata Motors, Adani Group, and many others. Gujarat has a well-developed infrastructure and is well-connected to other states and countries. The Indian stock market has expanded rapidly through time to become one of the greatest marketplaces in the world.

Investing in the stock market is a great way for college students to learn how to manage their money and gain important financial skills. It can also help them diversify their income and learn how to make smart decisions when it comes to their finances. Most importantly, college students should start small and build their portfolio gradually. Additionally, college students should be aware of their own risk tolerance and financial goals and make sure their investments align with them.

Statement of the Problem

College students are increasingly interested in investing in the stock market as it has become more accessible and user-friendly. However, it is important for them to understand the risks associated with investing before making any decisions, as inexperience can lead to losses or missed opportunities. More research is needed to understand college students' attitudes, knowledge and risk-taking behavior towards stock market investment, which can be addressed by conducting a Research in Rajkot, Gujarat (India).

II. Review of Literature

(Yixing Zhang, Qinmin Jia, & Chen Chen, 2021) This paper evaluates that how 2015 stock market meltdown affected household income and spending. According to the study, households that held hazardous assets considerably dropped, while financial literacy and investing expertise had little impact on losses. The likelihood that families would make smoother purchasing decisions following the shock varies significantly depending on risk tolerance and financial literacy. Empirical findings show that in 2016, the stock market fall reduced resident spending by 87.53 billion RMB, or 0.30% of overall resident consumption.

(Said, Laba, & Hamid, 2020) This study aims to explore the effects of loss aversion, regret aversion and mental accounting on investment decision making. It uses a survey method by distributing

questionnaires to 120 students active in Investment Gallery in 6 Private Universities in Makassar with SPSS.23 multiple regression as the analytical tool. The results show that loss aversion affects investment decision making, regret aversion has no effect on investment decision making, and mental accounting has effect against investment decisions.

(Raut & Das, 2017) This study investigated individual investors' intention to use online stock trading in the Indian capital market using the theory of planned behaviour (TPB). Results showed that attitude towards online trading was the most influencing factor, while social pressure and perceived behavioural control had the least impact.

(Giannetti, 2016) Risk attitudes also helped to explain other aspects of stock market participation, such as uncertainty dispersion, investors' propensity to bet, the presence of a significant negative wealth shock, attitudes towards betting that were influenced by religion, the public disclosure of corporate extortion, and the enormous potential for hedging. Investment decisions must take into account an individual's risk tolerance. Risk attitudes have been taken into account in this study to help unravel the mystery of stock market involvement.

(Singh & Yadav, 2016) they have suggest through his study that investors should consider all aspects before investing in the capital market. Male and female investors should both consider the same things while investing, such as ratio analysis, technical and financial analysis of the company, and the fundamental analysis of the economy. In addition, investors should also consider the risk associated with different investments, and make sure that they are investing in appropriate assets according to their age. This study emphasizes the importance of conducting comprehensive research into share investment decisions, in order to make informed and rational investment decisions.

(Evans, 2004) The results of surveys on the attitudes and habits of rich investors, as well as their expectations for future portfolio returns, were done by the Institute for Private Investors. It discovers a lack of connection between risk and anticipated return, proof of overreaction on the part of investors, and offers advice for investors and advisers on how to counteract these biases. In his conclusion, the author offers advice on how investors and advisors might lessen these biases.

(Wood & Zaichkowsky, 2004) Based on their investment attitudes and behaviours, this research classified individual investors into four primary groups: risk-intolerant traders, self-assured traders, youthful traders who are afraid of losing money, and cautious long-term investors. Each group employed various information sources, bought various stock kinds, and engaged in varying degrees of trading activity.

(Barsky, Juster, Kimball, & Shapiro, 1997) According to this research a person's level of risk-taking in one area predicts hazardous conduct in another, hence the goal of this study is to determine the effect of risk attitudes between the link between money attitudes and stock market involvement.

Objectives of the study

- To find details about college students towards stock market investment.
- To check the association between gender and the platform used by investors to invest in the stock market.
- To check the association between Gender and the Investment Attitude of college students while investing in the stock market.
- To check the association between Gender and investment performance related decision.
- To investigate the difference between gender and investors' attitude towards the stock market.
- To investigate the difference between educational background and investors' attitude towards the stock market

III. Research Methodology

Sample Design:

For this research, a sample of 169 college students from Rajkot, Gujarat (India) was selected through convenience sampling.

Data Collection:

The data for this study was entirely sourced from primary sources, gathered through a questionnaire.

Tools & Technique:

In reliability test of Cronbach's value was 0.891 which indicates good reliability. The data was not normally distributed. The Researcher has used Chi-square and test, Mann-Whitney U test and Kruskal-Wallis H test for testing the hypothesis. The main aim to use this test is to know the investors attitude of college students towards investment in stock market.

Hypothesis of the study:

H0: There is no association between Gender and the platform used by investors to invest in the stock market.

H0: There is no association between Gender and the Investment Attitude of college students while investing in the stock market

H0: There is no association between Gender and investment performance related decision.

H0: There is no significant difference between gender and investors' attitude towards the stock market.

H0: There is no significant difference between educational background and investors' attitude towards the stock market.

IV. Results and Discussion

TABLE 1: DEMOGRAPHIC

| PERCENTAGE ANALYSIS OF DATA COLLECTED | | | |
|---------------------------------------|---|-----------|---------|
| Variables | Particulars | Frequency | Percent |
| Gender | Male | 111 | 65.7 |
| | Female | 58 | 34.3 |
| | Total | 169 | 100.0 |
| Educational Background | Science | 38 | 22.5 |
| | Commerce | 101 | 59.8 |
| | Arts | 18 | 10.7 |
| | Engineering | 12 | 7.1 |
| | Total | 169 | 100.0 |
| Platform | Online | 150 | 88.8 |
| | Offline | 19 | 11.2 |
| | Total | 169 | 100.0 |
| Preference | Primary market (IPOs) | 47 | 27.8 |
| | Secondary market | 24 | 14.2 |
| | Both primary and secondary market | 98 | 58.0 |
| | Total | 169 | 100.0 |
| Type | Long term | 64 | 37.9 |
| | Short term | 21 | 12.4 |
| | both | 84 | 49.7 |
| | Total | 169 | 100.0 |
| Attitude | Aggressive | 39 | 23.1 |
| | Moderate | 100 | 59.2 |
| | Conservative | 30 | 17.8 |
| | Total | 169 | 100.0 |
| Motive | To earn profit | 59 | 34.9 |
| | To financial security | 18 | 10.7 |
| | To take advantage of growth and wealth maximization | 46 | 27.2 |

| | | | |
|--|--|-----|-------|
| | It's easy and very less amount requires for an investment. | 9 | 5.3 |
| | Just for fun. | 7 | 4.1 |
| | To achieve financial goals. | 30 | 17.8 |
| | Total | 169 | 100.0 |

(Source: Primary data)

The above table no. 1 shows the response of 169 Respondents of this study, where 65.7% are male and 34.3% are female. 59.8% are from commerce, 22.5% from science, 10.7% from arts, and 7.1% from engineering. 88.8% used an online platform for trading, while 11.2% used an offline platform. 58% prefer to invest in both primary and secondary markets, 27.8% in primary markets (IPOs), and 14.2% in secondary markets. 37.9% invested for long term, 12.4% for short term, and 49.7% for both long and short term. 23.1% had an aggressive attitude, 59.2% a moderate attitude, and 17.8% a conservative approach. For the motive of investing, 34.9% indicated they wanted to earn a profit, 10.7% to achieve financial security, 27.2% to take advantage of growth and wealth maximization, 5.3% stated it was easy and required a small amount of money, 4.1% just for fun, and 17.8% to achieve their financial goals.

TABLE 2: KNOWLEDGE ABOUT THE STOCK MARKET & EDUCATION

| Gender * Platform Crosstabulation | | | | |
|-----------------------------------|--------|----------|---------|-------|
| | | Platform | | Total |
| | | Online | Offline | |
| Gender | Male | 103 | 8 | 111 |
| | Female | 47 | 11 | 58 |
| Total | | 150 | 19 | 169 |

(Source: Primary data)

The above table no. 2 shows the information regarding Gender and platform use by investor for invest in stock market of respondents. Out of the 169 respondents surveyed, 111 (65.68%) were male and 58 (34.31%) were female. Of the males surveyed, 92.8% using an online platform for trading, while 7.2% using an offline platform. Among the female respondents, 81% using an online platform, while 19% using an offline platform for trading in the stock market.

TABLE 3: CHI-SQUARE TEST

| Chi-Square Tests | | | |
|--------------------|-------|----|-----------------------------------|
| | Value | df | Asymptotic Significance (2-sided) |
| Pearson Chi-Square | 5.28 | 1 | .022 |

(Source: Primary data)

The above table no. 3 shows the result of chi-square test. This chi-square test has been used to assess the association between Gender and platform use by investor for invest in stock market. The Pearson Chi-Square value is 5.28, 1 degrees of freedom with a significance of 0.022, indicating there is an association between Gender and the platform used by investors to invest in the stock market.

TABLE 4: KNOWLEDGE ABOUT THE STOCK MARKET & EDUCATION

| Gender * Investment Attitude Crosstabulation | | | | | |
|--|--------|---------------------|----------|--------------|-------|
| | | Investment Attitude | | | Total |
| | | Aggressive | Moderate | Conservative | |
| Gender | Male | 31 | 60 | 20 | 111 |
| | Female | 8 | 40 | 10 | 58 |
| Total | | 39 | 100 | 30 | 169 |

(Source: Primary data)

The above table no. 4 shows the information regarding Gender and Investment Attitude while invest in stock market. Out of the 169 respondents surveyed, 111 (65.68%) were male and 58 (34.31%)

were female. Of the males surveyed, 27.9% having aggressive attitude, 54.1% having moderate attitude using, while 18% having Conservative attitude while investing in the stock market. Among the female respondents, 13.8% having aggressive attitude, 69% having moderate attitude using, while 17.2% having Conservative attitude while investing in the stock market.

TABLE 5: CHI-SQUARE TEST

| Chi-Square Tests | | | |
|--------------------|-------|----|-----------------------------------|
| | Value | df | Asymptotic Significance (2-sided) |
| Pearson Chi-Square | 4.74 | 2 | .093 |

(Source: Primary data)

The above table no. 5 shows the result of chi-square test. This chi-square test has been used to assess the association between Gender and the Investment Attitude of college students. The Pearson Chi-Square value is 4.74, 2 degrees of freedom with a significance of 0.093, indicating there is no association between Gender and the Investment Attitude of college students while investing in the stock market.

TABLE 6: GENDER AND PERFORMANCE RELATED DECISION

| Gender * Investment Performance Related Decision Crosstabulation | | | | | |
|--|--------|--|--|--|-------|
| | | Investment Performance Related Decision | | | Total |
| | | Transferring my money to more secure investment product to reduce the risk or further losses | Monitoring the investment and waiting if it improves | Investing more funds to take advantage of lower price, expecting future growth | |
| Gender | Male | 43 | 48 | 20 | 111 |
| | Female | 35 | 11 | 12 | 58 |
| Total | | 78 | 59 | 32 | 169 |

(Source: Primary data)

The above table no. 6 shows the information regarding gender and investment performance related decision. Out of the 169 respondents surveyed, of the males, 38.7% chose to transfer their money to a more secure investment product to reduce the risk or further losses, 43.2% chose to monitor the investment and wait if it improves, and 18.1% chose to invest more funds to take advantage of lower price, expecting future growth, if their investment performs badly. Of the females, 60.3% chose to transfer their money to a more secure investment product to reduce the risk or further losses, 19% chose to monitor the investment and wait if it improves, and 20.7% chose to invest more funds to take advantage of lower price, if their investment performs badly.

TABLE 7: CHI-SQUARE TEST

| Chi-Square Tests | | | |
|--------------------|-------|----|-----------------------------------|
| | Value | df | Asymptotic Significance (2-sided) |
| Pearson Chi-Square | 10.43 | 2 | .005 |

(Source: Primary data)

The above table no. 7 shows the result of chi-square test. This chi-square test has been used to assess the association between Gender and investment performance related decision. The Pearson Chi-Square value is 10.43, 2 degrees of freedom with a significance of .005, indicating there is an association between Gender and investment performance related decision.

TABLE 8: MANN-WHITNEY U TEST

| Test Statistics | average |
|------------------------|----------|
| Mann-Whitney U | 3030.000 |
| Z | -.701 |
| Asymp. Sig. (2-tailed) | .484 |

(Source: Primary data)

The Mann-Whitney U test is used to compare the average of gender and attitude of investors towards the stock market. The test statistic for this test was 3030.000, and the Z score was -.701. The associated p-value from this test was .484, which is not statistically significant. This suggests that there is no significant difference between gender and investors' attitude towards the stock market.

TABLE 9: KRUSKAL-WALLIS H TEST

| Test Statistics | |
|------------------|---------|
| | average |
| Kruskal-Wallis H | 10.992 |
| df | 3 |
| Asymp. Sig. | .012 |

(Source: Primary data)

In the above result of the Kruskal-Wallis H test, the average of the test statistic was 10.992. The degrees of freedom (df) for this test was 3 and the significance level (Asymp. Sig.) was 0.012, which indicates that there is a significant difference between educational background and investors' attitude towards the stock market.

Suggestions

- The researcher suggests there should be a course in every stream of education for students about investing and the personal finance.
- Research should be done to determine what obstacles women face when investing in the stock market, and solutions should be devised.
- Develop case studies to explore college students' experiences with stock market investment and their attitudes.
- Ask college students to write short essays or blogs about their views on stock market investment.
- Monitor social media platforms to discover college students' conversations about stock market investment.

Limitations

- Limited sample size of 169 participants used in study.
- Data collected using online survey, which may have been subject to selection bias.
- Results may not be generalizable to other Regions.
- Study did not consider other factors, such as investors knowledge, investors literacy, investors perception etc. which may be relevant to college students' investment decisions.
- Further research needed to understand the investment attitude of college students.

V. Conclusion

Based on the research findings, The results showed that there is an association between gender and platform use by investors for investing in the stock market, as well as an association between gender and investment performance related decisions. However, there was no significant difference between gender and investors' attitude towards the stock market. In contrast, there was a significant difference between educational background and investors' attitude towards the stock market. This research provides valuable insights into the attitudes of college students towards stock market investment, which could be useful for understanding their investment behavior.

References

1. Barsky, R. B., Juster, F. T., Kimball, M. S., & Shapiro, M. D. (1997). Preference parameters and behavioral heterogeneity: An experimental approach in the health and retirement study. *The Quarterly Journal of Economics*, 537-579.

2. Evans, J. L. (2004). Wealthy Investor Attitudes, Expectations, and Behaviors Toward Risk and Return. *The Journal of Wealth Management*, 12-18.
3. Giannetti, M. &. (2016). *The Journal of Finance*. Corporate scandals and household stock market participation, 2591-2636.
4. Raut, R., & Das, N. (2017). Individual investors' attitude towards online stock trading: some evidence from a developing country. *International Journal of Economics and Business Research*, 3-4.
5. Said, R., Laba, A., & Hamid, N. (2020). Determinant of Investor Behavior of Investment Decisions In Makassar College Student Investors. *American International Journal of Business Management (AIJBM)*, 40-48.
6. Singh, J., & Yadav, P. (2016). A Study on the Factors Influencing Investors Decision in Investing in Equity Shares in Jaipur and Moradabad with Special Reference to Gender. *Amity Journal of Finance*, 117-130.
7. Wood, R., & Zaichkowsky, J. L. (2004). Attitudes and Trading Behavior of Stock Market Investors: A Segmentation Approach. *Journal of Behavioral Finance*, 170-179.
8. Yixing Zhang, Qinmin Jia, & Chen Chen. (2021). Risk attitude, financial literacy and household consumption: Evidence from stock market crash in China. *Economic Modelling*, 995-1006.